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A portrait of Kelly Craighead, president of the Cruise Lines International Association. She is a middle-aged woman with blonde hair, wearing a dark blue blazer and a gold necklace. She is standing with her arms crossed against a blurred background.

Return of the vanguard

Kelly Craighead, president of the Cruise Lines International Association, discusses the road to recovery for her industry

Official membership journal of
IAPH
International Association
of Ports and Harbors

Cracking down on wildlife trade
Every year illegally shipped animals suffer

Trust the technology
Busting myths of autonomous transport

Ever Given fallout for ports
Suez Canal incident serves as a warning

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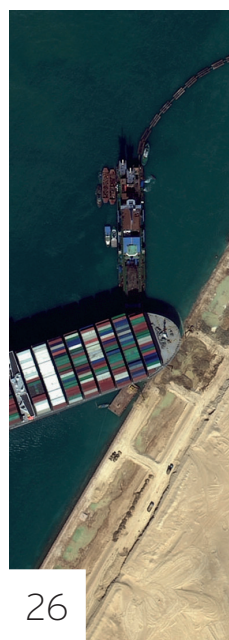
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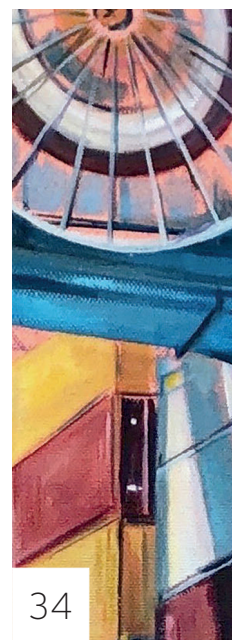
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EDITOR'S COMMENT



INES NASTALI
Editor

Taking center-stage

CONTRIBUTORS



STEPHEN COUSINS
Freelance journalist

My knowledge of illegal wildlife trade was largely confined to ivory trafficking and the effect on rhinoceros and elephant populations. After interviewing experts for my feature, the huge number of other affected species became clear. So did the disproportionate role that China plays in driving demand for obscure medicinal ingredients and culinary delicacies. As key bottlenecks for containers stuffed with illicit products, ports need to be vigilant to detect their presence. ■

Finally, shipping stood in the spotlight. Often complaining about the lack of attention it gets, when the *Ever Given* ship ran aground in the Suez Canal in Egypt in March, the maritime world that is normally hidden away briefly took center stage.

But, just as trade resumed once the ship was refloated, media attention flowed elsewhere and we returned to our usual spot behind the curtains.

This may feel unfair to those of us who wish to continue the conversation and talk about other aspects that we see as important, such as priority vaccination of seafarers, access to crew change, decarbonization efforts and more.

However, I think we should look at the bright side of our resumed invisibility and celebrate the fact that we do our work to maintain the supply chain so well that people can unquestioningly rely upon us to get goods from A to B.

In no form should we assume that this position means we can go about our work unchecked. A new report, titled, *Accelerating Decarbonisation in Shipping: A No Regrets Approach Using Wind Power*, by the UK Institution of Mechanical Engineers warned that shipping could account for as much as 20% of global emissions by 2050 compared with 3% today. What a sad story that would be.

But, were we to make the effort to invest in change via new technologies and improved operations, we might have a very different tale to tell.

For example, the same report pointed out that fitting sails to cargo ships and slow steaming could reduce ship-based greenhouse gas emissions by up to 40% or more – with room to grow as technologies improve. What a headline that would be.

While shipping may never be the star of the media production that is plastered on posters and brings in the audience, there is no reason that we cannot improve the production value and amaze those watching the show with our special effects.

Consequently, we must not surrender to — but rather embrace — our behind-the-scenes position so that when we have the world's attention, we do not provide a target.

Because unless we educate the media on what we do, we risk being scape-goated. While no pollution was registered following the grounding of the *Ever Given*, the EU's Sentinel-5P satellite, which monitors global air pollution, registered a spike of sulfur emissions north of the Suez Canal, where over 300 ships idled during the blockage. The claim, based on shipping's use of sulfur-heavy fuel, was publicized that the backlog led to the buildup. However, space company Airbus later conceded that the Italian volcano Etna was the culprit.

Speaking of improving environmental credentials, if you receive *P&H* as a single copy to your house or office, you might have noticed that it came in a different packaging this time. While biodegradable plastic is hailed as solution to global plastic use, it either breaks down in the mailing warehouse before being used or not at all in landfills due to the lack of suitable microbes.

This edition was therefore delivered in a paper envelope made from 30% recycled material. We hope it proves just as reliable as the maritime industry. ■

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SHIRISH NADKARNI
Freelance journalist

In a very short time, the listed Adani Group has been able to overtake every other Indian ports operator, and go to the top of the pile. Its flagship port, Mundra, has overtaken state-run Jawaharlal Nehru Port to become India's largest container port. It was fascinating to meet the company's president for business development activities, and former CEO, ex-mariner captain Sandeep Mehta, and hear how the 25-year-young group has achieved so much in such little time. ■



VLADISLAV VOROTNIKOV
Freelance journalist

Expanding trade with Asia Pacific prompts the Russian government to develop the Far Eastern sea ports. Strong growth in trade flow in the Far Eastern basin in the past decade holds out brighter prospects for the future. Nevertheless, geopolitics and the global struggle for a better climate could put the upcoming capacity expansion projects into question. ■



IN CONVERSATION WITH KELLY CRAIGHEAD

Building back

Kelly Craighead, president and CEO of the Cruise Lines International Association, talked to Patrick Verhoeven, IAPH managing director - Policy and Strategy, about a sustainable restart of the industry in post-pandemic times

INES NASTALI

T

he cruise industry was on a strong growth trajectory for the past few years before cruise ships became the epitome of viral transmission. In early 2020, with limited knowledge about the novel coronavirus, a number of COVID-19 cases were traced back to stays on the floating hotels.

Before the pandemic, the industry had already earned a badge of shame standing accused of polluting the air of port cities, now it was made responsible for carrying COVID-19 into the world. Ports refused to let ships with cases on board call, and crews were not allowed to disembark to fly home, which left the industry faced repatriating nearly 100,000 crew hailing from 100 countries.

Although the industry voluntarily suspended operations, its image took a dip and leaders initiated damage control.

A whole season was canceled and, to the outside world, not much else was seen of the cruise industry in the year that followed, with travel coming to a halt.

By July 2020, over 70% of the global cruise fleet that is larger than 10,000 gross tons was moored, compared with just over 20% in July 2019 – the annual average – according to IHS Markit data. At the same time, 95 vessels were on order to be delivered over the next 10 years, which equates to an astounding 43% of the then active fleet.

Later, cruise companies announced they sold part of their fleet, retired ships early, and delayed deliveries to cope with the financial loss.



This trickled down the whole supply chain, leaving specialist shipyards such as Germany's Meyer Werft with potential job cuts in the hundreds.

All this, however, took place more or less behind the scenes. There, the cruise industry was busy. Protocols and comprehensive public health measures were discussed and drawn up to prepare for a safe restart of the industry.

Fighting for the industry

Leading those efforts together with the cruise operators is the Cruise Lines International Association (CLIA) and its president and CEO Kelly Craighead.

Craighead has been in office since early 2019 after a long career in Washington where her last role under the Obama administration was as deputy assistant secretary for Travel and Tourism in the Department of Commerce. She first began her career in public service in the 1990s when she worked as an aide to the Clinton administration.

Alongside her experience as a consultant, Craighead got busy in 2020 when she stepped up to coordinate the counter efforts for COVID-19 with numerous stakeholders.

"A lot of work was done around plans on the ship," Craighead, who will also speak at the IAPH World Ports Conference in June, told *P&H* in a conversation with IAPH managing director - Policy and Strategy Patrick Verhoeven. Those plans included "arrangements with testing and health assessments on board to resume cruises," she added. The second focus for the cruise lines then was to "bridge public health and the economy and balance the possibility to go back to work," Craighead said.

For this step to work, the CLIA head said it is important that there are matching protocols in place for all partners and platforms to share. In addition to working with health authorities and governments, Craighead sees ports as a key partner for this. "You can't have cruising without ports," she said, adding that, "There is nothing more critical than this relationship with ports."

Now with stringent testing protocols in place, the president is "most excited about the experiences we have now". She is referring to the first successful cruise journeys in Singapore and Europe that returned with fewer than 50 COVID-19 cases, which were all caught, showing that the protocols are working. "There is concern but also optimism," she said.

Pictured: Port of Miami, Florida Row of cruise ships docked, non-essential business due to COVID-19.

Credit: Jeffrey Greenberg/Getty Images

"A lot of lessons learnt have been adopted for how we work from the sailings we have seen successful," she said.

On all fronts

While those trial tours in Singapore and Europe have been allowed to go ahead, proof of what hard work goes into bringing everyone on the same page is the industry's situation in the US. CLIA is lobbying hard in Craighead's native to allow cruising to come back.

In early April, the Center for Disease Control and Prevention (CDC) added additional requirements for the cruise industry, such as daily reporting of COVID-19 cases, when it announced the second phase of its path out of the current cruise travel ban. While this new guidance also presented the prospect of trial voyages with personnel in the next — undated — phase, CLIA voiced disappointment as hopes to restart tours in July fade. "Nearly 400,000 passengers have already sailed from Europe and parts of Asia since last summer, following stringent, science-based protocols that resulted in a far lower incident rate than on land. The irony is that today an American can fly to any number of destinations to take a cruise, but cannot board a ship in the US," CLIA said.

"This deprives US workers from participating in the economic recovery and does not recognize the public health advances that have been made over many months, including the ability to effectively mitigate risk on cruise ships. With no discernable path forward or timeframe for resumption in the US, more sailings originating in the Caribbean and elsewhere are likely to be announced, effectively shutting out American ports, closing thousands of American small businesses, and pushing an entire industry offshore," it warned.

Later in the month, and after operator Carnival Cruise Line threatened to move ships out of US waters, the CDC changed one of the conditional sailing order's requirements. Instead of waiting 12 hours to process another ship to allow for social distancing, the ships can now embark "to the extent practicable".



According to IHS Markit analysis, the US is a key market for the industry's recovery. "Long-term, incremental growth is expected to be coming mostly from emerging markets, namely China. The US and Western and North European markets still remain a major source of demand for the cruise market industry, with the US being by far the largest."

Overcoming issues

On a more agreeable note, the CLIA president welcomes the role ports have taken as part of these trials. "There is innovation happening at the port level, for example the approach to space management for social distancing, or the ability for contactless processing of passengers, ports have taken a leadership role," she said.

Words that are music to Verhoeven's ears. "The crisis is driving innovation forward," he said, admitting that, "We weren't among the front runners in terms of digitalization to put it mildly, but the cruise industry on the other hand has always been the vanguard." A position Verhoeven attributes to the added pressure of having to satisfy passengers's expectations

During the pandemic, Verhoeven agreed that regional cruise associations were brought together, with the IAPH "offering the platform to share plans on how to restart".

At the same time, he reminds readers that "issues have not gone away," speaking about overtourism that some cruise destinations and their population have started to complain about as well as question how sustainable cruising actually is. "Getting that right in addition will be the biggest challenge," he said.

"We haven't taken our eyes off our role of environmental stewardship," Craighead assured. Having to deal with a wider group of authorities now, the forced and gradual return to business as usual comes in handy to put communication channels in place on how to work with this new dynamic team.

At the same time, Craighead explained, "The pandemic has also shown that travel and tourism is critical to local communities and regions." Verhoeven agreed, "The impact of the industry is clear now that it's not there — imagine the cargo business had the same impact — but we need to get rid of the bad reputation."

"The pride point of the industry is our innovation, using LNG as a fuel or onshore charging, and I look forward to reshape the image toward this," Craighead replied. "We can be nimble, and we can be meaningful for the community."

