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# Caribbean MARITIME

ISSUE No 28  
MAY - SEPTEMBER 2016

## TRINIDAD & TOBAGO

NEW DAWN AT LA BREA

## TOS SYSTEMS

WITHOUT TEARS?

## CRUISE TO CARGO

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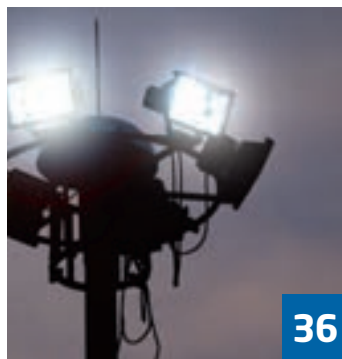
# Caribbean MARITIME

www.caribbean-maritime.com



Issue No 28  
MAY - SEPT 2016

Cover image supplied by Port Canaveral Media



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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## PUBLISHER:

land&MARINE

Land & Marine Publications Ltd  
1 Kings Court, Newcomen Way  
Severalls Business Park, Colchester  
Essex, CO4 9RA, United Kingdom  
Tel: +44 (0)1206 752902  
Fax: +44 (0)1206 842958  
Email: publishing@landmarine.com  
www.landmarine.com

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by Advantum. Forewarned is forearmed...



# Cuba offers a wellspring of opportunities



David Jean-Marie  
President  
Caribbean Shipping Association

**In the wake of President Obama's historic visit, there has been a tangible upsurge in goodwill for Cuba across the region. For us in the Caribbean shipping and logistics industry, it has been another signal that, even though the Cuban economy presents challenges and competition for tourism, trade and investment for the rest of the region, it also represents a wellspring of opportunities.**

The United States authorities have removed Cuba from a list of countries deemed to have insufficient security in their ports, eliminating a major impediment to the free flow of shipping in the Florida Straits. The US Coast Guard, in an advisory on global port security just before the recent historic visit by the US President, said Cuba now has effective security measures in its ports. That certification

also removes the requirement that US vessels maintain a higher level of security for access to ships while in Cuban ports. The shift clears the way for US cruise ships, cargo vessels and even ferries to travel back and forth with much less hassle. No longer will all ships have to wait to be boarded by the US Coast Guard for inspections, though the Coast Guard still can conduct random inspections.

"Cuba does have the potential to act as a transshipment hub for US cargo in a similar way to how Freeport, Bahamas, does now," said shipping analyst Drewry last year.

This was reinforced by the US logistics executives who toured Cuba's shipping facilities. Concurrent with President Obama's visit, officials from 18 shipping companies toured a number of locations across the country including the Port of Mariel. The consortium also met with ProCuba, a Cuban group looking to promote foreign investment in the country. We already know that Mariel is due to receive further development from the Singapore-based terminal operator PSA International.

It was noted that, despite hurdles of heavy bureaucracy and poor infrastructure, Cuba may be an ideal location for cross-docking, or re-sorting and distributing, cargo from post panamax ships to smaller vessels headed for US ports. That could include ships from Asia with cargo bound for East Coast ports that aren't equipped to handle the bigger ships, which can carry 14,000 teu or more.

Mariel will have to compete with several well established transshipment hubs in the Caribbean region such as those in Panama, Jamaica and the Dominican Republic and

they also have the advantage of being on, or closer to, the main east-west and north-south shipping lanes. The decisive element could be the depth of Cuba's ability to leverage partnerships and collaborations. Not only is Cuba forging a new relationship with the US, but it also is moving rapidly to normalize relations with the European Union, expanding its economic relationship with China and reintegrating its economy with the larger world. Port Mariel represents a new wave of partnerships that will certainly impact the rapidly evolving Caribbean shipping paradigm.

Meanwhile, US cruise lines including Carnival are gearing up to start sailing to Cuba as Americans, long prevented from traveling to Cuba under the US trade embargo, take advantage of the relaxed travel restrictions that Obama has put in place.

## REGULATORY CHANGES

Maritime stakeholders must navigate a constantly evolving regulatory framework, driven by technological advancement and geopolitical events, and they require news and analysis on safety and regulation. As a key component of the global supply chain, our industry is expected to safeguard life and ensure safe operations at sea while protecting the marine environment.

The clock is ticking down to 1 July 2016 and the implementation of the International Maritime Organization's amendments to the International Convention for the Safety of Life at Sea (SOLAS). This will require that shippers verify gross container weight prior to shipping as a means of tackling the issue of container collapses, accidents and losses due to overweight containers.

Despite calls from various quarters



for a postponement of the implementation of these new standards, our industry must comply. Notwithstanding, this raises numerous practical considerations including technological concerns – shippers may not have the easy access to technology that terminal operators and trucking companies may already have in place. There are also cost transfer considerations – shippers may need to invest in new technology and retrofits, which may come at a high cost.

