



# PORTS & HARBORS

Official Journal of the International Association of Ports and Harbors

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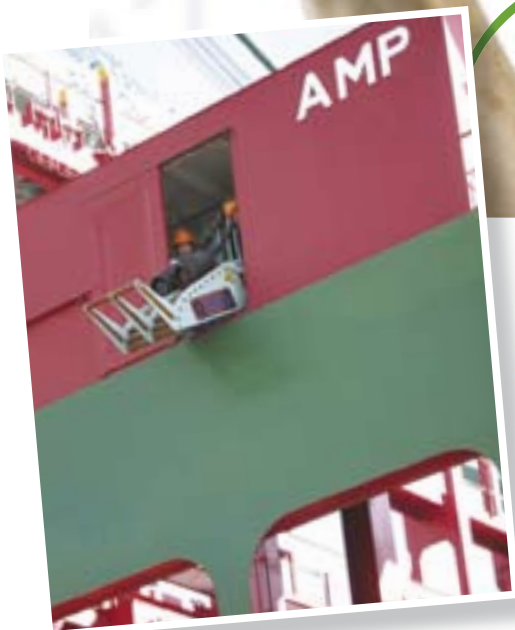
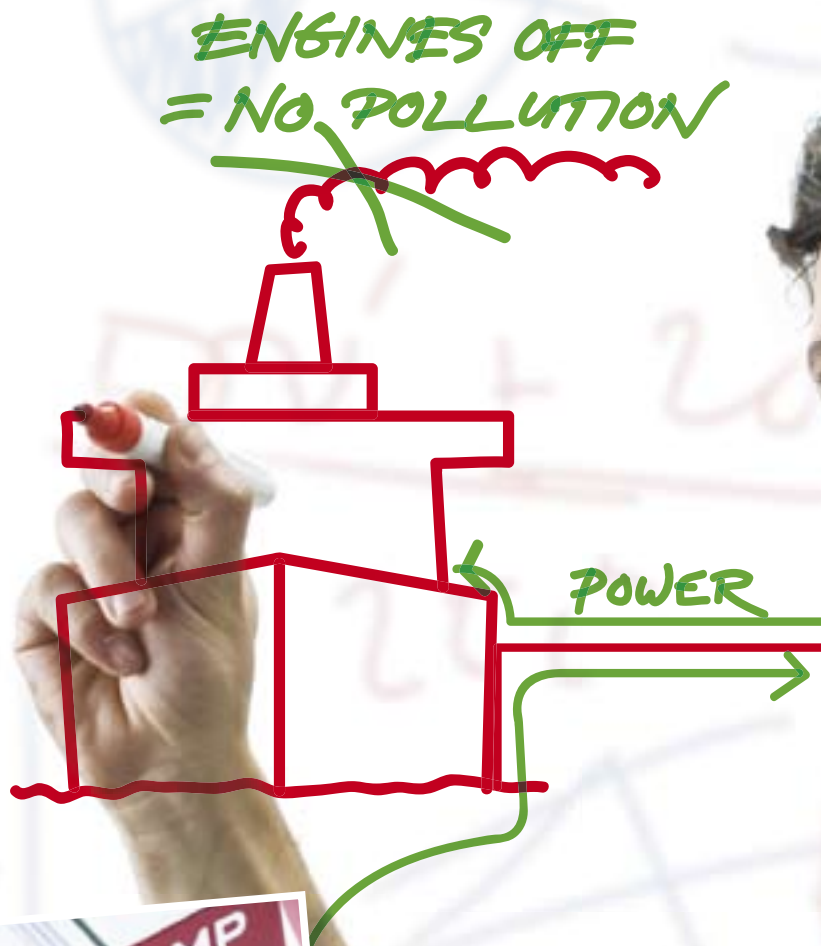
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## From Asia to Africa

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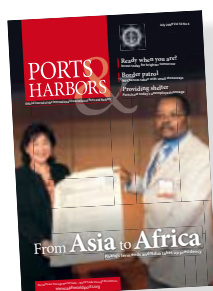
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OC Phang's term as president comes to a close and Gichiri Ndua's begins. The ceremony took place in Genoa in May  
Photo: Ditta Agosto, Genoa

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## THE CONTINENTAL GATEWAY



**Zeeland Seaports**  
Port Authority

**Zeeland Seaports**  
Schelpenpad 2 (port no. 1151)  
P.O. Box 132  
4530 AC Terneuzen  
The Netherlands  
Phone: +31 (0)115 647400  
Fax: +31 (0)115 647500

port@zeeland-seaports.com  
www.zeeland-seaports.com

500M 090530



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# PORTS HARBORS

Official Journal of the International Association of Ports and Harbors

## PORTS & HARBORS

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## PUBLISHER

**Dr. Satoshi Inoue**  
Secretary General, IAPH  
info@iaphworldports.org

## EDITOR

**Penny Allen**  
penny.allen@lrfairplay.com

## SUB-EDITORS

**Stephen Spark**  
**Margaret Freeth**

## ADVERT SALES MANAGER

**Daniel Gonçalves**  
daniel.goncalves@lrfairplay.com

## DEPUTY ADVERT SALES MANAGER

**Barnaby Dobson**  
barnaby.dobson@lrfairplay.com

## DESIGN & PRODUCTION

**Phil McAllister**  
**Matt Ramsdale**  
**Hannah Kidd**  
**Luke Spalding**  
**Liz Wall**  
**Sarah Treacy**  
**Rebecca Bailey**

## PICTURE EDITOR

**Kelly Bundy**

## MANAGING EDITOR

**G. Paul Gunton**  
paul.gunton@lrfairplay.com

## EDITOR-IN-CHIEF

**Tony Slinn**  
tony.slinn@lrfairplay.com

## ASSOCIATE EDITOR

**Aya Fujinami**  
IAPH  
ph@iaphworldports.org

## EDITORIAL & PRODUCTION

**Lloyd's Register - Fairplay Ltd**  
Lombard House, 3 Princess Way  
Redhill, Surrey RH1 1UP, UK  
Tel: +44-(0)1-737-379-000  
Fax: +44-(0)1-737-379-001  
Web: www.fairplay.co.uk

## SUBSCRIPTIONS

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– contact the IAPH.

7th Floor, South Tower,  
New Pier Takeshiba

1-16-1 Kaigan, Minato-ku  
Tokyo 105-0022, Japan

Tel: +81-3-5403-2770

Fax: +81-3-5403-7651

Email: ph@iaphworldports.org

Web: www.iaphworldports.org

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# Port-city interface

Feeling that the port is an integral part of daily life will aid the local community's understanding of the importance of its work

In May, some 700 port executives, experts and accompanying people from nearly 70 countries across the globe gathered in Genoa, Italy, for the 26th IAPH World Ports Conference. During their stay there, all the participants were impressed by the beautiful port city's 2,600-year-old history. They also enjoyed the uniquely redeveloped waterfront that takes the form of a near-circular bay. The Genoese call it Porto Antico (Old Harbor).

The conference itself took place in the middle of Porto Antico at the Magazzini del Cotone (Cotton Warehouse), which was built in 1869 to store the cargoes of cotton that arrived on steamships. Recently, it was remodelled into a modern conference centre by the world-renowned Genoese architect Renzo Piano.

The old harbor became neglected when shipping shifted to the western part of the port, separating the sea from the city

and the life of its citizens for a long period. In 1992, as part of celebrations to mark the 500th anniversary of Columbus's discovery of America, work started on restoration of the area. Today, the reborn Porto Antico is the centre of the Genoa waterfront for marine recreation, housing, amusement and cultural activity. It attracts a growing number of overseas visitors, boosting the city's tourism

“A port should also make itself a central point to bring the city closer to the sea”

industry, and is enjoyed year-round by locals and visitors alike.

While enhancing its productivity and competitiveness, a port should also make itself a central point to bring the city closer to the sea. Not only will this enhance the quality of life in the city and strengthen the city's economy, but also it will enable the port to fulfill part of its social responsibility. Seeing and feeling that the port is an integral part of daily life is the best way to help people understand how their port is working for the city and their lives.

Encouragingly, more and more ports around the world are taking such initiatives in close collaboration with local authorities and community groups. Thanks to the IAPH Port Planning and Development Committee, a guide and database will be soon made available on best practice cases of redevelopment projects at the port-city interface. I trust this guide and database will assist you not only in creating harmonious port-city relations but also in developing the unique potential of the urban waterfront. **PH**



**Dr. Satoshi Inoue**

Secretary General – The International  
Association of Ports and Harbors

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## Port updates

### EU MONEY HELPS ESTONIA

Estonian port managing company Saarte Liinid has been given 450M kroons (\$40M) of European Union money for maintenance work on the ports of Kujvastu, Virtsu, Heltermaa and Rohukulja. Saarte will contribute 29M kroons of its own money for the projects. The company appreciates the EU's financial help because the Estonian government would not be able to provide such levels of funding.

### COSCO FOR SAVANNAH

China Ocean Shipping Company (Cosco) now has vessels calling at the Port of Savannah. Georgia Ports Authority (GPA) director Doug J Marchand said: "We appreciate Cosco's confidence in our ability to handle its container volume now and in the future." Previously, Cosco moved cargo through Savannah on alliance carrier vessels from K' Line, Yang Ming and Hanjin. "Our customers benefit from Savannah's single terminal design, flexible cargo moving operations and the industry's only customer service call centre," said GPA's director of trade development John Wheeler.

### CROATIA'S NEW PORT

Austrian building group Strabag has won a €43M (\$61M) contract to work on the first phase of the new Gazenica port in the Croatian town of Zadar. Its work will start with excavating 250,000m<sup>3</sup> of underwater rock to allow large draught ships to dock. The work also involves the dumping of around 1.8M m<sup>3</sup> of stone to create 20ha of ground. In the next phase, 12 berthing facilities will be constructed, plus work on the port infrastructure and buildings. These parts of the project should be completed by 2012.

### TACOMA PERFORMS WELL

Port of Tacoma's container volumes fell 3.3% last year, beating the average 8.8% box volume fall at US West Coast ports. "The global economy is forcing us to concentrate on the core needs of our customers," said port president Clare Petrich. "In good economic times, ports require sound management. In challenging times, success requires focus at all levels of the organisation."



Mediterranean ports are losing out to the larger ports in northern Europe

# Mediterranean ports missing out

The European Sea Port Conference in Marseilles on 14-15 May highlighted the frustrating problem of East-West trade being shipped past Mediterranean ports.

"The present arrangement is crazy, but from the point of view of shippers quite understandable," Paolo Costa, transport committee chairman of the European Parliament, told *P&H*.

Of the containers that enter the Mediterranean via the Suez Canal 70% do not get dropped off at Mediterranean ports. Instead, they go all the way up to ports such as Hamburg or Antwerp in northern Europe, delegates were told.

Professor Theo Notteboom of the Institute of Transport and Maritime Management Antwerp explained that there are complex reasons for the current situation. "The present cargo distribution patterns in Europe are a reflection of complex interactions between actors, factors and the infrastructural, transport and logistical layers," he said.

EU officials at the conference

expressed concern about the issue. They said that transportation further up to northern Europe was a waste of bunker oil, bad for the environment and contributed to congestion in already busy northern European ports.

Containers are not offloaded at Mediterranean ports because the ports are too small, said Costa. They also lack the infrastructure and transport links that allow the goods to reach European markets quickly and make money for the shippers.

"It also gives the owners of the goods more time to arrange logistics and sell them," according to Malcolm Latache, editor of the *Lloyd's Register-Fairplay Solutions* magazine. He added: "It's free warehousing on the ship; the shippers want it that way."

The need for fast delivery has even led to the use of weekly trains from Thessaloniki to Antwerp, carrying Greek boxes to the rest of the world because it is the quickest route.

But, the EU Trans-European Transport Network (TEN-T) wants

to redress the balance and give more business to southern European ports.

Victor Schoenmakers, chairman of the European Sea Port Organisation (ESPO), told delegates that infrastructure investments are essential to the competitiveness of European ports. These investments need to be maintained even in times of crisis, he said. "Ports are about long-term development – at the same time we must realise that competitiveness is not just about infrastructure. Efficiency of logistic services and reliable performance of ports are equally important."

At the moment, the only Mediterranean port capable of becoming large enough to cope with containers on the East-West trade is Marseilles. The port has ambitious expansion plans in place which could change the traditional practice of using only northern European ports. Also, Fos (Marseilles' twin port) will reportedly be able to handle 5M teu by 2020, offering easy access to central Europe via the Rhône valley. This type of expansion should be attractive to global liner companies. It should also satisfy EU officials that Mediterranean ports are starting to receive their share of the container business.

## Prioritising risk management strategies

Shipping consultancy Drewry has recently published a report on risk management in international transport, which offers sound advice and solutions on risk issues for ports.

*Risk Management in International Transport and Logistics* focuses on the reduction of risk and the setting up of formal strategies to deal with risk for importers and exporters.

"The performance of ports is a major factor in the risk management of port users, and ports face their own risks," Philip Damas, division director of Drewry Supply Chain Advisors told *P&H*.

Risks that have been identified as particularly relevant to ports include responses to theft and cargo damage; security plans; infrastructure congestion; terrorism; and shipping line bankruptcy.

All ports and terminal operators already have formal risk management procedures in place, following their work to comply with ISPS Code requirements. "But these cover mainly facility security

and not other area of risks," Damas explained to *P&H*. "I think that ports generally do not appreciate where they fit in the risk management assessment of their customers," he added.

In order to boost their management of risk, ports should align their policies with the concerns of the shipping lines, forwarders and shippers. The areas where risk is highlighted could vary from inefficient customs to poor security.

The report also looks at increased risk in the current economic climate.

"There are a plethora of strategic and operational risks related to transport and logistics and in the economic recession those risks are even more pronounced," said Andrew Trill, policy director of the European Shippers' Council, who co-authored the Drewry report.

Risk for ports is increased during the economic downturn because "cargo theft always increases during recessions," Damas told *P&H*.

## Oakland seeks private partners

Port of Oakland in the US recently signed an important 50-year agreement with Ports America for Outer Harbor berths 20-24.

Ports America will invest \$2.5Bn on improvements and pay \$60M up front and annual rents of at least \$19.5M.

The deal was very different from Oakland's usual allowances, which have been 10-15 year agreements. Port of Oakland business development manager Lawrence Dunnigan told *P&H* that the transaction has encouraged ports throughout the country.

"This is the first agreement of its kind and saves the port a huge

amount of money, while allowing Ports America to carry out long-term projects," he said. "We regularly get inquiries from other ports that want to do the same," he added.

Oakland is now gearing up to repeat this public/private model with the lease of a disused army base that will be used for maritime development. The focus of improvement at the 65ha Oakland Army Base is on rail and intermodal facilities intended to speed up container shipments beyond California.

Tenders for a 30-year lease are being sought, with an agreement

likely to be signed by January 2010 and construction to start before 2013.

"The traffic through the port is split 75% for local cargo and 25% intermodal, which connects with regions beyond the Bay area," explained Dunnigan.

"The local population is not going to grow much, but there is a bright future for an increase in intermodal traffic."

Dunnigan admitted that Oakland's 2009 volumes are down 15% from last year, but added that he expected to see the market bottoming out this year and starting to improve in 2010.

## Port updates

### TEESPORT HUB OF CHOICE

UK port Teesport has been chosen by shortsea carrier Containerships as its strategic freight hub for northern Europe. Teesport, owned by PD Ports, will link Containership's new Mediterranean services with its traditional Baltic routes. At first there will be two ships on the route, making a total of five calls a week. Frequency will be increased to reach a target increase of 20,000teu. David Robinson, chief executive of PD Ports, said: "We welcome all new traffic, especially in these difficult economic times."

### HIT SYSTEM CERTIFIED

The information security management system (ISMS) of Hong Kong International Terminals (HIT) has been certified by the British Standards Institution (BSI). The certification means HIT's infrastructure and practices conform to internationally acclaimed best practices. HIT is the first container terminal operator in Hong Kong to have its ISMS certified, demonstrating its commitment to reducing operational risk.

### MOBILE'S TURNING BASIN

Alabama State Port Authority is closer to starting work on the turning basin project at the Port of Mobile. The project has now been listed by the US Army Corps of Engineers as authorised for funding by the American Recovery and Reinvestment Act of 2009 (ARRA). The turning basin is needed because vessel traffic and ship sizes have outgrown the harbour's single turning basin on the Mobile River at the north end of the harbor.

### MAKING CONNECTIONS

The global recession presents an opportunity for the Port of Rotterdam to fix its connections to the hinterland. "Now is the moment to tackle existing bottlenecks in order to be geared up for better times when they come," Dutch transport minister Camiel Eurlings told *P&H*. Financial decisions need to be made about building a highway and a cross-river link within the port area. "To do nothing means Rotterdam will be totally congested in 2020," Eurlings stated.



Photo: Port of Oakland

**Port of Oakland is leasing a disused army base to improve rail and intermodal facilities**



## Port updates

### DAR ES SALAAM DILEMMA

Tanzania is seeking productivity improvements or a replacement operator for the Dar es Salaam box terminal. "We are trying to find out how to get out of that marriage as they are not performing to our expectations," a diplomatic source told *P&H*, adding that not enough investment is being put into the congested port. The terminal is operated by a joint venture of private businessmen from Tanzania and abroad. The contract for its operation has a further 15 years to run.

### AUCKLAND CRUISE AWARD

Ports of Auckland has won an international cruise industry award for the most improved port facilities. Some 231 ports and destinations were included in the global survey held by *Dream World Cruise Destinations* magazine, with 41 winners identified in a range of categories. Ports of Auckland's general manager of port services Wayne Mills was delighted with this recognition. "This award is a credit to the efficient and hard-working team at Ports of Auckland," he commented.

### POWER-UP AT ANTWERP

Port of Antwerp has launched a trial project enabling Independent Container Line (ICL) ships to utilise a shore-based electricity supply when at berth. The vessels will no longer need to run their onboard engines to generate power during this time. Shore power is already available at the port for barges, as well as the port authority's tug and dredger fleet, floating cranes and drydock complex.

### MALAYSIA'S OIL PLANS

A \$1bn oil storage terminal is to be built at Pengerang's port in the southern state of Johor. The oil and gas provider Dialog said it would begin with "a feasibility study and an environmental impact assessment with the aim of developing an independent deepwater petroleum terminal with harbor port city, jetty and other marine facilities". The project is scheduled to begin next year and to be completed in a decade.



Privatisation of terminal operations at the Port of Gothenburg is expected to start next year

# Gothenburg opens up to private terminal operators

The Swedish port is currently a wholly-owned municipal company but its latest initiative means the port will be divided up into a port authority and three terminal companies that will be run by private operators.

The move was prompted by the way ports are developing around the world, which are generally following the pattern of being divided into port authorities and private terminals.

"I regard the decision as a natural progression," said Magnus Kårestedt, chief executive of the Port of Gothenburg, in a statement. He added: "The Port Authority can now focus entirely on developing Gothenburg as a marketplace and freight hub and

reinforce its role as the leading port in the Nordic region."

