

# Caribbean MARITIME



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ISSUE No 25  
MAY - SEPTEMBER 2015

## PANAMA CANAL PORTS

CANAL PORTS GEAR UP TO  
HANDLE BIGGER VESSELS

## NASSAU CONTAINER PORT

FRESH APPROACH  
TRANSFORMS EFFICIENCY

JAMAICA

# CMA CGM TAKES CHARGE IN KINGSTON



SANTA MARTA

HAITI

CUSTOMS

TECHNOLOGY

SECURITY



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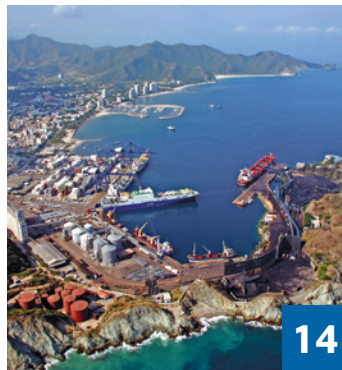
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The official journal of the:



caribbean shipping association

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“To promote and foster the highest quality service to the maritime industry through training development; working with all agencies, groups and other associations for the benefit and development of its members and the peoples of the Caribbean region.”

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## CONTENTS

- 2 FROM THE CSA PRESIDENT**  
Infrastructure and human capital development critical for growth
- 4 HARBOR VIEW**  
Six of the best
- 6 KINGSTON CONTAINER TERMINAL**  
CMA CGM takes charge in Kingston
- 12 HAITI**  
Haiti's new cruise terminal in doubt
- 14 PORT OF SANTA MARTA**  
Upcoming gateway for auto trade and reefers
- 18 NASSAU CONTAINER PORT**  
Fresh approach transforms efficiency
- 20 PANAMA CANAL PORTS**  
Canal ports gear up to handle bigger vessels
- 25 PANAMA CANAL UPDATE**  
Countdown to opening of expanded canal
- 26 TECHNOLOGY**  
Tomorrow's world – closer than you think
- 30 PORT BRIEFING**
- 32 STARBOARD BRIEFING**
- 37 SECURITY**  
Changes likely as US Coast Guard mulls new regulations for cruise ships
- 40 FENDERS**  
For peace of mind, you can't beat quality
- 43 RUSSBROKER CARIBBEAN MARKET REVIEW**  
Increased rate levels are still insufficient
- 47 CUSTOMS AUTOMATION**  
Prospects for Paperless Logistics B2G Interaction



# Infrastructure and human capital development critical for growth

**We operate in an era of rapidly increasing trade opportunities and heightened competition, which has created an environment that demands modern and sophisticated infrastructure in order to function more effectively, facilitate greater growth and to remain relevant in the globalized marketplace.**

In the shipping industry, the positive correlation between high quality, advanced infrastructure and continued economic viability and prosperity is all too clear. It is for this reason that we applaud the recent signing of the concession agreement between the Port Authority of Jamaica (PAJ) and the French company Terminal Link/CMA CGM for operations of the Kingston Container Terminal (KCT). The company's proposed investment of some US\$ 600 million is a powerful demonstration of business confidence in Jamaica and the wider Caribbean, and reinforces the region's strategic advantage of being located astride major trade routes.

As a formidable global brand ranked as the third-largest shipping company in the world, the presence of Terminal Link/CMA CGM in the Caribbean sends the important signal that exciting opportunities exist in the region. The company's commitment to upgrading, expanding and operating the KCT under a 30-year concession, as well as its

plan to dredge Kingston Harbor, will enable Jamaica to accommodate the mega ships that will soon transit an expanded Panama Canal. This is expected to significantly increase cargo flows through Caribbean ports that are actively seeking to achieve global transshipment hub status.

## COMPETITION

While this latest development constitutes greater competition among local players in the shipping landscape, it also represents an excellent opportunity to foster strategic synergies that will redound to our mutual

benefit. Through meaningful collaboration, we can work to eliminate impediments, increase efficiencies, improve productivity and ultimately create a port environment that consistently functions as a homogenous economic zone.

recently received another major fillip with the visit of US President Barack Obama to Kingston. President Obama's meeting with regional leaders at the CARICOM-US Summit in Kingston and subsequent engagement at the Seventh Summit of the Americas in Panama reaffirm the strategic importance of the Caribbean to the US. The discussions focused on strengthening relations and deepening partnerships in crucial areas such as trade, energy and security. The renewed interest of the US in the region comes at a time when China's economic influence continues to unfold through significant investments in the Caribbean. Within the context of geopolitical dynamics, we are favorably positioned to enjoy strong and fruitful relations with both countries.

Our enhanced image as an investment destination and ongoing improvement in infrastructure have been opportunely complemented by several training initiatives spearheaded by the CSA to develop human capital in the industry. In April of this year, we facilitated the participation of 12 persons in a study tour of the DP World Caucedo marine terminal and free zone in the Dominican Republic. The participants

---

**Our enhanced image as an investment destination and ongoing improvement in infrastructure have been opportunely complemented by several training initiatives spearheaded by the CSA**

---

were exposed to best practice operations and also took part in a training course. In previous years, the CSA organized similar study tours to the Cartagena Container Terminal in Colombia and the Manzanillo International Terminal (MIT) in Panama.

In addition to the many leading-edge training opportunities provided at annual

This will undoubtedly go a far way in bolstering our business reputation, which



conferences and other regional forums, our efforts in this area extend to the provision of two annual scholarships to pursue a master's degree in port and maritime management at the Arthur Lok Jack Graduate School of Business in Trinidad and Tobago. The CSA also provides annual bursaries totalling US\$ 20,000 to four students of the Caribbean Maritime Institute (CMI). These initiatives underscore the value that we place on developing the knowledge, skills and competence of our workforce, which will allow us to compete effectively on a global level and thereby secure the future of the regional shipping industry.

## HUMAN CAPITAL

While on the subject of human capital, it is with great pleasure that I commend the recent formation of the Caribbean chap-

ter of the Women in Maritime Association (WIMA). Launched by the International Maritime Organization (IMO) in April, the WIMA seeks to support regional efforts to deepen the integration of women in the maritime sector and encourage gender equality. While shipping remains a male-dominated industry, we are happy to witness the growing number of women who are currently enjoying success, particularly in leadership roles.

I look forward to engaging with you at the upcoming 14th Caribbean Shipping Executives' Conference (CSEC) in Tortola, British Virgin Islands (BVI), which I expect will attract our members in large numbers. Hosted by the BVI Ports Authority, from 11 to 13 May, the conference will facilitate the exchange of ideas and discussions on key issues in our industry.



**Grantley Stephenson**  
*President,*  
*Caribbean Shipping Association*



**HARBOR VIEW**



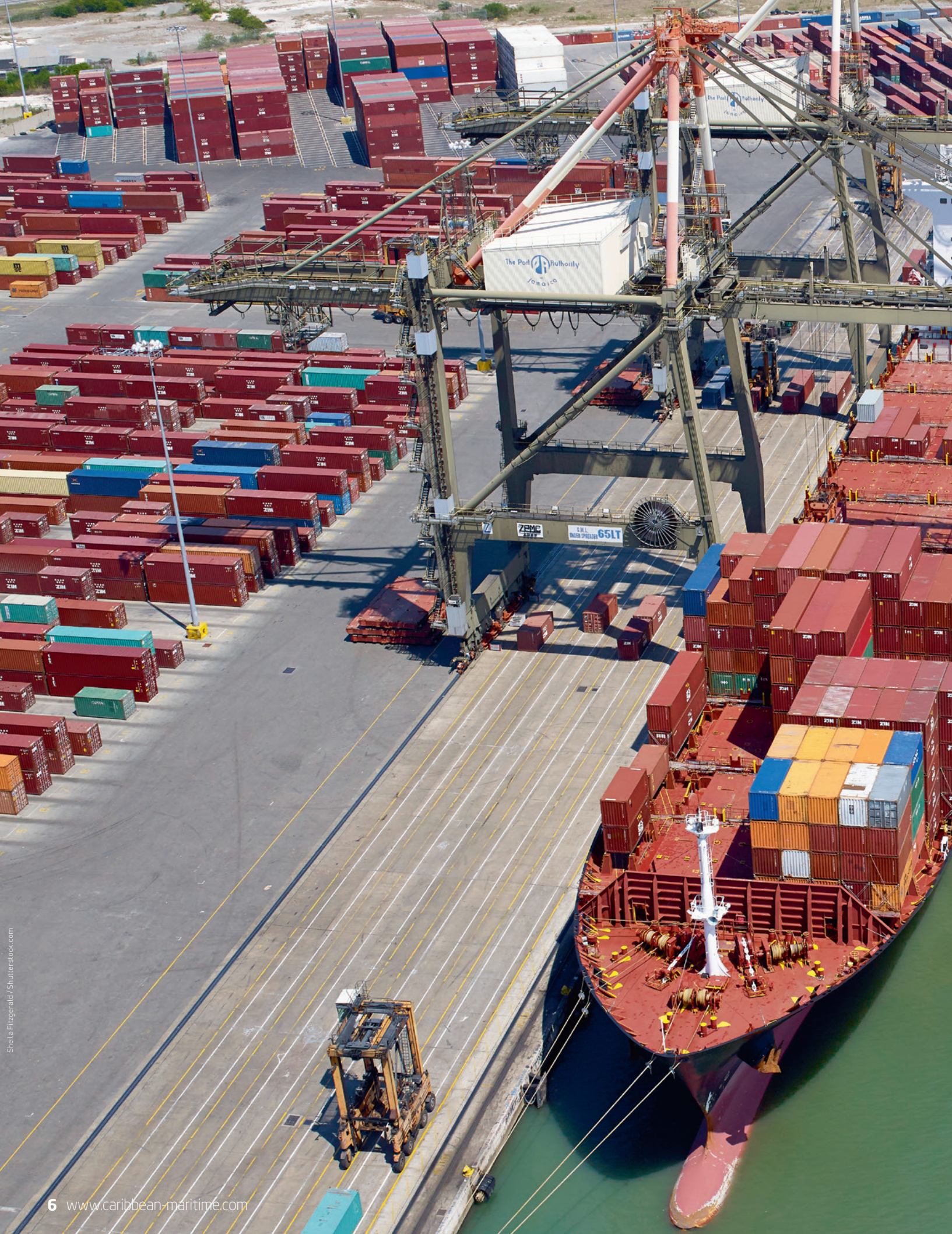


## SIX OF THE BEST

This is what it looked like when Port Canaveral had to handle six cruise ships in just one day and saw an amazing 26,000 passenger movements.

Four of the six ships – ‘Carnival Liberty’, ‘Carnival Sunshine’, ‘Disney Magic’ and Royal Caribbean’s ‘Freedom of the Seas’ – were homeporting in Port Canaveral and, as a result, were both disembarking and embarking passengers.

Just to make Port Canaveral even busier on Sunday, 15 February there were port-of-call visits from two more Royal Caribbean ships: ‘Grandeur of the Seas’ and ‘Quantum of the Seas’.





# CMA CGM TAKES CHARGE IN KINGSTON

Following an announcement in April, operations at Kingston Container Terminal, the one-time jewel in the crown of the Port Authority of Jamaica, are now to be managed by the CMA CGM Group

**It was a long time coming. And when it did come, the outcome was, perhaps, a surprise to some.**

This was the much-anticipated privatization of Kingston Container Terminal (KCT), one of the big Caribbean success stories of recent times and in many ways the dream-child of Noel Hylton, the former chairman and chief executive of the Port Authority of Jamaica (PAJ).

The winner of the 30-year concession is the French company Terminal Link, part of the CMA CGM group. The agreement was signed on 7 April by Dr Omar Davies, Minister of Transport, Works & Housing;

Farid Salem, president of Terminal Link and executive officer of CMA CGM; and Prof Gordon Shirley, president and chief executive of the PAJ.

