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### DRAFT REPORT OF THE INTERGOVERNMENTAL GROUP OF EXPERTS ON PORTS

Palais des Nations, Geneva, 25-29 October 1993

Addendum

Rapporteur: Mr. M. Khelifi (Algeria)

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### Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

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### Chapter I

# PORT ORGANIZATION AND MANAGEMENT (Agenda item 3)

## PUBLICATIONS AND TECHNICAL COOPERATION (Agenda item 4) (<u>continued</u>)

1. The representative of <u>China</u> noted that the Government's policy in the early 1970s of expanding foreign trade had resulted in port congestion. In response to this problem, a massive programme funded with national and foreign capital had been implemented to develop new facilities, and the number of deep-water berths had more than doubled. During the present five year plan, a further 100 deep-water berths were to be constructed. Since 1984, there had been a decentralization of port control to local government, with the central government playing a coordinating and policy-setting role. Competition in the port sector was encouraged, with ports having to seek business with shippers and shipping companies. Ports had been given operational and financial autonomy, as well as greater freedom in setting salary and wage levels. China was turning to the international community for funding, technology and expertise to improve its port sector, and joint ventures were being encouraged. China was presently cooperating with Trainmar to establish a training centre in Shanghai.

2. The representative of <u>Germany</u> gave a brief description of the situation of German ports after the reunification process and noted the importance of inland transport in view of the large volume of transit traffic passing through the country. He described the different legal regimes that existed for ports in the former Federal Republic of Germany on account of the federal nature of the country. These ports had helped in the reorganization of ports in the former Democratic Republic, which had been carried out in only three years. Advice of the kind provided might be of interest to ports in other countries.

3. The representative of <u>Indonesia</u> explained that ports played a crucial role in his country, not only because they were vital to foreign trade but also to connect the more than 15,000 islands that made up the country. Under the terms of a new port law enacted in 1992, ports were expected to be more responsive to commercial pressures, efficient and cost-effective, as well as to provide financial benefits for the Government by reducing public funding for development and generating revenue from the sale of assets. The participation of the private sector in public-sector companies was thus going ahead, and a specific regulatory environment was being prepared for that purpose. 4. The representative of <u>Algeria</u> said that a reorganization of the port sector had begun in 1982 with the establishment of individual port companies in each port. These companies were responsible for providing infrastructure and services for ships and cargoes. The Government was now giving greater autonomy to these companies by establishing Boards to manage them along commercial lines, with the possibility for both private and public capital to participate in investments on an equal footing.

5. The representative of <u>Mozambique</u> explained the vital role that Mozambican ports had played in the past in serving neighbouring countries through transport corridors and their present inability to serve traffic. Cargo now stood at only 25 per cent of its previous level. Commercialization was now being implemented, and it was expected that leasing of facilities, joint ventures or other arrangements would be introduced to rehabilitate the ports. However, there were fears of foreign domination, as local expertise and funding was very limited after the lengthy civil war. He requested help in institution-building and human resource development to help overcome that deficiency.

6. The representative of the <u>Port Management Association of West and Central</u> <u>Africa</u> (PMAWCA) explained that this association, which had been established in 1972, spanned Africa from Mauritius to Angola and was having its eighteenth meeting this same week in Libreville. The Association had undertaken activities in the field of training, sensitization of senior managers, harmonization of statistics and accountancy procedures, promotion activities such as the "African Port Days", etc. The Association acknowledged the help received from United Nations bodies and agencies, such as UNCTAD, ILO and IMO, and European Governments that had assisted it in playing a successful role in the port sector.

7. The representative of the <u>Port Management Association of Northern Africa</u> (PMANA) noted that this Association, which had been formed in 1974, grouped seven countries from Mauritania to Sudan. PMANA sought to harmonize the legislation, rules and policies of its members and had as its objectives improving, coordinating and standardizing port operations and services, establishing relations with other organizations to study questions of interest, and providing a forum for national port administrations to exchange views on common problems. There were committees dealing with information technology (EDI) and statistics, port tariffs (harmonization of tariff structures) and technical issues (port equipment database). Several technical economic studies were planned, including one on free port zones.