



PORTS & HARBORS

Official Journal of the International Association of Ports and Harbors

Cleaner balance

Rotterdam plans for sustainable future

Training tactics

Knowledge sharing to promote trade

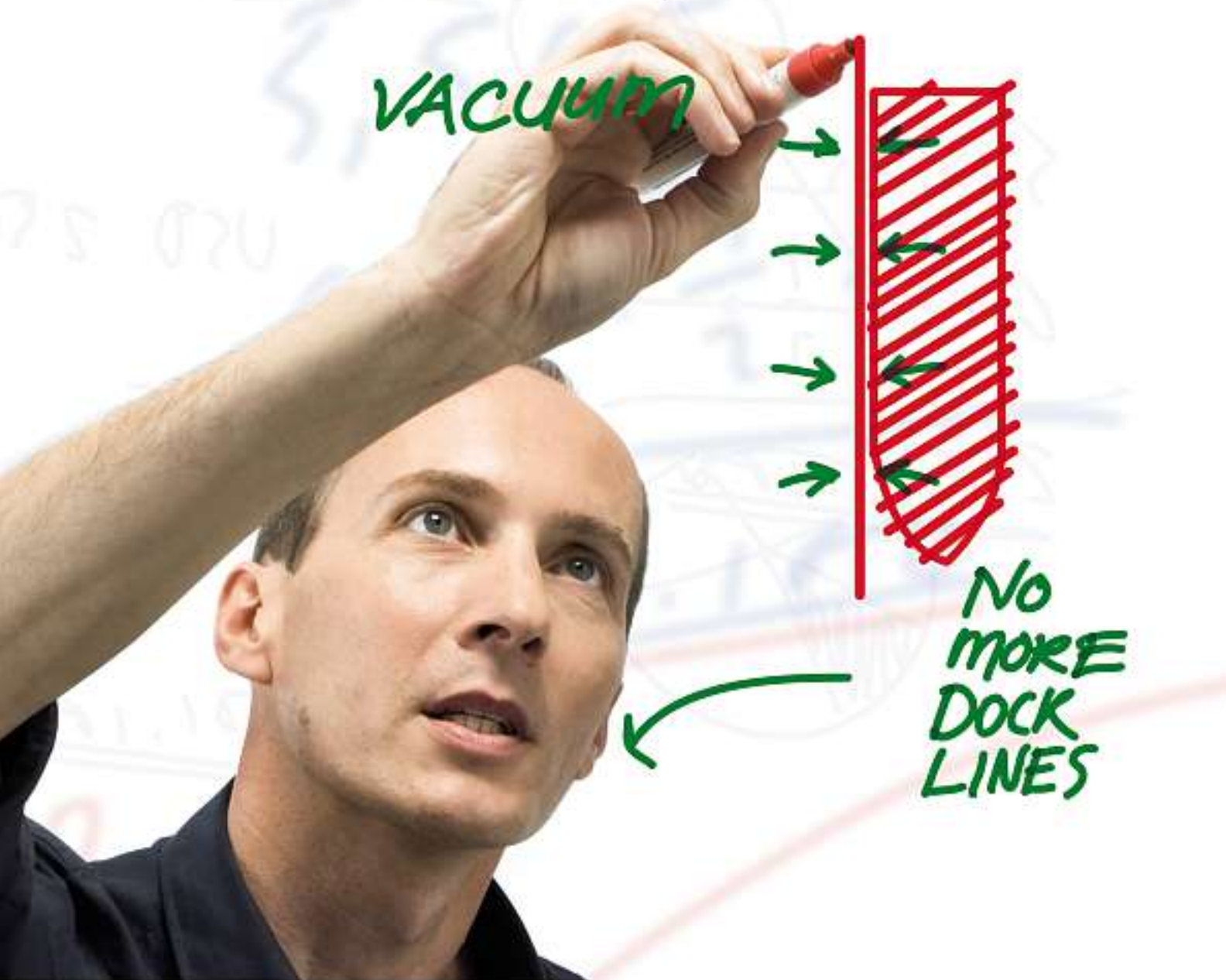
Hambanthota hub

Dry excavation for Sri Lanka's new seaport

Artery expansion

New lease of life for inland waterways

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On the River Rhine... port and road congestion gives inland waterways a key logistics role
Photo: Joachim Affeldt

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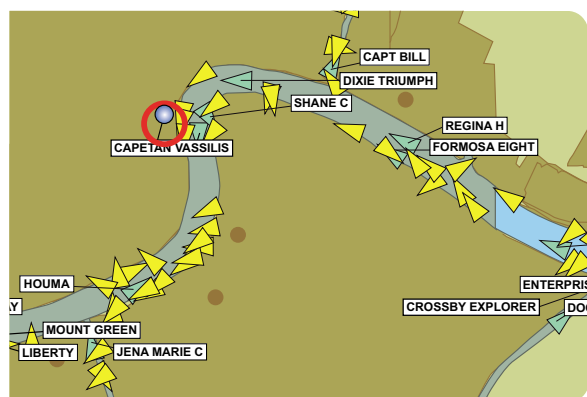
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Facing critical issues

Piracy and mitigation against global warming remain key challenges. *Secretary General Naruse* wants ports to work with all partners to help find solutions

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



At the beginning of this year, the World Bank forecast that the global economy would grow by 3.3% in 2011 – slightly slower than last year, when it grew by 3.9% – while the IMF predicted growth of 4.4% (higher than the World Bank forecast for technical reasons). As the economy seems set to expand, albeit slowly, we can expect port throughput to increase as well – unless political instability in regions such as the Middle East causes major disruption.

Political unrest is not the only concern of the maritime industry; piracy continues to be a major issue. The International Chamber of Commerce reported that there were 445 acts of piracy (actual or attempted) in 2010, an increase of almost 9% compared with 2009. We need to co-ordinate with the IMO and other maritime organisations to combat the brutality and boldness of modern pirates in line with the IAPH resolution adopted last June.

“We need to combat the brutality of modern pirates”

With the Busan World Ports Conference around the corner, the IAPH technical committees are busy completing this term's projects. The Environmental Committee has just published one of its reports – *Water quality control in ports* – which is now available on the IAPH website. A report on port communication systems is now being finalised by the Trade Facilitation Committee, analysing on-site surveys that were carried out in various ports last year. WPCI has proposed many excellent measures to mitigate against global warming, but adaptation measures must be planned by the port industry. A report on *Seaports and climate change – an analysis of adaptation measures*, prepared by the Port Planning and Development Committee, will be a good introductory document for those who are considering adaptation measures. The adaptation side of global warming should, in future, be explored in more detail by accumulating best practices implemented in ports and coastal areas.

All of these important issues will be discussed at the technical committee meetings in Busan, along with a working session that includes many superb speakers. I hope that all critical issues surrounding the port industry will be successfully addressed through discussion among IAPH members in Busan. **PH**

Port updates

INDIA TRANSHIPS

The International Container Transshipment Terminal (ICTT) at Vallarpadam in the port of Cochin was inaugurated recently, reducing India's dependency on transshipment at foreign ports. Nearly 4M teu has been transhipped annually through Colombo, Jebel Ali, Salalah, Singapore and Malaysian ports; these can now be directly transhipped to India through ICTT, lowering the cost of transport.

NEW WIND BASE

Danish offshore wind company MT Højgaard has reached an agreement with EastPort UK owner of Great Yarmouth Port Company to establish a base at EastPort's new outer harbor for the installation of foundations for the Lincs offshore wind farm. Operations are scheduled to commence in spring 2011.

LNG FOR INDIA

LNG producer Reliance Industries Limited is scouting for land to establish a large import terminal on India's west coast. It needs 14M m³ of gas per day at its refineries in Gujarat. Currently, RIL is buying one LNG cargo a month from Royal Dutch Shell at a higher price than the gas it can produce domestically.

DHAMRA WAITS FOR LINK

Dhamra Port Company, a fifty-fifty joint venture between Tata Steel and Larsen & Toubro, is awaiting security clearance for the 62km-long rail track to connect to the main Howrah-Chennai line. The port has conducted trials and expected to go fully operational with iron and steel shipments this month.

POLES AND PIPES

The German-Russian gas pipeline construction consortium Nord Stream and the Polish port authority of Szczecin and Swinoujscie have set up a joint working group to deal with issues related to the deepening of the fairways leading to the two Baltic ports. The port authority has concerns that laying a pipeline could hinder the approach of ships with draughts of more than 15m to Szczecin and Swinoujscie.



Photo: Lem Newton

In the future, Lattakia container terminal will be able to take post-Panamax vessels

Syria looks at port expansion

Lattakia International Container Terminal (LICT) in Syria is currently looking at the cost of expanding its quayside operations with a view to receiving larger ships up to super-post-Panamax size.

"We're working on a cost analysis for deepening the berths, access channel and turning circle and reinforcing the quay wall, deck and bollard strength. We're also looking at acquiring super-post-Panamax cranes to bring larger vessels into Lattakia," CEO Russell Mitchell told *P&H*.

The expansion plans follow a recent announcement by Syria's transport ministry that the government aims to spend \$800M on port and commercial fleet improvements by 2015, in particular to benefit from the reconstruction process in Iraq. Since July 2009, LICT has been operated by a consortium composed of CMA CGM/Terminal Link (51%) and Souria Holding (49%) representing the port authority.

Transport minister Yarob Badr said last November that the government's five-year plan would include further expansion of LICT.

"All studies show that we need to expand Lattakia port because of growing demand due to the reconstruction in Iraq," he said. The project is aimed at increasing the terminal's capacity to 2.5M teu. In 2010, it handled 586,300 teu.

Mitchell added that in February this year, LICT took over an additional 14ha of hard-surfaced area from the port for stacking and stripping containers. "The terminal now has a total of 64ha," he said, adding that 32 three-tonne forklifts for stuffing containers were due to arrive from China this month.

Mitchell said the consortium had committed to \$40M in capital acquisitions and upgrades for infrastructure improvements during its 10-year concession, with an option for a further five years. "If we and the consortium decide to go for further development for container traffic, we would then be seeking a longer tenure," he pointed out.

Before the consortium took over in 2009, Lattakia port had a reputation for delays, overmanning and bureaucracy. Mitchell commented that while

the first two of these were no longer serious concerns at the terminal, bureaucracy was proving more intractable.

He believed there was spare capacity for more transshipment hubs in the eastern Mediterranean, with the major terminals, such as Beirut and Alexandria, prone to congestion. "Our assumption is that, in year three, [LICT] will increase to 1M teu. So we're looking at transit cargo together with the bigger lines including MSC," he said.

Traditionally, CMA CGM's stronghold in the Levant has been at the Lebanese port of Beirut, where the French line – along with MSC – is one of the most important callers.

Beirut is capable of handling large mainline vessels at full draught, but, because of congestion, the line would welcome expansion in Syria to enable such ships to be re-routed to Lattakia. Further, all containers entering Syria from Lebanon have to be stripped and reloaded because of security concerns – another reason for expanding operations at Lattakia.

Queensland ports reopen

Ports in the Australian state of Queensland reopened for shipping in early February after tropical cyclone Yasi inflicted less damage than expected on its coast. The major coal ports of Hay Point and Dalrymple Bay reopened for business shortly after the cyclone passed on 2 February.

The harbor at Abbot Point was

reopened for shipping on 4 February but loading at the coal terminal was delayed until power supplies were restored.

The port of Townsville also reopened on 4 February, despite minor damage. Townsville is vital to maintaining essential supplies in the state as key north/south road and rail links remain cut after floods

in early January. The cost of damage to Queensland's destroyed sugar and banana crops has been estimated at A\$1Bn (\$1.01Bn).

A week after the cyclone passed, Maritime Safety Queensland closed the sugar port of Lucinda, 100km north of Townsville, after discovering major structural damage to its facilities.

Double scanning

A well-placed Capitol Hill source told *P&H* that the US 100% scanning legislation is likely to be re-introduced to the Senate this year. It is likely to be based on two bills put forward in 2010 – one which would have extended the requirement to 2015, and another which acknowledged that from a technology perspective the original deadline of 2012 is too soon. As the debate rumbles on, equipment manufacturers are creating products that

they hope will enable ports to carry out the requirements if and when a bill is eventually passed.

At the moment there is uncertainty as to what these requirements might be. But as Andrii Kuzmenko, director, Container Terminal at TIS, pointed out to *P&H*, the original 9/11 Commission Act would require ports to scan all US-bound containers using two different methods: non-intrusive inspection of contents, using X-ray or Gamma ray technology; and radiation detection, the latter being discussed in the November 2010 issue (p18-19).

Hull agrees major wind plant



Graphic: ABP

Turbine activity... a computer graphic of Green Port Hull

The Port of Hull is the preferred location for a plant to manufacture the turbines needed for the UK's next round of offshore windfarms, each comprising thousands of units. Hull's owner Associated British Ports (ABP) has signed a Memorandum of Understanding (MoU) with Siemens to build a manufacturing and export facility at the deepwater Green Port Hull development located on the north bank of the River Humber.

"We're now working on the timetable until 2014, working through the details of what

exactly Siemens requires and what we need to do," the port's business development manager Gareth Russell told *P&H*. He said the MoU was aimed at the port area and manufacturing plant both becoming operational during 2014 and he hoped the final agreement would be signed later this year. "My focus now is very clearly on delivering Siemens' requirements," added port director Matt Jukes. "Their vote of confidence in saying 'We want to come to Hull' is fantastic, but now we need to make sure we continue to make it happen."

Last autumn, Siemens also secured the contract to supply 80 turbines for the Dan Tysk farm off of Germany's North Sea coast. The Hull plant would be the first to mass-produce the huge 6MW turbines needed for the UK offshore developments – double the capacity of the largest current turbines, with masts 150m tall and rotor diameters of at least 125m.

By 2020, UK government targets require 15% of energy production to be from renewable sources. To meet this target, turbine operators will need to be on site manufacturing the turbines by 2014.

Green Port Hull is part of the Humber Green Economy Gateway concept aimed at delivering many green energy developments around the port, and it hopes that all gateway developments can be powered by green energy. Last year, ABP announced it had entered into an exclusivity agreement with Dong Energy to develop a biomass power station at Hull with a capacity of up to 300MW.

Port updates

INDIA-LANKA FERRIES

India and Sri Lanka have signed an Memorandum of Understanding (MoU) on starting ferry services between the two countries. The MoU envisages putting in place ferry services between Colombo and Tuticorin and Talaimannar and Rameswaram, the Indian High Commission said.

CANBERRA STRATEGY

The Australian government has outlined a new plan for developing Australia's ports. The National Port Strategy notes that Australia's "bulk commodity exports and metropolitan container imports are both expected to double in size every 10 years". The strategy is aimed at driving "the development of efficient, sustainable ports and related freight logistics" to cope with expected growth.

PAPER PORT PLAN

Logistics company RPG has announced plans to build a forestry terminal at the Port of Gothenburg. Paper, timber and other forest industry products are currently moved by rail to the port for onward transport but the new terminal will increase volumes. The terminal will be built beside the port at Arendal.

IPO FOR GUANGZHOU

Guangzhou Port Group will team up with an investment company to launch an initial public offering (IPO), according to a filing to the Shanghai Stock Exchange. The filing from Guangzhou Development Industry said it would register a joint-stock entity with the government-owned port operator for the IPO. Guangzhou Development Industry is based in southern China and specialises in energy-related enterprises.

DOUBLING CAPACITY

PD Ports has commenced ground work on its Teesport container handling terminal in the UK. The work involves the reconstruction of over 5ha of terminal area with heavy-duty paving to withstand increased loads of container stacks and new cranes. This is the first phase of a project to double Teesport's existing 235,000teu-container terminal capacity.

Port updates

CHILEAN BULK

Brazilian holding company EBX has received a licence from the Chilean government to build a \$300M port to handle iron ore, coal, copper, ash and other bulk cargoes. The 25m-deep port, to be located 80km southwest of Copiapó, would allow the group's iron ore unit to export 10M tonnes of ore a year and EBX's electrical power unit to import 6M tonnes of coal per year using conveyor systems, the group said.

LONG BEACH EXPANDS

Expansion projects worth \$4Bn at the Port of Long Beach will accelerate this year to sustain the port's record container growth. Port executive director Richard Steinke said the port had received bids for the \$1Bn Middle Harbour Redevelopment project in January for the project's early phases. When completed, the project will double the capacity of two existing terminals at the port.

PSA-PANAMA OPENS

PSA-Panama International Terminal began operations with the arrival of the 12,777dwt *Beluga Festival* carrying 10,000 tonnes of steel bars for the GUPC consortium, which is building the new locks for the canal expansion. The 450,000teu terminal is located on the site of the former Rodman US Navy base on the western side of the canal's Pacific entrance.

US TANK TERMINAL

Odfjell Holdings announced that it has finalised a contract to build a \$37M tank terminal in Charleston, South Carolina. The deep-draught terminal, scheduled for completion in 2013, will include 40 tanks. Odfjell said it would use the facility to supplement its terminal in Houston and its international operations.

DALIAN SELLS BONDS

China's Dalian Port announced that it plans to issue Rmb2.5Bn (\$377.28M) worth of bonds for sale on the open market. The northeast Chinese port operator told the Hong Kong Stock Exchange that the proceeds from the bond sales would be used to repay short-term bank loans.