The Jamaican Prime Minister, Portia Simpson-Miller, hailed the agreement as another example of the significant growth in foreign direct investment (FDI) in Jamaica.

## LOCATION

It was Jamaica's ideal position that seems to have won over the new concessionaires. Mr Salem says his company chose Jamaica as a place to invest because of its strategic location in the Caribbean and its great



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potential for development. "We like Jamaica because there is governance in the country, there is security and it is an equitable environment for employees and employers," he said. "This is a long-term strategy which we salute."

### COMMITTED

CMA CGM is renaming KCT as Kingston Freeport Terminal Ltd (KFTL) and the new operator is committed to upgrading the Kingston facility in various stages over the coming years.

Phase 1 will cost an estimated US\$ 259 million and will require KFTL to:

- Complete dredging to accept vessels of up to 14.2 metres draft. This has to be completed within five years.
- Invest in new terminal equipment within a six-year period.
- Increase the terminal's annual throughput capacity from its present level to 3.2 million teu.

After this is in place, work on Phase 2 is expected to commence in year 12. It will comprise:

- Further capital dredging to accept vessels of up to 15.5 metres draft (sufficient to handle all vessels able to navigate the newly enlarged Panama Canal in early 2016).
- Increasing the terminal's annual throughput capacity to 3.6 million teu.

Is this new arrangement with CMA CGM a good deal for Jamaica? As Mr Hylton said previously (in 'CM' issue 21), the Jamaican government was not in a position to fund the future expansion of the terminal, so it had little choice but to look for a party which could.


As the PAJ also admits, the condition of the authority's balance sheet meant there were insufficient internal reserves to support a new level of debt (needed for the upgrading work). And there are no new government guarantees for this particular deal.

Furthermore, Dr Davies more or less echoed Mr Hylton's exact words when he alluded in April to this situation as a significant factor in the Jamaican government opting for the privatisation. He said the government was not in a position to afford an "additional debt of that magnitude" which would be required for the expansion of the facility.

Naturally enough, and noting the statement about the cost of the work, Dr Davies supported the deal with CMA CGM and said: "We have a global terminal operator linked with major container shipping lines which are leaders in their field. The Terminal Link portfolio currently consists of [an] interest in 14 terminals and handled over 12 million teu in 2014."

### BENEFIT

From the government's point of view, there is an added benefit in terms of receiving regular payments from the concessionaire. These comprise a check for US\$ 75 million within six months of contract signing and an annual fee of US\$15 million as well as eight per cent of the terminal revenues.



From the government's point of view, there is an added benefit in terms of receiving regular payments from the concessionaire

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The Port of Kingston has become a key player on the international shipping scene. With its excellent facilities and strategic location, Kingston is widely recognised as the Caribbean's number one hub for container transshipment.

Focus of operations is Kingston Container Terminal (KCT), owned by The Port Authority of Jamaica and operated by Kingston Container Services Ltd, a major subsidiary. KCT has three terminals with a combined capacity of 2.8 million teu. Maximum efficiency has been achieved through a combination of leading-edge technology, stable industrial relations and a highly trained, well motivated workforce.

The Port of Kingston is perfectly placed for ships trading on north-south and east-west routes across the Caribbean and for vessels using the Panama Canal.



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## KINGSTON CONTAINER TERMINAL



In the early stages of the process, the KCT privatization certainly attracted all the world's top terminal operators. CMA Terminals Holdings in effect fought off rival bids from Singapore's PSA International and DP World while, for a variety of reasons, others did not make the final shortlist, such as:

- Ports America, the largest terminal operator and stevedore in the United States, chose not to pre-qualify.
- Stevedore Services of America (SSA), a consortium made up of KCT's biggest customer, ZIM, and Kingston Wharves Ltd, also opted not to pre-qualify.

There is also the question of KCT's workforce. One of Kingston's key selling points in recent years has been its excellent labor relations, and neither the new operator nor the government wanted to see any unrest mar the privatization process. The Shipping Association of Jamaica's General Manager Trevor Riley believes the status quo will be maintained here: "We see no reason for there to be change in the historically exceptional labor relations that have character-

The end result of the concession is that PAJ finds itself as mainly a landlord authority, but with a vital interest in the cruise sector - an area in which the authority has

involvement in cargo operations in Montego Bay and these are likely to be expanded. So as one door closes in Kingston, another may be opening on the other side of the island.

## One of Kingston's selling points in recent years has been its excellent labor relations, and neither the new operator nor the government wanted to see any unrest mar the privatization process

ized the Port of Kingston," he told 'CM'. "This culture of good relations has been systematically developed between management and labor across the port and it is bolstered by ongoing dialogue and mutual respect. We expect that to continue to be deepened."

### CONTRACTS

In fact, KFTL is terminating the employment contracts of all KCT staff, but says that all personnel will be available for re-employment under the new company. It is unclear whether all former KCT workers will be offered new jobs and on the same terms. Prof Shirley is on record as saying: "Most of the current employees will be re-employed and will be exposed to the best technologies and techniques."

been very successful in recent years - as well as in marine services, the outsourcing of business processing and near-port logistics. Nevertheless, the PAJ will retain its



## GOAT ISLAND PROJECT STILL A POSSIBILITY

KFTL is investing heavily in Kingston, but there is the possibility that the operator may see an even bigger, and perhaps better, container terminal being built just up the road at Goat Island/Portland Bight - a Chinese-funded mega project that surfaced in 2014 (as reported in 'CM' issue 22).

Not much seems to have happened since last year's news that Chinese investors were looking at Goat Island; but it does not seem to have gone away and, according to sources in Jamaica, due diligence is said to be under way.

Nevertheless, the prospect of Goat Island, real or imaginary, may well have given some of its potential rivals second thoughts and left Terminal Link CMA CGM as the only bidder to submit a tender.

# HAITI'S NEW CRUISE TERMINAL IN DOUBT

**H**aiti's reconstruction plans following the devastating earthquake in 2010 were significantly bolstered by the announcement in July 2014 that Carnival Corporation was all set to begin work on a second cruise terminal in the country. It was to be located at Pointe-Ouest on Tortuga Island in the north of the country.

However, there are now doubts over the legality of the memorandum of understanding that was signed between Carnival and the government, because of a previous agreement reached by a former government way back in 1970, granting a 99-year concession to Texas businessman Don Pierson to create a free port on the site.

Royal Caribbean has operated a private port at Labadde, on the north coast, exclusively since 1986. It was leased to the company as a private resort until 2050 and contributes a large part of Haiti's tourist revenue. It employs about 300 local people, with several hundred more running stalls and kiosks on the site.

Vessels up to Oasis class can berth at the terminal, which was upgraded by Royal Caribbean in 2009 at a cost of US\$ 55 million.

Cruise visits continued after the 2010 earthquake, with Royal Caribbean donating US\$ 1 million to the relief fund and using its cruise ships to bring in supplies and personnel.

It was hoped Carnival's investment in the country's second cruise terminal would provide a comparable economic boost. With tourism trends indicating that Haiti has the biggest growth rate in tourist arrivals in the Caribbean, the project held out hope for many on the island in the battle against poverty.

## POTENTIAL

It is estimated that the development would create 2,000 new jobs and would significantly increase the tourism potential of the country – a sector viewed by many as crucial to improving the life of much of the population.

The second cruise port on Tortuga Island (Ile de La Tortue in French) represents an investment of some US\$ 70 million. Tortuga is a relatively remote island 11 miles off-

shore. Another development is taking place in the south of Tortuga, with US\$ 250 million being invested in a new high-end resort with condominiums, spa facilities and an international airport.

In 1970 the then president, François 'Papa Doc' Duvalier, granted Pierson's company, Dupont Caribbean Inc, a 99-year lease to build a free port and develop the island's infrastructure for tourism. This contract provided for the establishment of Freeport Tortuga.

Rapid investment and development followed, including an international airport, water and sewerage systems and roads. However, by 1974 it had all gone sour. Soon after it was announced that Gulf Oil Corporation was planning to invest more than US\$ 300 million to build a resort on the island, the president, Jean-Claude 'Baby Doc' Duvalier, expropriated the project, eventually leading to its collapse as investors dried up or were too nervous to commit. Don Pierson died in 1996, leaving his son Grey to resolve matters.

As the arguments rumble on, it is unclear how this impasse will be resolved. According to reports, Carnival was unaware of the 1970 agreement when it signed the deal, while Haitian officials are saying there are no obstacles and the deal with Carnival is still on. For the sake of the Haitian people, who have waited so long for this investment, let us hope so.



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# Upcoming gateway

## FOR AUTO TRADE AND REEFERS



The Colombian port of Santa Marta already has a creditable track record as a deepwater multipurpose port, able to handle a wide range of traffic, from containers and rolling cargo to dry and liquid bulks and coal. In recent years the port has built on its status as a multipurpose facility by investing in new dedicated facilities for handling specific types of cargo.

**F**ollowing the demise of the Colpuertos state monopoly in Colombia, the Port of Santa Marta was established in 1993 as a mixed-capital company by 60 organizations that included banana traders as well as shipping companies and local authorities.

At its inception the port company focused its efforts on the agro-industrial sector and particularly the banana-producing regions of Urabá and Magdalena.

Over the years, however, the Port of Santa Marta has invested heavily in the development of a modern and efficient multipurpose port able to provide handling and logistic support services for a wide range of cargo including vehicles and reefer containers.

### AUTOMOTIVE

In the ro-ro sector, the Port of Santa Marta has recently formed an alliance with Fast Terminal International, which manages ro-ro terminals in the



United States and Mexico, thus opening up new opportunities for the Colombian port in the automotive sector.

This alliance is good news for the local job market and the port is investing in special training.

Over the past year more vehicle brands have chosen the

Port of Santa Marta as their import gateway in Colombia. The port's customers in this sector include Audi, BMW, Mercedes-Benz, Porsche and General Motors.

Santa Marta has the advantage of a dry climate with low salinity, a key factor in preventing automobile corrosion. The