Bringing in external terminal operators will help to improve operations in the port, allowing Gothenburg to expand and attract more business, Kårestedt said.

Gothenburg is one of the largest ports in the Nordic region and in recent years has also reinforced its position as a transit hub for the Baltic region and Russia. This year the port acquired four new routes to Russia.

It is also the only port in the Nordic region with deepsea direct calls to all parts of the world.

Its board of directors are preparing a detailed proposal of how the division will take place and the final decision will be taken

by the Gothenburg city council in the autumn. Privatisation of the terminal operations is expected to start at the beginning of next year.

Last year the port handled 43.3M tonnes of freight. The container terminal, which is the largest in the Nordic region, handled 862,500 teu.

The port is also the largest Swedish port of entry for export vehicles in Sweden. In total, 271,500 vehicles were either exported or imported through Gothenburg last year. There is regular scheduled traffic to other countries in northern Europe from the port's ro-ro terminal, which is the second largest in Sweden. The port's other operations include cruise ships, ferry traffic and oil.

## Investing in recycling

Shipowner George Economou and broking house Banchero and Costa have invested in the Green Recycling Initiative (GRI), which encourages steel manufacturers to produce ethically-sourced steel from scrap and shipowners to recycle ships in a more environmentally-friendly way.

The investment will boost the \$300M project,

which is supported by investors from both the shipping and steelmaking industries.

GRI is creating a fund to buy around 120 disused ships during 2009/10. They will be recycled at environmentally-friendly ship recycling yards run by the International Ship Recycling Association while the GRI builds its own recycling facility.



## Recycling effort on the US east coast

Georgia Ports Authority recycled more than £2.73M of scrap metal waste at Garden City Terminal and Ocean Terminal in 2008, demonstrating its ongoing commitment to the environment.

"The GPA's scrap metal recycling efforts follow our initiative to recycle and reuse material whenever possible," according to the GPA's executive director Doug J Marchand.

The recycled tonnage represented almost one-third of the GPA's total solid waste generated at the Port of Savannah last year.

Currently, a 15M gallon liquid bulk tank built in

the 1970s is being dismantled and removed from GPA's Garden City Terminal. Scrap metal from the tank will be recycled and concrete from its base will be reused in GPA's terminal improvement projects.

Recycled scrap metal at the Port of Savannah includes damaged equipment, used parts, and cables. Income from scrap metal sales more than offsets the cost of the recycle programme.

"From our board to our employees, everyone at the GPA is working to decrease our overall impact on the environment," said GPA director of engineering and maintenance Wilson Tillotson.

## Insurers call for inspections

Cargoes in containers, ro-ros and general cargo ships should be regularly inspected at ports and inland depots, a senior member of London's TT Club, the transport operators, ports and terminals insurers, has told *P&H*.

"The way cargoes are secured and stowed affects the speed and efficiency of shipping traffic through ports and I would love to see more trailers and containers inspected because it helps reduce accidents at sea," said Peregrine Storrs-Fox, TT Club's risk management director.

Ro-ros were a key inspection target because of the in-and-out nature of their trade, he said. However, port inspections had to be carefully planned and carried out because of logistical and paperwork needs. "You cannot randomly open a container," said Storrs-Fox. Regular inspections were also the responsibility of shipping companies as they had the most intimate knowledge of cargoes, he said.

Meanwhile, speaking at a seminar held in London on container securing in heavy weather Jos Koning, senior project manager of the Maritime Research Institute Netherlands (MARIN), said a poll of seafarers had revealed that misdeclared box weights and mis-stowed containers were the worst hazards on container ships.

Referring to the findings of the

poll, which was carried out by the joint industry project called Lashing@Sea, Koning, who is its co-ordinator, told *P&H*: "Crews want to know who is responsible for containers on ships and if they are inspected before they are loaded on board. Once they are on a vessel most boxes are locked down and it is practically impossible to carry out checks.

"It's a grey area, particularly if the contents of a box are insecurely stowed," he pointed out. "If, for instance, steel rolls with inadequate lashings break out of a container because of its thin walls, this could damage a corner-part of the container and unsettle the rest of the stack.

"The problem is that once a container is on a ship, the captain is responsible for it getting safely from A to B. However, it is impossible to say who is morally responsible for the cargo when it cannot be inspected onboard," Koning explained to *P&H*.

*Force majeure*, wear and tear, human error and

unfamiliarity were among other key causes of cargo accidents, said Koning. The project is due to report this month.

There have been many high-profile box ship accidents recently and too many containers were being lost from deepsea ships, he said. "There has been a systematic increase in loads that exceed the safety limits," he stated.

Ro-ro vessels were often over-lashed on day trades (short routes), and some of the worst damage to cargo occurred while inside containers and trailers.

**Jos Koning: some of the worst cargo damage occurs inside containers and trailers**



## People

### NEW BOARD MEMBER

Helen Alexander has been appointed non-executive member of the board of the Port of London Authority (PLA).

PLA chairman Simon Sherrard said: "I am delighted to welcome Helen to the board. Her broad business knowledge should prove invaluable as the organisation continues to develop in discharging its main duty – helping people make the most of the tidal Thames safely." She was formerly chief executive of the Economist Group and has been a non-executive director of BT and Northern Foods.

### VICTORIA WATER AWARD

Tim Pallas, Australian Minister for Roads and Ports and Major Projects, has received the Australian Marine Environment Protection Association's Environmental Award 2009 on behalf of the government of Victoria. The award was presented in recognition of the achievements of two of Victoria's agencies for dramatic improvements made in the water quality of Port Phillip and Victoria's coastal waters over a number of years.

### ROTTERDAM TERMINAL

Rotterdam World Gateway has appointed Frank Keizer as project director for the development and construction of the 156ha container terminal at the new 2,000ha Maasvlakte 2 port extension in the Port of Rotterdam. Keizer was formerly a director of Dura Vermeer – one of the top five construction companies in the Netherlands. Construction of the new box terminal will start in 2010, with the first container arriving in 2013.

### LLOYD'S REGISTER ASIA

Classification society Lloyd's Register has appointed John Rowley as president for Lloyd's Register Asia. He succeeds John Stansfield who has returned to London to drive implementation of the organisation's new Group strategy. Rowley joins the Group after a 14-year career with Ecolab, a Fortune 500 multi-national corporation operating in the industrial chemicals sector, where he held the position of vice-president and managing director for Asia.

## Dredging

### OAKLAND WORK TO START

Work is expected to start in October on deepening the last section of the Port of Los Angeles' main channel to 16m. Port commissioners and the US Army Corps of Engineers have released an environmental report that says the most rigorous measures are being taken to prevent damage and pollution. Around 2.3M m<sup>3</sup> of material will be dredged during the two-year project, costing \$95M. Oakland says the last section of its channel dredging to 15m should be finished by 4Q09. The port will get \$12M for the project from the federal government's stimulus plan.

### VIETNAM'S NEW CHANNEL

A three-phase project that will eventually give Vietnam's Soai Rap River a 12m second channel to Ho Chi Minh City ports is under way.

Completion of the first phase, which will last until 2010, will allow 30,000-50,000dwt vessels to pass, while the second, scheduled for 2012-13, will allow 50,000-70,000dwt ships to approach the Hiep Phuoc harbor complex. The third phase dredge to 12m is likely to take place after 2015.

### FUNDS FOR NEW JERSEY

Dredging in New Jersey, USA, looks set to go ahead after over \$2M was approved for projects as part of the federally-funded stimulus package. Around \$1.3M will be spent on maintenance dredging critical shoal areas within the state's intracoastal waterway, with \$350,000 going towards maintenance dredging to protect Barnegat Bay and \$300,000 used to fund a regional sediment systems study for the New Jersey coast.

### GO-AHEAD FOR NIGER

The River Niger's state governments have endorsed a federal government plan to dredge the river from Baro in Niger to Warri in Delta State. The planned project will cost \$242M. The contract was awarded in five slots: the first went to Fungtai Nigeria; Dredging International took the second slot, while slots three and four were awarded to Van Oord. The final slot went to Williams Lloyds Nigeria.



Photo: Helene Miseur

**Right on track ... transport of rail containers at Port of Rotterdam increased by 11% in 2008**

## Rotterdam's shift to rail

Transport of rail containers at the Port of Rotterdam has passed the impressive milestone of 1M units. The new figure of 1,010,000teu was an increase of more than 11% on the previous year.

This increase in rail use comes at a time of significant decrease in the road haulage. Since 1993, its share has declined from 66% to 50%. This drop-off in road haulage has been encouraged by the policy of the Dutch government and the Port of Rotterdam.

Transport of rail containers performed much better than other modes of transport at the port. Inland shipping declined 4.4% to 2,337,000teu and road haulage went down 5.7% to 4,476,000teu.

Emile Hoogsteden, director of

containers and logistics at the port, commented on the rail statistics at the Transport Logistics conference held in Munich in May.

"Rail transport grows with double digits for the second year in a row," he said. The Betuwe route has improved the port's position geographically, he said, and has stimulated the Rotterdam rail sector. This helped to attract shipping lines, forwarders and other shippers. "Our ambition, however, reaches much further," Hoogsteden explained to delegates.

The Port of Rotterdam is working to make rail transport even more efficient. This programme will start before the end of the year and includes growth in container throughput,

which will take place at the large terminals in the west.

On the Maasvlakte, the Delta Barge Feeder Terminal and the Euromax terminal (which has lots of rail capacity) will start working during this year. From 2013, terminals on Maasvlakte 2 will also become operational.

The port's container terminals can be divided into four groups, based on location, type of cargo and import/export features: the deepsea terminals on the Maasvlakte; three big terminals in the Waalhaven/Eemhaven area; 10 small terminals, which have truck shares of 70-100%; and three rail terminals, mostly handling Continental rail units, which amounted to an estimated 300,000teu in 2008.

## Ngqura readies for action

Two fully erect rail-mounted gantry cranes, together weighing 660 tonnes, have been delivered to the new Ngqura container terminal (NCT) in South Africa onboard heavy-lift vessel *Zhen Hua 21*. The cargo on the vessel also included small assembly parts, tools, consumables and breakbulk cargo.

The terminal will be launched in October this year. Once commissioned, the two rail cranes

will be used to transfer containers between internal road vehicles and rail wagons at the Ngqura rail terminal. The investment will help remove cargo volumes from the road and onto rail, as well as offering faster, cheaper alternatives to customers.

Hector Danisa, business unit executive at Ngqura terminal, said special clearance had to be sought to bring the cranes into the port. "It would have been

physically impossible to land at neighbouring Port Elizabeth Harbour and deliver overland," he said. "With equipment of this nature, it can only be landed at the terminal," he added.

The cranes will assist in meeting NCT's promised port-rail turnaround of under six hours. They offer the handling rate of reach stackers.

Pier 1 in Durban recently received similar cranes.



# Rail to road warning

The Rail Freight Council of the European Shippers' Council (ESC) has advised there could be a shift from rail to road if wagon-load services are cut further.

Other shippers present at a meeting of the Council in Brussels expressed similar concerns.

They also noted that services all over Europe were being rationalised even before the

current economic crisis.

Nicolette van der Jagt, ESC's secretary general, said: "If we cannot find solutions, then we must accept that shippers will have no choice but to move their freight to other modes that can deliver the services they need, with the desired service quality, and at the prices which are affordable and competitive."

# Dredging costs updated

An updated version of a *Guide to Cost Standards for Dredging Equipment* has been published by construction organisation CIRIA. It is intended for use by stakeholders in dredging projects, including consultants, existing and potential clients, project financiers, insurers and dredging contractors.

According to CIRIA, the

publication offers a standard method to establish the capital and related costs of commonly used dredging equipment.

It also provides a description of these dredgers and other dredging equipment, a summary of the principles of cost standards and a series of cost standards tables divided by type of dredger.

## Dredging

### MANITOWOC EXPANSION

Over \$500,000 of US federal stimulus money will be used to expand the shipping channel of Manitowoc Harbor, Wisconsin. The US Army Corps of Engineers will spend the money to carry out investigative work on widening of the channel. A survey is expected to be carried out this summer, with dredging within the next two years.

### DREDGING DEEPER

The North Carolina intracoastal waterway between Morehead City and South Carolina is supposed to be at least 3.6m in depth, but a lack of dredging over recent years has reduced that depth by nearly half in some areas. But now about \$3M of US federal stimulus money will be used to dredge the waterway to the required depth, the US Army Corps of Engineers has announced.

### ROCHESTER PROJECT ENDS

A two-month dredging project at Rochester Harbor, New York, USA, should be completed in July. Around 122,000m<sup>3</sup> of material will be removed from the channel and two marina areas.

### OHIO PROGRESS

The US Army Corps of Engineers will spend over \$28M in projects in Ohio under the federal stimulus package – including \$7M to dredge Cleveland harbor, \$1.1M to dredge Sandusky harbor and \$1M for breakwater repairs and dredging at Fairport harbor.

### TAMPA BAY CONTRACT

County commissioners have approved a \$5M contract for widening, deepening and straightening of the Hernando Beach Channel, Tampa Bay, USA. The winning bidder, Subaqueous Services, is currently setting up the project.



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## Cash & Cargo

### ICTSI'S 1Q RESULTS

International Container Terminal Services Inc (ICTSI) reported a 16% fall in revenue from \$110M for the first three months of 2009 but said the results were better than expected. Enrique K Razon Jr, ICTSI chairman, said: "Despite the worst downturn in global trade since 1945, ICTSI has delivered better than expected first quarter results." The negative effect of the decline in container handling volumes was softened by its success in reducing costs, he added.

### BARCELONA UPGRADE

Barcelona's port authority and private cruise terminal operators will invest €7.4M (\$9.5M) this year to upgrade facilities. The investments include extending the Adosado quay line at terminals C and D to 2,000m to accommodate two large cruise ships. Terminal C will receive €3M to increase security by separating the arrival and departure of passengers by building a two-storey passenger building at the Adosado quay. A tender has been opened to build terminal E, the quay's fifth cruise terminal, in 2012.

### STUMBLE FOR DP WORLD

DP World in Dubai saw container volumes drop at the end of 2008 and the start of 2009. At the end of March 2009, DP World chief executive Mohammed Sharaf reported that volumes were 8% down. He added that DP World is focusing on cost containment and cash generation, meaning that up to 50% of planned expansion has been delayed. Apart from the volume fall at year-end, DP World had an excellent 2008. Profit after tax was more than \$600M, with cash generation of more than \$1Bn.

### ADELAIDE REDEVELOPS

Exports of South Australia's bulk commodities to global markets will increase owing to the opening of a \$50M redevelopment of the inner harbor of Port Adelaide. Flinders Ports will oversee the project. Minister for Infrastructure Pat Conlon opened the \$6M first phase of the project, which is a 2,500m<sup>2</sup> fully-enclosed storage facility.



## Broome port sets sights on LNG hub

The Western Australian Port of Broome in the Kimberly region is spearheading a campaign to promote Broome as a key services hub for the development of the Woodside Petroleum-operated Browse Basin liquefied natural gas (LNG) industry.

Broome Port chief executive officer Captain Vic Justice used the

Australian Petroleum and Exploration Association (APPEA) conference in Darwin to sell the port's rapidly developing role in servicing the oil and gas industry.

Justice said a steep increase in marine traffic servicing the oil and gas sector over the past two years meant this sector now represented 74% of the port's

**Broome is promoting its good transport network with a view to attracting LNG clients**

large vessel business.

Broome Port, he said, was now servicing 400 oil and gas related vessels a year, compared to around 50 vessels in 2006.

A major factor in the increase in this type of trade was the port's close proximity to the Browse Basin discovery, just 240nm to the north of Broome.

The Port of Broome had the capacity to accept deep draught cargo vessels of up to 40,000 tonnes berthing displacement.

"Our oil and gas sector users of the port are supported through an established industry support base and access to Broome's well-developed transport network, convenient air connections for crew transfers, engineering support services, accommodation and hospitality and capable emergency response services," Justice said.

A decision was expected at the end of June as to whether the Woodside Petroleum joint venture will go ahead with a proposed LNG plant at James Price Point to the north of Broome.

According to news reports, Woodside, which has an initial agreement to sell Browse LNG to PetroChina and Taiwan's CPC, may start shipments in 2015. The Port of Broome also services the cruise ship and livestock industries.

## Mexican projects fail as crisis grips

According to a report by the UN's Economic Commission for Latin America and the Caribbean, at least four port concession projects in Mexico have failed due to the economic crisis.

The postponed Punta Colonet tender is the most costly of these – this project carried a pricetag of 50Bn peso (\$3.82Bn).

The plan to build a mega-container port in Baja California, with the express intention of serving the US market, had long been talked about but the Mexican government stopped backing the scheme as the severity of the financial crisis became obvious.

However, the report cites three other port tenders that have been affected by the lack of private companies interested in, or able to carry out, the required investments under the terms that have been

stipulated by the federal government.

"The mineral bulk cargo facility at Sonora state's Guaymas port failed to gather interest under the required terms, while the tender to build and operate the first automobile-specialised terminal at Lázaro Cárdenas port, in Michoacán, was discarded given the difficult scenario faced by the auto industry," according to the report.

"Additionally, in early April, the multi-purpose terminal [TUM] concession at Sinaloa's Mazatlán port was declared void as the two bidders failed to meet the tender's economic requisites," the report added.

This concession involved a 300m waterfront and a 25,940m<sup>2</sup> dock area. The Mexican cargo handling company OCUPA and the Chilean shipping firm Ultramar had presented offers for the project.



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## Cash & Cargo

### MOL'S REEFER MONITOR

An automatic monitoring system for reefer containers has been tested at the Tokyo International Container Terminal (TICT). MOL plans to install the system at its terminals in Japan and around the world believing it will enhance reefer container control at its terminals. The system monitors the temperature in each reefer container, transmitting the information from modems on the containers to monitors in the terminal office, using the same power lines that supply electricity to the reefer containers.

### NEW GERMAN BOX HUB

German warehousing company Soltau Logistic Center (SLC) has plans for a new €12M (\$17M) container inland hub at its existing site in Soltau, about 60km from the ports of Hamburg and Bremen. It will serve the container terminals at both ports as an extended gate terminal. SLC expects capacity at both to be stretched when the economy recovers. It plans to develop a container storage area of 180,000m<sup>2</sup> connected by road and rail as soon as a partner from the ports is found.

### LISCONT ORDERS RTGS

Portuguese company Liscont Operadores de Contentores has ordered three rubber-tyred gantry (RTG) Kalmar cranes with maximum lifting capacity of 40 tonnes from Cargotec. Raimo Ukkonen, VP of Kalmar RTGs at Cargotec, said: "Liscont Container Terminal saw the need to expand its capacity and productivity as container throughput was increasing and Liscont is now ready to expand the operation further."