The Bayonne Bridge will be raised higher, but no date is fixed



Photo: PANYNJ

Raising stakes in NY and NJ

The long-awaited decision on how the Port of New York and New Jersey will accommodate post-Panamax ships has finally been announced. Raising the roadbed of the Bayonne Bridge from its current height of 46m to 66m was the recommendation made by port officials in December. This will allow the world's largest container ships to access the port after the Panama Canal expands in 2014.

That decision was made after considering options that included building a taller bridge, creating a lift bridge at the centre of the current bridge, or replacing it with

a tunnel. Raising the roadbed is the most cost-effective alternative with the fewest environmental/local impacts, the port said.

In October, the port agreed to provide up to \$1Bn in its budget to help finance a solution. A study commissioned in 2008 concluded that modifying or replacing the bridge could cost from \$1.3-3.1Bn and take up to a decade to complete. The Bayonne Bridge crosses Kill van Kull, one of the busiest shipping channels in the world. It is the access channel for most of the box throughput at the port. As of mid-January, the biggest

concern about the project wasn't from local residents – as is usually the case for major transportation projects – but from carriers and their customers due to the lack of a timeline for the project. "This frustrated and highly disappointed the ocean carriers and shippers", New Jersey state senator Ray Lesniak told the *Hudson News* on 19 January. He said shippers such as Toys 'R' Us have not yet committed to shifting cargo away from New York and New Jersey ports but they need a firm timeline.

But work many happen faster than originally planned due to special environmental rules. "Because we're basically only retrofitting [the bridge], we believe we can dramatically shorten that environmental review process", Richard Larrabee, director of the PANYNJ commerce department, told *P&H* in an interview in February.

Concern over the lack of a schedule and whether the project can be completed by 2014 has yet to be allayed by the port authority. "We understand that, and we've told the industry we'll come back in May with a more definitive timeline," Larrabee said.

Cargotec acquires Navis

Cargotec has entered into a deal to acquire the terminal operator system (TOS) provider Navis, agreeing to pay its US owner Zebra Technologies approximately \$190M. President and CEO Mikael Mäkinen said during a conference call that Cargotec's intention was to develop new total solutions with Navis for terminal operators and that there are excellent opportunities for growth and innovation.

"Cargotec believes that developing this business will definitely pay us back," he said.



Photo: Cargotec

Zebra's Jim Kaput and Phil Gerskovich with Pekka Vauramo of Cargotec (right)

Port attracting investments from lines

Law firms dealing in ship finance have told *P&H* that they are seeing more private investment in emerging ports. Lawyers say shipping and non-shipping companies alike are getting involved in port development.

Chris Lowe, a partner in Watson, Farley & Williams' Singapore office said that for shipping companies,

investment in to ports is all about controlling costs and profiting from logistics. He said: "For the non-shipping investors, whilst the good old days of EBITDA multiples ranging from 15 to 20, are but a fond memory, the returns are still good and investors still see port and terminal assets as good investments." South Korea's Hanjin

Shipping is developing its own terminal in Vietnam's Vung Tau province in a joint venture with Japan's MOL and Taiwan's Wan Hai Lines.

And Hong Kong property magnate Li Ka-shing recently paid \$733M to up Hutchison Whampoa's stake in major southern Chinese ports.

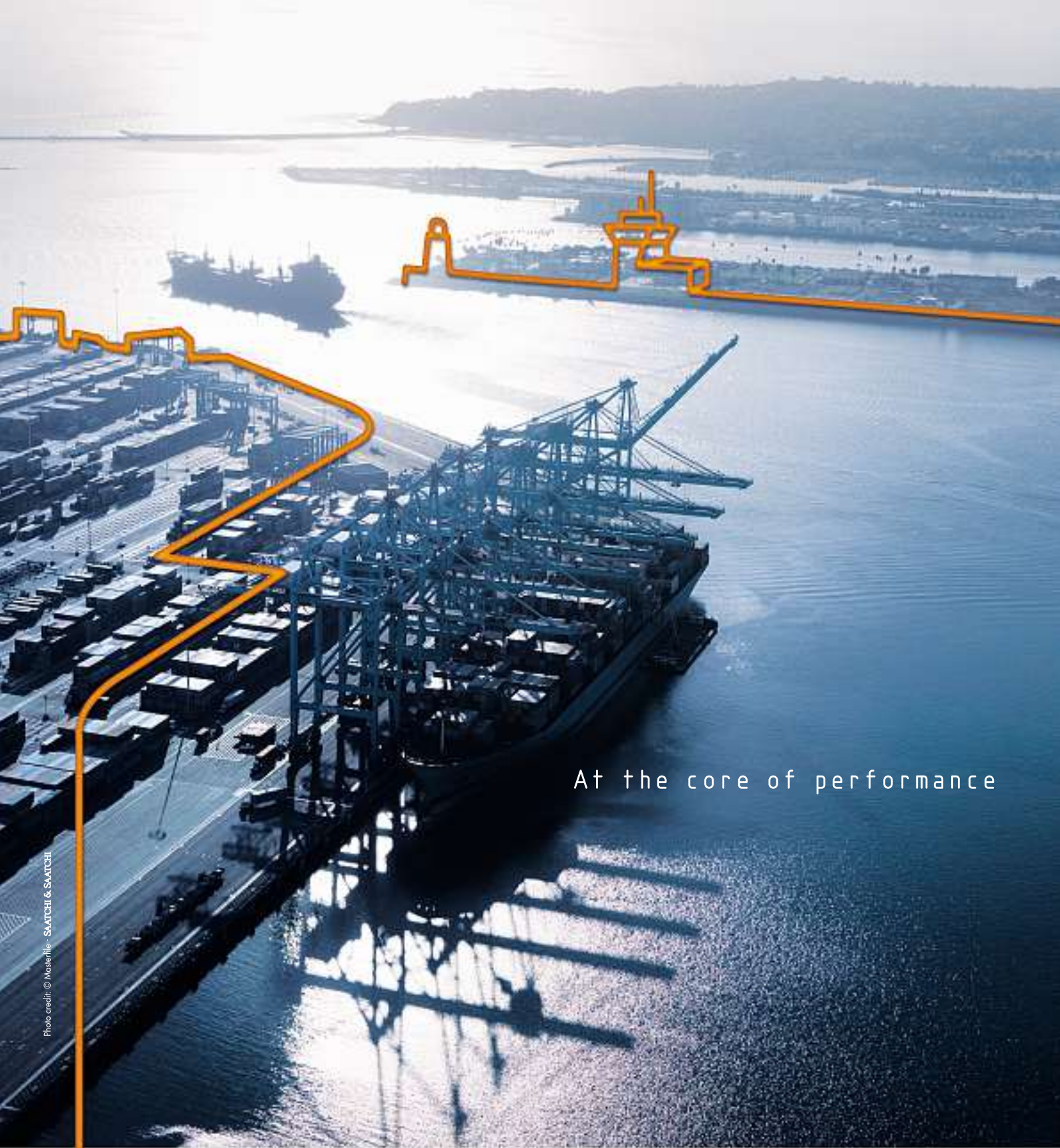


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People

PELLEW LEAVES PD

Martyn Pellew, PD Ports' group development director, stepped down in December to pursue other interests. He had worked for the company since 2002. Pellew played an integral role in ensuring that the business is recognised by the market, said the port in a statement. He will continue to act as an advisor to PD Ports on relevant business matters.

NEW TAMPA REP

Sandra L Murman was sworn in as a new port commissioner for Tampa Port Authority on 4 February. In her new TPA board position, Murman represents the Hillsborough County Board of County Commissioners.

TYNE DIRECTORS

Jonathan Hargreaves and Alan Rutherford as were appointed as non-executive directors to the Port of Tyne with effect from November 2010. Ian Wrigglesworth, chair of Port of Tyne, said: "We are delighted to welcome to the board two people who are so highly respected in their fields, both bringing a wealth of experience of running world-class businesses."

MD FOR AUCKLAND

A former shipping industry managing director with local and international experience, Tony Gibson, was appointed chief executive of Ports of Auckland and replaced Jens Madsen who left the port at the end of January. Gibson started his new role on 1 February.

BREAKBULK LEADER

Larry St Clair will lead US Port of Tacoma's breakbulk business and business development. He has been with the port since 2006. Prior to this he worked in marketing and business development positions at Port of Seattle, GATX Terminal and CSX Corporation, among others.

NEW CHAIR FOR PMV

Craig Neeser became chair of the Port Metro Vancouver board of directors effective on 1 March. Neeser joined the Port Metro Vancouver Board in August 2009.

Vietnam builds exports hub

Shipping lines are either busy adding direct calls to Vietnam or investing in the country's ports. The reason, according to sector analysts, is Vietnam's rise as it shifts from a centrally-planned economy to a market-driven one.

Last year, Vietnam's exports reached a record \$71.6Bn, according to the General Statistics Office of Vietnam, with the biggest contribution coming from textile sales. With an annual GDP growth of 6% in recent years (except the recession year of 2009), the International Monetary Fund said that Vietnam's economy can continue to grow at 7-8% annually over the next five years. Vietnam's major exports are crude oil, textiles, footwear, seafood, timber products, rice, rubber, coffee, cashews, pepper and coal.

Katharine Koh, research director at Island Shipbrokers in Singapore, told *P&H* that substantial intra-Asian trade is also spilling into Vietnam. She said: "Rising wage costs in China have caused MNCs (multinational corporations) to shift manufacturing operations to Vietnam so the country is becoming more export-driven."

Drewry Maritime Services consultant Jason Chiang told *P&H*: "Shipping companies are also entering Vietnam as its ports are emerging. Previously, vessels from Vietnam would barge out to the transshipment hub of Singapore. But now, the infrastructure is better so you see the liners calling directly at Vietnam."

Last September, Hanjin Shipping began the first direct service between Vietnam and north Europe, having introduced similar services from Vietnam to the USA in 2009. In December, the New World Alliance (APL, Mitsui OSK Lines and Hyundai Merchant Marine) and NYK Line announced that they would add stops to Vietnam. NYK Lines, through a joint venture with Vietnam's national carrier, Vinalines, began a Thailand-Vietnam-Singapore service on 21 December.

Hanjin is also building its own

terminal in Vietnam's Vung Tau region, which will open in 1Q11.

NYK Line spokeswoman Rena Omori told *P&H* that the carrier wanted to provide a direct service to Vietnam as it expects a 20% increase in vehicle-related cargo shipments to north Vietnam. She said: "Vinalines desired to enhance its current transportation service, so NYK and Vinalines agreed to operate the service together."

APM Terminals is a major investor

are primarily gateway facilities rather than transshipment ports, and as such, the need for adequate landside infrastructure (roads primarily) remains," Gregory said.

"Inevitably, the opening of deepwater ports in Vietnam reduces the need for Vietnamese cargo to be transhipped in ports such as Singapore. In addition, now that services to Europe are calling directly in Cai Mep, there are some increasing domestic (north and



Cai Mep International Container Terminal near Ho Chi Minh City... shipping companies are investing in Vietnam's ports

Photo: Southern Cross Maritime

in Cai Mep International Terminal (CMIT), just outside Ho Chi Minh City, which will be Vietnam's first container port to cater to mega containerships. It is scheduled to open this month (see *P&H* September, p18).

Malcolm Gregory, head of commercial at CMIT, said: "The market size for container shipping from Vietnam in 2010 exceeded 6.3M teu, with south Vietnam accounting for more than 4.2M teu. Part of this growth is also being driven by overseas buyers' 'China +1' strategy, where they source raw materials from China for manufacturing in Vietnam. This increases foreign investments in Vietnam while tapping the country's large, well-educated and low-cost workforce."

He added that there is room to improve Vietnam's inland connectivity as its roads are not well developed. "Vietnam's ports

central Vietnam) and regional transshipment opportunities via Cai Mep," he concluded.

AP Møller Mærsk Group, which owns APM Terminals, is not the only shipping giant to invest in Vietnamese ports. In November 2010, Thai dry bulk carrier TTA paid 346.4M baht (\$11.53M) for a stake in Baria Serece, owner of Phu My Port, south Vietnam's largest dry cargo deepwater port. Phu My Port handles of 3.28M tonnes of farm products and coal annually and can receive up to 6M tonnes. TTA told *P&H* that the investment was strategic – being on the Thi Vai River, about 27km from the open sea and adjacent to the Phu My I Industrial Park. And in May 2009, SP-PSA International opened a terminal in Vung Tau province in a joint venture between Saigon Port, Vinalines and PSA Vietnam (a subsidiary of Singapore-based PSA International).



Hein dredges the first load of silt destined for Rotterdam

German sediment confined in Rotterdam

As *P&H* went to press, German port management company Bremenports was in the process of transporting 60,000m³ of dredged sediment to the Dutch port of Rotterdam where it will be deposited in 'De Slufter', an

underwater confined disposal facility for dredged material.

The site is positioned near the Maasvlakte, south of the approach to the port of Rotterdam. Work began in January and was scheduled to

take eight weeks. The sediment is being removed from the Überseehafen area of the port using hopper dredger *Hein*. Martin Günthner, senator for Economic Affairs and Ports, commented: "Disposing of the

dredged material in the Netherlands offers several advantages. On the one hand, this will create sufficient water depths in key parts of the harbors in Bremerhaven. On the other hand, this international pilot project also eases the strain on the limited capacities of our own disposal facility in Bremen-Seehausen." The project is scheduled for completion at the beginning of this month.

"In recent years, Bremenports has built up excellent contacts with the management of the Port of Rotterdam," said Stefan Woltering, MD of Bremenports. "Disposal of the harbor sediment in De Slufter is now a direct benefit of these connections."

Transporting the dredged material to the Netherlands and disposal in the underwater facility has been approved by Bremen's senator for the environment and by the Dutch government.

Photo: Bremenports

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CANAVERAL LOAN

The Canaveral Port Authority has obtained a \$42M loan from PNC Financial Services Group to accelerate the development of a new cruise terminal and cargo facilities. During its December Board meeting the Commission voted unanimously to supplement its own revenues for the \$100M expansion programme in order to move forward and take advantage of low construction costs.

AMSTERDAM STRONG

2010 ended with a 4% transshipment increase for Amsterdam Seaports (the four ports of the North Sea Canal region – Amsterdam, Beverwijk, Velsen/IJmuiden and Zaanstad). Last year showed recovery after the economic crisis in 2009, witnessing a strong recovery, particularly towards the end of the year.

RECORD AT LONG BEACH

Containers at the Port of Long Beach, California, increased to 6.3M teu in 2010, fuelled by a 23.4% increase in imports. The 23.6% overall year-on-year increase in container business at the US port was the largest one-year increase in port history and the largest increase of any US port, according to a Long Beach spokesman.

BOX BOOST

Container exports at the Port of Savannah supported a record year for the port in 2010. Annual box volume at the southeast US port surpassed 2.8M teu for the first time last year – a 20% year-on-year increase from 2009. Exports outpaced imports with a record 1.48M teu, which comprised 52.8% of Savannah's total throughput. It claims to handle the most reefer exports of any port on the US east coast.

TEESPORT RECORD

PD Ports handled a record 150,000 containers at Teesport in 2010, reporting year-on-year growth in excess of 45% at the port's container terminals. This recent growth in container volumes coincides with a logistics strategy adopted by the port in recent years.

US invests in rail

Two major US rail corridors have received a combined \$139M in federal funds to help cut transit times along the international supply chain.

At the end of December, the US Department of Transportation (DoT) provided \$105M to build container interchange facilities in Alabama and Tennessee along the Crescent Corridor, a 4,023km (2,500 mile) intermodal rail line connecting Gulf of Mexico ports

with the US mid-Atlantic region.

DoT also awarded \$34M to upgrade competing intermodal rail lines at Colton Crossing in Southern California to eliminate delays for imports and exports moving to and from the Los Angeles and Long Beach ports.

More than 110 trains, including those operated by intermodal rail giants Union Pacific and BNSF, passed through the crossing daily in 2008, making it one of the

nation's busiest.

The grants are part of DoT's Transportation Investment Generating Economic Recovery programme. The investments "are at the heart of President Obama's efforts to create jobs and improve our nation's transportation infrastructure", said US Transportation Secretary Ray LaHood, who explained: "This money will help to shorten the time needed for goods to get to markets all over the world and improve safety for motorists and train operators alike."

Call for tenders for Aruba

Aruba Ports Authority (APA) will publicly tender a project for the concession to design, build, finance, maintain, operate, and transfer a multi-cargo sea terminal at Barcadera, Aruba, in the Dutch West Indies, the port authority said in a statement on 7 February. The Aruba government decided that the concession bidding will be carried out using the open tender procedure.

The port authority has decided to move cargo activities away from the cruise terminal, which is also the current main port for the island, in Oranjestad. Instead, commercial cargo will be handled on the port site of Barcadera. The statement explained that Oranjestad is surrounded by hotels, beaches and shopping centres, and the relocation of commercial port activities would enable this region to develop more as a tourist area and improve quality of life in the city centre. According to the statement, the Barcadera project will be implemented as a public-private partnership (PPP) under the landlord model: "APA will be responsible for the typical landlord tasks such as investments in and maintenance of basic quay infrastructure, dredging of the navigation channels, marine services, land leasing and port administration."

Egyptian protests hit ports

Port activities in Egypt were temporarily curbed by a curfew imposed in late January following unrest in urban areas. Mass demonstrations by anti-government protesters closed roads and affected operations at the port of Alexandria and container terminals at either end of the Suez Canal.

Limited operations continued at most ports during the unrest but normal business at Port Said East, Alexandria, Damietta and Ain Sukhna was severely hampered or temporarily suspended in early February when staff were unable to travel to their places of work.