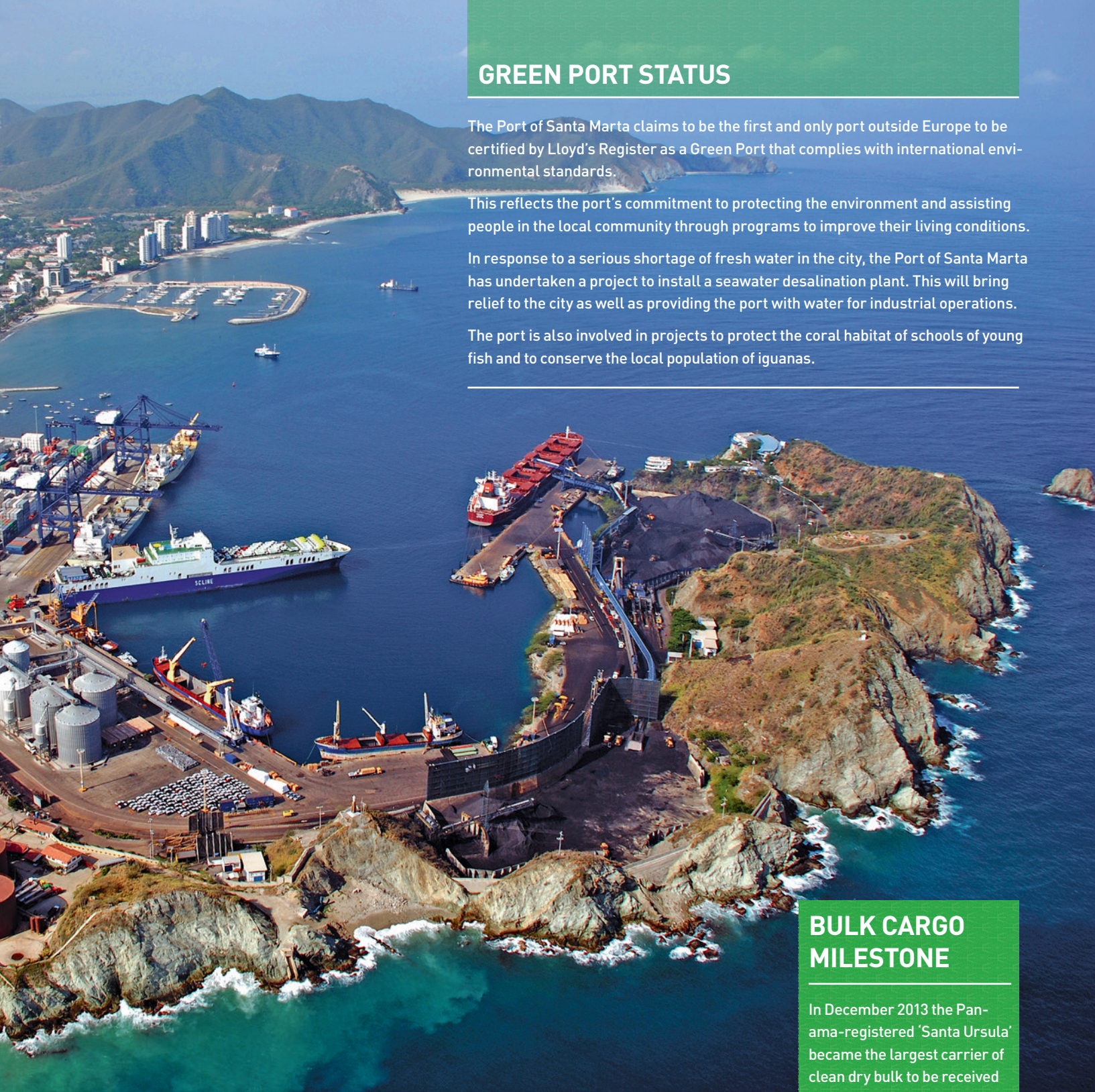
## GREEN PORT STATUS

The Port of Santa Marta claims to be the first and only port outside Europe to be certified by Lloyd's Register as a Green Port that complies with international environmental standards.

This reflects the port's commitment to protecting the environment and assisting people in the local community through programs to improve their living conditions.

In response to a serious shortage of fresh water in the city, the Port of Santa Marta has undertaken a project to install a seawater desalination plant. This will bring relief to the city as well as providing the port with water for industrial operations.

The port is also involved in projects to protect the coral habitat of schools of young fish and to conserve the local population of iguanas.



## BULK CARGO MILESTONE

In December 2013 the Panama-registered 'Santa Ursula' became the largest carrier of clean dry bulk to be received by a public port in the history of Colombia when it called Santa Marta with 55,000 tons of maize from Brazil.

With an access channel depth of 120 ft and a depth alongside of 60 ft, the port had no difficulty in accommodating the 200 meter long, 35 meter wide vessel.

port has dedicated equipment, including automated vehicle tracking, as well as a first-rate security system.

The port has a 30,000 square meter yard for ro-ro units with another 300,000 square meters available in the Las Americas Free Zone.

Santa Marta handled in

excess of 60,000 ro-ro units last year and this figure is set to rise to more than 100,000 vehicles in 2015.

### REEFER CARGO

Refrigerated cargo has become a specialty for Santa Marta. The lion's share of fast food sales in Colombia are transacted on

the Caribbean coast, so Santa Marta is well positioned to handle this traffic. About 60 per cent of the port's containerized throughput is refrigerated, an amount that has remained stable in recent years.

The container terminal in Santa Marta is operated by SMITCO, a joint venture between



# BUNKERING AND OTHER SERVICES IN ST KITTS!

**Bunkering-** The port's proximity to a fuel company in nearby Saint Eustatius facilitates easy access to convenient and low-cost bunkering for visiting vessels

**Other Services**  
Pilotage  
Marina Facilities (adjacent)  
Anchorage  
Tug Service  
Fresh Water Supply  
Minor Repairs  
Stevedoring  
Storage  
Shuttle Service  
Slops and Garbage Disposal



the Port of Santa Marta and the leading terminal operator SSA International. Currently, SMITCO has a discharge rate of 30 containers per hour and is focused on Columbia's import and export traffic.

SMITCO aims to make Santa Marta a hub for imports and exports of refrigerated products, taking advantage of the port's strategic location and its experience in handling this type of cargo.

Just over half of the nation's reefer cargo is handled by SMITCO. The container terminal has 576 reefer plugs and 144 power pack connectors. SMITCO is looking to expand its capacity to 1,250 reefer plugs as and when required.

Santa Marta has the potential to be a transshipment center for containerized fruit within a radius of 500 to 600 nautical miles. This would allow shipping companies to deploy larger vessels and reduce space-related costs.

The container terminal has a 320 meter wharf and there are plans this year to install a dolphin that would allow it to handle two vessels with a combined total length of 385 meters. The terminal has a yard capacity of 6,000 teu.

## COLD STORAGE

In response to customer demand, the port is to build a 10,000 square meter refrigerated warehouse for imported cargo.

This new facility – the largest in the country – will strengthen the role of Santa Marta as a distribution hub for reefer cargo en route to consumer centers in Colombia.



Initially, the warehouse will have 8,600 positions for temperature controlled and frozen cargo.

## FREE ZONES

Free zones have proved their worth in ports both in the Caribbean and around the world as an effective way to promote exports, boost domestic production, attract foreign investment and create local jobs.

Santa Marta has been taking advantage of the free zone concept for several years now. In particular, the logistics support services now available in its free zones are a good selling point in terms of attracting cargo owners in specialist areas such as vehicles and reefer products to use Santa Marta as their port of choice.

Tayrona Free Zone covers an area of 100 hectares, of which 50 per cent is already occupied. After only five years of operation, 14 companies have set up shop there, creating about 300 direct and 2,300 indirect jobs in specialized industrial and logistics sectors.

Residents of this free zone include manufacturers of pipes, steel cables and wire. Investment in the logistics and agro-industrial sectors has attracted food companies, inventory management companies and

## MAGNETS FOR INVESTMENT

Setting up business in Colombian free zone areas has key advantages for industrial users of goods and services.

They include a unified income tax rate of 15 per cent compared with 33 per cent when operating outside the free zone system.

Another advantage for companies in the free zones is that their imports are exempt from customs taxes and tariffs, while their exports from the free zones benefit from any trade agreements signed by Colombia.

From any of the free zones, resident companies can sell their goods to both domestic and international markets, thus significantly expanding the field of action for investors.

specialists in the preparation of vehicles and general cargo.

There is an alternative access corridor linking the Tayrona Free Zone with the port, while the Caribbean Highway connects the free zone with the rest of the country and Venezuela. Furthermore, this is the only free zone with direct rail access. So the Tayrona Free Zone has an excellent future as a provider of international logistics support.

Santa Marta Industrial Free

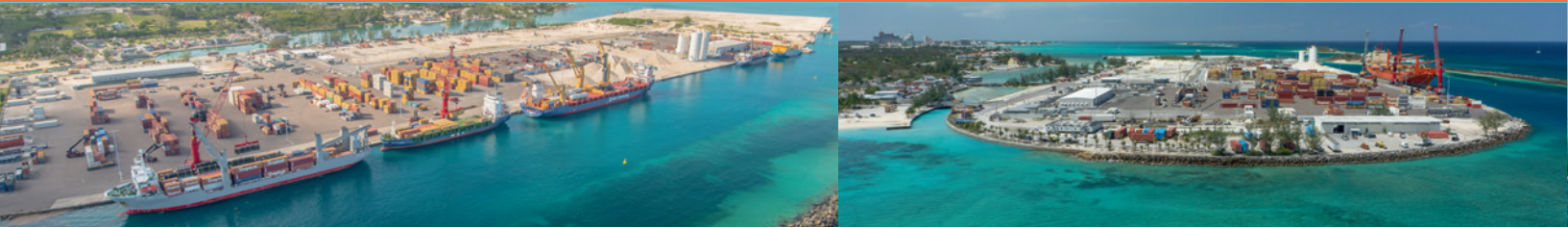
Zone, opened in 1978, is located beside the Caribbean Highway only 10 km from Simón Bolívar International Airport and 8 km from the seaport. It has a total area of 307,945 square meters, of which approximately half is available space.

Customers of this free zone include Almaservicio, Induservicios Zona Franca, Chemcamp, Royal Petroleum Corporation, International Fuels Santa Marta, Litex, C.I. Liber del Sur and Smart Services Colombia.



Santa Marta has been taking advantage of the free zone concept for several years now

# Fresh approach transforms cargo handling efficiency



**C**aribbean Maritime turns the spotlight on one of the region's success stories – a container handling operation that has been transformed by a new location and a different way of financing port development.

This is Nassau Container Port (NCP) and the associated Gladstone Freight Terminal, set up in 2009 when container handling was moved from its historical and increasingly unsuitable Bay Street location in the city to a spacious new site at Arawak Cay.

The move resulted in the creation of a new 56.6 acre purpose-built container terminal and the 15-acre freight terminal, leaving the City of Nassau free to develop the prime waterfront land vacated by the

this been achieved in such a short space of time?

**Dion Bethell:** We have introduced and developed a culture based on operational excellence through people development and technology. We ensure that all personnel receive training and the necessary tools to effectively carry out their job functions while not compromising safety. We have not participated in the CSA Port of the Year award program, but we hope to in the near future.

**Caribbean Maritime:** What advice would APD give to other Caribbean terminals looking to improve productivity?

(PPP) which can deliver both funding and expertise.

Once a PPP is developed, funding is provided that aligns with affordable terms, a design supported by efficient equipment and technology is produced, and the project is completed; the port and its customers will likely realize improved productivity. The Nassau Container Port is the product of a successful PPP in The Bahamas. Ports that are primarily challenged with vessels that exceed the operating capability of the shore cranes will obviously need to invest in larger modern crane technology. APD has found that Liebherr mobile harbor cranes perform very well and the support provided from the company's Miami office is exceptional. Ports which have both adequate facilities and freight equipment may find that a thorough review of their operating procedures will offer great opportunity for improved productivity and safety. Standard operating procedures (SOPs) should be dynamic, adjusting to changes in customer demand, vessel size/load and their schedules.

**Caribbean Maritime:** What was the terminal's teu throughput in 2014 and what are your forecasts for 2015?

**Dion Bethell:** Actuals for financial year 2014 were 134,000 teu; the forecast for the remainder of financial year 2015 are 140,000 teu as at 31 March. (The fore-

## We have introduced and developed a culture based on operational excellence through people development and technology

former cargo operations.

The operator of NCP is Arawak Port Development (APD). Here, the company's president and CEO, Mike Maura, and its CFO, Dion Bethell, provide a detailed update on the facility and its remarkable progress and productivity.

**Caribbean Maritime:** The terminal is very impressively ranked No 1 out of 24 for productivity in the Caribbean. How has

**Mike Maura:** Today, ports throughout the Caribbean are faced with a variety of challenges including old terminal infrastructure, inadequate systems technology, outdated freight handling equipment, insufficient funding and inefficient operating procedures. The degree to which these issues affect a port will vary. Government-owned ports impacted by many of these challenges may wish to consider a public-private partnership



cast for financial year 2015 includes nine months of actuals and three months of budget.)

**Caribbean Maritime:** What is happening to the 20 acres of land in Nassau that was freed up by the move to Arawak Cay?

**Mike Maura:** The city of Nassau is embarking on a redevelopment initiative. Over the past year a large upscale marina has been developed and we anticipate a \$300 million renovation to the Hilton property, which sits west of the vacated waterfront property. Developers are working with the Government of The Bahamas to introduce new building legislation to facilitate a mix of new retail, entertainment and residential properties.