### FALLING THROUGHPUT

Ukraine's Black Sea port of Odessa has recorded a 18.2% drop in transshipments in the first five months of this year, compared with the same period in 2008. Container traffic at the facility has fallen most sharply in the five months, with 18,204 teu being handled. This represents a decline of 38.9% from that handled in January-May 2008. During the same period there was a 3.3% increase in the amount of dry cargo processed.



Photo: MBZ Zeebrugge

**Efico is investing in a processing, warehousing and distribution facility at the port of Zeebrugge**

## Green priorities for Dryport

Environmental logistics solutions will remain a high priority for most companies in the economic downturn, delegates at a Dryport conference held in Bruges in April were told.

"Environmental discussion and environmental demands are here to stay," said project manager Dirk Harmsen, representing Region Västra Götaland, Sweden, the lead partner in the EU Dryport project. "In many ways, the recession is giving companies time to reflect on transport and logistics operations – and the feeling is that they are still looking for green solutions," he added.

The €4.8M (\$6.7M) Dryport project examines the critical role that dryports – hinterland intermodal freight transport hubs

– play in maximising the capacity and efficiency of sea ports, while also shifting traffic off the roads and on to rail or inland waterways.

Project partners are monitoring the effects of CO<sub>2</sub> and the integration of dryports into the EU's Motorways of the Sea concept. Belgian green coffee and cocoa merchant Efico is investing a total of €30M (\$42.4M) in a new dedicated European green coffee processing, warehousing and distribution facility at the port of Zeebrugge – one of the partners in Dryport.

The entire roof of Efico's new rail-linked centre in Zeebrugge will be covered with photovoltaic modules, generating about 900,000kW of eco-friendly energy per year. The company's

CO<sub>2</sub>-compensated green coffee supply chain also includes plans for five wind turbines to offset and compensate for carbon emissions from the transport of its coffee from port of shipment in producing countries to place of delivery at its client's roasting plant in Europe.

"The important message is that Efico chose Zeebrugge because of its possibilities," said Harmsen. "They wanted a port which met their environmental criteria and thinking." He added that companies want to find low-carbon ways to handle cargo.

"This confirms that we have to work on modal shift from roads to rail and inland waterway, and we need to express that shift in clear figures," Harmsen concluded.

## Clarifying carriage conventions

London-based transport insurer TT Club has published a useful handbook to clarify the complex world of international carriage conventions.

*Conventions for the International Carriage of Goods* offers a user-friendly guide explaining which conventions are in use in which countries and also describes the main provisions of each convention.

It is designed for transport managers who do not

have a legal background but have to deal with claims and insurance for their companies.

It covers the carriage of goods by sea, inland waterway, air, road and rail.

The handbook comes in both printed form and in an online version, which also provides links to more detailed information and the actual text of most of the conventions that are covered in the guide.



## Valencia tenders projects

Valencia port authority (APV) has given fresh impetus to the port's massive enlargement plans with the announcement of the launch of a €15M (\$21.5M) dredging construction tender for works to be carried out on the canal access point to the port.

The aim of the project is to raise the draught at the entrance from 17m to 18.5m to allow 14,000teu-capacity container ships to use the port, APV said.

A second €2.5M (\$3.52 M) tender has also been opened to clear materials from a patch of port land to pave the way for the enlargement of the Maritima Valenciana container terminal.

The launch of these new tenders follows the inauguration of the new Llovera berth line at Terminal de Contenedores de Valencia's (TCV) container terminal earlier in the month.

The 430m-long Llovera berth line has a draught of 16m.

The opening of the Llovera berth line is part of a €110M (\$155.19M) enlargement project, which will include the moving of TCV offices in order to optimise space and increase capacity from the present 650,000teu to 1,250,000teu.

The port has placed three new super-post- Panamax cranes at its container terminal.

## Mærsk's green success

AP Møller-Mærsk slashed its emissions of carbon dioxide last year by 9%, according to a report published by the Danish group. *The Health, Safety, Security & Environment Report 2008* stated that the decrease of 5M tonnes of CO<sub>2</sub> was achieved through lower fuel consumption on its ships and reduced flaring from platforms.

"On the environment I am pleased to say we have made progress," said Joseph Nazareth, head of group health and safety. "In the economic downturn, we remain committed to improving our impact on the environment and climate."

In the area of health and safety, several initiatives were implemented during 2008. The first was a group health, safety, security and environment manual to

ensure proper organisation and leadership in those areas.

Mærsk reported 20 fatalities connected with its operations in 2008, down from 27 in 2007.

Another initiative was the group health manual, to secure minimum requirements for managing employee health.

Mærsk's project to reduce emissions from ships in ports on the west coast of North America is still going strong and shows Mærsk's commitment to tackling environmental issues (reported in the *P&H* May issue, page 4).

**Nils Andersen, CEO of AP Møller-Mærsk: the company is committed to reducing its environmental impact**



Photo: Mærsk

## A Guide to Cost Standards for Dredging Equipment 2009

The new CIRIA Guide to Cost Standards for Dredging Equipment 2009 offers a standard method to establish the capital and related costs of a wide range of dredging equipment. It provides a description of the most common dredgers and dredging equipment used, as well as the principles and definitions for the standards and cost standard tables. These tables represent calculations on replacement values, depreciation and interest costs as well as maintenance and repair costs for the various types of equipment. The guide is based on the experience and statistics from international dredging contractors who are member of the International Association of Dredging Companies. Following CIRIA's tradition of collaboration, the study was guided by an independent steering group comprising clients and consulting engineers.

The Guide is a follow up to the first CIRIA edition of the Cost Standards 2005. The 2009 revision of the first edition has been necessitated by the extensive changes in base costs, technological improvements and occupancy that have occurred. The experiences with the new built values and base costs e.g. of larger trailing suction hopper dredgers, cutter suction dredgers and backhoes had to be taken into account. The examples of service hours and occupancy rates needed to be adapted to the actual practice. Furthermore, the Guide adopts a more consistent approach to class notation on wear and tear than the previous 2005 edition.



The publication can be ordered as follows:

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# Setting sail the eco way

**Philippe Joseph Dartois**, director sales & operations MOL Europe, tells *P&H* why MOL favours the environmental approach

**T**he issue of global warming has in recent years increasingly moved to the top of the political and social agenda. In business, too, we are all coming under increasing pressure from all our stakeholders to play our part in reducing our environmental impact.

The MOL Group has long recognised its responsibility towards the environment. It has been formally reporting on its group-wide environmental protection activities yearly

since October 2000, when it first published its Environmental Report – since renamed the Environmental and Social Report.

Compared to other modes of transport, shipping, including container shipping, is more environmentally friendly in terms of energy consumption per unit load (tonne-mile). However, it is inevitable that vessels will emit CO<sub>2</sub> – one of the most harmful greenhouse gases (GHGs) – for as long as they run on fossil fuel. MOL is aware of





Photo: Southern Cross Maritime

results of this test to develop and provide shore power supply sources in the Port of Los Angeles.

MOL has its own Technology Research Centre, which has taken a proactive approach to analysing vessel fuel oils and lubricants, developing a fuel oil pre-treatment device, research and development on CO<sub>2</sub> reduction and other R&D efforts to improve storage and transport technologies, such as advanced reefer containers.

One of the most effective methods of reducing energy use per unit load, and in turn reducing CO<sub>2</sub> emissions, is to use larger vessels. The size of container ships has been growing steadily and our fleet now includes ships of up to 8,100teu. MOL will continue to proactively launch environmentally-friendly, state-of-the-art vessels to provide more efficient, more competitive services to customers all around the world.

MOL has also followed this approach on the bulk side of its business. It has designed larger, more environmentally-friendly ships, such as the massive iron ore carrier *Brasil Maru*. This vessel has reduced CO<sub>2</sub> emissions per tonne-mile between Japan and Brazil by nearly 20% compared to conventional ships. This is due to an energy-saving ship design that benefits not only from its size but also course stability systems and propellers, specially designed to improve propulsion efficiency.

Such developments can also be applied across the company's other business units, including the container carrier division. The latest designs for car carriers reduce wind resistance by some 8% compared to conventional ships. Additionally, the ventilation covers on the shipside decks feature aerodynamically rounded sides to further cut wind resistance. This design is so good that, to help reduce the environmental burden created by vessels in general, we now license the design to other shipping companies.

MOL also monitors energy flow in its vessels and does its utmost to eliminate energy losses in operations, resulting in energy savings. This approach is called Eco Sailing and the principle is thoroughly applied to every MOL-operated vessel. In order to realise Eco Sailing certain operational measures must be taken, including:

- Decelerating down to the most economical navigation speed
- Taking advantage of the weather and sea condition forecasts
- Selecting optimum routes

■ Reducing vessels' wetted surfaces (surface of a ship's hull in contact with water)

■ Optimising operation and maintenance of main engines and auxiliary equipment and other machinery.

Hardware changes include developing energy-efficient ship designs and equipping vessels with more efficient equipment, such as propeller boss cap fins.

To make sure that we all stay focused on the strategy, MOL has prepared an information booklet outlining the programmes in detail for both land-based employees in charge of vessel operation and seafarers onboard ships.

With this booklet, we will promote the same

levels of awareness of Eco Sailing, both ashore and at sea. Through closer communication, MOL is aiming to move to a new level of energy saving and also to improve awareness throughout the company.

The benefits of such initiatives are two-fold. Using a vessel that makes efficient use of its fuel when transporting MOL customers' cargo helps control GHGs; it also fits in with MOL's corporate principles of safe operation and marine and global environmental protection.

But MOL is also mindful of its responsibility to its

customers – as well as employees, shareholders and other stakeholders – to provide a service that yields high customer satisfaction. The service must meet customer needs so that the business continues to grow and prosper. MOL's customers, and their customers, are demanding greater focus on protecting the environment.

MOL is committed to good corporate social responsibility (CSR), including environmental protection, at every level. We at MOL understand that our customers require us to be good corporate citizens and MOL needs its suppliers to be good corporate citizens as well.

Good progress has been made and MOL is working hard to make CSR the centre of its corporate culture. Good CSR planning and practice within the shipping industry is vital for saving lives, improving the working environment for thousands of seafarers and also in helping to reduce pollution.

At MOL, we know that our customers are concerned that cargo is shipped safely and with minimum impact to the environment. For this reason, MOL takes its social responsibility very seriously and is always looking for ways to minimise its carbon footprint. **PH**



Photo: MOL

the need for ships to improve fuel efficiency and has taken various measures to reduce its burden on the environment, despite the increasing demand in recent years for transport services around the world.

In 2007, ocean shipping worldwide showed tremendous growth and our CO<sub>2</sub> emissions totalled 18M tonnes – a 1.58M tonne increase compared with 2006. However, MOL was able to reduce the CO<sub>2</sub> emissions per unit load by 4% from 2006. It has set itself the target of reducing CO<sub>2</sub> emissions per unit load to 10% from 2005 to 2010 in its mid-term environmental target.

An exciting new project is the recent successful test of a liquefied natural gas (LNG)-fuelled shore power supply system on the 4,500teu container ship *MOL Enterprise* (pictured). The electricity was supplied to the vessel by California-based CleanAir Logix using a system that connected to the power cable for the bow thruster motor.

Power was connected to this line from an on-shore generator running on LNG. This substantially reduces emissions of pollutants such as NOx (nitrogen oxide) and SOx (sulphur oxide) while in port, compared to running the vessel's generators that operate on heavy fuel oil. MOL will use the



# Time to improve

Tough times lie ahead, so what should ports do to survive? Keep key customers, cut expenses and make essential investments, reports **Kari Reinikainen**

**HHLA is juggling the employment security of its staff with the need to respond firmly to the economic crisis**

**T**he current economic recession is hurting ports and harbors around the world as global trade slows down. Forecasters warn that although it may well start to grow again soon, the rate will fall short of that seen earlier in the decade. Port operators face a dual problem: what do with their investment plans and how to trim operating expenses so that they match better with a smaller volume of business.

In value terms, global trade is forecast to shrink by some 7% this year, recovering to a growth of about 6% next year and around 7% in 2011, after which it should grow at a rate of just 5% a year, according to a forecast

by IHS Global Insight and Lloyd's Register-Fairplay Research. Seaborne trade is expected to contract by 2.8% this year after an almost 4% rise in 2008, but return to a growth path next year with an anticipated increase of 4%, according to the same source.

Overcoming the difficulties will require a joint effort, believes Fock Siew Wah, chairman of the Singapore-based PSA International group. "PSA is fully prepared to brace itself for a protracted and painful business down cycle. We will harness the collective zeal and efforts of management, staff and unions to reduce cost, increase productivity and value-add to our customers,





Photo: Michael Holmann

who continue to be most important to us," he said in a statement.

"If we look at the development of new facilities, it is grinding to a halt," summarised Samantha Roberts, partner at London law firm Holman Fenwick Willan (HFW) and head of its Port Group. Projects with financing already in place may be continued, but those without have found finance far more difficult to obtain over the past 18 months or so.

Banks now look at the risks associated with a new project from the point of view that, should it fail, they are unlikely to get the return on their funds that they had anticipated. In the event of an outright business failure, the lenders would become the owners of the facility, but they would be unlikely to possess the expertise to operate it. Unlike a ship, a port is not a tradable commodity in itself, so it is a far less liquid asset than a vessel. Hence, banks believe caution to be the best policy.

While this may be a good approach for a bank, it is likely to create capacity problems later on as global

trade starts to grow again, pointed out Matthew Gore, a lawyer in HFW's Port Group. Investment in ports is a long-term business, so there is a real possibility that we may see similar kinds of congestion in, for example, container terminals in various parts of the world as were apparent a couple of years ago.

On the operational side, shipping companies' customers in container trades have gained the upper hand in pricing, which has led to very low freight rates thanks to the combined effect of shrinking volumes and bigger fleets. Lines have reacted by cutting back services through, for example, reducing the number of ports served or combining their services with those of other lines, which also results in fewer port calls. Retaining customers has become a major issue and not just in container trades.

Port operators have responded to this by looking at their labour costs and costs of outsourced services. Both compulsory and voluntary redundancies have been used to reduce the size of their payroll, as has allowing members of staff to take a sabbatical year at 25% of normal salary.

At the milder end of the range of cost-cutting measures, ports are introducing more efficient working patterns and are reviewing the balance between services provided in-house and those that are contracted-out. In the case of outsourced services, some port managers have been renegotiating contracts with their service providers in further attempts to bring down their operating expenses.

Some of these measures should have been taken in any case, to ensure the port was operating efficiently, but management lacked the time to put them into effect because of the heavy load of business in the recent past.

According to Gore, the range of efficiency and cost-cutting options that are at a port manager's disposal often depends on the ownership of the port.

The management of a port operated by a privately owned company is likely to have a freer hand in making drastic cuts both in investment and workforce than will a port that belongs to a public-sector owner. In the latter case, Gore noted, local or central government may require the port to play a role in a wider economic stimulus policy by investing in new facilities. It is at least likely to come under pressure to retain as much of its workforce as possible to avoid further damage to the country's economy.

In Germany, the listed port operator Hamburger Hafen und Logistik AG (HHLA) is doing just that. "Safeguarding employment and training measures are the two main cornerstones of our strategy of countering the double challenge of mastering the current crisis and at the same time maintaining our opportunities for the future, with a co-ordinated scheme," said Klaus-Dieter Peters, HHLA executive board chairman. "For the year 2009, on the basis of what we know at present, we are reckoning with distinct falls in revenue, result and return, but overall again to be operating at a profit," he said in a statement.

HHLA will continue that part of its 2009–2012 investment programme which is aimed at long-term



Photo: Joachim Affeldt

**In financially trying times stevedores and other port staff are expected to work much more flexibly**

growth opportunities, such as strengthening of quay walls and extension of berths. The same goes for boosting efficiency.

Investments directed towards creating short-term increases in capacity will be curtailed, however. For example, HHLA is cancelling or postponing the expansion of container storage areas and the acquisition of new equipment. This will enable about €600M of the planned €1.2Bn spend to be deferred until after 2012.

"To reduce the costs of materials, HHLA will adjust purchases of outsourced services to foreseeable demand. Lower levels of prices for fuel and energy are currently reducing costs," the company said.

The Port of Gothenburg in Sweden, which is owned

by the city council, has suffered a 9% fall in container traffic, a 22% drop in trailer volume and a 56% decline in the number of cars handled in the first quarter of this year compared with the same period in 2008. The 55 redundancies it announced recently represented only one-third of the figure the management initially considered necessary.

Nevertheless, some 40 people took early retirement and the management and unions are currently discussing options for changing working practices. Stevedores often work on just one ship per shift, but the management wants to change this so that, after finishing work on the first ship, the gang moves on to another one. In effect, this would mean extending working hours from the current total of about 30 a week per stevedore.

Peter Svanberg, who leads the talks with the unions from the port management side, said that the aim is to give priority in jobs to the port company's own personnel in preference to part-time staff. To achieve this goal, however, the permanent staff members will need to agree to more flexible working arrangements.

An economic downturn also highlights the need for ports to capitalise on their particular strengths and to develop those areas of their businesses that offer growth opportunities.

"We have been working with our major customers to identify and share cost savings and resource efficiencies and we are looking to gain a further foothold in the energy market with existing and new customers. The Port of Tyne is ready for the challenges and opportunities that lie ahead," said Andrew Moffat, chief executive of the port in the northeast of England. Port of Tyne has been developing itself as both a turnaround port and port of call for cruise ships – it received 29 calls last year, 38% more than in 2007. Coal imports and vehicle exports are further cornerstones of the port.

The trend seems to be towards concentrating spending on infrastructure and activities that will serve well in the future. For now, however, ports need to rely on their flexibility and creativity. **PH**

## Look east for investment

Middle East ports are continuing to invest in equipment and infrastructure despite the current economic crisis.

Managers of regional ports realise that they are in a very different place – both literally and figuratively – when compared with the rest of the world.

Take, for instance, Ras Laffan, the big gas export port in Qatar. On 16 April it took steps to complete a new liquid natural gas berth with the installation of a topside module for housing four LNG loading arms. It will be able to load about 14,000m<sup>3</sup> of gas.

Qatar's story is still one of growth. Qatari gross domestic product per head (on a parity of purchasing power basis) rose by just over 7% this year compared with last and is forecast by the International Monetary

Fund to rise again by 5% next year to stand at \$97,000.

In addition to being supported by the still-buoyant oil and gas sectors, the Middle East's growing population is creating its own demand. In the forefront are basic commodities and foodstuffs for the bulk of the populace, while the managerial and professional expatriates, along with state-supported locals, demand fast-moving consumer goods.

Until recently, ports were struggling to cope with the throughput. Now the slowdown in trade is giving regional port authorities time to catch up, so they are using this breathing space to invest in readiness for the economic upswing. For instance, Doha Port in Qatar will be replaced by a new multi-billion-dollar container

port situated between Mesiaeed and Al Wakra.

The Port of Salalah, in Oman, is converting a general cargo berth, with a draught alongside of 16m, to handle containers. Four super-post-Panamax cranes will be put on the berth to expand capacity at the port by 800,000teu within two months. Salalah has already taken delivery of eight super-post-Panamax cranes this year and total capacity will be 5M teu.