Ultimately, shippers will need to bear these costs, or shift them to consumers, in order to successfully implement these new measures. How should a terminal or transportation company deal with a non-compliant container? If the shipper is far away geographically, who should be responsible for the repackaging of the container to ensure compliance? If so, who pays for the storage costs in preparation for

dislocation of our international clientele by taking decisive and speedy action to prepare for these changes.

### **CANAL OPENING AT LAST**

The Panama Canal Authority has set the completion date for its US\$ 5.3 billion expansion project for 26 June, almost two years behind schedule. The expansion may shift international trade routes, allowing ships to reach Asia from the US Gulf Coast more than two weeks faster than they would going east through the Suez Canal. It will make room for vessels with a capacity of 12,600 teu, almost three times what the existing locks permit, and will be able to handle liquefied natural gas tankers. Shipments through the canal may rise to 360 million tons in 2017 following the project's completion. The expansion has spurred a series of port and infrastructure upgrades through-

trend toward transportation and logistics outsourcing will only grow, predicated by a need for demand responsiveness, redundancies in supply chains and market agility. Governments seeking to improve their competitiveness must increase the quality of internal logistics performance to take advantage of this.

### **PREPARING NEXT-GEN EXPERTS**

We maintain our commitment to continued expansion of training opportunities in the face of increased debate about the merits of automated ports and the implications for native labor.

Through partnerships with regional institutions such as the Port Management Association of the Caribbean, the OAS, the Association of Caribbean States and others in Central America as well as regional educational organisations in Puerto Rico, the University of Trinidad and Tobago, the University of the West Indies and the Caribbean Maritime Institute, we forge ahead with our plans to create next-generation maritime experts who will adapt and direct the growth of our sector within a constantly evolving global environment.

Through the monetary support of our members, the CSA was able to present the Monica Silvera Scholarship to eight CMI students at the Pegasus Jamaica Hotel earlier this year. The eight students were chosen on the basis of their high academic record, leadership traits and community involvement. With all the advances in port infrastructure and global shipping, we at the CSA must continue to act as a training conduit.

By the time you receive this issue of 'Caribbean Maritime' we will be enjoying the hospitality of the Port Canaveral members of our Association at the 15th Caribbean Shipping Executives' Conference of the CSA in Cocoa Beach, Florida. I am certain that all the participants will enjoy the discourse and planned events and I look forward to robust and productive dialogue during the conference.

## **Cuba is moving rapidly to normalize relations with the European Union**

repackaging? Where should it be stored? What of enforcement – what sort of fines should be imposed to ensure compliance with these new rules? What enforcement mechanism should be adopted if a container is found to be misdeclared? These are some of the questions we seek to answer as we navigate the pending regulatory changes which will impact our industry in these areas.

Insights about the operational and financial impact of achieving regulatory compliance and the issues affecting enforcement must be tackled directly and in a timely fashion by our ports and regulatory authorities. From codes and conventions determined at the IMO to political moves from Asia, the EU and the US, it falls to us as an umbrella organisation to encourage our membership to prevent

out the Caribbean and the US East Coast as docks make room for bigger vessels.

Now that this event is upon us, it remains to be seen what are the precise benefits, or consequences, of the canal expansion. What is clear is that it is leading to increased competition between regional ports and shipping lines; and opportunities lie dormant waiting to be tapped into by regional governments. The possibility of holding inventory in the Caribbean for redistribution or for other value-added manufacturing or contract logistics activity presents an opportunity waiting to be exploited. This dynamic will affect companies sourcing strategy and network alignment. As a result, Caribbean countries should expect to see an increase in third-party logistics providers, carriers, brokers, financiers and technology providers as the

**HARBOR VIEW**





## **SOUTHPORT, PORT EVERGLADES**

Handling more than 1 million teu each year, Port Everglades is Florida's busiest container port and is ranked No 11 in the United States.

Port Everglades is served by about 30 shipping lines and is connected to over 150 ports in 70 countries.



# CRUISE IS STILL KING...

## ...BUT CARGO GETS NEW FACILITIES

By Edward Lundquist\*



**W**hile Port Canaveral has a growing cargo and container business, it is perhaps best known as a cruise port – the second-busiest in the world, as measured by passengers, after Miami.

The cruise business represents 80 per cent of Port Canaveral's revenue.

The port is also developing an auto import and export facility to process and customize vehicles for end-users before

shipment overseas. "The auto business is at peak capacity at Jacksonville and Brunswick. We'd like to help out with that business," said John Murray, chief executive of Port Canaveral. "We've opened a 20 acre container terminal and have 10 acres under development, with 45 more acres available."

Canaveral Cargo Terminal, Port Canaveral's first dedicated container facility, opened in 2015. It is the first US venture for Gultainer, the world's largest privately

owned terminal operator. To complement the port's investment in berths and ship-to-shore cranes, GT USA will invest US\$ 100 million in infrastructure, equipment and staffing.

In January this year StreamLines NV, part of the Seatrade Group, made Port Canaveral the exclusive US stop on its Blue Stream weekly container service.

