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PORTS & HARBORS

Official Journal of the International Association of Ports and Harbors

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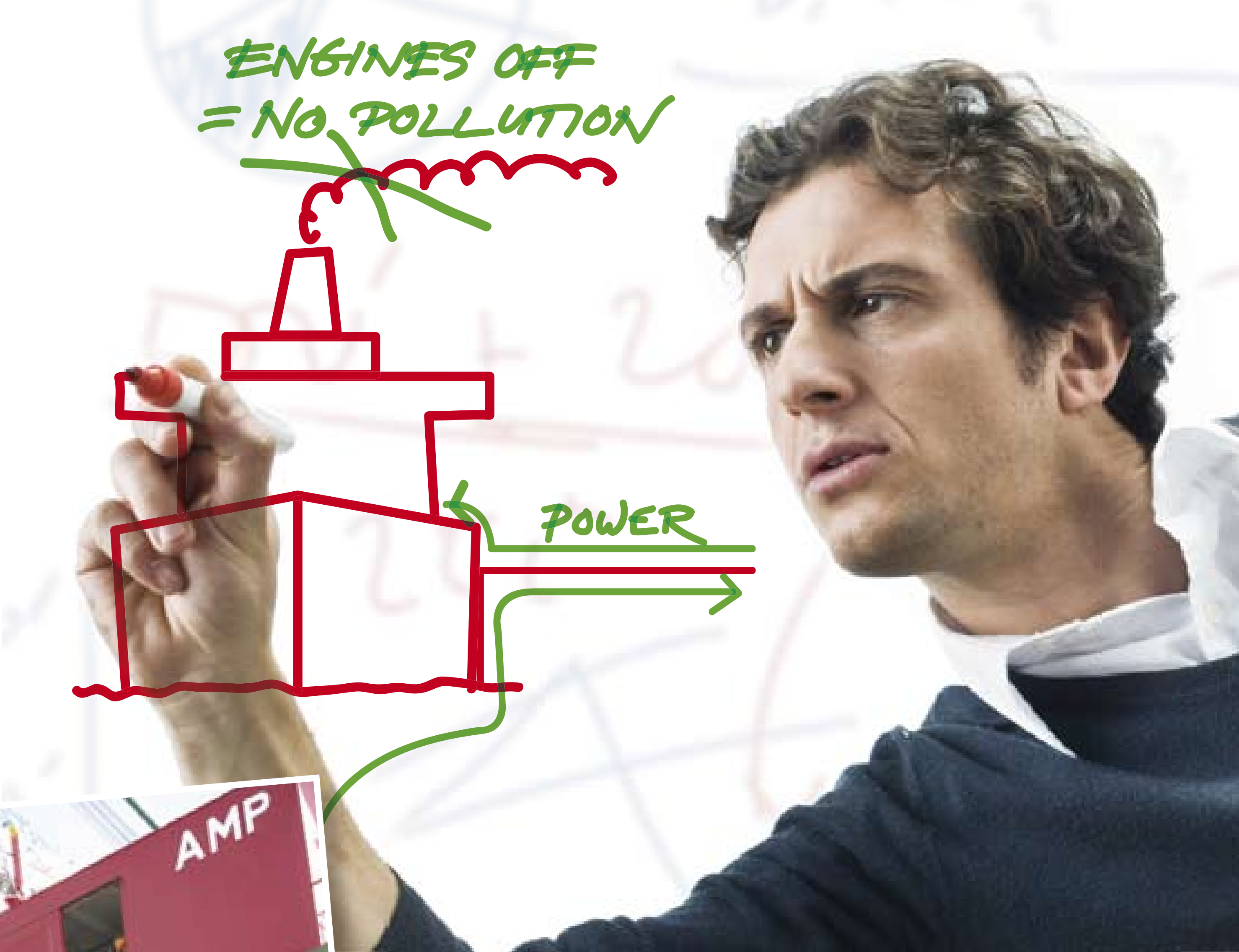

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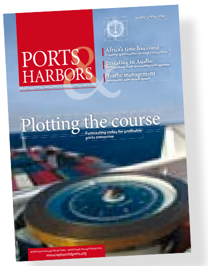

Forecasting the future… how ports will emerge from the economic downturn
Photo: Joachim Affeldt

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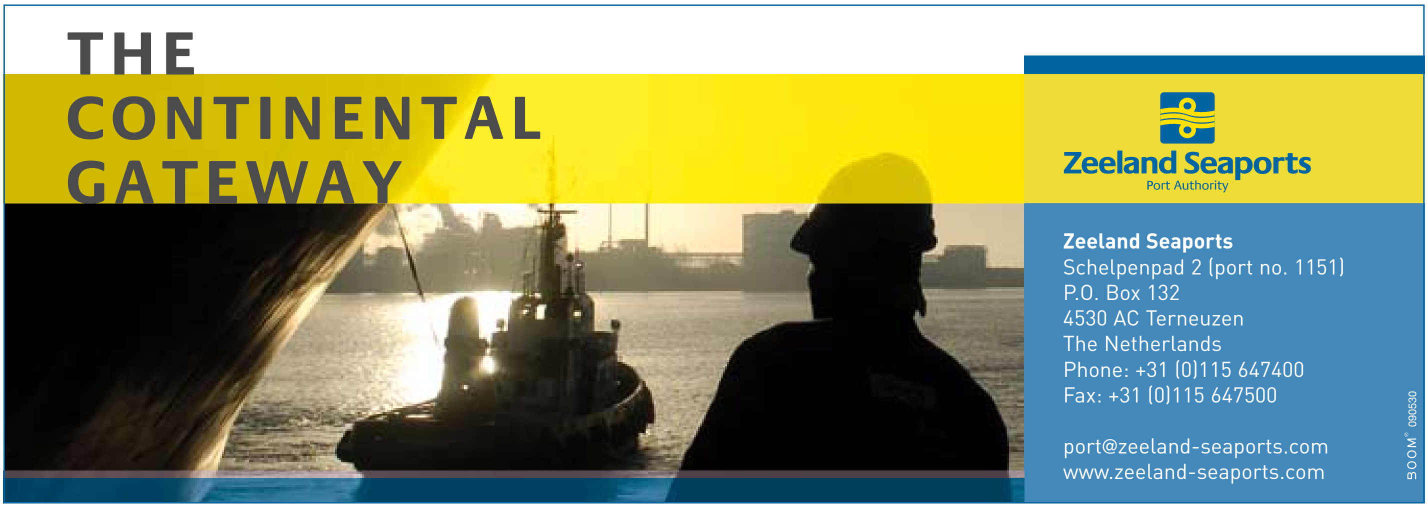

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Jan De Nul GROUP

OFFICE JAN DE NUL N.V.
Tragel 60 | 9308 Hofstade-Aalst | Belgium
T +32 53 731 711 | **F** +32 53 781 760
info@jandenul.com | **www.jandenul.com**

www.jandenul.com

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PUBLISHER
Susumu Naruse
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

DESIGN & PRODUCTION
Phil McAllister
Hannah Kidd
Matt Ramsdale
Luke Spalding
Sarah Treacy
Rebecca Bailey
Victoria Strode

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

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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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Challenges of 2010

Your new secretary general, Susumu Naruse, looks forward to the challenges facing the year ahead

Happy New Year to all readers! This year is likely to present many challenges to the port industry. We are all aware of the challenges of a slow economic recovery, global climate issues and a possible swine flu pandemic. IAPH has already taken action by adopting the resolution on ports preparing for economic recovery and the resolution on port climate action at the IAPH World Ports Conference in Genoa last May. Since I took office as secretary general last December, I have been looking forward to tackling these issues and others with IAPH members.

Last November, the IAPH Africa/Europe Regional Meeting was held in Hamburg, where both the economy and environment formed the basis of our discussions. Although throughput of European ports decreased by some 10% in 2009, some delegates suggested that the throughput in 2010 will grow, whereas others indicated that the economy could fluctuate and therefore so might port throughput. At any rate, as the Genoa resolutions clearly state, ports need to prepare for future demand and take a long-term perspective, because the economy will eventually pick up.

> "Ports need to prepare for future demand and take a long-term perspective"

Half a day at the Hamburg meeting was spent discussing environmental issues. The World Ports Climate Initiative (WPCI), which IAPH created in November 2008, is now in full swing. Projects include the IAPH Tool Box for Port Clean Air Programs, the creation of a manual on carbon footprinting, consideration being given to creation of an Environmental Ship Index (ESI) and collation of responses to a survey of onshore power supply (OPS) in member ports. The development of eco-friendly inter-modal transport and introduction of an environmental management system were also discussed. This issue of *Ports & Harbors* gives you an overview of these discussions (see page 40).

As vital nodes in global logistics, ports need to deal with any challenges that await us this year as efficiently and in as environment-friendly a way as possible.

As an incoming secretary general of IAPH, I look forward to working closely with all of you on these and many other issues. PH

Susumu Naruse
Secretary General – The International Association of Ports and Harbors

Port updates

PD PORT'S NEW OWNER

PD Ports is under new ownership, following the sale of 100% of its equity to Canadian-based Brookfield Asset Management. The sale, which was completed on 20 November, was part of a broader transaction with Babcock & Brown Infrastructure (BBI).

BBI was the previous owner of PD Ports from early 2006. David Robinson, PD Ports' Group chief executive officer, said: "As a result of the sale, PD Ports has a new financial structure, which will provide a stable platform to support our future growth and development."

ANTWERP FREEZES DUES

Antwerp Port Authority has decided to keep its port dues and concession fees for 2010 at the 2009 level, with most of the dues frozen at the 2008 level. A 10% reduction will also be granted for transhipment of conventional or breakbulk cargo, provided employers and labour unions manage to make more efficient use of dock labour.

"With these measures the port authority seeks to combat further losses in freight volumes and employment," it said in a statement.

TRANSHIPMENT PLAN

A transhipment hub has been proposed for a key development site at the Port of Hamburg. Under the plan, conventional cargo facilities on the Steinwerder site would be converted into an Integrated Terminal Ship System. Main vessels and feeder ships would berth alongside each other, separated only by a finger pier, with transhipment cargo offloaded directly on to feeders by rubber-tyred gantries.

TEESPORT TEU FIRST

PD Port's Teesport facility handled over 100,000 containers in a year for the first time. Frans Calje, PD Ports' managing director, unitised, said. "We're delighted that in these difficult economic times our efforts have clearly out-performed the market. We are really proud of what has been achieved at Teesport this year," Calje declared. "We expect to reach this benchmark earlier each year as we move forward."

Photo: CSX Corp

Stacking boxes doubles rail capacity but requires heavy investment in upgrading infrastructure

Box route stacks up for CSX

Liner operators are looking forward to marketing a more competitive box service to their customers if US railway CSX Transportation can pull off a massive project creating a new intermodal route between east coast ports and the Midwest. The $842M National Gateway is a multi-state public-private partnership that, CSX asserts, will cut transit times for ocean carrier customers feeding the high-consuming population centres of the US heartland.

The undertaking will involve raising bridges, increasing tunnel clearances and building intermodal terminals along CSX's existing corridor. On completion, the company will be able to double-stack containers on its wagons, thereby doubling its box throughput over the corridor from the ports of Baltimore (Maryland), Norfolk (Virginia) and Wilmington (North Carolina).

While CSX expects to profit from the increased traffic, there will be public benefits, too – taking truck-borne freight off congested highways. Under the proposed timetable, the route will be ready for double-stacked container trains in time for the Panama Canal expansion in 2015.

"We recognise there has to be a value proposition for customers," Carl Warren, director of strategic infrastructure for CSX's Intermodal Division, told *P&H*. "The best way to get there is to offer a flexible, reliable rail network in the east that serves more places cost-effectively. Driver shortages and higher fuel prices will make trucks more expensive for shippers when the economy comes back.

The linchpin of the project will be the intermodal equivalent of a FedEx air cargo hub: a 200ha rail-served distribution centre in northwest Ohio for everything from electronic equipment to clothing. Double-stacked trains will be able to move directly to the hub without having to first be unloaded in heavily congested Chicago. CSX claims that up to 48 hours will be trimmed off transit times.

Rather than spending two days taking 7,000teu ships to New York, vessel operators such as CMA CGM America will be able to bring 12,000teu ships from Asia into Norfolk. There the containers will be transferred on to the higher-capacity CSX railway network, allowing ships to be turned around faster for their return to Asia.

"We'll likely design our networks differently, taking a hard look at the size of the vessels and routes, and alter them to determine the most efficient vessel size and string that would best serve the Midwest," CMA CGM chief operating officer Joel Haka told *P&H*.

It will also mean he'll be able to offer his customers another option at the Port of Norfolk to compete with Norfolk Southern (NS) railway, as well bringing competition to the Port of New York and New Jersey, where bridge limitations impede that port's ability to compete for post-Panamax-size ships.

"It's going to provide real critical capacity when the canal opens up for container freight moving into the Ohio Valley, where a lot of this freight goes," Haka said.

Avoiding use of trains into and trucks out of Chicago is considered an advantage for liner operators and their customers importing into the US West Coast as well. "The National Gateway project will build upon our success over the past five years in converting our eastbound freight from Asia from a partial trucking to an all-rail network from the west coast port regions," said John Joseph, senior manager of international transportation for Limited Brands, a clothing retailer. "We're excited about the increase in supply chain speed."

CSX downplayed suggestions that its competition with rival Norfolk Southern is a driver behind the project. "We just want to be able to meet the needs of our customers, and this project helps accomplish that," said CSX spokesman Robert Sullivan.

Another rail capacity enhancement project, Norfolk Southern's Heartland Corridor, is scheduled to open in the latter part of the year.

Big hopes for Bahrain's new port

The Port of Khalifa Bin Salman (KBSP) opened on 6 December – a development that represents a major pillar in Bahrain's Economic Vision 2030 strategy. The intention is to exploit markets in the northern Arabian Gulf, which, it is anticipated, will steer Bahrain through the economic crisis and ensure its future prosperity.

At the opening ceremony, the chairman of Bahrain's General Organisation of Sea Ports (GOP), Shaikh Daij bin Salman bin Daij Al Khalifa, was keen to stress that KBSP "represents a quantum leap for Bahrain in maritime shipping and will help revive economic activity and attract foreign investment to the region".

KBSP's first phase has a 1.1M teu capacity, building to a potential 2.5M teu. The GOP hopes that this capacity will turn the port into a regional transhipment hub. It already boasts ro-ro berths, a cruise terminal and terminals for general breakbulk, cars and other non-containerised cargo.

Designed by Royal Haskoning, KBSP is operated under a 25-year concession by APM Terminals, which has invested nearly $62M out of an estimated total cost of $360M. It has four ZPMC post-Panamax STS cranes, a raft of handling equipment across 1,200m of box quay and 600m of general cargo quay with alongside depths of 15m.

The port covers 110ha, and this can grow to 250ha. US dredging contractor Great Lakes Dredge & Dock is working at the port, deepening the access channel to 14m in a project scheduled for completion in February or March, with eventual plans to dredge to 15m. AP Møller-Mærsk's executive VP Flemming Ipsen told *P&H* that APMT's focus "is for the long term and our partnerships in Bahrain have shown that will last through any business cycle."

US stevedores go green

Just before last month's climate change conference in Copenhagen began, Montreal-based Federal Marine Terminals (FMT) unveiled an environmental policy to show its own commitment to fighting global warming. FMT, which operates 10 terminals across the Great Lakes and the US eastern seaboard, is believed to be the first North American stevedore operator to commit to reducing its environmental footprint by constantly improving its environmental performance, Michel Tosini, executive VP of Federal Marine Terminals, told *Ports & Harbors*.

FMT's policy includes action to reduce greenhouse gases and other air emissions; prevent water and land pollution; resolve conflicts of use with neighbouring communities; and improve handling of hazardous materials. "Prior to releasing our policy, we organised conference calls with each of our terminals and went through the document with our regional general managers and their respective staff. It was important for us to emphasise that our policy was their policy and that our commitment to the policy was their commitment, too," said Tosini.

To reduce greenhouse gas emissions, FMT has undertaken to ensure that its powered equipment is not run unnecessarily at its terminals and also to enforce a no-idling policy by requesting third parties (such as hauliers) to turn off engines whenever possible. The group is committed to maintaining an inventory of its greenhouse gas emissions, using this information as a basis for implementing reduction targets and measuring progress.

From now on, new machinery bought by FMT will all be of advanced engine design equipped with the latest emissions reduction technologies such as catalytic mufflers, to reduce air emissions. All existing machinery will be gradually retrofitted with mufflers to reduce emissions or will be retired in due course.

Photo: FMT

FMT's equipment will be fitted with mufflers

The company has put in place an incentive scheme to promote car-pooling and use of public transport by its staff. It has implemented stormwater pollution prevention plans at all its terminals to prevent rainwater runoff from entering nearby waters. Each terminal has a spill management plan, including containment measures, identifying the correct equipment and materials to be used and directions for proper and timely notification to local authorities.

It is also the company's policy to maximise the reuse of dunnage (wood scrap) and other reusable materials and to recycle and/or ensure proper disposal of all such materials.

"I want to stress that this has nothing to do with any government policy; it is a private enterprise initiative that follows Fednav's in-house philosophy," Tosini emphasised. "The cost is strictly coming out of our pockets; there is no government funding. It was just the right thing to do within our company."

Port updates

UKRAINE'S PORT PLANS

Ukraine's transport ministry has approved a six-year scheme to develop the Port of Odessa on the Black Sea. A key part of the plan is building a $480M box terminal with a capacity of 600,000teu a year. Also planned are new berths, expansion of a box terminal in the grain harbor and railway improvements.

One aim is to attract foreign investment to increase the port's capacity, the ministry said.

EXPANDING ANCHORAGE

Rotterdam has reportedly expanded its anchorage area to cope with increasing demand. The new anchorage zone for Europe's largest port is 15km northwest of Scheveningen, according to press agency Bloomberg.

The Dutch Waterways Authority made the move in response to an increase in the number of idling ships waiting for orders and tankers being used for storage by oil speculators.

SINGLE CUSTOMS WINDOW

Pakistan is considering introducing a single window system for customs clearance, a government official said. Senior trade official Javaid Mansoor would not go into details about the proposed system, but said that it was in response to unscrupulous traders that exploit loopholes in the current system.

Mansoor said its weaknesses include risk management systems not being updated, a lack of post-clearance auditing and inadequate information exchange with other customs administrations. There had been some improvements recently, such as improved clearance times and the introduction of web-based document submission.

POWER AT FELIXSTOWE

UK's Port of Felixstowe welcomed the first call of a new PowerHaul locomotive, operated by Freightliner. The new locomotive provides increased payload and enhanced fuel economy, and will run as part of the Freightliner service to Birmingham, one of 28 daily services from the port to 13 separate inland terminals.