While conceding that there is spare capacity right now, a spokesman for the port told *P&H*: "All the mega vessels are getting delivered this year and they have to have bigger container terminals with deep berths. We will continue to hunt for business opportunities, and they will come," he said confidently.



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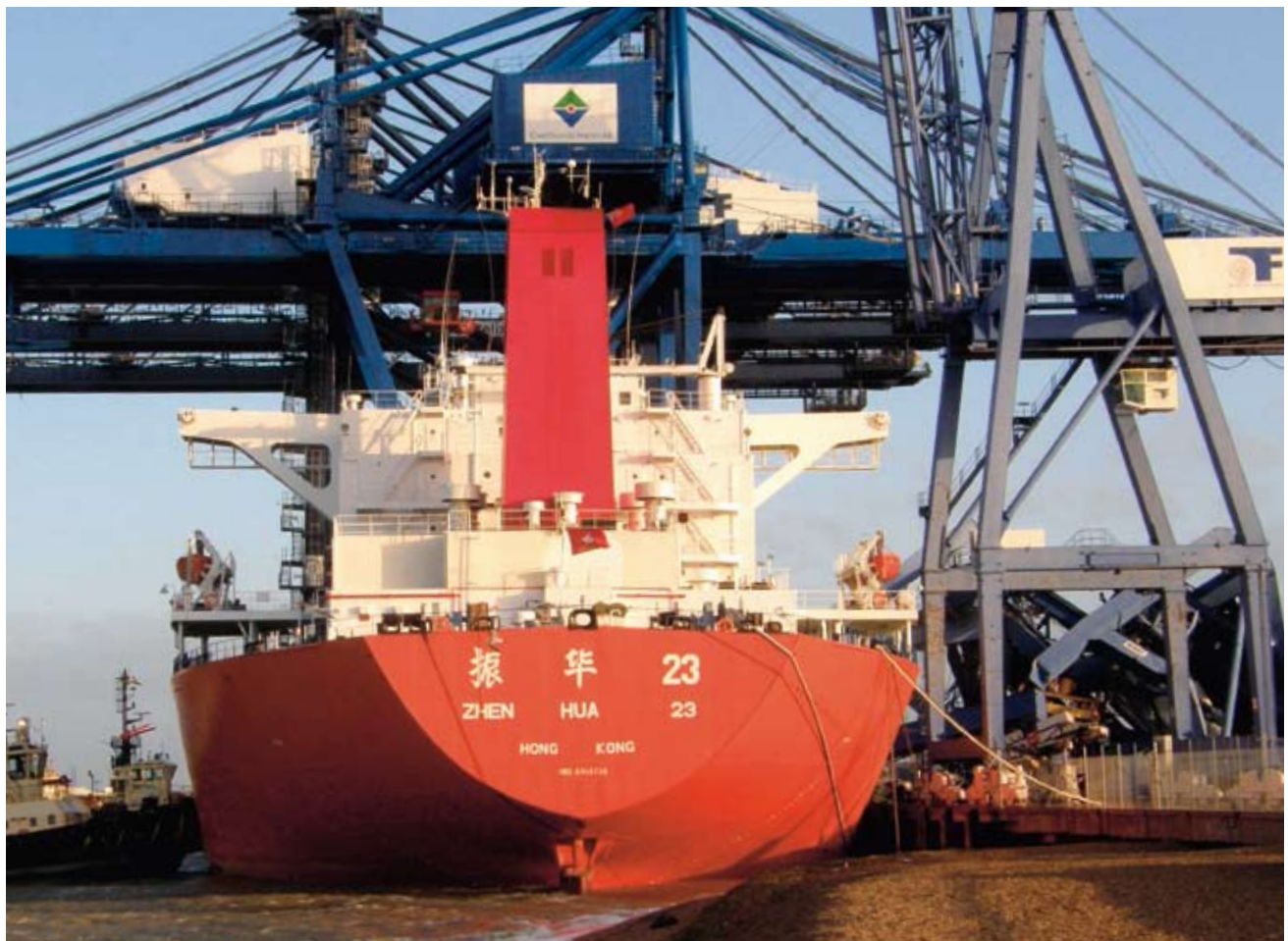


Photo: Derek Sands

## Plugging up insurance gaps

Ports can't predict the future but, says **Kelley Boother**, divisional director at Bluefin Insurance Services, they can prepare for it by carefully covering any gaps in their insurance

**H**ow would your port cope if an out-of-control vessel hit a quay or landing jetty? Such an event has, in the past, cost a harbor around \$1.25M, which it was unable to recover from the owner of the vessel.

Had that port been protected by the right insurance, it ought to have been better able to handle the financial and legal consequences of this or any other incident with complete confidence. In these increasingly litigious times, it is imperative to take control and ensure you have adequate insurance cover.

Many ports and harbors choose to employ the services of an insurance broker to help arrange insurance cover. Insurance specialists in this field are scarce, so typically the port tells the broker what coverage they think they need, as opposed to the broker advising its client. There are many types of

insurance specific to this industry that should be considered, yet are often overlooked.

One common problem, especially in larger ports, is that insurance coverage is not arranged by hands-on staff within the business. As a result, a general commercial insurance programme may be put in place that does not cover all the port's needs.

Whether choosing a packaged policy or developing a programme tailored to your business, there are certain key, industry-specific elements of cover that should be included, namely:

- Fines and duty extension
- Removal of wreck
- Marine property
- Employees while on vessels
- Pollution clean-up costs.

The fines and duty extension is designed to



**With a cargo of cranes onboard, Zhen Hua 23 hit the land-based cranes at the Port of Felixstowe, when it broke its moorings in bad weather**

indemnify the legal liability of the port or harbor arising from an unintentional breach of any regulation, resulting in fines, customs duty, sales, excise tax, value-added tax or similar fiscal charges or penalties.

This extension relates to breaches to import or export of cargo and customers' equipment, pollution, navigational aids, marine traffic control and pilotage. For example, a record fine for pollution was imposed on a harbor authority after a crude oil tanker ran aground in 1996. Despite many alterations and updates to pollution directives since the disaster there is still the possibility that a port or harbor may be fined for such a breach. In an instance such as this, the cost to the harbor could be around \$6M, reduced to \$1.2M if adequate insurance is in place.

Removal of wreck coverage is designed to indemnify the port or harbor for loss, damage and expenses arising from raising, removing or destroying a wreck. This would also cover costs and expenses for marking and buoying the wreck and any other costs incurred in recovery from third parties.

The benefits of wreck coverage are highlighted by an incident that took place in a harbor marina. A private craft on a deepwater mooring sank in heavy weather through lack of maintenance to the craft by the owner. The harbor discovered that the craft was not insured. It cost the harbor around \$65,000 to mark and make safe the area and remove the wreck.

The marine property section is designed to insure port and harbor property, including improvements. This also covers property that is hired or leased by the port, or property belonging to others but cared for or held in trust by the port. Property covered by this section includes quays, seawalls, markers, beacons, moorings, lights, navigational aids and buoys, pontoons, jetties and lock gates.

Under this cover a port should also be able to claim for costs incurred in the removal of all debris and dismantling, demolishing and shoring up of the damaged property. Ports should also be able to recover expenses incurred through recovering and replacing buoys, beacons and set-adrift moorings. The cost of hiring temporary replacement buoys, beacons and moorings would also be covered by the insurance.

One claims example involved a small commercial vessel, which developed an engine fault while manoeuvring into the harbor. The engine went astern

rather than ahead, contrary to the control lever. The vessel narrowly missed the harbor marina but collided with a landing jetty. After investigation it was found that the vessel did not comply with insurance terms and conditions, making its insurance policy null and void. The financial cost to harbor to repair the jetty was around \$1.3M.

Many employers' liability insurance covers will automatically exclude liability for any work carried out on hovercraft or waterborne craft. Should the port or harbor have its own vessel, a more specific protection and indemnity cover should be sought to cover crew.

If the port or harbor does not have its own vessel but employs staff who are likely to come into contact with vessels, employer's liability cover should include an extension for legal liability directly or indirectly resulting from any work carried out on hovercraft or waterborne craft.

For example, a new deputy harbormaster, aged 30, was carrying out maintenance on navigational aids from a pilot vessel. In the course of this, he became entangled in wire and his arm was severed. After investigation it was discovered that the vessel was not covered by any kind of insurance policy and the harbor's employers' liability excluded any work carried out on waterborne craft. The final cost to the harbor was around \$1.2M.

The pollution clean-up costs extension will indemnify the port or harbor for costs and expenses arising out of a sudden, unintended and unexpected pollution if the expenses are not recoverable from the polluter.

The need for proper coverage was highlighted by the accidental grounding of a vessel in an environmentally sensitive area. The vessel was carrying 160 tonnes of oil when it suffered bottom damage and the engine room flooded. The vessel was not insured and its loss led the owner to declare bankruptcy. The harbour had to pay the clean-up costs of around \$80,000.

The nature of the port and maritime industries exposes them to a wide range of potential hazards and incidents, as these examples have demonstrated. It is therefore important that all insurance elements are appropriately covered at a port or harbor.

Ports are often seeking for ways to keep their costs low. But this should be a secondary consideration when it comes to choosing insurance, because poor insurance is not worth paying for. **PH**

**Should the worst happen, don't be caught out**



Photo: Titan Marine

# Policing pests

Threats come in many forms and the US Customs and Border Protection is taking no chances when it comes to detecting small but significant stowaways. **Scott Berman** reports for *P&H*

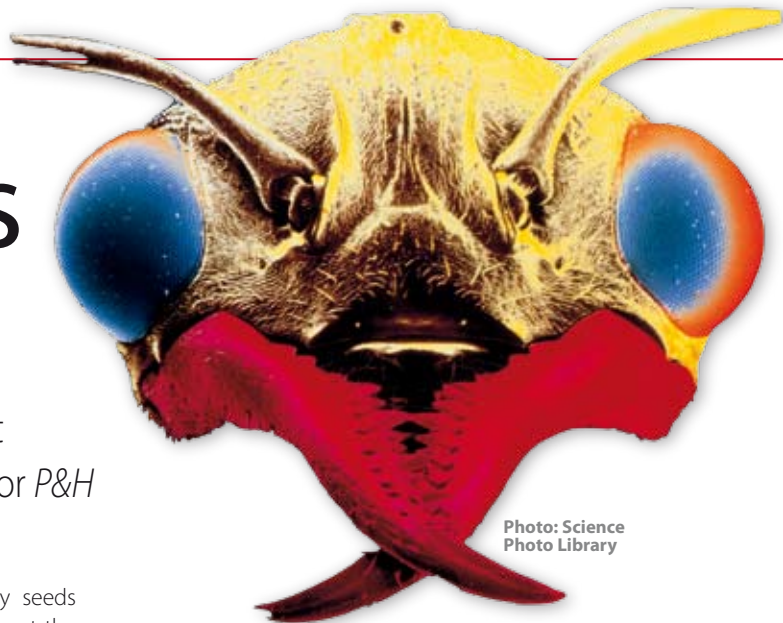


Photo: Science Photo Library

**W**atching for snails, sawdust or tiny seeds may not seem to be a job likely to get the pulse racing, but surveillance for unwanted organisms is crucial to the effort to intercept potential threats to a country's agriculture and ecosystem.

In the United States, federal inspectors and specialists at the Department of Homeland Security's Customs and Border Protection (CBP) agency enforce plant protection and quarantine regulations set by the US Department of Agriculture (USDA).

Vernon Foret, CBP's senior national-level agricultural specialist, told *P&H*: "Historically we were focused on the unintentional introduction of foreign plant pests and exotic animal diseases... but today agro-terrorism – the intentional introduction – is a very real possibility." This added dimension highlights the crucial nature of the work at maritime ports.

Foret said port authorities work with CBP to intercept harmful agents while "minimising any negative impact to expediting legitimate trade". Overall, he believes, "ports are doing well. In my experience, many ports notify CBP when they notice a potential agriculture threat, such as a colony of bees attached to a vessel or large infestations of insects associated with cargo during discharge."

Related challenges and achievements at the Port of Baltimore, Maryland, are telling. CBP's Baltimore field office region encompasses much of the mid-Atlantic region south of New York. It has about 70 agricultural specialists in a staff of 750. No matter where the port or region, inspectors, specialists and technicians need sharp eyes and plenty of stamina, considering the scope of responsibilities and the volumes typically involved. They watch for many likely indicators of trouble – everything from the presence of International

Plant Protection Convention (IPPC) logo markings to the condition of a container's wood bracing.

According to regional CBP spokesman Steve Sapp, non-compliant wood-packing material, snails and soil-contaminated farm machinery are the biggest agricultural import issues for the Baltimore seaport. Such threats are handled by fumigating or re-exporting, which Sapp believes are "costly actions for failure to comply with US regulations".

In a recent discovery at the Port of Baltimore, specialists found seeds of cogan – an invasive grass that disrupts eco-systems – in a tile shipment from Turkey, according to CBP. The container's wood packing did not meet specifications, so officials took a closer look and cross-checked a database that identifies agricultural hazards. This led to an emergency action notification and the importer was told to re-export the container immediately.

Throughout this procedure, customs officials must keep customs brokers and freight forwarders informed as they, in turn, notify customers about problems and solutions. Successful interceptions spark a mixture of "celebration and concern", said James Swanson, CBP's Baltimore port director, according to a CBP news release; in other words, pride in a job well done, tempered by an awareness about the potential threats.

The Port of Baltimore is not alone in its efforts and recent discoveries. In February, a CBP agriculture specialist spotted leaf bugs in an Italian shipment to the Port of Charleston. It was the first interception of the pest in the continental US. The interdiction was important. According to CBP, the bug, which carries disease, "could have had disastrous effects on local

## Insect infestation

Late last year a container carrying bales of plastic attracted the attention of customs officials at the Port of Gothenburg, Sweden. Christina Hasselgren, head of the Swedish Customs Intelligence Unit in Gothenburg, told *P&H* the unit's pre-arrival team became interested and called in a scanner team to take a closer look.

The container had originated in Sweden, been shipped to Pakistan, remained unclaimed for months,

and was then returned. Its shipping seal appeared unbroken, but that doesn't count for much, explained Hasselgren – "It's rather easy to tamper with a seal today." Scans showed enough discrepancies for the team members to perform a physical check.

They opened the unit, found it teeming with insects, took photos and re-shut the container. The unit called in inspectors from the Plant Protection Centre of the

Swedish Board of Agriculture. The board identified the insects as ants, possibly carrying disease, and recommended the container be held.

Further tests off-site found the insects not to be disease-carriers, but ants and pests nonetheless.

The next step: customs officials called in a pest control company, which decontaminated the container and allowed for a full inspection.



# **Down to detail ... preventing unwanted insects from passing the border is taken seriously by CBP**

agriculture and caused serious damage to America's crops, livestock and the environment".

At the Port of Wilmington, Delaware, in March, CBP and USDA discovered an invasive plant tucked away in a shipment of Costa Rican pineapples. The so-called 'mile-a-minute weed' can wreak havoc agriculturally by crowding out native species. CBP said its inspectors at the port became suspicious and called in USDA, which then issued an emergency action notification requiring the container to be re-exported.

Last year alone, CBP inspectors combed through hundreds of thousands of tonnes of cocoa beans and cut stem flowers arriving at US ports from West Africa, Latin America and Europe, searching mainly for destructive pests such as moths, beetles and mould.

In Baltimore, inspections have turned up some surprises. In December 2008, agricultural specialists identified the "quarantine significant pest" *Aulacobaris coerulea*, a weevil harmful to horticulture and plants, and another insect dangerous to crops, a *Paromys* seed bug. After their discovery, the offending containers had to be fumigated at the port. A routine inspection in March revealed larvae boring into the wood bracing in a container of Ukrainian graphite electrodes. This shipment raised red flags because there was no IPPC logo marking and sawdust was evident – a tell-tale marker for wood-boring insects.

Brenda Stealing, CBP agriculture programme manager at the Port of Baltimore, has seen it all during her 34 years involved with import inspections. She described how the inspectors and specialists keep up with advances in biological science and agriculture through successive training courses and identify potential threats using X-ray scanning equipment, sharp eyes and old-fashioned vigilance. Stealing praised the level of co-operation between CBP, port operators, importers, the trade community and state agricultural departments.

Port of Baltimore spokesman J B Hanson echoed this view. He added that overall security at the port is a collaborative effort between CBP, US Coast Guard, local first responders, port security staff and, when needed, Maryland's agriculture department.

There is always room for improvement. Looking ahead, said Foret: "What we in CBP need to do is to continue to enhance our outreach to the maritime community so that they can be that extra set of eyes and notify us of a potential problem. It is important for maritime port personnel to contact their local CBP office to report anything that looks out of the ordinary. Our national agriculture economy depends on it."

As Swanson said in response to the larvae interception in March, it is a job that is as immensely important as it is unglamorous. **PH**

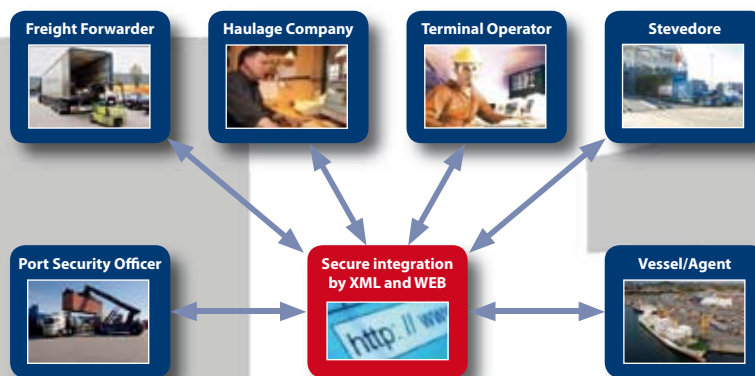


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# Thinking past the fence

After years of decline the number of stowaways getting on board ships is increasing, according to the latest figures from Standard P&I Club. **Chris Spencer**, its director of loss prevention, tells *P&H* that ports can help bring them down

**Fenced off... this type of security is only part of the fix needed to prevent stowaways, believes the Standard Club and the Marseille-Fos port authority**

In my days as a ship's master we would sometimes stop at ports where the public had free access to the terminal area. In those days, before we had heard of al-Qaeda and port security was not the issue it is today, families would stroll past the ship on their afternoon walks.

How things have changed. In July 2004, the International Ship and Port Facility Security Code – better known as the ISPS Code – ushered in a new era of tight security at ports and terminals around the world. This international agreement, a response to the terrorist attacks of 11 September 2001, requires that ports put perimeter fences around their premises and implement strict measures to stop unauthorised people from entering.

That, at least, is the theory. Most ports have indeed implemented the ISPS Code diligently, but some have been rather lax – and those are the places where it is easier for stowaways to operate and where a determined and resourceful person will have little difficulty in getting through.

Men who smuggle themselves on to ships, with all the attendant risk of injury and prosecution, are generally driven by economic and social desperation. As the world economy has moved into recession, the number of people willing to take these risks has increased.