Some cargo vessels were diverted to other Mediterranean

ports for discharge.

Some delays and congestion of stacking areas have been experienced, although import container consignees are again picking up shipments.

Transits through the Suez Canal were proceeding normally as *Ports & Harbors* went to press, with no delays or alterations to convoy schedules reported. The Egyptian army stepped up security measures along the canal when the protests began and security will remain high for the foreseeable future.

As a major foreign-currency earner, the canal will continue to be protected during the transition period leading up to presidential and parliamentary elections.

West coast coal plans challenged

The US state of Washington's Department of Ecology has intervened in the approval process of a coal terminal scheme, saying sufficient environmental studies on the effects of transporting coal and burning it at its destination were not carried out. It would be the first major coal terminal to be built on the US west coast. This, and several other proposed western terminals, could affect the seaborne coal trade by enabling much larger volumes of US coal to be exported to Asian buyers; it is currently shipped almost exclusively from east and Gulf Coast ports.

The terminal – now a bulk-loading dock on the Columbia River near Longview – would export roughly 50M tonnes of coal to Asian markets per year, originating in the Powder River Basin in Montana and Wyoming. The state was reacting to an appeal filed by Earthjustice lawyers on behalf of Climate Solutions, the Sierra Club, the Washington Environmental Council and Columbia Riverkeeper.

The terminal, purchased by Millennium Bulk Logistics, has already received initial approval from county officials.

US examines slow steaming

US regulators plan to investigate to what extent carriers and their customers benefit from the practice of slow steaming in the liner trades. The Federal Maritime Commission (FMC) voted to issue a formal notice of inquiry into the matter at its board meeting on 26 January. Early last year, the commission allowed the Transpacific Stabilization Agreement, a discussion group of 15 container liners that import from Asia into the USA, to discuss slow

steaming within their agreement under the protection of anti-trust immunity.

Carriers have claimed that the practice reduces fuel costs in addition to cutting pollution. But shippers have complained informally to the commission over the last year that bunker fuel surcharges have not been adjusted to reflect those savings. "We just want to get public data so that we can do a full study of the issue", FMC chief of staff, Lowry Crook, told *P&H*.

Savannah loses support for deepening

Plans to deepen the Port of Savannah to 14.6m (48ft) were sidetracked in January after the port's key negotiating panel withdrew its support to dredge to that depth.

The Savannah River Maritime Commission supports deepening the harbor, but only to 13.7m. "The fact is, [13.7m] is about as deep as you can go without creating

enormous environmental issues", commissioner Dean Moss told *Ports & Harbors*, citing environmental group studies.

The commission had initially supported a resolution drawn up by the Georgia Ports Authority and local economic development groups to deepen both the Port of Savannah and the Port of Charleston. It pulled back that

support, however, after learning that the resolution called for dredging deeper than environmental recommendations.

Savannah port officials have contended that deepening the harbor from its current 12.8m to 14.6m is critical to allowing post-Panamax ships to serve the port when the Panama Canal is expanded in 2014.

MD hastens concession programme

Omar Suleiman, the Nigerian Port Authority's (NPA) newly-appointed MD, has pledged to build on the achievements of the Federal Government's concession programme. Suleiman, who trained as an engineer, has worked with the port authority since 1984.

His tasks include: to restructure the organisation following a concession programme; implement a master plan to develop Greenfield Seaport Terminals; and, further expand port infrastructure so that it will "support the huge inflow of cargo into the country," the port explained in statement.

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Photo: Hannah Anthony



“Assure players that the competitive position will not be sacrificed in the course of trying to do good”

Pieter van Essen, Port of Rotterdam

The RCI calls for the doubling of Rotterdam's installed wind power by 2020

Photo: Rick Keu

Green but still compete

Rotterdam is taking the European lead in reducing its carbon emissions. The port's adviser **Pieter van Essen** explains why

The Port of Rotterdam accounts for 90% of the city's carbon emissions and has set itself an ambitious goal: to reduce CO₂ emissions while increasing cargo traffic and stimulating port activity.

This may be a tall order but the port has little alternative. As adviser to the port authority board, I must explain the scale of the challenge and why it must be confronted. In the last 15 to 20 years we have attracted a lot of new types of business, including energy, chemicals

and petroleum industries, all of which has added to our CO₂ emissions. We see it as our duty to reverse the net effect on the climate of the expansion of the port.

One project – the Rotterdam Climate Initiative (RCI), launched in 2007 with its roots in the Clinton Climate Initiative – seeks to peg CO₂ emissions to 50% of their 1990 levels by 2025. It has now started phase two of the initiative, which runs until 2014.

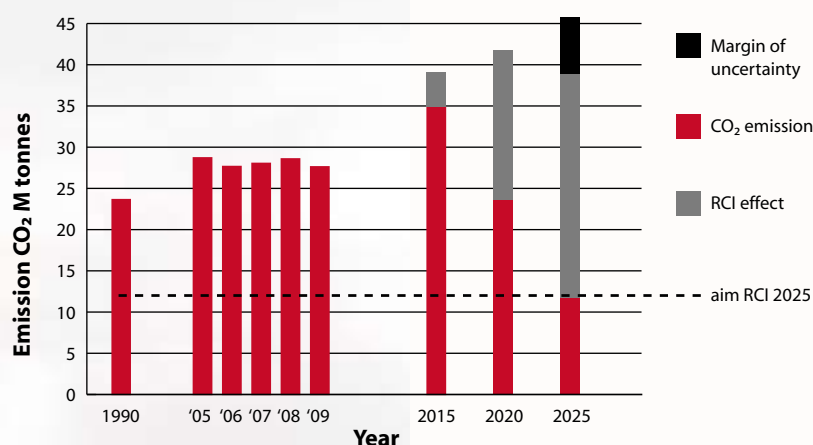
Our mission is twofold. Those two strategies

involve strengthening the economy in combination with reducing CO₂ emissions, but must be achieved within a scope of maintaining our competitive position. There should be no impact on profitability and, in addition, we should be able to attract new business.

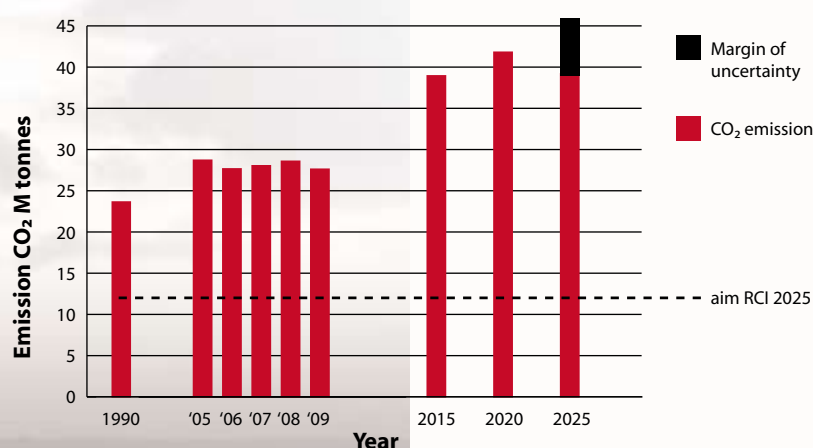
But the project is not just about the port authority – it is just one of four partners in the city scheme, together with the Municipality of Rotterdam, DCMR Environment Protection Agency and port employers' association Deltalinqs.

It also calls for savings to be made by private-sector companies with the RCI stimulating projects to reduce emissions or

Forecasted CO₂ emissions at Port of Rotterdam with the RCI



Forecasted CO₂ emissions at Port of Rotterdam without the RCI



Source: RCI

Rotterdam Authority estimates its annual leakage of waste heat to be 2,000MW – equivalent to a huge power utility if it could be collected and reused. This has prompted planners to develop smarter solutions in new projects.

We have one site which produces excess heat as steam which at present is wasted, so there is a plan to use this heat. The site has a neighbour 3km away that can make use of it, so we have just finished a feasibility study on constructing a steam pipeline. This will be a €20–30M consortium project for which we will be providing a €2M subsidy.

Similarly, but on a larger scale, the RCI must also plan ways of dealing with the additional CO₂ emissions from new coal-fired power utilities on the Maasvlakte complex. One E.on unit is already in operation – and there are plans in place to double its capacity – while Electrabel is constructing a new 800MW coal-fired power plant.

Both of these power companies are engaged in a €400M project to capture, transport and store the resulting CO₂. This project is part-funded by the EU and national governments, with the companies also contributing their own money. This is a huge undertaking that is still in its early stages, but the port will play a role in providing the pipeline system and advising on transport and handling.

Port of Rotterdam's customers – terminal operators, shipping lines and industries – have responded well to the RCI, but changes on this scale do have the potential to be disruptive. Our big tenants support it: they have looked at cost and can see that this is in line with the market. Basically they recognise that it is necessary to take these steps.

There was hesitation at the outset, but the port's reputation for good business was important in sealing the deal. The port is in a good shape – 2010 was a record year in turnover and surpassed 2008. There is already a lot of investment being made and there is trust that the port will manage these things properly.

Visitors to the port will not see quick or dramatic changes to the landscape but they will sense a shift in emphasis, with port businesses putting sustainability at the heart of their development and promoting clustering.

Any port wishing to undergo a similar shift in focus should line up their major stakeholders and agree on a common approach, because if one group, such as the business community, thinks it will be detrimental for them and will not invest, it can easily become antagonistic. Take time to convince all your partners that what you are doing is right and assure them that the competitive position will not be sacrificed in the course of trying to do good. **PH**

etitive

energy, which will see Rotterdam double its installed wind capacity in the port area from the current 150MW to 300MW in 2020. We will establish the conditions to make the doubling possible and are examining the potential of increasing energy efficiency by adding solar panels to land areas under which pipelines or other fixed infrastructure is situated.

A new LNG terminal, that will require new infrastructure, is scheduled to come on stream this year. The RCI will examine whether, in addition to its primary energy supply role, the terminal can make gas available as fuel for a new-generation inland barge fleet, which would then have lower SO_x, NO_x and CO₂ emissions. We are also looking to improve energy use in planned and existing infrastructure projects of varying sizes. For example, we are studying the options for co-generation of power from biomass, which not only reduces CO₂ but also brings cargo to the port.

It's not just about finding alternative energy sources. We must also acknowledge opportunities to save fuel as well. Port of

mitigate their effect through intervention. This makes the RCI primarily about sustainability – a desire to continue making money while also protecting the environment, and I don't believe that there is a contradiction.

Port of Rotterdam Authority understands that committing to this initiative comes at a price. For its first term, from 2007 to 2010, the port set aside a sum of €50M (\$68M). For this second term, to 2014, another €30M has been earmarked for mitigation and adaptation projects. This will be used to stimulate projects, endorse feasibility studies and bring companies who might be willing to invest in energy-efficiency measures over the threshold. One area under examination is renewable



Welcome to IAPH Busan 2011

23–27 May 2011 at BEXCO centre in Busan, Korea

A message from the conference vice-president



As industries all over the world strive to shake off the repercussions of the global economic crisis, the world's ports, too, are in a clear state of both recovery and change. The theme of IAPH 2011, *Embracing Our Future – Expanding Our Scope*, serves to highlight the importance of recognising these shifts and working confidently and co-operatively to ensure post-crisis growth and development.

As the recent host of the 2010 G20 Seoul Summit, South Korea is already geared up as a platform for global and strategic thinking. IAPH 2011 Busan is the perfect opportunity to turn this established international focus on to world ports. What does the future hold, in this time of economic and financial recuperation, for the ports of the world? How is the global maritime industry to feature in the G20's colossal task of rebalancing the world economy?

In the midst of these questions are also ever-prominent concerns for our environment. What changes must be made to sustain the seas and oceans of the world in which we live?

As the fifth-busiest container port and third-busiest transshipment port in the world, Busan Port plays a significant role not only as a gateway to northeast Asia, but also as a global transshipment hub. It is a port in the midst of huge logistical, structural and commercial change. Busan Port Authority is commanding both the ongoing construction of Busan New Port and, simultaneously, the complete reshaping and redevelopment of its North Port into a prime tourist destination. **PH**

Ki-Tae Roh
Conference vice-president and president of Busan Port Authority

Welcome from the IAPH secretary general

It is my great pleasure to invite you all to the 27th IAPH World Ports Conference.

This year's conference will be held in Busan, South Korea, from 23 to 27 May, hosted by Busan Port Authority. The port has prepared excellent business and social programmes. I'm sure you can enjoy the conference with your colleagues and families.

Under the theme *Embracing Our Future – Expanding Our Scope*, nearly 30 speakers from a variety of maritime sectors will give presentations on the latest maritime topics facing ports, such as globalisation after the crisis, climate change and ports, port logistics and community systems and city and port, at three days of working sessions.

You will be inspired by the discussions and able to access up-to-date knowledge and information on these topics.

Not only will you be able to hear the presentations, but you will also have the

chance to take part in the discussions. The IAPH technical committees will hold meetings on 23 May, which you are more than welcome to take part in and perhaps get some new ideas for your daily work from fellow IAPH members hailing from ports around the globe.

You certainly should not miss the various attractive social programmes on offer. In the relaxed atmosphere, you can network with people from all over the world and experience Korea's rich culture.

I look forward to welcoming you all to our 27th World Ports Conference in the Korean port of Busan and trust that you will find your visit both rewarding and relaxing. **PH**

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



Who will be at Busan 2011?

So which ports and other maritime companies will be showcasing their products at the Busan 2011 exhibition in May? For example, the IAPH co-ordinator at the Korean Port of Gwangyang, Kyong Ha Lee, said the port was excited to be taking part in the event.

"As a regular member of IAPH for over three decades, Gwangyang believes IAPH has helped over 200 ports share experiences and catch up on the latest trends of port management and operations. This year we are also looking for the major trends that will reflect port developments in 2011 and beyond. I like to see customers in person and hear at first hand their opinions on port management. We believe the exhibition makes it easy for attendees to meet the right exhibitors," Lee told *P&H*.

Gwangyang port officials aim not only to speak to exhibition visitors about its business developments but also to help foreign visitors to understand more about Korean culture.

"We have been planning to showcase several programmes including one-to-one meetings and Korean cultural experiences including a music concert and the Korean tea ceremony," she said.

IAPH is leading the way in introducing cleaner port technology, so NG² (New

Generation Natural Gas), a French company offering shoreside power options, believes Busan 2011 is an ideal location to showcase its latest products. "We are releasing on to the market a game-changing technology to allow efficient and safe power links between ports and vessels at berth, so that they can switch off their generator sets and suppress the corresponding emissions and fuel consumption. The IAPH conference is the best opportunity to introduce this innovation to the whole world port community," said NG² vice-president LNG and shipping Damien Feger.

"Apart from an exhibition stand and the usual networking approach, I have offered to make an oral presentation to the conference delegates to raise interest and capture first orders," he added.

An IT solution provider located in Busan is Total Soft Bank (TSB), which operates internationally, servicing more than 70 marine terminals and 30 shipping companies. As an associate IAPH member, TSB has participated in past conferences, presenting its latest technological information and products to the event's delegates.

In 2009, it introduced in Genoa its port community system concept PLUS (Port Logistics Unifying System). TSB said PLUS is a

web-based, single-window system already used by ports in Asia, Africa and Europe

"At the exhibition in our home city, TSB is going to showcase recent port and maritime IT solutions focusing on PLUS. Our products range from shipping lines and terminals up to port communities," marketing and sales team member Ji-Eun Lee told *P&H*.

The Port of Los Angeles has a particular reason to showcase its operations and the attractions of its city to Busan 2011 delegates: it will be hosting the IAPH 2013 conference.

"We're pleased and honoured to be a part of bringing together port and harbor executives from across the globe," its director of public relations, Theresa Adams-López, told *P&H*.

"It is important for folks who do similar jobs in different parts of the world to get together to discuss the issues and trends in common and to look for solutions and better ways of doing business. We're excited to be able to directly invite IAPH members to attend the conference. IAPH 2013 will take place at the new LA LIVE complex located in downtown Los Angeles. This facility is adjacent to the Staples Center, home of the Los Angeles Lakers basketball team, a movie theatre complex, restaurants, shops and other entertainment options," she added. **PH**

Busan adds the final touches

The organiser of the World Ports Conference in May gave *P&H* an update on its progress in preparing the event.

With just two months to go until IAPH Busan 2011, Busan Port Authority (BPA) is in the final stages of planning, preparation, and equipping itself to host port and harbor representatives from all over the world.

"Thirty speakers are expected to give presentations in the four working sessions of the IAPH Busan 2011 conference, with 18 of these speakers already confirmed. We expect the remaining 12 to be finalised soon," marketing director Ho Chul Park said. "We are also busy accepting applications from potential exhibitors, of which about 25 are expected to attend."

An innovative approach taken in the staging of this year's World Ports Conference has been the introduction of a completely flexible online and user-friendly approach

to visitor bookings. "This year, every aspect of our visitors' trips – from conference attendance and hotel bookings to signing up for the social and accompanying persons programmes – can be viewed, reserved and amended using our custom-made website. This, we hope, will greatly increase the ease with which potential visitors can plan and prepare for their trip," Park told *P&H*.

He said it would be the first time BPA has hosted such an international and extensive maritime audience and it has been a great opportunity for the authority to work alongside its affiliates in other national regions. "The Ministry of Land, Transport and Maritime Affairs, and Incheon and Ulsan port authorities, among others, have been working closely with us to ensure the conference is a resounding success," he said.