"The cruise industry has always been the vanguard"

PATRICK VERHOEVEN
MD Policy + Strategy
IAPH

She also thinks that for this next step, there will again be an important part to play for ports as this new dynamic frontier is developing. "It will be interesting to see the interconnectedness of the tourism industry," she said.

A new cruise industry

While there are clear indicators that future business will indeed be busy, the form and shape of a cruise holiday might change. The CLIA head is convinced that

the industry can, for example, cater to potentially more boutique or domestic tours. "There is an interest and high demand, and we have so many different products available and we take pride in that there are," she said.

The focus will therefore lie on "maximizing the personal experience and connect people with places," Craighead said, as she explained the approach needed to bring about that transformation.

For Verhoeven, it is important to bring back travel in itself and raise awareness of the expectations that the local population has in terms of sustainability. "We can do better in the cruise industry," he reiterated while also acknowledging the responsibility of the ports.

Before any passenger can board a cruise ship, they will have gone through health assessments with airlines and other travel operators based on local government guidelines. "We, the ports and terminals, together with the authorities do the checks," Verhoeven said.

These checks also include potential vaccine passports. "That is one thing that is controversial, and you also enter a legal discussion here," he said. "I think vaccine passports will come as a short-term measure, and that is already part of the protocol," he added.

Leaving protocols and official instructions aside, he also looks to the people. He asked himself, "What will this do to our society? And will we need vaccinations from now on forever?"

Craighead agreed. "You're so right. Also, in terms of future pandemics. We therefore watch the societal debates, look to governments, and we will be compliant with whatever is needed," she concluded.

Turning the effects of the COVID-19 pandemic, such as the forced hiatus of the global travel industry, into an opportunity, Verhoeven hopes to do away with overtourism and instead use this chance to reset future travel experience with the cruise industry once again, having the chance to become the vanguard of the maritime sector. ■



PERSPECTIVE BUSINESS INNOVATION

Embracing the unknown

A PM Terminals Japan is strategically located in Minami Honmoku, Yokohama, at the entrance of Tokyo Bay. Geographically, it has the advantage of being the first and last port for westbound and eastbound traffic, respectively, on the trans-Pacific trade lane.

We have been operational since 2001 on two berths and an expansion to include another two berths has been in place since April this year, so it is fair to say that our capacity has expanded and doubled in celebrating our 20th anniversary.

This year, I am also celebrating my own personal anniversary of working in the maritime industry: prior to joining APM Terminals, I spent two decades with NYK Line, and was assigned to different departments related to shipping and port.

Every position has been a unique learning experience helping me grow and led me to where I am today.

In February this year, I was appointed as the first female CEO of a Japanese port,

and I feel like a new journey to embrace unknown challenges has just begun.

At the top of the list, especially given the doubled capacity and our status as an independent terminal operator, we need to secure more cargo other than our base cargo, which has been largely contributed by our sister company Maersk.

Positioned for growth

In addition to being geographically well-placed, we are also aided by our facilities in increasing our business.

For example, we are the only terminal in Tokyo Bay that can accommodate 20,000 TEU container ships, and the terminal has been consistently named as the world's most productive container terminal.

“In February, I was appointed as the first female CEO of a Japanese port, and I feel like a new journey to embrace unknown challenges has just begun”

SAKURA KUMA

Furthermore, in terms of land access, APM Terminals Yokohama offers the best expressway connection directly from the port. The Metropolitan Inter-City now connects the Tomei and Tohoku expressways through the Chuo and Kanetsu expressways, thus enabling easier road access to areas such as the Kanto-Koshinetsu region.

Additionally, the Yokohama Ring expressway has been improved to expand the import-export

logistics network based at Yokohama and Kawasaki ports.

By utilizing the adjacent land properly, our terminal could again expand and double its capacity in the future.



ABOUT THE AUTHOR

SAKURA KUMA is the managing director of APM Terminals in Japan. Prior, she worked for NYK Line, where she held various leadership roles from marketing to management. She is a former member of the IAPH Clean Marine Fuels working group and will speak at the association's World Ports Conference in June.

However, the road map toward that future we need to figure out as well. Meanwhile, we have to solve local challenges. Regional legislation, local hinterland limitations, unique port-city relationships, and country-specific worker dynamics are just a few of the anomalies that play into a business that fundamentally depends on international relations to bring in revenue.

Same but different

Shipping is international, but ports - their regulation and laws - are all local, and partners are all local. There are no two similar port businesses around the globe.

However, ports also have common grounds in the challenges they face: environmental initiatives, safety awareness, or even the responses to the COVID-19 pandemic. In that sense, we are no different than others.

Speaking of common challenges, it is only fair to mention diversity and inclusion, which has been a long overdue mission of our industry, and yet to be accomplished. So, I am really proud to introduce our recent initiative - Maersk Group: the world tour of rainbow containers.

Planning for this goes back to July 2020, when two fully functional Maersk containers were skillfully painted with a rainbow to join Maersk's fleet and serve as a symbol of inclusion and diversity.

Pictured above: The Maersk rainbow containers in Yokohama, Japan

Pictured below: Sakura Kuma (right) and staff at APM Terminals Yokohama

On 11 March 2021, they embarked on their world tour - set to end in Denmark for Copenhagen Pride in August 2021 - stopping at several locations across Asia and Europe on their way. The first part of the journey for the 40- and 20-foot rainbow boxes was aboard *Maersk Edmonton* from APM Terminals Pier 400 in Los Angeles to APM Terminals Yokohama in Japan, where they arrived on 22 March. We discharged the containers and wrote



messages on the inside walls together with colleagues from the Maersk side of the business. For me, this initiative exemplifies that what we deliver is not only cargo, but also a commitment for a better future, where diversity and inclusion is something completely natural.

Change is to come

Lately, I am often asked to advise women entering the logistics industry, a typically male-dominated sector. Here are my thoughts: do what you want to do and keep doing it. Before you even concern yourself about whether the sector is male-dominated or not, give the industry you are about to enter a personal meaning and motivation, no matter if it is logistics or a different industry. If it is logistics, make sure it is your passion. Almost all industries are male-dominated. It will be just one of the obstacles. Do not mind it too much because we are going to change it, together.

The more I look back on my own career path and the ones of many other women that I know, the more determined and resolute I become that I need to hold the torch for the future generations.

My most meaningful success would be helping others do what they want to do, and eventually build up their careers.

I truly believe that the brighter future resides somewhere over the rainbow. ■



Making a stand

Ports are key gateways for illegal wildlife trade, which has decimated animal and plant populations worldwide, but with greater reliance on digitization, capacity building, and cross-sector collaboration, they can help stamp it out for good

STEPHEN COUSINS

T

he COVID-19 pandemic severely disrupted or halted many marine transport and trade routes but hopes that this would also damage activities related to illegal wildlife trade (IWT) were largely misplaced.

As populations worldwide adapted to home-working, so too did criminals, turning to online platforms to sell their contraband in pursuit of profit, despite the risk of increased exposure.

According to the latest report by the Environmental Investigation Agency (EIA), wildlife traffickers may have increased customer bases and sales throughout 2020, highlighting the need for extra vigilance and security in ports and across wider shipping supply chains to prevent wildlife crime from escalating further.

Many ports function as key exit points for IWT cargoes, particularly on the continent of Africa where products such as ivory, pangolin scales, and protected timber are shipped by criminals to markets in East and Southeast Asia. Other ports in locations such as Hong Kong, Malaysia, and Vietnam act as transit points where containers with illicit cargoes are able to slip through undetected.

Corrupt port officials, inadequate staffing and technology resources on the ground, and issues around insufficient or delayed transport documentation have allowed IWT to flourish. However, with more proactive action and collaboration with actors across the shipping sector and beyond, it may be possible to end to this widespread unethical practice.

Monica Zavagli, program manager for transport sector engagement at wildlife trade NGO TRAFFIC told *PEH*, “We started out targeting airlines, but for the past two and a half years we have focused more on seaports

Guidance helps ports to also stamp out drug trafficking

The International Chamber of Shipping (ICS) not only supports the United for Wildlife's Transport Taskforce, about which Stuart Neil, communications director, International Chamber of Shipping spoke to *P&H*: "ICS ensures that United for Wildlife's Transport Taskforce information about high-risk routes and other updates are shared with the industry through our member organisations so that action can be taken to tackle this important issue. Shipowners have a collective responsibility to do their part in the fight against illegal wildlife trade."

To combat other illegal trade, such as drug trafficking, the ICS has revised its guidance to help the maritime sector meet its collective responsibility to combat escalating activity.

Criminal gangs increasingly exploit shipping as a vector for illicit drugs, nearly 90% of all cocaine, 45% of all cannabis, and 30% of all amphetamine-type stimulants, seized globally between January 2017 and April 2020, were trafficked by sea, according to the UN Office on Drugs and Crime.

The sixth edition of *Drug Trafficking and Drug Abuse On Board Ship*, published by Witherbys, explores all aspects of protection in port facilities, and areas of cooperation between ports and ships that can help prevent drug trafficking from taking place.

The publication takes into account the impact and implications of the COVID-19 pandemic, which has an ongoing effect on drug trafficking and drug abuse, owing to changing management of national borders and established behaviors.

Readers can find detailed information on, among other things, key global trafficking routes; ports and places commonly targeted by drug traffickers; high-profile drug seizures; risk management and security strategy; port facility security procedures; training and education; and how to respond to unusual activity at sea, in port, or involving passengers or crew. ■

because they are clearly lagging behind. The kind of illicit trade we see is fueled by organized criminal networks, not just individual passengers or tourists, we're talking huge operations, consolidation, collusion with customs officers, or other actors in the supply chain."

Criminal networks

IWT is a major form of transnational organized crime that generates between \$7 billion and \$23 billion annual income for criminal syndicates. It threatens biodiversity, fuels corruption, and at a time when COVID-19 has the world in its grip, endangers public health by bringing animals into close contact with people, encouraging the spread of disease.

A total of 7,903 seizures of Asian big cats, elephants, pangolins, and rhinoceros worldwide were recorded by the EIA up to the end of January 2021. Pangolins are thought to be the world's most trafficked mammal with more than a million poached over the past decade to meet growing demand for their meat, skin, and scales. An average of three rhinoceros are killed per day in South Africa owing to high demand for ivory, used primarily in traditional medicines.

Traffickers often exploit vulnerabilities in legitimate transport, logistics services, and trade routes to move their illicit wares. Nigerian ports emerged as the primary exit point for illegal wildlife in 2015, when they were implicated in the seizures of more than 30 tonnes of ivory and 167 tonnes of pangolin scales.

There has been an escalation in shipments from ports in Western Central Africa in recent years, where cargoes are shipped through Singapore ports, Hong Kong, or Thailand as key transit points to markets in Vietnam and mainland China. Mombasa Port, East Africa's largest seaport, is particularly vulnerable owing to its strategic location, almost 55 tonnes of ivory were intercepted there between 2002 and 2017. Although illegal trade flows are predominantly headed east, traffickers frequently switch routes and seek other entry points, making European and US ports vulnerable too.

Andrew McVey, East Africa Wildlife Crime technical adviser at the World Wildlife Fund (WWF) told *P&H*: "We are essentially in an arms race, people are adapting, they ship things a different route to see if they can get it round, they'll try different methods of concealment. You're constantly playing catch-up, which is why it is so important to consider things across the whole system, rather than just at individual sites."

Containerized cargo is a common form of transport for IWT commodities owing to the high volumes involved and the reduced risk of interception and arrest.

Fiercer response

The scourge of wildlife crime has been clamped down on by many governments that have amended laws, escalated seizures, and increased fines in recent years. However, because IWT is carried out by networks that operate across borders, international collaboration is essential between enforcement agencies, prosecutors, inter-governmental bodies, and stakeholders across the transport sector.