Standard Club data show a steady and significant drop in the number of these incidents at the start of the decade, assisted partly by implementation of the ISPS Code.

The tide turned last year, however, just as the economic downturn kicked in. We fully expect the upward trend to continue throughout 2009 and at least until the global economy improves.

In the past decade, our club alone has had to deal with 982 of these cases, leading to claims costs amounting to more than \$9M. This figure, though, barely begins to do justice to the nuisance that stowaways often cause.

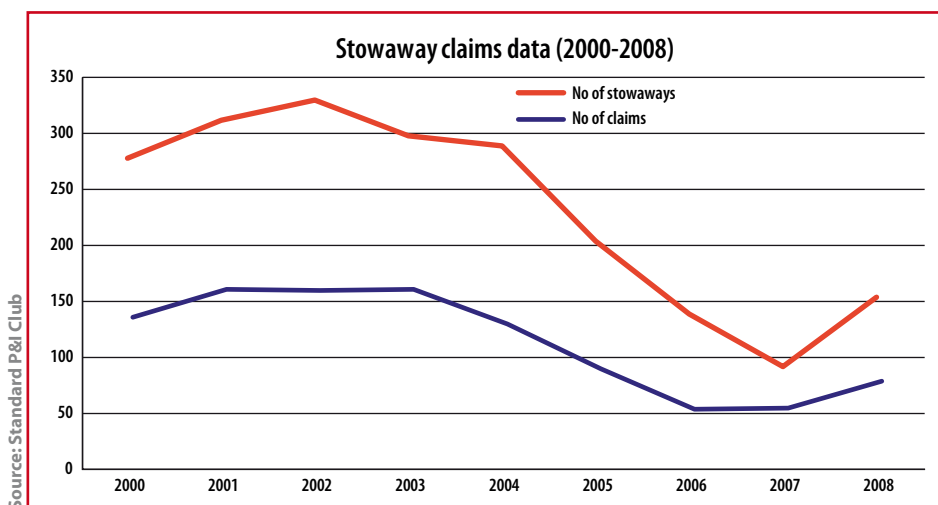
The bureaucracy and disruption to schedules can frequently be a nightmare for master, shipowner and customers alike. For these reasons, a port can turn an effective security regime into a good selling point for potential customers.

Any port where management has the necessary knowledge, money and infrastructure can make things very difficult for would-be stowaways. But most important is the will and mindset to implement these stricter security measures.

As the world economy has moved into recession, the number of people willing to take these risks has increased







In the United States, with its understandable emphasis on preventing potential terrorists from entering sensitive areas, the problem is virtually unknown. The same is true to a large extent in Canada, much of western Europe and Japan.

Standard Club data suggests that the problems are found mainly, though by no means exclusively, in Africa and in some locations in the Caribbean and on the east coast of South America.

The geographical footprint of stowaways can, though, be global. Zeebrugge, Belgium and Le Havre, France, have experienced problems because they are embarkation ports from other parts of the world. Stowaways who get on board here tend to have come from the Indian subcontinent or West Africa and are heading for the UK or Scandinavia.

The vast majority of ocean-going vessels are insured by P&I (protection and indemnity) clubs. We all advise our members to take certain precautions, especially when visiting high-risk ports, and indeed, the ISPS Code requires them to do so.

We also recommend rigorous procedures to make it difficult for people to board ships illegally and to

increase the chances of them being caught should they manage to do so.

Yet it can be a difficult task for crews, especially on container and bulk carrier vessels. There could be as many as four cranes in action at any one time loading goods, with stevedores walking on and off the ship as part of their work. In these circumstances it is very easy for an unauthorised person to slip through undetected, especially after dark.

Once on board, they have a choice of thousands of containers as a hiding place. Ro-ro ships, with lorries entering and leaving unchecked, are similarly vulnerable. Ships may be the last line of defence, but it is so much easier to prevent such breaches before these people get into the port confines in the first place.

Any port where unauthorised people can enter and leave almost at will needs to review its operations. Stowaways are, in the main, desperate people, seeking opportunities for a better life.

The disruptions they cause to the port and maritime communities are just a symptom of wider security and management issues. **PH**

## A case in point – taking security one step further

Levels of security across the world's ports vary greatly. As Chris Spencer commented, most have adopted and fully implemented the ISPS Code. But some ports go to great lengths to secure themselves beyond the measures that are stipulated in the Code.

Marseille-Fos, for example, is concerning itself with securing its entire 'multimodal transport platform', including berths and terminals, ships, road, river and rail facilities, and pipelines, that all fall within the port perimeter.

The port already has a central security station that incorporates double-ring fencing, video surveillance and patrols, along with two commutable control stations, with vessel traffic management (VTS) facilities.

The port authority is also piloting the SECMAR project

(see page 33). Presenting the project at the IAPH 26th World Ports Conference, Jean-Claude Terrier, chief executive officer of Port of Marseille Authority, described it as an "innovative multi-sensor system, including sonar, radar and electro-optic sensors for detecting asymmetric waterborne threats for a specific area, above and underwater."

Projects of this nature come at a cost: Terrier revealed that it has a €13M price tag. The second phase is scheduled to begin in 2010.

The project will incorporate:

- Above-water devices (radars), with a sub-system for underwater detection
- Acoustic-base network and swimmer detection system, with an ROV (remotely operated vehicle)

- Electro-optic sub-system using thermal imagers and sensors
- High-resolution radar (static coverage) and doppler radar (sweeping coverage).

Despite the obvious commitment of Marseille-Fos to technological advancement when it comes to security, Terrier is convinced that the most important element of any security system is the attitude of those who are required to implement it.

Speaking to *P&H* he emphasised that it is important to educate all of the players within the supply chain, while acknowledging that progress has been made recently. However, he cautioned, ports are only one player in the logistics chain and this security-minded attitude has to transcend throughout the entire logistics chain.

# Look up in the downturn – be ready for the recovered economy

Ports people and experts gathered in Genoa to share research initiatives and best practice, against a backdrop of the economic downturn. **Penny Allen** reports on the working sessions' wide-ranging themes





**Porto Antico,  
Genoa's old port  
area, set the  
scene for this  
year's World  
Ports Conference**

**T**he Port of Genoa in the Ligurian region of Italy played host to over 700 delegates at IAPH's 26th World Ports Conference. Ports people from across the globe represented the truly international spirit of the organisation, with all three regions – Americas, Oceania and Asia, and Europe and Africa – well and equally represented.

During the week-long conference from 25 to 29 May, delegates ate and drank all things Italian, while applying their minds to some of the most important issues affecting world ports today.

The conference theme – Oriented to the market – Open to the future – was a springboard from which much discussion was developed. In his opening remarks, Luigi Merlo, president of the Port of Genoa, said that ports must keep pace with the market in

the long term, adding that he hoped the conference would provide opportunities for "intensive talk" and help economic and social development.

Outgoing IAPH president and former general manager of Port Klang Authority, Malaysia, Datin Paduka OC Phang drew delegates' attention to the organisation's slogan – World peace through world trade – world trade through world ports – commenting that this motto extends to "joining hands" among ports and reaching out to new members of IAPH. Antonio Tajani, VP of the European Commission and Commissioner for Transport, told delegates that maritime transport in European Union countries is subject to many controls and more simplified customs arrangements must be sought. He said that bureaucracy in maritime transport

Photo: iStockphoto, Aya Fujinami





**Left to right:**  
**Santiago Milà from**  
**Port of Barcelona;**  
**Geraldine Knatz**  
**from Port of LA;**  
**Gichiri Ndua from**  
**Kenya Ports**  
**Authority; Grant**  
**Gilfillan from**  
**Sydney Ports**  
**Corporation**

needs be reduced to make it equivalent to that experienced in rail and road transport.

Highlighting one of the major themes of the conference, Tajani said that it is important for "everyone here" to care about the environment and that every port should have an environmental policy. He noted, however, that in this economic climate this must be done in conjunction with protecting enterprise as well as jobs.

### Globalisation and the economy

As chief economist for Moffatt and Nichol, Dr Walter Kemmsies set the economic scene as he predicted how and when the economy will recover:

■ Near term: "the global economy has started bouncing off the bottom, but do not expect a high bounce – it gets less bad from here"

■ Medium term: "a 'slow' recovery through 2011" – government spending will be the driver of growth

■ Long term: "cautiously optimistic beyond 2011" – after 2012, maturing industrialised nations' imports will grow faster through the next decade, due to demographic trends.

Kemmsies highlighted how American consumers affect world trade and stressed the importance of main trade routes remaining intact. Consumers are poorer, he said, particularly in the US; they can no longer pay for their properties, retirement and investment plans have depreciated in value, and 5.5M jobs have been lost since the recession started in December 2007. He commented that the 'baby boomers' of the 1960s are now retiring, and there are more people over the age of 55. The quality of the global recovery depends on consumer spending, he said, "US customers in particular". But for now, he added, it is being stabilised by government spending.

"The US," he said, "has to start selling goods. Otherwise the dollar will get lower". But he acknowledged that were it not

for the US's strong export growth, its economy would have fallen through sooner than 2007.

Michel Donner, port and maritime transport specialist for the World Bank, echoed Kemmsies' views when he commented that there has been a big slump, but we will see an early recovery. He also drew parallels between infrastructure spending and growth. In a bid to encourage governments and ports to invest now, he cited the 1997 'Asian crisis' in Indonesia as an example of how the decline in infrastructure was matched by a decline in growth.

Private capital flows to developing countries have dropped since the peak in 2007. "Public financing is also suffering in line with fiscal revenues," he said.

Despite this, he urged ports to be ready when the time comes, claiming that "counter-cyclical" public spending is an effective tool to create jobs and provide the foundation for effective recovery and sustained growth. "It takes three to five years to build and launch 9-10 sister ships," he said, and compared that to the time it takes to plan and expand ports.

He outlined the World Bank's response to these challenges, saying that ideally governments should ensure that delivery of ongoing projects remains a priority and highlighted the role of public/private partnerships. OC Phang commented that ideally ports should not stop investing, but said realistically it does depend on banks and infrastructure.

Bjarne Jensen gave a shipping perspective on the economic climate, as vice-president for Europe Trade at United Arab Shipping Corporation. There is a significant gap of supply and demand, he commented, adding that, "the current situation could re-shape the liner industry. Bankruptcy of known players is possible."

He questioned what companies can do to combat the situation. Cancellation and delay of new orders is one way of reducing spending. Scrapping of older





“ WPCI was developed so that ports don’t have to keep reinventing the wheel. We need collaboration on research with the limited resources we all have these days ”

*Dr Geraldine Knatz from Port of LA*

tonnage has also been adopted. But this does not necessarily equate to a massive reduction in capacity as older ships tend to be smaller, whereas new ships tend to be much larger. “Therefore the impact is limited in the short term,” he said.

Slow steaming is already happening, he acknowledged, including going around South Africa, which cuts out the toll fees of the Suez Canal.

If companies do have money there may be cheap assets for sale if a line goes bankrupt. “But,” he added optimistically, “most lines will revise their plans to stop going bankrupt.” Overall, he said, “the outlook is extremely challenging”.

### Environmental best practice

Geraldine Knatz, CEO of Port of Los Angeles, picked up the baton to address one of the main topics of IAPH’s work. She took the opportunity to profile the World Ports Climate Initiative (WPCI) – an initiative from the IAPH Environmental Committee – and outlined the four main elements of its mission statement.

■ Element 1: Raise awareness of the need for action in the port and maritime communities. “Most people might think that this step is complete and over with,



**Peter Mollema, Port of Rotterdam: air quality is a limiting factor for port development**

but truly it is not,” said Knatz. “And the group recognised this was a critical goal. It has been difficult even for the American ports to adopt a greenhouse gas (GHG) resolution, because many still do not recognise this as an issue or that ports have a role”.

In discussion ... key voices at the conference were, from l to r: Jean Mongeau, Tom Kornegay, Gichiri Ndua, OC Phang, Dr Satoshi Inoue, Bernard Groseclose, Lim Heng Tay



Photo: Ditta Agosta Genoa

■ Element 2: Initiate studies, strategies and actions to reduce greenhouse gas emissions and improve air quality. "There are a lot of ports around the world that have been engaged in this task at one level or another for quite some time now" she said, "but we need to step this up as an industry."

■ Element 3: Provide a strong platform, based on the collective experience of those ports that have been moving forward on air quality issues, to help others in the maritime sector to join the global efforts and learn from experiences of their colleagues, so they don't have to start their journey with no assistance. "Our goal is to develop co-operative approaches to the climate challenges that we all face," Knatz asserted.

■ Element 4: Make available information on the effects of climate change on the port environment and information on measures/strategies for its mitigation.

Despite the volume of work already under way, (see box below) Knatz enthused that WPCI has also set itself other targets, one of which is increasing the number of projects. On its agenda is creating global awareness and increasing the number of participating ports in WPCI, which IAPH's managing director Fer van de Laar confirmed is available to both members and non-members alike. Knatz said that getting support from the shipping community is also a priority, especially in relation to the Environmental Ship Index (ESI).

Peter Mollema, director of Port Planning and Development at Port of Rotterdam, commented that adopting ESI in ports is relatively straightforward – create a database and inform the ESI administration. ESI indicates the environmental performance of sea-going ships, promoting greener shipping. Getting ships involved is incentive-driven, with credits awarded to vessels for above-average environmental performance in reducing emissions of SOx, NOx and CO<sub>2</sub>.

Ports need to care about the environment, commented Mollema, as it is important when considering sustainable development. "Air quality is a limiting factor for port development," he said, and ports have a "responsibility for local quality of life". He added



“The financial crisis shows us one thing . . . any sector that is left without governance is a disaster”

*Kieran Ring from the Global Institute of Logistics*

that it could offer ports a competitive advantage.

Getting ships involved plays an important part in this challenge, and Mollema commented that ports should not wait for international regulations, such as those being created at the IMO and the United Nations Climate Change Conference, to come into play.

This view was echoed by Peter Struijs, chairman of

## Climate initiative update

Dr Geraldine Knatz of Port of Los Angeles gave an update of the projects currently being undertaken by 'lead' ports involved in WPCI, noting that:

- The IAPH Toolbox expansion project is being led by the Port of Los Angeles. This group is modifying the existing IAPH Toolbox for port clean air programmes to add information on specific GHGs.
- The WPCI website is being developed, with the focus of providing one location for participating ports to communicate and for new ports to get basic information. The Port of Los Angeles is also taking the lead role in its development.
- The Cargo Handling Equipment project is being led by the port authority of New York/New Jersey, which is working to reduce GHGs from cargo-handling equipment.
- The Intermodal Transport project is being led by the Port of

Amsterdam and is seeking ways to reduce GHGs from rail locomotives and trucks.

- The Carbon Footprinting and Modeling Tools project is being led by the Port of Los Angeles, developing carbon modelling tools specific to ports.
- The Lease Agreement Template project is being led by the Port of Montreal and should yield specific language that could be used in tenant leases that would result in reductions in GHGs.
- The Environmental Ship Index (ESI) project is being led by the Port of Rotterdam, developing a standardised method to index ships based on air emissions, including NOx, SOx and particulate matter.
- The Onshore Power Supply project is being led by the Port of Gothenburg, focusing on alternative maritime power (AMP) – powering ships while at berth from the shore-side power grid.





**Delegates listened to speakers from across the globe**

the Green Award Foundation, which rewards ships that are extra green and safe. Vessels that show themselves to have safety and environmental procedures get incentives such as discounts on port dues.

Struijs, who is also a past president of IAPH, said that it is an already-established tool that addresses corporate social responsibility (CSR). "The more ports and partners that join," he said, "the better the effect". Citing benefits for both ports and ships, he said that it can increase the quality of shipping, reduce risks in ports and offers an element of pride for the shipping line when given an award.

The conference not only addressed the importance of mitigating against climate change, but also ways of adapting to it. Through its MOSE (Experimental Electromechanical Module) project, Venice is implementing proactive measures to create a "resilient environment," said Giovanni Cecconi, manager of the project for Consorzio Venezia Nuova. These activities include beach nourishment and use of mobile barriers. Venice is greatly affected by flooding, with the last high water in December 2008, said Cecconi, but it no longer has space to adapt and so it is using hard structures and mobile equipment for active flood control and passive flow shelter.

### Grouping together

The pressures of the economy have brought "big challenges for the ports group" and the Shanghai International Port Group is reorganising its areas of business, including human resources, Haihu Lu, chairman of the group and director general of the China Ports & Harbours Association, told delegates. Initiatives include cost control and capital expenditures for port

**Haihu Lu from the China Association of Ports & Harbours said that the economic crisis has brought big challenges for the world's ports**



**Ports need to be handled as a strategic asset**

***Franco Pigna from Aegir Port Property Advisers***

development, such as investment in technology and innovation to reduce energy and emissions. One hundred rubber-tyred gantry cranes have been transferred from diesel power to electric, said Lu, and an overall 5.8% decrease in energy has been achieved.

Shanghai is working on five initiatives, instigated by the Chinese government, including improving its shipping and distributions network and cruise development. It is also keen to develop a port 'cluster', a concept that Kieran Ring, CEO of the Global Institute of Logistics, advocates for ports wishing to emerge strong after the economic downturn. It involves co-ordination across all players within the port – warehouses, terminals and logistic suppliers – to optimise resources to become attractive to customers.

The concept of clustering, he said, comes from pressure or desire to be ahead of competition. He cited Singapore and Valencia as examples of very successful port clusters. Ring also used tourism as an example of an old industry that has successfully clustered. He believes that ports that are aiming to cluster "are at the beginning of something exciting".

Victor Schoenmakers, president of the European Sea Ports Organisation, said that it's important for ports to communicate and co-operate. "Historically," he said, "ports were a small-scale industry. But that is now changing".

Canavese Christoforo, VP, Italian Ports Association, also promotes the idea of ports "getting together and finding common strategies," so that market opportunities can be identified. Opportunities for such activity can be found in Northern Africa and the upper Adriatic, he said. He admitted it is not easy for ports to implement changes at the moment – "Besides having a downturn, piracy does not help".

South Africa's national ports authority, Transnet, is exploring the possibility of creating synergies with other African ports to create a 'hub', from which short-sea shipping (SSS) opportunities can be developed. Khomotsu Philela, Transnet's CEO, believes the potential for growth in transshipment could pick up from 8M teu to 34M teu by 2038. "We would like to move speedily in that direction." Once the hub is created, SSS could provide opportunities to the rest of Africa and lessen pressure on internal infrastructure, he said.

### Asset management

Ports need to consider their property and utilise its surrounding hinterland, according to Franco Pigna, managing director at Aegir Port Property Advisers. The economic turmoil, he said, is forcing ports to change how they plan and finance projects, and he highlighted



**Opposite and below right: View from the water ... delegates relaxed during the technical tour**

the fact that ports are essentially asset managers.