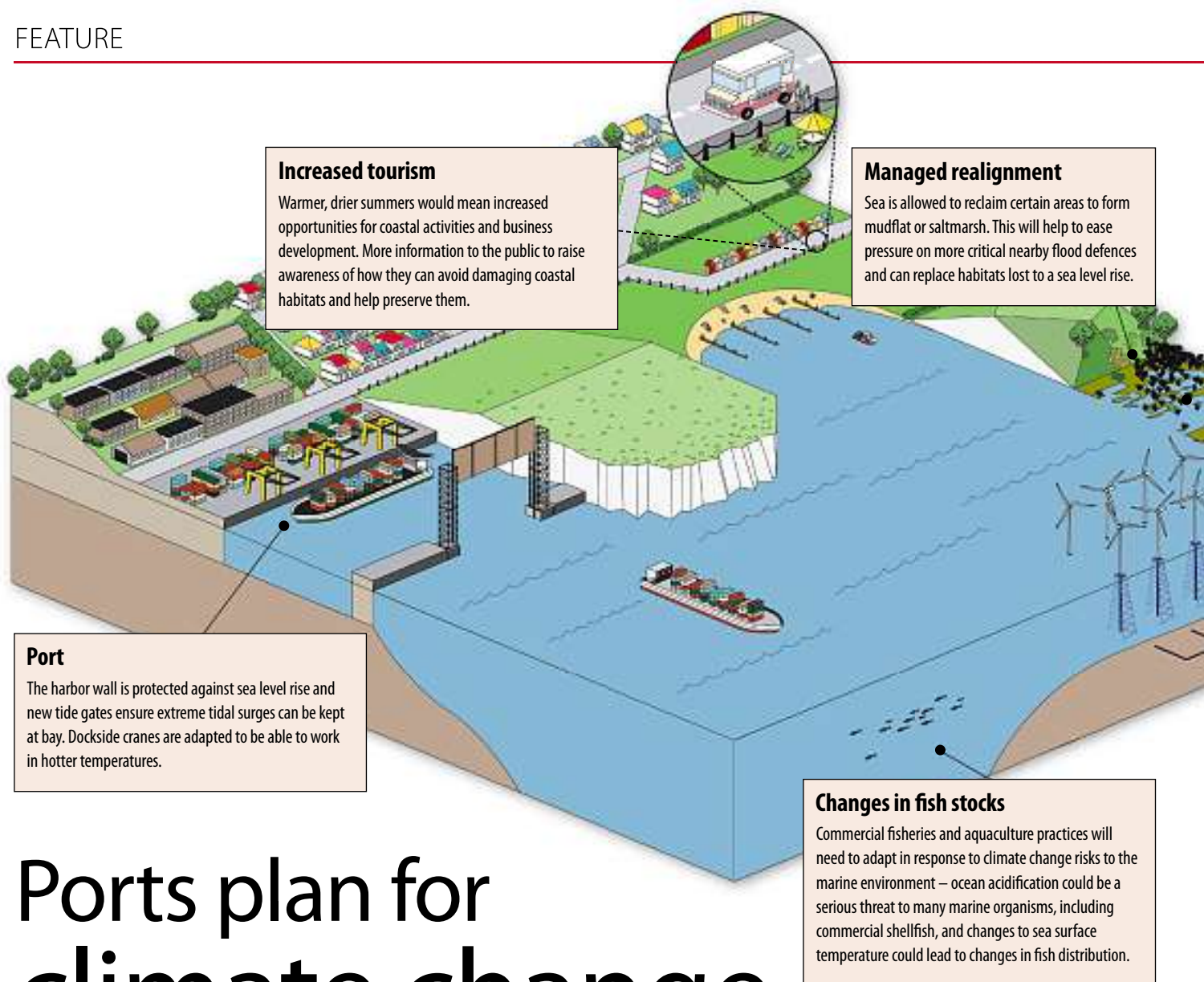
He described the event as a superb opportunity for industry representatives to

share together their wealth of knowledge of, and experience in, the ports industry sector. BPA, he said, is as keen to learn from the many speakers, exhibitors and delegates, as it is to offer its own expertise.

As the fifth-busiest container port in the world, BPA is delighted to have this chance to showcase the dramatic developments it has put in place. The Port of Busan is undergoing huge transformation, as construction work on the foundations of a \$7.8Bn coastal metropolis continue.

"Lastly, IAPH 2011 is also a terrific chance for visitors to experience Korea's largely unknown yet beautiful attractions, traditions and culture. We have an extensive and appealing programme of trips and activities arranged for the accompanying persons of IAPH attendees," he said. **PH**

More info: www.iaph2011.kr



Increased tourism

Warmer, drier summers would mean increased opportunities for coastal activities and business development. More information to the public to raise awareness of how they can avoid damaging coastal habitats and help preserve them.

Managed realignment

Sea is allowed to reclaim certain areas to form mudflat or saltmarsh. This will help to ease pressure on more critical nearby flood defences and can replace habitats lost to a sea level rise.

Port

The harbor wall is protected against sea level rise and new tide gates ensure extreme tidal surges can be kept at bay. Dockside cranes are adapted to be able to work in hotter temperatures.

Changes in fish stocks

Commercial fisheries and aquaculture practices will need to adapt in response to climate change risks to the marine environment – ocean acidification could be a serious threat to many marine organisms, including commercial shellfish, and changes to sea surface temperature could lead to changes in fish distribution.

Ports plan for climate change

Climate change is expected to have a major effect on port infrastructure and operations.

Stephen Cousins discusses the resources available to help ports assess impacts and responses

The evidence is unequivocal – changes to the Earth's climate are rapidly warming the atmosphere. As glaciers retreat and ice sheets melt, the rate of global sea level rise has almost doubled over the past decade compared with the entire 20th century and extreme weather events such as hurricanes and storms are on the increase.

Ports are particularly susceptible to these dangers, making it vitally important that they assess the potential risks to their infrastructure, equipment and operations and, if necessary, make plans to increase resilience through adaptation. Given the vital role that ports play in global economies, the lack of action by many is a cause for concern. A survey of 350 major port authorities worldwide last year – carried out by

Stanford University, IAPH and the American Association of Port Authorities (see *P&H*, March 2010, p26) – found that 70% of respondents had plans to construct new infrastructure over the next 10 years, including terminals, berths or quays. Yet none of these projects included new protection such as dykes, hurricane barriers or other protective structures.

There are exceptions, however. Gulfport in Mississippi has been undergoing an upgrade that is intended to prevent a repeat of the devastation wrought by hurricane Katrina in 2005. Meanwhile, 86% of respondents to the survey said they thought climate change adaptation should be addressed by the port community, yet 66% said they did not feel properly informed about climate change.

The good news is that organisations exist that can help ports understand these far-reaching impacts and act to address them.

Universities, governments and research institutes can provide key data on projected long-term changes to sea level, wave climate, coastal morphology, for example, while design and engineering consultants such as Halcrow, WS Atkins or URS-Scott Wilson

Windfarms

Offshore renewable energy schemes, including onshore substations, are built with potential sea level rise and extreme weather events in mind.

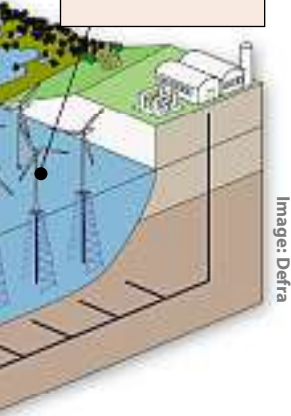


Image: Defra

The port of the future? Some possible ways, suggested by Defra, to reduce the negative impacts of climate change and exploit the opportunities that it offers

can study the physical and operational impacts and recommend adaptations to port structures or working practices.

The image (left), produced by the UK's environment ministry Defra, highlights some of the issues that ports need to address in preparing for climate change, such as measures to reduce a port's carbon footprint, mitigate an anticipated rise in the sea level, changes in fish stocks and public awareness campaigns.

Above all, climate change is a dynamic emerging science, so ports should make efforts to engage with the scientific community and each other to ensure that the right questions are being asked.

It's not a question of if, but when ports will wake up to the implications, said Julian Johanson-Brown, director for ports at engineering consultant Halcrow. "Climate change adaptation is something we often bring up with clients. Some embrace the idea, others aren't worried about it yet, but most of them haven't considered it before and want to know more," he told *P&H*. "We had a client who wasn't concerned until we showed him the last 10-year average sea level tidal records: the line of the graph rose steadily upwards from the bottom left. It's certainly on his agenda now."

Ports' relative inaction regarding the implications of climate change can, in part, be explained by their short-term investment cycles, typically five to 10 years, which make it difficult to accommodate long-term issues like climate change. The precise impacts of climate change are also notoriously difficult to predict because of its gradual nature, a lack of consensus on the climate science and the dramatically varied geographical locations of ports worldwide.

For example, widely accepted scientific opinion points to an average global sea level rise of between 0.6m and 2m by the year 2100. But Scandinavia's northern ports, for example, are still rising as a result of post-glacial rebound – the rise of land masses depressed by the huge weight of ice sheets during the last glacial period – so in an extreme scenario they may actually lose water depth by 2100.

"Most ports should consider potential sea level rise, long-term subsidence of the coastline and post-glacial rebound," said Martin Mannion, head of maritime and ports at design and engineering consultant URS-Scott Wilson. "Rising wave exposure and storminess could also affect breakwaters, cause flooding, increase downtime and, if docks are not built to the right water level, port equipment might not function properly."

Ports are advised to contact their relevant national government department – its meteorological office, for example – to obtain forecasts on region-specific sea level rises and gain advice on areas that may need action. Failing that, the Intergovernmental Panel on Climate Change has produced several reports.

Universities are an invaluable source of data, suggested Stanford University PhD research student Austin Becker, who is studying the potential impacts of climate change on global seaports.

"Most universities have departments that are tackling this issue. I'm preparing case studies on Gulfport in Mississippi, Providence, Rhode Island and

Kingston, Jamaica, and the local universities have been a resource for all three," he said.

Flooding and hurricanes may grab the headlines, but most ports will be unfamiliar with the varied, sometime obscure, secondary impacts related to climate change. A rise or drop in mean temperature is likely to increase demand for energy supplies and ports may need to examine the ways they use power and identify the means of conserving it or reducing reliance on outside power sources. As temperatures along the Equator rise to an uncomfortable level, people will abandon certain regions, potentially reducing a port's trade or labour resources and possibly impacting on the economies of entire countries. And changes in agricultural practice, for example, could impact on a port's trade.

Heavier average rainfall could lead to increased siltation, creating greater reliance on maintenance dredging, while rising water temperatures could change the migratory patterns of fish and mammals, perhaps forcing changes to navigation routes or preventing port construction work.

“One client wasn't concerned until he saw a graph of average sea level rises. It's certainly on his agenda now”

Julian Johanson-Brown, Halcrow

Consultants like Halcrow have the in-house capability to investigate all these operational and construction impacts and help ports draw up new design criteria documents. But this is a tricky area for engineers used to basing their plans on solid facts and past experience rather than on the many uncertainties of climate change, noted Stanford University's Becker: "It's a fundamental change in the way planning and engineering will function in future."

Johanson-Brown added: "Some clients will opt to take a precautionary approach and plan for the worst-case scenario, but we can ensure that port structures are designed to be flexible so that ports aren't constrained if they need to make future adaptations."

IAPH's Port Planning and Development Committee plans to investigate the subject of climate adaptation in the next couple of years. In February 2011, the Sustainable Development Committee of European ports organisation ESPO met to address the issue.

Further information on port adaptation is available, for example, from the US Environmental Protection Agency. The EPA report *Planning for Climate Change Impacts at US Ports*, published in 2008, is available on its website. **PH**

More info: www.epa.gov; ww2.defra.gov.uk; www.unctad.org; www.climeport.com



Training investment

South Africa has some well-established training options – but it's not the case for all African countries, reports **Terry Hutson**

A recent workshop, held under the auspices of UNCTAD's TrainForTrade (see p21–22), was aimed at tackling one of the major challenges facing emerging countries: overcoming a shortage of training institutions both locally and regionally, as well as the associated problem of having to send personnel away for extended periods to attend training courses in Europe or elsewhere.

Even in the more developed regions of southern Africa a similar challenge exists, although the South African state-owned port authority Transnet, which has jurisdiction and operational control of the major commercial ports, moved quickly in this regard to establish a fully-equipped training facility in Durban to which other African ports could send their personnel.

In South Africa, this development was driven largely by the need to meet the requirements of black

economic empowerment throughout the economy. For the ports, it meant creating a fast-track programme to introduce a broad range of suitably-trained management personnel drawn from the previously disadvantaged communities, including bringing in a large number of women into the sector.

To develop this management skill base, many candidates were initially sent overseas to supportive ports and tertiary institutions in Europe, the USA and China.

The result is that these candidates are now highly experienced and well-versed in port management – and many of them are available as mentors to incoming recruits. Transnet has been able to re-equip itself with new infrastructure and cargo handling equipment to meet rapidly changing demands by shipping, and, in particular, container shipping.

“When they return,
some of what they
experience or see may
be recommended for
our ports”

**Working together... Transnet uses
in-house training, through its School
of Ports and on-the-job mentoring,
with occasional overseas training**

Photo: Transnet/Matt Ramsdale

Errol Erradu, senior manager at Transnet's School of Ports, told *P&H* that the school placed a strong emphasis on helping raise and maintain the standards of marine personnel right up to port harbormaster and port manager ranking.

“As a result, the eight commercial ports under Transnet control have full rosters of tug crew and tug masters, marine pilots and harbormasters without having to look outside the country. They make full use of a sophisticated simulator at the School of Ports where training at all levels is continuously undertaken.”

Erradu said that each year approximately 12 to 15 selected candidates are sent to Antwerp for a co-operative training programme with the Antwerp/Flanders Port Training Centre (APEC).

He explained that, in terms of administrative management training and other areas of expertise outside of the maritime sector (such as port engineering, planning, legal and financial), much use is made of in-house, on-the-job training. But post-graduate study in these disciplines and in port management generally remains available only at national universities, including Stellenbosch University, the Nelson Mandela University

at Port Elizabeth and the University of Cape Town.

“We needed to build internal capacities in the ports and we're now 80% there in terms of meeting our own requirements,” said Erradu. “Once we've reached our target we'll look more closely at bringing in people from other SADC (South African Development Community) countries or even further afield,” he continued.

He added that people within Transnet continue to visit other ports across the world to look at best practices and come in contact with other ways of working. “When they return some of what they experience or see may be recommended for our ports. If necessary the School of Ports then becomes involved in helping train up people into the new methodology.”

This approach has worked in South Africa, but similar opportunities have been lacking elsewhere on the African continent.

For many east and west African countries, creating a broad-based black empowerment structure has never been an issue, but losing key personnel while they undergo training overseas is not always a realistic option. The cost of sending personnel for training is also a matter of concern and a lack of backup staff means that some ports cannot afford to be without their key staff. It is no wonder then that UNCTAD's TrainForTrade programme has been welcomed by port authorities in Ghana and Tanzania, in addition to other port management organisations in the Indian Ocean islands of the Maldives and by the Indonesian Port Corporation.

According to UNCTAD, the ability of developing countries to meet the global economic and trade challenges, and to participate effectively in international forums such as the World Trade Organization, depends on their enhanced capacity and improved understanding of key trade and development issues.

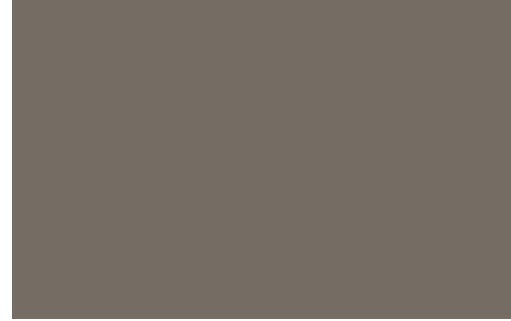
Foreign trade and its growth potential also depend on well-run trade supporting services, relying on competent staff and officials, the UN body said.

According to UNCTAD, the ultimate goal is to promote mastery of international trade exchange flows and increase participation in the globalised economy, thereby contributing to economic growth and sustainable development.

Other African countries that have benefited previously from the TrainForTrade initiative include Benin, Burkina Faso, Guinea, Mali and Togo, all in west Africa.

But apart from this, the advent of privatisation and concessioning of terminals – or, in the case of Maputo, Mozambique, the concessioning of the whole port – has brought about the prospect of fast-tracking new skills and experience into the ports by having highly-experienced port managers and specialists operating alongside local management appointees undergoing training on the job.

The full effect of this development is already beginning to be seen and it has proved to be one of the more successful methods of fast-tracking the improvement of the standards and performance of Africa's ports and harbors. **PH**



People and vessels

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Ports train for trade

UNCTAD has held its first course in English to train port officials in developing countries. **David Worwood** talks to Dublin Port

An innovative training project aimed at helping ports in developing countries has also generated benefits for the Irish port providing the tuition. Dublin Port Company has been responsible for delivering the 'TrainForTrade' port management programme to five ports in Tanzania, Ghana, Indonesia, Malaysia and the Maldives. The United Nations Conference on Trade and Development (UNCTAD) initiative was classified as a pilot project since it was the first to be delivered to English-speaking communities.