Pictured: Seized elephant ivory

Photo: Getty Images/Stockbyte

Leading organizations in the maritime world, including the IMO, the International Chamber of Shipping, Hutchison Ports, and DP World are among signatories to the United for Wildlife (UfW) Transport Taskforce Buckingham Declaration, a landmark agreement set up in 2016 to remove vulnerabilities in transportation and customs that can lead to IWT. The taskforce has pledged to 11 commitments designed to raise standards to prevent traffickers from exploiting weaknesses, focused on information sharing, staff training, technological improvements, and resource sharing across companies and organizations. The program was bolstered, in 2018, with the formation of a financial taskforce to address the role of financial institutions in the fight against IWT.

Poor enforcement capacity, security, and corruption can make ports a weak point in the fight against wildlife trafficking. Corruption is rife in many African countries where law enforcement and customs officers may accept bribes or turn a blind eye to illegal activities.

Greater investment in technology, such as CCTV and x-ray container scanners, can improve detection, electronic seals on containers can log efforts to interfere with cargoes. However, scanners are traditionally only used on imports, not exports, and are impractical to apply to 100% of cargo.

"Automation and digitalization are the way to go to really raise the capacity of local enforcement officers

and increase the integrity of the supply chain to reduce corruption," said Zavagli. "Documentation, from the bill of lading to invoices et cetera, can be a mine of information."

Automated cargo-risk profiling, using data from transport documentation to identify red flags that indicate the need for more targeted scanning and inspections, is a highly effective and proven methodology that TRAFFIC believes more ports should adopt. However, the switch to digital processes will be a challenge for ports that still rely heavily on paper documentation.

A recent survey by the IAPH found that just one-third of ports operate digital trade data systems in line with the IMO's FAL Convention.

Better intelligence on cargoes requires engagement with private sector operators that interface with ports, including shippers, freight forwarders, shipping lines, and customs authorities. Furthermore, accurate details of what cargo is on route to a port can improve local decision making, but all too often the bill of lading arrives with the container, leaving little time to consider IWT risks.

Despite heavy penalties meted out when illegal cargoes are seized, such as confiscation of ships or loss of business and reputation, many shippers and clearing agents still fail to carry out due diligence on customers, allowing traffickers to continue to operate.

Wiser workforce

Knowledge of issues and relevant standards related to wildlife trafficking is generally low across the maritime sector, particularly in small private sector companies, so efforts to raise awareness are critical.

Exports are often viewed as low priority compared with imports and revenue collection, so containers with illicit cargo slip under the radar. Port personnel do not always know what to look for, what permits and certifications are required, such as CITES permits, or who to report suspicious cargo to.

According to McVey, securing prosecutions in the Port of Mombasa, where WWF is active, remains a challenge, partly because personnel are often unclear on the correct processes required when inspecting suspicious containers, which should be treated as a crime scene to ensure there is no contamination.

Ports that introduce continued awareness-raising and employee capacity-building can improve personnel's response to IWT. TRAFFIC and WWF have run their own awareness-building campaigns through recent workshops carried out in Mombasa, Dar es Salaam in Tanzania, and Bangkok in Thailand, where port representatives were invited to share their experiences of IWT and learn techniques to tackle it.

A strong awareness of the local sociopolitical context and attitudes are key to instigating positive change. "NGOs have been criticized by governments in the past for coming in, pointing out their failings, then moving on. We have to remember that a lot of these countries don't have the resources or the capacity to be able to challenge IWT so we need to support them in a very holistic way to address this," said McVey. Mutual efforts to build a constructive dialogue will be integral to ending this hugely destructive practice. ■



Sandeep Mehta

Captain Sandeep Mehta, business development president at Adani Ports and Special Economic Zone, shares personal insights from 18 years of working for the Indian port major

SHIRISH NADKARNI

Just over two years ago, the World Shipping Council had ranked Mundra port as the 34th biggest container port in the world with volumes of 4.44 million TEU, five spots behind India's largest container port, the state-run Jawaharlal Nehru Port Trust (JNPT), which had achieved box throughput of 5.05 million TEU in 2018.

However, in the first quarter of the ongoing financial year (April–June 2020), JNPT was rudely dislodged from its lofty pedestal as the leading container gateway in the Indian market. During this period, Mundra port on the Gujarat coast handled 970,940 TEU, comfortably ahead of JNPT's tally of 847,844 TEU.

Although Mundra's container traffic dropped 18% compared with the 1.18 million TEU recorded in the first quarter of financial year 2019/20, JNPT was impacted far more severely, with container volumes falling 35%. Mundra's dominance over JNPT in the residual half of 2020 has continued; and the state-owned port appears resigned to yield its number one position to the private maritime gateway.

"We have been higher than JNPT over the past three quarters, and every month, we are also doing a fair amount of transshipment business," said Captain Sandeep Mehta, business development president at Adani Ports and Special Economic Zone (SEZ). "We are beating our own records every month!" Mehta told *PEH*. Following the acquisition of Gangavaram port near Visakhapatnam on the country's east coast, Adani Ports has six ports on the east coast and six on the west coast. Mundra is the flagship port of the group.

Growing through the ranks

For Mehta, who joined the Adani Group in 2003 as president and CEO of Mundra Port and SEZ, Mundra's growth and evolution from a minor port into India's largest private port in various businesses, including container terminals, bulk, liquid, and automobile logistics is therefore also a personal growth indicator. Having embarked upon his career as an

18-year-old seafarer, Mehta progressed rapidly through the ranks to assume command of ships that were among the largest in the merchant carrier fleet. A dozen years of sailing, fruitful though they were, convinced Mehta that a shore job would be more in tune with his career aspirations, and he proceeded to handle a number of senior positions in the container shipping industry, including a decade at P&O Nedlloyd before leaping onto the Adani bandwagon. "It was not so much our priority to compete with other port operators. Our aim, instead, was to build the best infrastructure, the best connectivity, provide the best customer service, and use the latest and best technology," Mehta said. He added, "These have always been the ingredients in all the ports where we have gone, and I would say we have been lucky to have a very cohesive team in each of the ports."

Mehta held the central responsibility of development of container terminals, private rail operations, container freight stations, and inland container depots, as well as grain storage facilities for Adani in India.

Subsequently, he took up the position of CEO for Adani Ports in Australia, where he was part of the core management team tasked to execute the group's integrated mine, rail, and port development projects, including port expansions. Back in India, he was responsible of handling business development activities for Adani Ports.

All in

There is considerable pride in Mehta's voice when he asserts that every visit to Mundra gives him joy, as the port has been his baby from the outset. "I feel very proud when I now go to Mundra and see how it has shaped up over the years, and how things we envisioned have come up,"

he said. "We have always concentrated on efficiency, productivity, and customer satisfaction," he said. "Even during the worst days of the COVID-19 pandemic, our ports had no stoppages. Our teams worked round the clock, 24/7, 365 days. The head office provided all the protocols to ensure that our people were well protected — social distancing, wearing masks, ensuring health and sanitation." He added, "This was not only for the port workers, but also for all the truckers who were coming into our ports. We provided them with all facilities to ensure that they would be safe — for temporary rest, food packages, or health and hygiene kits. For visiting ships, we were careful and responsible about arranging seamless crew changes."

Mehta expresses considerable satisfaction that the authorities have been working on contactless e-invoicing. He is deeply appreciative of the customs department's move toward paperless transactions. "It was during the worst days of the COVID-19 pandemic that we learnt that all this could be done remotely and safely."

Mehta feels that it is this customer focus that shows the group to be different from other operators. "Our infrastructure is really good, and we are now offering integrated logistics services," he said. "All these things make us what we are."

Mehta underscores that the Adani Group, launched in 1996, is still very young, but that has looked after all its partners,

whether they are private groups such as DP World or public sector giants such as the Indian Oil Corporation. "I think it's a reflection of our ability to take more of an opportunity in whatever we believe is our requirement, and then create a valuable business around it."

It has been quite a ride for Mehta at the Adani Group, and he claims to have enjoyed it thoroughly. "I myself have completed 18 years here," he said. "There have, of course, been ups and downs, but it has been wonderful — learning new things on the job, not being afraid of making a mistake," he said. "It has been outstanding teamwork, and the organization has also been constantly evolving." ■

"It was during the worst days of the COVID-19 pandemic that we learnt that all this could be done remotely"



For several years now, port business models have been changing fundamentally: declining revenue since the fall in oil prices, growing obligations from national governments, and the EU bringing about the energy transition, an accelerating digital transition, and more. The issues are tightly interlinked and we, as ports, need to become developers if we are to address environmental and societal issues, while taking on this new role as catalyst.

The COVID-19 crisis is another example of the importance of ports in diversifying their revenue sources. HAROPA is endeavoring to rebalance port traffic with revenue from our real estate. The most resilient ports are those that can establish a genuine ecosystem, a virtuous industrial fabric that makes them more attractive.

This partly includes the societal responsibility of businesses, which is increasingly prominent: the competitive performance and the economic vitality of our home region are at stake. On the Seine corridor, the sectors linked to logistics and port activities, which generate 36,000 jobs, are changing. It is our responsibility to encourage vocational training: we need new skills and must assist these changes. The same observation can be made on the environmental side: France's ports have set a zero-carbon target for 2050.



HAROPA's target is to be a positive-energy port by 2040. This is a colossal challenge, but it has an economic impact. If a ship is unable to plug in to a quayside power supply, its owner will avoid that port: our customers also have strong undertakings to fulfil. Lastly – and above all – we must develop the attractiveness of port areas for strategic reasons by attracting firms to occupy turnkey plots, create synergies between industrial companies and form economic clusters able to provide jobs, maritime activity, and economic growth.

Why should we combine the pathways to these goals despite their differences? In Le Havre, Siemens Gamesa Renewable Energy, a manufacturing company, is building a plant able to produce wind turbine blades and assemble turbine nacelles. The arrival of this type of business will generate employment, attract new skills, and creates a new industry with a positive carbon impact. The Port of Paris has also recently opened France's biggest (bio) vehicular natural gas service station, which will soon be supplied from a methanization plant, establishing a value chain from collection to recycling.

Besides their societal and environmental responsibility, ports need to rethink their economic strategy today if they want to be increasingly attractive hubs tomorrow. ■



THE DEBATE

Should ports not only be regulators but business and societal entrepreneurs?



ERIK VAN WELLEN | Partner at Maverick Enterprise; consultant and alternative dispute resolution professional



When asked to write the contra position I was far from comfortable to take up that view. As a professional engineer, I adore innovation, and entrepreneurial sentiment flows freely through my veins. However, as an accredited mediator, I know how important it is to shine a light on the other side of a position no matter how unpopular or counter-intuitive that may appear at first.

These days, you will be hard-pressed to find ports or other organizations that do not have the words 'entrepreneurial' and 'innovative' either in some form or even verbatim in their vision, mission, or value statements. The same goes for words such as 'sustainability'. All these words have become so omnipresent that they are at times overused. But what they actually mean and represent – in quantifiable terms – have become less clear.

If stakeholders want to accelerate progress, all will have to be responsible partners in the global arena that we operate in. This means dealing with the evolutions in the expectations of various stakeholders. Parties should be under no illusion that this evolution will always be cheaper. But it may very well be needed.

For instance, the installation of smoke detectors in rental properties. In Norway, there has been a decrease of 2.2 deaths per million

inhabitants in domestic fires since the introduction of smoke detector regulation, which dates back to 1991. Does that mean that all landlords across Europe immediately installed working, well-serviced smoke detectors? Norway's data clearly show the benefit. One that could only be reached by the State of Norway as a responsible super-landlord setting out the course that needed to be taken and regular

lessors in its territory applying it. By passing on this data, it also triggers other nations and regions to do something.

As of January 2021, it is mandatory to install working smoke detectors in all rental properties in Flanders.

These days, being more operationally proactive, innovative in the offerings, sustainable etc. as a port authority is demanded from a good landlord port authority. Thus, the differences – if any – are not that black and white as a for or against.

