

PORTS NEWSLETTER N°14

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prepared by the UNCTAD Ports Section

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EDITORIAL

Another one-week meeting of experts on ports in Geneva. This will be the fourth one in ten years! Is this useful? Does it make sense to gather port people in such an expensive, high place of diplomacy? These are the questions that many of our readers may ask themselves after learning that the next meeting of the Intergovernmental Group of Experts on Ports will take place in Geneva in the first half of 1996.

However, attendance to the last three meetings has been very good and growing. The 85 delegates from 46 countries attending the first one in 1986, increased to 110 delegates from 50 countries in 1990, and further increased to 180 delegates from 78 countries in 1993. The one-day policy seminars scheduled at the beginning of the meetings have been well received and undoubtedly contributed to the growing participation of port decision-makers. The agreement by all countries, as shown already in 1964 at the beginning of UNCTAD when ports were included in the "Common measure of understanding on shipping matters", on account of their impact on transport costs, has without doubt helped to this success.

But, perhaps there is something more. True, the new countries joining the UN have a strong interest in the reports, studies and expertise available to them in UNCTAD. True, the enlarged scope of the technical assistance which now encompasses humanitarian missions of the UN makes more countries interested in UNCTAD's work as a donor or recipient. In addition to these reasons, a more general one can be added: the new challenges facing the industry are perceived by governments and port managers as worthy of a worldwide gathering. On this account the United Nations, and Geneva, score high as the port technical staff is supplemented by excellent facilities and staff of interpreters and translators that allow the meeting to be conducted in the six official languages: Arabic, Chinese, English, French, Russian and Spanish.

In this meeting, the port experts will have the opportunity to evaluate the work carried out by the UNCTAD secretariat and for this the readers can refer to other sections of this Newsletter. They will also review any new or outstanding issues in the fields of port efficiency, modernization and development. However, a far more crucial task awaits them before and after the meeting. The resources of the UN system are being stretched to the limit and there is now a real possibility that the work of UNCTAD in the ports field will be severely curtailed. Already manning levels are less than 50 percent of that existing at the last meeting.

Fortunately, the timing of this Intergovernmental Group of Experts on Ports makes it possible for port officials to seek continuation of this work at UNCTAD IX, which takes place in April 1996, where priorities for future work will be allocated. Therefore, port decision-makers who consider that UNCTAD work in the field of ports is valuable may wish, before their departure to the meeting of port experts, to approach their Foreign Affairs departments and impress on them the importance of continuing with the port meetings. Again, soon after their return from the Group meeting they should report on it to the relevant officials in their Foreign Affairs department. Only in this way will the delegates from different countries attending UNCTAD IX in Johannesburg (South Africa) be properly briefed and be in a position to make an informed decision concerning the appropriate priorities of UNCTAD in relation to development and world trade.

PORT LITERATURE

This section provides information on port literature coming from different sources. Requests for information on articles or studies presented in this section should be addressed directly to their authors or publishers.

Reference Information

The search for port information is simplified by using Reference Information or Newsletters, often coming from the academic world. We have reviewed three of these. The first is the Maritime Current Content from the World Maritime University in Malmo; the second is the Maritime Studies - Current Awareness Bulletin from the University of Plymouth; finally the third comes from Northwestern University of Illinois, USA.

The weekly issue of the World Maritime University gives the content page of all received journals. The fact that there is no attempt to classify by subject and therefore the search for a particular subject is somewhat longer, is counterbalanced by the short summary of the content of the article which is normally given in the content pages of journals. The subjects are varied but there is a clear predominance of shipping issues, including dealing with specialized legal and economic topics. A good point is that content pages are in several languages and therefore provides a more balanced view of the industry worldwide.

The Current Awareness Bulletin from Plymouth is published monthly and references of articles in journals are given under headings such as Ports/ Harbours/ Waterways/ Pollution/ Trade/ Shipping and the like. For each article the source, the issue and the pages are given.

The Current Literature in Traffic and Transportation is published quarterly with selected citations from articles indexed from journals and conference proceedings available in the specialized library of the Northwestern University. The information relates to transport in general. However, the 40 plus pages contain a main heading of Water Transportation within which information concerning ports: cargo handling and facilities, container handling and facilities and labour and longshore workers.

World Maritime University, Fax: +46 40 254 2315. The Library, University of Plymouth, Fax: +44 1752 232 340. The Transportation Library, Northwestern University, Evanston. Illinois 60208-2300, USA.

Port Information in Internet

As readers may already know, the Internet is now a popular means to distribute information on many subjects in a computerized network that spans the world. In fact, Internet is a network of networks, all freely exchanging information. It is estimated that more than 30,000 networks connecting more than 30 million users are part of the Internet which creates an enormous population and a tremendous quantity of information. Some ports have already started to distribute information via the Internet and Mr. M.A. Pesquera, Chairman of Santander Port Authority has informed us about the following port sites on the Internet:

Antwerp:	http://www.portofantwerp.be/
Delaware:	http://www.libertynet.org/~ppc/drpa.htm
Finnish ports:	http://www.otm.fi/nowerail/welcome.html
Fremantle:	http://www.vianet.net.au/~writan/
Halifax:	http://fox.nstn.ca:80/~lrafter/
Hampton Roads:	http://hampton.roads.net/nhr/ports.html
Los Angeles:	http://www.psrinc.com/portla/portla.htm
Portland:	http://www.teleport.com/~rogerb/kpdx/pop1.html
Santander:	http://cchp3.unican.es/Puerto/HomeExp.html
Saint John:	http://www.mi.net/port/port.html
Singapore:	http://sunsite.nus.sg:80/PSA/intromain.html
Tacoma:	http://www.portoftacoma.com/
Venice:	http://www.portve.interbusiness.it/porto/porto.html

As well UNCTAD is also creating information on Internet and readers can access information on Developing Services Sector -- Shipping at <http://gatekeeper.unicc.org/unctad/ship/ship-hd1.htm>.