**Caribbean Maritime:** Does the terminal also handle wheeled and other types of cargo?

**Dion Bethell:** Yes, our terminal does handle rolling stock and other cargo types.

**Caribbean Maritime:** Does APD have any plans to purchase new cargo handling equipment? If so, what equipment?

**Dion Bethell:** There are no current plans to purchase any new cargo handling during financial year 2015.

**Caribbean Maritime:** How are containers handled at the present time? Is this with mobile cranes and ship's gear?

## Developers are currently working with the Government of the Bahamas to introduce new building legislation to facilitate a mix of retail, entertainment and residential properties

**Dion Bethell:** Containers are handled by a combination of mobile harbor cranes from and to the vessel/apron. Occasionally we would use ship's gear.

**Caribbean Maritime:** Is there a domestic feeder operation from Arawak Cay serving other Bahamian islands? If so, how does this work?

**Dion Bethell:** There is a domestic feeder operation from Arawak Cay. Containers may arrive on an international carrier destined for one of the other Bahamian islands. Once the container arrives, a feeder vessel may call at the port to transport the cargo to its final destination.

**Caribbean Maritime:** Has the sale of shares in APD been a success and been well received locally?

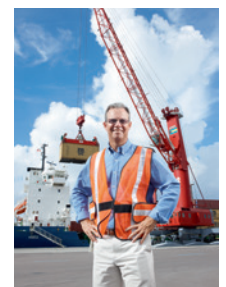
**Dion Bethell:** The sale of shares in APD has been a tremendous success. The APD IPO was the most successful IPO in

the history of The Bahamas. The IPO was oversubscribed by approximately US\$ 33 million and resulted in some 11,000 shareholders. APD has the largest shareholder base of any public company in The Bahamas.

**Mike Maura:** At the time of the IPO in January 2011 the offering price was US\$ 10 per share. In April 2015 shares were trading at US\$ 15.85.



Dion Bethell



Mike Maura

## PANAMA CANAL PORTS

**T**he movement of containers in the Latin American Pacific has increased at a higher rate than on the Atlantic side because the Caribbean has a greater supply of ports.

On the Panamanian Atlantic side, Manzanillo International Terminal (MIT), the largest container terminal in the Caribbean

# CANAL PORTS GEAR UP TO HANDLE BIGGER VESSELS

in terms of infrastructure and volume, is currently preparing for the opening of the expanded canal in early 2016 with a series of improvements in cargo handling capacity at the terminal, including the relocation and modernization of the main gatehouse.

The port is currently building a 600 meter wharf and has acquired four additional post panamax gantry cranes.

### PRODUCTIVITY

The Port of Manzanillo this year celebrates 20 years of operation. During this period it has invested more than US\$ 700 million to meet the needs of international maritime trade.

This Panamanian Atlantic port has a productivity rate of 32 moves per hour and has an installed capacity of 2.5 million teu – projected to reach 4 million teu as a result of the expansion.

All this investment is because in about 12 months the third set of post panamax locks will open to international maritime trade, allowing vessels of up to 12,000 teu capacity to transit the canal. This means

By Michell de la Ossa Prieto





The largest port investments are expected in the Panamanian Pacific, commencing with a project by Singapore Ports Authority to expand its Pacific terminal in the Port of Rodman

that the regional ports, and particularly those of Panama, will have the capacity to deal with these mega ships.

The largest port investments are expected in the Panamanian Pacific, commencing with a project by Singapore Ports Authority (PSA) to expand its Pacific terminal in the Port of Rodman.

The port company is awaiting approval of its expansion by the Board of Directors of the Panama Canal Authority (ACP). The plan is to expand the total area of the terminal to 40 hectares and to boost its capacity from a current level of 450,00 teu to approximately 2 million teu.

### GANTRY CRANES

These works will extend the length of quay by 800 meters to a total of 1.1 km with eight new gantry cranes operating across a width of 24 rows and 12 rail mounted gantry (RMG) cranes to join the existing nine rubber tired gantry (RTG) cranes.

Work is expected to be completed in the middle of next year. The budgeted investment is US\$ 350 million and these world-class works will allow vessels of up



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■ The CSA's 45th Annual General Meeting is to be held from 19-21 October in Cartagena de Indias, Colombia.

■ Please contact the CSA Secretariat in Kingston (details below) or visit the CSA website [www.caribbeanshipping.org](http://www.caribbeanshipping.org) for further details about speakers and to register for this key networking event.

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to 18,000 teu to be accommodated. This will boost the capacity of the country, particularly the western shore of the canal's Pacific entrance, in line with the vision of the current government to promote Panama as a logistics platform.

A plan to build what would be the third container port in the Panamanian Pacific, Corozal, on the banks of the canal, driven by the ACP, has come to a halt, since the Infrastructure Committee of the House of Representatives will vote against the legal bill that grants tax exemption to the winner of the tender to build the Corozal port.

The argument of those on the Infrastructure Committee is that this port would cause congestion at the Pacific entrance to the canal. The country is investing millions of dollars in an expansion project to be more efficient, but this port would cause delays, it says.

The ACP was awaiting the approval of this bill to start the bidding process involving the selection of companies wishing to take part in the tendering process. The idea of ACP administrator Jorge Quijano is that the specifications should be available publicly for about five months so that all stakeholders have an opportunity to study it.

So far, three companies had shown an

interest in the process. One is APM Terminals, the port branch of the world's biggest container company, Maersk Line, a major user of the ports of Balboa and Manzanillo (Colón). This company has been involved in the Latin American market through its port projects in Peru and Costa Rica.

Panama was also visited by a delegation of Ports America, Bechtel and Majesty, who formed a consortium to participate in this tender.

### BIDDING

Mr Quijano said Panama Ports Company (PPC), the harbor arm of Hutchison Port Holdings (HPH), had also shown interest, but not as PPC since it already had a contract with the Panamanian nation, but under another company or consortium. He also said there was yet another consortium looking for a partner.

"My feeling is that there may be four or five interested in bidding," he said.

Prior to the rejection of the bill by the Assembly of Deputies, the official had said that construction of the new port should commence in the first quarter of 2016. He said: "Assuming that the tender goes public in June, proposals should be received in November, thus permitting adjudication in

December or January." However, since this project was presented by the members of the Infrastructure Committee, the entire schedule has changed.

In previous interviews, Mr Quijano had proposed that the successful bidder should be required to give a 'pledge of performance', as was customary in the bidding process to ensure prompt delivery.

Regarding this pledge, the official said it was being evaluated by a firm of lawyers specializing in international port concessions to ensure they have the best possible port concession.

Another of the Latin American Pacific ports investing here is Manzanillo, Mexico. Recently, Bernardo Uribe, the ICTSI agent for Contecon in Manzanillo, said that the first phase of its Mexican Pacific port terminal was complete and they had already begun its second phase of expansion.

Mr Uribe emphasized the fact that his company focuses on countries that generate domestic organic cargo, not simply transshipment products.

The Mexican port of Manzanillo handled 2,368,741 teu in 2014, representing an increase of 11.8 per cent compared with 2013. This is Mexico's largest port in terms of container volume.



The Port of Manzanillo  
this year celebrates 20  
years of operation



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By Michell de la Ossa Prieto

# COUNTDOWN

## to opening of expanded canal

**A**pril 1, 2015 officially marked the start of the 365 day countdown until the first commercial traffic is able to transit the new post panamax locks of the Panama Canal.

The administrator of the Panama Canal Authority (ACP), Jorge Quijano, said the third set of locks, now under construction by the consortium Grupo Unidos por el Canal (GUPC), was due in operation by 1 April 2016.

Mr Quijano was confident the GUPC would complete the work in the scheduled time, saying: "I think it has the ability to do so, it has the will, and we will have to see how we create a favourable environment for it to succeed."

While the expansion work continues, the ACP decided to submit the GUPC's claim related to the basalt concrete mixture used in the construction project of the new canal locks to international arbitration.

### Flooding of the first lock is due to take place in June on the Atlantic side and in August on the Pacific side

Arbitration is the third and last stage of the procedure established in the contract for the design and construction of the new locks to settle claims between the owner (Panama Canal) and the contractor (GUPC SA).

Once the date has been decided, this arbitration will be held in Miami, according

to the provisions of the contract.

Flooding of the first lock is due to take place in June on the Atlantic side and in August on the Pacific side. Then there are plans to test equipment and carry out navigation tests in December this year or, at the latest, in January 2016, according to Mr Quijano. "Optimistically, the Atlantic section will be completed two months before the Pacific," he added.

#### NEXT PHASE

There are only six gates of the 16 that make up the third set of locks to be installed. These gates were manufactured in Italy and arrived in Panama in four instalments from 20 August 2013.

Once the 16 lock gates have been installed, the next phase of work will

be to connect the electromechanical installations as well as the control mechanisms.

As at February 2015 the project to install the third set of locks had advanced by 83 per cent while the entire expansion program had progressed to 86 per cent.

Recently, a public meeting about the proposed tolls was held. Different rates for



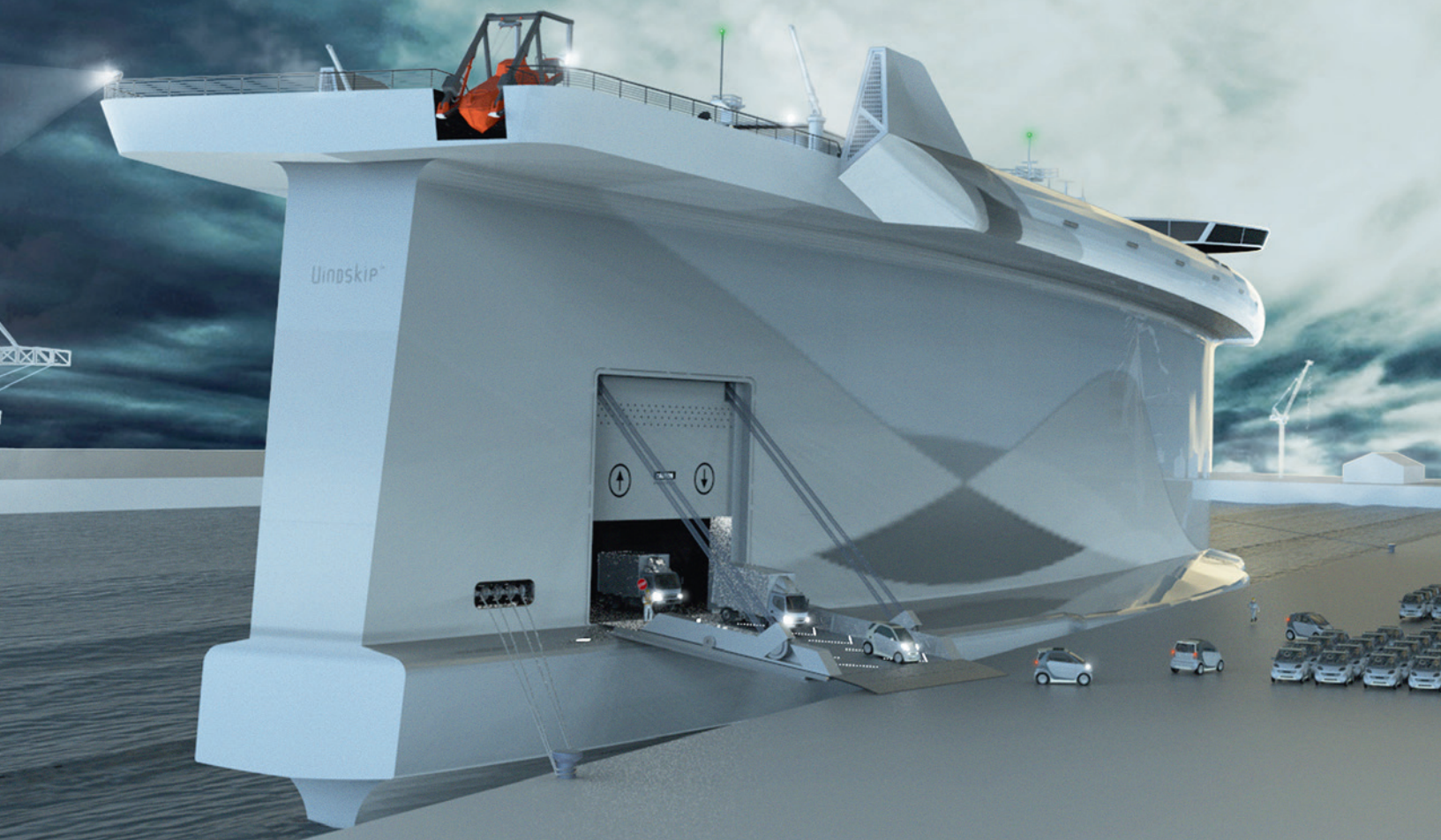
internal (national) shipping companies and international traders were proposed, once the expanded canal is in operation, hopefully by April 2016.