Dredging

JUDITH DREDGED
The US Army Corps of Engineers has awarded a $1M contract to Village Dock Inc of Port Jefferson, NY, to dredge Point Judith Harbor's navigation channel. The dredged material will be used to help replenish beaches at Matunuck.

NAVIGABLE DUBLIN
Dredging work is under way at the inner city section of the Grand and Royal canals in Dublin, Ireland. The work began last month and is essential if the canals are to be kept navigable. It involves removal of sediment from the central navigation channels, plus rubbish clearance. All material will be transported to licensed facilities.

INDONESIAN CLEANUP
In a bid to tackle the annual floods during the rainy season, Jakarta city administration plans to buy more river dredgers and will propose it in the 2010 city budget, an official said. The public works agency is dredging 64 sections of the city's small rivers with the aim of clearing 1.5M m^3 of silt.

PROTECTING BEACHES
Florida Inland Navigation District and the US Army Corps of Engineers are gathering necessary permits to dredge the St Augustine inlet and Intracoastal Waterway this year. The process needs to balance dredging with beach renourishment to combat potential beach erosion along the coast.

COLOMBO REOPENING
The Port of Colombo's northern entrance channel is being dredged and after eight years has been opened to commercial navigation by the Sri Lankan government. It had been closed for daytime navigation because of the threat of attacks by Tamil Tiger rebels.

MALTA UNBLOCKED
Dredging of Malta's seawater canal at Salina has been completed, enabling the water to circulate around the saltpans, the Resources Ministry said. The 835m-long, 1.5m-deep canal had been almost totally blocked by debris – ministry workers removed 10,000 tonnes of material.

Port directive upsets agents

Ship agents are concerned over what they see as unnecessary responsibility being placed on their shoulders by an Indian port administration. "The agent is not the appropriate authority to question the validity of a certificate," the Kalinga Steamship Agents Association protested to Paradip Port Trust (PPT). The remark was in response to a PPT circular that makes the agent responsible for ensuring that certificates issued to a vessel are genuine.

The agents claim that they can ensure only that the owner, charterer or master of the vessel provides all the documents. "To accept or reject such documents is the prerogative of the port authorities," agents argued.

Paradip, in the eastern state of Orissa, is designated as a 'major' port, which means it is subject to Indian government control. Ship agents say the move is in response to the discovery that bulk carrier *Black Rose,* which sank on 9 September shortly after leaving Paradip, was operating under a forged P&I certificate.

Paradip is now saddled with paying salvor expenses to pump out oil from the vessel. The *Black Rose* case, along with several other recent incidents, has made ports especially wary of invalid insurance certificates.

From mid-November, port trusts, which administer India's major ports, have been insisting that ships provide security ratings of the insurance companies that provide their P&I cover. Ships also have to demonstrate that their insurance companies have been underwriting P&I liabilities. If they fail to do so, the vessels will not be allowed to berth.

Cochin and Mumbai ports have also tightened P&I requirements. "Without valid P&I cover, the owners of these ships have walked away from their liabilities because they do not have the backing of their P&I insurers," the port administration observed.

When it capsized, the *Black Rose* was carrying iron ore fines, a cargo that, under certain conditions, can liquefy, shift and upset a vessel's stability. Similar incidents have occurred at ore-loading ports in India, and the country's Directorate General of Shipping has drawn attention to instances of vessels loaded with iron ore fines becoming casualties off the Indian coast.

Dredging giant secures Smit

Dutch maritime service companies Royal Boskalis Westminster and Smit Internationale have agreed to join forces it was announced on 12 November. More than a year after turning down Boskalis's initial approach, Smit accepted an offer of €60 ($90) in cash for each of its shares.

Business areas of both companies will be retained in the joint group.

In its first approach, Boskalis planned to offer €62.50 for each Smit share and intended to split off its harbor towage and terminals businesses. The Smit board turned down Boskalis then, because it was opposed to the breakup of the company.

Smit declared net profits for the year until 30 September of €75.1M, which included a net contribution of €10M from the financial settlement of the Thunderhorse project.

Peter Berdowski, CEO of Boskalis, said: "Combining our companies creates a Dutch maritime player of a global scale. The merger fits excellently with our strategy aimed at reinforcing and expanding our maritime services." He added: "I support the strategy of Smit, which aligns and complements well with our strategy."

Vietnam improves links with US port

The Texan Port of Houston and Can Tho Port in Vietnam have pledged to improve services. The overall aim is to boost trade volumes at both the US port and its Vietnamese counterpart.

Alec Dreyer, general director of Port of Houston Authority, and Pham Thanh Tien, director of Can Tho Port, signed a memorandum of understanding on 20 November in Texas, the Vietnamese state-run VOV news agency reported.

Dreyer told reporters that his port authority is keen to increase co-operation and is interested in Vietnam in particular because of the large number of Vietnamese living in the Texas city.

Can Tho is located in southern Vietnam near Ho Chi Minh City (formerly Saigon). It is close to the Mekong Delta – where much of the Vietnamese rice export crop is grown – and the emerging industrial clusters of Saigon City.

Vietnam is seeking more US investment and is aiming to position itself as a gateway for southeast Asia.

Can Tho is a general cargo port that last year moved 2.8M tonnes of cargo and 10,692teu. All but 10% of that volume was for export, according to the Vietnam Seaports Association.

By the middle of the century, vessels could be nearly 80% more efficient, Lloyd's Register predicts

Design for efficiency, says LR

Shipowners could be enjoying combined energy efficiency improvements of close to 80% on new ships by the middle of the century, a class society expert has predicted. But Dr Gillian Reynolds, principal environment and sustainability adviser for Lloyd's Register, told a London conference that regulation would be needed to ensure that companies introduce the necessary technical and operational measures.

Reynolds said that design-led improvements could enable shipowners to make energy savings of 13–15% by 2020 and 35–43% by 2050. Equivalent energy savings from operational measures could hit 20–22% by 2020 and 30–35% by 2050. By that time GHG emissions are targeted to fall by 50–80% from 2009 levels, based on the recommendations of the Inter-Governmental Panel on Climate Change.

There is potential, but regulation is required. "Shipowners cannot do this by themselves," she said. IMO's Energy Efficiency Design Index (EEDI) should be made mandatory "sooner rather than later" and the Ship Energy Efficiency Management Plan (SEEMP) made law "if a global ceiling to emissions is set".

As *P&H* went to press, the COP 15 meeting in Copenhagen was attempting to set a roadmap for lowering GHG emissions, although many observers have predicted sector-specific emissions targets will be adopted if a global deal cannot be agreed.

Reynolds explained that the Lloyd's Register projections were based on the IPCC's low and high case assumptions of global trade growth, but more and better fleet and emissions data would be required to map the problem. "A world fleet solution is required; we will need much better estimates of future shipping activity if we are to know the scale of the task and how to address the challenge."

The IMO's EEDI, SEEMP and an Energy Efficiency Operational Index (EEOI) remain interim and voluntary instruments for trial use until the next meeting of the Marine Environment Protection Committee in March 2010, but class societies and owner organisations see them as vital tools in limiting shipping's exposure to carbon trading or a bunker fuel levy.

The setting of a target for GHG reduction was less important than a signal from COP 15 about "whether the work the IMO is doing is right," Reynolds said.

London Gateway struggles for investment

A local council warned in early December that DP World's London Gateway development at Thurrock, in Essex, UK, needs government investment if it is to remain viable.

In a recent funding application to the government, Thurrock Council stated that the box port project had struggled to get banks to lend for upfront infrastructure costs and "will not be viable without suitable government funding". The council told *P&H* that it "has done all it can to support DP World in these difficult times" and it "continues to work hard with DP World, the government and partners on these issues, and we hope the project will proceed as speedily as possible."

DP World's parent company, Dubai World, has assured investors that its ports arm has been quarantined from its $59Bn debt.

Dredging

HOUSTON'S SHARE

The Port of Houston Authority (PHA) is to contribute up to $20M towards the 2010 costs of construction work, rehabilitation and disposal of dredged material disposal for the Houston Ship Channel. The payment will fulfil a 1998 deal between PHA and the US Army Corps of Engineers in which PHA agreed to contribute 25% of the total costs associated with the beneficial use sites.

PAKISTAN DEEPENS

Pakistan is to expand its capital dredging operations in a bid to improve facilities at its ports. At the Port of Karachi, home to both the Pakistan and Karachi International Container Terminals, the plan is to increase the water depth from 16m to 18m. More ambitiously, Port Qasim, location of Qasim International Container Terminal, will have its 40km-long access channel dredged to 16m.

SAN JOAQUIN WINS

The US Congress allocated over $11M for water projects in San Joaquin County in November. They include $3.4M for maintenance dredging of the Port of Stockton's access channel, $4.8M for a levee stability programme and $100,000 for the Pinole shoal management study to identify beneficial uses for dredged materials in the Delta.

SUEZ DREDGED

The Suez Canal has been deepened by 2m to allow larger oil tankers to use the key waterway between Asia and Europe, according to press reports. The Suez Canal Authority announced that the channel is now dredged to 20m, allowing oil tankers up to 240,000gt to transit the canal.

DISPOSAL AND RETENTION

The Empire State Development Corporation and the Port Authority of New York & New Jersey recently agreed to provide $3.9M of bi-state dredging funds to the Caddell Dry Dock & Repair Company. This will allow it to dispose of about 81,000m^3 of dredged materials. Caddell will be able to retain around 200 jobs at its shipyard.

Cash and cargo

HAMBURG SLUMPS

Container throughput in Hamburg dropped by 29% to 5.3M teu in the first nine months of 2009, according to port marketing agency Hafen Hamburg. The figures suggest that the Hansestadt has lost market share to other ports in northwest Europe.

TRADE CRISIS BLAMED

Brazilian box terminal operator Santos Brasil saw its net income slashed by 13.2% in the third quarter of 2009, down to Reais166.1M ($95M) compared with the same quarter of 2008. The fall was ascribed to "the adverse impact of the global crisis on Brazil's foreign trade".

CHINA INVESTS IN AFRICA

China is strengthening its position in Africa by reportedly providing $10Bn in low-cost loans over the next three years for ports and other infrastructure. Prime Minister Wen Jiabao said the loans will be used in a range of ways, including developing and improving ports, railways and other infrastructure.

Africa/China trade has risen tenfold since 2000 – last year it rose 45% to reach $107Bn.

LOWER ICTSI INCOME

International Container Terminal Services Inc has reported consolidated unaudited third-quarter financial results, with revenues down 12% to $110.5M, EBITDA down 12% to $49.2M and net income down 5% to $14M. It was put down to lower volume due to the decline in global trade, higher interest expense and depreciation of currencies in the countries where ICTSI's terminals are located.

EQUITY TO ACQUIRE SMIT

Royal Boskalis Westminster has announced plans to raise up to €230M ($338.5M) by issuing fresh equity to part-fund its acquisition of Smit. It will offer up to 5.1M ordinary shares to investors through a book building process. Several potential investors will be asked what they are willing to pay for shares, and then investment analysts work out the offer price based on those indicative prices.

NSW ports become 'significant sites'

The government of New South Wales has declared the Australian ports of Newcastle, Port Botany and Port Kembla to be "significant sites" and extended their planning boundaries to include adjacent land and transport corridors.

Ports minister Joe Tripodi said a new State Environmental Planning Policy would define port boundaries and port-related activities and allow port-related investment to be streamlined.

Amendments to existing legislation will introduce a consistent planning system across the three ports, protect them from incompatible land uses (including residential) and zone port land and waterways to accommodate port activities, including maritime industrial and bulk storage facilities, with relevant nearby industrial land.

The respective port corporations will have authority to approve capital investment up to A$30M ($24.5M) – for Port Botany, a huge improvement on its present limit of A$5M – while projects of greater value will be subject to clearance by the planning minister.

"This will provide clearly defined boundaries to allow local government, industry and residents to plan for a future in harmony with each of the state's three major ports," Tripodi said. "By implementing this plan now we will be able to get the balance right for the future."

Peel Ports to aid freight by water, if industry wants it

Peel Ports has declared that it will invest in UK port development to help retailers move freight by water – but only if industry asks for it.

The second-largest UK port operator, which handles more than 65M tonnes of cargo a year, said investment will come if retailers start to choose waterborne logistics over rail and road. "The demand has to come from the market," Ross Thompson, Peel Ports's head of development, told delegates at a conference in Chatham Dockyard in November.

However, he warned that freight forwarders will opt for water over rail or road only if bureaucracy is reduced. On this front, water freight needs to catch up with road and rail, said Thomson.

Peel may need to invest in infrastructure development at its ports sooner than expected, because some major retailers are considering the use of water to move containers shipped into British ports, to avoid high rail and road transport charges. "Retailers are under extreme pressure to get costs out of the system," explained Peter Ward, director of Freight By Water, the official organisation in the UK for promoting shortsea shipping. He revealed that before it went out of business, the high street retailer Woolworth's talked to Freight By Water about putting containers arriving from China on to feeder vessels serving the UK's coastal port network. Other retailers will "break out of the current mindset", which involves extensive use of road and rail, and move to coastal and inland water routes within a year to shift their goods to stores, Ward predicted. "We've just got to get a guinea pig to do it," he added. Retailers are "on the cusp" of using shipping instead of rail and road for container movement to and from ports, agreed Freight By Water chairman Tim Lowry.

Meanwhile, the UK government refuted delegates' accusations that it is failing to invest in waterborne freight. The Department for Transport (DfT) has a total budget of £24M for promoting transport modal shift, said its head of sustainable policy, Duncan Buchanan, at the conference. The fund is part of DfT's efforts to "get trucks off the road", he said, pointing out that money is distributed in the form of grants and given only if transport by water for a project is more expensive than by road. "So please apply," he invited the UK-based delegates.

Photo: Jem Newton

Peter Ward: "Retailers are under extreme pressure to get costs out of the system"

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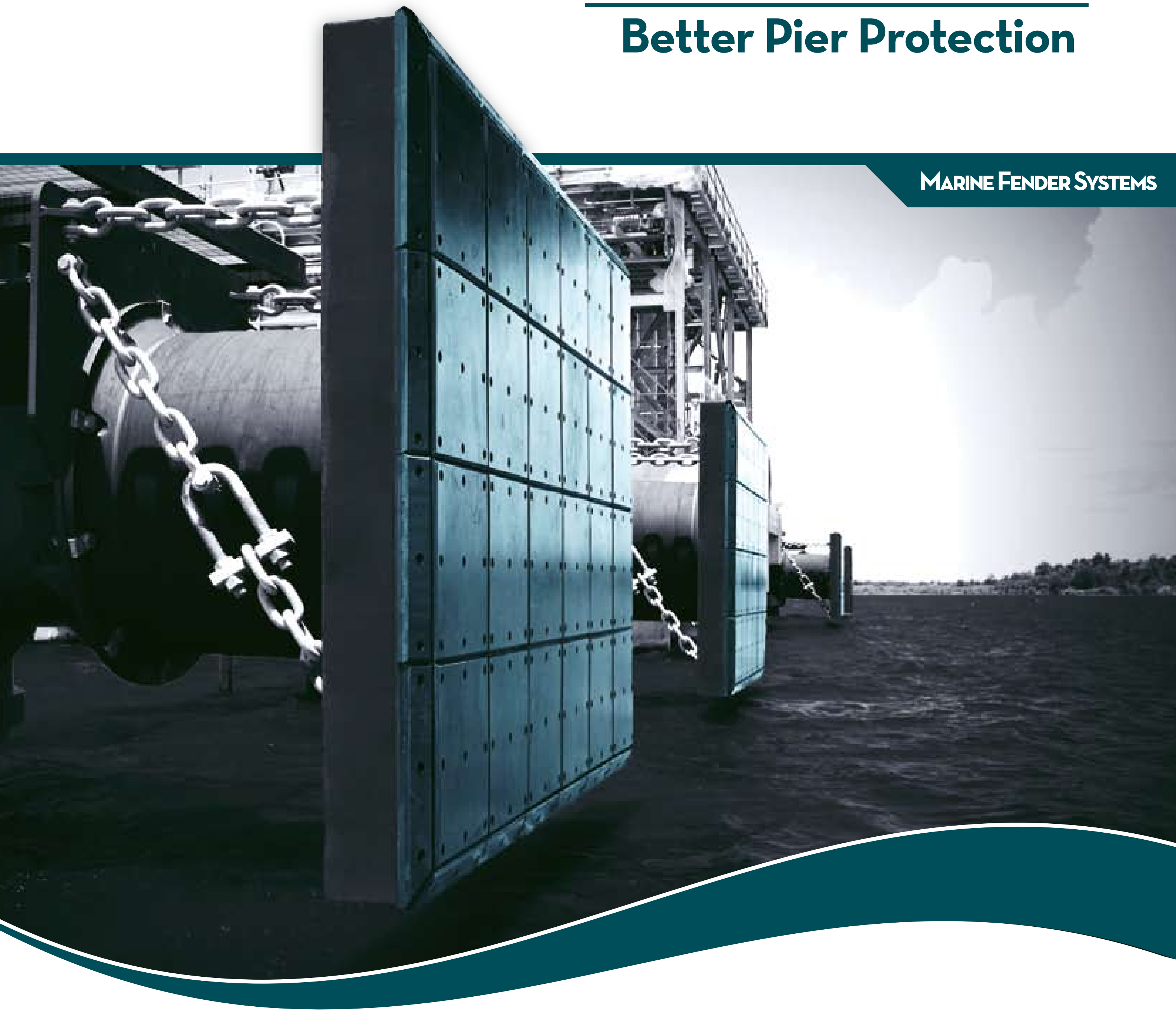

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People

OPS MANAGER AT DAMEN

Damen Dredging Equipment has appointed Hendrik Jan de Kluiver as operational manager – "a great asset given his wealth of experience in the dredging business, gained whilst working for Gulf Cobla in Dubai and National Marine Dredging Company in Abu Dhabi," the company said.

NEW CEO AT STX

South Korea's STX Offshore & Shipbuilding – which is building three dredgers for Jan De Nul – has appointed CFO Hong Kyung-Jin as its new CEO. Born in 1952, he joined the company in 1979 and is also chairman of STX Europe.

SANBORN JOINS M&N

David Sanborn is Moffat & Nichol's new senior port consultant, bringing with him over 35 years' shipping, port and maritime transport experience, including management of numerous container ports, plus concept and design of logistics facilities.

RUDDY IN AT VIT

Joseph Ruddy has become chief operating officer for Virginia International Terminals, replacing retiree Richard Knapp. Ruddy was previously VIT's director of operations and labour. "His experience and respect within the industry make him a very good fit for the post and he is the man we wanted all along," said CEO Joseph Dorto.