Port property is becoming increasingly scarce Pigna said, and, with increasingly large vessels being built, inland ports are critical to maintaining seaport efficiency. He described corridors and inland terminals, as the cornerstones of "port regionalisation". The new big box retail facility at Port of Charleston is an example of addressing clients' needs of getting into the hinterland. A port's 'real estate' is its best asset, he said, but it "needs to be managed as a strategic asset". There are opportunities for ports to be innovative and use the land well, he commented.

Julian Johanson-Brown, markets sector director for containers at Halcrow, however, commented that not all ports should be aspiring to receive vessels such as the *Emma Maersk*. "There is a huge history of successful business with small vessels". Instead, he recommends that ports should find out where they fit in the market – both the global and regional supply chain – and have a strategic plan. The most important element, he claimed, is to know your assets and manage them effectively and efficiently. This also instills confidence in stakeholders, he pointed out.

Port-centric logistics are nothing new according to David Charlesworth, an associate at Drewry Supply Chain Advisors, stating that such organisation was in place "during the Romans and before". He said there has been a "rediscovery" of logistics activities near ports, which has been driven by retailers.

Erich Staake, CEO of Duisburger Hafen, supported Pigna's comments. An inland port, he said, enables a port authority to be a customer-driven logistic hub and service provider. A case-study example of this was given by Giancarlo Gabetto, CEO of SLALA (North West Italy Logistics System) who highlighted how the rail hub or 'inland port' of Alessandria offers an integrated service to the container market. This hub will connect the three ports of Genoa, La Spezia and Savona.

### Supply chain security

Delegates were obliged to accept that the USA's 100% scanning legislation will come into force, but, according to Kevin Orchard, strategic business development director of supply chain security for QinetiQ, the compliance date of 2012 is unlikely to be

met, possibly taking "four to five years to play out".

Putting the problem in perspective Michael Schmitz, director of compliance and facilitation at the World Customs Organization, said that customs administrators face a dilemma; on the one hand there is continual growth in trade, and on the other, continual movement of drugs, endangered species and humans. He commented: "Every nation has an absolute right to control who crosses its borders."

In relation to 100% scanning, Orchard acknowledged that the new security compliance demand could not have come at a worse time for ports. But, he warned, "waiting could be a costly mistake". He suggested that ports should think about investing in any required equipment or facilities, before the anticipated 'rush' when equipment and services will go up in price due to demand.

"It's a fact that the compliance problem will ultimately end up being the responsibility of 'primary' stakeholders such as port operators or shipping lines under the direction of their host or local government," he said.

The question now is who will pay? Orchard realistically said that the cost will be passed down to the importers and exporters.

Speaking from a shipper's perspective was Filip Beckers, who commented that 100% scanning will "add more costs and no doubt more surcharges!" The president of the Maritime Council for the European Shippers' Council and of the global ocean team for food company Mars, said that shippers would like to see an extended period of enforcement, adding that: "Shippers need to continue export operations to the USA longer to find out what the real consequences of the regulation" will be.

He is also concerned by the '10+2 rule' – another Customs Border Protection requirement that requires importers and carriers to electronically submit additional information on cargo before it is brought into the US by vessel.

The real concern for shippers is security of data, said Beckers. Confidential information relating to the origin of cargo should not always be known, he asserted to delegates, not to mention the administrative burden that would be created.

In his speech, Orchard highlighted the "deluge" of



data that will be created through the '10+2 rule'. In anticipation of this rule entering into force, he advised ports to start creating secure data management systems that can "technically allow global interconnectivity in the future".

Beckers wants to see secure submission of data that is required only once. This data should be supplied to partners in parallel with the flow of freight and mutual recognition of various security regimes, he said.

When it comes to procuring and implementing the types of equipment supplied under 100% scanning legislation, Orchard said that each port's needs will be different according to local conditions. Furthermore, he added, scanning need not be done in isolation. Whatever solution is chosen should address the security of the port, including that of cargo, assets and personnel. As Schmitz said, ports should adopt a properly layered risk management approach to supply chain security.

Jean-Claude Terrier, CEO of Port of Marseille Authority, gave a delegates a glimpse of the proactive measures being undertaken at his port as part of the SECUMAR project, currently being piloted. The challenge, he said, is to secure a multimodal transport platform, including berths, terminals, ships, road, river, rail, facilities and pipelines within the port perimeter. As part of the project, Terrier said that they had to consider threats coming from the water interface, as well as from land. As such the project includes multi-sensor systems, including sonar, radar and electro-optic sensors for detecting asymmetric waterborne threats for a specific area, both above and below water. (See page 25 for more information)



One of many social events hosted by Port of Genoa

“Shippers are not opposed to security but this is getting too much”

*Filip Beckers from the ESC*





**A show of appreciation from delegates and partners at the gala dinner**

## Safety and the environment

Professor Frank Smeele, professor in International Maritime Law at Erasmus University, gave a detailed analysis of how ports came to be governed by legislation. Herman Journée, chairman of the EcoPorts Foundation, picked up on this theme and explained how the foundation could help bridge the gap between policy and practice by providing a knowledge network for the exchange of good practice solutions. A concept in keeping with the idea of 'not reinventing the wheel'.

Journée pointed out that the growing number of environmental laws bring with them new liabilities and risks for ports. There are "different rules for [the] same environmental issues; different definitions for the same issues; [and], vague rules [that leave] much room for interpretation."

EcoPorts has a range of tools that can help ports manage issues such as air quality management, noise management and habitat management. These tools are created through sharing best practice and a network of colleagues.

Taking the issue one step further, Graham Hooper, director of Global Transportation at AECOM, examined how ports can move from being compliant with

legislation to sustaining this level of environmental compliance. He suggested the creation of a port system model that helps ports monitor their 'carbon footprint' as well as the economic benefits and costs associated with it.

## Ports of the future

According to Alan Long, general manager of Maritime Cargo Processing, the port community system (PCS) "sits neatly between the port and its customers, handling all data transfer between the two and between other sectors of the port community".

He cites a number of benefits to the transportation industry, including:

- Availability of real-time information
- Internal system efficiency
- Better customer service
- Security
- Easy access to information
- Reduced administrative burden
- Compliance.

Pascal Ollivier, adviser to the CEO, government and internal affairs at SOGET, listed 10 rules for building a successful port community system to facilitate trade (see box opposite). Of these he cited 'change management' as the most important element. "It is key,"

## Concession leases: the devil is in the detail


In an effort to streamline the different ways of awarding concession leases in Europe, ESPO is working towards the creation of some good common practices, said Giuliano Gallanti, former president of the Genoa Port Authority and immediate past president of ESPO. "The different systems of applying concessions could imply competition," he told delegates.

When it comes to the pricing system, Gallanti questioned whether ports should be able to modify fees. "We believe that the basic fees should be fixed," he said, "but that other fees should be able to change with the market".

He recommended that concessions be granted through tender procedure, for all European countries, with the exception of the United Kingdom where different considerations apply. Practices across Europe are very diverse, "but these seem to be converging," he said.

Julian Johanson-Brown joined the debate, commenting that ports need to be careful when it comes to concession agreements that include key performance indicators (KPIs). "Ports are at the mercy of weather conditions," he said, and he suggested that the concession be set up with an opportunity to review it every two to five years. Thomas Kornegay, immediate past president of IAPH and former executive director of Port of Houston Authority, supported these suggestions, when he said, "the devil is in the detail". Johanson-Brown, advised that when it comes to KPIs: "try to negotiate as low as you can".





he said. "We need to move away from paper and move away from corruption. We need strong authorities that are leaders of change ... Customs need to want to change". If there is no change, then support for the project will disappear, he asserted.

Highlighting how a PCS can work at a practical level, Michael Dempsey, director of ports, marine and intermodal at Indentec, said that information gleaned through GPS, optical camera recognition and mobile computing can create greater visibility of movement. It also gives control to shippers through integration with the transportation fleet and warehousing systems.

This will become the basis for network optimisation, he said. "Look for it in next five years." He concluded: "A lot hinges on port community systems...process technologies are the key enabling agent".

Moving from a logistics perspective to a more holistic one, Olivier Lemaire, general manager of the International Association of Cities and Ports, said port authorities are becoming more concerned about the impact their ports are having on the local urban communities. Many feel a responsibility for the local community's quality of life. Lemaire asserted that good visibility of port activities is a key element in creating a good relationship with local communities.

Professor Toru Takamatsu, senior advisor at WAVE (Waterfront Vitalization and Environment Research

## Ten rules for a successful PCS

- 
- 1) Find the champion
  - 2) Get all stakeholders around the table
  - 3) Business process optimisation
  - 4) Partner with customs
  - 5) Legal framework
  - 6) PPP for a CCS operator
  - 7) Procedures committee
  - 8) Training committee
  - 9) Change management committee
  - 10) Find the right partner

Center) in Japan, supported this with a case study example of how Yokohama port is integrating into the city by improving the landscape at the port area.

Using his own port as an example, Manuel Frasilho, president of Port Authority of Lisbon, highlighted how important co-operation between the port and its community is. It has social connotations, too, he said, adding that the rehabilitation of waterfront areas encourages appreciation of the work ports do. **PH**

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# Sensible spending for sustainability

Port authorities in two states along the Delaware River in the US are charting a course towards an environmentally sustainable future that also makes sense economically. **Scott Berman** reports

**Long-term view ... the DRPA, owner and operator of the Benjamin Franklin Bridge (pictured) on the Delaware River, is one player in Green Ports**

**G**reen Ports – a joint initiative by the Delaware River Port Authority (DRPA), the South Jersey Port Corporation (SJPC) and the Philadelphia Regional Port Authority (PRPA) – is developing an environmental plan for the ports of Philadelphia and Camden. It embraces not only the ports but also the surrounding areas, including DRPA's bridge, and other facilities, according to Jeff Nash, the authority's executive vice-chairman. And officials plan to use environmental designs developed through the Green Ports initiative at a new port facility being planned for Paulsboro, New Jersey.

In January, the DRPA's board of commissioners chose Weston Solutions, based in West Chester, Pennsylvania, to develop a Green Ports action plan with a budget of nearly \$489,000. Regional environmental groups contributed to the selection process. This plan would then be adopted by the ports.

Work has already started, but Jay Jones, SJPC's deputy executive director, explained that it's still early days for the project. Port officials are gathering data about their operations at the request of the consultants, said Jones, providing the consultant with exactly what they need to assemble the plan.

Among many possible activities:

- Auditing utility bills to detect wasteful patterns and to set goals for conservation

- Sharing with the consultant the facility plans and technical specifications needed to gauge possible future retrofits of natural lighting, solar panels or greener refrigerating equipment, among others

- Taking a close look at leases with a view to improving arrangements for energy-efficient and low-emission equipment

- Co-ordinating efforts to price and purchase green building materials and vehicles

- Trading information with vessel owners as port officials work towards possible shoreside electricity systems in the future

- Reviewing solid waste and recycling policies and practices at each agency's facilities.

Based on that data, consultants will recommend incremental changes before a comprehensive report is issued some months from now.

Christina Maroney, special projects manager for DRPA, told *P&H* that since the process got under way in 2007, her agency has "spent many months researching alternatives, discussing ideas and planning for how to best launch and sustain the initiative over the long term". These careful steps, are Maroney said, "an effort to avoid wasting time and money, and ultimately, to ensure that the actions proposed pass scientific and public scrutiny."

Next on the agenda will be to establish a 'Green





Photo: Fotolia

Ribbon Panel' that will include representatives of various agencies, environmental advocacy groups, subject matter experts and others. The panel will act as a forum for ports, the consultant and other interested parties to discuss matters arising.

Marlin Peterson, director of port development for the Gloucester County Improvement Authority (another agency involved in the project), put the entire concept in perspective. The key is to balance green activities with the return on investment, he said. Peterson has worked closely with the project from the beginning. In 2002, he and others started working to develop a Waterfront Master Plan to unite a patchwork of residential and commercial initiatives along the Delaware River. A range of environmental issues grew out of the process. Local ports have been taking their own environmental steps, but officials recognised the importance of the unified approach embodied in Green Ports.

The initiative sets a high bar. The consultant is required to craft action plans that will help each agency to, among other things:

- Reduce emissions and greenhouse gases
- Use more alternative energy, including waste to energy, photovoltaic (converting sunlight into electricity) and wind
- Build facilities that follow the US-developed LEED (Leadership in Energy and Environmental Design) guidelines or similar standards
- Purchase energy efficient equipment
- Increase recycling and reduce solid waste streams
- Share best practices on the initiative with area businesses, public-sector officials and residents.

According to Lisa Urban Magee, PRPA special projects co-ordinator, officials expect to examine a variety of methods to manage stormwater on site and to reconsider land use and brownfield options. Alternative systems for retention water basins, and cold storage and refrigeration systems, are also under review. Also expected to be on the table are:

- Green logistics processes designed to alleviate congestion and manage traffic
- Alternative fuels for port fleet equipment and vehicles

- Education programmes to help ports operate in more environment-friendly ways
- Systems to amplify sunlight in warehouses.

Magee agreed the initiative has financial advantages too. The Philadelphia region is bracing for the deregulation of regional utility electric rates in 2010. If deregulation means that prices may increase later, the port should consider reducing its energy appetite now, officials believe.

This is just one example of why those involved believe greener ports make tangible sense all around. SJPC's Jones added: "I live 6 miles away from the Port of Camden, so I certainly want my workplace to be clean, environmentally friendly and safe."

Participants see Green Ports as a demanding exercise in managing, planning and innovating. Those who spoke to *P&H* stressed that many challenges lie ahead, but were encouraged by progress so far. The key players involved in this project share a variety of best practices. Collaboration should be early and often, Peterson maintained.

Maroney cited communication as an important factor: "We have found that open and engaging communication has been critical to conveying ideas and information, as well as managing expectations."

Use your knowledge limitations not as roadblocks but as road maps, Nash said. He explained: "What I've learned is that you reach out to people in the business" – which in this case meant seeking advice from leading environmentalists and other experts in the region.

Carefully choose the areas to get involved in, Nash advised. There is a myriad of projects that could conceivably enhance green practice, but it is important to pick only those tactics that can be sustained, paid for and completed. He also highlighted the importance of small but effective working groups, to create maximum strategic impact. "For our purposes, there was no other way to do it," he said.

Those involved recognise the value of expert advice in government, the private sector and the advocacy community and are putting these credentials to good use. There could be conflicts along the way, *P&H* was told, but this group is seeking out ways to co-operate and accomplish things. **PH**

## Working together and finding funding

Green Port participants looked at the environmental efforts at the ports of Long Beach and Houston, among others, but Delaware River regional ports have their own set of challenges. An initial concern was whether the disparate players could pull together, but elected and public and private port officials in Pennsylvania and New Jersey proved they could do so and set this joint initiative in motion.

Financing of the initiative so far, such as the hiring of the consultant, is indirectly funded through a bond issue by New Jersey and Pennsylvania. The bond issue was meant to finance a Delaware River dredging project, which is still planned, Nash explained. A portion of that money now is paying for Green Ports consultancy.

Final costs and precise steps on how to make each port greener

will become clear once the consultant produces its plan and stakeholders examine its recommendations.

Officials will not know how much it will cost to implement the consultant's recommendations until that full report comes in, at which point stakeholders will assess and decide what to implement – a decision that will be informed by the 'Green Ribbon Panel' (see main text). For that final implementation, officials will be looking into the possibilities of obtaining federal matching funds, state funds, tax credits, grants, loans and other formulas. Ultimately ports will work closely with the consultant on a targeted plan to seek out, identify and apply for those federal matching funds and other potential public and private funding sources.



## Profitable idleness

Ports in the right climate with the right facilities could make money out of unemployed vessels. **Andrew Lansdale** reports on this fast-growing activity

**Two more ships are expected to join the five car carriers and three box ships already laid up in the Fal estuary**

**G**erman shipowner Claus-Peter Offen has predicted that a quarter of the world's container ship fleet will be laid up by 2011. He told the eighth annual German ship finance forum that the market will not pick up significantly until 2014. With about 1M teu of capacity already idle, Offen has forecast that this number will double this year and triple in 2010.

When *Ports & Harbors* approached ports and asked about the volume of vessels anchored in their port area, officials were often reluctant to describe the ships as laid up, being prepared to confirm only that a certain number of ships are at anchor.

Anchorage off Hong Kong and Singapore are filling up fast, but with the typhoon season in the South China Sea starting this month, owners are looking elsewhere to park their unemployed vessels.

Subic Bay in the Philippines is one option and already holds 30 ships in layup, with more expected in the coming months. The sheltered waters off Piraeus in

Greece are also hosting ships. At time of writing, more than 200 vessels were visible on the AIS receiver. While this figure does include ships that are trading and inter-island ferries, many of this number are known to be laid up.

AP Møller-Mærsk has admitted that 25 of its medium-range container ships of about 6,000teu capacity have been taken out of trade. Active trading is also over for numerous other types of vessel hit by the world's economic problems, such as bulk carriers. Specialised vessels such as car carriers have been particularly affected.

There are, of course, different stages of layup. The first is that of being an idle ship. During a market downturn, too many ships are likely to be chasing too few cargoes. A vessel is instructed to go to a convenient anchorage such as Singapore or Hong Kong and wait for a suitable cargo to appear. The ship will have a full complement of officers and crew on board. All the usual onboard facilities will be working.





Photo: Krispen Atkinson

The next stage is designed for longer periods. The vessel's generators are kept running, but a proportion of the crew will be sent home and many of the usual facilities shut down. The vessel is kept on a certain period of notice.

This occurs during a prolonged spell of poor market conditions. The Port of Truro, in the west of England, has several ships in this condition. Container ships *Santa Giuliana*, *Santa Giulietta* and *Santa Giovanna* of Claus-Peter Offen share one master, one chief engineer and a handful of engine-room and deck crew between them. For of a ship of this size, the charge is about £2,328 (\$3,490) a month. Alongside in Southampton the monthly costs are about \$6,000. Offen has also laid up four container ships in Kiel, Germany.

Truro harbormaster Captain Andy Brigden outlined how the system works. The owner's agent – in this case Denholm Barwil in Falmouth – advised Claus-Peter Offen of layup berth availability in up-river Truro. Historically, it has afforded refuge for ships to be laid up at mooring buoys already in position. The port authority pays about £10,000–£12,000 (\$15,000–\$18,000) every few years in buoy maintenance. The port also benefits from the proximity of the Falmouth repair yard for commissioning and decommissioning of ships.

At this port there is a strict code of conduct to which ships must adhere, to help reduce any impacts on the environment. If complaints of noise or pollution are received from the local community, the harbor

authority could insist that a quiet, environment-friendly portable generator be installed. "We would like our ships in layup to be good neighbours rather than bad ones," Brigden told *Ports & Harbors*.

In Bremerhaven, Germany, shipowners with under-employed car carriers and container ships on their hands are waiting for the good times to return. Some, such as Wallenius Wilhelmsen Logistics, believe that suitable market conditions are unlikely to occur soon. The Scandinavian operator has two vessels that were moored in Bremerhaven for three months, but have since been moved to a fjord near Lyngval in the south of Norway. The company's chief executive officer, Arild Iversen, told the press that the company did not anticipate any upturn in the market until next year, so they will start putting more ships into what he termed 'cold layup'.