Accessing information is now much easier using the World Wide Web (WWW), a hypermedia system that allows the user to browse through the networks using programmes such as Netscape and Mosaic. The Web uses Universal Resource Locators (URL) as a short and consistent way of naming resources on the net. A simple explanation of these port sites is that the first string of characters, "http" says it is a WWW page and the next string of characters, for instance "portofantwerp" is the host name, for example, the port of Antwerp. The next string indicates the country, "be" for Belgium or "fi" for Finland; or an organization, "org", as shown in the case of Delaware; or commercial organization, as in "com" for Tacoma. In the case of Santander and Singapore the port address is an extension of the first address. This explains the next strings, "puerto" and "PSA" respectively. Finally, the information itself is available in a file indicated by the last string "welcome.html". All this information is written in a special language.

The way to access these sites is to have a computer linked to a server which in turn is linked to Internet. For example under Windows, after clicking on the icon "Netscape" or "Mosaic" available on the computer, it is only necessary to type the site in the slot named "location" or "URL". The user is then connected to the site and can then access the information that has been entered. For example this can be information on facilities available, shipping schedules, shipping agents, freight forwarders, local news headlines, information on port publications, etc.

Port Technology International

The launch issue of this new yearly publication was available from mid-1995. This publication is a review of advanced technologies for ports and terminals worldwide and encompasses six basic fields: vessels traffic systems, container terminal systems, container inspection technology, bulk materials handling, hazardous chemical handling and construction and maintenance of terminals.

The articles are written by specialists from different companies that supplied the materials and equipment to be used in ports and terminals and, therefore, deal with technical issues pertaining to the subjects covered in them. Some of the articles in this issue deal with berthing aid systems for ships, container inspection technology to detect drugs, vapour control in loading tankers, cathodic protection of marine structures, etc. A solid background is necessary to grasp the content of the articles which ranges from physics to biological subjects. All of the articles end with a short biographical note on the author, or authors, together with their address to facilitate further inquiries by readers.

Port Technology International, I.G.C. Publishing Ltd., Russell House, 28 Little Russell Street, London WC1A 2HN, U.K. Fax: +44 171 404 0123

Reefer Systems

This is a supplement of the well known monthly magazine Cargo Systems which specializes in reefer systems. It covers both reefer shipping and containers. It contains articles on the state-of-the art in container manufacturing and news about the leasing industry. The technologies being used to bring perishable commodities to the market are given good coverage. Finally, the general economic and business data on commercial parties and suppliers are available from this publication.

IIR Publications Ltd. 2nd Floor, Market Towers, 1 Nine Elms Lane, London SW8 5NQ.U.K. Fax: +44 171 344 3806.

Environmental Code of Practice

This is a publication from the European Sea Ports Organisation (ESPO) which contains the Environmental Code of Practice drafted by members of this body in consultation with the Transport Directorate of the European Union. It was approved by ESPO in 1994. The Code is designed to reflect the diversity of function and location amongst European ports and recognizes the responsibility for the implementation of environmental legislation, and that policy varies from port to port and from member state to member state. It is based on practical experience of those who have day to day knowledge of the port operations and provides: (i) a check list of the crucial environmental areas which requires the attention of the port management; (ii) recommendations on best procedure and environmental targets; (iii) a basis on which to establish and encourage common policies and procedures and to promote exchanges of information on best environmental practice.

The publication has two parts. Part one gives background information and recommendations on environmental strategy. The second part gives operational recommendations in nine areas, namely monitoring the environment, port planning and development, MARPOL, cargo handling, hazardous cargo, port preparedness and response plans, dredging and disposal of dredged material, shipping standards and education and training.

ESPO, Avenue Michel-Ange 68, B-1040 Brussels, Belgium. Fax: +32 2 736 6325

Legal Aspects of Privatization in Industry (ECE/TRADE/180)

This report was published in English in 1992 by the UN Economic Commission for Europe. Its objective was to provide guidance to Eastern European countries which were in a process of transition to market economies through privatization of state enterprises. However the principles which are described in this report apply also to countries which seek to privatize their companies but which do not have an appropriate legal framework. The guide is divided in four parts: i) definition and aims of privatization; ii) major economic and legal problems to be addressed in the privatization process; iii) legal preconditions of privatization; iv) basic methods procedures of privatization. The second part of the report is dedicated to examples of legislation adopted by economies in transition (Albania, Czech and Slovak Federal Republic, Hungary, Poland, Romania, Russia). Texts of laws and decrees are published and give an insight on how legal text should be drafted. This report is written in a very clear language and highlights the main aspects of privatization. This publication is a good guideline for port managers or high port officials who wish to be familiar with issues in privatization process.

United Nations Sales Section, Palais des Nations, 1211 Geneva 10, Switzerland. Fax: +41 22 917 0027.

UNCTAD publications in shipping and multimodal sectors

This selection of reports published by the other Sections of the Services Development Division dealing with shipping matters and multimodal transport may be of interest to those managers who wish to study the trends in the maritime and transport industry. Knowledge of the port environment is crucial in the definition of the objectives of development of a port.

Shipping

Review of Maritime Transport 1994 (TD/B/CN.4/49)

Changes in national practices covering shipper/ocean carriers relations (UNCTAD/SDD/SHIP/2; 1995)

Ship finance for developing countries (UNCTAD/SDD/SHIP/3)

Maritime policy reforms in the Newly Independent States of the former Soviet Union (UNCTAD/SDD/SHIP/4)

Progressive liberalization and the development of shipping services in developing countries - country experience (UNCTAD/SDD/SHIP/5 & Add.1)

Multimodal

Containerization and standards (UNCTAD/SDD/MT/2)
Mega multimodal transport operators and mega carriers (UNCTAD/SDD/MT/4)
Multimodal transport and trading opportunities (UNCTAD/SDD/MT/5)
Facing the challenge of integrated transport services (UNCTAD/SDD/MT/7)

United Nations Sales Section, Palais des Nations, 1211 Geneva 10, Switzerland. Fax: +41 22 917 0027.