WÄRTSILÄ FINANCE CHIEF

Markus Pietikäinen has been appointed vice-president of Wärtsilä Group's treasury and financial services – which will "merge to achieve synergies in financial operations and services." Pietikäinen has experience both in financing and in capital markets. He joined Wärtsilä in 2005.

NEW ORLEANS CHAIR

Port of New Orleans commissioners have elected Thomas Westfeldt as chairman, succeeding Captain A J Gibbs who will continue to serve as a commissioner. Westfeldt is president of coffee importer Westfeldt Brothers and two freight-forwarding firms.

Funding available, ports told

Port finance is still available, but ports wishing to develop must play their cards right, analysts speaking at a London conference in mid-November warned.

Martin Blaiklock, from Independent Port Consultants, told the Port Finance International Conference that although banks are willing to invest in ports, the cost of port debt finance has doubled and banks will not lend for more than seven to nine years. "Keep agreements with banks simple – don't do it if it's complicated," he advised, adding that banks will only offer money to ports with good transport links and whose development projects are well-structured.

Hamburg Port Consulting partner Rainer Scholl agreed with Blaiklock's latter point. Focusing on port privatisation, Scholl said that only ports with a clear, non-conflicting set of objectives will go through a successful privatisation process and insisted that the concession process be transparent from the start. "Tender bidders often complain that procedures are unjust," he said. This, together with public opposition and market failure, is one reason why privatisation usually fails, he said, pointing out that since 2005 18 concession tenders had failed to bear fruit. He urged port authorities to "do their homework" and "learn the rules" prior to privatisation.

Privatisation is the ultimate market test for a port, said Scholl. Even if a concession runs into short-term problems, that does not mean it will not be profitable in the long run, he added.

Euroports treasurer Alan Shaoul told the conference that funding sources are still interested in ports. It is important that infrastructure investors eager to forge close relationships with ports understand that investing in them "is no quick buck". For their part, ports must put on a good show if they are to attract infrastructure funders, as the latter, "although present, have become more selective". Several factors will shape the future funding for port development in the next few years, it was concluded, including the Panama Canal expansion; the strengthening of ties between ports and the infrastructure funding sector; continuing tightness of finance; and the growing importance of a port authority's environmental agenda.

Singapore cruises forward

Photo: Southern Cross Maritime

Singapore Cruise Centre will be joined by another terminal

The Singapore Tourism Board (STB) is building a new terminal to take advantage of a growing regional cruise market and to relieve congestion at the city-state's existing terminal. STB will own the site and identify an operator to run it. The terminal is scheduled to come into operation by the end of 2011.

"The International Cruise Terminal at Marina South will double Singapore's berth capacity and enable us to welcome more cruise ships to homeport and call on Singapore and Asia. With deep waters and no height restrictions, the ICT will be capable of accommodating the new generation of larger cruise ships," STB said in a statement.

An existing privately owned cruise terminal, the Singapore Cruise Centre, hosts two berths at Harbourfront, about 10–15 minutes' drive away from the construction site. The SCC began operations in 1991 and has enjoyed an annual growth rate of 12% over the past five years, according to Lim Hng Kiang, Singapore's Minister for Trade and Industry. In 2008 there were more than 1,000 cruise ship calls and a passenger throughput of 920,000 at the Singapore Cruise Centre.

Suez sees fewer ships

Revenues dropped 13% in November, according to the Suez Canal Authority, with fewer vessels using the waterway. From \$419.8M in November 2008, November 2009 figures were just \$365.5M, the Egyptian government said.

The canal produced \$4.7Bn for Egypt in the fiscal year that ended in June, Bloomberg noted. Ships using the canal last November fell by one-fifth from November 2008, with net tonnage down 16% to 61.6M tonnes, Bloomberg said.

According to IHS Global Insight, the canal's revenues are expected to rebound in 2010, as international trade picks up. A positive outlook for international oil prices also bodes well, as oil prices render alternative routes more expensive, Global Insight said.

NEW PUBLICATION on Sale

The Technical Standards and Commentaries for Port and Harbour Facilities in Japan

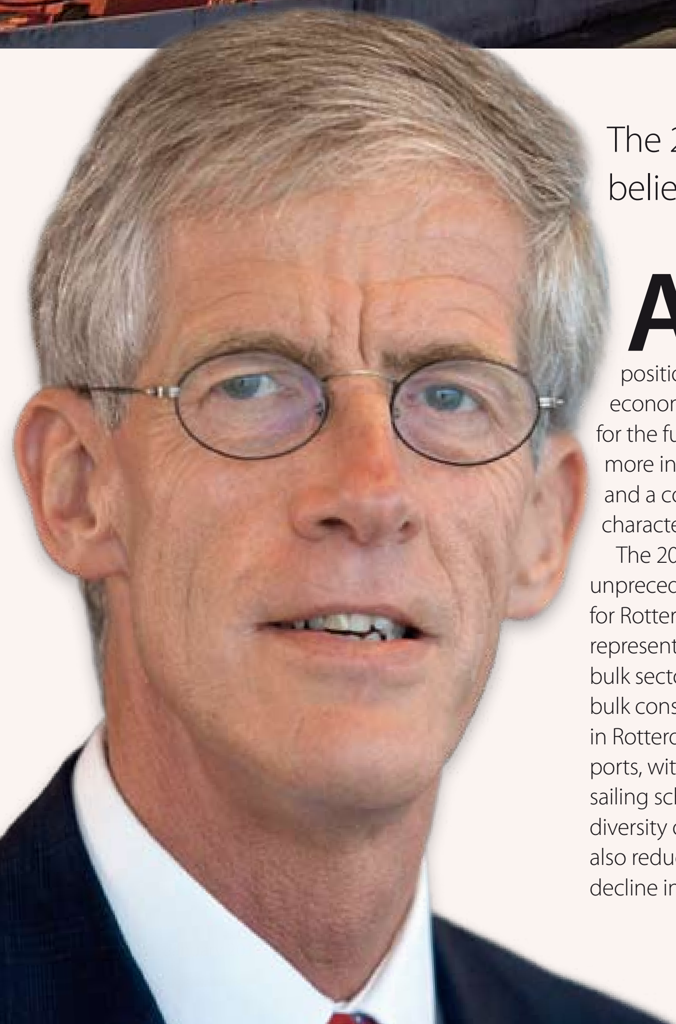
An English version of the Japanese Standards for port and harbor facilities translated and published by The Overseas Coastal Area Development Institute of Japan (OCDI) in October 2009 is on sale. Copies can be purchased through Web Site http://**www.ocdi.or.jp/en/** at the price of 52,000 Japanese Yen (shipping included).

Main Contents are;
- Principle of Performance-based Design Method
- Meteorology and Oceanography ・Natural Conditions
- Material ・Foundations ・Waterways and Basins
- Protective Facilities for Harbors ・Mooring Facilities
- Port Transportation Facilities ・Cargo Sorting Facilities
- Storage Facilities ・Other Facilities

The table of contents is available on the above Web Site.

The authors and editors of the Technical Standards are;
Ports and Harbours Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT),
National Institute for Land and Infrastructure Management, MLIT, and
Port and Airport Research Institute.

Catalyst for change



The 2009 economic crisis could alter the future port landscape, believes ***Hans Smits***, CEO of Port of Rotterdam Authority

All ports were hit this year, but not all cargo flows were affected to the same extent, and competitive positioning of ports has changed. The economic crisis is forcing us to prepare better for the future. Lower growth in consumption, more interest in energy and energy security, and a continuing focus on sustainability are characteristics of the post-crisis landscape.

The 2009 decline in throughput was unprecedented – at time of writing, around 10% for Rotterdam. This figure, however, does not represent all cargo flows at the port. The liquid bulk sector has hardly been affected, but dry bulk considerably more so. The container sector in Rotterdam was not hit as hard as at other ports, with shipping lines maintaining their sailing schedules to this important gateway. The diversity of cargo flows handled in Rotterdam also reduces our vulnerability to a dramatic decline in one specific commodity flow.

Until recently, container shipping was expanding more quickly than terminals could be built. Each new terminal that opened was virtually sure of receiving cargo. Now that there is overcapacity, the shipping companies have a choice. When rationalising their network, you can see that they choose ports that score well in terms of accessibility, reliability, quality of service, hinterland connections and costs, including port tariffs. We will continue to work hard to ensure Rotterdam remains strong in all these areas. We also believe that this crisis will force ports to think about their strengths and focus on cargo flows and areas where they already have a competitive position.

Figures suggest that we have hit the bottom and things are now looking up. Since the second quarter of 2009, throughput has been rising slowly. However, a slow recovery is anticipated in line with the expectations of international institutions such as the Organisation for

The Euromax terminal at Port of Rotterdam

Photos: Port of Rotterdam

Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF). It could be a couple of years before we return to the 2008 level of throughput.

In a situation such as this, the main priority for most companies is to survive, but after such a year of crisis people also reflect: where do we stand and where are we heading? In Rotterdam, we had already launched a project called 'Development Strategy 2030', which takes a very long-term look. We have had in-depth discussions with knowledge institutes and key players in the business world. A few key topics are outlined here.

The world economy, and with it world trade, will continue to grow on a structural basis. This means a structural increase in shipping, although we expect shifts between commodities, for example, stable crude oil flows and increasing mineral oil products. Globalisation will slow down. The speed with which production moves from America and Europe to Asia has passed its peak. Chinese and Indian industry is focusing more and more on the domestic market. As a result, container traffic to the highly

> The economic crisis is forcing us to prepare better for the future
>
> Hans Smits (pictured)

developed economies will increase, but with annual growth rates that are lower than we anticipated a number of years ago.

We expect liquid bulk to continue to grow. Crude oil refining is shifting to the Middle East and Russia. The result is an increase in the transport of oil products and chemicals to consumers in Europe and North America. I also see growth in other energy sectors, including biomass, LNG and coal.

These trends are reflected in the investments made by businesses. In Rotterdam, for example, businesses invest substantially in the energy sector – LNG, biofuels and power plants – liquid bulk (mainly storage) and containers. The port authority facilitates these developments by investing in infrastructure and space; both for more intense use of existing areas and port expansion. Port of Rotterdam Authority will continue to invest in the long-term development of the port complex. In the period ahead, we will invest around €400M a year, irrespective of the current crisis.

In the coming decades, energy consumption will increase, whilst fossil fuels will continue to be the main source of energy. More carbon dioxide will be produced, to the detriment of the climate. Large-scale CO_2 capture and storage will therefore be necessary, although there are still a lot of issues to be resolved with this process.

At time of writing COP 15 was yet to take place, but whatever the outcome, climate issues need to be tackled worldwide and should be a priority for everyone. This attitude should not change because of the economic crisis.

The private sector – especially those companies that take a long-term view – is aware that it must act to make its activities more sustainable. The Port of Rotterdam Authority is improving the sustainability of its operations, and it aims to help its clients enhance sustainability too. The port is working within the context of the Rotterdam Climate Initiative to reduce its CO_2 emissions significantly. It is creating the right conditions for a shift in hinterland transport from road to inland shipping and rail, encouraging sustainable mobility in the port area, applying criteria for sustainability in its land allocation policy, and will use the Environmental Ship Index – part of the IAPH World Ports Climate Initiative – as an instrument to stimulate clean shipping.

Ports will probably put more energy into improving their hinterland connections. After all, a port is no more than a link in the chain we call 'logistics'. When considering the hinterland, there is still a lot to be gained in terms of efficiency. Inland shipping and transport by road and rail still make inadequate use of all the suggestions made by the United Nations Inland Transport Committee. It calls for organisational innovations in these sectors. To strengthen their competitive position, ports will focus more intensively on this hinterland transport in the coming years.

The long-term development of ports is therefore determined to a great extent by the following factors: their distinctiveness vis-à-vis their rivals, the extent to which they can attract high-growth cargo segments, the quality of their hinterland connections and their concern for the environment and climate. Ports will continue to compete, and such competition is healthy, especially when there is a level playing field. But given the above challenges, co-operation between ports and with port businesses will become increasingly important. PH

More info: www.portofrotterdam.com

Maximising concessions

Successful concessions can have benefits that go beyond the boundaries of African ports, ***Steven Cameron*** tells *P&H*

Alongside at Douala, Cameroon – one of many concessioned African ports

During the 1980s and '90s I was part of a team that developed and ran a liner service to West Africa. Many of the African ports we served suffered from a lack of investment so it was necessary for us as a shipping company to make significant investment in cargo handling equipment at the terminal, and employ and train our own drivers to ensure we achieved commercially acceptable cargo handing move rates and to keep our vessels on schedule.

At the time, concessions were rare and the process involved to obtain one was very slow. African governments were concerned that they would lose control of their port assets and revenue.

The increasingly strategic importance of African oil and minerals, greater political and economic stability in the region, and direct involvement from the World Bank, came together in 2000 and shortly afterwards to provide the right conditions to stimulate the container terminal concessioning process.

Today, the major sub-Saharan African ports have been concessioned, with the significant exception of South Africa, where port operator Transnet prefers to retain its operations within the public sector.

Concessions have helped ports improve their performance, but port capacity has not kept pace with growth. Nigerian ports, for example, once again face delay issues as traffic has grown 40% in two years. The chairman of the Shipping Association of Nigeria, Val Usifoh, in early 2009 blamed this year's problems on "cumbersome documentation procedures, an excessive import banned list and a lack of procedures for longstanding goods".

African ports possess many advantages, however, and they need to play to them. Entry into markets in Africa generally requires less capital than in other parts of the world. It is a good place for smaller operators, as they can enter without the track record required by the larger, more capital-hungry and

Photo: APM Terminals

complex terminals that serve the east–west trades.

Successful concessions bring new ideas and ways of doing things to ports. Global terminal operators bring with them a range of experiences and the ability to deliver high standards because they compete in sophisticated markets where the service levels need to be high to match those of other players. When involved in African ports, they have improved ship handling rates, reduced vessel and truck waiting time and damage levels, and provide customers with up-to-date and accurate information on the location and status of their containers.

Concessions can also bring management and training expertise to the enterprise. Global players with graduate training programmes are likely to attract high-calibre local graduates. These graduates can train with the operator, which can provide them with job opportunities elsewhere in the world. Then when the trainees return, they will bring back an understanding of global service levels and new-found expertise that will benefit their country as well as local port operations and the port community.

Privatising terminal operations can bring a variety of additional benefits, but it only improves one link in the supply chain. Increasing move rates to 30 an hour may make the vessel productivity figures look good, but if there is no night-time pilotage and a vessel misses the last pilot of the day then, despite the terminal operator's performance, the ship has to stay on the berth overnight. If a vessel is delayed its operator incurs charter hire charges, while the terminal operator is unable to use the berth for another vessel.

Coupled with these issues are outdated customs practices. Many ports now have access to sophisticated scanning systems, yet habits of the past still cause delays of up to three weeks on occasion. This is frustrating for port authority and terminal operator alike as they are unable to maximise their operations. The shipper or consignee continues to experience delays and the government is probably losing revenue.

When negotiating concession contracts between the port and the terminal operator, it is in the interest of both parties to keep business transparent. If an operator has been awarded a contract but the process was not transparent and the government changes, there is a risk that the operator may lose the concession. Transparency also ensures that bona fide operators are attracted to participate. Companies such as MTBS (Maritime and Transport Business Solutions) in Europe and Canada-based infrastructure development consultant CPCS, along with the World Bank, have provided advice to governments on the structure and framework for the privatisation process in Africa.

If a port decides to concession its facilities, it should invest in good professional advice concerning the legal regulatory framework. This should protect the port and give it the authority it needs to uphold port regulations, manage its tenants and provide a framework for the concessionaire to work within. The new regulatory framework needs to be enacted by government well before the concessioning process starts.

Dealing with labour and union issues before concessioning takes place will assure a smooth transition. A well-funded and structured retrenchment programme for labour enables unions to buy into the process. This should be carried out in advance, as a striking labour force outside the terminal gates when the operator takes over really does no one any favours. An issue that sometimes gets overlooked when looking at contract details is an agreed exit clause. During a 20–30-year concession period, the operator may want to sell on or refinance the business. Incorporating a structured process to cover this eventuality should ensure that the terminal continues to operate effectively.

When a concession is agreed, it can be difficult to foresee the level of demand that will apply in, say, 15 years' time. If the concession has allowed the operator to remain as the sole provider, it may hamper expansion of the facilities and the port may miss the opportunity that healthy competition brings in terms of greater investment and improved performance.

We are now seeing the second round of African port concessioning and a race by the gateway ports to achieve leading hub status in the region. Ports should seek sound advice when entering a concession to maximise on its future potential. PH

Steven Cameron is principal of Cameron Maritime Resources, a director of the Business Council for Africa and a Trustee of the Africa Centre London.
More info: www.cmrsupport.com

Beyond the red tape

Six of Nigeria's ports were spread across 24 concessions in 2005. The high-profile Apapa container terminal concession went to APM Terminals. In the space of 15 weeks APMT had reduced berth waiting time from 30 days to just over one day through the introduction of management systems, significant investments in cargo handling equipment, IT systems and staff training.

For any concession to be successful there has to be a buy-in by the government at the most senior level. This was the case in Nigeria when the then President Obasanjo drove his ministers and the Bureau of Public Enterprise very hard, cutting through red tape to make progress. Consultancy on the bidding process and port concession structure was provided by CPCS Transcom. The concessioning process was transparent and issues concerning the Nigerian unions and manning levels were eventually dealt with thanks to a protracted negotiation process.

Arif Mohiuddin, project manager for CPCS Transcom, listed a variety of challenges experienced in a presentation, which included reaching an agreement with labour unions on severance packages and secure funding for the retrenchment and pensions; resolving existing lease issues and converting some into directly negotiated concessions; and long negotiations with preferred bidders.

Photo: DP World

Emerging potential

Africa is likely to change its economic shape in the future. *P&H* talks to two container lines about the challenges ahead

Many private companies are taking an interest in Africa

No-one really knows what world trade will look when we emerge from the economic dip – some countries may emerge stronger than before while others will be weakened. This is especially true of Africa, where a significant amount of private investment has been vested in many of the continent's ports through concessions. "There is today very much a sense that Africa's time has come," Steven Cameron, principal of Cameron Maritime Resources, told *P&H*. "Whilst the road ahead may still look potholed, Africa is gaining a higher profile on the world stage and there is much more interest in its future."

This view was echoed by Dominique Lafont, director general of the port operator and logistics group Bolloré African Logistics. "The time has come for Africa," he said, adding that the globalisation move has been "quite impressive" and that people are now "more closely connected to the outside world" and are therefore more demanding.