This is the most radical layup stage. The vessel is placed at an anchorage or alongside and all machinery is shut down. All the officers and crew are sent home. There are then two alternatives. Either the ship is placed in the care of a management company, which ensures the vessel's safety – three car carriers in Truro are in this category. Or a watchman is placed on board.

In reaction to an increase in enquiries, ports around the world are making efforts to attract vessels into their harbors. In Truro, Capt Brigden told *P&H* that Loch Striven, off the River Clyde in Scotland, and the huge harbor of Scapa Flow, in the Orkney Islands, are both busy marketing their facilities.

Malalag Bay is also looking to capitalise on its location in the Davao Gulf off the southeastern part of Mindanao, southern Philippines. Port chairman Edgardo Gualberto said that the area is typhoon-free all the year round and that there is a complete layup service on offer. Other areas in the Philippines, such as Manila Bay and Balayan Bay, do suffer from the threat of typhoons. Nevertheless, they too are attracting idle ships, at costs of between \$14,000 and \$16,000 a month for ships with minimal crews on board.

German ports are also capturing some of the layup business. At time of writing there were berths available in Hamburg, according to its harbormaster, Captain Jörg Pollmann. He told *Ports & Harbors* that they have two berths alongside and nine at dolphins (structures not connected to the shore). To maximise capacity, ships can be doubled-up at berths, providing room for up to 20 vessels in total. The port authority charges €3.00 per 100gt a day for berths out in the stream and €6.69 alongside. The port only permits 'warm' layup, ie manned vessels.

More than 20 ships are lying idle within port limits of Emden, in northwestern Germany. Applications have been made for berths in Geltinger Bay, off the coast of Schleswig-Holstein – a popular place for layups during the 1970s tanker downturn.

The resurrection of this Baltic layup hotspot and Claus-Peter Offen's words of caution both suggest that the layup trend could continue for another five years. During this time suitably located ports with the right facilities could find themselves profiting from unwanted tonnage. **PH**

## ESPO sends heads-up to the EU

The economic benefits of seamless logistics and transport networks for European Union nations are immense.

As one European Parliament comes to the end of its term, the European Sea Ports Organisation (ESPO) has taken the opportunity to remind the new European Commission and associated organisations of the progress that has been made and the challenges that must be faced in order to build an effective, cohesive transport network on sea and land.

On the eve of European Maritime Day on 20 May and with an eye on the European elections in June, the ESPO urged the EU to continue its thrust towards lifting all transport barriers within a shared infrastructure.

ESPO believes that, despite the economic downturn and the inclination to protect the internal market, decision-makers within the European Parliament and the European Commission should continue the fight for an efficient and sustainable common transport policy.

ESPO has identified the five main priorities as: continuation of the development of the Trans-European Transport Network (TEN-T) policy; fast tracking of the execution of all transport infrastructure projects in compliance with public interest and environmental needs; application of 'co-modality' principles so that each form of transport resource is exploited in the most efficient and sustainable manner; liberalisation of rail freight transport and eradication of all cross-border bottlenecks and barriers; and the creation of a common shortsea shipping market through implementation of a 'Common Maritime Transport Space without Barriers' package.

The TEN-T policy strengthens the role of seaports and improves and develops connections between ports bordering on land transport networks.

In addition, the ESPO sees the European Commission's 2007 Ports Policy Communication as one of the most important frameworks for the definition of a European-wide seaport policy, especially concerning state aid and environmental legislation guidelines, and calls for its rapid implementation.

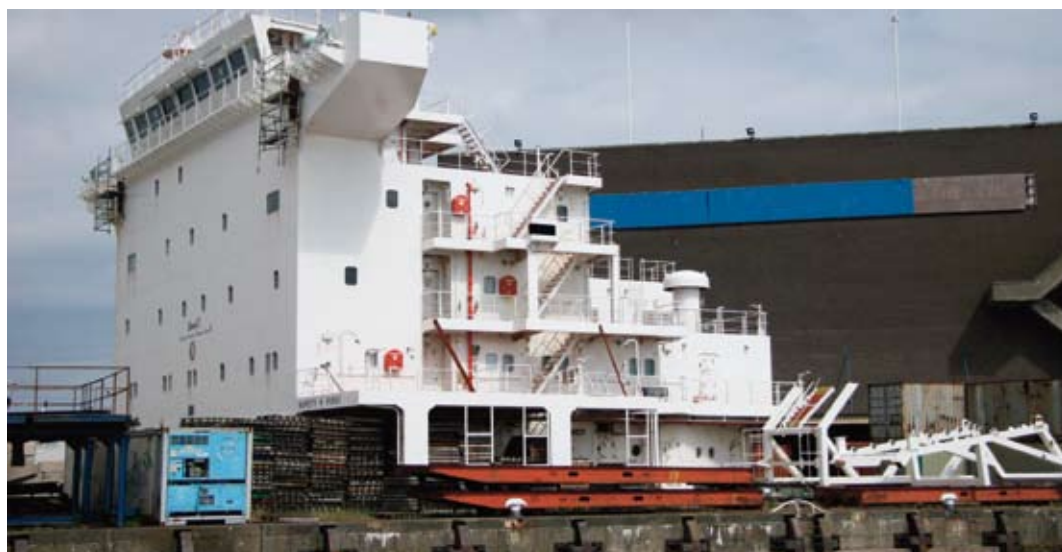


Photo: Martin Wright

Bulk carrier's bridge used as accommodation

## IMO adopts ship recycling convention in Hong Kong

Ship recycling, the processing of a vessel's parts and materials when it comes to the end of its service life, has seen a resurgence in recent months. The shipping industry had laid down some operational guidelines back in 2003 and now the International Maritime Organization has adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, at a diplomatic conference held in Hong Kong, China, on 11-15 May.

The conference was attended by delegates from 63 countries.

The new convention aims to ensure that threats to the health of the ever-increasing numbers of workers in the ship recycling sector are counteracted, along with safety risks and possible damage to the environment. It addresses the working environment at recycling facilities and the possibility of a ship containing hazardous substances, such as asbestos and heavy metals. The convention lists the materials concerned

and stipulates that vessels must be surveyed in order to create an inventory at various times in the ship's life, and particularly before it goes for recycling.

IMO secretary-general, Efthimios Mitropoulos, is happy with the balance between responsibilities and obligations expressed in the new convention, but urged governments to implement it locally and ratify it as quickly as possible. He also emphasised that they should offer requesting countries technical assistance and

## EU CO<sub>2</sub> legislation is postponed

Delays in the decision-making process have forced the European Commission to postpone a proposal to instigate greenhouse gas controls within the maritime industry. Brussels will not include further greenhouse gas legislation in its 2009 work programme. The proposed legislation, which could be a European Union-wide cap and trade system, is now expected to be considered for next year's programme.

An International Maritime Organization working group is engaged in talks on CO<sub>2</sub> emissions and some progress was made at its meeting in March, but commission officials are not expecting much to be achieved until after the United Nations Framework Convention on Climate Change summit to take place in Copenhagen from 7 to 11 December 2009. This is set to

agree on a successor instrument to the Kyoto Protocol.

According to news sources, the IMO's talks have been slowed by developing countries, such as China and Brazil. The summit in Copenhagen has been put forward as a reason for delays.

EU leaders are asking for a deal to be established by 2011 and are expecting a workable system to be in place by 2013. EU policy options, which are part of a study by Dutch consultants CE Delft, are due to be published in October.

The maritime industry must be aware that EU regulations in the aviation industry were brought in more rapidly than envisaged. Aviation is expected to enter a trading scheme for carbon emitters, alongside power, iron and steel plants, in January 2012.



ensure proper enforcement when the convention comes into force.

Input to the convention has been received over the past three years from IMO member states and relevant non-governmental organisations, in co-operation with the International Labour Organization and the parties to the Basel Convention.

Regulations included in the new convention cover the design, construction, operation and preparation of ships to facilitate safe and environmentally sound recycling; operation of recycling facilities; and the creation of appropriate enforcement mechanisms, including certification and reporting requirements.

The convention will enter into force 24 months after signatures have been obtained from 15 states representing 40% of the world's merchant shipping by gross tonnage. The combined maximum annual ship recycling volume of those states during the preceding 10 years must be not less than 3% of their combined merchant shipping tonnage. The convention will be open for signature at the IMO's HQ from 1 September 2009 to 31 August 2010.

The conference expressed its appreciation to the Government of China and the Marine Department of the Government of the Hong Kong Special Administrative Region, and named the convention after its hosts.

## Piracy progress at MSC



**A suspected pirate is escorted from the French frigate *Nivose*, which arrived at the Port of Mombasa in Kenya on 8 May with 11 detained suspected pirates**

The 86th session of the IMO's Maritime Safety Committee (MSC) took place in May and June at the organisation's London headquarters. Piracy was a hot issue, with the Working Group on Piracy finalising updated recommendations to governments and guidance to shipowners, ship operators, shipmasters and crews.

Amendments to resolution A.922(22) on the code of practice for investigation of crimes of piracy and armed robbery against ships were also proposed, which will be considered later this year.

The IMO also said that "good progress" was made in preparatory work by the sub-committee on Standards of Training and Watchkeeping (STW) to revise

the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978 and the STCW Code. An STW working group is due to hold an inter-sessional meeting in September with a view to finalisation at STW 41 to be held in February 2010.

In addition, the MSC approved international goal-based ship construction standards for bulk carriers and oil tankers, together with proposed amendments to SOLAS Chapter II-1 making their application mandatory, for consideration at MSC 87 with a view to adoption.

In addition, amendments to SOLAS regulation V/19 making the carriage of Electronic Chart Display and Information Systems (ECDIS) and Bridge Navigational Watch Alarm Systems (BNWAS) mandatory were adopted, and revised guidelines for ships operating in Polar waters were also approved.

The Formal Safety Assessment Experts Group was established as a working group to review comprehensive safety studies on cruise ships, ro-ro passenger ferries, LNG gas carriers and container ships, while the MSC also approved the revised Joint IMO/IHO/WMO Manual on Maritime Safety Information (MSI).

## Act now on Labour Convention

"Implement MLC 2006 now," says Capt Stephen Chalk of Lloyd's Register. The message hasn't really got out yet that the International Labour Organization's Maritime Labour Convention (MLC 2006) will be ratified and will have a significant impact on ship management, both onboard and ashore. Chalk, senior marine ILO specialist at Lloyd's Register, made the point when addressing a joint meeting of industry professional groups, organised by the Nautical Institute's London branch, in May.

When it was drafted in 2006, the convention was hailed as bringing together 68 ILO conventions dating back as far as 1920, few of which had been ratified or implemented – or even, he suggested, understood by many ILO member states. Yet MLC 2006 is still short of signatories.

It will come into force a year after it has been ratified by 30 member states representing at least 33% of the world's fleet; so far, it has more than enough tonnage – 43% of the fleet – but only five flag states. Chalk believes that other states will soon sign up, predicting that if China did, other Asian nations would follow. The EU is encouraging its member states to ratify by December 2010 and the ILO has published an action plan that would yield sufficient ratifications by 2011 so that it can come into force in 2012.

But why the reluctance to ratify? Chalk cited one flag state that had initially planned to ratify but had not yet done so. "They are scared at being the first," he said. Their reluctance, he told *P&H*, was a combination of finding it technically difficult to implement and simply dragging their feet.

The convention contains many "grey areas", he said, that had caused concern in some quarters. For example, its definition of a seafarer includes "any person who is employed or engaged or works in any capacity on board a ship to which this convention applies", which "is causing uproar" in the cruise sector where even hairdressers will count as seafarers.

Yet there is benefit in this wide interpretation. Take cleaners, who might use chemicals in their work. Under the convention, an inspector could check whether they have the proper training and equipment to use them, he pointed out.

His comments are based on about 25 inspections that LR has conducted since last September at the request of shipowners and one flag state. He urged companies to act as though the convention were in force as uncertainties may only be resolved once it has.

Chalk urged owners not to wait that long. "Implement MLC 2006 now, to your schedule, not to the ILO's," he said.







# Benvenuto to beautiful Genoa

There is nothing better than a historical port to remind us how it all started. A stroll through Genoa's Porto Antico in the hot Mediterranean sun, with the bulbous bow of replica ship, *The Neptune*, protruding onto the dockside was a good reminder of how important the port/ship interface has been for world trade in the past, and still is today.

Satoshi Inoue said in his message that the 26th IAPH World Ports Conference is about "renewing friendships" and "meeting new friends from around the world".

The Port Authority of Genoa extended a warm welcome to all who attended and there were plenty of opportunities to get to know each other, as delegates escaped the hot, strong sun and chatted over hot, strong coffee, drunk in the cool air-conditioned conference facilities. At the welcome reception at the Piazza delle Feste, delegates appreciated the waterfront location, which they enjoyed along with a glass of Prosecco

served with lashings of Italian-style ham.

The Port of Busan (see box) offered a glimpse of what to expect in two years time. Delegates enjoyed a sumptuous night of Korean opera and dancing in the candle-lit lower quarters of Le Cisterne di Palazzo Ducale. This was followed by traditional Italian fare such as *Trofie con Pesto alla Genovese* – a pesto and pasta signature dish of the region.

The following night, again in Le Cisterne di Palazzo Ducale, but this time in the elegant 17th century Sala del Maggior Consiglio room, the grand gala dinner was held. A four-course meal was served, featuring the region's renowned fresh seafood.

In amongst the various speeches given, President Gichiri Nduu's Kenyan colleagues adorned the past President Datin Paduka OC Phang in the traditional costume of a Masai woman, much to her delight as well as that of all the attending delegates.

The spirit of the evening was complete when, in true Italian style, a soprano and baritone singer took delegates through some famous opera tunes. The programme included extracts from *La Traviata* by Giuseppe Verdi, Giacomo Puccini's *Tosca* and *Madame Butterfly*, Giacomo Meyerbeer's *Oh Paradise*, and *The song of the Vilia* by Franz Lehar. After the final song – *O Sole Mio* – delegates and their partners showed their appreciation with a standing ovation, bringing the evening to a close.

After the extravagance of the night before, delegates boarded a boat and enjoyed a technical tour of the port's modern facilities and terminals. The port covers 20km of coastline and features 13 terminals which, between them can handle both containerised and non-containerised cargo, including dry and liquid bulk.

It was a fitting finish to a ports conference where the water was never far away.

**Three New Zealand CEOs at the Piazza delle Feste. From l to r: Martin Byrne of Port of Nelson; Roy Weaver of Port of Taranaki; Garth Cowie of Port of Napier**

OC Phang and her husband in Masai national dress



## Busan in 2011

The Busan Port Authority would like to invite all IAPH members to the 27th IAPH World Ports Conference. Ki Tae Roh, CEO and president of the authority, was elected unopposed as the 2011 conference VP in Genoa. The port authority's representative at the recent Genoa conference, Kim Oesook, cited the city's many attractions, including culture, arts and natural beauty in the surrounding areas and assured delegates that Busan would not disappoint. The city is also building a reputation as one of the most attractive convention destinations in Korea, the authority claims.

Delegates at the conference were given a taste of what to expect in 2011 at the Busan Night. Dancers and singers performed an opera entitled *My Love, Chunhyang*, all in traditional Korean costume.

Delegates were enthralled by the lightning speed of the drummers and gracious elegance of the dancers.

# And the winners are ...

Winners of the 2008/2009 IAPH Essay Contests and IT Award were presented with their trophies at the Genoa conference. The essay competitions acknowledge individual effort, while the IT competition rewards ports

## IAPH IT Award 2009

This award is given to a port which, over the past two years, has totally or substantially implemented an IT project that is shown to be of the greatest

benefit to the port and its community. Judges were Santiago Milà from Port of Barcelona, Mario Caselli from Port of Genoa, Ian Flanders from Port

of London and Secretary General Satoshi Inoue. Entries were put forward from nine ports. Two Silver Plaques were awarded.



**Gold: Port of San Pedro, Cote d'Ivoire**



**Silver: Israel Ports**



**Silver: Indian Ports Association**



**Bronze: Kenya Ports Authority**

### Gold Plaque

**Désiré Dallo, managing director, received the award**

Port of San Pedro in Cote d'Ivoire took first prize in this section with its project – Port of San Pedro information system.

The aim of the project was to improve services provided to vessels and cargoes, reduce billing delays, reduce bottlenecks and develop reliable and exhaustive data. The system is built around five modules: vessel traffic, cargoes traffic, port domain, invoice system and dashboards/statistics. It was implemented between May 2008 and April 2009.

The vessel traffic module had a significant impact on workflow, the profitability of port activities and reliability of traffic data.

The judges valued the project's spirit and overall commitment, despite the challenges of undeveloped IT. Furthermore, they believe it has reduced costs and increased efficiency.

### Silver Plaque

**Shlomo Brieman, CEO of Israel Ports, received the award**

Israel Ports received one of two Silver Plaques for its project – Integrating security-related services in a modern port gate. The new gate at Ashod Port was implemented in 2008 and combines security needs with efficient operation. The system uses information from all maritime community partners, real-time recognition devices and various IT systems. The gate carries out the following inspections on:

- Driver – by RFID tags, biometric identification and picture
- Truck – by a licence plate recognition reader
- Container – by optical character recognition; expected and actual weight comparison; radioactive and x-ray examinations
- Seamen – by biometric signature, documents and picture.

Judges felt the project utilised sophisticated IT in line with security and operational requirements.

### Silver Plaque

**Dr AK Chanda, chairman of Kolkata Port Trust, received the award**

Indian Ports Association was also awarded a Silver Plaque for its project – Implementation of centralised web-based port community system (PCS) at Indian ports. This project is aimed at developing a web-based application that acts as a single window by which the port community can securely exchange messages electronically.

The scale of this project, which was partially implemented in 2008, impressed judges. It connects multiple ports – both public and private – enabling communication and co-operation between them through a single electronic window. Players and stakeholders in the PCS can continue to act in the same manner but with more efficiency, transparency, security and traceability. These factors were highly valued by the judges.

### Bronze Plaque

**Capt Twalib Ali Khamis, of Kenya Ports Authority, received the award**

Kenya Ports Authority took the Bronze Plaque for its project – Port operations revolutionised by implementation of the Kilindini Waterfront System (KWATOS) in Kenya Ports Authority. The system has automated cargo operation in the following areas: containers; conventional cargoes; inland container depot operations in Nairobi and Kisumu, Kenya; and marine operations.

Manual documentation is replaced with electronic documentation, standalone systems have been integrated, and container inventory recording has been automated. Judges noted that prior to KWATOS the average truck turnaround time was 12 hours, now reduced to four hours. The project's scale, the situation in which it was applied, its wide arena and spectacular results were highlighted by the committee.