TECHNICAL NOTE **Green Accounting in Ports**

This article points out the limitations of the current accounting systems, at a company and national level, to deal with environmental issues and appeals to the port authorities to improve their own accounts by starting environmental accounting, or green accounting as it is also known. It also describes a related but far reaching concept, accounting for sustainable development.

The concern of the business community and the public at large with environmental issues is now inescapable in all countries. The isolated voices raised on behalf of the environment in the early 1970's became a universal chorus in 1992 at the time of the United Nations Conference on Environment and Development, more popularly known as the Rio Earth Summit. The port industry as such has been concerned with the subject earlier, as the Convention on the Prevention of Marine Pollution by Dumping Wastes and Other Matters (better known as the London Dumping Convention) was ratified in 1975.

Over the years port associations have set up ad-hoc committees to deal with the subject and recommendations having financial implications have been made to the membership. For instance, the 18th IAPH Conference, in Sydney (Australia), recommended that "environmentally friendly equipped and operated ships are encouraged in the structuring of port tariffs and fees". Probably as a result, in January this year, the "Eleo Maersk" was awarded the Green Award Certificate by the port of Rotterdam which means a 6 percent discount in port fees. An additional 17 percent discount will be given to the same ship in accordance with a recent regulation of the European Union which is expected to enter in force in 1996. It is significant that environmental issues are now affecting the revenue side of financial statements, after affecting the expenditure side for many years, as many port authorities very well know.

The first step to protect the environment is often to put ceilings to certain physical magnitudes, as the London Dumping Convention did by setting a limit to the amount of lead in dredged soil. A more rational approach is to encourage a comparison between the "damage" caused to the environment by a particular activity and the "cost" to avoid it. This is the purpose of the efficiency indicator advocated in one UNCTAD report¹. The indicator is calculated for each of the elements which may be threatened: air, water and soil. It discriminates between accidental or structural (permanent nature) events; and between direct and indirect costs. However, calculations are difficult to make as the "damage" can be heavily underestimated if the harmful effects are unknown or due to the uncertainty surrounding expenditures. This probably explains the scarce quantitative data that contrast with the large number of qualitative prescriptions, policies and strategies, to be followed by ports in dealing with environmental issues. An Environmental Code of Practice has recently been produced by ESPO and is reviewed in this Newsletter. Further, a cursory review of Annual Reports, including financial statements, from port authorities shows few qualitative statements dealing with the environment and the absence of any quantitative statements. However, performance indicators such as tonnage and revenue are prominent in them.

This situation mirrors that of industry in general. A survey conducted in 1989 by ISAR (Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting) found that environmental information coming from the corporate world was limited². When available it appeared in the Board of Directors

¹ Sustainable development for ports, UNCTAD/SDD/PORT/1

² International Accounting and Reporting Issues, 1991 Review. United Nations Centre on Transnational

report rather than in the financial statements or its notes. There were several reasons that preclude the adequate reporting of environmental expenditures and liabilities. In many cases it is extremely difficult to separate environmental expenses from others while liabilities, in many countries, are deductible for tax purposes only when paid. Also liabilities tend to be under-reported as companies are always trying to show a good earning per share.

However, the survey conducted by ISAR indicates that there are some companies, notably in the chemical industry, that do record environmental expenditures. In so doing, it is interesting to note that current expenditures are often grouped under three headings: product safety, for expenses related to the increase in the safety of the product (i.e. using material that does not catch fire); process safety, for those expenses that protect the factory, equipment and personnel; and environmental protection, which records all expenses incurred in protecting the environment. To allocate expenses, some companies follow industry guidelines while others use company guidelines. Still others use more elaborated methods such as cost accounting, energy balance sheets or environmental audits; although these often require a specialized team to undertake these methods. An evaluation of these practices led the ISAR to recommend a series of general ledger accounts such as: a) liquid effluent treatment; b) waste gas and air treatment; c) solid waste treatment; d) analysis, control and compliance; e) rectification; f) recycling. These accounts may help companies in their recording tasks. In general, the adequate reporting of expenses can be assisted by appropriate definitions and classifications of accounts.

The consideration of liabilities is more difficult. It is usual to report future obligations as liabilities only if there is a legal obligation to do so. In environmental issues this is not always the case and one company indicated that liabilities only exist when there is a formal definition of responsibility made by the environmental agency. However, even if this definition exists, the liabilities are often difficult to determine and calculate because of their long-term nature (i.e. damages could escalate very fast as new information of long term effects are known, remedial costs could be reduced because of the availability of better technology, and so on). Other companies indicated that provisions were made only if they were involved in a law suit.

In fact, determining liabilities requires two steps. One is to estimate the cost of the damage and the second is to apportion it to the responsible parties. A feasibility study is advisable for the former because simply to apply the matching principle whereby the cost of rectification for the damage done to the environment is equal to the revenue earned in the damaging activity is not correct. In effect, the rectification cost may be much greater. It is necessary to determine what substances, and in what amount, are dangerous, the extent of the damage and the possible remedies. The costs of all these will change with time and technology. The second step is not easy either as regulatory bodies can have conflicting views on the same event which will result in wide fluctuation in the responsibility of a party. In any case determining the liabilities is a lengthy and costly affair which has led some experts to question the need to undertake it. However, the risk of having incorrect ideas about the amount of their liability could be more harmful to the company and has made this position untenable. In fact financial and legal advisers are now suggesting that companies try to establish a realistic range of liabilities, or better of rectification costs, based on best case/worst case scenarios.

ISAR recommends a comprehensive list of environmental items that should be covered in the report of the board of directors and the notes for the financial statements. A survey conducted two years later³, in 1993, indicates an increase in the number of references made to environmental issues in the reports but noted the same lack of quantitative information reported. The work done by ISAR is restricted to transnational corporations and reflects the inability of current accounting systems to deal with the issues posed by the activities of companies on the environment.