A good landlord is not against innovation, business stimulation, or societal entrepreneurship; he is a responsible landlord first and foremost. One that acts as a dependable lessor to the tenants in his apartment block, a great host to visitors, keeps an eye on the state of the communal areas, and always watches the horizon for opportunities that allow for further developing the asset. ■



EIGHTY-SIX

Readership results: Should ports not only be landlords but also business and societal entrepreneurs?

86%

14%

MAY/JUNE
BUSINESS INNOVATION

POLL RESULTS

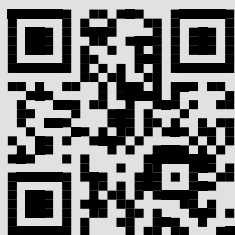
A clear yes from our readers confirming the changing role of ports. About 86% of respondents think that ports authorities should go beyond their traditional role of being landlords and step into the world of private-public partnerships and business innovation.

However, looking at our debate, consultant and marine engineer Eric van Wellen voiced caution over giving up too much control to other stakeholders.

Consequently, change is good but implementing new strategies will come with its own set of challenges, and potentially failures. Learning from them will destine the future role of port authorities. ■

JULY/AUGUST | VESSEL SIZE

THE POLL



Container vessel size multiplied in a decade. With the impact this has on ports and infrastructure, is further vessel size expansion sustainable?

The grounding of the *Ever Given* in the Suez Canal in March has on one side resulted in delays and backlogs in port callings, but it has also served as a reminder of how much container ships have grown. This has sparked a discussion around the size of those ultra large vessels and if they have outgrown the infrastructure of ports but also wider maritime assets such as transit canals. Our data investigation on page 18 illustrates how ports are trying to catch up with those 20,000 TEU vessels as most expansion projects have been initiated as navigation channels and berths are incapable of serving them.

While these projects provide work for the civil and marine engineering industries, they raise concerns in ports: how safe is this expansion when a single incident is capable of bringing world trade to a brief halt? ■

Either scan the above QR code or use the web link below to submit your answer to this month's poll:

bit.ly/IAPHJulyAugPoll

Growing optimism

Ongoing port expansion projects brave the COVID-19 pandemic but new greenfield investments are few and far between

INES NASTALI

Most port expansions under way were commissioned years ago to cater to the anticipated growth of both vessels and global trade.

Projects of this magnitude – with a budget of hundreds of millions of dollars – are planned up to 10 years in advance. It is therefore safe to assume that few will have foreseen a global pandemic such as the one we are in, which would slash the economic growth of numerous countries worldwide.

“Maritime trading volumes took a hit with seaborne trade down by 9.5% and total global trade slowing down significantly in the first half of 2020, which was down 16% against the first half of 2019,” said Alice Gladen, IHS Markit Maritime & Trade subject-matter expert. She added, “Forward-planning with COVID-19 has proved difficult, with new variants, restrictions, and long-term effects proving hard to predict. The IHS Markit Global Trade Atlas forecasts a recovery for the maritime industry in 2021 with seaborne trade registering a 6.9% growth rate from 2020 to 2021.”

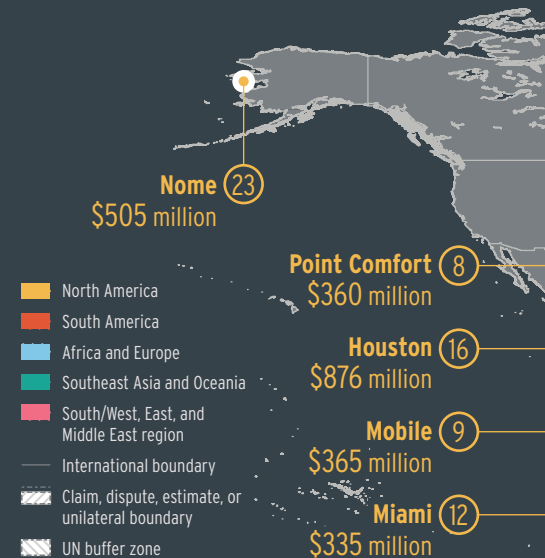
However, using ongoing port expansion projects as some form of indicator, it is obvious that greenfield and new port developments have been scaled back. Among all the port expansion developments, only two projects stand out.

Singapore’s Tuas expansion is slated to start operations in 2021. A potential COVID-19 outbreak at the site could risk delays to the delivery timeline. Former Singaporean transport minister Khaw Boon Wan warned in March 2020, “If the outbreak drags on, it could disrupt the supply of construction equipment and materials. And this could impact the timeline for Tuas port.” He added that “for now, the delay to the project timeline is manageable.”

Brazil’s Porto Central multi-purpose project had to delay its construction owing to COVID-19. Its CEO, José Maria Novaes, told local outlet *Jornal Fato* that “since the beginning of March 2020, negotiations with several international companies and offices interested in operating within the Espírito Santo coast were already under way.”

However, the process was postponed because of the pandemic. As for most businesses, face-to-face meetings

Dredging campaigns in ports valued over \$100 million



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2015

1 Savannah
Dredging start: 2015 finish: 2022

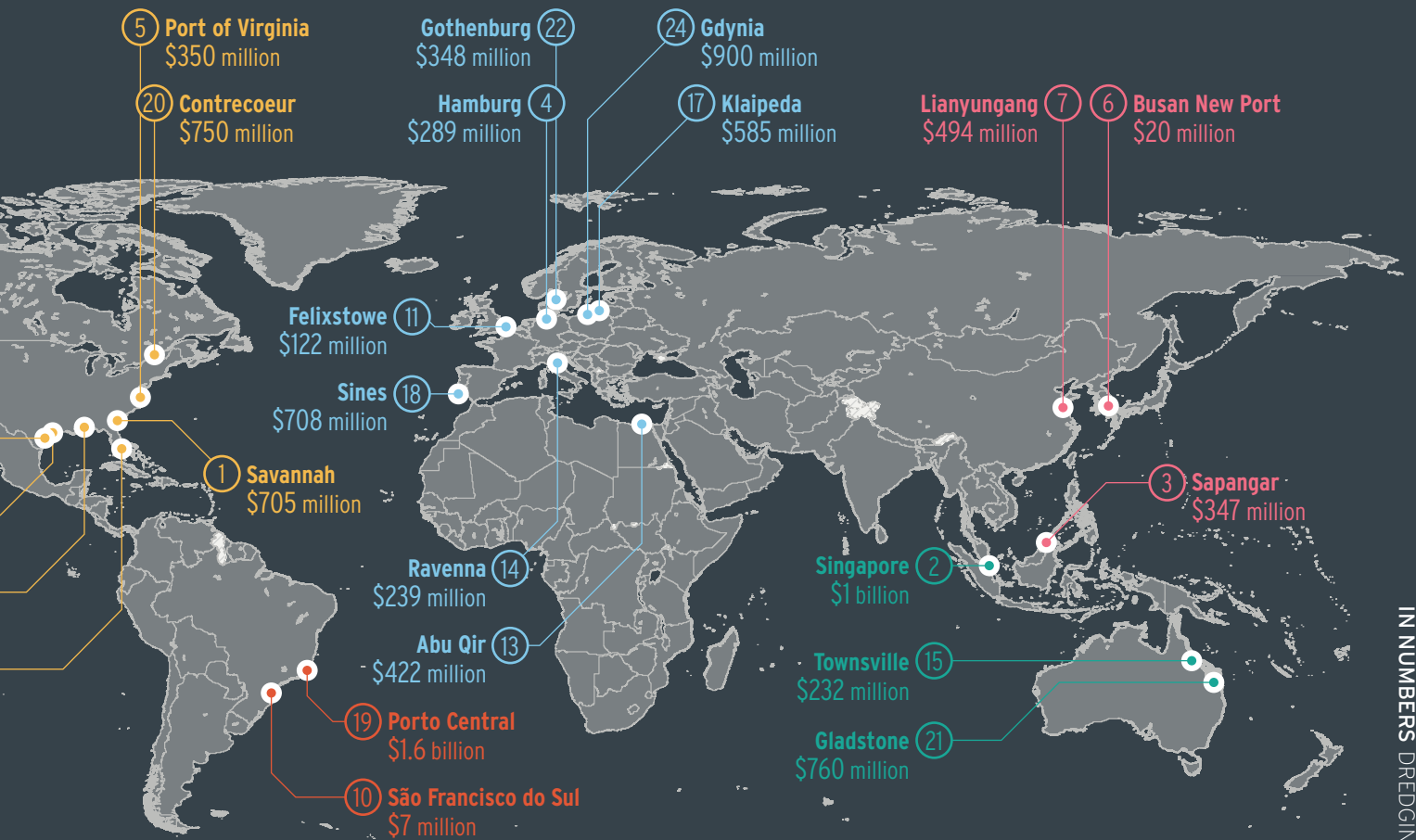
The Savannah Harbor Expansion Project will deepen harbor and shipping channel of the US East Coast’s second-busiest container harbor to 14 m.

8 Point Comfort
Dredging start: 2020 finish: 2023

The project includes deepening of the Matagorda Ship Channel and the construction of a new pipeline as part of a \$1 billion investment by Max Midstream.

9 Mobile
Dredging start: 2020 finish: 2025

At the end of 2020, works to deepen the navigation channel to 15 m to attract deeper draught vessels to the port, especially to the APM Terminals Mobile.



2

SingaporeDredging start: **2018** finish: **2021**

While the Tuas Terminal Phase II is on-going with the construction of 387 ha of land reclamation works, the first phase will see two berths open in 2021.

3

SapangarDredging start: **2018** finish: **2023**

The Sapangar Bay Container Port expansion will increase berth length and container handling capacity to 1.25 million teu.

4

HamburgDredging start: **2019** finish: **2021**

Deepening parts of the Elbe to secure tide independent traffic up to 13.5 m will be finished in 2021.

7

LianyungangDredging start: **2020** finish: **2022**

Dredging work to increase the navigation channel to 24.7 m has commenced in mid-2020 to enable the port to handle vessels of up to 300,000 dwt.

6

Busan New PortDredging start: **2019** finish: **2025**

Two new berths will increase west container pier's capacity by 1.3 million teu.

5

Port of VirginiaDredging start: **2019** finish: **2024**

When dredging shipping channels to 16.7 m is complete, Norfolk harbor will be able to accommodate two ultra-large container vessels simultaneously.

10

São Francisco do SulDredging start: **2021** finish: **2021**

It is planned to deepen the approach channel from 10.5 m to 14 m.

11

FelixstoweDredging start: **2021** finish: **2022**

In December 2020, Harwich and Felixstowe ports issued a tender to get the harbor and navigation channel dredged to 16 m to cater to growing vessel sizes.

12

MiamiDredging start: **2021** finish: **2022**

In September 2020, Miami-Dade County approved financing of a cruise terminal, sending a strong signal to the tourism industry amid COVID-19 pandemic.

have become almost impossible. According to Novaes, the negotiations started remotely, and the understanding is to advance with the necessary steps to start the works this year.

With those uncertain trade forecasts, it is likely that projects that in the planning stage and where tenders have not been awarded, might be shifted back. It is therefore prudent to look to the marine civil engineering industry as an indicator for growth, assuming that if dredgers are busy, trade is growing. During a dredging contract webinar in October 2020, organized by dredging association CEDA, *P&H* editor Ines Nastali talked to Charles Wilsoncroft, partner at consulting agency HKA, about the impact of COVID-19 on future dredging contracts. "The pandemic itself had a bigger effect on onshore than offshore projects. But the bigger effect was the drop in oil price even before COVID-19, which has resulted in big dredging projects mothballed," said Wilsoncroft. This might be an associate reason for fewer greenfield port projects in the pipeline.

Consequently, he fears that, "this will lead to a race to the bottom in terms of risk allocation because the market will become ever more competitive." Employers have to be mature about this. "If they take advantage of that situation with a view to drive down prices and to push more risk toward the contractor, then this might be a short-time gain for the employer but it's reducing sustainability of the sector," he said.