Africa has 15% of the world's population, but it only handles about 4% of the global container trades, Cameron told *P&H*. These figures suggest that growth opportunities exist for those parties willing to invest. The continent's largest port, Durban, handles 2.56M teu per year, according to Lloyd's Register-Fairplay data.

As African countries' economies grow, it is not unreasonable to presume that there will be an increase in imported goods. According to container shipping company Group CMA CGM, which runs OT Africa Line, Africa is already a consumer market. "Its economy relies more on imports than exports. African countries especially import food and day-to-day consumer goods while they export mainly woods, cocoa and rubber," the company told *P&H*. CMA CGM anticipates that while the types of products transported between Europe and Africa are not going to change greatly, the volume of trade is likely to grow.

At the moment few African ports are able to receive the largest container ships. "The biggest ships we currently have deployed into Africa [are bound] for South Africa," said Sonny Dahl, director of West Africa Services at Maersk Line, and these vessels are restricted or 'maxed-out' by the port restrictions in Durban. "These are the biggest vessels we can take in to the Port of Durban without signing a letter of indemnity for entering the port," he explained. It depends on the region, Dahl noted, but there is a difference between South African ports and the many of those on the west or east coast, for example.

CMA CGM reports a similar situation. The size of African terminals, it told *P&H*, correlates to the average size of the vessels in its fleet – about 2,500teu. In the next 15 years African trades will accept ships up to 5,000teu, the company believes, "with one condition: that there will be more than three or four ports able to [accept] that size of vessel".

Some ports and terminals are receiving investment but, Dahl conceded, it is difficult to know how ports will continue to progress in the future. Developments are normally gradual and moderate, rather than occurring in large leaps. In many places, African ports and terminals are subject to natural restrictions, such as low water depths and location up a river, he added.

Whatever capacity exists, or will exist, on the sea-side it will not be maximised unless a similar capacity exists on the land-side. An executive with experience of investments in Africa believes, "We will see small pockets of infrastructure investment, which in many cases will be led by mining companies investing in railway links to ports and the other communication systems required to get their materials to ships for export. Where this happens," he said "it will provide opportunities for other types of goods [container traffic] and trade to grow from the sharing of these new infrastructure developments."

Both CMA CGM and Maersk Line told *P&H* that at the moment they use both shortsea shipping and road/rail transport according to the circumstances, with Maersk Line's Dahl adding that it uses whatever makes most sense economically and, therefore, of greatest benefit to the company's customers.

The expertise that can come with a private port concession is often promoted as a potential benefit to a developing country (see pages 14–15). This idea was advocated by the United Nations Conference on Trade and Development (UNCTAD) in a paper prepared by the secretariat for its 12th session in 2008. "These international terminal operators have developed knowledge and expertise, financial strength and also leverage power to negotiate with shipping lines, which are not accessible to most ports in many developing countries," the paper said. "This very profitable activity can nevertheless also benefit developing countries interested in seizing opportunities and facing associated challenges."

Gichiri Ndua, corporate service manager at Kenya Port Authority and IAPH president, believes that investment in people and training is necessary for port productivity in developing countries to grow and develop. "In this connection, investments in social capital should be prioritised in the same manner as equipment and be carried out concurrently," he said at the November 2009 IAPH Africa/Europe Regional Meeting in Hamburg. PH

Co-operation and skills sharing across continents

The port authorities of Tanzania and Hamburg have formed a reciprocal arrangement to share knowledge and promote increased trade between Germany and Tanzania. Part of the project has been focused on one Tanzania's major ports, Dar es Salaam, to optimise the processing of freight.

Much of the discussion centred on the railways within the port. Dar es Salaam has two distinct railway systems – infrastructure that dates from before the First World War. At the moment the railways run within the port, but the new plan envisages the tracks being diverted around the edge of the port, as is the case at the HHLA terminal in Hamburg.

Tanzania Port Authority's director general, Ephraim Mgawe, believes that the relatively moderate investment this would involve would greatly improve the port's efficiency.

Growing economies… left to right: Djibouti; Luanda, Angola; and Durban, South Africa

Photo: DP World

Photo: Captain Peter Newton/ OTAL

Plans for a safer future

Tom Bailey reports on an Australian port that's responded to a high-profile incident by overhauling its vessel traffic management system

The Port of Newcastle, New South Wales, has a rich history, and vessels have loaded coal there for well over 200 years. And for many years, the way that the port dealt with the large number of visiting ships remained largely unchanged. Vessels anchored in an unofficial anchorage 3nm off the coast to the south of the port while, to ensure there was no risk of a collision or other incident, Newcastle Port Corporation (NPC) and its predecessor agencies kept in touch with the respective ships' officers.

Vessels wishing to load coal at Newcastle gained access to the terminal on a 'turn of arrival' system. NPC's Vessel Traffic Information Centre would advise the port and terminal operator, Port Waratah Coal Services (PWCS), when a vessel was 10nm away. PWCS would then allocate access to its terminal in order of arrival. The system meant that Newcastle benefited from having a number of vessels at or close to the port and ready to load. Uncertainties in the coal supply chain meant it was desirable for the port operator to have several vessels ready to load for each berth.

The queue of vessels may have helped the operation of the coal chain, but anchoring the vessels off the port had a number of undesirable consequences. The turn of arrival arrangement encouraged vessels to transit at full speed so they could secure a position in the queue – burning more fuel and increasing emissions in the process. In addition, the presence of so many vessels in

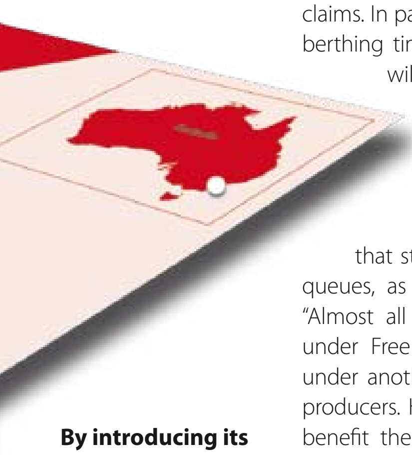
the anchorage areas posed a threat to vulnerable reef areas and sensitive biotic communities on the seabed.

The grounding of a bulk carrier on nearby Nobbys Beach in June 2007, however, was the moment that truly highlighted some of the issues associated with the Port of Newcastle's long-established vessel queuing system.

Pasha Bulker was one of 57 ships waiting to load coal at the port at the time of the incident. When it investigated the accident, the Australian Transport Safety Bureau (ATSB) considered that number to be unacceptably high. The authors of the bureau's report maintained that such a large queue "increased the risk of collisions, groundings and other difficulties in the subsequent heavy weather". They went on to recommend that Newcastle Port Corporation should look at introducing more effective management of its vessel queuing system to reduce the risks to ships, the port and the environment.

And that's exactly what it did. Early last year the port began trials of its new Vessel Arrival System (VAS), which is intended to improve management of the ship queue. "Newcastle Port Corporation's aim is to limit numbers of vessels at anchor while waiting to enter the Port of Newcastle," NPC's general manager of operations, Ron Sorensen, told *P&H*. "An increase in the vessel queue is not acceptable with forecast growth in exports. In essence, we want to achieve a reduction in the vessel queue without detriment to throughput."

Currently being tested in stages, the new system will bring environmental and economic benefits, the port claims. In particular, by scheduling ships closer to their berthing time, fuel consumption and shipping costs will be greatly reduced, NPC stated. It added that a reduction in the number of vessels anchored off Newcastle will also cut the risk of an oil spillage or an incident of the kind that befell *Pasha Bulker*.



By introducing its Vessel Arrival System, Newcastle expects to cut queues offshore

And it's not just the residents of Newcastle that stand to benefit from a reduction in vessel queues, as the ATSB's incident report pointed out: "Almost all of the coal shipped from Newcastle is under Free On Board terms but demurrage costs, under another agreement, are also paid by the coal producers. Hence, a reduction in the ship queue can benefit the producers through reduced demurrage while enhancing maritime safety at the same time."

In Stage 1 of the VAS project the port overhauled its vessel tracking protocol, introducing an Inmarsat C digital satellite communication system for long-range tracking and communication. Use of Automatic Identification System (AIS) data lets the port track the vessels within a 10km radius of Newcastle. The system tracks vessels that are expected to arrive within 14 days, and at 10 days it uses information such as average speed, size and route to calculate the vessel's arrival time at the port.

The second stage saw all vessels heading to Newcastle being given the option to slow their transit to the port, with the aim of arriving on a specific date aligned with PWCS's estimated loading time for that particular vessel. NPC uses satellite information to plan a vessel's arrival at port, basing its information on the ship's location, speed and performance. The full implementation of a system where a vessel is able to transit to Newcastle at the optimal fuel-efficient speed will have massive benefits including a "major reduction in greenhouse gas emissions", the port asserted, adding that the 20% reduction in speed should deliver a 40% fuel saving for most vessels.

The big change, though, comes with the third and final stage, which is set to be implemented in February, next month. "All vessels in transit to the port will be given an estimated loading time and will also be unable to anchor at the Port of Newcastle more than 48 hours prior to the loading time," said Sorensen. It's hoped that this restriction in the anchoring of vessels will reduce queues at the port and go a long way to avoiding a repeat of the *Pasha Bulker* incident.

To follow the progress of the Vessel Arrival System, look at NPC's website, www.newportcorp.com.au, where updates will keep readers abreast of the latest developments in the trial programme. PH

Keeping track of vessels in Antwerp…

Use of the Automatic Identification System (AIS) will be compulsory for barges throughout the Port of Antwerp from 1 March 2011. "This system will enable the departments responsible for barge safety and traffic control to operate more efficiently," the port said in a statement.

The overall aim is to benefit nautical safety within the port, as well "as having particular advantages for traffic control," it said. "The information obtained will also be very useful for making even more efficient use of facilities, including berth management and lock operation."

AIS will also benefit the Barge Traffic System and lead to improved freight handling. Looking to the long term, data can be put to a variety of uses, such as measuring emissions from barges and facilitating the development of a barge co-ordination centre to manage and monitor the flow traffic.

"Antwerp Port Authority has taken this decision in the conviction that the introduction of inland AIS will create a win-win situation for all parties involved," the port said.

…and Canada

Canada's transport minister, John Baird, proposed regulations in September that will pave the way to Canada adopting an international shipping requirement that mandates tracking systems aboard certain classes of ship.

Vessels would have to carry long-range identification and tracking (LRIT) systems on board to transmit their identity and position to other countries' coastal authorities. It would apply to Canadian passenger vessels carrying more than 12 passengers and cargo vessels, including high-speed craft, of 300gt and up that undertake international voyages.

Similarly, foreign vessels intending to enter Canada or navigating up to 1,000nm off its coastline would have to transmit. The information would help Canada take preventive action in the event of a security threat, .

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Efficiency through automation

VTM has gone a step further at one Norwegian port, helping it automate new facilities. ***Scott Berman*** talks to the port and the systems provider

When the Port of Risavika, near Stavanger on Norway's west coast, forged ahead with its major development programme – including new container and ro-ro terminals plus a state-of-the-art logistics centre – a goal was set for IT solutions too. The aim was to achieve peak efficiency through automation.

In fact, according to Risavika's director of operations and logistics, Kurt Ommundsen, the core ambition in terms of those solutions is for Risavika "to be the most cost-efficient harbor in Norway", and to plan, run and continuously add value in co-operation with customers and business partners.

Risavika called in Seamless, of Kristiansand, Norway, to provide part of the port's IT solution for its container and ro-ro terminals. It is a vendor-independent SaaS (Software as a Service) application called PortTools.

PortTools builds upon traditional vessel traffic management (VTM) systems by focusing on security and logistics, integrating networks and providing more automation. The intention is to boost efficiency across terminals and the supply chain.

Seamless explained that PortTools helps freight forwarders, haulage companies, stevedores, agents, vessels and port security staff with the efficient exchange of standardised, co-ordinated information through various applications by XML and/or a web portal. The application, or parts of it, is being used in the Norwegian ports of Bergen, Trondheim and Kristiansand, among others.

Seamless CEO Olav Madland described an example of the application's place in Risavika's system. Sea-Cargo uses the PortTools application to exchange information with agents, terminals and the port itself. The shipping line's back-end system, Softship, ties into PortTools, which in turn uses XML interfaces with other applications such as Hogia for terminal services, Portwin for berth services and Visma for financial control applications.

Leaving the technical jargon to one side, Seamless

Risavika's nerve centre brings all the players together

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> We have, after all, implemented our ERP, harbor administration and logistics system within a three month period. It must be a world record!

Kurt Ommundsen

said that PortTools "talks to customers' applications". The bottom line for busy professionals in ports is that the system helps them handle certain key tasks with better communication, control and efficiency and with fewer mistakes, as Madland put it.

For example, the services and applications that Risavika put together with the help of PortTools enable personnel to, among other things, book berths electronically, report estimated time of arrival, document port calls, perform security-related functions, and order various terminal and port services by XML or a web portal.

In Madland's view, exchanging information electronically and collaborating logistics messages:

- Provides accurate, real-time information about the status of both parties
- Avoids confusion that can result from differing interpretations of messages
- Standardises any related practices to help keep costs down.

Safety and security are also among the priorities – for example, the software is also equipped to help port professionals comply with the requirements of the International Ship and Port Facility Security Code (ISPS), such as access control and monitoring. This approach streamlines practices that until now have tended to involve a succession of manual processes, such as keying in lorry access card data.

The system also helps in the unloading and loading of vessels, and the provision of services for vessels such as power, water and waste removal.

The portal can be used for inputting billing details or it can be integrated with other applications to perform that function. When integrated with other systems, the portal can also be used to order pilots and other third-party services within the port such as container transport, Madland explained.

PortTools differs from other network integration systems, such as Soget's AP+ (Ademar Protis), said Madland, because such systems are engineered for the largest ports, necessarily incurring levels of complexity and expense that may not be needed elsewhere.

Controlled from its logistics centre, Risavika's system has garnered positive feedback from port customers, business partners and employees, according to Ommundsen. Employees, including veterans used to working with other systems, have been very enthusiastic, he said.

Ports prepare for the changeover to electronic information exchange in different ways. In one scenario, vendor representatives and key port personnel, such as harbor masters and managers of logistics centres, work together (perhaps guided by a steering committee) to design a system to meet the port's needs.

In the case of Seamless, that process can take anywhere from one day to two weeks, depending on what is needed, Madland said. Sometimes ports themselves work with various vendors to assemble and install the applications they want; sometimes that task will be entrusted to Seamless. A staff member from Seamless then visits the port and provides a few hours of on-site training, which may be extended to shipping line executives and agents so they can train their own employees. After that, support for end customers is by email or telephone, he added.

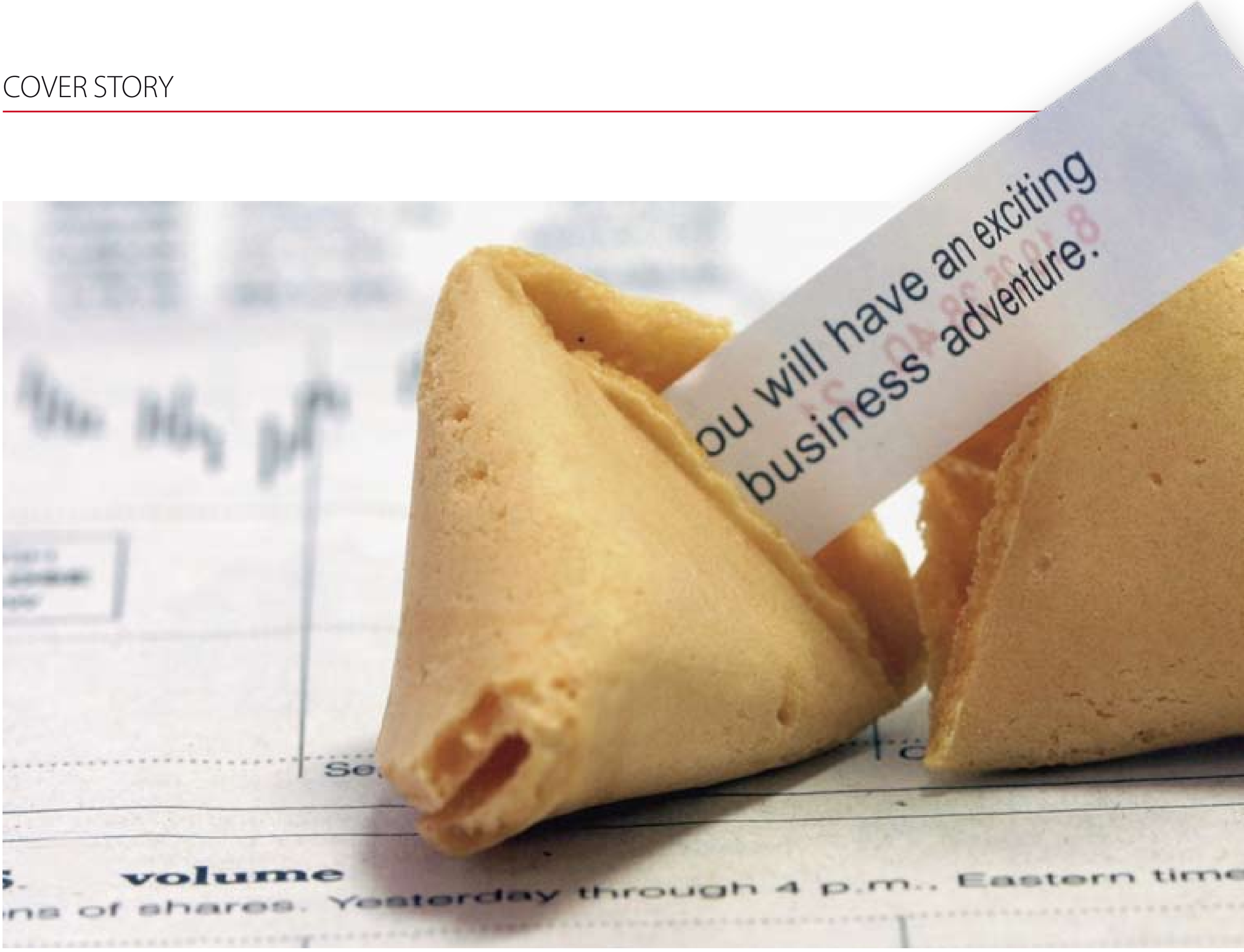
The modular architecture of PortTools means that the cost of an installation can vary significantly. A basic, starting cost for a portal itself is about NKr60,000 (€7,160), plus about NKr5,000 (€600) for a monthly service fee, said Madland. Customers decide on the number of functions they need and build them up accordingly. The Port of Bergen, for example, started with the product's web portal and ISPS application, and is building it up from there – service ordering and loading and unloading interfaces may be added in due course.