A similar situation is found in relation to the national accounts, that is those compiled by governments to measure the level of annual economic performance. A report⁴ presented in January 1995 to the Committee on Finance of the French Parliament reviewed the state of the art in producing national accounts, took stock of their inadequacy to deal with the environment and made recommendations for a joint effort with other governments to work in this

Corporations. ST/CTC/124

³ International Accounting and Reporting Issues: 1994 Review. UNCTAD/DTCI/12

⁴ "L'introduction de coûts environnementaux en comptabilité nationale". In "Problèmes économiques" No 2-432. 19 July 1995.

area. It states that an improvement in the quantity and quality of data can only benefit the decision-making process. The report brings into light the difficulties in getting an "environmental corrected gross national product" to measure the yearly performance of the economy. It also adheres to the principle of sustainable development as agreed in the Rio Earth Summit. This principle states that sustainable development is development that meets the needs of the present without compromising the need of future generations to meet their own needs. The report points out the long-term view of this approach which contrast with the short-term (a year or less) nature of the economic indicators produced by the national accounts.

The concept of sustainable development has originated a new far reaching suggestion to produce company accounts which do take it into consideration. The objective is to produce company accounts that effectively span two generations, that is about 50 years, rather than a year. Another striking proposition is that assets are defined as including the natural capital upon which an entity is economically dependant if it is going to remain a going concern, as well as probable future economic benefits obtained or controlled by a particular entity as a result of past transactions and events. This means that the accounting entity is in effect the company and the natural capital upon which it economically depends. A case study⁵ of a mock forest company has been developed by UNCTAD to illustrate this concept.

All this shows that the need is being felt in different quarters for upgrading the accountancy reporting systems as a necessary tool to help corporate and national decision-makers to take decisions giving due attention to the environment. Port authorities have not been included in the samples taken by ISAR, nor should they try to experiment with reporting systems that are at a development stage. Thus it would be advisable that port accountants take a close look at the findings and recommendations of ISAR and see whether there is something that can be done in the port industry. There are good reasons for this as port authorities are normally trustees of large portions of sea and land and therefore responsible for them. Also the fact that Annual Reports start to show environmental statements and indicators may help port authorities in their marketing efforts. This undertaking could be carried out within the activities of the port associations and, as usual, UNCTAD would be ready to give a hand in this new area of vital interest to all of us.

INSTITUTIONAL RESTRUCTURING - JOINT VENTURES

Institutional restructuring continues in many ports with the private sector playing a greater role particularly in the form of joint ventures. These ventures have been generally concentrated on the development of container terminals. Examples of this trend are found in Argentina, China, Republic of Korea, Mozambique, the Philippines and the Russian Federation. The main private container operators involved are Hutchison International Port Holdings (Hong Kong), Stevedoring Services of America (USA), Modern Terminals Ltd (Hong Kong), P & O Australia - International Port Management Division (Australia) and International Container Terminal Services (Philippines).

The experience of P & O Australia is an interesting example to mention. Ten years ago the company won a five-year management contract for Klang Container Terminal (KCT) and subsequently took a share in the terminal when it was privatized. In addition to providing management expertise the company likes to invest on its own or with partners in a port or terminal. They are involved in Asia Terminals Inc. (Manila) where they have invested more than US\$54 million over a period of several years and presently have a 33 per cent share. In Argentina they are managing Terminals 1 and 2 with Murchison Roman in Buenos Aires (P & O have a ten year management contract and will invest part of the US\$125 million that is required in the port).

A joint venture company was formed in October 1994 with Sea-Land and Vostochny Port Authority to manage and operate the international container terminal at the Russian Pacific coast port of Vostochny on a 25 year lease. In China, P & O has a 22.5 per cent share in Sinor Terminals which has a multipurpose facility at the port of Tianjin (port authority has a 55 per cent share) and a five-year contract to manage Shekou Container Terminal in the Shenzen Special Economic Zone with a 25 per cent share. In Indonesia, the company assumed all management of marine and logistic services for Freeport Mining in Irian Jaya in partnership with a local company.

⁵ Accounting for Sustainable Forestry Management. A case study. UNCTAD/DTCI/4

In Vietnam, P & O has been appointed management contractor for the development of a container handling facility at the port of Ben Nghe that involves expenditure of at least US\$19 million. In Mozambique, P & O and Rennies Group have been awarded a contract to form a joint-venture company with the Mozambique port authority to manage and operate the container terminal at the port of Maputo. Other terminals where P & O and local firms have been conducting discussions with government officials include Jawaharlal Nehru port in India, Port Qasim in Pakistan and Queen Elizabeth Quay Container Terminal in Sri Lanka.

A number of other countries are in the process of setting up joint ventures or awarding leases to the private sector - these include Mexico, Panama and Uruguay. The government of Singapore is even considering privatizing the Port of Singapore Authority to strengthen the stock market rather than to improve performance or to attract capital.

For governments, the underlying motivation for this change is to increase the competitiveness of the country's exports in the international markets. This is occurring as governments recognize that their path to economic development is through international trade and thus trade promotion is a national economic policy. Poor national port performance can hamper trade development and even deter investment. A recent study by OECD found that the main positive factors for investing in developing countries are an educated work force and good transportation and communication.

Governments are seeking partners who have proven experience in terminal management and financial capabilities to invest. Firms are looking for opportunities where there are good possibilities for growth plus freedom to hire and fire workers and to set prices. When there is potential for growth, companies are willing to set up joint ventures where the traffic volumes are low. Changes to national legislation for dock workers and resistance from organized labour have sometimes delayed this development. The pressures of globalization and the need for effective and efficient ports will likely result in this trend continuing, particularly as more governments will be turning to the private sector to finance port infrastructure. However management improvements, deregulation and commercialization are other steps port authorities and governments may take to improve port performance before turning to privatization.

STRATEGIC ALLIANCES

Examples of Projects to Improve Competitiveness of Ports

The Port of Oakland provides facilities for the transit of container traffic coming from and going to the Pacific Rim countries both for the Bay area and for inland locations in the United States. From the US Bureau of Census, the port was fifth in 1994 in terms of value of trade handled. It is involved in tough competition with other west coast ports for this transit or intermodal traffic, the majority of which moves by rail. The Port of Oakland Authority has targeted this intermodal market as its most significant opportunity for future growth. With the liberation of the former Naval Supply Centre property in the port, the port community has this unique opportunity to develop specialized facilities for this traffic. The Port of Oakland Authority, Union Pacific Railroad Company, Southern Pacific Lines and eventually Santa Fe Railroad will have available over 136 hectares (340 acres) for railroad intermodal terminal expansion and in addition, will also have over 96 hectares (240 acres) of new marine terminals and ancillary facilities.