This can lead to contractors not making more investments and a volatility in prices. Consequently, this creates uncertainty over new contracts for big capital projects, and thus the need for powerful and large vessels, which is reflected in the types and number of dredger orders made in 2020. See text box on page 21 for more information. ■

14

Ravenna

Dredging start: **2021** finish: **2023**

This upgrade develops infrastructure to handle vessels of up to 75,000 dwt and container ships of up to 8,000 teu to achieve higher traffic volumes.

13

Abu Qir

Dredging start: **2021** finish: **2023**

This project includes reclamation of 1,000 ha of new land and deepening of the port's approach channel to 23 m, more than 150 million m³ to be dredged.

15

Townsville

Dredging start: **2021** finish: **2023**

Works include capital dredging to widen 14.9 km of sea channels and reclamation of 62 ha of land through beneficial reuse of dredged material.

16

Houston

Dredging start: **2021** finish: **2024**

The Houston Ship Channel Expansion, known as Project 11, will widen and deepen the channel so that two vessels will be able to pass each other.

18

Sines

Dredging start: **2021** finish: **2026**

Planned works include the expansion of Terminal XXI, with the construction of another 204 m of quay and a 1.15 km long quay by the end of 2021.

17

Klaipeda

Dredging start: **2021** finish: **2024**

After the navigation channel will be dredged to 24.7 m, the port will handle vessels of up to 300,000 dwt and have a channel length of 17 km.

19

Porto Central

Dredging start: **2021 (Planned)**
Dredging finish: **TBC**

The port, to be developed into a deepwater port with up to 25 m draft, will be capable of receiving the largest bulk carriers and very large crude carriers.

20

Contrecoeur

Dredging start: **2022** finish: **2024**

Two additional berths with container handling area and an upgrade to the rail network will enable the port's throughput to grow to 1 million teu annually.

22

Gothenburg

Dredging start: **2024** finish: **2026**

In December 2020, the port submitted the environmental impact assessment for the Skandia upgrade. When approved, it will add to the Far East connection.

21

Gladstone

Dredging start: **2023**
Dredging finish: **TBC**
Assessments for the Gatcombe and Golding Cutting Channel Duplication Project are under way. The port doubts it will need the new lanes before 2023

23

Nome

Dredging start: **2024** finish: **2028**

The Deep Draft Port project proposes plans for an extended causeway and a new deepwater basin to cater for increased ship traffic in the Bering Sea.

24

Gdynia

Dredging start: **2027** finish: **2028**

The port is currently looking for a public-private partnership for the design, construction, and operation of the new Outer Port terminal.

Dredgers to be launched in 2021

Total installed power (kW) and region of build

Mega
23,000 and over

2x Netherlands
1x Croatia

Heavy duty
13,000-23,000

1x Netherlands

Cutter suction dredger

Total installed power (kW) and region of build

Small
under 3,000

2x Netherlands

Water injection dredger

Hopper capacity (m³) and region of build

Jumbo
15,000-30,000

1x Mainland China

Large
8,000-15,000

2x Singapore

Mid-size
4,000-8,000

1x Germany

2x Mainland China

Small
under 4,000

2x Lithuania

1x Mainland China

3x Netherlands

2x Romania

Trailing suction hopper dredger

Driving competition

Five dredgers were ordered in 2020 – all trailing suction hopper dredgers – signaling a decrease compared with previous years, according to the newly published IHS Markit International Dredging Directory (IDD). In terms of sizes, the vessels range from small to mid-sized based on IDD criteria, which means no vessel was ordered with a hopper capacity of more than 8,000 m³.

Looking at upcoming deliveries, 20 dredgers are expected to join the global fleet in 2021. This mirrors past fleet developments where every five years – going back to 2006 – there is a spike in vessel deliveries.

Two dredgers stand out. One of them is DEME's hugely anticipated cutter suction dredger *Spartacus*, and the other Jan de Nul's *Willem van Rubroek*. They are in the IDD-mega-class for cutters with a total installed power of over 23,000 kW. Their deliveries might drive market competition.

Vessel name Owner	Total installed power (kW)
Spartacus DEME Group	44,180
Willem Van Rubroek Jan de Nul	40,975

DEME has already secured a contract for the Abu Qir port development in Egypt. Jan de Nul has not yet disclosed where its new dredger will be sent first. Its delivery has been delayed by three years owing to the bankruptcy of the Croatian builder Uljanik, resulting in a head-to-head delivery race.

"There does seem to be – as I understand – a market for super cutters, which will buoy in the coming few years by two factors. The first is nations pushing on with infrastructure development, which itself is often thought to generate growth across the wider economy. The second is the estimated resurgence of the oil and gas market. Oil companies seem to be expecting one last, big round of oil and gas extraction and processing prior to a big drop in the lead to renewables," Wilsoncroft told *P&H*.

"As such, there are huge development schemes slated for the next 10 years that are likely to keep these mega-cutters busy. Whether that work drops in the short term, however, will likely cause pressure on these vessels in the immediate term," he added. ■





PROJECT FOCUS EXPANSION IN THE EAST

Bracing for uncertainty

While global demand of coal is in decline, Russia sets on renewed exports to the east of the energy commodity

VLADISLAV VOROTNIKOV

The Russian government is set to pump billions into seaports of the Far Eastern basin, targeting to curb logistics costs on export supplies, which are projected to rise sharply in the coming years. Still, the fallout of the COVID-19 pandemic may put the feasibility of these plans under question.

Before COVID-19, the Russian Far Eastern seaports were expanding cargo turnover faster than those of any other country's basin. In 2019, the turnover totaled 215 million metric tons (MMT), up 6.4% compared with the same period a year earlier, while the average increase in cargo turnover in all Russian seaports amounted to 2.4%, the national state statistical service Rosstat estimated.

By 2030, the cargo turnover in the Far Eastern seaports is expected to nearly double and reach 400 million metric tons per year (MMT/y), the Russian government stipulated in the seaports development strategy, under which the authority



Port development along the Taymir peninsula coast (exact location unknown)
 Port development Planned grain terminal — International boundary

Source: IHS Markit

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is set to invest 828.1 billion ruble (\$11 billion) into the national seaports infrastructure. The projects in the Russian Far Eastern seaports account for about one-third of those investments. To catch up with the anticipated growth in demand, the Russian government plans to expand four major seaports in the region and build three new ones. These new developments are the ports of Sever, Vera, and Sukhodol.

Throughput numbers for the past year paint a hopeful picture. While in 2020, the overall Russian seaports' turnover dropped by 2.3% to 820.8MMt compared with the previous year, in the Russian Far East, it increased by 4.6%, reaching 223MMt.

The Far Eastern sea ports are serving primarily as the Russian export gateway. Up to 75% turnover is secured by coal and oil products export, with grain believed to be the third most important export commodity. Besides, Russia exports millions of tons of raw fish, mineral resources, and fertilizers.

A risky bet

Like in the previous years, the Russian Far East seaports are therefore expected to expand cargo turnover thanks to a steady rise in coal export. The Russian energy ministry estimated that by 2025, Russian companies harbor plans to boost coal export to Asia Pacific to 174MMt/y, or by 42% more compared with 2020. "The fastest growth in demand by more than 100% compared to the previous years



is anticipated in the countries of the Indian Ocean, including India, Malaysia, Indonesia, and Thailand," deputy Russian Energy Minister Anatoly Janovsky said during a government meeting in February.

However, most analysts believe that the Russian government's plans of expanding coal export are too ambitious. Global coal consumption is estimated to have fallen by an unprecedented 7%, or over 500MMt, between 2018 and 2020, the International Energy Agency (IEA) estimated. The COVID-19 pandemic entailed the sharpest drop in the global demand for coal since World War II.

Additionally, according to the IEA, coal's partial recovery, which is led by mainland China, India, and Southeast Asia, is set to fade after 2021. In 2020, countries such as South Korea and Japan made pledges that involve reducing coal use in the coming years. Other countries, such as Bangladesh, the Philippines, and Vietnam have plans to downsize planned coal expansion. The current problems are dragging down export prices, making them unattractive for some coal exporters today.

"Supplies of low-grade coal and those without enrichment technologies are the first to encounter problems," said Maxim Khudalov, risk assessment manager of the Russian consulting agency ACRA. "The current average price of \$45-50 per metric ton is uncomfortable for Russian companies, so they will have to work almost with zero profitability on export supplies."

Russian analysts warned that the further decline in prices on the global coal market, coupled with a gradual switch in



coal-firing generation worldwide, could leave new coal terminals in the Russian Far East unattended, resulting in billions of dollars of investments going in vain.

"So far, the growing Asian market leaves the Russian coal companies more opportunities for an increase in export than the shrinking European market. It's a big question for how long this trend will remain, though," said Kirill Rodionov, an analyst at the Financial Research Institute of the Russian finance ministry.

Siberian grains instead of hydrocarbons

However, the picture is entirely the opposite in the case of food export. Russian President Vladimir Putin set the task to double food exports by 2025 to \$45 billion, with a considerable share of the export supplies expected to flow through the Far East seaports.

Zabaikalsk grain terminal has recently started to build a new terminal in Zabaykalsky Krai, close to the Chinese border, with an annual turnover of up to 8MMt/y, the regional government said in a statement on its website on 9 February.

The investment cost is estimated at 6.3 billion ruble, and the new terminal is slated to become operational in 2023. "The terminal is seen as the shortest and profitable route for grain export and will improve the

Russian competitiveness in the Chinese market," said regional vice prime minister Ilya Akishin.

In a parallel move, Russian railway monopoly RZD is seeking 900 billion ruble to widen and expand the Russian Siberia and the Far East railway network.

If the company succeeds, the Siberian grain export flows are expected to be redirected from European to the Far Eastern seaports, filling them with cargoes.

"Asia Pacific is, of course, a very attractive and the largest sales market. And yet it is not ours. We are present there: we supply grain to Indonesia, Thailand, Malaysia, Japan, and South Korea, but we mainly deliver from the southern gates via the Black Sea ports and, naturally, we lose because of the logistics procedures, the cost of delivery from there is more expensive than our two powerful competitors are – the US and Australia," the president of the Russian Grain Union, Arcady Zlochevsky, said. He added, "They win this competition at the expense of shipping costs."

However, there are no guarantees that this project is destined to come true.

Aside from substantial investment costs, the reform would take cargo flows from the southern ports, which in turn would leave major grain terminals that have been built there over the past few years half empty. ■

"So far, the growing Asian market leaves the Russian coal companies more opportunities for an increase in export than the shrinking European market"

KIRILL RODIONOV
Analyst, Financial Research Institute
of the Russian finance ministry





In a predicament

While the backlog of the more than 300 ships, which the salvage operation of the *Ever Given* container ship in the Suez Canal caused, has cleared during the week after, the legal battle to determine compensation owing to the shutdown of the canal ensued.

On 13 April, the Suez Canal Authority (SCA) arrested the ship anchored in the Great Bitter Lake adjacent to the canal as it pursued owner Shoei Kisen Kaisha for the cost of the salvage operation and lost transit fees for the week that the canal was blocked. In total, a sum close to USD1 billion.

"The SCA has not provided a detailed justification for this extraordinarily large claim. The grounding resulted in no pollution and no reported injuries. The vessel was refloated after six days and the Suez Canal promptly resumed their commercial operations," UK P&I Club, the vessel's insurer, said.

The authority said the ship will only be allowed to leave the lake once payment has been made. It would then move to Port Said for further inspection before sailing to Rotterdam.

At the same time, the *Ever Given* was arrested, the first ships that were held back by its grounding have been able to call in North European and Asian ports without major delays.

This is due to the increased but still slow clearing of the backlog. According to IHS Markit data, shortly after the canal reopened, the number of transiting ships increased to about 80 ships daily compared with the average 50 ships in 2020.