Among the noteworthy proposals for the national companies is a special rate for transshipment of containers between Panamanian ports. This will entail a new business unit which the ACP hopes will promote the canal's potential among international shipping companies and provide an opportunity to use an alternative to sea transportation.

The first option for moving containers from ocean to ocean is rail transportation, which also involved land transportation, although the latter is more difficult because of the lack of connectivity between the west side of the canal and the Atlantic.

An industry source said the transshipment of containers between ports by sea was a good opportunity to encourage development in the western Panama Canal area.

# TOMORROW'S WORLD – closer than you think



Reality and science fiction often come together on unlikely terms; but as technology and innovation advance unchecked, so new solutions are found for old problems. Here we look at some of the most recent technology stories that have implications in the shipping industry. Today's science fiction becomes tomorrow's technology.

## MICROBUBBLES TO REDUCE ENVIRONMENTAL IMPACT OF SHIPPING

Research released at the end of 2014 seems to indicate that smaller bubbles in ships' wakes could help counteract the effects of climate change. The theory says that smaller bubbles create a brighter wake and not only reflect more sunlight back into space but also last longer on the surface of the ocean than larger bubbles. Some ideas for geoengineering – or climate engineering – are often discounted as

implausible, but the microbubbles idea could become a reality, as the technology already exists.

The bubbles would need to be 10 to 100 times smaller than their current size and this could easily be achieved by retrofitting aerosol technology to vessel sterns. It was discovered that by introducing this technology on 32,000 vessels, the surface temperature of the ocean could be reduced by 0.5°C.



## VINDSKIP – SCI-FI OR FUTURE?

Using the concept of apparent wind as a motive force, the Norwegian company Lade AS has developed designs for an innovative new vessel, the Vindskip.

The Vindskip (meaning 'wind ship') is a hybrid merchant vessel concept with a hull shaped like a symmetrical aerofoil. The apparent wind will generate an aerodynamic lift, providing forward motion. Lade AS says this concept is particularly relevant to dry cargo ship types such as ro-ro, ro-pax, PCTC, passenger and container vessels.

The vessel's route would be largely software driven, based on the best weather and wind routing to provide optimal

speeds so that the LNG-driven electric propulsion system needs only minimal use once the vessel is up to speed.

Propulsion of the ship will vary between wind and power. However, a cruise control will balance the electric system so that it works dynamically together with the wind power system.

There is clearly a lot of work still to do before this innovation hits the water; and with the new low sulphur emission rules and relatively high bunker prices, it has generated a lot of interest. It would be an interesting diversion from the increasingly large containerships now under construction.



## SOLAR-POWERED PORTS

More and more ports are using solar power in an effort to reduce emissions. The latest are Jurong Port in Singapore, which has announced a US\$ 22 million investment in solar panels, and Portsmouth, UK, which is installing 4,500 solar panels.

Industry watchers say that, with solar technology becoming more efficient and cheaper, now is the right time to start investing in solar power. Ports with more sunshine are almost guaranteed a good rate of return on their investment.

## HYPERLOOP – FUTURISTIC TRANSPORTATION

Imagine a missile-shaped capsule that contains cargo or even passengers, which is shot between locations through a pneumatic tube. That is the principal concept behind the Hyperloop, one of the most futuristic forms of cargo transportation ever dreamed up.

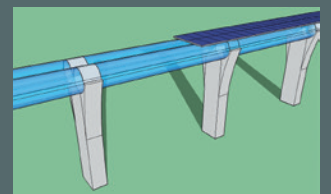
The capsule, or ship, would reach speeds of over 500 mph,

faster than some airplanes. What would take a vessel three hours would take the Hyperloop just 10 minutes.

It is being developed by Hyperloop Technologies, of Los Angeles, USA, as the next step in worldwide transportation, from a concept designed by Canadian-American entrepreneur Elon Musk. While initially the system is

intended for overland transport, it could also be used for undersea transport. A container could be shipped from China to the US West Coast in less than a day. The first overland tests are expected to be carried out in California next year.

The capsules in the land-based version would be propelled through low-pressur-



ised tubes using air compressors powered by solar panels along the roof of the tube. The capsules would 'float' on a cushion of air created as it moves through the tube. The twin tubes would be mounted on columns above the ground.

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### HYBRID ENGINES RUNNING ON DIESEL AND LNG

A new ship's engine running on both diesel and LNG has been developed by a research facility in Denmark. The engine is designed to reduce emissions of carbon dioxide and nitrogen oxide. According to the designers, the functioning of the engine is very similar to a normal engine, but operators will have to add gas when required.

With the gas under a pressure of about 300 bars, the biggest

challenge was to build a safe and reliable engine. But over 100 of these engines have already been purchased as ship-owners refit vessels. With a vessel operating for 25 to 30 years, the investment will soon pay off, especially with stricter regulation of sulphur emissions.

The next stage is for 100 per cent natural gas engines to be introduced, but researchers



say the supply and bunkering systems need to be in place first. Currently, 99 per cent of the world's fleet runs on diesel engines, so there is a lot of market potential for these new engines.

### SMART REEFER CONTAINERS

The Dutch company UNIT45, which makes intermodal 45 ft containers, has partnered with Globe Tracker International, a leader in global supply chain visibility, to offer the first commercial Smart Refrigerated container. The revolutionary system will combine data from the refrigeration unit with data collected from both inside and outside the container. This will offer a true picture of the cargo in transit, reducing risk and the chance of loss in transit.



# PORT BRIEFING

## DOMINICAN REPUBLIC – CARNIVAL OPENS AMBER COVE

Carnival Corporation's new cruise port at Amber Cove on the north coast of the Dominican Republic (see 'CM' issue 23) is due to open in October 2015 after two years of construction.

Carnival has announced that six of its nine brands will call Amber Cove, which represents an investment of US\$ 85 million, the largest figure ever invested in the cruise industry in the country. It will have two berths and be able to accommodate the largest cruise vessels in operation. The port will open with a visit from 'Carnival Victory' from the company's Carnival Cruise Line brand on 6 October.

Following this, Amber Cove is scheduled to receive calls from

Cunard's 'Queen Mary 2', P&O Cruises' 'Azura', AIDA Cruises' 'AIDAvita', Costa Cruises' 'Costa Deliziosa' and Holland America Line's 'Eurodam' between November and January.

The cruise port is a joint project between Carnival Corporation and the Rannik family of Grupo B&R. It is expected to receive more than 250,000 passengers during the 2015-16 season.

Amber Cove is expected to revitalise the cruise industry along the Dominican Republic's northern coast, which has not been regularly on cruise itineraries since the 1980s. It is also strategically located to be included in itineraries that could include, at some point in the future, Cuba.



## USA – 'VISTA' TO HOMEPORT IN PORTMIAMI

Carnival Corporation's largest cruise ship to date, the 133,500 ton 'Carnival Vista', will homeport in PortMiami when it begins its Caribbean itinerary in December 2016. It is being constructed by Fincantieri shipyard in Italy and will work on six- and eight-day itineraries from the end of 2016.

The 'Carnival Vista' will have various innovative features including SkyRide, a suspended open-air cycling experience, an IMAX Theatre, a water tube slide, and the line's first onboard brewery.

## GUYANA – NEW PORT MOOTED AT BERBICE

A preliminary study is expected to be carried out by the Chinese state-owned China State Construction Engineering Company Ltd (CSCECL) into the possibility of building a deepwater port at the mouth of the Berbice River, under a Memorandum of Understanding with the Government of Guyana.

The government is in favor of any new port to be fully funded by private sector involvement in the project. It is understood that any deepwater port will be constructed on a build, own, operate and transfer (BOOT) basis and that the study will entail no obligations on the government.



## USA – UPGRADED BULK CONVEYOR SYSTEM FOR PORT CANAVERAL

A new and improved bulk conveyor system for Martin Marietta, a supplier of aggregates and heavy building materials, has entered service in Port Canaveral. The first vessel to use the new system, 'Bahamas Spirit', discharged limestone at South Cargo Pier 4.

The US\$ 1.5 million new conveyor system is capable of offloading 2,000 tons per hour. Canaveral Port Authority invested in the system jointly with Martin Marietta to enhance terminal operational efficiencies and increase productivity.

Martin Marietta imports various aggregates and sells and distributes them from its Port Canaveral facility into the Central Florida region.

Port Canaveral will also be home soon to two new Carnival Cruise Lines vessels. From February 2016 the 'Carnival Victory' will replace the 'Sensation' to provide three- and four-day itineraries to The Bahamas. The 'Victory' is 34 per cent larger and features a much wider range of onboard facilities including 500 balcony staterooms. In addition, 'Carnival Magic', the line's newest class of ship, will be newly positioned in Port Canaveral to join the 'Carnival Sunshine'. The 'Magic' features a waterworks aqua park, a Cucina del Capitano-style Italian restaurant and a SportSquare outdoor recreation area. It will move to Port Canaveral in December 2016. In a statement, the port welcomed the new vessels and said it could now offer "the widest array of attractive and convenient cruising options from the Space Coast".

## USA – PORT MANATEE EXPANSION

In March 2015 Port Manatee opened its Berth 14 after a US\$ 3.3 million investment from the Florida Department of Transportation. Port Manatee is described as the closest US deepwater seaport to the Panama Canal and handles around 8 million tonnes of cargo each year across a wide range of commodities. The new berth has also allowed energy company Air Products to expand its workforce, having taken on 160 workers since 2013. The new berth will allow the company to ship its large heat exchangers without any constraints.



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## NICARAGUA CANAL ARGUMENTS RUMBLE ON

Despite the announcement of work commencing on the Nicaragua Canal earlier this year, there is still a lot of resistance to the project. When complete, the canal is expected to handle more than 5,000 vessels each year and environmental groups have raised serious concerns about the impact of this traffic on the region's ecosystems. The route of the canal includes Lake Nicaragua, which provides much of the fresh water supply to the country's population. Fears include vessels inadvertently bringing in invasive species or pollution from spills or accidents on the lake, all of which would threaten plants, fish and marine animals in the canal zone. The funding of the canal has also been the subject of much speculation, including reports of an approach to the European Union for financial and political support.

Work began on the 172-mile waterway on 22 December 2014 with an estimated completion date of 2019. Tenders for major infrastructure projects are expected to be initiated in September 2015. It is estimated to be costing US\$ 50 billion and is being overseen by HKND, which has a 50-year concession to build and operate the canal.

Other critics of the scheme say the financial plan doesn't stack up and they estimate that the rate of return after 25 years will be just two per cent.

## PANAMA CANAL 'MAY NEED TO BE EXPANDED AGAIN'

One of the criticisms of the Panama Canal expansion – still under way and behind its original schedule – is that when completed it still won't be able to accommodate the largest container-ships in service. In response, however, the Panama Canal Authority (ACP) is already looking at a second expansion

project for the canal.

The Panama Canal also faces ongoing competition from the Suez Canal because it can already handle the new 20,000 teu containerships.

It is estimated that a fourth set of locks for the Panama Canal could cost US\$ 16 to 17 billion.



## A NEW FERRY TO GRAND BAHAMA

The 'Bahama Mama' is a new ferry operating between Fort Lauderdale in Florida and Freeport, Grand Bahama. It can carry up to 1,000 passengers in first and economy class seating and 200 containers on the three-hour crossing. Operated by Bahamas Express, it entered service in February 2015 on a six times a week schedule between the mainland and The Bahamas. The ferry replaces the 463 passenger catamaran 'Pinar del Rio'.