The proposed Oakland Joint Intermodal Terminal will be the largest railroad intermodal facility in the western United States. It will be an independently operated common-user intermodal facility providing trailer-on-flatcar, container-on-flatcar and double-stack transfer services for the port and railroads for the entire Oakland/San Francisco Bay region. This strategic alliance will provide the railways with the much-needed room to grow and the port with a larger market share of inland containerized cargo. This consolidation of operations and shared capital improvement will result in lower costs for each participant through economies of scale. The use of the latest information technologies will further reduce operating costs and thus provide on-dock levels of service to ocean shippers at competitive costs.

The terminal will have a capacity for 660,000 lifts in the year 2002 and 1.2 million lifts in the year 2010. Seven

loading tracks plus one runaround track will each be at least 1,830 meters (6,000 ft) long and accessible from either end. The gates will handle peak volumes of 3,500 moves per day in the year 2002 and around 5,000 moves per day in the year 2010. The track connections will allow simultaneous entrance and exit by either railroad. The terminal will accommodate peak train volumes of up to 20 trains per day in 2002 and 28 trains per day in 2010. Using RTGs, each track must be capable of loading or unloading a full size train every six hours on average. The terminal railway support yard will provide intermodal railcar storage equal to twice the loading track capacity. A container yard will also be provided close to the facility which will provide longer-term storage and equipment storage. In order not to impede marine terminal development, any intermodal terminal layout parallel to the water must not be closer than 580 meters (1,900 ft) from the quay face.

THIRD MEETING OF THE STANDING COMMITTEE ON SERVICES - SHIPPING

The meeting of this Committee, which is the body overseeing the activities carried out by UNCTAD in the ports sector, took place in Geneva from 6 to 12 June 1995. This time, discussion concentrated on the subject of multimodal transport and in reviewing the work undertaken by the secretariat since 1992 in carrying out its mandate given at the UNCTAD VIII Conference. The Committee agreed that the next Intergovernmental Group of Experts on Ports would meet in Geneva next year and prior to the UNCTAD IX Conference which will take place in South Africa from 28 April to 11 May 1996.

UNCTAD IX

The Ninth Session of the United Nations Conference on Trade and Development will be hosted by South Africa and will take place from 28 April to 11 May in Johannesburg. Mr Rubens Ricupero, former Brazilian Finance Minister, has been appointed Secretary-General of UNCTAD for a term of four years beginning 15 September. Mr. Ricupero has extensive experience in international relations and economic development. The main topic for the conference will be promoting growth and sustainable development in a globalizing and liberalizing world economy. The objective is to maximize the developmental impact of these trends while minimizing the risks of marginalization and instability. The two trends of globalization and liberalization will both affect ports and be effected by ports as key nodes in international transport.

Suppliers, producers and distributors are faced with a dilemma of improving their products while at the same time lowering their cost. To achieve this goal, globalization of production has been introduced which has resulted in transport and distribution becoming a subsystem of the whole production system. This has resulted in the development of a chain between the supplier, producer and distributor which integrates the whole supply process from its procurement stage up to its final delivery to the consumer. This has resulted in a dramatic increase in the value and volume of manufactured goods shipped by sea. Technological and structural changes in transport and communication have allowed transport operators through the development of networks to provide the frequency, speed, security, reliability and integration needed by producers to achieve efficiency in logistics and thus reduce the delivered cost of their products. Ports have also adapted through deregulation, commercialization and privatization to offer better services to their clients to provide the reliability needed for this production system.

The limiting of stock (just-in-time techniques) and centralization of distribution are results of this striving to reduce cost and improve service. Governments that have understood the opportunities that this can offer have pursued a policy of developing their ports as global or regional distribution centres. Outstanding examples of this are the ports of Singapore and Rotterdam. Massive investments are required for infrastructure but these centres provide the port with employment opportunities and added value activities. Such centres require communication, banking and insurance services.

This global Conference is the policy-making body that will set priorities for the future work of UNCTAD for the next four years.

INTERGOVERNMENTAL GROUP OF EXPERTS ON PORTS

The purpose of this meeting of the Intergovernmental Group of Experts on Ports is to assess the progress made in implementing the work programme, to review any new or outstanding issues in the fields of port efficiency, modernization and development and to make recommendations to the Committee. Readers may recall that the conclusions and recommendations of the meeting of port experts of 1993 called for a series of studies and activities and were endorsed by the Standing Committee on Services (Shipping). The latter also agreed with the suggestion that the review could be better made by the port experts themselves.

Accordingly, at this meeting the group will review the following four reports: (i) strategic port pricing, (ii) comparative analysis of deregulation, commercialization and privatization of ports, (iii) potentialities for port cooperation and (iv) financing port development. The meeting is scheduled to take place in Geneva from 18-22 March 1996.

The group of port experts may also wish to consider ways and means for putting the considerable research already done into policy seminars so that more ports could benefit in a more direct way from the information. A Plan of Action for the rest of the decade with the priority items could be prepared.

RECENT UNCTAD PORTS STUDIES

Comparative analysis of deregulation, commercialization and privatization of ports (UNCTAD/SDD/PORT/3)

Port institutional restructuring can range from modernization of management to complete privatization, but the overall objective is to make port management market-oriented and thus enable it to satisfy its clients' needs. This study analyses the reasons for port institutional restructuring, the measures for institutional reform and the conditions for implementation. It assesses the port's environment and identifies the measures needed. It also analyses the implementation, control and adjustment of restructuring measures.