With more than one third of the waiting vessels being container ships, the incident has however caused a shortage of available containers in Asia.

"Equipment remains tied up on ships waiting outside ports and from extended dwell and transit times on the land side," Hapag-Lloyd CEO Rolf Habben Jansen said. He expects the availability of containers in Asia to be tight through May.

To mitigate port delays, instead of completing a port rotation in Asia or Europe, carriers are considering offloading cargo at major hub ports and turning around early, leaving ships arriving a week later to collect the cargo and carry it to its destination port. ■

Pictured: The *Ever Given* in a predicament: ran aground in the Egyptian Suez Canal.

Satellite imagery: (c) 2021 Maxar Technologies/DigitalGlobe/ScapeWare3d/Getty Images



PERSPECTIVE EVER GIVEN IMPACT ON PORTS

Incoming IAPH president warns of predicament for ports

It is common knowledge that the evolution of container vessels in the last 20 years has been nothing less than phenomenal.

Averaging 6,000-8,000 TEUs in 2000, the largest size vessel today is 24,000 TEU – almost triple the capacity.

The recent grounding of container ship *Ever Given* in the Egyptian Suez Canal has once again brought to light the risks posed by these large vessels in restricted waterways, including port fairways and approach channels. With maneuverability restricted owing to deep draft and slow speed in relatively shallow waters, many ports have had to resort to deploying tugs to escort vessels throughout the port passage, causing resources to be stretched thin at times.

Even a 400-m-vessel equipped with bow/stern thrusters may still require up to four

large tugs of 70 horsepower to assist in berthing, especially during spring tides.

Although the length of vessels today has been capped at 400 m, the width and draft in proportion have increased considerably, up to 60 m and 16.5 m, respectively.

The 18,000-24,000 TEU vessels, which are entirely on the Asia-Europe routes, currently account for 133 vessels with another 53 due to be delivered over the next two years, according to ship analyst Alphaliner.

Investing in the future

Ports receiving these vessels have – in addition to powerful tugs – invested heavily in facilities, such as deeper and wider approach channels, berths to accommodate the large displacements, and ship-to-shore cranes to work the 9-10-level high stacks on deck and in the holds – with a boom reach

exceeding 70 m that extends the entire width of the ship and beyond. Additional investments have gone into real-time tidal information and dynamic under keel clearance, along with vessel traffic management systems to ensure these mammoth ships are handled safely during their transit passages in and out of ports.

At the same time, catering to those bigger vessels puts tremendous pressure on the ports to ensure these vessels are worked quickly and efficiently to expedite their turnaround time. Hence, ports put in place various digital solutions, systems, and tools to aid berth planning and sequential planning for loading and discharging in tandem with yard operations. In ports where tidal streams are prominent, a vessel needs to stem the tide to facilitate berthing, which occasionally requires swinging around.



ABOUT THE AUTHOR

SUBRAMANIAM KARUPPIAH, Port Klang Authority general manager was voted by IAPH regular and honorary members in February to be IAPH president for a two-year mandate effective June. Captain Subramaniam has been the vice president for the Southeast Asia and Oceania region since 2017.

The entire process may take 30-45 minutes, necessitating transit traffic to be held up owing to limited sea room for safe passing. Given these events, in many ports, an ultra-large container ship (ULCS) will require pilotage services and full tug assistance for 2-3 hours until it moors safely alongside a berth.

However, some ports may not have sufficient resources to cater for such requirements given that other vessels will also require these services, prompting port operators to prioritize container vessels, and often having to face criticism from non-container operators. In particular multi-purpose ports have different segments of customers and need to service different types and sizes of ships.

In the event of an emergency

Those are the challenges under normal operating conditions. Emergency response is another area of grave concern when ULCSs are involved. Recent incidents of fires on board, both in port and at sea, have clearly indicated the lack of sufficient resources on board to respond. With containers stacked nine levels high, it would be nearly

Pictured: The Ever given container ship ran aground the Suez Canal in March 2021.

impossible to reach the seat of fire at those heights using the ship's hydrants, which often leaves the vessel totally dependent on firefighting tugs deployed from ashore. In that case, it may take days for firefighting tugs to reach depending on the vessel's

location. Even if such emergencies happen in the port, it is likely that the port's entire fleet of tugs, which often double up as firefighting tugs, is utilized, practically crippling port operations until the emergency is brought under control.

Those incidents have also shown that vessel

safety standards have not kept pace with the growth in the size of ships.

Nevertheless, one of the main causes of fires on board originates from dangerous cargo. Therefore, more attention should be given to stowage, handling and carriage of dangerous goods on board, as well as the packing and securing of cargo.

Similarly, in the event of a grounding, it would take nothing less than 6-8 port tugs to free and refloat a grounded vessel,

provided quick action is taken, including taking advantage of the tides so as to minimize disruption to the port instead of awaiting salvage tugs to arrive. Hence, ports are required to ensure their tugs have sufficient capabilities to respond to emergencies besides attending to normal port operations.

Finally, it is debatable if onboard safety standards have kept pace with the tremendous growth of the ULCSs. These vessels are almost impossible to operate in confined waters without external assistance, especially in narrow fairways and canals, despite improvements in engine ratings, steering capabilities, and onboard thrusters to assist lateral sideways movements.

The problems are exacerbated by the limited manning capacity on board, some operating with less than 25 crew members and having to multitask. Here, the services of local pilots, tugs, and vessel traffic services are vitally important when traversing confined waters.

It is hoped that incidents such as the grounding of *Ever Given* will not only be seen by the general public, policy makers, regulators – arm chair analysts included – in the context of how a huge volume of global maritime traffic and trade was disrupted, but also the devastating impact it may have on countries when their primary ports are inflicted by similar incidents. ■

“Those incidents have shown that vessel safety standards have not kept pace with the growth in size”

SUBRAMANIAM KARUPPIAH
Port Klang Authority



ABOUT THE AUTHOR

MIKE YARWOOD is the managing director of TT Club's loss prevention department. He joined TT Club in 2010 as a claims executive providing advice and expertise to transport operator members globally.

How to

... overcome misconceptions of autonomous transport

The trend toward autonomous transport in the cargo handling and logistics industry is moving along at pace. However, there are many misconceptions about autonomous vehicle technology; and the commentary here seeks to dispel some of the more common perceived issues.

Currently, within container terminals, there are automated internal transfer vehicles and yard cranes. Ports are seeing automated harbor boats and drones for security and inspections, autonomous trucks and vehicles are being trialed on public roads, and drones are delivering goods. While many are confident in this autonomous technology and pursuing its use, others are hesitant to move in this direction. ■

N°1



The technology is unproven

Autonomous unmanned transport has been operating for many years, e.g., trains at airports and internal transfer vehicles at container terminals. It is a proven technology in controlled locations such as warehouses, airports, and terminals. GPS and the underpinning software can evaluate and make judgments in real time.

Trials in various countries, including India, are under way, testing autonomous vehicles on the public highway with success. During the transition period when operated and autonomous vehicles coexist, there is arguably a greater challenge for the software developers.

However, we should not lose sight of the current appalling road safety statistics that are published in many countries, including huge loss of life. In time, where autonomous vehicles interact with each other, machine learning could become capable of predicting actions and reactions, and initiate evasive action to avoid accidents, arguably making roads and facilities far safer and predictable than they are today. The software driving a vehicle will unlikely suffer from fatigue, have lapses of judgment, cut corners, or break speed limits.

N°4



There is a lack of technical expertise to maintain autonomous vehicles

While there are fears of a shortage of technical expertise to maintain autonomous equipment as this technology is increasingly adopted, market forces will shift, and sufficient personnel will be trained accordingly. Future maintenance roles may look very different from the current requirements, attracting an entirely different demographic to the industry. Operators could come to rely as much on software engineers as mechanical engineers. The introduction of autonomous vehicles also provides scope to upskill the existing workforce and provide better-paying jobs.

N°7



Weather creates challenges for autonomous vehicles

While bad weather, particularly snowstorms, can affect or restrict autonomous vehicle operations, new technologies and solutions are continually improving performance. Each autonomous technology will have defined limitations of use regarding weather conditions, whether it be high winds, fog, snow, ice, or extreme sea conditions. However, one should consider that existing manned vehicles have similar limitations, the difference being that the human operator can continue operation – often unsafely! High-sided trucks in strong winds and cranes in windstorm conditions all need to be protected by the operator who is required to make a judgment call to protect themselves and the asset, not always successfully. Incorporating multiple live data feeds, such as weather, it is possible for an autonomous vehicle to make well-informed decisions.

N°8




Specialist insurance is not available


Given the potential operational importance and the capital investment required to incorporate this technology, insurance is an important consideration for the equipment itself and the risk of potential business interruption.

A growing number of specialist insurance providers exist for this type of equipment.


However, existing insurance markets are already heavily involved with many vehicles and the asset risks are often little changed. While autonomous vehicles remain an emerging technology and therefore decades of claims experience may not exist, it is recognized that this technology has the potential to reduce exposure particularly in the context of an overall insurance program. From a bodily injury perspective, implementing autonomous vehicle technology could reduce risks that personnel are exposed to and reduce the risk of incidents.


Nº 2		The capital expenditure is too high
<p>While initial capital expenditure is likely to be higher for autonomous vehicles when compared with conventional manned vehicles, there are potential operational cost savings to be considered. Autonomous vehicles can result in higher productivity and the software can be programmed to run in synchrony with other equipment, maximizing efficiency.</p> <p>Autonomous vehicles do not need to operate to shift patterns, therefore equipment availability could be increased with little downtime – subject to appropriate maintenance regimes. Indeed, machine-learning software could be implemented to monitor the behavior of the vehicle constantly, predicting the need for preventative maintenance and through IoT solutions, identify and order the required parts.</p>		

Nº 5		Autonomous vehicles are too dangerous
<p>It is perhaps natural that people will fear new and unproven technology. We could draw correlations to the air industry through the early 20th century; there will have undoubtedly been concerns about the relatively new technology. However, with a strong market demand, coupled with an unwavering commitment to safety and the development of sufficient governing regulations, the air industry has an enviable safety record. In many instances, autonomous vehicles will provide opportunities to remove personnel from potentially dangerous working environments.</p> <p>For example, a busy, congested terminal operation requires a robust pedestrian segregation management program. How do I get my equipment operators to and from their post safely at the start and end of their shift? Autonomous vehicles may partially serve to remove that particular risk.</p>		

Nº 9		Sufficient regulations do not exist
<p>Regulation of emerging technology inevitably follows development, acceptance, and adoption. It would be nonsensical, for instance, to have robust national or international regulations developed to govern a technology that is not adopted by industry. However, there is great importance in such an emerging industry having a regulatory framework within which developers, owners, and users can safely operate.</p> <p>Regulations continue to be developed, which will consistently improve operational safety. At this time, national regulators are progressing at differing speeds, driven by adoption levels. Arguably, the development of regulations will assist in providing greater comfort to those who perceive this technology to be unsafe, resulting in wider adoption and accelerated acceptance.</p>		

Nº 6		Vehicles will be vulnerable to hacking and cyber attacks
<p>Businesses in all sectors are becoming increasingly aware of the threat cyber crime brings in its many forms. The prevalence of cyber crime in recent years, coupled with the potential cost, has brought this risk to the forefront of many board agendas. This risk already exists in the IT and operational technology environments. It is arguable that the additional risk exposure autonomous vehicles bring is negligible. The advantage the developers of autonomous vehicles have today is learning from past events. There are numerous recognized practical countermeasures and strategies, such as ensuring legacy software is updated, patches are routinely applied, and password control is maintained, all of which will assist businesses to mitigate these risks. Strong IT hygiene and management controls, including raising awareness and training personnel will reduce the risks.</p>		

Nº 3		This technology will cost jobs
<p>There is a consensus that as robotics and autonomous vehicles technologies advance, there will be a reduction in the need for those skilled individuals to operate vehicles as they do today. However, these concerns should be considered in context. Some industries have already published statistics highlighting huge shortages in available personnel. Many others face succession challenges in attracting the next generation of workforce into what is often considered an unattractive sector. Contrary to the argument that autonomous vehicles will erode job availability, in many instances, it will resolve long-standing recruitment challenges, where perceived unattractive roles exist. In doing so, they will provide a more sustainable model from which businesses can plan in the long term. Further, new roles will be created, including additional technical staff required to set up and maintain the autonomous equipment.</p>		

Nº 10		Smart cars will be part of our everyday life tomorrow
<p>While autonomous cars already exist and are being used to good effect in controlled locations, in other environments, such as the open highway, they are not. Autonomy is not a quick process. It is the result of numerous incremental milestones as new component technologies emerge and gain acceptance. Existing trials of autonomous vehicle technology serve to gather extensive data from road conditions, weather conditions, decisions made by other road users, and anomalous events. Machine-learning technology continually uses such data to become ever smarter, increasing safety, and developing the ability to make sound judgments in real time when presented with a given set of circumstances. Fully autonomous vehicles are unlikely to be seen on the open highway tomorrow, but the technology is developing at pace and it will be a reality one day.</p>		

Sponsorship of the IAPH World Ports Conference places your company in a position of authority and enables you to build and strengthen your relationships and increase visibility to global stakeholders including shipowners, ports, logistics providers, local communities, regulators, equipment providers and related third parties.