The project officially ended in late November 2010 with a ceremony in Dublin for senior port executives from the five countries. Dublin Port said its managers had gained valuable experience from carrying out the training and learning about the challenges faced by developing countries.

Nigeria, Namibia and the Seychelles have shown interest in participating in future courses.

The capacity-building initiative for developing-country ports came to Dublin's attention in mid-2007 through the European Sea Ports Organisation (ESPO). The port heard that UNCTAD, a UN trade agency based in Switzerland, was seeking an English-speaking port partner for its TrainForTrade programme.

"We agreed that it was a good idea to get involved, in that it fitted in well with our corporate social responsibility [CSR] objective and gave it an international dimension," commented John Moore, a Dublin Port Company director.

Ireland's largest port consequently became the first chosen by UNCTAD to deliver its 'modern port management' training to developing countries with English as first or second language. French language training had been offered for some years and Spanish and Portuguese equivalents had been developed as well. The other courses the UN agency arranges cover multimodal transport and logistics, and trade facilitation, among other subjects.

UNCTAD reports that, since 1996, its programme for capacity-building at ports has educated 1,070 port employees and trained 555 trainers. Some 44 train-the-trainer workshops have been held in 16 countries. In addition to Dublin, training partner ports include Ghent, Gijón, Valencia, Marseille, Dunkirk and Leixoes.

UNCTAD pointed out in a strategy document: "In the world of trade and maritime transport, which is subject to constant regulatory changes, port officials must be able to understand and grasp the growing



International trade and transport

Organisation of
a port system

Economic and commercial management

Future challenges for ports

Participants in an UNCTAD train-the-trainers event held by Port of Dublin



Photo: Dublin Port

complexities of port management.”

What one port learns can have positive knock-on effects in neighbouring countries too. Moore told *P&H*: “The programme had advantages for the managers in our port as well, in so far as they had to deliver the training in the developing country ports, which clearly gave them more experience and broadened their horizons in terms of the way other ports do things. It also helped very much on the motivational side.”

Senior managers from Dublin felt that they were in a position to impart knowledge to developing countries, which could help their counterparts avoid mistakes and overcome infrastructure and management challenges in their own ports.

“It’s so they wouldn’t have to go through the same learning process that we’d gone through over the last 30 years,” commented Moore.

The programme begins by ‘training the trainer’ – the trainers being senior managers from the recipient ports. They return to their home ports and pass on what they have learned to middle managers, providing half of the teaching themselves. This is supported by the sponsoring port which sends an expert to teach on site for several days.

In September 2008 and June 2009, Dublin port hosted 20 senior managers from the ports of Dar es Salaam, Tema, Tanjung Priok, Kuantan and Malé. What they learned was then transferred to 118 middle managers

at their ports. The strategy actively attempts to break down managers’ reluctance to share knowledge out of fear that colleagues will use it to secure advancement. Those learning in the recipient ports were mentored by a senior official from their own organisation. After the course, participants had to write a dissertation on a current problem affecting their port and then defend their findings before a three-person panel. Successful participants received an UNCTAD-approved Certificate of Port Management.

Course tutors gleaned useful lessons from the experience. For example, high drop-out rates in some African countries pointed to the need for a more rigorous selection process for participants, to ensure that candidates are strongly motivated. Proficiency in English can present another challenge: in the case of Indonesia, one of the pilot project’s recommendations was to arrange training in the use of English for maritime business.

Other recommendations included the need to choose a home-port mentor who is able to focus fully on the task – harbor masters can be distracted by the demands of their jobs, for instance. The lack of basic research skills also posed a problem for effective learning. “Some of the participants in the programme were at a loss doing research, so the next programme will include a whole section on it,” Moore noted.

There were specific lessons for Dublin as well: the need to brush up on training methods and to ensure that tuition is more interactive. Practical case studies focusing on local port issues were often the key to success. Distance learning complemented the face-to-face elements of the UNCTAD teaching strategy.

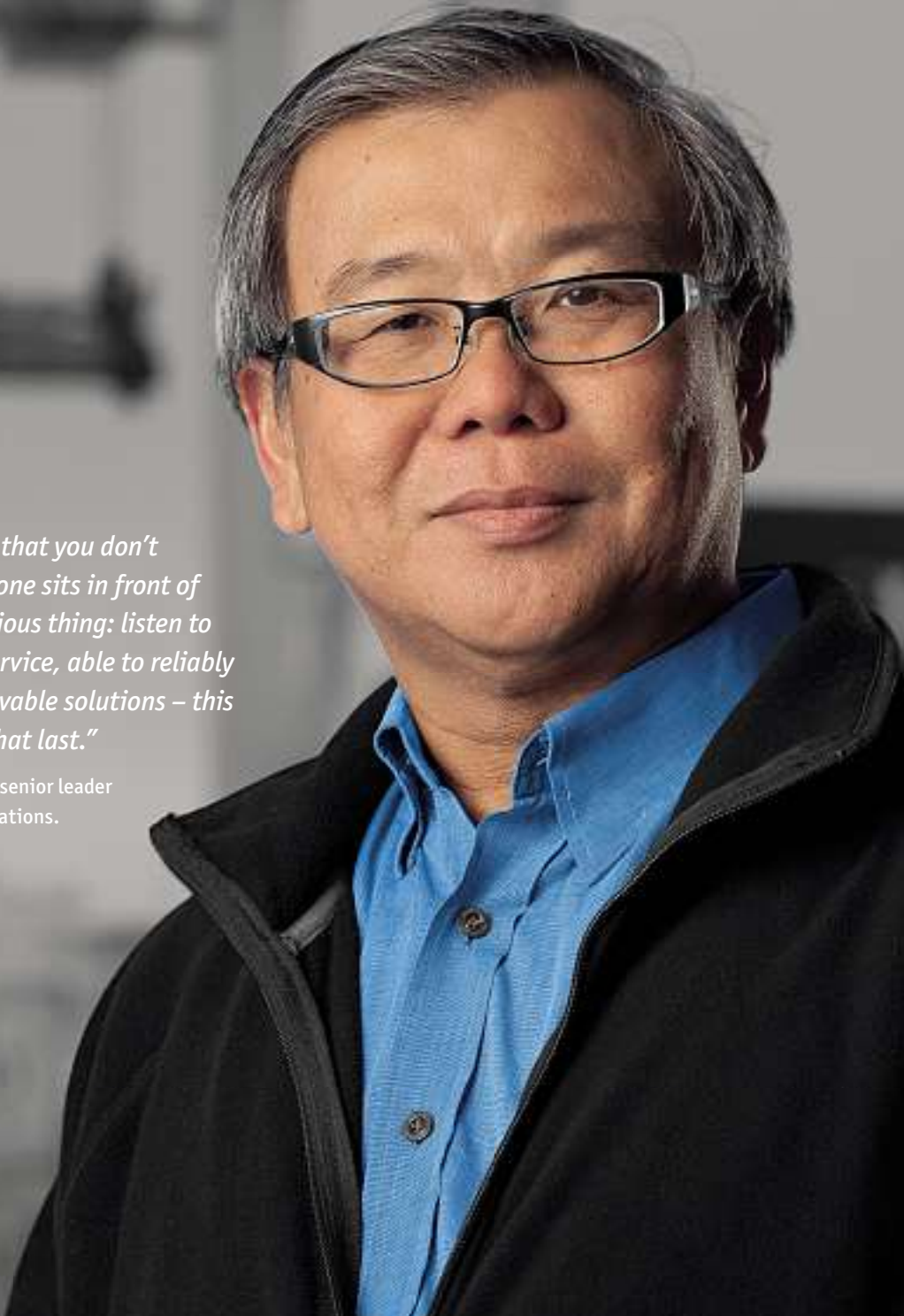
An important part of the process has been to encourage local port managers gradually to shoulder a greater share of training in the developing countries.

All the ports had to make a significant financial contribution to the UNCTAD programme. Dublin port committed €150,000 in cash and €300,000 in other resources. The government’s Irish Aid development programme injected €500,000, while the five developing country ports each contributed \$25,000. The face-to-face training programme lasts for 240 hours, organised into several sessions. “We’re extremely happy with the outcome... I would have no hesitation whatsoever in saying it’s a really worthwhile programme,” Dublin Port’s Moore declared. **PH**

UNCTAD syllabus

The UNCTAD modern port management training programme consists of eight modules:

1. International trade and transport
 2. Organisation of a port system
 3. Functioning of a port system
 4. Future challenges for ports
 5. Methods and tools of management
 6. Economic and commercial management
 7. Administrative and legal management*
 8. Technical management and human resource development
- * Dublin Port and Cork University had to rewrite Module 7, based on French law, to take account of the differences that apply in countries where the law is based on English legal traditions.

A portrait of Kok Choong Hwa, a middle-aged man with grey hair and glasses, wearing a blue button-down shirt under a dark jacket. He is looking directly at the camera with a slight smile. The background is a blurred industrial setting with large metal structures.

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Barges offer answer to Dutch bottlenecks

The Netherlands is leading a revolution in supply chain logistics, with barges providing a key 'greener' component. **Jem Newton** reports

Barge transport is experiencing a worldwide renaissance – a significant turnaround since the relentless rise of motorised road transport sent it into decline in the last century.

The Port of Rotterdam is driving a European logistics revolution aimed at reducing port and motorway congestion and enhancing the role of multimodal inland nodes. The 'extended gateway' strategy will expand the role of inland barge and rail terminals and connect up data exchange networks to cover and streamline the entire European supply chain from origin to port or port to destination.

The European shipping industry has a window of opportunity to organise its supply chains more efficiently to ensure the free movement of cargo in and out of European ports for when economic growth rallies and ports again operate at full throttle.

Barges already offer the most convenient means of moving different

types of bulk cargo inland from Dutch ports. The Benelux waterways will also play a greater role in moving containers to inland depots, reducing pressure on ports and overcrowded highways.

Nearly a decade ago, ECT Delta Terminal in Rotterdam became one of the first container terminals to pioneer the extended gateway concept by linking up with Duisburg's DCT terminal in the Ruhr, Germany's industrial heartland.

The two Hutchison-owned terminals are connected by regular barge and rail shuttles. DCT also acts as a shortsea terminal, with direct links to other northwest European ports via the Rhine and the North Sea. Other deepsea container carriers are also developing links with inland barge and railway terminals.

By 2035, the Port of Rotterdam wants to bind its customers to move 45% of their loads by inland shipping (currently 39%) and 20% by rail. Last year, Rotterdam expressed an interest in acquiring a one-third stake in the state-owned Port of Duisburg. Since then, a joint statement issued by Benelux ports said the port authorities of Antwerp, Rotterdam and Amsterdam were discussing a joint response to Duisburg's proposed sale of shares.

Deepsea lines also see the advantages of decongesting ports and reducing waiting times for box ships. "What could be better than putting these boxes on push-barges directly at the deepsea terminal and moving them to an extended gate such as Moerdijk [another Hutchison inland terminal] for further distribution?" said 'K' Line Nederland MD Fer Penders. Improving intermodal networks is one of the pillars of IAPH's World Ports Climate Initiative (see *P&H*, September 2010, p38).

One of the project leaders, the Port of Amsterdam's logistics adviser Jan Egbertsen, told *P&H* that Dutch port authorities are discussing reorganisation of barge facilities to ensure that they contribute to decongesting ports, rather than adding to congestion. "One problem will be in planning the capacity connecting the barge and



The region's waterways move containers to inland ports

deepsea operations. Ports have to invest in places where barges can wait before they are loaded or unloaded. Before the global crisis you already saw that terminals had problems of timely loading and unloading because of congestion," he told *P&H*.

The new deepsea terminals being built in Maasvlakte 2 will each have its own dedicated barge terminal, with a terminal-neutral Barge Service Centre for the handling of small call sizes. "A lot can be gained through improved co-ordination; the smaller vessels spend less time at the terminals and the regular quays will have more capacity for the large inland barges," said Port of Rotterdam business manager Donald Baan.

DP World is building the 4M teu-plus Rotterdam World Gateway (RWG) terminal on the Maasvlakte extension in partnership with deepsea APL, HMM, MOL and CMA-CGM. When fully built out, RWG will have a total area of 156ha with a main quay of 1,900m and a barge/feeder quay of 550m, serviced with innovative buffer stacks. At full build-out, there will be five dedicated barge cranes.

"Among the key initiatives of RWG's hinterland strategy are a proposal to work with the port to develop a 'Green Lane' concept to move boxes in and out of Maasvlakte 2, thereby minimising congestion, and work or partner with intermodal operators for efficient connections to inland multimodal terminals," a DP World spokesman told *P&H*.

The ECT Delta and DCT terminals have long-standing intermodal partnerships with barge companies Rhinecontainer and H&S Container Line, which operate daily services between Duisburg and the ports of Rotterdam and Antwerp.

Rhinecontainer MD Matthieu van Roermund told *P&H* that most of the container bottlenecks in the last shipping boom occurred around the seaports themselves and he believes the primary job of tackling congestion falls to the port authority and its deepsea terminal operators such as Hutchison and APM Terminals. All the big terminal operators believe that an extended gateway network, organised in collaboration with other supply chain operators, is the way ahead to tackle congestion.

Another vital element is the need for more integrated IT infrastructures to manage these extended gateway services. "Integrating the different transport modes implies the creation and further development of efficient interfaces," said a spokesman for the European Federation of Inland Ports. "Freight transport users need a 'market place' where they can make choices and combine in function of the product, the destination, the client and the cost."

Data on both import and export containers is not readily available to container terminals and hinterland transport operators. The people behind the Dutch port community system Portbase is developing a Logistics Service Portal that will have interfaces with all the commercial players along the supply chain.

Rhinecontainer has its own open-configured track-and-trace system with four other barge operators, called MIS-Cobiva.

"Formally, MIS-Cobiva is not linked up to Portbase, but we hope it will be in the future. As Rhinecontainer, we operate down to Karlsruhe so we have mid- and lower Rhine and also Benelux services and we want all the market areas and the terminals where we and our fellow operators in MIS-Cobiva call to have the same track-and-trace system," van Roermund told *P&H*.

Eventually, if information is fully integrated along the supply chain, inland logistics managers will have enough advance warning of import and export cargo to organise each consignment's onward movement so that cargo reaches its destination by the most efficient transport mode, helping to forestall bottlenecks.

ECT has already begun this online process, providing information about extended gateways, connections and other options on its website.

"In the short term, we will also add a product configurator so each potential client can select his optimal route and connection within the extended gate network and submit a booking request," said ECT spokesman Rob Bagchus.

At the moment it is not clear how these modal systems will be interconnected and how transport will be co-ordinated. Egbertsen is still uncertain whether it will be a network of individual systems or directed by one co-ordinating body.

"I think there is some kind of evolution from individual systems for ports, barge companies and terminals towards an integrated system in the whole logistics chain. The co-ordinator could be the most important party in the chain – but who is that? – or a new logistics company we haven't heard of yet," Egbertsen concluded. **PH**

More info:
www.portofrotterdam.com
www.europeangatewayservices.com
www.rhinecontainer.nl

Egbertsen (right): 'The co-ordinator could be the most important party in the chain – but who is that?'

Barges are helping Dutch ports out of a tight spot

Photo: Port of Amsterdam



Money to keep freight moving

Federal budget tightening in 2011 could force US maritime transport into murky waters and raise costs for shippers, writes **John Gallagher**

Gary LaGrange needs \$50M to help keep over 450M tonnes of cargo moving along the Lower Mississippi River in 2011. But he doesn't know how – or even if – he's going to get it.

LaGrange, executive director of the Port of New Orleans, says that amount represents the difference between what the US government allocated at the beginning of the year for maintenance dredging and what the US Army Corps of Engineers (USACE) is likely to require.

In past years, the USACE would have been able to make up that shortfall from unused pots of money in other areas of the federal budget. But a new Republican-led Congress determined to make drastic spending cuts blew into Washington on 3 January with a command to every federal agency: stay within your budget. That means the \$63M allocated to maintain river depths and widths from Baton Rouge, Louisiana, to the Gulf of Mexico could be all LaGrange is going to see. And that, he warned, could be a major blow to the US economy.

"There have always been surplus funds in other areas; that method has always worked in the past," LaGrange told *P&H*. "This will become an emergency as we approach the end of the fiscal year in June and July and the bank is broke."

Sources within Congress say the concerns of LaGrange and other port and waterways executives are legitimate and agree that taking funding from other

areas may have been the quickest way to get projects completed. However, "the business-as-usual approach that led to that type of funding structure may not be the most appropriate way for Congress to prioritise projects," one of those sources told *P&H*. "Unfortunately, when you cut off that type of approach, worthwhile projects are flagged as problematic in terms of figuring out how you're going to fund them."

Diverting money to such projects from funds intended for repairs to locks and dams along the US inland waterways – a previous practice – can increase stress on the overall system, according to government officials. The Columbia-Snake River system in the Pacific Northwest, for example, is in the middle of a three-month outage to replace three high-priority lock gates, including \$23M to replace the 1959-built gate at The Dalles, Oregon. Several other locks on the system are undergoing unusually long maintenance closures because the work cannot be accomplished during the routine two-week annual maintenance periods.

While shutting down the barge channel extending from Vancouver, Washington, to Lewiston, Idaho, affects millions of tonnes of grain exports annually, waiting any longer to make the repairs could have resulted in emergency outages lasting for more than a year. "We really haven't had very many outages longer than our routine two-week maintenance outages," USACE Portland District spokesman Scott Clemans told *P&H*. "But The Dalles gate was showing additional stress and not closing correctly, and we realised that instead of repairing it we would have to replace the whole thing."