Ommundsen said that work is moving forward quickly at Risavika and said of the facility's overall IT system: "So far, so good, but we still have a long way to go. We have, after all, implemented our ERP [Enterprise Resource Planning], harbor administration and logistics system within a three-month period. It must be a world record!"

Ommundsen gives a real example from a busy and important day at Risavika. It was 1 November, when the new facility's first ship arrived for unloading. On hand, among others, were two veteran tugmaster drivers. Receiving ships on the first day at a brand-new facility and with a new application might result in a somewhat fraught situation.

But here, it was thumbs up: Ommundsen reported that the tugmaster drivers particularly liked having a task list appear on their equipment's PC screen, instead of having to handle papers. The data flowed across applications through portals to those drivers' screens and are automatically available as needed later on, Madland explained. "That was a good moment for me because I saw this was actually working, that people understood it instantly," Ommundsen said.

For busy ports and their customers, efficiency is the key; indeed, it is essential. That's the goal of ports working towards automation. PH



Forecasting the financial future

Moffatt & Nichol's senior economist, ***Dean Davison***, gives *P&H* an overview of where we are and where we are going

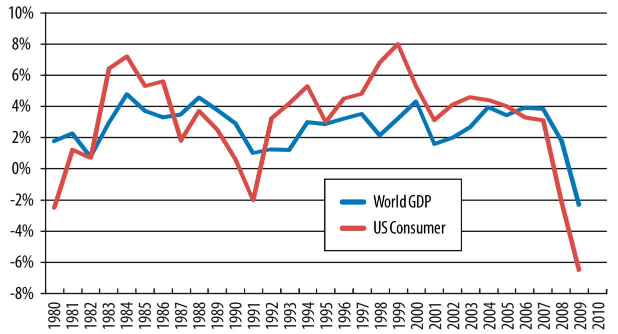
It is crystal ball season again for the global economy and, while the outlook is not exactly rosy, it is far stronger than this same time last year when we were wondering how far economic activity would decline and whether the world's financial system would collapse. Only the hundreds of billions of dollars that were subsequently spent on supporting financial institutions and providing fiscal stimuli stopped the total collapse of the world economy.

Nevertheless, the global economy, and international trade in particular, has fallen into a deep hole and it is unlikely to climb out quickly. At the root of the problem is the injured US economy, which accounts for 25% of world gross domestic product (GDP) and will take some time to heal. The rest of the world economy and global trade will continue to expand, providing support to the US while it recovers. On a regional basis, Asian trade with Latin America and Europe, and European trade with Latin America, look set to stage a respectable recovery.

Central to the global economic recovery is the US consumer. Over the past few decades US consumer spending has led global movements in GDP both up and down. The decline in US consumer spending in 2009 to date has been the steepest since the Great Depression of the late 1920s–30s. Given that US consumer spending in total makes up almost 70% of US GDP, and that US GDP accounts for a quarter of world GDP, it is no surprise that forecasts indicate that in 2009 global GDP declined 2.3% . Nevertheless, global GDP is expected to increase by 2.2% in 2010, based on the assumption that most economies return to trend growth and the US expands at a below-historical-average 2% rate.

A 2.2% rate of global GDP growth compares poorly with its 30-year average of 2.9%. Consumer and company budgets remain tight because of high unemployment and low capacity utilisation, which has left pricing power across all industries weak. Poor pricing power results in low profits, offering little scope for investment in capacity. This is particularly true for ocean carriers, which had placed orders for substantial

Photo: iStockphoto



Inflation-adjusted growth of world GDP and US consumer spending on manufactured goods

Source: IMF, US Department of Commerce

numbers of larger vessels in anticipation of sustained high growth rates in world trade.

In a low-profit environment it is difficult to see why employment, particularly in the US, will increase quickly. This implies lower consumer spending growth and is the reason why governments have engaged in deficit spending to stimulate their economies. Such programmes are likely to be extended into 2011.

There is considerable concern about the level of government debt; however, in the opinion of Moffatt & Nichol much of that alarm is misplaced. This is because, before their countries entered the severe recession, consumers in the US, UK and Spain had heavy debt burdens, largely as a result of investment in residential real estate. Banks were very exposed to consumer debt and have suffered in tandem.

Government spending programmes and tax cuts essentially transfer private-sector debt to the public sector. As this has happened, consumer savings rates have increased, which indicates that the increase in public-sector debt is not as onerous as some might think. The important point to note is that the transfer of debt is necessary for economies to recover.

Moffatt & Nichol strongly believes that stabilisation of the banking sector is a major stepping-stone to a sustainable rate of economic growth – whether in Asia, Europe or the US.

Thanks to the intervention by central banks and governments, the sector is finding its footing, although bank balance sheets are not yet sufficiently recovered to increase the supply of credit. We expect to see sustained improvement in bank balance sheets even though it is likely that corporate and consumer bankruptcy filings in major developed economies will not peak until 2Q/2010.

The rationing of credit has affected importers in the developed economies. Many had to purge inventories to make good on their revolving credit facility shortfalls and have had their credit limits pared back. Inventory-to-sales ratios still remained stubbornly high because of declining consumer spending. This has lowered the volumes handled by ports and carriers around the world. However, inventories are a lot leaner and consumer spending is set to increase. Therefore volumes will grow in 2010, albeit not at a high enough rate to measure up to 2007 levels – that is likely to take a few years.

Beyond 2010, Moffatt & Nichol is confident that global volumes will reach 2007 levels in 2011, driven by growth in intra-Asian volumes and Asia's trade with Europe and Latin America. Further support will come as the US recovers, although current trends do not indicate that high-volume growth will be sustained for at least few years. PH

Moffatt & Nichol provides in-freight infrastructure services, including economic analysis and financing, execution of planning, final designs and construction management. More info: www.moffattnichol.com

Likely scenarios in 2010

- US economic recovery will be the main focus of the transportation industry, given that most of the rest of the world economy is relatively healthy
- The recovering banking sector will increase the supply of credit
- Key global economies will show sustained but modest improvement because of government policy support. The US economy and port sector will continue to benefit from growing exports
- The up-side surprise could occur in the second half of 2010 as US policy-makers may try to give the economy added lift going into the mid-cycle elections in November
- Ocean carriers and many ports will continue to struggle in the first half of 2010, but the year should end on a happier note for many of them
- Asian exports to the US should continue to recover. However, because of the likelihood that the US dollar will remain weak, European exports to the US will probably still languish.

Fit for the future

Ports may benefit from a period of austerity, rebounding fitter and better prepared to face the future. Journalist ***Jem Newton*** reports

Like other ports in the Red Sea/Suez area, Suez Canal Container Terminal has escaped the worst of the gloom

The effects of the recession on world trade have been complex and the ability of national economies to recover in its aftermath has varied greatly. Many container ports in Europe and North America were hit hard, but while, for example, box terminals in the Gulf have suffered similarly, container ports in the nearby Red Sea and Suez area have remained dynamic throughout.

"We have seen healthy growth of 1.2M teu in the first half of 2009 – a 14% increase in throughput compared with last year," said Robert Hambleton, chief commercial officer of Suez Canal Container Terminal.

Ports have redoubled their efforts to identify new businesses to diversify their cargo or their broader business interests. Aqaba Container Terminal in Jordan, for example, has taken advantage of the fact that all the major box lines have capacity to spare and have been looking for new markets. The Red Sea is just such a market, with healthy consumer growth not only in Jordan but also in Iraq and Saudi Arabia.

This has meant an increase in the number of lines calling at Aqaba, which was visited by 28 container lines in 2009. "Apart from the traditional Middle East operators – Maersk, CMA CGM and PIL – now you see Far East operators like Yang Ming and "K" Line coming here that previously did not have much interest in the Red Sea," Klaus Holm Laursen, chief executive of Aqaba Container Terminal, told *P&H* (see pages 32–33).

Photo: SCCT

"In the US, it is less geographical variance and more related to types of cargo," Kurt Nagle, president of the American Association of Port Authorities (AAPA), told *Ports & Harbors*. "While there has been a considerable downturn in containerised cargo, a number of ports that deal in certain bulk or breakbulk cargoes, or new energy markets such as wind turbine components, have seen their business maintained or in some cases increased."

Signs of recovery have also been seen in container traffic in the United States, for example at the Port of Los Angeles/Long Beach.

In Europe, too, the picture is so varied that it is hard to draw any general conclusions about how the recession has hit ports, confirmed Patrick Verhoeven of the European Sea Ports Organisation (ESPO). But both association spokesmen are able to point to various strategies that ports worldwide are adopting to return their businesses to dynamic growth and profit. These include creative initiatives – for example, becoming more cost-efficient to boost productivity – and also financial prudence, such as putting on hold the ambitious plans for capital investment or large-scale port projects that were hatched in the heady years of the shipping boom.

"In the downturn, US ports have been looking at how they can do things more efficiently to increase productivity, manage costs and make their processes as cost-effective as possible both for the ports and their customers," said Nagle.

The same is true of some Asian ports. Malaysia's Port of Tanjung Pelepas (PTP) is operating with surplus capacity and has been obliged to be creative to win additional volumes. "When shipping lines are looking at reducing operational costs, the cost savings offered by PTP through efficient port services could prove to be a real value proposition to shipping lines," said a spokesman. PTP's managers remain confident that the port will win additional transhipment traffic from neighbours such as Singapore.

"To survive the current economic downturn, port operators have resorted to a variety of cost-cutting strategies, including sending fewer employees overseas for trips or meetings and deferring purchases of new equipment," said Datuk Captain Abdul Rahim Abd Aziz, chairman of the Asean Ports Association working committee.

Meanwhile, in the Middle East, Syria's Tartous International Container Terminal has started to secure more business from ships largely as a result of the cargo congestion experienced, and high fees imposed, at other eastern Mediterranean ports. MSC is one of the mega-operators that have increased calls to Tartous because of its improved operations and services, citing its "significant development since privatisation in 2006".

Another new port client, Transcontainer Shipping of Russia, has joined a growing list of callers at Tartous that includes CMA CGM, Maersk Line, Safmarine, EMES, Hamburg Süd, Sermar Line and CSAV Norasia. According to chief executive officer Romeo Salvador, Tartous posted a 44% hike in box throughput during the first half of 2009 compared with the same period last year.

In the move to make their processes cost-effective for clients, several port authorities have announced fee discounts and rebates in recent months. Verhoeven highlighted the Port of Rotterdam's mid-November announcement of a one-off crisis rebate of 7% on its 2010 tariffs for sea and inland harbor dues. On balance, dues will be cut by 5% – the first time in more than two decades that the port authority has lowered its port tariffs.

The previous month, Busan Port Authority, in South Korea, confirmed that from November 2009 it would offer its regular container operators a year's delay on paying usage fees for port entry, dockage and anchorage. Instead, the lines are given the opportunity to pay the fees accumulated during the year's grace from November 2010 in monthly instalments.

Ports have responded in a variety of ways to development planning. Some have been forced to shelve projects. Gulf analysts still expect a decline of least 5% in container volumes this year and this is a problem in a region with $45Bn-worth of port developments planned and under way. It is highly debatable whether the Gulf needs anything like this much extra capacity.

New developments are still going ahead in the Gulf – for example, the expansion of Salalah Port in Oman, being carried out in partnership with Singapore shipping line APL, which will provide its own traffic. Other ports will have to look for similar deals that will provide guaranteed traffic or look for other, under-served market niches.

"While some [projects] have been put on hold, other US ports have decided that investment is still necessary and that they should proceed with that to be ready to accommodate new business when the trade recovery picks up," commented Nagle. "They are also able to make those investments on a more cost-effective basis because of the more favourable business environment and also these projects obviously help the local economy."

Driven by the need for strategic planning, the Port of Riga, Latvia, commissioned a study by maritime research group BMT that predicted a big trade bounce in the area – encouraging Riga to keep faith with its expansion plans. The port's optimism is bolstered by Russia's present need to keep pumping out oil, coal and gas exports.

Renewable energy is another area that ports have espoused with enthusiasm to compensate for flagging cargo in other sectors. In the past year, several North American ports – including Vancouver, Corpus Christi, Indiana and Wilmington – have increased their shipments of wind turbine parts destined for inland and offshore farms.

This year, the Port of Vancouver extended an existing contract with Vestas Wind Systems by three years with further options and has also signed a separate two-year cargo contract with Siemens Energy. These agreements are expected to provide more than 200 jobs and $20M in economic value to the port community. PH

CASE STUDY 1

Carolina keeps contract

Charleston had to update the contract to keep Maersk on board

For a US port seeking to retain and grow its liner business, the South Carolina State Ports Authority did well when hiring Jim Newsome as its new president and CEO. He was at his new job less than two months when Maersk announced on 23 October that it would remain at the Port of Charleston, backtracking on a decision to pull out in 2010 and taking 20% of the port's container business with it.

While Maersk's policy reversal was partly the result of a successfully brokered deal with the International Longshoreman's Association, a high-priced container throughput contract with the port authority, which also needed to be updated, was a significant factor.

"I think I have an understanding for what the circumstances under which all the major carriers exist today – which is they're all losing a lot of money," Newsome remarked to *Ports & Harbors*. "When you come from a liner background, you know what the competitive terms are at various ports," he stressed.

Newsome and chief commercial officer Paul McClintock engaged Maersk "with a view toward cost competitiveness", he said. "We felt from the start it doesn't make sense for a major port to lose the largest line in the world." Newsome conceded: "I think [the contract] wasn't as competitive as it needed to be."

Maersk spokesman, Dana Magliola, agreed with this statement: "This agreement means we've come

Winning combinations

CASE STUDY 2

Tacoma's silver lining

Tacoma managed to negotiate NYK Line's commitment for 25 years

When the US sub-prime mortgage market collapsed in the closing months of 2007 no one, including the US government, knew how long it would last or how badly it would rupture world credit markets.

At the time, every major port on the North America's west coast, including the Pacific Northwest Port of Tacoma, was knee-deep in capital projects designed to increase container handling capacity in preparation for the expected tsunami of boxes from China. At Tacoma the largest of these infrastructure projects by far was a new terminal to be constructed on the Blair-Hylebos Peninsula.

Confident that container volumes would continue to increase and watching congestion growing at the ports of Long Beach and Los Angeles, Tim Farrell, the port's executive director spearheaded the project and was instrumental in convincing NYK Line to move its container business from the Port of Seattle to the new terminal in 2012.

In July 2007, just before the collapse of Wall Street, the lease with NYK was signed and the port was committed to a project with an estimated price tag of $800M.

But, as with most major projects, it soon turned out that the original cost estimates were too low. Environmental problems and unexpectedly high costs for providing road and railway access to the 68ha, two-berth site gradually saw the projected costs rise to more than $1Bn.

At the same time, container volumes at the port

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to a level where our costs are more in line with competition with other carriers at the port". The company had announced in December that it could not afford to continue to call on Charleston because of stagnant volumes and high labour costs.

Once the second-largest container port on the US east coast, Charleston has steadily lost market share to Savannah, Hampton Roads, Virginia and the New York/New Jersey ports. Volumes in the third quarter of 2009 are down 25% compared with the same period in 2008. Its budgeted pier container projection for the current fiscal year (July 2009 to June 2010) is -6.4%.

To stem the flow of lost volume, Newsome has focused on realigning many of the port's container line contracts to retain business and get ready for future growth. "Part of that is just our own internal assessment of where we stand competitively and making sure that's not an impediment for us in retaining volume," he said.

He also explained that a major opportunity for his and other east coast ports is that ships are growing larger very fast. There are 175 ships on the orderbooks over 10,000teu or more, Newsome said, but the biggest that calls into Charleston is 6,700teu. "We have the naturally deepest harbor in the South Atlantic, so we today can handle those ships without relying on a dredging project."

Newsome: "I think the contract wasn't as competitive as it needed to be"

Photo: John Gallagher

Newsome said that accommodating the largest ships may be essential before the Panama Canal's new, wider locks open in 2014. "A lot of these ships were built for the Asia–Europe trade, and that trade isn't going to be able to accommodate all those ships – the European economies aren't growing that fast. But the lines will have to employ their biggest ships to be cost-effective. I think some of those will find their way to the east coast." PH

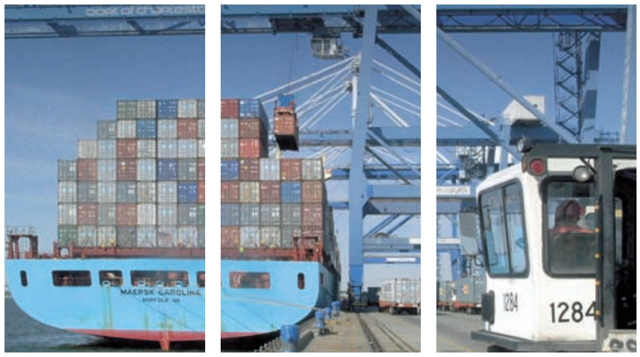

Photo: South Carolina State Port Authority

The trade downturn has forced many ports to reconsider contracts with clients to keep their business. Journalists ***John Gallagher*** and ***Leo Quigley*** report for *P&H* on two US examples

Farrell: "There are lots of reasons for us to feel that we have a good resolution here"

began to slip steadily. Foreign containers dropped from 1,552,273teu in 2006 to 1,347,979teu in 2008 and, further, foreign container volumes for the third quarter of 2009 slipped to 837,808teu compared with 1,028, 629 for the same period the previous year.

Meanwhile, problems involved in developing the site not only escalated costs, but also pushed back the timeline for the completion of the terminal until it seemed that it would be impossible to meet NYK's scheduled arrival date of 2012.

As container volumes continued to decline and shipping rates continued to drop the port began searching for an alternative site for NYK. It was presented with one when a long-time port customer, Maersk Line, announced that it had reached a vessel-sharing agreement with CMA-CGM and planned to move its operations to Port of Seattle's Terminal 18 at the beginning of this year.

Maersk's departure gave Farrell and the directors the opportunity offer NYK an alternative terminal and, facing its own revenue problems, NYK agreed. Farrell, who will be stepping down from his executive director post at year's-end, said that, as part of the agreement, NYK renewed its commitment to move to Tacoma in 2012 and to remain in the port for at least 25 years.

Under the circumstances, he said, the final outcome was one that everyone agreed is positive. "APM's going to bring in some new business; NYK's going to be in a strong position without having to take on a big rent payment and the port's not going to be investing significant capital in a down market. So there are lots of reasons for us to feel we have a good resolution here." Farrell said.