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events.worldportsconference.com/iaph2021

QUICK 10



RICHARD BALLANTYNE
Chief executive,
British Ports Association



Nº 1

Favourite app.

BBC Sounds, as I am English and a radio and podcast addict. I am of course always looking at one of the several weather apps I have on various devices!



Nº 2

Something unexpected that brings you joy.

A good quality port or harbor tour.



Nº 3

Invisibility or super strength?

Strength to move ships that get stuck in places... Invisibility sounds good but most of the things it would be used for would be either morally questionable or illegal!



Nº 4

An item you cannot live without and why?

Our dishwasher. It has been even more valuable during the various periods of coronavirus lockdowns!



Nº 5

A quality that impresses you in a business partner.

Hard work and commitment.



Nº 6

Would you rather be able to speak every language in the world or be able to talk to animals?

Every language, starting with improving my English!



Nº 7

If you could time travel, where would you go and what would you do?

Central and South America pre-Columbian. Perhaps also my home city of London in the 1920s to put a few bets on football matches!



Nº 8

Dream dinner date and why.

Vladimir Putin to talk seaports!



Nº 9

Three things you take to a deserted island.

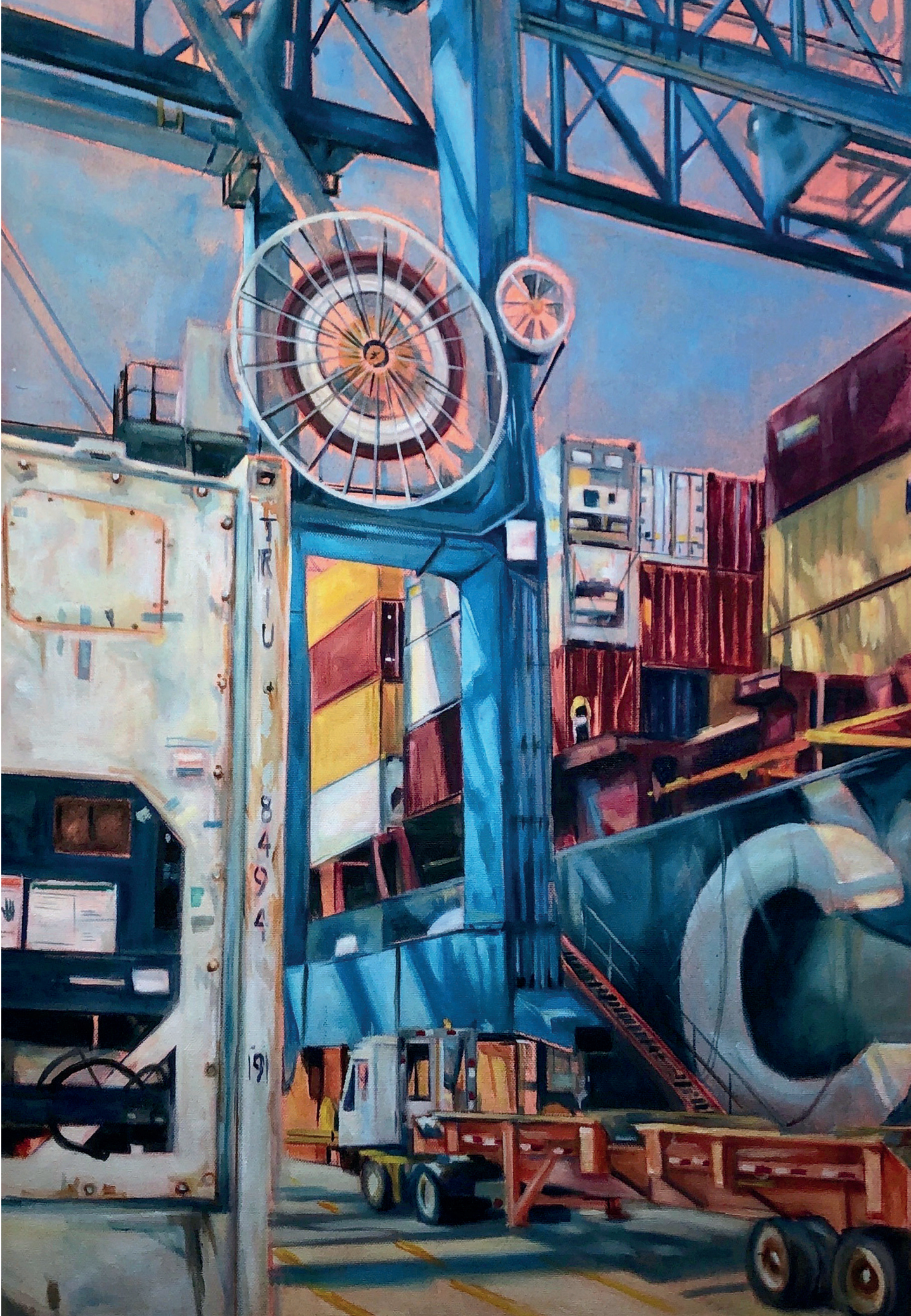
A chef, a king-sized bed, and a boat!



Nº 10

Best advice ever received.

Buy Bitcoins. Unfortunately, I didn't.



Fighting evanescence

CREATIVE SIDE TIME CAPSULE

N

Nothing is forever, and to stop time from wiping out memories, Devon Bailey – a dock worker in the US – turned to oil paintings to capture and manifest the world how she currently sees it. “My oil paintings serve as documentations of a rapidly evolving landscape. I feel a sense of urgency to render my surroundings in a realistic manner, as the neighborhoods I grew up in are redeveloped, and as the process of automation begins to eliminate the need for humans in my line of work,” she told *P&H*.

Bailey grew up in a working-class environment in New England and today works at the port of Boston.

She also immortalizes a bond with her father through her paintings. “This impulse is intensified by the fact that being a longshoreman is a family trade – my father and I work in the ports together. Preserving this generational bond and the nature of our labor is central to both my work on the docks and my paintings,” she said.

Bailey said additional creative energy for her paintings also comes from her father. His “own artistic endeavors inspired me to make this type of work. I can’t remember when I started making art but when I picked up a paint brush, I really dove in. I really connected with the medium of oil paints and I’ve been obsessed ever since,” she said.

Apart from the ongoing in the port, Bailey usually paints houses, other infrastructure, and local scenery.

“Influenced by many 19th and 20th century social realist painters, my works are generally devoid of human figures. Instead, I mostly choose to focus on the places in which people live, interact, and work to better understand the impact that people have on these environments socially, culturally, and physically,” she explained.

Combining her work as a dock worker and a painter, Bailey said she likes to first capture a scene with her camera before she gets started on a painting.

“I try to take photos when I can that capture the essence of the terminal on a typical day: everyone working together to keep the ships and the world moving,” she said.

Bailey summarized her passion in the following way, keeping in mind the sometimes reclusive nature of the maritime world. “I just think it’s the coolest job and so I like to recreate those photos as paintings that people who might know nothing about shipping can appreciate,” she said. ■

Pictured: Painting by dock worker Devon Bailey.
Photo: Devon Bailey

Membership notes

We are pleased to welcome as new regular and associate members of the association:

Regular member

China Merchants Port Holdings

- 📍 Hong Kong
- ☎ 852-21028888
- @ catherinechow@cmhk.com
- 🌐 www.cmport.com.hk
- 👤 Bai Jing Tao, managing director

Associate members

Strategies 360

- 📍 USA
- ☎ 1-206-795-6510
- @ kurtbeckett@hotmail.com
- 🌐 strategies360.com
- 👤 Kurt Beckett

Maritime Policy Bureau

- 📍 Republic of Panama
- ☎ 507-282-3496
- @ sstevens@mpbureau.com
- 🌐 mpbureau.com
- 👤 Jorge Barakat, President

Get Shipping Mauritanie Group

- 📍 Mauritania
- ☎ 222-43-43-41-00
- @ baye@getshipping.mr
- 🌐 getshipping.mr
- 👤 Cheikh baye Maham achour, CEO

IAPH hires policy and sustainability colleagues

The IAPH welcomes new colleagues, Rhona Macdonald and Sisangile Nduna, who will help boost the organization's geographical spread.

Macdonald joined with a dual role, dividing her work between the IAPH as policy and IMO liaison officer, and the British Ports Association (BPA) as a sustainability advisor, based at the BPA's office in central London. At IAPH, she supports technical director Antonis Michail on policy and project work pertaining to the IMO. For example, the strategic partnership agreement between the Norwegian government and the IMO on the GreenVoyage2050 project, which aims to transform the shipping industry toward a lower carbon future.

Speaking on her appointment, Richard Ballantyne, CEO, BPA, said, "Rhona's education and experience will strengthen the industry's ability to respond to and influence fast-changing environmental and sustainability developments. It also demonstrates our commitment to sustainability and engaging with what is one of the biggest

regulatory areas for UK ports and a growing priority for government."

Nduna (Master of Applied Economic Sciences, 2016) is completing her PhD in Maritime Transportation at the University of Antwerp's Faculty of Business Economics. Her dissertation focuses on the performance of seaports in the Hamburg-Le Havre range. She will work on port barometer metrics and the World Ports Sustainability Program (WPSP) for the IAPH. Through an agreement with the University of Antwerp, Nduna will work on a new port tracker concept, which IAPH is developing as a follow-up to the IAPH-WPSP Port Economic Impact Barometer.