The 'Bahama Mama' also has 48 cabins, a range of restaurants, bars and lounges, a casino, a swimming pool and

duty free shopping.

Departures are from the Port Everglades Terminal at 08.00 for arrival at 12.00 in Freeport. The return journey departs Freeport at 19.00 to arrive in Fort Lauderdale at 23.00.

The vessel is expected to make 300 trips a year and to boost passenger levels by over 50 per cent compared with the old catamaran. In 2014 more than 120,000 passengers were carried by the service. With the new vessel, annual capacity has been increased to 300,000 passengers.

# STARBOARD BRIEFING

## GRAND BAHAMA SHIPYARD WINS MAJOR REPAIR CONTRACT

The Grand Bahama Shipyard (GBS) has been granted a US\$ 10 million fleet repair contract with Crowley Maritime Corporation through to 2017. It is thought to be one of the largest such agreements ever in the Caribbean.

The exclusive and extensive maintenance program covers 23 vessels over the coming year. In 2015 Crowley has committed one oil product tanker, 12 product barges and 10 tugs for regular dry dock maintenance and upgrade work.

The agreement was signed in December 2014 with the first vessel arriving at GBS in January 2015.

## CUBA – HIGH-SPEED FERRY LINK TO USA IS PLANNED

The Florida-based company CubaKat, is looking to develop a high-speed ferry service between Havana, Cuba, and the Florida Keys.

It is hoped that the renewal of US-Cuban relations will help CubaKat to launch the new service by the end of 2015. There are still hurdles ahead, however, including customs and government restrictions as well as the trade embargo.

CubaKat is continuing to work closely with both US and Cuban authorities and other partners to gain full governmental approval for the service.

While Marathon City Marina in the Florida Keys is reported to be the potential primary port, the company is also evaluating other options including Key West, Tampa and Miami.

## MORE CRUISE PASSENGERS VISIT GRENADA

Grenada received 29 per cent more cruise passengers in 2014 than in 2013 according to the Grenada Tourism Authority. During this period the island received 162 cruise calls, bringing in 254,258 passengers at ports in Grenada and Carriacou. This is good news for the island's economy

because for the previous season the figures had fallen by 18 per cent. The cruise industry is estimated to contribute around US\$ 10 million to the local economy. Figures are expected to grow again in the current season, with projections of 25 per cent growth.



## BELIZE CRUISE INDUSTRY SEES HEALTHY GROWTH

Belize has experienced a significant growth rate of 42.9 per cent in its cruise passenger arrivals in 2014 – among the highest in the region. In total some 677,350 cruise passengers visited Belize, a figure that is also reflected in growing tourism figures generally. In

2014 there were 321,217 stopover tourist arrivals, an increase of 9.2 per cent on 2013. This adds up to make Belize one of the fastest-growing destinations in the Caribbean region, bettered only by the Cayman Islands, Aruba, Grenada, Haiti and the Turks and Caicos Islands.

## ROYAL BAHAMAS DEFENCE FORCE TAKES DELIVERY OF NEW VESSELS

The Royal Bahamas Defence Force (RBDF) has taken delivery of the fourth and final Stan Patrol 4207, named HMBS Rolly Gray. This forms part of the six-year Sandy Bottom project.

As well as their weapons systems each carries two rigid-hulled inflatable boats for fast interception and boarding. The first 4207, HMBS Arthur Dion Hanna, arrived from the Netherlands in May 2014, followed by HMBS Durward Knowles in July and HMBS Leon Livingstone Smith in September 2014. The Stan Patrol 4207s carry a crew of 24. They have a range in excess of 2000 nautical miles and can achieve speeds of 20 knots.

As well as the acquisition of a fleet of nine patrol and support vessels of various types, the Sandy Bottom project includes the upgrading of the existing naval base at Coral Harbour plus the construction of two new facilities elsewhere in the Bahamas.

When complete, the new fleet will include a dedicated ro-ro landing craft (a Damen Stan Lander 5612) that will be fitted with a 25 tonne crane and demountable disaster relief equipment. In addition, four 3007 Sea Axe type patrol vessels will join the 4207s to combat drug smuggling, human smuggling and other illegal activities, as well as to conduct search and rescue operations.

Of the four 3007 Sea Axe patrol vessels, the first is now nearing completion. The RoRo Damen 5612 is now under construction at Ha Long in Vietnam. These vessels will be delivered in the coming months with the last due for delivery in summer 2016.

## NEW TAX AGREEMENT ON GRAND BAHAMA

With the tax provisions of the Hawksbill Creek Agreement (HCA) expiring later in 2015 there is a lot of interest in what comes next for Grand Bahama and the Grand Bahama Port Authority (GBPA). The HCA currently includes exemptions on business license fees and property taxes,

The government has said it will use the opportunity to generate much needed economic development and has appointed a committee to secure a new agreement with the GBPA to secure long-term growth and to protect the island's existing shipping, logistics, tourism and other commercial sectors.

The statement from the Government on March 5 said, "For some time the Grand Bahama economy, despite the broad incentives and tax concessions under the Hawksbill Creek legislation, has remained stagnant with limited exceptions, thus adversely impacting economic growth in the private sector and Government revenues. In the absence of aggressive policy interventions to jumpstart a new round of development, and enhance returns on existing investments, Grand Bahama's economic performance could remain sub-par relative

to other islands in The Bahamas.

Thus the expiration of these Hawksbill Creek Agreement incentives provides an opportunity for the Government to secure a comprehensive set of new arrangements which can spur economic development and increase the Island's contribution to net fiscal receipts."

Earlier the government has retained the international consulting firm McKinsey and Co to consult to undertake a study of the economic situation within the Port Area. This highlighted several objectives:

- Agree with GBPA and principal licensees a long term economic development plan
- Create framework for immediate and long-term investment promotion to attract investment
- Ensure systems are in place to align GBPA with the government policy in keeping with international best practice.
- Agree a framework for property tax and business license that would not impede economic growth.

The Committee is expected to conclude its work before the tax exemptions expire in August 2015.

## CRUISE SHIP SALE

Royal Caribbean Cruises has agreed to sell its cruise ship, Splendour of the Seas, which was built in 1996, to TUI Cruises, in the second quarter of 2016. The 69,130 ton ship carries 1,830 guests at double cabin occupancy as well as 760 crew. According to Royal Caribbean, the sale



is part of the company's strategy of divesting older hardware.

# STARBOARD BRIEFING



## SHIPPING INDUSTRY SUPPORTS SIGMA 2015

Members of the shipping fraternity in Jamaica were among 200 corporate companies that participated in the 17th staging of the Sigma Corporate Run held in Kingston on February 22, 2015.

Over 360 persons representing six shipping companies participated in the event which has become the Caribbean's largest 5K road race. The Sigma Corporate Run is also the largest per capita in the world.

Shipping companies that participate are: the Shipping Association of Jamaica, Kingston Wharves Limited (KWL), Seaboard Jamaica, CMA CGM Jamaica, Jamaica Trading Services Ltd

and Perez Y Cia.

KWL received the third place award in the Sigma Run Best T-Shirt design competition, which assessed design creativity and adaptation to their theme for this year 'Save the Children, Save the Future'.

The Sigma Corporate Run has a mandate to raise funds for children's services in Jamaica. This year's event raised over 26 million dollars for the selected charities - the Cornwall Regional Hospital Neo-Natal Unit and the Jamaica Kidney Kids Foundation.

Over \$150 million has been donated by the Sigma Corporate Run since its first staging in 1999.



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# CHANGES LIKELY as US Coast Guard mulls new regulations for cruise ships

**The US Coast Guard has issued a Notice of Proposed Rulemaking concerning the Cruise Vessel Security and Safety Act (CVSSA) of 2010 as it takes a fresh look at new regulations for onboard deck rail height, hailing devices, crime scene preservation training and other items to promote safety and security on cruise ships.**

Cruising is a convenient, fun and cost-effective method for vacationers worldwide to explore new and exciting destinations. It is no secret that the Caribbean is the cruising capital of the world, with more ships and passengers sampling its tropical beaches and flavor than any other region. It is estimated by the Cruise Lines International Association (CLIA) that, as of September 2014, the Caribbean has an incredible 35.5

economic value of the cruise industry in the US exceeds \$20 billion.

With so many vessels (over 420 CLIA-affiliated ships alone) and so many passengers (over 482,000 beds) on the high seas, just as with airliners or land vacations, incidents will occur that will affect the security and safety of passengers onboard. Unfortunately for this industry, there has been a series of recent high-profile acci-



Unfortunately for the cruise industry, there has been a series of recent high-profile accidents involving fires, sinkings and man-overboard situations

per cent of scheduled bed-days of cruise ships worldwide – an impressive capacity when you consider that the next highest capacity market, the Mediterranean, is at only 19.5 per cent.

The outlook is bright for the cruise industry, especially in 2015. CLIA projects an estimated 23 million passengers on large oceangoing cruise ships this year, coupled with more than \$4 billion in additional investment in 22 new ships totaling approximately 22,000 beds. Cruise lines and their ships seem to be accelerating in growth and potential. By some estimates, the annual

idents involving fires, sinkings and man-overboard situations leading to a constant bombardment of the industry by the media.

## CVSSA IN BRIEF

To help address the public's growing concerns and to mitigate safety and security threats posed to cruise ships and their passengers, the US Congress carried out extensive research which found that cruise passengers are largely unaware of their vulnerability to crime while



By William Lusk

Director of Operations, Homeland Security Outlook

on cruises and lack a basic understanding of their rights on the high seas. To help address these concerns, Congress wrote and approved the CVSSA.

The CVSSA outlines 15 basic safety and security requirements for vessels with a capacity of more than 250 passengers that embark or disembark passengers in the US. Security personnel of merchant ships and ports in regions heavily transited by cruise ships should be aware of several of these provisions. The components of the CVSSA are summarized as follows:

- 1 Cruise vessels must have a rail deck height of 42 inches above the cabin deck.
- 2 Each stateroom door must feature a peephole to provide visual identification.
- 3 Each stateroom door must have a security latch and time-sensitive key technology.
- 4 Cruise ships must have cameras or detectors to assist with man-overboard situations\*.
- 5 Cruise ships must be equipped with acoustic hailing/warning devices for communication when operating in high-risk waters\*.
- 6 Ships must have an onboard video recording system to assist in documenting crimes. Copies of videos must be furnished to police/investigating agencies on request\*.
- 7 Each passenger must be provided with a guide describing security and medical services onboard and relevant US embassy/consulate contact information.

- 8 Cruise lines must have adequate sexual assault medication and staff onboard.**

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- 9 All information regarding sexual assault treatment must be kept confidential.**

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- 10 Cruise lines must provide contact information for law enforcement agencies and complimentary private phone and internet for sexual assault victims.**

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- 11 Cruise lines must have established policies detailing which crew members may have access to passenger staterooms, and when.**

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- 12 A logbook is to be maintained onboard with details of complaints of CVSSA crimes and large thefts. Vessel owners must report CVSSA crimes to the US Federal Bureau of Investigation.**

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- 13 CVSSA crime statistics are to be posted online, maintained by the US Coast Guard.**

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- 14 Crew training of crime scene preservation may be certified by the US Maritime Administration.**

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- 15 After standards are established, no cruise vessel may enter a US port unless there is at least one crew member certified as having completed training in crime scene preservation.**

By the time the CVSSA was enacted into law in 2010, most if not all cruise lines and cruise ships were in compliance with most of the 15 provisions of the legislation. The three components of the CVSSA with asterisks – cameras or detectors to assist with

man-overboard situations; acoustic hailing/warning devices; onboard video recording systems – have not been widely implemented or require further rule development owing to the complexity and cost involved.