It starts by analysing the objective of port reforms and then reviews the various reform methods and their interrelation. This is carried out by classifying the port reform process undertaken by several countries under four categories. The first one is the managerial approach where the case of Casablanca (Morocco) is used as an illustration. The port reforms of China, Chile and UK are classified under the heading of deregulation. The case of New Zealand is the example of commercialization. Finally the cases of Malaysia and the UK are put forward as examples of privatization. Interestingly, there is not a clear cut division between these categories, and in many cases port reform in a country has features that makes it possible to fit into one or two categories.

The next chapter deals with the conditions for reforms and refers also to cases where it could not be implemented. The overall environment (political, economic and labour aspects) in which the port operates is assessed and suggestions for devising a suitable strategy are put forward. Finally, it is explained that the process needs monitoring in its implementation, particularly when adjustments are required. Labour relations are a key factor and a high degree of transparency is required for both personnel and financial matters. Successful reform is normally accomplished by a gradual step-by-step approach.

Financing port development (under preparation UNCTAD/SDD/PORT/4)

This study addresses the main issues that port authorities and governments face in financing port capital investment. With the growth in trade, particularly in containerized trade, new special purpose facilities are required and financing this development is a major challenge facing the port industry. Restructuring is opening up opportunities for commercial investment in ports as state and municipal funds for port development are being cut back. The study reviews the various institutional frameworks of ports and how port regulations can effect investment. The study will also discuss the financial objectives of port investment, the evaluation of assets, the

availability of capital funding and finally financial control and evaluation.

Potentialities for regional port cooperation (under preparation UNCTAD/SDD/PORT/5)

This study is an update of past studies carried out by the secretariat in this field and was requested at the last meeting of the Intergovernmental Group of Experts on Ports. Cooperation of a commercial nature is taking place in most ports, among port authorities, port operators and port users that is benefiting the development of the international transport network. Cooperation between port authorities is carried out through their professional associations and they have developed industry standards as well as taking steps to enforce international standards. Training is another activity where cooperation is well developed and a good example is UNCTAD's Trainmar programme which involves many port authorities.

TRAINING DEVELOPMENTS

For many years, port managers who wished to improve their skills through training had only two avenues to do so: the ad-hoc short-term training on topical issues lasting from a few days up to one month or the one-year academic course leading to a degree from a handful of universities around the world.

UNCTAD was a pioneer in introducing ad-hoc training with its management seminars of the 1970's and is still doing so with the IPP Policy Seminars and those run in collaboration with two Belgian ports. This approach was enhanced in the 1980's by developing the Trainmar network which is now in full operation in five continents and through which training centres of several countries produce and exchange courses. The considerable development of the network is reviewed at periodic meetings and a summary of the last one, held in Geneva in June 1995, is given in this Newsletter. Nowadays, port authorities, training institutions, universities and consultancy companies are providing this type of training worldwide as shown in the Training File published by *Cargo Systems*, a specialized journal, in which a list of more than 30 organizations offering training in 20 subjects is found and also *Port Development International*, another journal, which gives a list of 22 organizations. The training provided by some ports is a good illustration of this approach: the port of Singapore runs courses on several subjects lasting 1 to 2 weeks and the same is true for the port of Le Havre. In all cases this ad-hoc training is attested by a certificate, of attendance or otherwise, showing that the participant has followed the subject successfully.

The other alternative, to obtain an academic degree, was less popular as it was restricted to those who could get acceptance from a university, often a foreign one; had funds to cover their expenses and could take leave from their jobs for one year or more. The University of Wales, formerly UWIST, was one of the first to provide courses for port managers having different backgrounds, notably those from the merchant marine willing to come ashore. The University of Delft did, and still does, the same for those having an engineering background. More universities joined later and a number of them are now providing academic courses for port practitioners. Recently, the University of Rouen (France) has set up a course covering the full scale of legal matters related to ports. The coverage of port subjects in universities is, in some cases, still combined with shipping ones so degrees are for "Maritime Studies", "Shipping and Port Management or Administration" and the like. However, since 1993 the World Maritime University has a 2-year MSc port course which is described in a separate article.

Universities and business schools are also joining forces with ports. For instance the Singapore Port Institute, offers a 5-week Diploma course in Shipping and Port Management in collaboration with the University of Delaware (USA). Valencia (Spain) offers a one-year Master course in Port and Intermodal Transport Management in collaboration with a leading national business school. Clearly, the former is less academic than the latter and shows the wide disparities existing in these joint efforts.

From recent years, a trend is now distinct for the 1990's: a third alternative which combines features of the other two mentioned above. In this case the participants earn a Diploma or Certificate, over a more or less extended period, that recognize their knowledge in a series of subjects. The difference is that participants do not need to

leave their jobs. The course leading to a Certificate being prepared by UNCTAD within its Trainmar programme is an attempt in this direction and follows the model set up in Abidjan (Côte d'Ivoire) by the Maritime Academy. In this case participants will follow a number of courses over a period of 18 months to earn a Certificate in Port Management. Again, this approach has also been taken by AAPA (American Association of Port Authorities) in its PPM (Professional Port Manager) in which candidates follow a series of seminars, participate in the technical committees of the association and submit a dissertation to an AAPA panel in a period not exceeding five years after which the title of PPM is awarded by AAPA. Further, some have started to enhance this training by using computer packages. Another version of this approach is the collaboration between the Technical Committee on Ports of the Organization of American States and the Sea University of Valparaiso.

This new development shows that institutions are better targeting the needs of managers and seeking the best mix of subjects, length of training, degree awarded, etc. to attract them. Also, it assures that the required expertise is available in the ports sector at a time of profound change. This is becoming necessary as no one can expect to do the same job during his entire working life. Further, practitioners and managers should realize that the three avenues for bettering themselves are complementary.

This is the reason for the UNCTAD Ports Section to continue with its Policy Seminars which by covering topical issues in a comprehensive way, provide effective training for decision-makers. In fact, some of the material of these seminars is often incorporated into more formal courses. A questionnaire has been prepared that will help us in the preparation of future training packages for the benefit of the industry and trade in general. Questions relate to the content of training courses, expectations, training methods, venue for training, and costs and ability to pay. We will shortly be sending the questionnaire to our focal points and we would appreciate if those receiving it could return the completed form by fax.