To help shippers concerned about delays during the shutdown, the Port of Portland is paying them \$400 per container diverted to rail from Lewiston and \$250 per container diverted over the highways that normally would have moved by river barge.

Cornel Martin, president and CEO of the Waterways Council, an advocacy group for the inland waterways, pointed out that while both the Lower Mississippi and Columbia-Snake River systems are "in desperate need" of maintenance

Photo: Shutterstock



and repairs, "I wouldn't say any more than other rivers, such as the Illinois and Ohio. They're all at critical stage," he told *P&H*.

The inland waterway system is responsible for moving \$1Bn worth of cargo annually, he said, with coal and grain being the biggest commodities in terms of tonnage. Roughly 60% of the grain produced in the country is exported through the waterway system. As for the Lower Mississippi, Martin remarked, "it's huge, when you figure the volumes of bulk cargoes moving down the river for export". He emphasised: "Problems caused by a lack of funding in that region will affect farmers, steel mills and coal miners."

In the view of LaGrange, a funding shortfall could also divert and delay imported containers of finished products transloaded into barges. "That means somebody in Chicago or St Louis or Sioux City isn't getting their TVs, their candles or their dishwashers."



Photo: USACE Portland District

Sections of the John Day lock gate on the Columbia River are moved into place

He acknowledged that some of the locks and dams along the Upper Mississippi River are 80 years old and in desperate need of repairs. "But there's no point in repairing them if product can't get through the other end. It's a huge choke-point." LaGrange plans to meet members of the Office of Management and Budget – the body responsible for federal budget decisions – early in the year to lobby for alternative approaches.

Funding shortfall

Domestic US waterborne traffic (M tonnes)

Waterway	2007	2008	Change
Mississippi River*	284.2	267.8	-5.79%
Ohio River	209.4	209.4	-0.02%
Gulf Intracoastal*	113.5	105.1	-7.34%
Tennessee River	44.9	45.1	0.44%
Illinois Waterway	37.3	33.8	-9.33%
Monongahela River	24.2	25.4	4.92%
Cumberland River	20.4	21.1	3.48%
Kanawha River	19.1	18.3	-3.75%
Black Warrior River	19.1	18.1	-5.62%
Big Sandy	19.9	15.8	-20.62%
Columbia River*	16.8	12.4	-26.11%
McClellan-Kerr Waterway	11.0	10.0	-8.96%
Atchafalaya River	9.9	8.7	-11.75%
Tennessee/Tombigbee	5.6	5.9	4.31%
Missouri River	6.1	5.2	-15.16%
Snake River	4.9	3.4	-31.66%
Atlantic Intracoastal	2.3	2.6	15.13%
Allegheny River	2.5	2.3	-8.26%

Source: USACE

*Includes domestic coastwise tonnage

The long-term solution, LaGrange and others say, is to overhaul how money collected for the Harbor Maintenance Trust Fund is disbursed for maintaining federal channel navigation depths.

Currently, only about half of the \$1.5Bn collected through the fund is actually used for its intended purpose. Consequently, ports have to seek government money through annual line-items in the budget. The Association of American Port Authorities claims that there's a \$5.6Bn surplus in the fund and has called on Congress to allow it to be spent.

"The Obama administration wants to double exports in next five years," LaGrange pointed out. "But how can you do that if you don't dredge your channels to allow exports to get out of the USA?" **PH**

Budget cuts affect freight

River closures and restrictions along the Lower Mississippi River resulting from a shortfall in money for US Army Corps maintenance dredging could mean slower service and higher costs for shippers. Annual flows of silt moving down the Mississippi after the winter thaw tend to accumulate at the lower end of the river, effectively raising the river bed and making it impassable for large vessels requiring deep draughts.

Robert Anderson, a spokesman for the USACE Mississippi Valley division, explained that if most of the channel depths in this section of the river cannot be maintained to 45ft (13.7m), "it could impact vessel traffic, not only requiring slower speeds but higher costs that must be paid for freight that has to be diverted to rail or truck, if that alternative is possible".

Steve Jones, the division's navigation manager, told *P&H* that the

amount of silt that gets dumped into the lower half of the river can be difficult to predict, because it depends on the height of the spring flows. But even if it turns out to be an average flow, Jones said, there is not enough funding to keep the river dredged to proper depths. In that case, the navigable width of the river may have to be cut in certain areas from 150m to 75m.

"That could mean requiring one-way restrictions, or even daylight passages, depending on how ship pilots assess the situation," Jones warned.

According to a USACE white paper analysing funding cuts, potential draught and width restrictions on the Lower Mississippi could affect the three crossings in the vicinity of the Port of South Louisiana – the biggest US port in terms of tonnage – and the nine crossings in the vicinity of Port of Baton Rouge.



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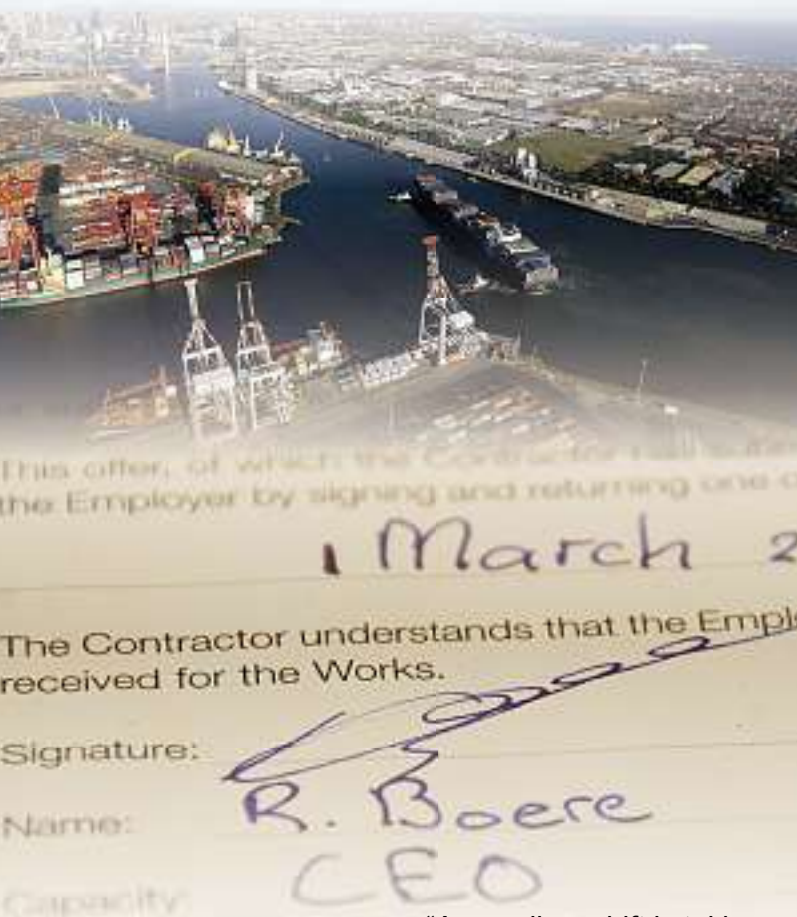
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Harnessing the Green Delta

Bangladesh is relieving pressure on its shipping and port sectors by improving river feeder services in its half of the Ganges Delta, reports **Jahir Ahmed**

Export-led economic growth since the 1990s has transformed the port and shipping sectors in Bangladesh and made them 'greener' and more efficient. The country's chief seaport, Chittagong, has nearly doubled its cargo and container handling every five to six years since then and is projected to reach a container throughput of around 2M teu per year by 2015. An annual operating surplus of more than \$100M is assisting expansion, including the construction of Bangladesh's first inland box hub, the Inland Container River Terminal (ICRT) in the capital city, Dhaka.

In first half of its financial year (July–December 2010), Bangladeshi imports and exports grew by around 40%, exerting immense pressure on port and shipping operations to accommodate the sudden increase in demand for services, particularly for container users. Average year-on-year growth of containerised foreign trade has already exceeded 12% for over a decade. And with the economy rising by 6–7% a year, the country's population of over 160M is becoming a lucrative consumer segment in global trade, demanding efficient inland logistics and making a strong case for greater use of Bangladesh's extensive network of inland waterways.

"The higher growth of economy and foreign trade has opened up an opportunity to reshape the total

containerised traffic and port operations, in line with port and container users' long-standing demand for a reduction of haulage costs of over \$300 per teu between the port and users' site and an increase in facilities, as well as freeing the port from uneconomic multiple handling of containers," said Hadi Hussain Babul of Port Management, Chittagong Port Authority (CPA). CPA sources estimate that in the full year 2010, the port's container handling approached 1.4M teu. In 2009, CPA handled 1.16M teu. Port officials said at least 70% of the containers are used by importers and exporters based in Dhaka. This has prompted the state-run port to identify a suitable site five years ago and CPA began construction of the riverside inland container terminal in Dhaka in 2008.

It extended co-operation to another government-run organisation, Bangladesh Inland Water Transport Authority (BIWTA), to set up the port at a cost of about \$26M, initially to handle 116,000teu per year with capacity to expand to around 280,000teu.

BIWTA has taken the project cost in the form of a loan from the CPA, which will benefit directly in its efforts to make Chittagong a well-managed, congestion-free and green southern Asian port. "This will raise the efficiency of the port and the whole operation of container traffic and its handling

Dhaka's Inland Container River Terminal, due to open in June, will be fed by 75 125teu vessels

Photo: BIWTA



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Improvement of feeder services on the Ganges will, it is hoped, take pressure off ports

for every stakeholder, including container operating vessels serving Bangladesh," Hadi told *P&H*.

At least 70% (or about 1M) of the containers handled at Chittagong port are Dhaka-bound. Rail transport of containers to the CPA-operated, 100,000teu per year-capacity Dhaka inland container depot from Chittagong, which handles over 90% of import-export boxes, is very limited. A few containers move to Dhaka from Mongla, the country's second port.

About 90% of the boxes terminate at Chittagong and, from there, Dhaka-bound containers rely heavily on private road haulage, putting immense pressure on storage at the port stacking yards. The surge in container usage in the Dhaka region has created a great opportunity to shift about half of the boxes making less than one day's journey with 75–125teu container ships or barges, said BIWTA officials.

"By December 2010, 70% of the construction of the terminal had been completed and we expect that it will be ready to start operations by June," said Jul Huddin Ahmed, additional chief engineer, BIWTA.

BIWTA will be the main owner-operator of the terminal and CPA would be an operating profit sharing partner in the management, while several experienced pre-qualified private operators are being contracted for handling containers with their own equipment.

Jul Huddin told *P&H* that the waterways between the inland terminal site on the bank of River Buriganga at Pangaon, only 10km from Dhaka's business hub, would substantially increase the speed of door-to-door container movement.

The authority already maintains the Chittagong–Dhaka waterway with its own dredgers. Additionally, BIWTA officials reported, it will carry out improved maintenance between ICRT and both Chittagong and Mongla. The two ports are equally about 300km from the terminal. Sources at Mongla Port Authority expect the ICRT would boost loss-making Mongla's container traffic, helping it achieve profitability within a year of the terminal's startup.

Hadi believes the increased speed and efficiency would reduce the cost by almost half between Dhaka and Chittagong and substantially reduce the turnaround time of vessels shuttling between Chittagong and the transshipment ports of Singapore, Port Klang and Colombo, raising Bangladesh's cost-competitiveness.

In the past financial year, Bangladesh shipped nearly \$17Bn of exports, of which about 80% are container-loads of garments, mainly to the EU, North America, the Middle East and Japan. The year's imports were worth more than \$24Bn – mostly machinery and industrial raw materials shipped from China and Hong Kong, the ASEAN block, India, Japan, South Korea, Taiwan and the Middle East.

With foreign trade gathering speed as the global economy emerges from recession, the private sector has begun investing heavily in container ports, capitalising on the huge demands created by the rapid, export-based industrialisation of Dhaka and its hinterland. Several industrial groups, including Rupayan, Summit, Kumudini and AK Khan, have been developing river-based terminals in and around Dhaka to handle an annual total of more than 500,000teu of door-to-door containers.

BIWTA is proceeding with the \$36M upgrade of its Ashuganj river port northeast of Dhaka and creating a container port with a handling capacity of 200,000teu per year. About 90% of the cost will be met from an Indian credit of \$1Bn provided for the development of Bangladesh's ports and overall transport links. The aim is to improve container movements from the port of Kolkata to the land-locked northeastern states through Ashuganj, as well as from Chittagong port. **PH**

Dredging a major challenge

In Bangladesh, the total length of river waterways is estimated to be about 24,000km. The government will use some of the credit from India to buy several dredgers to keep the silted waterways navigable for the smooth transit of vessels carrying containers and bulk cargo all year round.

At present, about 6,000km of river are accessible for movement of modern mechanised vessels during the monsoon season, and some 3,800km are navigable year-round.

Of the total length, nearly 700km are major transport corridors where least available draught (LAD) of 3.6m is required to be maintained all year round. An additional 1,000km–

plus of waterways, linking major inland ports or places of economic importance to class 1 routes, require year-round LAD of at least 2.1m. Inland ports and other facilities include 11 major inland ports, 23 coastal island ports, 133 passenger ferry stations and more than 1,000 minor landing points located in rural areas.

BIWTA, an organ of the Ministry of Shipping, is vested by the government to carry out annually about 4M m³ of dredging work related to inland waterways. The authority has seven 18-inch cutter suction dredgers in the dredger fleet imported from the Netherlands.

In the current financial year, ending on 30 June 2011, BIWTA has engaged a total of 22 dredgers: five from its own fleet, five from state-run Bangladesh Water Development Board (BWDB) and 12 from private sources.

Sri Lanka builds 'dry' port

Two new deepwater ports in Sri Lanka are finally giving the island the physical infrastructure to realise its long-cherished ambition of becoming a regional maritime hub, reports **Rohan Gunasekera**

The first phase of Sri Lanka's new port at Hambanthota, officially named Magampura, was completed in November 2010 by a joint venture between China Harbour Engineering Company and Sino Hydro Corporation. The port's location on the southern tip of the island, less than 10nm from the main east-west shipping route, means it is ideally located to serve the Indian subcontinent and the wider Indian Ocean region.

A special feature of the Hambanthota project was that the port was built under dry conditions, mostly involving draining and excavating a saltern (salt-making area) rather than dredging, which helped reduce costs, according to Sri Lanka Ports Authority (SLPA) chairman Priyath Wickrama. "We saved about \$100M using this method. If we had built in the sea, it would have involved costly dredging," he said.

The port will initially handle general and bulk cargo while also providing bunkering, which the SLPA plans to start in May. Installation of container

handling gantry cranes from the inception means that Magampura port will be able to cater for any spillover of boxes from Colombo port, when capacity there is saturated.

Colombo is also set to create new deepwater facilities on the seaward side of the current harbor to expand its container capacity (see box opposite).

The Hambanthota project was largely funded through loans from China's Exim Bank – \$361M for the harbor infrastructure and \$76M for an oil tank farm. "The project was completed ahead of the scheduled handover in April 2011," explained Wickrama.

Despite being funded and constructed by the Chinese, Magampura port is being run by the SLPA, in the same way that Colombo's container terminals were built with Japanese help in the 1980s but were run by Sri Lanka to make Colombo a major south Asian transshipment hub, Wickrama pointed out.

The port has a 17m draught, 600m turning circle and two breakwaters with a total length of 1.4km. Initially,



it will have a 610m-long berth for general cargo vessels, a 100m service berth and a 300m-long oil terminal. Under Phase II of the project, a quay extension of approximately 2,500m will be constructed. Phase II will further include the provision of all yard handling equipment and development of a yard area of 60ha adjacent to the quay.

When fully developed, Magampura will be a container port with berthing capacity for 33 large ships with a total quay length of nearly 10km.

A major challenge during port construction was the need to ensure surrounding paddy fields were not subject to increased salinity when the harbor basin was filled with seawater. A ditch was dug into the bedrock and filled with concrete to prevent seawater seepage, explained Agil Hewageegana, the chief engineer in charge of the project.

Since the port is on a greenfield site with plenty of space, the SLPA was able to plan long-term infrastructure to avoid the congestion that hampers expansion at Colombo. Modern road and railway connections are being built in the hinterland, and an international airport is also being built near Hambanthota.

"The area will become an air-sea cargo hub," explained Wickrama. "A dedicated expressway with flyovers will link the port to the new airport at Mattala, a 16km or 10-minute drive away, as well as the planned industrial zone between the port and airport."

Around 450 families have had to be relocated, but the project has popular support in the impoverished south. Sri Lanka's president Mahinda Rajapaksa is from

Hambanthota and has personally backed the project, which will also see a brand new township springing up in the area, with an international cricket stadium and convention centre.

The SLPA spent about \$12M on land acquisition, new roads and relocating utilities. About 2,000ha belonging to Magampura port will be available for local and international entrepreneurs.

"Hambanthota will be a 'free port' with no taxes or other government levies to make it attractive for investors," said Wickrama.

Already, 27 local and foreign companies have submitted bids to the SLPA in response to a request for proposals. They include Madras Cements, India's fifth-largest cement maker, whose proposal was one of six for cement terminals. The SLPA has two investment proposals for vehicle assembly, two each for liquid petroleum gas and petro-chemical facilities, and three for warehousing.

The new port will be run differently from Colombo, where red tape and strong labour unions have been an issue. "You can see a different [work] culture at Hambanthota," said Wickrama. "We're going to recruit new staff for Hambanthota and have a different tariff structure from Colombo."