## IAPH Essay Contest: Akiyama Award

Entries in this category were scored in three main areas: originality or creativity; logical clearness and presentation of facts; and feasibility. Scores

were given to the 46 entries – 23 for the Akiyama – according to a marking system. The judges for both the Akiyama and Genoa Open awards were

chairman Eddy Bruyninckx from Port of Antwerp, Grant Gilfillan from Sydney Ports Corporation and Secretary General Satoshi Inoue.

### Winner

#### Adrian Syahminur

Adrian Syahminur from Indonesia Port Corporation III was the winner of the Akiyama award for his essay: *Marketing Banjarmasin Port to the kids: creating future generation through an experimental education program*. Judges felt that it proposed a unique marketing approach to raise the profile of the port to neighbouring children.

His paper was considered to be well-written and logical. And, with support from concerned local parties, judges believed it to be feasible in application.



Adrian Syahminur receives his award from President Phang and Marc Van Peel from Port of Antwerp

### Distinguished entry

#### Indranil Hazra

*Synthesis of safety with productivity – looking beyond excellence*, written by **Indranil Hazra**, assistant manager of policy and institutional reform at Haldia Dock Complex for Kolkata

Port Trust, was considered 'Distinguished' by judges in this category.

As the second runner-up, his paper promotes port safety as well as productivity. Furthermore, judges considered it to be a fresh

and important viewpoint for developing ports.

When reading his essay, judges noted that in identifying problems and presenting solutions, Hazra is logical, solid and consistent and refers to his own port situations.

## IAPH Essay Contest: Genoa Open Award

This award was given in honour of the 26th World Ports Conference in Genoa. There were 23 entries for this

award, which was open to all port staff from IAPH's regular and associate members. The theme of

the essays were either global warming or the local community in relation to the port.



Marc Van Peel, from Port of Antwerp and President Phang hand over the award to Caroline Bosschieter from the Port of Rotterdam

### Winner

#### Caroline Bosschieter

Caroline Bosschieter, project leader, container, breakbulk and logistics at Port of Rotterdam, was the winner of the Genoa Open award with her essay: *Climate change and inland shipping – to control is to foresee*.

The three expert judges believed that her entry offered excellent analytical and scientific insights into the effects of climate change on the port community.

Her analysis of the consequences of climate change on the river Rhine was also highly rated.

### Distinguished entries

#### Judges felt that the following three entries stood out:

*Global warming and port* by **Ivan X Gatt** from Malta Maritime Authority placed emphasis on the importance of controlling ship emissions through speed reduction and other operational means.

*Local community and ports* written by traffic manager at Cochin Port Trust, India, **Vipin R Menoth**, focused on the need for a comprehensive community engagement process to be developed by each port and stressed the importance of stakeholders.

*Local community and ports – International*

*women networks in port management: the Western and Central Africa initiative* – was co-authored by **Dr Yann Alix** of IPER and **Annie Gruchy** of Port of Le Havre, France.

It was considered a unique idea that calls for the involvement of more women in port management in the region.



From left to right: Naruse, Milà, Knatz, Ndua, Gilfillan, Phang, Inoue

## New officers' line-up

A great deal of activity has taken place on the executive committee, with a new president and new vice-president representing each region

### IAPH Officers

**Gichiri Ndua** steps up, replacing OC Phang as your president. Ndua is corporate service manager at the Kenya Ports Authority

**Geraldine Knatz** replaces Bernard Groseclose as 1st vice-president representing the Americas Region. Knatz is executive director of Port of Los Angeles, USA

**Grant Gilfillan** replaces Lim Heng Tay as 2nd vice-president representing the Asia and Oceania Region. Gilfillan is CEO of the Sydney Ports Corporation, Australia

**Santiago Garcia Milà** steps in as the next 3rd vice-president representing the Africa and Europe Region. Milà is deputy managing director of Port of Barcelona Authority, Spain

**Datin Paduka OC Phang**, now takes the role of immediate past president. She is the former general manager at Port Klang Authority, Malaysia

**Ki Tae Roh** picks up the reins from Mario Caselli as conference vice-president. Roh is CEO and president of Busan Port Authority, Korea

**Susumu Naruse** will take over from Satoshi Inoue as secretary general of IAPH in December this year

### Your executive committee members for 2009-2011

#### Americas Region

**Mario Arbulú**, president of Empresa Nacional de Puertos, Peru

**Douglas J Marchand**, executive director, Georgia Ports Authority, USA

**Geraldine Knatz**, executive director, Port of Los Angeles, USA

#### Asia/Oceania Region

**Jens B Madsen**, managing director, Ports of Auckland, New Zealand

**L E Cong Minh**, director general, Saigon Port Company, Vietnam

**Grant Gilfillan**, CEO, Sydney Ports Corp, Australia

**Masahiko Furuichi**, director for special research, Port and Airport Research Institute, MLIT, Japan

**Abdul Wahab Al Diwani**, director, maritime safety, security and environment, Dept of Transport, Abu Dhabi, UAE

**Manjit Singh**, 2 deputy director (policy), Maritime and Port Authority of Singapore

**Haihu Lu**, chairman, Shanghai International Port (Group), China

**Beom-Gou Kang**, director general, Busan Port Construction Office, Ministry of Land, Transport and Maritime Affairs, Korea

#### Africa/Europe Region

**Manfred Reuter**, director, international affairs, Hamburg Port Authority, Germany

**Khomotso Phihlela**, chief executive, Transnet National Ports Authority, South Africa

**Jean-Claude Terrier**, managing director, Grand Port Maritime de Marseille, France

**Leonids Loginovs**, CEO, Freeport of Riga Authority, Latvia

**Bara Sady**, managing director, Port Autonome de Dakar, Senegal

**Eddy Bruyninckx**, CEO, Antwerp Port Authority, Belgium

## Membership notes

The IAPH secretariat is pleased to announce that three new members have joined the association

### Associate Members

#### Port Training Institute (PTI)

Address: PO Box 123, Alexandria, Egypt  
 Telephone: +203-486-2099  
 E-mail: akram.soliman@pti-aast.org  
 Website: www.pti-aast.org  
 Representative: Dr Akram Soliman, dean  
 Nature of business activities: Educational/training for ports and maritime transport personnel, including programmes on port management and supervision, computer and information systems, port operation, maritime, engineering and technical works, port management and financial programmes and crane simulator courses

#### Chalmers University of Technology

Address: Division of Logistics and Transportation, Dept of Technology Management and Economics, SE-412 96 Göteborg, Sweden  
 Telephone: +46-31-772-5165  
 Fax: +46-31-772-1337  
 E-mail: badi@v.chalmers.se  
 Website: www.logistics.chalmers.se  
 Representative: Badi Almotairi  
 Nature of business activities: Educational institution

#### Starcrest Consulting Group, LLC

Address: PO Box 5098, Albuquerque, NM 87185-5098, USA  
 Telephone: +1-505-293-1693  
 Fax: +1-505-210-0136  
 E-mail: pta@starcrestllc.com  
 Website: www.starcrestllc.com  
 Representative: Primus T Anderson, CEO  
 Nature of business activities: Consultancy consisting of senior air quality and shipping industry experts specialising in port-related air quality issues, analysis and planning



## SG announces retirement

Satoshi Inoue announced that he will be retiring at the end of November. Inoue said in his message that it "has been a great honour to work for the world port community, especially in the dynamic and challenging 10 years where such global issues as port security and climate change came up one after the other". He will leave members in the safe hands of Susumu Naruse. Currently executive director of the Overseas Coastal Development Institute of Japan, Naruse has been a member of the executive committee for eight years and chair of the Port Planning and Development Committee for five. Inoue's resignation and the appointment of Naruse were approved by the board.

## Unanimous on resolutions

"The association has undergone another challenging two years since the last conference in Houston," Secretary General Satoshi Inoue said in his report. "Unlike ships, ports require years and sometimes decades to develop infrastructure. Despite the current recession, therefore, it would be of vital importance for ports to move ahead with far-sighted long-term plans." The technical committees are therefore tackling a number of issues that affect port safety, security and efficiency, he said.

Environmental sustainability has been, and will continue to remain, high on the IAPH agenda for the next two years. Climate change is an especially pressing challenge, said Inoue at the pre-conference board meeting at the Genoa conference in May, and initiatives have been launched to address this.

Garth Cowie, the Finance Committee chair, gave his report at the plenary after the conference, commenting that IAPH is facing similar challenges to other organisations in the current climate, particularly in relation to currency changes and revenue streams. Budgets proposed for 2009-2010 were approved.

Two resolutions were also adopted during plenary. The first – Resolution on Ports Preparing for Economic Recovery – urges the world's ports, with support from governments, to move ahead with continued investments to improve productivity and expand capacity.

The second focused on climate change and resolved that ports should tackle climate change in an integrated and innovative way through active participation in the

World Ports Climate Initiative. It noted that the Port Planning and Development Committee is tasked to undertake the necessary studies and provide assistance for adoption measures.

IAPH, it said, should contribute in the process to establish a new effective international regime at the United Nations Climate Change Conference 2009 (COP15).

All eight committees, that comprise three groups, have made progress with their respective work plans for 2007/2009, Inoue reported. New work plans were announced for the next period – 2009/2011 – by each chair.

These work plans and the line-up of new chairs and vice-chairs were unanimously approved by the board. There will be more information in our September issue.

As representative from Busan Port Authority, Kim Oesook attended the pre-conference board meeting and invited IAPH members to visit the port city in 2011 for the next conference.

Looking forward to 2013, the Port of Los Angeles volunteered to host the next event and the suggestion was unanimously approved by the board.

A new website has been launched to support and enable access to the World Ports Climate Initiative (WPCI).

Geraldine Knatz, executive director of Port of Los Angeles and Port Environment Committee chair, and IAPH managing director Fer Van De Laar announced the launch at the pre-conference board meeting. To find out how to get involved, go to the WPCI section of [www.iaphworldports.org](http://www.iaphworldports.org)

## Dates for your diary

A selection of forthcoming maritime and ports courses and conferences

### July

**22-24** Port Security Seminar and Expo – Houston, Texas, USA  
[www.aapa-ports.org](http://www.aapa-ports.org)

### August

**31-4 Sept** Professional Development Course in Maritime Casualty Investigation – Malmö, Sweden  
[www.wmu.se](http://www.wmu.se)

### September

**1-3** BALTEXPO 2009 – Gdansk, Poland  
[www.maritime.com.pl](http://www.maritime.com.pl)

**7-11** Background to Shipping – London, UK  
[www.lloydsmaritimeacademy.com](http://www.lloydsmaritimeacademy.com)

**7-18** Seminar on Port Environment Protection Technology – Antwerp, Belgium  
[www.portofantwerp.be/apec](http://www.portofantwerp.be/apec)

**15-17** Seatrade Europe – Hamburg, Germany  
[www.seatrade-europe.com](http://www.seatrade-europe.com)

**20-23** Rotterdam Rules Signing Ceremony – Rotterdam, Netherlands  
[www.rotterdamrules2009.com](http://www.rotterdamrules2009.com)

**21-25** FIATA World Congress 2009 – Geneva, Switzerland  
[www.fiata2009.com](http://www.fiata2009.com)

**22-25** NEVA 2009 – St Petersburg, Russia  
<http://neva.transtec-neva.com>

**23-24** 4th Annual Canada Marine Conference – Vancouver, Canada  
[www.joc.com/cmc](http://www.joc.com/cmc)

**24-26** INMEX India 2009 – Mumbai, India  
[www.inmexindia.com](http://www.inmexindia.com)

**24-25** 4th Southern Ports, Logistics and Shipping 2009 – Chennai, India  
[www.transportevents.com](http://www.transportevents.com)

**28-29** Management of Ships' Waste – London, UK  
[www.lloydsmaritimeacademy.com](http://www.lloydsmaritimeacademy.com)

**30 - 1 Oct** International Port Security – Barcelona, Spain  
[www.intlportsecurity.com](http://www.intlportsecurity.com)

### October

**13-15** Port and Terminal Technology 2009 – Antwerp, Belgium  
[www.millenniumconferences.com](http://www.millenniumconferences.com)



# Collaboration matters

IAPH's new president and Kenya Ports Authority corporate services manager, **Gichiri Ndua**, explains why today's difficult times could serve ports well in the future

“ We must acknowledge that ports are on one side of the market whilst shipping lines are on the other ”

Things rarely remain the same. From the economic downturn to global warming to commercial piracy, the world today is experiencing some harrowing changes. Cargo vessels are being laid up while cruise ships are being built. Some companies are investing in human capital, others are laying off personnel. It is no longer 'business as usual'.

A year ago, ports across the world were congested with containers occupying every available inch of the terminals. Today, many are crying out for business. Congestion has vanished and container yards are as good as empty. Now is the time to act – to address the challenges that caused ports congestion. Some governments and nations are investing more than usual so that they can revamp the markets with a view to raising demand for goods and services.

By continuing to implement and initiate the projects and programmes that were originally envisaged to overcome congestion, we shall be doing two things:

- Assisting economies to get out of the 'trough'
- Helping ports acquire the requisite capacity to meet expected demands of their economies as they recover, which they will be doing soon.

We must acknowledge that ports are on one side of the market whilst shipping lines are on the other. Ports serve the shipping industry by providing services to both cargo and ships. Ships call on ports and therefore are invariably ahead in terms of business intelligence. They also move between continents, while ports are fixed. Their projections and estimates are, in the short term, better informed than those of ports.

Shipping lines have often surprised ports with their demands – for greater draughts, or cranes with longer reach. Staying close to shipping lines will enable ports to assess the direction of the trade without investing heavily in market research and traffic forecasts. In this regard I shall propose that we make deliberate efforts to engage shipping lines and will run this agenda

through the IAPH board. The ports' nodal nature means they are hubs for greenhouse gas (GHG) emissions. IAPH has placed climatic change on its agenda and the issue will occupy centre stage in its future businesses. We shall remain on this course.

IAPH is well aware that ports and their host countries are not at the same level of economic evolution. Similarly, training and investment in personnel skills are at different levels. To cope with growing maritime trade, new and better skills and competencies will be desirable. Even small ports will be required to improve their ways of working. Knowledge will inevitably become a key determinant in the pace of growth and development in the port industry. I would suggest that we keep this in sight as we look at our development plans.

Piracy and possible terrorism activity are formidable challenges for all in the maritime industry. These challenges have recently assumed new dimensions, especially in the Gulf of Aden and Somalian waters. The risk of hijack means that many vessels choose to detour, incurring excessive operating costs such as higher insurance premiums. These detours will have an impact on many ports. The maritime community must come together to address this menace. We must go beyond collaboration between World Customs Organization, International Maritime Organization and IAPH on matters of security and look to collaborate with and support the coast guards and surveillance agencies that oversee international waters.

In conclusion, there is a need for greater co-operation and dedication in order to realise more efficient and sustainable maritime trade that will propel our ports to greater economic heights. **RH**





AISLive was the first global Automatic Identification System (AIS) network providing access to real-time ship movements through an online application. Today, the award-winning service provides coverage across five continents and is relied upon by charterers, civil authorities, port authorities, ship agents, brokers, and owners for timely and accurate information.

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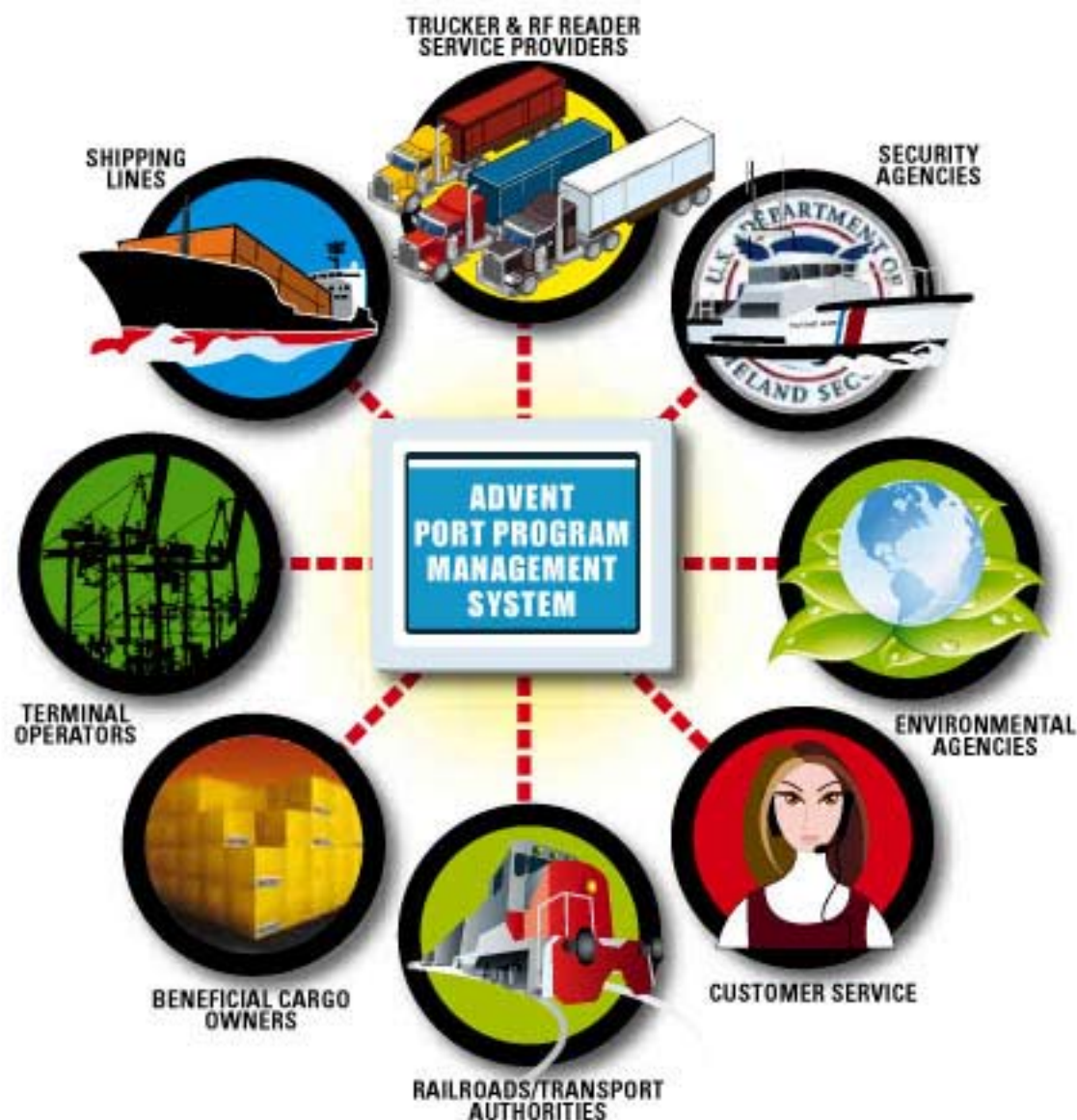
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### ADVENT'S PORT PROGRAM MANAGEMENT SYSTEM FEATURES:

- *A Central EDI System to Drive the Software for Ease of Use*
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