Also, the process of planning the terminal and the investment in properties, environmental clean-up and demolitions, has moved the port closer to being able to develop new facilities, such as a container handling facility on one of its three or four available sites. "That's the silver lining," Farrell said. PH

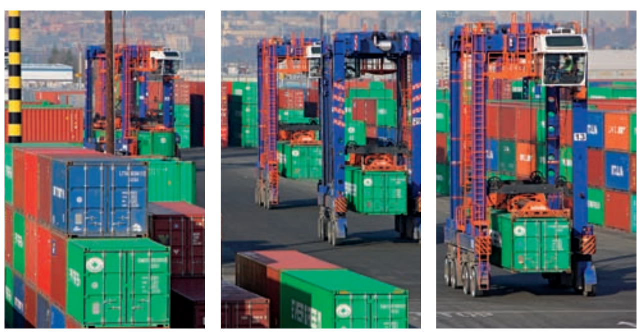

Photo: Port of Tacoma

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Replaceable slabs make for speedier maintenance

Simplified maintenance for open-type piers reduces terminal disruption and costs, report ***Dr Mitsuyasu Iwanami*** and ***Hajime Oowada***

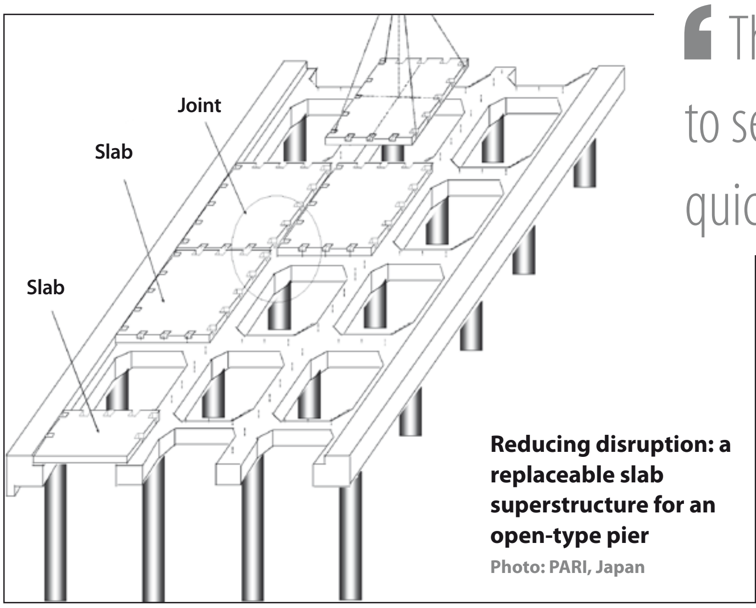
Open-type piers are a type of structure that is commonly found in ports throughout Japan, being used in both container and bulk terminals. The maintenance of this kind of pier can pose certain problems. The steel pipe piles that support the superstructure of a pier are normally protected by corrosion-prevention systems, such as cathodic protection and surface coating. The concrete superstructure, however, is constantly exposed to severe chloride attack, resulting in quick deterioration of the concrete members and consequently affecting structural performance and durability

From the late 1990s to the early 2000s, Japan's largest container port, the Port of Tokyo, carried out a large-scale renewal project at the Oi Container Terminal. The terminal was originally completed in 1975 with a total berth length of 2,300m. It consisted of two 250m -long berths and six 300m-long berths, each with 13m water depth alongside. Having served for two decades as the port's main container terminal, the Oi facility needed to be expanded in terms of both berth length and water depth to accommodate larger container vessels.

Over the years, wear and tear from heavy use, combined with constant seawater attacks, had resulted in damage to the superstructure of the open-type piers. It became apparent that urgent repair works would have to be carried out along the whole extent of the terminal complex.

The renewal project started in 1996 to expand each berth length to 330m and 350m respectively – reducing the total number of berths from eight to seven – and to deepen the water depth alongside to 15m. To keep the terminal in operation as much as possible during the project, it was planned that at least six berths should available at any time by updating the facility berth by berth. The entire project was completed in 2003. In other words, even with all the efforts to minimise operational disruption, each berth

> The concrete superstructure is exposed to severe chloride attack, resulting in quick deterioration



Reducing disruption: a replaceable slab superstructure for an open-type pier
Photo: PARI, Japan

was out of service for between one and two years.

When carrying out repairs to an open-type pier, it is usually necessary to erect temporary scaffolding under the superstructure, which can take some time to set up. Naturally, the time available to work under the superstructure is limited because of the interference of tidal change and wave action. The narrow clearance under the superstructure and high humidity also mean that working conditions are also far from ideal. In combination, these factors can make it necessary to suspend terminal operations.

The Port and Airport Research Institute (PARI) has suggested use of a replaceable slab in the open-type pier, to help speed the maintenance process. The use of this precast concrete slab, placed on concrete beams with rubber 'shoes', is aimed at reducing construction time and ensuring a higher quality of concrete.

When the precast slab is placed on the beams, it is normally rigidly connected to the beams by splicing projecting reinforcing bars from concrete members and casting concrete *in situ* between them. The replaceable slab, however, is connected to the beams by a replaceable joint system, which enables the slab to be removed easily during the service period.

Should severe deterioration be detected in a slab during a periodical inspection, the damaged slab can be quickly replaced by a new unit. This avoids the need for repair works requiring temporary scaffolds under the slab and so frees the work from the time constraints that tides and waves impose. It also substantially reduces the volume of repair works, because only one damaged slab will need to be replaced. Overall, it keeps interruption of terminal operations to the minimum.

The PARI has conducted a series of large-scale loading tests and has confirmed that the structural mechanics of the replaceable slab make it suitable for use in the superstructure of an open-type pier.[1]

The replaceable slab can be easily designed and applied without any specific experience or technical requirements. It is considered especially effective for the renewal of large-scale terminals, as production of a large number of precast replaceable slabs reduces cost and time. Minimum disruption of terminal operations is another significant economic benefit. PH

Dr Mitsuyasu Iwanami works in the Structural Mechanics Division of PARI, Japan. Hajime Oowada, is general manager in the Engineering Division at Tokyo Port Terminal Co Ltd

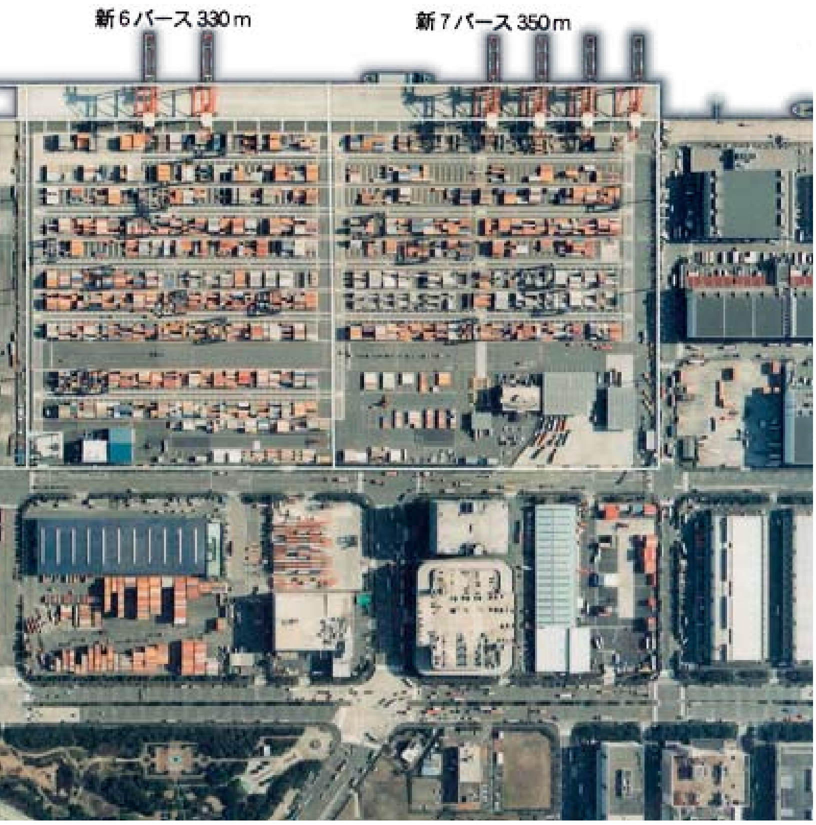


Photo: Tokyo Port Terminal Co. Ltd

Oi Container Terminal's infrastructure was upgraded in 2000

Reference

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Photos: Jem Newton

Aqaba upbeat in downturn

Aqaba Container Terminal is re-evaluating its facilities from inspection to crane outreach. Journalist ***Jem Newton*** talks to two CEOs about the developments

Aqaba is welcoming new shipping lines to its container terminal

Container operators in the Gulf remain downbeat, with DP World CEO Mohammed Sharaf predicting no upturn in the United Arab Emirates (UAE) before 2011. This, however, is not the case at every Middle Eastern port. A shining exception is Aqaba, where dynamic growth rates in container traffic have continued throughout the global recession. The port's development agency has ambitious plans to compete with Gulf ports in all areas of regional cargo.

"Last year we saw growth of 42% at Aqaba Container Terminal [ACT] and 26% so far to September this year. Unlike other ports, there has been a very steep increase in cargo in the last 15 months," ACT's chief executive officer, Klaus Holm Laursen, told *Ports & Harbors*.

A partial return to normal trading conditions in Iraq, combined with that country's construction boom, accounted for some of the growth at Aqaba, he said, pointing out that the Red Sea port scores over the shallower Gulf where there is a need to tranship in and out of Iraq via the Emirates. Shippers also need to factor in an insurance surcharge in the northernmost part of the Gulf.

"The other attraction of Aqaba is that we have a product comparable with Gulf ports in terms of timing and cost, not just in terms of what ACT offers but logistically – we're basically on the main highway from the Far East to Europe," he pointed out. Laursen said that so far in 2009 ACT had done business with 28 container lines and was currently servicing 20 different ones. "Not all of them with their own ships – some of them pooled – but we have a relatively high number of shipping lines calling on us," he said.

"As regards Aqaba's selling point, any line these days has spare capacity and that means they cascade down their vessels in the network and try to deploy them in new markets. So apart from the traditional Middle East operators – Maersk, CMA CGM and PIL – now you see Far East operators like Yang Ming and

'K' Line coming here that previously did not have much interest in the Red Sea."

He said the current alternatives for operators were either to lay up a ship or attack a new market to it and one of the markets that had become attractive for lines was the Red Sea, because in addition to Iraq, Saudi Arabia is enjoying healthy growth. "One trend we have seen is an increase in the size of ships calling. When I arrived here a year ago, ACT would have considered itself a feeder port, but now we have 7,000teu vessels calling on a weekly basis, so we've seen a trend of bigger vessels being cascaded down in the network," he said.

Laursen believes that this trend is sustainable at Aqaba because of a draught alongside of up to 18m and the commissioning in 1Q10 of two new ship-to-shore gantry cranes from Chinese manufacturer ZPMC with an 18-row outreach. "Next year we should be able to do 850,000teu and the year after between 900,000teu and 1M teu, depending on other factors."

Another area where improvement is needed is the inspection regime, as a relatively high proportion of cargo is still physically inspected, he said. "There are a number of initiatives on how we reduce the time spent on logistics. The main issue is whether you do old-fashioned physical inspections or whether you introduce scanners, which is something that I am pushing for. We could save 36–48 hours in the logistics chain by introducing scanners," he maintained.

The general optimism at the container terminal is shared by the Aqaba Development Corporation (ADC), the body overseeing the creation of a general cargo port. The new port, for which construction contracts are out to tender, will incorporate a general cargo and ro-ro terminal as well as grain and ferry terminals and will be located 20km farther south, near the border with Saudi Arabia.

"ADC has used the public-private partnership (PPP) framework to attract world class developers/operators for the different terminals at Aqaba port to ensure we get the necessary know-how, financing, efficiencies and productivity gains in accordance with industry best practices," chief executive officer Imad Fakhoury told *Ports & Harbors*.

ADC has completed PPP transactions for the container terminal and intends to use the same process to build a new phosphate terminal and to rehabilitate and expand the industrial terminal, as well as for the oil terminal and marine services.

"The remaining general cargo, ro-ro, grain and ferry new port terminals have been packaged through one BOT [build-operate-transfer] tender and, if current PPP negotiations with the preferred bidder succeed, it will be built by the winning developer. Alternatively, ADC will itself carry out construction for the marine works and onshore infrastructure and directly, or through separate PPP packages, will build the superstructure for the new grain and ferry terminals. This will be followed by a tender to attract a world-class operator for these terminals to ensure optimal operations at all port terminals," Fakhoury said.

If the negotiations with the preferred bidder are unsuccessful, ADC will issue a tender around the turn of the year for a construction contract to carry out the marine works, probably breaking the construction work into packages. This will be followed by the onshore work on the various terminals – the superstructure and equipment – either in one tender or as separate packages or as PPPs.

A key factor in the decision to relocate the port was the lack of room to expand the old facilities. "We will be building deeper berths [at the new port] that can be extended and yards that are expandable with a huge hinterland of 1,500ha where all kinds of value-added logistics and industries that would complement the development of the new port can be located," said Fakhouri. "We are positioning Aqaba as a multimodal logistic gateway to serve the Levant region and the wider Middle East and as the connection point that links GCC [Gulf Co-operation Council] states and the Levant with North Africa via the ferry to and from Nuweiba in the Sinai, which carries nearly 60,000 trucks annually."

He said that talks were also being held with Levant and Gulf governments with a view to upgrading the single-track railway that is currently limited to ferrying potash and phosphate to Aqaba for export. ADC is also in talks with Palestinian shippers that are interested in using Aqaba as an alternative to the Israeli ports in the Mediterranean.

He added that, besides offering a fuel saving to ship operators, moving the port farther down the Gulf of Aqaba will free up its present location for development. Fakhoury explained that Aqaba is not just a port but also a thriving tourist resort.

"We have succeeded in attracting one of the largest consortia in the Gulf, Al-Maabar in Abu Dhabi, to redevelop the old port area and surrounding hills into a world-class mixed-use waterfront development that will support the transformation of Aqaba's northern corniche into one of the leading urban tourism destinations on the Red Sea," Fakhoury concluded. PH

Klaus Holm Laursen of ACT: "We've seen a trend of bigger vessels"

San Pedro makeover

Port of Los Angeles is to turn its disjointed waterfront into a community asset. The governing board recently gave the environmental go-ahead for the $1.2Bn transformation, reports journalist ***Martin Rushmere***

On the waterfront… an artist's impression of what residents in San Pedro, Los Angeles, will enjoy

The San Pedro Waterfront Project is a five-year project that will see a collection of commercial and public facilities, a cargo and container terminal area and oil and chemical storage plants coalesce into a more coherent, public and maritime attraction of parks, restaurants, offices, shops and more than 12km of footpaths and walkways. The development will cover 162ha of land.

One of the project aims is to keep the area as natural as possible, so an existing saltmarsh will be beautified and incorporated into the network of public paths. The port will also benefit from the project, ultimately gaining three public harbors, berths for cruise ships and a cruise terminal.

Rigorous pollution control, an environmental clean-up and community pride in the completed project are the driving forces behind the scheme, in line with the determination by the port and the state of California to reduce vessel, air and water pollution – particularly NOx, SOx and diesel soot – by up to 80% within the next decade.

The original start date was August 2009, beginning with demolition of the Westaway oil and chemical storage tanks. However, this date has been pushed back in order to settle public and official worries over pollution and the environment. According to port officials, the environmental hoops are proving the most difficult part of the project. "The permit process will be the toughest. Everything else is pretty straightforward," stated project engineer Dina Aryan-Zahlan.

The US Army Corps of Engineers (USACE) will be overseeing the project, but bids for the main contractor have yet to go out to tender.

Once it gets under way, the work will include dredging 460,000m^3 of material over 3ha for the three harbors; most of it – 335,000m^3 over 2ha – will come from the North Harbor, which is to be deepened to 7.6m. Decayed bulkheads and wharfing covering

3,200m^2 will be removed, to be replaced by floating docks, sheet-pile bulkheads, 140 piles and concrete rock slope protection below the water line. The harbor will also be the new mooring for tugboat operators Crowley and Millennium. Port and police vessels will be berthed at the new Downtown Harbor, which will also be dredged to 7.6m and involve moving the water's edge by 45m. And the third new harbor, 7th Street, will be used for visiting tall ships, along with public recreational craft, and deepened to 7.3m.

The new cruise ship berths and terminals have provoked public opposition, however, because of the predicted increase in the number of people in the area, along with attendant vehicles and noise. At least three new berths were planned, together with two terminals, but these ambitions have been scaled back to a single 9,000m^2 terminal and an increase in the length of Berths 45–47 (currently used by oil tankers) from 280m to 290m to enable them to accommodate one Freedom-class vessel.

The port has agreed to complete a $42M upgrade of the existing terminal, which should be finished in 2011, but it will not increase docking capacity. "A second cruise ship berth [Berths 49–50] will be built only when market conditions allow," port officials stated.

It is likely that this second berth will be built at some stage, however, because it is needed to take the Freedom-class ships – they are too high to pass under the bridge that spans the channel leading to the existing terminal.

A location for the disposal of the dredged material created is still being discussed, because of uncertainty over soil quality. Should it prove to be sufficiently clean, there will be the potential to reuse it, possibly at the neighbouring Port of Long Beach.

"We think most of the soil is pretty clean, although there might be a bit of contamination from copper and possibly other metals," Aryan-Zahlan explained. "If the soil is clean and there are no onshore uses, we'll dispose of it in the sea, at a site designated by the EPA [the US Environmental Protection Agency] and well away from the port area. In the worst-case scenario, it could be taken to two land sites," he said.

Jan Green Rebstock, the leading environmental specialist at the port, pointed out that contamination of dredged material is just one of 90 environmental considerations and restrictions governing the project. Among them are California's low-sulphur rules for main and auxiliary engines that stipulate cruise ships using onshore power supply when docked; in addition, tugs are limited to idling for a maximum of 10 minutes. Machinery and vehicles will also have to conform to federal EPA greenhouse gas emission limits, which will apply during construction too.

Some of the most detailed construction eco-restrictions apply to:

- Marine mammals – to minimise harmful effects on them, the regulations state: "At the initiation of each pile driving event, and after breaks of more than 15 minutes, the pile driving will also employ a 'soft start' in which the hammer is operated at less than full capacity (ie approximately 40–60% energy levels) with no less than a one-minute interval between each strike for a five-minute period. If a marine mammal is seen, pile driving will stop for at least 15 minutes"
- Protected species of nesting birds – especially the California least tern, an endangered species. Should any be found between 15 September and 1 February in any construction year, the contractor must maintain a safety zone of up to 30m
- Artefacts or human remains – the area was an early Mexican settlement and if any remains are found, work must stop until archaeologists and ethnologists have been consulted.