Magampura is using electronic document systems from its inception (enabling online payment) and computer-controlled gates for truckers, reducing the need for users to enter the port. Security is the responsibility of the Sri Lanka Navy, which will have a base in the port. **PH**

Seruwila was the first vessel to dock at Magampura port after the official opening in November 2010

Photo: SLPA

Colombo expands

A rapid rebound in cargo volumes in Colombo port after the dip caused by global recession means it is nearing its capacity, making the completion of a deepwater port on the seaward side of the existing harbor all the more urgent. The Colombo South Harbour Development Project will enable the port to accommodate the biggest vessels being deployed on the main trade routes.

Hyundai Development Engineering Corporation is the contractor while the Asian Development Bank (ADB) has made available a loan of \$300M for the breakwater and dredging.

The 600ha port will have four container terminals each more than 1,200m in length, and three berths with depths of 18m. Up to 3.8km of the 7km long breakwater has been constructed and scheduled for completion by April 2012. But it will take up to 18 months to finish the first container terminal, the \$500M South Terminal – a BOT contract awarded to China Merchants Holdings, which has tied up with local conglomerate Aitken Spence.

The port will increase Colombo's container handling capacity by 7.2M teu. SLPA chairman Wickrama noted that Colombo's volumes are growing faster than envisaged by ADB base scenarios and that improvements are planned to squeeze more capacity out of existing facilities to avoid congestion until the new port is ready. "In 2010, we did 4.15M teu, an increase of 700,000teu over 2009. If we continue the same growth, by end-2011 we'll reach 4.8M teu. We're lagging behind in capacity, so we're trying to find alternative solutions to cater to growing demand," he explained.

A new look at terminal leases



To comply with stringent new laws, US port authorities are stipulating far-reaching environmental criteria with cargo operators before they agree new terminal leases.

Sustainable lease agreements (SLAs) are in their infancy, with just a handful of done deals in the USA. However, with growing demand for ports and ship operators to reduce carbon footprints and make their operations environmentally sustainable, SLAs may soon be common outside the USA.

At least one aspect of the SLA – the mitigation measures that operators need to take as part of any lease agreement – is already a familiar precondition of port development and expansion in many parts of the world.

IAPH, via WPCI, recently launched an SLA project in collaboration with ports including Los Angeles (PoLA) and New York and New Jersey. P&H was given an insight into one of the first of these agreements by the Port of Los

Angeles' deputy executive director for business development, Kathryn McDermott. The port finalised this 30-year SLA in 2008 with TraPac container terminal, owned by Japanese liner MOL.

The driving force for the deal was the Clean Air Action Plan approved by the boards of the ports of Los Angeles and Long Beach in November 2006 to cut harmful emissions and reduce health risks to local people. The plan includes regulatory measures and financial incentives to encourage terminal operators and shipping lines to adopt greener business practices.

"The TraPac deal is one of the most comprehensive SLAs. I don't think there is another lease in the USA that has so many different types of measures, including ship and landside emissions reductions, terminal design and equipment. And these are not promises but requirements that can be measured," she said.

One of the issues facing Los Angeles and other ports is how to develop long-term leases that are strict enough to protect environmental resources and public health and yet flexible enough to respond to changing conditions. "We have made our own commitment to help fund some new technology that TraPac wanted to look into, so they're making a large investment and we are contributing to that," she said.

McDermott explained further: "Our permits provide for

flexibility and alternative technology, so if someone comes up with an alternative that will achieve a similar emissions reduction, we work with customers on implementation."

West coast port authorities have also had to show flexibility with regard to economic restraints. Before the recession, shipping lines had begun upgrading larger ships in the trans-Pacific trade to accommodate shoreside power. When the crisis hit, some shipping lines reverted to running smaller, older vessels with the aim of reintroducing larger and cleaner vessels when growth returned. SLAs have had to be flexible enough to accommodate the requirement for these strategies.

The new deal was also important for TraPac, which was keen to secure a new long-term lease that would allow it to expand its operations. Local newspapers reported that the box terminal was losing millions of dollars to a rival at the Port of Long Beach and needed to expand capacity. McDermott said that similar environmental requirements were being developed at Seattle, Oakland, and some east coast ports.

"Los Angeles and other ports have begun a dialogue with the American Association of Port Authorities, looking not just at SLAs but at our leasing practices overall. We are finding out what we can learn from each other and how we can collaborate," she said, adding that US ports would like to develop a similar dialogue with Asian and European ports.

Instead of a one-lease-fits-all approach, the dialogue between

ports worldwide should recognise the wide variations in the leases available and identify trends in them as well as differences.

The first phase of the project in association with IAPH will be an information-gathering process to look at the wide variation in port operations and lease conditions worldwide and this will greatly influence any leasing practice strategies that are formulated.

One of the biggest obstacles to creating a standard leasing practice worldwide is the huge variation in port operational structures and regulatory frameworks. Even between container terminals on the US west and east coasts there are major differences.

Another issue is competition both among and within port authorities. But McDermott does not believe there is any long-term competitive advantage to not implementing a regulatory environmental regime.

"Some ports might gain a short-term advantage by not having an environmental policy, but I don't think any port around the world that intends to grow can avoid the kind of discussion we have had in Los Angeles," she said. "We have an air quality issue here that requires us to be as rigorous as we can and we have tried really hard to be flexible in those guidelines."

More info: www.wpci.nl;
www.portoflosangeles.com

Photo: Port of Los Angeles



“These [Sustainable Lease Agreements] are not promises but requirements that can be measured”

Kathryn McDermott, Port of Los Angeles



Owners and ports find themselves working in a maze of emissions schemes

Photo: Danny Cornelissen

Navigating initiatives for cleaner shipping

After a decade during which environmental compliance has arguably become the regulatory priority for shipowners and ports, they now find themselves working in a maze of mandatory and voluntary schemes.

The latest addition is shippingefficiency.org, an initiative of lobby group the Carbon War Room (CWR). This takes its place alongside the IMO's Energy Efficiency Design Index (EEDI); the Clean Shipping Index (CSI); Clean Cargo Working Group (CCWG) methodology, developed in association with CWR and BSR, a business-to-business collaboration; and, the Environmental Shipping Index (ESI), developed as part of IAPH's

World Ports Climate Initiative (WPCI).

The EEDI is the only mechanism with regulatory credentials. Currently being circulated for adoption by parties to MARPOL Annex VI, it is central to the IMO's plans for technical and operational measures to manage CO₂ emissions from ships. Its Marine Environment Protection Committee meets in July when battle will again be joined to get the EEDI and the Ship Energy Efficiency Management Plan written into the Annex.

The slow pace of this process – as well as a desire by pressure groups to encourage shipowners to adopt a better environmental

profile – has seen the EEDI incorporated into shippingefficiency.org.

The website combines the IHS Fairplay vessel database, the EEDI and a proprietary CCWG methodology to generate a simple A-G energy efficiency rating, which its creators claim will encourage charterers to reward a good score.

In practice, the results are inconclusive because all ship types are included, rather than the tanker, bulk carrier and container ships the EEDI is intended to cover. As a result, the initiative has drawn fire from the International Chamber of Shipping, which pointed out that the EEDI “was not created to compare individual ships of different types with each other. Ships have very different construction and safety requirements, depending on their type and trade, which can cause their energy consumption to vary greatly.”

Timed to coincide with the COP16 meeting, the launch of shippingefficiency.org saw the CWR claim that shipping had done “almost nothing” to combat CO₂ emissions, which failed to endear it to the industry.

CWR's Peter Boyd said feedback had been “overwhelmingly positive among people who understand what we are trying to do”, and stressed that the site was designed to allow feedback and verification, with its methodology revised as the EEDI evolved.

Tiedo Velinga, director Environment, Safety and Spatial Planning Maasvlakte 2 for Rotterdam Port Authority (the project port for ESI), has made clear that the ESI will include the EEDI once it becomes mandatory and pointed out that this initiative has rewards in the form of lower port dues at the heart of its culture. CSI, created by a group of Swedish players as part of the Green Shipping Project, adopts an even broader approach, ranking companies and ships on the basis of a range of environmental data to produce a score that is designed to promote the owner's green credentials.

The issue for ports and their customers is how to navigate the initiatives and the requirements of local, national and international regulation.

Proposed US bill for spill liability would hit shipping

In early January US lawmaker, Gerald Connolly proposed tighter oil spill liability legislation aimed at oil companies but would also apply to vessel owners, operators, and charterers.

The ‘Stand by your Oil Pollution Act’ (STOP) introduced by the Virginia Democrat attempts to close a loophole that allows subsidiary companies to declare bankruptcy in order to shield its parent from cleanup and liability obligations under OPA (Oil Pollution Act)-90.

The STOP act would hold any parent company that has more than a 25% ownership in such subsidiaries liable for oil spills. Otherwise, parent

companies “would have an incentive to set up numerous low asset subsidiaries for the express purpose of avoiding OPA liability”, Connolly said in a letter to fellow congressmen seeking support for his bill.

The language was included in the post-*Deepwater Horizon* CLEAR Act that stalled in the last Congress, and was meant to prevent oil companies from pushing oil spill cleanup costs onto taxpayers.

Connolly noted that while some parts of the CLEAR Act were controversial, “this taxpayer protection provision was not.”



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Photo: Jim Gallacher

APL England tests scrubber

APL has offered up its box ship *APL England* as a laboratory to test a new seawater scrubber in a pilot project sponsored by the ports of Los Angeles and Long Beach.

The 5,500teu, 2001-built vessel will use seawater 'scrub' or filter pollution from its auxiliary engines and boilers before exiting the exhaust stack of a ship.

The scrubber, which will be supplied by technology firms Bluefield Holdings and Krystallon, is expected to capture 99.9% of sulphur oxide emissions and over

80% of diesel particulate matter, according to the companies. It will be the first test of the technology on a container ship and is due to commence in the first half of this year.

Port of Long Beach executive director, Richard Steinke, said in a statement: "Many of the ocean carriers are looking for ways to reduce their vessels' emissions and projects like this are an ideal way to demonstrate the effectiveness of new technology to the industry".

The ports will contribute \$1.65M to the \$3.4M project, with the balance contributed by Bluefield and Krystallon. APL will evaluate the scrubber over a one-year period during the ship's calls to the two adjacent ports.

"The seawater scrubbing technology shows tremendous long-term potential for reducing emissions at our ports and improving the environment," said Geraldine Knatz, Port of Los Angeles executive director in the statement.

WWL gives grants for green ideas

Shipping and logistics company Wallenius Wilhelmsen Logistics (WWL) has announced an enterprise scheme offering grants totalling \$100,000 to engineer-inventors developing zero-emission technologies for ships and port logistics.

WWL is leading the drive for cleaner shipping, having developed, in the last decade, a zero-emissions concept vessel called *E/S Orcelle* and more recently its zero-emissions cargo facility Castor Green Terminal, (see *P&H*, July 2010, p18).

The awards, appropriately called the Orcelle Grants, will be made to encourage further research into

promising green ideas, depending on their environmental and commercial potential. Applications are sought worldwide from entrepreneurs, technology developers and inventors. Details are available at www.2wglob.com/www/environment/OrcelleGrants.

"A raft of new environmental regulations are coming to shipping and logistics over the next decade," explained WWL chief executive Arild Iversen. "By funding the Orcelle Grants, our aim is to stimulate innovation needed to meet these tough new environmental standards."

Ship-to-ship transfers updated

On 1 January, new regulations came into force for ship-to-ship (STS) transfers. The amendments to Marpol Annex I chapter 8 oblige tankers of more than 150gt engaging in oil transfers to carry an approved STS operations plan.

Ships must also provide 48 hours' notification to the coastal state of an exchange taking place in its territorial sea or exclusive economic zone. One of the main aims is to improve the risk assessment process.

The new regulations also require those in charge of transfer operations to be suitably trained and qualified. "An increased understanding of the processes and procedures enables them [shore-based STS co-ordinators] to better support the work of their seafaring colleagues," commented David Atkins, course designer and lecturer with GAC Training & Service Solutions (GTSS).

"In the event of a spill, the port will play a central role in the clean-up operation, so it is very much in the port's interest to supervise operations and ensure that OCIMF regulations and best practice procedures are adhered to by all participating parties."

Bunkering operations, however, are not affected by the amended regulations. The new shipboard STS plan has to be developed with reference to IMO's *Manual on Oil Pollution, Section I, Prevention and the ICS/OCIMF Ship-to-ship Transfer Guide, Petroleum*.

The latest edition of the guide was produced in 2005, but OCIMF's senior technical advisor, Bernard Lesegretain, told *P&H* that a new edition is due to be published in mid-2012.

As an interim measure, OCIMF is publishing an STS service provider assessment by March 2011.

Similar in concept to the forum's Tanker Management and Self-Assessment guide (TMSA), the two-part document will contain general guidance and a separate checklist.

"It is the first document that OCIMF has prepared to try to cover all the issues dealing with ship-to-ship transfers," said Lesegretain.

Piracy feedback is needed

A ship register official has defended flag states against accusations they are failing to employ best practices to prevent pirate attacks and has called for better information from anti-piracy agencies and operators.

Arsenio Dominguez of Panama Shipping Registrar told a recent IMO piracy workshop in London that flag states are sometimes aware of pirate attacks only from media reports and cannot take steps to improve onboard security and awareness without better feedback. "It is difficult for the Panama Maritime Authority (PMA) to know in all cases that its ships have been attacked," he said. PMA had heard that 48 of 60 ships in a European Union Naval Force (EU Navfor) sample were not following best-practice procedures, "but I don't take that as a criticism; that is valuable information," Dominguez added.

He said agencies combating piracy should improve their communication with flag states, both after attacks but also when vessels are released.

An EU Navfor commander, Colonel Richard Spencer, said shipping often failed to take

adequate self-protection measures or to aid navies. "NATO has taken to phoning up ships within 50nm of a mothership sighting to warn them of the risk," he told workshop delegates, because the commercial ships are not heeding warnings. "They are sailing blind."

Spencer said he supported the controversial policy of crews defending their own vessels. "You've got to play the game [and] fight harder for your ships," he declared. "I recognise [crews] are civilians, but if it were me in a choice between 45 minutes and eight months held hostage, I'm in for a fight."

However, an EU Navfor spokesman said it opposed storming tactics to free vessels hijacked by pirates because they endanger seafarers. He explained to *P&H*: "Once a ship is pirated, we don't go near it. We leave it to the negotiators, because the safety of the hostages becomes our primary concern."

Counter-piracy measures being taken at sea are being undermined by the continuing vacuum of authority in Somalia, according to the International Maritime Bureau (IMB). Citing a record high 445 piracy attacks in 2010, the

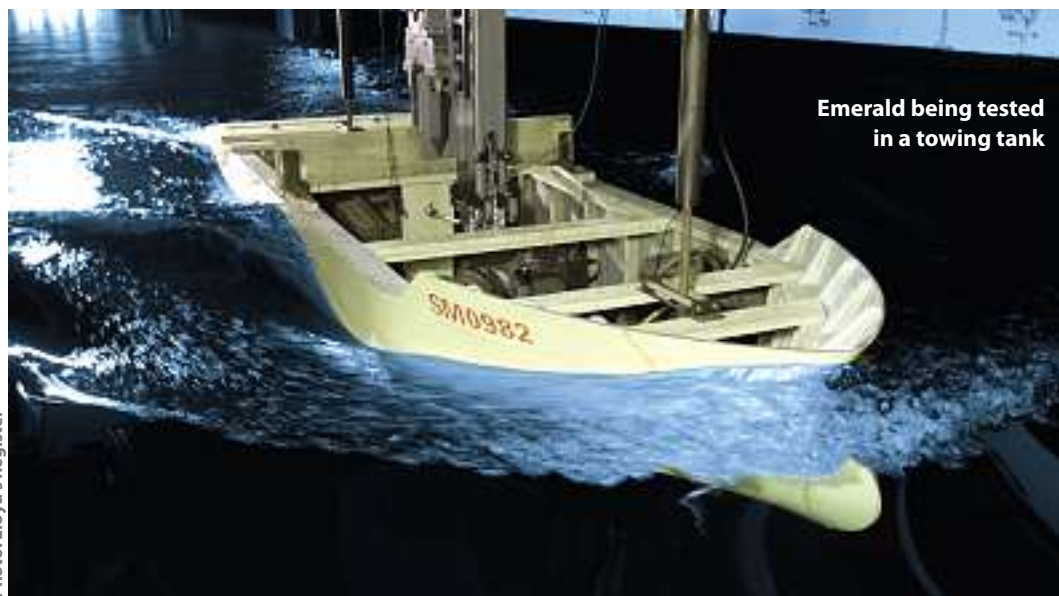
IMB's annual report said governments and the UN must stabilise Somalia because that's where the pirates begin their voyages and return with hijacked vessels.

Although rising offshore Somali piracy comprised 92% of all ship seizures, there was also an increase in armed robberies off Bangladesh for the second successive year. Indonesian robberies were the worst since 2007, South China Seas attacks doubled over 2009 and violent attacks continued unabated off Nigeria, primarily near Lagos.

Gulf of Aden attacks more than halved last year, thanks to what the IMB said were a combination of naval deterrence and shipping's adoption of self-protection measures recommended in *Best Management Practices, version 3*.