WMU PORT PROGRAMME

The Port Management course of the World Maritime University (WMU) is designed to provide students with the specialized knowledge and skills required for the efficient, effective, economical and safe operations of a port as a commercial enterprise. This is one of the five courses being run by the University which started in 1983 with the backing of the International Maritime Organization (IMO), one of the UN specialized agencies.

Applicants to this course are expected to hold degrees in nautical science, maritime studies, management, law, economics or the equivalent. The course has two streams: nautical and commercial. Depending on the entry qualifications, the course can be followed in a 20-month (4 semesters) or 11-month (2 semesters) mode for either stream. After a dissertation, that counts for 20 percent of the final mark, an MSc degree can be obtained. Most subjects are common for both streams and during the last semester, specialized subjects, such as port total quality management or vessel traffic management are taken by those following the commercial or nautical stream. Lecturers come from all over the world and have a recognized experience in the port industry.

Applicants are expected to have a good command of English, which is the language of tuition. A 550 mark or above in the TOEFL test is required. For those having marks between 400 and 550, attendance at an intensive English language programme is required and is run at the University. Most students are funded by their own companies, and some by bilateral or multilateral schemes. A very small number of fellowships are available from IMO. Costs are approximately US\$ 20 000 per year which includes transportation, full board and room. Those interested in more comprehensive information are requested to write to: The Academic Registrar WMU, PO Box 500, S-201 24 Malmo, Sweden. Fax: +46 40 128 442.

TRAINMAR GENERAL MEETING

A General Meeting of the Trainmar network was held in Geneva from 30 May to 2 June 1995. Such meetings are held every 3-4 years for all members, whatever their regions or interests, to discuss general issues of network

development.

Fifty people from thirty-six countries attended as well as observers from ILO (Geneva) and United Nations (New York). Most of the delegates were staff from member centres, but there were also a number of interested managers and officials from the maritime sector. Wide ranging discussion showed great concern about the need for sustained human resource development (HRD) so that countries across the world can profit fully from global trends in production and consumption. Current trends offer great benefits for their countries but depend on the availability of efficient international transport. It was agreed that changes in global trading patterns, combined with new technology, commercial practices and legal regimes were a critical challenge to countries everywhere and local training capacity must be developed accordingly.

It was considered that progress of Trainmar in the regions and in a global context has been considerable but that the potential was far from being fulfilled. The need for the network to have a clear and ambitious policy for development into the next century was recognized. UNCTAD was asked to prepare and distribute a draft proposal to members as soon as possible. Many suggestions were made for inclusion in the proposal, classified under six main headings: policy and public support, institutional aspects of training, implementation of training, training standards, closer cooperation, and wider cooperation. A summary report is available from the UNCTAD secretariat.

The secretariat perceives three special priorities to further improve performance: encouraging countries and enterprises to have HRD policies for management of the maritime sector, preparing and promoting the use of seminars on human resource development, and increasing the exchange of information concerning training initiatives around the world.

REHABILITATION PROGRAMME FOR SOMALI PORTS

An Update

The follow-up activities of this project in the port of Berbera were delayed after the successful completion of the Policy Seminar organized last March for the Board members of this port. This was due to disagreement on the terms under which the European Union (EU) aid could be made available for the rehabilitation of the port and the road linking it to Hargeisa. Further, fighting was reported on several occasions in Hargeisa making it more difficult to start the work on the road. However, some minor rehabilitation work was carried out by the EU in Berbera, notably by building an area for cattle export. The UNCTAD project has started preparation to conduct an ad-hoc training course in Madras (India) for selected Board members and senior managers from this port. However, the current situation precludes the nomination of the appropriate personnel for this training.

The project succeeded in setting up a Board for managing the port of Bosasso, another Somali northern port. A seminar was conducted for the six Board members in Nairobi from 7 to 9 August 1995. In addition to presentations made by the Project Co-ordinator E. Johns and the Consultant A. Joshi, presentations were also made by Dr. K. Kabia, Special Envoy of the Secretary General of the UN to Somalia; Dr. E. Dessau, the Resident Representative of UNDP; Dr. Cruthers, of the UN Development Office; and Mr. R. Nelson of the European Union. The success of the seminar reflects the considerable importance attached by the UN to the rehabilitation of the managerial structures of the country. An Action Plan was drafted and its implementation started soon after the completion of the seminar.

At the time of writing a seminar for 11 potential Board members of the port of Kismayu was taking place and preparations were starting to send a group of port managers from Berbera to training in Madras (India).

The project continues to monitor the situation in the ports of Mogadishu and Kismayu by making visits from time to time. This supplements the security surveys carried out by UNDP on country basis. These two ports continue to operate, particularly the first one which has been reported to be exporting bananas. However, the security situation for the moment precludes project activities in these two ports.

UNCTAD'S TRAINING ACTIVITIES

UNCTAD/APEC Container Terminal Management Seminar (Antwerp) In French 11-30 September 1995

This was the 15th seminar run jointly by UNCTAD and APEC (Antwerp Port Engineering and Consulting). Fourteen participants coming from port administrations and terminal operators in ten countries attended this seminar which was delivered in French. The seminar consisted of lectures, exercises, discussions, simulations and visits to container terminals which were well appreciated by participants.

This seminar benefits from the extensive experience of the port of Antwerp in the development and management of container terminals. The Belgian Government finances this seminar and contributes a portion of the cost of the stay of the participants in Antwerp.

UNCTAD/Port of Ghent Seminar on the New Commercial Role of Ports and Port Marketing In English 2-20 October 1995

This seminar, which is designed to change the attitude of port managers, sensitize them on new trade opportunities and train them in modern marketing techniques, took place in Ghent. The Belgian Government finances the seminar and also contributes to the cost of the stay of participants.