### **US COAST GUARD'S NOTICE OF PROPOSED RULEMAKING**

On 16 January the US Coast Guard issued a Notice of Proposed Rulemaking (NRPM) which solicits public comment as part of its process of amending its regulations.

NRPMs are an outlet for experts, industries affected, advocacy groups and the general public to voice their opinions and contribute their perspective during the formal rule-making process.

The NRPM is designed to address these three remaining provisions of the CVSSA which have not been widely implemented as well as to provide details for other mandates. Public comments are open until 16 April and can be submitted by telephone, fax, or online via [www.regulations.gov](http://www.regulations.gov).

### **CAMERAS FOR MAN-OVERBOARD DETECTION**

According to Professor Ross Klein, of the Memorial University of Newfoundland, there were at least 22 incidents of passenger and crew overboard or missing in 2014 alone. Since the year 2000 there have been at least 246 such incidents. Admittedly, the likelihood of falling overboard from a cruise ship is small; most incidents involve the highly foolish, depressed or incapacitated. Nevertheless, the CVSSA calls for cameras or detectors designed to minimize the response time once a person has fallen in

the water, as such cases can go unnoticed for hours.

Some cruise ships do have cameras, mostly thermal or closed-circuit, that can record images of objects or people falling overboard. It is widely believed, however, that these cameras cannot be relied on to detect these incidents as they happen and trigger an alarm, especially in harsh sea conditions. The wording of the CVSSA requires this technology to be placed onboard "to the extent that such technology is available" – a key phrase, because reliable technology is not currently available, according to many in the cruise industry.

Based on data provided by cruise lines, it is estimated by the US Government that the cost to fit each ship with man-overboard detection systems would be between US\$ 62,500 and US\$ 700,000 not including an estimated annual five per cent maintenance cost for these systems. This widely spread cost estimate is probably due to the unique dimensions of cruise ships.

The NRPM requires a cruise vessel to have a man-overboard detection system, a man-overboard camera system or a combination of both, intended to sound an immediate alarm to alert the ship's crew. Records must be kept at least 14 days after the voyage and, in the case of a man-overboard situation, a further 120 days.

### **ONBOARD HAILING/WARNING DEVICES**

There have been several documented incidents of cruise ships being attacked by pirates while traveling in high risk seas of the world, particularly the Horn of Africa. The CVSSA



requires that vessels transiting such waters have an onboard acoustic hailing device to provide emergency communication around the vessel when operating in designated areas defined by the US Coast Guard.

Although there have been documented incidents of cruise ships using acoustic hailing devices as weapons to repel boarders, this provision of the CVSSA is intended for these technologies to be used for communication purposes. The US Coast Guard, according to the NRPM, takes no position in using such technologies as weapons to repel boarders.

LRAD Corporation is a leading developer of mass communication and acoustic hailing technologies. David Schnell, vice president of business development for LRAD, has advised that several cruise lines, including Carnival and Norwegian, have purchased their systems, although sales to the industry have so far been small in volume. The technology allows cruise ships to provide a clear, focused and powerful broadcast such as a warning. "If you can change someone's behavior at a long distance, you buy yourself time and space, and ultimately you'll win," said Mr Schnell.

According to Report GAO-14-43 by the US Government Accountability Office (GAO), the US Coast Guard defines high risk waters as areas particularly susceptible to terrorism, piracy and armed robbery such

as the Gulf of Aden or the Strait of Malacca. Coast Guard officials advise that many in the public define 'high risk waters' as high risk terrorist targets such as New York Harbor or waterways with dense recreational vessel traffic that pose a threat to larger vessels. It is this with regard to this uncertainty of defining 'high risk waters' that the US Coast Guard is seeking public comment in the NRPM. Further, since a 'high risk' area may be determined after a cruise vessel has already entered it, the US Coast Guard proposes to require such equipment at all times.

### ONBOARD VIDEO RECORDING SYSTEM

The CVSSA requires cruise vessels within its scope to have a video surveillance system to document crimes onboard. Further, law enforcement officials must have access to video surveillance footage performing an official investigation upon request.

The NRPM from the US Coast Guard would require cruise vessels to retain the video for two weeks, as is the current industry practice. However, the NRPM would call for these vessels to retain video data of a particular incident for an additional 120 days after a crime is reported.

These cameras would be in public areas of vessels shared by passengers and crew such as open decks, bars and restaurants,

casinos and other points of interest. Since each vessel is unique in design, size, layout and clientele, CLIA has asked for a risk-based approach to regulations of onboard video recording systems.

### THE WAY FORWARD

Overall, the Cruise Vessel Security and Safety Act is designed to be the first and most comprehensive legislation affecting cruise passengers who embark or disembark passengers in the US. It is predicted that the CVSSA will affect a total of 147 cruise vessels and will cost government and industry a combined US\$ 8.4 million a year to implement.

According to Stephen L. Caldwell, former GAO director of maritime and supply chain security issues, who was responsible for their recent report on CVSSA, there will continue to be disagreements between the cruise line industry and cruise victim advocates about the CVSSA's call for man-overboard technology. The Coast Guard's proposed 'performance based' rule takes a flexible approach and allows vessel owners and operators the discretion to determine the suitability and reliability of available systems, so the various parties can have honest but different views on how to best implement the requirement and on how much is enough protection.

All members of the public are encouraged to comment on and contribute to the NRPM, particularly those with a keen interest or particular expertise in cruise ship operation, safety and security. Armed with more knowledge and perspective, the US Coast Guard can better implement the mandates called for by the CVSSA.

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**The NRPM requires a cruise vessel to have a man-overboard detection system, a man-overboard camera system or a combination of both**



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Investing in the right fender system - even if it means shelling out more on a reliable, top quality product - is money well spent if it means avoiding costly periods of downtime as the result of damage to port facilities.

**Largely unnoticed, mostly overlooked and probably taken for granted in many ports, marine fenders are actually a thin but crucially important line between smooth operations and a hefty insurance claim. So the quality of a port's fender system is vital.**

But which fender system to choose? Caribbean Maritime contacted FenderTeam Americas about fender installation and the complexities involved in any purchase. FenderTeam president Dominique Polte says:

"Our standard range encompasses more than 10 different fender types, like cone,

cell, element and foam-filled floating fenders. Each type has specific advantages and it depends on the project and the conditions on site as well as the preferences of a port or its consultant as to which fender type is used for a particular project. Just to give an example, the cone fender with a deflection of 72 per cent has the most efficient energy absorption to fender weight ratio; and since clients are buying energy absorption, this fender type provides, in general, the most value for their money."

Clearly, different types of fenders are required for different circumstances and

a range of marine environments and there is a good deal of overlap depending on the preference of the client. For example, container terminals can be equipped with cone, cell, element or even foam fenders. Typically, foam-filled floating fenders are used for cruise terminals in the Caribbean because of their ability to adapt to practically any ship shape and their low-friction polyurethane outer skin (which is also non-marking). This is particularly important for cruise ships where operators don't like to see black marks on a ship's paintwork from cylindrical rubber fenders.



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## When fenders fail or are not working properly due to low quality, then there is a cost to the port in terms of repair, downtime or even accidents

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As with most things in life, you get what you pay for. High quality and reliability are both important when choosing a fender supplier. When fenders fail or are not working properly due to low quality, then there is a cost to the port in terms of repair, downtime or even accidents.

### **SAFELY**

Obviously, ports make money only when ships are berthing safely and regularly at their terminals; but if facilities are shut down for fender replacement or repair owing to premature fender failures, then the savings

produced by the 'cheap' fenders are often lost in a single day, since daily downtime could be measured in thousands of dollars per hour. So it's important for ports to be involved in the selection of the fender supplier, or to pre-approve some high quality suppliers.

It's also advisable to test the equipment at the point of manufacture rather than undertake local testing – because of the very limited availability of local testing facilities for these type of products – and under the supervision of an independent third

party and/or the client.

Another important issue for ports is that the fender supplier should have product liability insurance as well as a claim-free record of at least five years.

So choose wisely and don't go for the cheapest option – it will cost more over the long haul.

**This article was written with assistance from FenderTeam Americas Inc. Picture is of Barbours Cut Terminal, Houston**

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# INCREASED RATE LEVELS ARE STILL INSUFFICIENT

By Jan-H. Heikes



## CONTAINER

After a slow charter market at the end of 2014 and start of 2015 the Caribbean market picked up pace towards the end of the first quarter. Effectively there was more demand for tonnage than supply, which resulted in raised time charter rates.

Small ships of 500 to 900 teu / geared lost ground in terms of availability and deal flow in the chartering activities of the Caribbean. However, when required and fixed, their rates had been firm. Time charter rates for 900 teu / geared rose by 5.6 per cent to US\$ 7,500 in March (compared with December) and CV 1100 / similar increased by 9.5 per cent to US\$ 8,000 with some operators still actively looking for tonnage in a tight supply market.

Vessels of 1,300 teu / geared recorded a solid 14 per cent increase in just three months. Some of this tonnage was 'imported' and thereby escaping weaker markets such as Mediterranean.

Amazingly, 1,700 teu / geared, in moderate demand, had not been able to play to such strength and effectively

levelled UNDER the 1,300s as a result of a worldwide overcapacity in this very fragmented segment. It is interesting to note that some charterers hired their 1,700 teu vessels in the Mediterranean or Far East to cover short supply of such tonnage in the Caribbean. Those positioning from Far East loaded new empty containers. To a similar extend, but for standard Caribbean liner/feeder trades, geared 2,500 teu vessels have been affected by

a worldwide oversupply, gaining 'only' 13 per cent; however, high specification reeferized 2,500s achieved rates of well over US\$ 10,000 per day for periods of up to 24 months.

Strictly looking at the increases on a percentage basis, it looks like a rocking market. Effectively in numbers, though, the rates are still not covering the financial obligations of the charter ship owners.

### SELECTED CONTAINER FIXTURES

Sub 900 teu / various sizes

Dec 14	<b>S. Rafael</b> 501 teu / 275 @ 14 / 15 on 17 / 84 rp	6-8 months	US\$ 6,150	p/d
Dec 14	<b>Marchaser</b> 889 teu / 534 @ 14 / 18 on 29 / 160 rp	6-8 months	US\$ 7,000	p/d
Feb 15	<b>America Feeder</b> 584 teu / 334 @ 14 / 16 on 22 / 144 rp	4-6 months	US\$ 6,250	p/d positioning from Med
Feb 15	<b>Madeleine</b> 501 teu / 270 @ 14 / 15 on 16 / 72 rp	6 months	US\$ 6,150	p/d
Mar 15	<b>Stoer Trader</b> 660 teu / 390 @ 14 / 17 on 26 / 75 rp	4-6 weeks	US\$ 6,750	p/d

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## RUSSBROKER CARIBBEAN MARKET REVIEW

### MACROECONOMIC VIEW ON CONTAINER

The question to ask is whether this market is sustainable. Given the fact that many operators have taken tonnage long-term and at premiums shows that they believe a strong market is here to stay.

Container tonnage does not come to the Caribbean on speculation, as the liquidity and deal flow is not as high as in Asia or in Europe, therefore the supply is limited. The demand is currently supported by several factors, such as new schedules of the alliances leading to new services or rescheduling of existing services and changes in ship size, congestion occupying tonnage, lower fuel prices compared with 2014, GDP growth rates above world average and, last but not least, a robust United States economy.

Analyzing the total carrying capacity of the top five Florida-based liner companies after the consolidation and VSAs entered in 2014, according to Alphaliner, the net carrying capacity year-on-year was slightly reduced from 75,488 teu / 82 vessels in March 2014 to 74,549 teu / 76 vessels in March 2015. This excludes Sealand, which is currently being handed over the Maersk business. Other carriers, predominantly feeder operators in the Caribbean, increased their capacity.

At the same time, Venezuela remains a factor of uncertainty. While congestion in ports has slightly eased, infrastructural issues, a record inflation and a low oil price are increasing the economic problems of the country. The break-even oil price Venezuela would need to achieve a balanced household is in the region of US\$ 117 per barrel, according to Deutsche Bank.