This development is expected to create 20,000 jobs – 14,000 of them, both direct and indirect, from public spending, together with 7,000 from private-sector spending. Port of Los Angeles chief exectutive officer Dr Geraldine Knatz commented: "This project will create a world-class waterfront on a par with other world-renowned waterfront cities and will bring the theatre of the working port to the people and visitors of Los Angeles.

"After over a decade of discussion and nearly eight years of formal public scoping and analysis, it is exciting to finally move forward on this historic project." PH

More info: www.lawaterfront.org

Award-winning design

Los Angeles won the Excellence on the Waterfront Award at the recent Annual Urban Waterfront Conference in Seattle.

The port, together with consultant WET Design, was recognised for its Fanfare Fountains and Water Features at San Pedro Gateway Plaza, a landmark for the entire San Pedro Waterfront project.

"We're thrilled," said port CEO Geraldine Knatz. "We were already proud to boast the largest water feature in California – now we can boast international recognition too."

Judging criteria for the award included design sensitivity, quality and harmony; civic contribution; environmental and enrichment facets. And in WET Design, the port found a partner responsible for Las Vegas's Bellagio fountains, Universal CityWalk, Tokyo Dome and others around the world.

Cutting a deal for climate in Copenhagen

Photo: Hal Brown

Shipping wants to see action on climate from Copenhagen

The United Nations Climate Change Conference, COP 15, started in Copenhagen shortly before *P&H* went to press in December. On the COP 15 website, Yvo De Boer, executive secretary of the UN Framework Convention on Climate Change, asserted that the conference needed to address four essential questions: how far industrialised nations are prepared to reduce their greenhouse gas emissions (GHGs); how far developing countries such as China and India will go to cut GHGs; how best to help and finance developing countries' efforts in GHG reduction; and how to manage this funding. "If Copenhagen can deliver on those four points I'd be happy," De Boer declared.

The shipping industry looks primarily to IMO for regulation on these issues, but the organisation has been criticised for a slow response. One of those speaking in an early session of COP 15, was Christian Breinholt, director of the Danish Maritime Authority. He reported that the IMO had been "hampered" in its decision-making process because countries had been reluctant to commit to any agreement until a global emissions deal had been secured.

Each industry sector has its own wish-list for the conference's outcomes. International Chamber of Shipping's marine director Peter Hinchliffe told *Ports & Harbors*: "We are still hopeful that COP 15 will find a solution whereby IMO will have the flexibility to find solutions that meet the complexity of the shipping industry that at the same time deliver real CO_2 reduction. IMO must be free to find that solution without being constrained by the CBDR [constant bearing decreasing range – collision course] principle."

US ballast rules 'could create confusion'

Figuring out how to treat ballast water could soon be not only more expensive for vessel owners but also more confusing. Carriers and their representatives in Washington DC are pleading with US government officials and lawmakers to corral inter-agency regulations into a single regime that would also block individual states from enacting their own, more stringent regulations.

Carriers claim separate domestic regulations for ballast water will weaken their ability to invest in and market their services. Mike Bohlman, director of marine services for Horizon Lines, told *P&H* that the shipping community is not yet aware of the seriousness of the situation. "They're focused on the international regulations and complying with those standards, but they'll be required to comply with US regulations, and I'm not sure it has resonated with them yet," he said.

The US Coast Guard (USCG) is considering a two-phase standard that would require ships to install ballast water management systems to kill off non-indigenous species before ballast water is emptied in US waters.

New vessels would have to meet first-phase requirements by 1 January 2012. The deadline for Phase 2 – which requires certain organisms found in ballast water to be reduced 1,000 times more by volume – is 1 January 2016. Deadlines for existing vessels would be at time of their first dry docking after 1 January 2014 for Phase 1 and after 1 January 2016 for Phase 2.

Both the USCG and the US Environmental Protection Agency (EPA) have powers to regulate ballast water treatment, under the National Invasive Species Act and the Clean Water Act, respectively. USCG's rulemaking, if adopted, would allow states to retain their authority to adopt their own rules.

Kathy Metcalf, director maritime for the Chamber of Shipping of America, is pushing Congress to write a bill providing a framework for both the USCG and the EPA to administer ballast water rules.

Attorney Susan Geiger, a specialist in maritime regulation at K&L Gates, believes that vessel operators should brace for a potential patchwork of regulations when doing business in the US. Making reference to the bulk trade in particular, she said: "You never know what port you're going to be calling on even if you're already half-way across the ocean".

Joseph Angelo, deputy managing director for Intertanko, doesn't think such a patchwork will matter. "Having differing standards could end up being an impediment to trade, but in the end it's really the market that will dictate whether a ship is going to call on a US port", he said.

Satellite heads sign MoU

A tripartite memorandum of understanding between the heads of the International Telecommunications Satellite Organization (ITSO), the European Telecommunications Satellite Intergovernmental Organization (EUTELSAT IGO) and the International Mobile Satellite Organization (IMSO) was signed in London on 2 December.

The main purpose of the agreement is to provide a mechanism for the formal exchange of information on activities of mutual interest and for the organisations' representatives to have observer status at each others' assemblies.

The London gathering was the second meeting of the three organisations' heads – IMSO director general Captain Esteban Pacha-Vincente, ITSO director general José Toscano and EUTELSAT IGO executive director Christian Roisse.

The trio agreed that they would continue to meet every year.

SafeMed presents update on safety plan

The SafeMed Project – Euromed Cooperation on Maritime Safety and Prevention of Pollution from Ships – presented its objectives and results to an IMO assembly in London in December.

REMPEC (Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea) detailed the outcomes of SafeMed 1, including the 2007 Regional Transport Action Plan (RTAP), and progress made so far on the three-year SafeMed II Project launched in January 2009.

According to a press statement, the EU-funded project's aim is to "reduce maritime accidents and pollution through co-ordinated action by providing a level playing field for all stakeholders in the area, improving access to information for all, offering training and assistance, and promoting a common platform for best practices to regulate maritime traffic in Mediterranean coastal states."

The SafeMed Project was presented at the 26th Regular Session of the IMO assembly

Frédéric Hébert, director of REMPEC, explained: "The Mediterranean Sea is a major shipping area, with more than 300,000 port calls per annum and more than 10,000 ships transiting this busy highway every year. Differences in the implementation of international maritime conventions can lead to an increased risk of accidents, causing loss of life and environmental damage. In a deeply interlinked Mediterranean environment, damage to one area of the sea impacts every other area."

The presentation session was jointly organised by the EC, IMO and REMPEC and attended by the accredited EC representative to IMO, Marten Koopmans, and IMO's director of the Marine Environment Protection Division, Miguel Palomares.

Gijón takes first ESPO award

The Port Authority of Gijón became the first winner of the European Sea Ports Organisation's Award on Societal Integration of Ports. European Commission vice-president Antonio Tajani handed the award to Fernando Menendez Rexach, president of the Port Authority of Gijón, on 4 November in Brussels

The winning project was Gijón Port and City Together. "It was selected because of the port authority's long-standing strategy in managing the societal integration of its port, because the many different initiatives involved in this strategy matched all the categories and criteria set out for the award and because these initiatives form a true catalogue of inspiration for many other port authorities," said ESPO in a statement.

"We were very much impressed by the 30 applications that were received for the first edition of the ESPO Award," said jury chairman John Richardson. "They represent an enormous diversity, but, above all, a clear determination of the port authorities concerned in making the added value of their port visible to their local communities."

Shortlisted ports were Algeciras, Genoa, Ghent, Gijón, Rotterdam, Stockholm and Turku. Of these, the jury picked out for special mention:

- Port of Genoa, with its Genoa Port Centre project – described as an interactive port information centre
- Port of Ghent, for its project on Ghent Canal Zone, which, said the statement, "the jury found to be a best practice case of stakeholder management".

Gijón's Fernando Menendez Rexach (left) and Antonio Tajani

The ESPO Award promotes innovative projects carried out by European port authorities that improve the integration of ports into their surrounding societies, especially the city or wider community.

The call for proposals for the 2010 award opened on 4 January and will run until 4 June.

China acts on ship spills

The People's Republic of China (PRC) has moved forward with plans to implement national oil pollution legislation from 1 March 2010, Intertanko reported. "The Regulations on Prevention and Control of Ship-Induced Pollution to the Marine Environment were made public on 9 September, but only recently have unofficial English translations been circulated," it said in a statement.

The new regulations are concerned with ship-sourced oil pollution and extend into the exclusive economic zone and "include any incident that affects PRC waters regardless of the area in which the pollution incident occurred. Compulsory insurance will be required for all oil-carrying vessels over 1,000gt, although it is not clear as to whether insurance carried under the PRC-ratified Civil Liability Convention 1992 and Bunker Convention will suffice," Intertanko explained.

LR guidance on sulphur

Lloyd's Register (LR) has created a document that answers some of the questions regarding the EC Sulphur Directive, which entered force on 1 January 2010.

"EC Directive 2005/33/EC has been the cause of considerable interest, concern and uncertainty," said LR in a statement. The directive requires ships at berth to burn fuel with a maximum sulphur content of 0.1%. "However," claimed LR, "considerable uncertainties still exist as to compliance, associated technical issues and how the requirements are likely to be enforced."

Lloyd's Register's specialist fuel oil service, FOBAS, has handled many questions on these 'at berth' requirements and these have now been published in a single guidance document. It may be downloaded from the FAQ page for 'at berth' requirements at: www.lr.org/NR/rdonlyres/764160D1-6DA3-4D6C-8BD0-73E8E12E7B46/102999/AtberthFAQFinalV1.pdf.

New policy for UK ports

The UK government's new National Policy Statement (NPS) for ports in England and Wales was launched in November, setting out a planning framework for future port developments. The statement highlights the need for additional port capacity to 2030 and beyond, and takes freight demand forecasts and the economic benefits of ports into consideration. The document builds on existing government policy.

Richard Bird, executive director of the UK Major Ports Group, told *Ports & Harbors* that the NPS provides no radical changes, but said he was pleased that it reflects existing policy. However, regarding the lack of change in policy on connecting infrastructure – from port to roads and railways – he added that the NPS imposes an "unfair burden on UK ports".

The policy statement incorporates wider UK government objectives for sustainable development, including climate change considerations and overall environmental impacts of port development. The new NPS is still subject to public consultation.

Shipping minister Paul Clark said: "While it is completely right that ports are free to operate on a commercial basis, any planned development clearly needs to be considered carefully to ensure local and environmental issues are properly taken into account. This new document will make it easier for those wishing to invest in ports' development to submit planning applications, as well as providing an important framework for the IPC to use when considering them."

India tackles climate change cheaply

India is cutting ship emissions cheaply on its own initiative, rather than going through the IMO, according to Sreeja Nair, research manager at India's Energy & Resources Institute.

At the opening of the United Nations climate change conference in Copenhagen, Nair told *Ports & Harbors* that her office is working with the Indian government to implement emission control strategies for all forms of transport, – including the country's expanding shipping industry.

"Something needs to be done," Nair declared. She added that the initiative extends to China.

The New Delhi-based Energy & Resources Institute uses a 'scenario generator' that designs bespoke strategies for organisations and businesses to achieve long-term environmental goals, at 20% of the cost of "across-the-board" approaches, she explained.

IMO has insisted previously that it should be the sole body to devise and regulate shipping's environmental strategy. Secretary-general Efthimios Mitropoulos said that the industry "cannot go divided" to Copenhagen.

India's initiative is not guaranteed to work, Nair conceded: "Time will tell." She added: "It's a long coastline and there are high levels of economic activity" that hamper efficiency when dealing with a multitude of shipowners.

Nevertheless, the promise of a cheaper method of cutting ship pollution is likely to be attractive for growing shipping nations that still have much to prove.

MOL reveals second ISHIN

Photo: MOL

MOL's green concept ISHIN-II passenger-cargo ferry follows its next-generation car carrier, ISHIN-I

MOL has announced a second series of next-generation vessels. ISHIN-II is an environment-friendly ferry that can transport both cargo and passengers. *P&H* reported on MOL's first concept vessel, ISHIN-I, in our November issue.

ISHIN-II is said to maximise "advancement of technologies already developed and adopted".

The vessel will:

- Use liquid natural gas (LNG) as fuel, which when under way could result in cleaner exhaust gas and greater reduction of CO_2 emissions
- Make use of an onshore power supply system while in port, running on electricity from shore and rechargeable batteries.

MOL believes that, compared with current MOL Group ferries, ISHIN-II's use of LNG fuel and onshore power supply systems, and its incorporation of various new technologies, will cut CO_2 emissions by 50%, NOx by 90%, SOx by 98–100% and particulate matter (PM) such as soot, dust and smoke by 98% per voyage.

The design also has a focus on passenger comfort. MOL claims that the "design minimises vibration and noise in passenger spaces, while maximising comfort, convenience and service quality for passengers".

'Ishin' is Japanese for a complete revitalisation or reform. It is also said to be derived from 'Innovation in Sustainability backed by HIstorically proven INtegrated technologies'.

US gives extension on 100% scanning

The US confirmed a two-year delay in enforcing a much-criticised law requiring 100% scanning of all inbound containers.

The 9/11 Commission Act of 2007 decrees that, by July 2012, all US-bound boxes must be scanned before being placed on a vessel at a foreign port, with unscanned containers being barred from US entry. The mandate has been vehemently criticised as unworkable.

Recently, the Government Accountability Office issued a progress report on the scanning scheme that gave detailed confirmation that the Department of Homeland Security (DHS) did not intend to enforce the 2012 deadline.

Instead, DHS will offer an extension to all foreign ports until July 2014. It will be a blanket extension, the department explained, because it is felt that port-by-port extensions could "potentially give a competitive advantage to some ports and lead to trade disruptions".

DHS believes a global extension is necessary because "most if not all foreign ports will not be able to meet the July 2012 target date".

The 9/11 Act includes language that allows a deadline extension under certain conditions. The homeland security department believes two of these conditions can be applied to all ports, allowing for a systematic extension that stays within the law and maintains "the continued flow of commerce" to the US.

IMERS offers more

The International Maritime Organization went head to head with an alternative ships' pollution reduction scheme at the United Nations Climate Change Conference, COP 15, in Copenhagen on 10 December.

The alternative scheme, called the International Maritime Emission Reduction Scheme (IMERS), claims to be different from the IMO's because it offers more help to developing countries. The idea behind the scheme is that developing countries pay nothing into a shipping fund, making it politically acceptable.

The IMO is sceptical, however, saying it will prove ineffective in reducing carbon emissions from shipping. "It's a fund-raising scheme; it's not linked to a reduction mechanism or an initiative for reduction," the IMO's head of air pollution prevention, Eivind Vågslid, told *Ports & Harbors*. Nevertheless, Vågslid conceded that the scheme had "several good points" – namely its focus on research and development and the manner in which it addressed developing countries' needs.

The IMO's own international compensation fund is waiting for the green light. "The tools are ready," Vågslid told *Ports & Harbors*. The scheme could be adopted as mandatory as early as this year, depending on the outcome of COP 15. "There needs to be some wording on shipping [from the UN] or guidance on our work from the overarching agreement," said Vågslid.

If the UN's agreement does include that wording or guidance, then large emerging economies such as China are likely to be more amenable to IMO's regulation efforts.

IMO acts on piracy

A resolution on piracy and armed robbery against ships operating off the coast of Somalia was adopted at the 26th regular session of the IMO Assembly on 2 December. The resolution condemns and deplores all acts of piracy and armed robbery against ships, irrespective of where such acts have occurred or may occur.

It builds on the earlier resolution A.1002(25) – adopted by the assembly in 2005 – and welcomes the decision taken by the United Nations Security Council to renew, for a period of 12 months, its previous authorisations for states and regional organisations co-operating with the Somali Transitional Federal Government to enter Somalia's territorial waters and use all necessary means to fight piracy and armed robbery at sea off the Somali coast. This is provided the transitional government gives advance notification to the United Nations secretary-general.

The resolution appeals to all parties that may be able to assist or take action to prevent all acts or attempted acts of piracy and armed robbery against ships. It also calls for the immediate and unconditional release, unharmed, of captured seafarers and hijacked ships. It further recommends that ships navigating through the Gulf of Aden should follow the Internationally Recommended Transit Corridor and to take appropriate security advice and preparatory guidance before transiting the area.

MEPAC issues guidance on ballast

The Marine Emergency Mutual Aid Centre (MEPAC) has issued ballast water guidelines for ships exchanging ballast in the ROPME (Regional Organization for the Protection of the Marine Environment) Sea Area in the Middle East.

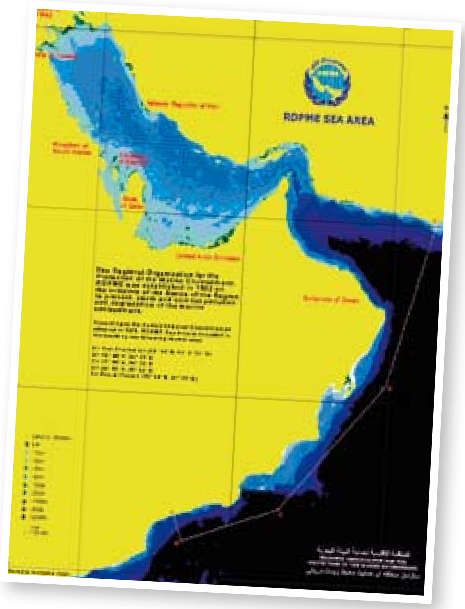
From 1 November 2009, all ships have been required to exchange and treat all ballast water taken up outside the sea area, which comprises the waters of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Taking into consideration the provisions of the IMO regulation B-4 of the Ballast Water Management Convention, MEPAC drew attention to the following points:

- Vessels arriving from outside the ROPME Sea Area should undertake ballast water exchange en route in water over 200nm from the nearest land and in water of at least 200m depth
- If this is not possible for safety reasons, then vessels should make minor deviations to areas within the 200nm limit that can be identified as a discharge area, so long as such areas are more than 50nm from the nearest land in waters at least 200m depth
- If this is not achievable, then the ship will have to provide the respective authority the reasons why these actions were not carried out. Further ballast water management measures may be required, consistent with the Ballast Water Management Convention and other international laws.

Ballast water that has been treated with a ballast water treatment system approved in accordance with IMO standards does not need to be exchanged, the statement said.

Ships will be required to have on board an approved ballast water management plan in accordance with the IMO standards, MEPAC continued, and should possess and maintain a ballast water record book.