Seventeen participants with marketing backgrounds from fifteen countries attended this seminar. Lecturers came from UNCTAD, Ghent Port Authority, Ghent University and from the port community. The seminar was composed of lectures with audio-visual support, exercises, visits to ports and the preparation of a marketing plan. Participants were specially interested in the practical knowledge gained by visiting the ports of Ghent, Dunkirk and Antwerp as well as the evaluation of their marketing plans they have prepared for their own ports during the seminar.

MISCELLANEOUS

PMAWCA 20th Council Meeting

The 20th annual meeting of the Port Management Association of West and Central Africa will take place in Conakry (Republic of Guinea) from 8 to 17 November 1995. The reports presented by the several specialized committees, namely Legal Affairs, Operations, Environmental Protection, Research and Planning, and Finance will be evaluated by the membership. Other important points on the agenda are the election of the new Chairman and Secretary General of the Association.

Director General, Conakry Port Authority; Fax: +224 412 604 and +224 444 564.

PIANC Meeting in Goa (India)

The Permanent Committee for Development and Co-operation is going to have its third Seminar in Goa (India) in collaboration with Mormugao Port Trust (MPT). The seminar will be held from 13 to 18 November 1995 at the

MPT/NIO facilities and accommodation will be available at one or more of the resort hotels of Goa. The objective of the seminar is to exchange information, know-how and experiences on inland and maritime waterways and ports and harbours as key infrastructures in developing countries. The languages of the Seminar will be English and French. Those interested should contact:

PIANC Secretariat in Brussels; Fax: + 32.2.208 5216 and + 32.2.208 5215.

PMAESA 21st Council Meeting

The 21st annual meeting of the Port Management Association of Eastern and Southern Africa will take place in Durban (South Africa) from 20 to 24 November 1995. The Managing Director of the Kenya Ports Authority, Mr. Simeon Mkalla, has been elected Chairman of the regional body and succeeds Mr. Jack Nagdan, Director General of the Mauritius Marine Authority. The meeting will be hosted by Portnet, and this will be the first time it is held in South Africa. For more information please contact:

Manager Corporate Communications, Portnet; Fax: +27 11 773 8690.

Cities and Ports Meeting in Dakar (Senegal)

The 5th Conference of the Association Cities and Ports will take place in Dakar from 22 to 25 November 1995. Representatives of more than 40 countries are planning to attend to discuss the role of cities and ports in the rehabilitation of regions, the impact of the port activities on the economies of the cities and the concept of sustainable development as applied in port and cities. The seminar meeting will be conducted in English and French. For additional information contact:

International Association of Cities and Ports; Fax: +33.35 42 21 94.

SingaPort '96 International Maritime Exhibition and Conference

The 6th SingaPort International Maritime Conference will be organized by the Port of Singapore Authority from 26-29 March 1996. This major conference is supported by numerous international organizations APAA, IMO and IAPH. The last conference was held in 1992 and attracted over 6000 visitors. One of the objectives of this conference is to serve as a forum for industry executives to find out the latest trends, developments and changes in the port, shipping and maritime industries. For additional information contact:

Times Conferences and Exhibitions Ltd; Fax: +65 286 5754 or 382 2872.

Proceedings of the International Seminar on Port Liability and Insurance

The proceedings for this seminar, which was held on 1-2 June 1994 in Dunkirk, France, have been published by the Port Authority of Dunkirk in French and will shortly also be available in English. Readers will recall that this seminar was held following the first meeting to establish LEGIPORT, an International Association of Port Jurists. The proceedings reproduce the ten papers that were presented at this seminar. For copies of the proceedings please contact:

Legiport Secretariat, Port Autonome de Dunkerque; Fax: +33 28 29 71 06.

4th Latin American Port Meeting

More than 250 delegates from 17 Latin American countries as well as France, Spain and the United States attended this meeting held from 8-10 August in Cartagena, Columbia. This meeting of Latin American port executives is sponsored by AAPA. The delegates approved a declaration which urged greater cooperation among AAPA ports in the areas of training and technical assistance, harmonization of statistics, emphasized the

importance of electronic data interchange and joined the efforts of AAPA and the Permanent Technical Committee on Ports of the Organization of American States to define a Latin American Port Policy Task Force. The next meeting in 1996 will be held in Montevideo, Uruguay.

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The Ports Newsletter of UNCTAD was set up following the recommendations of the intergovernmental group of port experts. Its objective is to improve the distribution of information on port activities of the UNCTAD secretariat. It also includes technical and other information of interest to the international port community, in particular for ports from developing countries.

The Newsletter is published twice a year, in May and November. It is produced in English, French and Spanish and is sent free of charge to a network of more than 300 focal points in more than 150 countries. For all other subscriptions, we request a financial contribution of US\$50 per year. For additional information, please contact the UNCTAD secretariat at the address below:

Le bulletin portuaire de la CNUCED a été créé en application des recommandations du groupe intergouvernemental d'experts portuaires. Il publie des informations sur les activités portuaires de la CNUCED afin d'en améliorer la diffusion. Il publie aussi des informations techniques ou autres présentant un intérêt pour la communauté portuaire internationale, en particulier pour les ports des pays en développement.

Le bulletin paraît deux fois par an en mai et en novembre. Il est produit en anglais, français et espagnol et est diffusé gratuitement à un réseau de plus de 300 correspondants dans plus de 150 pays. Pour tout autre abonnement, nous demandons une contribution financière de 50 dollars par an. Pour de plus amples informations, contacter la CNUCED à l'adresse ci-dessous indiquée:

El Boletín Portuario se publica como consecuencia de una de las recomendaciones del grupo intergubernamental especial de expertos portuarios. Su propósito es mejorar la distribución de la información relativa a las actividades portuarias de UNCTAD. Incluye información técnica y otras de interés para la comunidad portuaria internacional, especialmente para aquella de los países en desarrollo.

El Boletín se publica dos veces al año, en mayo y noviembre. Se edita en español, francés e inglés y se distribuye gratuitamente en una red de más de 300 corresponsales ubicados en más de 150 países. A aquellos otros interesados en recibirlo se les solicita una contribución financiera de US\$ 50 por año. Cualquier información adicional solicitarla a la dirección siguiente:

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