Tips for owners

- Get crisis management training for senior staff
- Consider budget for extra security measures
- Have the captain and crew trained and drilled by a reputable marine security company
- Have the ship's security surveyed for weaknesses
- Employ marine security personnel for the ship's security



Emerald being tested in a towing tank

Photo: Lloyd's Register

'Emerald' design for greener shipping

A project to create a new design for an environmental bulk carrier has been completed by Lloyd's Register and Bestway Marine Engineering Company, a Shanghai-based company. The design, known as Emerald, would

enable a 35,000dwt bulk carrier to improve its environmental efficiency by 18% over previous designs when measured against IMO's Energy Efficiency Design Index (EEDI), according to a Lloyd's Register statement.

The company's maritime communications manager, Nick Brown, told *P&H* that this has been achieved through "reduced fuel consumption as a result of a number of design optimisations, including lower steel weight". The

two companies' research reduced steel weight by 12%, with a target of 10%, "making room for more revenue-generating cargo without increasing fuel consumption," said the statement. It is also said to reduce fuel consumption by 19.5% – their target was 15%.

"This project demonstrated and strengthened the strong relationship between Lloyd's Register and Bestway. It is an excellent example of effective co-operation between a local design company and a leading classification society," said Professor Liu Nan, Bestway, chairman and general manager, in a statement.

Bestway and LR have agreed to work together to help develop designs for other bulk carrier sizes. Lloyd's Register's country and marine manager (China), also called Nick Brown, said in the statement: "I am sure that with more co-operation our Emerald series and other bulk carrier ship-types will be optimised and all these ship-types will satisfy a growing demand from the global shipowner community."



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Invest for development

Investment, environment and security in Africa were at the heart of a two-day conference in Arusha from 6–8 December, hosted by Tanzania Port Authority

The message from many of the speakers at the 8th PAPC (Pan-African Association for Ports Co-operation) conference and IAPH Africa/Europe Regional Meeting was “invest to develop Africa’s potential”, and this was true of Tanzania Port Authority’s director-general Ephraim Mgawe’s opening speech.

Also speaking at the meeting was Secretary General Susumu Naruse, who said: “IAPH urges the world’s ports, though in the midst of economic difficulties, to move ahead with continued investments to improve productivity and expand capacity. As now Africa has become one of the fastest growing regions in the world, ports in Africa need to continue to develop their infrastructure from a long-term perspective in order to meet vigorous demand”.

Khomotso Phihlela, CEO of Transnet Port Authority, asserted that port infrastructure investment is an obligation, not an option. At the moment, he said, most projects are only undertaken when there are bottlenecks and gaps in infrastructure. Although investment is important to an African country, it “is no guarantee of appropriate investment”. He wants to see a “review of best operating practices” carried out with the “results compared with existing operations to identify possible network operating

indicators [performance targets] and operating alternatives”.

Not only was the need for port investment acknowledged, but hinterland and intermodal investment was also discussed. Jon Walden, senior advisor, Customs and Trade at Crown Agents, cited such investment – via private sector engagement, private/public partnerships (PPP) and stakeholder co-operation – as a way to improve international transport and hence food security in Africa. He also wants to see a reduction in bureaucracy via, for example, a ‘single window’ IT environment. The Africa Development Bank’s principal infrastructure specialist, Lawrence Kiggundu, echoed these views, placing emphasis on reducing ‘missing links’, by providing access for landlocked countries to seaports; facilitating cross-border trade and seamless economic activity; and connecting capitals and commercial hubs, amongst other activities.

Another financial perspective was put forward by Michael Opagi, infrastructure advisory services for the International Finance Corporation. He gave an overview of the realities of working within a PPP framework, explaining that the focus of this model is on output rather than process and this one of its advantages – it can deliver more and better services for the same price.

The second day of the conference looked at specific examples of ports and their development projects. Julius Mfuko, deputy director-general of Tanzania Ports Authority, explained that one of the major challenges within the country was port congestion, citing the need for: wider and deeper channels, deeper draught berths, dedicated facilities, specialised equipment, and additional land space for expansion. Hinterland logistics – such as rail and road connectivity – also need to be addressed. On a positive note, he highlighted prospective projects such as railway development and expansion of local industry.

A “rapid increase in traffic, especially containers” was the first in a list of challenges presented by Joseph Atonga, operations manager at Kenya Port Authority. Atonga also cited draught restrictions and poor hinterland connections, as well document and process issues. ‘Vision 2030’ is a “a new development blueprint that aims at transforming the country [Kenya] into a newly industrialising middle income country providing a high quality of life to its entire population by year 2030,” he explained. Part of the strategy includes enhancing PPPs and infrastructure developments.

Diur Kassul, from Angola’s Maritime Department, Ministry of Transport, gave an



Main photo: delegates got the chance to see some of Tanzania's wildlife. Inset photos (clockwise from top left): a well-attended conference; IAPH MD Europe, Fer van de Laar; the MD with HPA's Manfred Reuter; Secretary General Susumu Naruse

overview of the rehabilitation and extension project for Port of Lobito. Its aim is to create an important land/water interface for the central southern region of the country that will also be used by its inland neighbours. As well as a hub for importing general cargo, containers and oil, it also wants to be seen as a cruise destination. It forecasts a throughput of 520,000teu by 2020.

Mauritius Ports Authority was represented by N Dawoodarry, director Legal and Administrative Services, and C Rogbeer, corporate auditor. They highlighted a variety of regional trends including increased vessel size and suspended services, due to the economic downturn resulting in inconsistent services from slow steaming. The longer rotations also affects 'just in time deliveries' they pointed out. Yet despite the 7% decrease in port trade, various projects are going ahead at Port Louis including a cruise jetty (completed in 2010); Les Salines Waterfront Development Project, extension of container berths and cement factory development.

The Walvis Bay Corridor, along with the Namibian port, was considered in a presentation given by Bisey Uirab, chairperson of the Walvis Bay Corridor Group, who noted that the port has a 2013 plan to bring its capacity up to 500,000teu. A number of parallel sessions took place

Regional meet for Africa and Europe

Several key players within IAPH and other organisations took the opportunity in Arusha to hold the IAPH Africa/Europe Regional Meeting. Secretary General Susumu Naruse was unable to attend and so it was agreed that IAPH's managing director for the Europe office, Fer van de Laar, should chair the meeting.

Manfred Reuter, managing director Commercial at Hamburg Port Authority, suggested that the port host the 2015 mid-term board meeting and conference. The meeting suggested that this be considered by the board of directors.

It was recalled that a young professionals programme was suggested about two years ago but has yet to gather momentum. Both the MDs of PMACWA and PMAESA requested that this be reconsidered. After discussion, it was agreed that both MDs create a draft programme that will be discussed with van de Laar, and eventually presented to members in Europe. The meeting agreed that emphasis should be placed on matching prospective candidates from Africa to suitable ports.

Finally, the meeting expressed its thanks to Tanzania Port Authority for its outstanding organisation of the conference.

on the second day, including an update on the WPCI from IAPH managing director, Europe Office, Fer van de Laar (see p34). Harry Barnes-Dabban, co-ordinator of Ports Environmental Network Africa, considered the environmental challenges facing African ports, calling for an African Environment Co-operative Mechanism that "seeks to encourage African ports to pursue an effective environmental agenda".

Security was also considered with a presentation from IMO on regulations in Eastern and Southern Africa. Its regional co-ordinator, John Muindi, explained the benefits of the Integrated Technical Co-operation Programme (ITCP), that has the "sole purpose of assisting countries in building up their human and institutional capacities for uniform and effective compliance with the organisation's regulatory framework".

An overview on the US Coastguard's security strategy was presented by LCDR Keith Donohue, who explained that trading partners should be helped to exceed the minimum standards set out in the ISPS Code.

On the third day, delegates saw the wild side of Tanzania with a trip to Ngorongoro national park. **RH**

More info: www.iaphworldports.org/2010_Arusha/Arusha-2010.html

Dates for your diary

A selection of forthcoming maritime courses and conferences

March

- 15–17** TOC Asia 2011 – Tianjin, China
www.tocevents-asia.com
- 21–22** AAPA Spring Conference – Washington, DC, USA
www.aapa-ports.org
- 28–30** World Ports & Trade Summit – Abu Dhabi, UAE
www.WorldPortsAndTrade.com
- 30–31** 5th Indian Ocean Ports and Logistics 2011
– Antananarivo, Madagascar
www.transportevents.com

April

- 10–12** International Conference on Maritime Transport and Logistics – Alexandria, Egypt
www.marlog-aast.org
- 10–15** Singapore Maritime Week – Singapore
www.smmw.sg
- 12–13** Port & Terminal Technology – Houston, USA
www.millenniumconferences.com
- 12–14** Sea Asia – Singapore
www.sea-asia.com
- 13–15** Ports and Hubs International – Faliron Bay Complex, Greece
www.portsandhubs.com
- 26–29** TransRussia – Moscow, Russia
www.transrussia.ru/eng

May

- 2–13** IT & EDI in Port Business – Antwerp, Belgium
www.portofantwerp.com/apec/
- 5–6** ESPO 2011 Conference – Limassol, Cyprus
www.espo.be
- 23–27** The 27th IAPH World Ports Conference – Busan, Korea
www.iaph2011.kr

New membership directory published

The 2011 edition of the *IAPH Membership Directory* has been published and was sent to members in early February. The IAPH Secretariat in Tokyo has passed on its thanks to all members who helped to keep the contents up to date. It is also grateful to the sponsors who supported the publication by placing advertisements. The directory is available exclusively to members as a benefit of their IAPH membership and is not on sale to non-members. For additional copies or any other enquires, please contact the IAPH secretariat at directory@iaphworldports.org.

Change in chairmanship

Yoseph Bassan, vice-president of Logistics & Engineering, Ashdod Port Company, Israel, was appointed chairman of the IAPH Committee on Port Operations and Logistics by President Gichiri Nduka on 11 January.

He succeeds Xavier Gesé, deputy director, Pricing & Space Planning Policy, Puertos del Estado, Spain, who had expressed his intention to step down as chair.

Since 2007, Gesé demonstrated

his leadership in chairing the committee. During this time, he enthusiastically addressed a number of challenging issues such as shortsea shipping and container terminal productivity, alongside Bassan who was then vice-chair.

In 2009, the committee published a report on Logistics and Intermodality Case Studies which is available to members on the IAPH website.

At the secretariat

The IAPH Secretariat welcomed JAAJ Fransen, managing director of the Rotterdam-based Green Award Foundation, an associate member of IAPH, on 24 December. The Secretariat was also pleased to receive two delegates from Korea Container Terminal Authority (KCTA) – a regular member of IAPH – on 25 January. While in Japan, the delegation visited IAPH to promote its work.

More info: www.greenaward.org and www.kca.or.kr

Membership notes

The IAPH Secretariat is pleased to announce that the following members joined the association

Regular member

Port of Melbourne Corporation

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E-mail: stephen.bradford@portofmelbourne.com
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Representative: Stephen Bradford, chief executive officer

Associate member

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Fax: +81-3-5288-6625
E-mail: ikuko.nakae@tokiorisk.co.jp
Website: www.tokiorisk.co.jp
Representative: Ken Kamikochi
Nature of Business Activities: Risk consulting



IAPH BUSAN 2011

EMBRACING OUR FUTURE - EXPANDING OUR SCOPE



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Monday **23 May** - Friday **27 May**, 2011
The 27th IAPH World Ports Conference BEXCO, **BUSAN**, KOREA



Hosted by Busan Port Authority

Contact Information

IAPH 2011 Secretariat
LEE Convention

Phone: 82 51 711 0041~5 E-mail: iaph@iaph2011.kr
Homepage: www.IAPH2011.kr

※ On-line registration is in progress through conference website.



Photo: Sydney Ports

Keeping Australia safe

Sydney Ports' **Shane Hobday**, chairman of IAPH's Port Safety and Security Committee, describes recent measures to tighten security at Australia's ports

“Ports need to maintain active involvement in maritime security initiatives, as it is our reputation and business that are at stake”

Australia, in common with a number of other countries, introduced a national Maritime Security Identification Card (MSIC) for maritime security zones as part of the enhanced maritime security arrangements after 11 September 2001. It applies to all areas where there is a ship/shore interface. Anyone needing to enter an Australian maritime security zone unaccompanied must hold and display a current MSIC, including port workers, truck drivers and contractors.

Introduced on 1 January 2007, the MSIC was initially distributed to eligible persons for a five-year period. To qualify for the card, the holder must be confirmed as an Australian citizen or hold an appropriate working visa. They must also undergo a criminal history check, which is co-ordinated by Auscheck, a government agency that uses the resources of the immigration, policing and security intelligence agencies. The offences that could disqualify an MSIC applicant are high-level criminal acts linked to terrorist activities, such as bomb threats, hijack and kidnapping.

On 1 December 2010, the government introduced further measures that are designed to strengthen the MSIC scheme. Additional activities were added to the list of maritime security disqualifying offences. The validity of the MSIC was reduced from five

to four years, and an additional background check will be conducted automatically after two years. The Australian government's Office of Transport Security routinely audits port facilities to monitor and enforce compliance with MSIC requirements.

It is important to note that the holder of an MSIC does not have an automatic right of access to a maritime security zone. The person must have a legitimate business need to be there, although many of the base cards in use can be separately encoded for automated access control systems.

The government continues to review the potential to include further disqualifying offences to assist in combating serious and organised crime in the port and maritime sector.

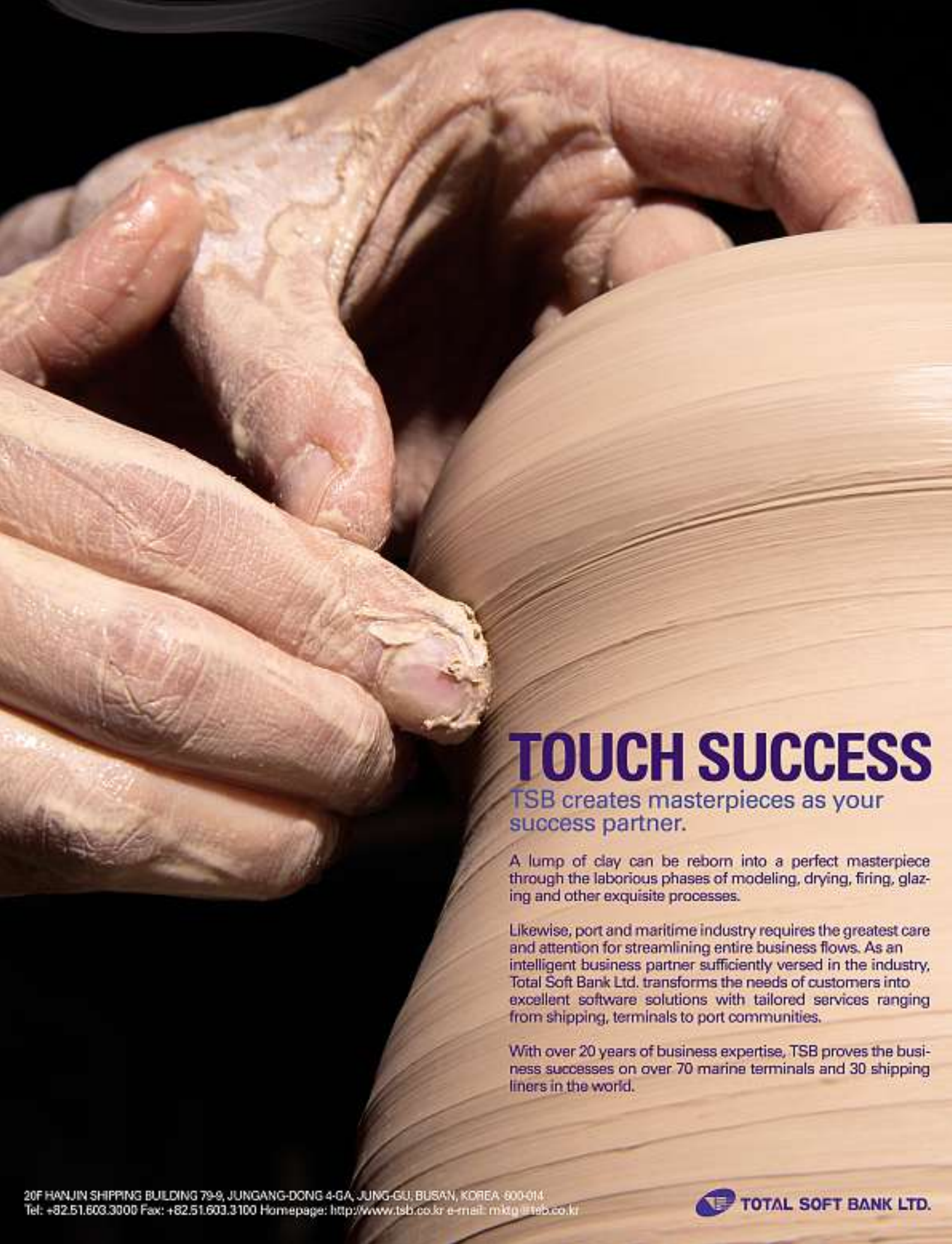
Australian government agencies on the one hand, and state and private port operators on the other, have engaged in constructive consultation regarding the changes that have been introduced.

Ports need to maintain active involvement in maritime security initiatives such as MSIC, as they have implications for port security, operations and existing employee arrangements. Ultimately, it is our reputation and business that are at stake.

I wish all members of IAPH a safe and prosperous 2011. **RH**

IAPH Busan 2011

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