IAPH managing director Patrick Verhoeven said, "I very much welcome Rhona and Sisangile to the team. Thanks to the partnerships with our associate members British Ports Association and University of Antwerp we have been able to bring new talents to the organization, which will enable us to increase our service to members and widen our international footprint." ■

IAPH policy and IMO liaison officer



RHONA MACDONALD will work on the partnership agreement between the government of Norway and the IMO on the GreenVoyage2050 project

Photo: Rhona Macdonald

IAPH research assistant



SISANGILE NDUNA will work on port barometer metrics and assist with the World Ports Sustainability Program

Photo: Sisangile Nduna

EVENTS TIMELINE 2021

5

MAY (5-7)

Siga2 2021 Conference

The port and maritime sector: key developments and challenges

🌐 bit.ly/SIGA2021Conference

5

MAY (5-14)

IMO Maritime Safety Committee (MSC 103)

Remote meeting to discuss for example cybersecurity matters

🌐 www.imo.org

11

MAY (11-13)

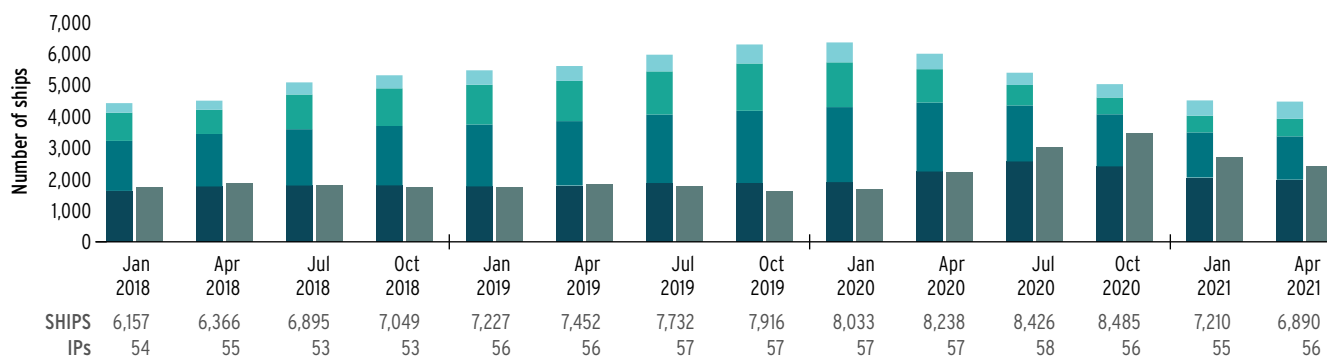
Small Cells World Summit 2021

Online gathering of the small cells industry, radio access with low frequency

🌐 bit.ly/SmallCellsSummit2021

ESI scores: 1 April 2021

■ ≥ 20-30 ■ ≥ 30-40 ■ ≥ 40-50 ■ ≥ 50 ■ < 20



Note: Stacked bars show ESI scores above 20 points, single bar shows ESI score below 20 points

Source: IAPH | © 2020 IHS Markit

New ESI scores published

The scores for the ships enrolled in the IAPH Environmental Ship Index (ESI) for the quarter starting 1 April 2021 have been released. Compared with the previous quarter, the number of registered ships in the ESI program is stabilizing.

Previously, there had been a drop in registrations due to the sulfur regulation entering

into force and consequently, lowering ESI scores. Additionally, the introduction of a payment system for incentive receivers has led to some shipping companies withdrawing their ships from the program.

The ESI was established in 2011 and identifies seagoing ships that perform better in reducing air emissions than

required by the current emission standards of the IMO. ■

If your port is not yet a part of the ESI program, find out more about the index on the ESI website or contact the ESI team at:

🌐 www.environmentalshipindex.org

@ admin@environmentalshipindex.org

IAPH and APEC training partnership continues

Following the positive feedback received from the International Port Strategy training course, which was co-organised by APEC, Antwerp Management School and IAPH, the association continues the capacity-building partnership with associate member APEC.

We are happy to announce that APEC has kindly agreed to offer a 20% reduced rate for IAPH members registering for any of its 2021 specialised online courses for port executives, successfully concluded in April.

The port strategy training course concluded in April. For eight weeks, 31 participants from ports and port-related companies in ten different countries joined experts from the organising partners and guest lecturers on a journey about international aspects of port strategy and management. ■

To learn more on the full offer and to register, visit the APEC website:

🌐 bit.ly/APECPortTraining

The next training courses available are:

Port Management & Strategic Masterplanning

Dates	17 May - 2 July 2021
Language	English
Apply until	10 May

Smart Port Technologies

Dates	30 August - 8 October 2021
Language	English
Apply until	23 August

1

JUNE (1-7)

IMO Facilitation Committee meeting
Remote meeting
🌐 www.imo.org

14

JUNE (14-18)

IMO Marine Environment Protection
Committee (MEPC 76)
Remote meeting
🌐 www.imo.org

21

JUNE (21-25)

Antwerp – IAPH World Ports
Conference 2021
IAPH flagship conference
🌐 bit.ly/IAPH2021

Thank you, Santiago!

At the forthcoming World Ports Conference in June, Santiago Garcia-Milà will be stepping down as IAPH president and pass the baton to his successor Subramaniam Karupiah. Santiago has been at the helm of the organisation since 2015 when he succeeded Grant Gilfillan as president. Together with Grant, Santiago has been the driving force behind the reform of IAPH, which resulted in a new constitution for the organisation that entered into force in 2016.

During his consecutive terms of office, Santiago relentlessly strived for the practical implementation of organizational changes, which was by no means a small feat and involved the recruitment of a managing director for policy and strategy and a new secretary general.

The mission was accomplished in 2020, with a new strategic focus for the organization, the installation of two complementary operational units in Japan and Europe, and a new format for the technical committees. Throughout the long and occasionally difficult reform process, Garcia-Milà showed remarkable persistence without losing his diplomatic skills, good humor, and solution-oriented mindset that is so characteristic of him.

A hands-on approach marked his work, focusing on deliverables that provide concrete value-add to members.

Santiago realized early on that membership of a trade association is no longer something that is given in a hyper-connected world. The changes brought about under Santiago's presidency will have a lasting effect on the performance of IAPH and form a true legacy.

Thank you for your great work and friendship Santiago! We know you will not be leaving us as you continue an active role within your beloved Port of Barcelona, and we hope we can count on your wisdom and support for many years to come. ■



Santiago Garcia-Milà, before acceding to the presidency, was already a very active IAPH member, joining the work of the organisation in 1996 as chairman of the IAPH Trade Facilitation and Port Community (TFC) Systems Committee.



2007

Accepting the IAPH IT Silver Award on behalf of Israel Ports at the World Ports Conference in Texas, US. By this time, Santiago had been chairman of the TFC Committee for two years.



2016

The IAPH president opened the World Ports Conference in Panama.



2015

Garcia-Milà takes over as IAPH president from Mr. Grant Gilfillan, then-CEO of the Port Authority of New South Wales, Australia



2017

Santiago speaking at the third Maritime Silk Road International Cooperation Forum in Ningbo, China in July



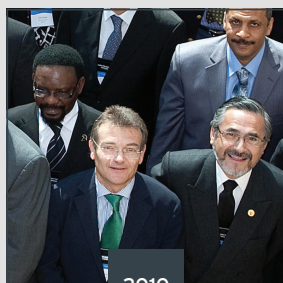
2018

Then-IAPH sec-gen Susumu Naruse; Guangzhou Port Authority deputy director Yuan Yue; Taleh Ziyadov. Port of Baku director; and Santiago give the go ahead for the 2019 Guangzhou conference in Baku.



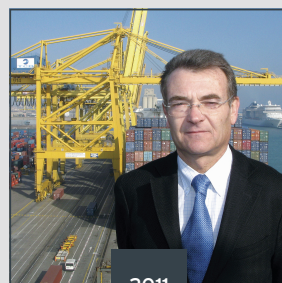
2009

Santiago becomes third vice president of the IAPH. Here he is seen at the IAPH Africa Europe regional meeting in Hamburg.



2010

At work at the IAPH mid-term board meeting in Savannah, US



2011

The then deputy director general at the Port of Barcelona becomes second vice president of the IAPH



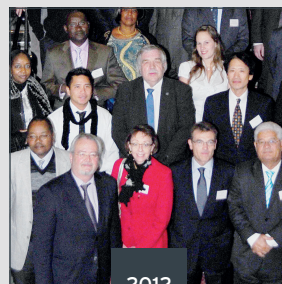
2014

In his first P&H opinion article, Santiago writes about the fruitful partnership between the association and the European Sea Ports Organisation, on the occasion of the latter's 20th anniversary.



2013

At the IAPH World Ports Conference in Los Angeles, the then-first vice president spoke about the cruise industry and the port community system at the Port of Barcelona.



2012

Delegates of the IAPH visited Antwerp town hall



2019

At the Smart Ports Conference, organized by the Port of Barcelona, the IAPH president spoke about ports in the digital age



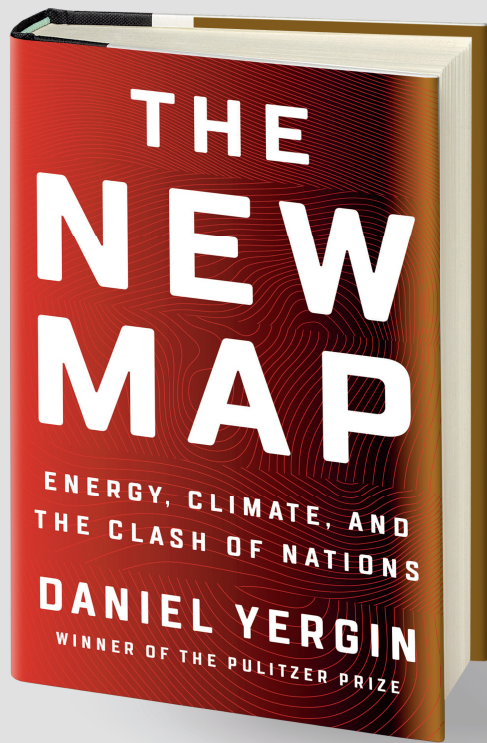
2020

At one of the final in person meetings before the COVID-19 pandemic, the IAPH Board met at the Port of Barcelona to discuss the annual agenda.



2021

Santiago retires as IAPH president but continues to serve both the association, such as during the IAPH South America regional webinar, as member, but also the Port of Barcelona.



BOOK AUTHOR

DANIEL YERGIN is a leading authority on energy, geopolitics, and the global economy, best-selling author, and a winner of the Pulitzer Prize. He is vice chairman of IHS Markit and founder of the CERAWEEK chemicals conference.

THE REVIEW

The New Map: Energy, Climate, and the Clash of Nations

PETER TIRSCHWELL



Shipping, particularly container shipping, figures prominently in The New Map: Energy, Climate, and the Clash of Nations, the latest book by Pulitzer Prize-winning author, energy expert, and IHS Markit vice chairman Daniel Yergin.

The reason is the container represents much of what has changed in the world order over the past 20 years. The ubiquitous container helped create, and is perhaps, the most visible symbol of globalization that you see travelling around the world. However, today the container has come to represent something different and disturbing: a breakdown in the geopolitical consensus around globalization caused by protectionism. This saw high water marks in the creation of the World Trade Organization and the formal accession of mainland China to that organization on 11 December 2001.

As Yergin wrote, containerized shipping has enabled mainland China's meteoric rise and that of globalization writ large.

However, with great power and geopolitical tensions flaring over issues such as in Taiwan and Ukraine, the industry will be confronting a future that is less hospitable to global trade and far-flung supply chains.

"How [mainland] China's extraordinary economic surge came about is the result of many things. But it would not have happened without a revolution that was born in the US port of Newark, New Jersey, (the launch of Malcom McLean's Ideal X in 1956) a revolution that would change the map of global trade and prove transformative for the world economy – and for China," Yergin wrote.

Widespread acknowledgement of the growing vulnerabilities of supply chains was made clear in the six-day Suez Canal blockage by the 20,000 TEU container ship *Ever Given* in late March. It is also evident in the massive shift in consumer spending in developed nations – from travel to home improvement goods, and from bricks and mortar retail to e-commerce, triggering a

surge in the shipping of containerized goods and widespread shortages of capacity across the supply chain from vessel space to containers, to trucks and warehouses.

However, even as the pandemic has demonstrated dependence on globalized supply chains, the forces working against the landscape of globalization in which container shipping has thrived nevertheless grows stronger. "Momentum towards a more collaborative world order that rested on an increasingly connected global economy is now going in reverse," Yergin wrote. "The world has become more fractured, with a resurgence of nationalism and populism and distrust, great power competition, and with a rising politics of suspicion and resentment." ■

Daniel Yergin will discuss his book, published by Penguin, at the World Ports Conference, held 21-25 June. Find out more on www.worldportsconference.com



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