### SALE & PURCHASE (CONTAINER)

Second-hand transactions remain bank-driven and those owners who are looking for a free-handed sale are facing prices which are influenced by distress sales. Again, three 500 teu / geared vessels left the Caribbean market because of sale.

#### SELECTED CONTAINER FIXTURES

966 teu geared / 604 @ 14 / 18 on 35 / 250 rp

Dec 14	<b>Lena</b>	3-6 weeks	US\$	7100	p/d
Jan 15	<b>Vega Sagittarius</b>	5-7 months	US\$	7,050	p/d
Feb 15	<b>Heinrich Sibum</b>	2-5 months	US\$	7,150	p/d
Mar 15	<b>Georgia</b>	2-2.5 months	US\$	7,500	p/d

#### SELECTED CONTAINER FIXTURES

1,000-1,150 TEU celled/geared

Dec 14	<b>Stadt Bremen</b> 1,102 teu / 650 @ 14 / 20 on 43 / 200 rp	30-50 days	US\$	7,300	p/d
Jan 15	<b>Asian Sun</b> 1,118 teu / 700 @ 14 / 19 on 42 / 220 rp	5-7 months	US\$	7,550	p/d
Feb 15	<b>Stadt Bremen</b> 1,102 teu / 650 @ 14 / 20 on 43 / 200rp	1-2 months	US\$	7,500	p/d
Mar 15	<b>Asian Moon</b> 1,118 teu / 700 @ 14 / 19 on 42 / 220rp	4-5 weeks	US\$	8,000	p/d

#### SELECTED CONTAINER FIXTURES

1,200-1,400 TEU celled/geared

Jan 15	<b>Magari</b> 1,338 teu / 925 @ 14 / 20 on 52 / 449 rp	4-6 months	US\$	8,450	p/d
Feb 15	<b>Stadt Gera</b> 1,296 teu / 957 @ 14 / 20 on 47 / 390 rp	3-6 months	US\$	8,750	p/d
Mar 15	<b>Varamo</b> 1,296 teu / 957 @ 14 / 20 on 47 / 390 rp	8-12 months	US\$	9,500	p/d
Mar 15	<b>Medocean</b> 1,296 teu / 957 @ 14 / 20 on 47 / 390 rp	4-6 months	US\$	9,650	p/d

#### SELECTED CONTAINER FIXTURES

1,700-1,800 TEU celled/geared

Dec 14	<b>BF Copacabana</b> 1,794 teu / 1,312 @ 14 / 20 on 59 / 319 rp	30 days	US\$	7,100	p/d
Jan 15	<b>Nefeli</b> 1,740 teu / 1,274 @ 14 / 20 on 65 / 300 rp	12-16 months	US\$	8,150	p/d
Jan 15	<b>Viking Merlin</b> 1,684 teu / 1,270 @ 14 / 19 on 55 / 345 rp	12-16 months	US\$	8250	p/d
Feb 15	<b>Melbourne Strait</b> 1,795 teu / 1,312 @ 14 / 21 on 58 / 319 rp	12 months	US\$	8500	p/d
Mar 15	<b>Hansa Meersburg</b> 1,732 teu / 1,275 @ 14 / 21 on 64 / 300 rp	12-14 months	US\$	8250	p/d
Mar 15	<b>Hansa Rendsburg</b> 1,740 teu / 1,295 @ 14 / 21 on 64 / 296 rp	3-5 weeks	US\$	8,500	p/d

## RUSSBROKER CARIBBEAN MARKET REVIEW

One 900 teu gearless vessel was purchased by Caribbean liner interest in a sale ordered by the bank. The newbuilding market almost exclusively looks at large and ultra large container tonnage. Exceptions to the rule are two 1,350 teu gearless / ice class / LNG-driven feeder ships for the Baltic market.

### REEFER

For the first time in the reefer history, it was NOT the spot banana requirements driving the market but the Chilean season and the squid catch in the South Atlantic. The supply and demand scenario for the bigger vessels at the beginning of the season during February/March was rather balanced and the bigger tonnage partly enjoyed rates of US\$ 1.10/1.25 per cubic foot per 30 days. Such rates have not been seen for the last five years, leaving owners hopeful for finally better returns this year.

The smaller vessels enjoyed a good pre-season, but had a dive during second half January and February when the end of the potato/citrus and Moroccan trade coincided with a break in the fish catches off West Africa. As of mid March positive signs returned: more cargoes, a lack of tonnage consequently increasing rates and waiting for Nigeria to declare its fish quota.

### SELECTED CONTAINER FIXTURES

2,400-2,600 teu celled/geared

Dec 14	<b>Wehr Oste</b> 2,526 teu / 1,895 @ 14 / 22 on 74 / 481 rp	5-7 months	US\$ 7,800	p/d
Jan 15	<b>Leda Trader</b> 2,450 teu / 1,886 @ 14 / 19 on 62 / 400 rp	4-6 months	US\$ 8,000	p/d
Feb 15	<b>Frisia Loga</b> 2,478 teu / 1,897 @ 14 / 22 on 86 / 400 rp	3-7 months	US\$ 8,200	p/d
Mar 15	<b>Calais Trader</b> 2,526 teu / 1,950 @ 14 / 22 on 74 / 394 rp	5-7 months	US\$ 8,850	p/d

### CONTEX

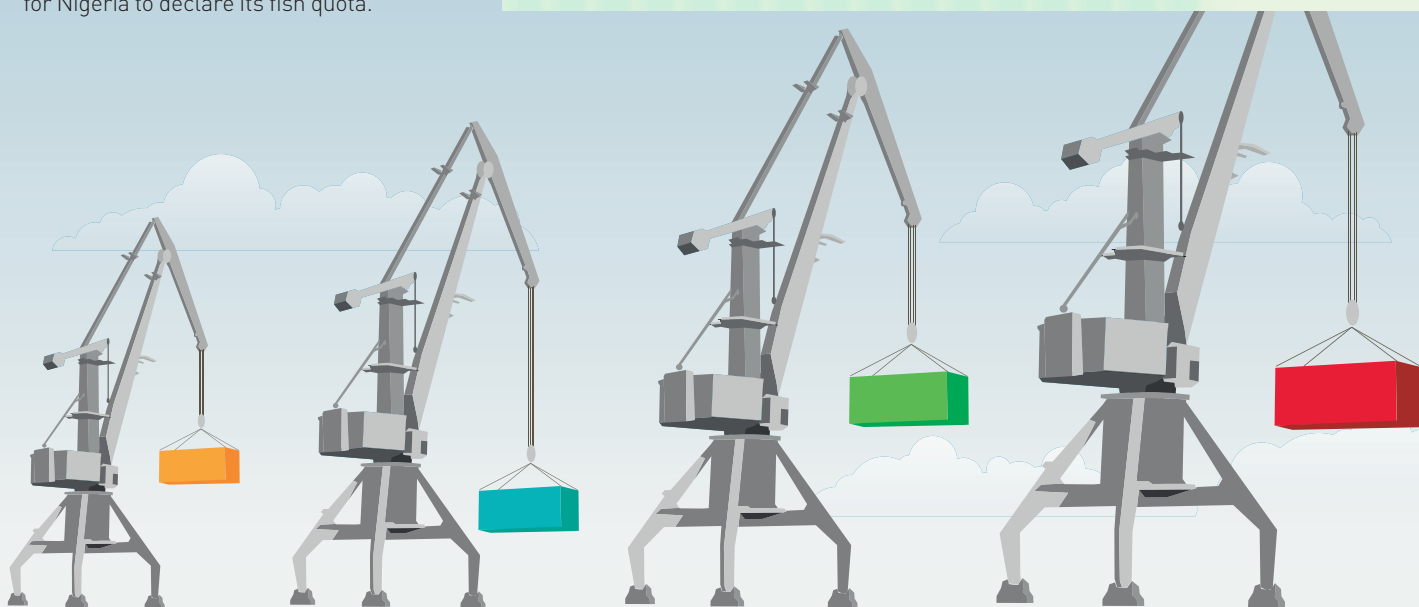
	Type 1100	Type 1700	Type 2500	ConTex
Average Dec 14	6,546	7,499	8,217	373
Average Jan 15	6,581	7,657	8,355	382
Average Feb 15	6,783	7,918	8,789	412
Average Mar 15	6,975	8,123	9,478	434

Rates are average of all reports and worldwide trades

### AVERAGE REEFER RATES

	Dec 14	Jan 15	Feb 15	Mar 15
class 424.000 cbft	US\$ 0.66	US\$ 0.68	US\$ 0.81	US\$ 1.11
class 265.000 cbft	US\$ 0.95	US\$ 0.87	US\$ 0.83	US\$ 1.08

Rates are per cu ft / per 30 days





# Cargo

BY ADVANTUM

## Prospects for Paperless Logistics B2G Interaction

Customs automation appears to be part of the wider Customs reform process that many countries worldwide have been implementing. This is against the background of driving efficiencies in Customs cargo processing, managing risks and protecting revenues. In recent times, Customs Authorities across the region have been upgrading their processes with the use of technology. In some jurisdictions, improvements are in the

form of replacing paper based processes, while in others, this is by way of strengthening their technology platforms.

Countries in the region such as Trinidad & Tobago, St. Kitts and Haiti have already started the improvement in their Customs technology. So far, most jurisdictions have been implementing the Automated Systems for Customs Data (ASYCUDA) World application developed by the United Nations Commission on Trade and Development

(UNCTAD), which incorporates international best practices.

### EFFICIENCY & SECURITY

Customs automation has proven to be the most powerful tool for increasing efficiency by facilitating:

- Electronic submission of cargo manifests to Customs by shipping agents.
- Real-time consignment status updates from Customs.



## LINKING EUROPE AND THE CARIBBEAN

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- Puerto Bolivar (Tue/Day 22)
- Guayaquil (Fri/Day 25)
- Paita (Sun/Day 27)

### Europe to French West Antilles

- Portsmouth (Sun/Day 1)
- Antwerp (Tue/Day 3)
- Radicatel (Wed/Day 4)
- Pointe-à-Pitre (Fri/Day 13)
- Phillipsburg (Sat/Day 14)

### Caribbean to Europe

- Moin (Sun/Day 1)
- Santa Marta (Wed/Day 4)
- Flushing (Mon/Day 16)
- Dover (Tue/Day 17)
- Rotterdam (Wed/Day 18)



# StreamLines

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## CUSTOMS AUTOMATION

- Greater accuracy in describing goods shipped through the use of Harmonized System (HS) Codes. This in turn facilitates better screening of goods (e.g. to identify banned items).
- Historical Data Analysis leading to Risk Analysis by Customs, which in turn allows for a more targeted selection of consignments for scrutiny.
- Reduction/elimination of paper usage.

### EFFECTS ON ECONOMY

The World Bank's 2015 Doing Business Report highlights the Caribbean as being a "bright spot", having improved its business environment through the implementation of such systems. The report delivers a sobering reminder that the prospects for growth for developing countries such as those in our region depend on initiatives that make it attractive for other countries to do business here.

As provided in the example above, the effects of customs automation on a coun-

try's economy are substantial. Investment in automation will lead to:

- More accurate, precise data means better statistics are available for the Government on the types and volume of goods being traded.
- Increases in Revenue Collection made possible by more accurate capture of cargo details.
- Increased throughput velocity in the supply chain, effectively increasing the ability to manage higher volumes of shipments in shorter periods and making the implementing country a more favourable trading partner globally.

### COORDINATION AND PARTNERSHIP

All stakeholders have a role to play. Governments and Customs authorities need to ensure that agents, brokers and facility operators, have

a voice and are brought to the table early in the process. This is to ensure that new processes work with minimal disruptions and that stakeholders view the road to automation as a partnership rather than an imposition. It is also imperative that shipping and commercial interests are willing and committed to play their part in this transition, as the region moves to utilize ICT to strengthen its trading position and improve its competitiveness in this hemisphere.



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