2050 plan for environment-friendly ships

New ship types and an international research body are needed if shipping is to cope with global changes in climate and population, believes Japan's Ocean Policy Research Foundation. In a presentation in London on 29 October, OPRF looked ahead to 2050 and called for prompt development of 'zero-emission' vessels and quickening the pace of development of ultra-low-emission vessels.

It also proposed a World Maritime Institute for Rules and Regulations, to act as an information centre and develop policy proposals on such topics as safety and security. Asked by *Ports & Harbors* how zero-emission ships would be fuelled, Akira Ishihara, OPRF's general manager for maritime technology, explained that hydrogen could be used, generated onshore from electricity produced by wind, solar or nuclear power. Nuclear-powered ships would be an option in the long run, Ishihara added.

According to Ishihara, the institute should be set up in Japan, because of its shipping and shipbuilding experience – although he conceded that no other country's merits had been explored. Ishihara said that its role would differ from the IMO's and said he was "not counting on IMO support" for the plan. Details on how it would be set up and funded have yet to be discussed, he said.

Highlights from Hamburg

Members from European and African countries gathered together in Hamburg to consider the economy and environment

"We are few in number, but we represent 350 port institutions," IAPH president Gichiri Ndua commented at the welcome reception of the IAPH Africa/Europe Regional meeting at Hamburg's Rathaus (city hall) on 16 November. Hamburg's mayor, Ole von Beust, then took the podium to welcome "port experts from across two continents".

"Such a close international exchange of views is good for any port – despite the healthy competition between us," von Beust said. The group of 70 or so members followed his advice and engaged in robust debate during the two-day meeting.

IAPH president Gichiri Ndua kick-started the next day's session with a keynote address that recapitulated the current situation in terms of the economy, sustainable development, piracy and supply chain management. The private sector, Ndua pointed out, is reluctant to invest at the moment, "even though the public sector has been very active in providing resources for infrastructural development".

Regional co-operation was one of the themes of the conference, and this was highlighted by a joint presentation from the Tanzania Port Authority and Hamburg Port Authority (HPA). The two organisations have been working together to improve freight processing at Dar es Salaam as part of a port-sister relationship (see page 17).

Speaking from the perspective of a terminal operating and logistics organisation, Dr Sebastian Jürgens, a board member at HHLA (Hamburger Hafen und Logistik AG), gave an overview of the railway network that connects the port with its hinterland. HHLA is driven by customer requirements, explained Jürgens. They expect a "dense network" in terms of frequent railway services, high volume capacity, reliable performance and real-time tracking and tracing.

HHLA believes that, alongside long-term expansion of worldwide containerised traffic, there will be growth in hinterland traffic, and it is preparing for that growth, he said.

When considering what the future will hold – what will be different, which regions will be winners or losers – HPA's CEO, Jens Meier, believes that it is necessary to 'backcast' (as opposed to forecast) to discover what the markets will expect and require from a port. Different scenarios for the Port of Hamburg will be analysed in order to deduce potential growth prospects and associated actions. Projects include the deepening of the Elbe river and inaugurating a "future-oriented, IT-supported traffic management system" to manage growing road traffic.

As the European Community's permanent representative to the IMO, Marten Koopmans offered legislative insights, talking delegates through the decision-making process and the legislation that the EC has on its agenda, including wastewater management and the Habitats Directive. European legislation directly benefits shipping and ports, he maintained, and added that this is true from an economic persective too.

Business practices between 2002 and 2008 were "highly unusual" according to Theo Notteboom, president of the Institute of Transport and Maritime Management Antwerp (ITMMA) at the University of Antwerp. In the medium term we are looking at in-terminal overcapacity, with actors continuing to show caution in competitive bidding processes, he said. In the longer term – five to 10 years – interest in terminals as an investment will return, but will involve more realistic risk assessments.

Peter Hinchliffe, general manager (marine) at the International Chamber of Shipping (ICS), offered the shipping companies' viewpoint: "Shipping is proud of its position as the most environmentally friendly transport mode and is committed to doing everything possible to improve on that record."

The shipping industry would have preferred that IMO had "gone further at the last meeting of the Marine Environment Protection Committee and made the Energy Efficiency Design Index a mandatory instrument," Hinchliffe maintained.

Policy adviser Martina Fontanet explained how ESPO is aiming to create an EU framework for port concessions. Its planned best practice guide to awarding terminal concessions will take the diversity of the EU port system into account, she promised. She called for input from ports as she collects insight, experiences and best practice "to develop a truly helpful code". Anticipated publication is in the early part of this year.

"If the box is stopped, the goods in the box get more expensive," said Kieran Ring, CEO of the Global Institute of Logistics. A firm foundation, meritocracy, open communication and innovative processes are the key components for successful global logistics, he stated.

Ring promoted the Container Terminal Quality Indicator (CTQI) as a way by which terminals can benchmark their performance. The four main elements of the CTQI are:

Facing the future… port executives gathered in Hamburg to discuss the economy, the environment and what these challenges mean for the industry

mandatory management system evaluation; evaluation of the organisation and terminal set-up; evaluation of external factors such as hinterland connectivity; and monitoring of the terminal's real performance. Points are awarded for each area of evaluation and every successful participating port will receive a CTQI certificate.

To improve efficiency, French port reform got under way in first quarter 2009. Bruno Vergobbi, deputy president at Union des Ports de France, explained that port authorities must sell cranes and handling equipment to stevedoring companies; their drivers will become employees of those companies; and these transfers must be done in mutual agreement with companies already operating the cargo.

Much of Day 2 was devoted to IAPH's work on the World Ports Climate Initiative (WPCI), with Dr Geraldine Knatz, CEO of Port of Los Angeles (PoLA), presenting an overview. Her colleague, Dr Ralph Appy, divisional director of environmental management, updated delegates on the Carbon Footprint Working Group's progress, for which PoLA is lead port.

He highlighted the difficulty of defining a port's geographical boundary for CO_2 measurement purposes, as "this is different for all seaports". To calculate an individual port's carbon footprint, the port can carry out its own analysis based on its activity (number of cranes, yard equipment, ship and truck calls); use raw information obtained by other ports and apply it to the port (a cheaper, but less accurate, method); or use a combination of the two approaches.

Tiedo Vellinga, director of environment, safety and spatial planning at the Port of Rotterdam, updated delegates about another WPCI project – the Environmental Ship Index (ESI), which his port is leading. Vellinga said that ports should care about the amount of emissions coming from ships, as "sustainable ports are the future, not just to operate but to grow".

IMO regulations cover NOx and SOx, he said, but added that, to do more, it is essential to take action, especially in relation to reducing CO_2 emissions.

The ESI indicates the amount of emission released into the air by seagoing ships relative to IMO rules. It requires a ship to evaluate the emissions it releases using a calculation created by the working group. On entering a port, the vessel will inform the port of its ESI, and the port can apply incentives for clean shipping, Vellinga explained.

Like all WPCI projects, the ship index is a voluntary initiative and is open to all ports. The ESI should be in use by 2011.

Another element of WPCI was showcased by Susann Dutt, environmental controller for Port of Göteborg, which is leading the Onshore Power Supply project. Dutt reported on a survey carried out last year to gauge ports' reactions to the technology.

Of the 53 ports that responded, 85% said they could see the environmental relevance to using it in their port, with 63% believing it benefited a port's reputation, 43% could see benefits for society and 35% believed it to be positive from a customer perspective.

The Port of Amsterdam showcased its work on intermodal transport – which is yet another WPCI project. It is a topic that is of strategic importance for ports, said senior adviser Jan Egbertsen, adding that ports should not only focus on the sea side of their operations, but also have to consider the hinterland.

The intermodal transport project aims to develop a strategy that ports can use to influence their own transport links and create a discussion panel on the internet about this.

A carrier's perspective was put forward by Maersk Line's Lars Robert Pedersen, director of regulatory affairs and compliance technical organisation, who pointed out that to reduce ships' emissions, operators should consider new container vessel design, slowing vessel speed, avoiding early arrival at destinations and using the ESI.

DNV's director of environment, Eirik Nyhus, was the last of the morning's speakers as he gave a class perspective on strategies for environmental management. IMO, he said, is under pressure to produce results at the UNFCCC Copenhagen climate conference (COP 15), which started as *P&H* went to press.

"The EU Commission has given IMO until end 2011 to act to curb GHG emissions; if not, the EU will act unilaterally, imposing regional regulations by 2013," he told delegates, adding that the US, Australia and New Zealand are considering how shipping may fit in to domestic regulatory GHG frameworks. PH

Regional catch-up

Sixty-two members have registered to sit on technical committees since October 2009, it was reported at the Africa/Europe Regional Meeting on 17 November. A further 91 have reconfirmed their involvement, bringing the total to 153.

The technical committees offered the following updates:

- The Group for Communications and Training is scheduling the Essay Contests in line with the next World Ports Meeting scheduled for Busan in 2011. It is also re-evaluating the Training Scholarship to take into account feedback from developing countries. Renovation of the website is also planned, with completion later this year.
- The Group for Port Safety, Security and Environment plans to make all of the documents and presentations previously circulated around the Port Safety & Security Committee available to all members through the IAPH website. The Port Environment Committee is monitoring the London Convention including the intermediary progress of producing the Waste Assessment Guidance Training Set. The Legal Committee is monitoring developments related to places of refuge, including the EU Third Maritime Safety Package.
- The Group for Development, Operation and Facilitation carried out a worldwide survey on climate change in association with AAPA and Stanford University, with results to be reported soon. The Trade Facilitation and Port Community Committee will carry out a study on port community systems after its meeting in Felixstowe in December 2009.

A full report is available at *www.iaphworldports.org.*

Dear IAPH members

As of 1 December last year, I took over the reigns as IAPH secretary general from Dr Satoshi Inoue.

I have been working for IAPH for almost 10 years, starting with my appointment to IAPH as one of the three directors from Japan when I was director of the International Division in the Ports and Harbors Bureau at the Ministry of Transport. Soon after this, I joined the then IAPH Port Planning and Construction Committee as the vice-chair and was soon involved in committee work. Five years later, I succeeded the late John Hays as chair of the committee, and since then I have devoted my spare time to committee activities, publishing several reports on different subjects including planning of passenger terminals, global container forecasting and tsunami preparedness.

I have learned a great deal through the course of this work and have enjoyed working with committee members. It has also given me a deep appreciation of the importance of IAPH's activities.

As your secretary general, I will devote all my energy to the secretariat to provide a quality service to the members through efficient management of the offices in Tokyo and Rotterdam. The secretariat's responsibilities are wide and varied – ensuring the smooth running of various IAPH meetings, giving advice to technical committees, among others. However, I believe that the most important factor is for the secretariat to work with its members, "to develop and foster good relations and collaboration among all ports and harbors of the world," which is proudly stated as the first objective of our constitution. I am sure that my staff and I are ready to continue with this work.

Looking back on 2009, I believe it will be remembered as an unprecedented year, when throughputs of most of the world's ports declined because of the greatest financial crisis since the Second World War. Some port authorities have suffered a fall in revenue and were forced to rein-in spending on infrastructure. Ports, however, need to be prepared for the future by using this downturn as a good opportunity for strategic planning. As stated in the resolution adopted in Genoa, we need to develop the necessary infrastructure to meet future demand.

We also have to tackle environmental issues surrounding the port community. Many IAPH ports, under the auspices of the World Ports Climate Initiative (WPCI), are carrying out a variety of projects to provide manuals and best practice. It is time for other ports to take definite actions following this advice. Other ongoing important topics, aside from those being researched through WPCI, are safety and security, intermodal transport and logistics chain management, to name but a few. The world's ports need to address these challenges and I think that IAPH can provide the ideal platform to facilitate this.

Last but not least, I would like to ask all IAPH members to extend their full co-operation and support to the IAPH secretariat.

Susumu Naruse
Incoming secretary general

Membership notes

The IAPH secretariat is pleased to announce that the following new members joined the association recently

Regular member

Port of Miami
Address: 1015 North America Way, Second Floor, Miami, Florida 33132, USA
Telephone: +1-305-347-4844
Fax: +1-305-347-4852
Email: BJ4@miamidade.gov
Website: www.miamidade.gov/portofmiami
Representative: Bill Johnson, port director

Associate members

Sea Service Ltd
Address: 88 Australias Street, Rhodes GR 85100, Greece
Telephone: +30-22-41030005
Fax: +30-22-41038780
Email: michalis@seaservice.gr
Website: www.seaservice.gr
Representative: Michalis Roditis, CEO
Nature of business activities: Cruise and cargo ship agent, port services, garbage collection, work boat operators, general marine services

Marseille Gyptis International (MGI)
Address: 10, Pl de la Joliette, Atrium 10.5, Les Docks, BP 15524, 13567 Marseille, Cedex 02, France
Telephone: +33-4-91-14-26-60
Fax: +33-4-91-56-80-45
Email: f.mahedesportes@gyptis.fr
Website: www.gyptis.fr
Representative: François Mahé Des Portes, president of the board
Nature of business activities: Logistics & IT

Maritime Cargo Processing Plc
Address: The Chapel, Maybush Lane, Felixstowe, Suffolk IP11 7LL, UK
Telephone: +44-1394-600200
Fax: +44-1394-600222
Email: alanlong@mcpplc.com
Website: www.mcpplc.com
Representative: Alan Long, general manager
Nature of business activities: Port community system provider

Asian transport discussed

Prof Peter Rimmer and Secretary General Inoue on 21 October

Peter Rimmer, emeritus professor and visiting fellow of the Australian National University, made a courtesy visit to the IAPH Tokyo head office on 21 October.

Prof Rimmer specialises in urban and regional development in the Asia-Pacific Rim and the role of transport in all its forms – road, rail, sea and air. He was also a long-standing friend of the late deputy secretary general, Rinnosuke Kondoh. Prof Rimmer and Secretary General Inoue exchanged views on maritime transport in Asia.

IAPH in Indonesia

The Indonesia Port Corporation looks forward to welcoming IAPH members to the 10th Asia/Oceania Regional Meeting in the fascinating city of Bandung, from 3 to 5 February. Keynote addresses will be delivered by R J Lino, managing director of Indonesia Port Corporation II, Gichiri Ndua, IAPH president, and Freddy Numberi, Indonesia's minister of transport.

Members will be encouraged to discuss topics such as regulatory framework and port strategies, economic recovery and emerging trends in the maritime sector and maritime environment and safety. The programme of events affords time to enjoy an organised tour of Bandung on the final day.

The meeting will take place at the Savoy Homann Bidakara Hotel and special rates have been arranged for IAPH members who are attending. *More info: www.iaphworldports.org.*

Green Award Foundation visits secretariat

The IAPH Secretariat welcomed delegates from Rotterdam-based Green Award Foundation, an associate member of IAPH, on 23 October. While in Japan, the delegation visited IAPH to promote the foundation's work. *More info: www.greenaward.org.*

From left to right: H Nagai, IAPH; K Shinohara, Green Award Foundation; Secretary General Inoue; J Fransen, managing director Green Award Foundation; M Shinohara, professor of Tokai University, Japan

Dates for your diary

A selection of forthcoming maritime courses and conferences

January

26–27: Shifting International Trade Routes, Tampa, USA
www.aapa-ports.com

27–29: Pacific 2010 International Maritime Conference, Sydney, Australia
www.pacific2010imc.com

27–29: Emerging Ballast Water Management Systems, Malmö, Sweden
www.wmu.se

28–29: The 4th Intermodal Asia, Sydney Australia
www.transportevents.com

February

1–2: Vessel Tracking & Monitoring, London, UK
www.lloydsmaritimeacademy.com

3–5: IAPH Asia/Oceania Regional Meeting, Bandung, Indonesia
www.iaphworldports.org

7–9: The International Conference of Seaports and Maritime Transport, Alexandria, Egypt
www.pti-aast.org

24–25: GreenPort 2010, Stockholm, Sweden
www.green-port.net

25–26: Flood Risk Analysis & Management, Oxfordshire, UK
http://events.hrwallingford.co.uk

March

8–19: Port Security, Antwerp, Belgium
www.portofantwerp.com/apec

15–18: Seatrade Cruise Shipping Miami, USA
www.cruiseshippingmiami.com

16–18: TOC Asia 2010, Shanghai, China
www.tocevents-asia.com

21–27: Port State Control Course, Southampton, UK
www.icc-ccs.org

22–2 April: Ro-Ro Terminal Management, Antwerp, Belgium
www.portofantwerp.com/apec

22–23: AAPA Spring Conference, Washington DC, USA
www.aapa-ports.org

25–26: The 4th Indian Ports and Logistics 2010, Mauritius
www.transportevents.com

29–30 : Terminal Management and Planning, London, UK
www.lloydsmaritimeacademy.com

Ahead
of the market

Trade partnerships are crucial for working out a long-term plan, believes ***Monica Bonvalet***, director for commercial promotion at Port of Marseille-Fos and chair of the IAPH Technical Committee on Communications and Community Relations

The world economic crisis has brought, and still is bringing, hard times for ports. Nevertheless, although traffic, and containerised traffic in particular, is temporarily down, gloom has not hit the thing that makes the world go round: investment. Ports worldwide have got the message: investing today means stealing a march on recovery and winning market shares tomorrow.

As France's leading port, Marseille-Fos is a major player in the economy. It proclaims its ambition to be handling traffic to the tune of 125M tonnes by 2013. Consequently, investment is massive, and major projects are under development in both Marseille and Fos. Investment in Marseille has focused primarily on the Marseille Provence Cruise Terminal, which will have the capacity to handle a million passengers a year in 2011, and on the combined transport terminal. These schemes demand private- and public-sector investment totalling €70M. Improving and expanding the roll-on/roll-off stations are also priorities.

Meanwhile, in Fos, the switch to a mass market is being speeded up, with a call for plans for a new car terminal, two new container terminals – FOS 3XL and FOS 4XL – the creation of a bulk liquids hub and optimisation work on the cereals terminal. To achieve even greater growth, the port has also established strong links with its inland ports with a view to co-development along the Rhône-Saône waterway trunk.

The Port of Marseille-Fos invested a total of €140M in 2008. Long-term partnerships have been set up, wedding the port to investors that have chosen to move into the south of France. These investors are set to be the traders in tomorrow's port market place.

There is no need to remind anyone that a port exists only in terms of its port community. Partnerships and effective communication are crucial if we are to look further ahead, together.

We at the Port of Marseille-Fos are paving the way for the years to come by bringing forward future investment and fostering dynamic relations within our port community. We have everything to learn from our community, with whom we hope to engage in valuable debate and fruitful business. P&H

“Investing today means stealing a march on recovery and winning market shares tomorrow”

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