"NYK Lines just added a new service and port call at Port Canaveral," said Mr Murray.



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## 'A major advantage of Port Canaveral is the ease of access to the sea and to Florida's road network'

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"The service distributes new vehicles built in Mexico to the US East Coast and the Caribbean. At Port Canaveral the service will be used to provide export customers with an option to load heavy construction equipment and machinery to Caribbean and Central American destinations. The service could go to fortnightly soon with the addition of a second ship in the schedule if the volumes remain strong and support the service."

Port Canaveral represents an important connection from the US to the Caribbean. The port moved 1,316,701 short tons to and from the Caribbean in 2015. The port's largest Caribbean trading partner is the Bahamas with salt and petroleum imports.

Martin Marietta Materials imports more than 250,000 tons of aggregates from the Bahamas annually. Morton Salt currently imports over 200,000 tons of salt from the Bahamas each year and also moves general cargo back to the islands. Morton's facility at Port Canaveral has been in operation since 1990 and annually produces 200,000 tons of pool, premium water softener and agricultural salts. The expansion of food-grade sea salt will mean an additional 10 jobs to augment the 65-person workforce Morton Salt already has at its Port Canaveral operation.

### CONNECTIONS

StreamLines offers container services – including imports from Costa Rica, Honduras and Guatemala – and provides connections from Martinique, Guadeloupe and St Maarten. It also offers the fastest and most direct service from Florida to Europe.

According to Mr Murray, a major advantage of Port Canaveral is the ease of access to the sea and to Florida's road network. Ships have a very short transit to open water and trucks from the container port can drive directly to the interstate without a stop sign.

With four cruise terminals on the north side of Canaveral harbor and two on the south, the port authority is expanding

capacity to accommodate bigger vessels. "We hosted 4.17 million passenger movements in 2015," said Mr Murray. "We expect to increase that by six to seven per cent by 2017."

Not only is the port capable of berthing the largest cruise ships, but many of them are home-ported there. In February this year Carnival Cruise Lines replaced the 'Carnival Sensation' with the 34 per cent larger 'Carnival Victory'. In April the arrival of the 3,690-passenger 'Carnival Magic' gave passengers access to the line's newest class of ship and features.

### REPLACED

In November this year 'Norwegian Spirit' will be replaced by the 4,100-passenger 'Norwegian Epic' – the world's fifth-largest cruise ship.

Also in November, the port's largest ever home-ported ship will arrive. Royal Caribbean's 225,282 gt 'Oasis of the Seas' – flagship of the largest class of cruise ship in the world – will reposition to Port Canaveral in November. When the 'Oasis of the Seas', with a full capacity of 6,360 passengers and 2,394 crew, arrives in the morning then sails again in the afternoon, the port must be able to serve as many as 12,000 passengers in

one day for a single ship. Mr Murray says the port expects to host as many as seven cruise ships in one day by next year.

Because of its proximity to Orlando, many passengers combine their Caribbean cruise with a visit to Central Florida's renowned tourist destinations, as well as to the Kennedy Space Center. Carnival, Disney, Norwegian, Royal Caribbean cruise lines all home-port ships at Port Canaveral. In addition, Port Canaveral is a popular call for ships visiting for the day.

"They represent a big boost to our local economy," said Mr Murray. "That also means we will need more passport control, customs agents and agricultural inspectors as the passenger and cargo businesses grow."

"We're pleased to have the CSA meeting be here in nearby Cocoa Beach because we want to showcase Port Canaveral to our Caribbean partners so they are able to see first-hand our developments and understand how we're investing to serve them better."

*\*Edward Lundquist is a retired US Navy captain and writer based in Springfield, Virginia.*



# A BRIGHT NEW DAWN AT LA BREA

Outlook is promising for planned panamax repair yard in Trinidad

It came as good news when it finally came. Trinidad & Tobago's Minister of Finance, Colm Imbert, announced to the House of Representatives and the Senate that the go-ahead was being given for a new US\$ 500 million shipyard.

It will be located on an adjacent Greenfield site of what was intended to be the Alutrint smelter at La Brea (see panel story). The smelter was never completed and construction work stopped in 2010.

The project to design, build and finance a new repair facility at La Brea had originally been proposed in 2010 by the Shipbuilding & Repair Development Company of Trinidad & Tobago Ltd (SRDC). So, after nearly five years of studies and intense lobbying, the local stakeholders of the project had reason to celebrate.

The recent drop in global energy prices no doubt influenced the decision as the T&T government saw a growing need to

diversify its economy away from one overly dependent on oil and gas.

This large-scale industrial project, which has already been endorsed by residents and environmentalists alike, will create opportunities to drydock panamax vessels. To accommodate ships of this size will require dredging to 13.5 meters depth (16.5 meters in the future).

## AFRAMAX

There will also be alongside repair berths to handle tankers up to Aframax size (80,000 to 120,000 dwt). Regionally, these are used mainly to transport crude oil between refineries in Venezuela and the United States.

In 2014, according to the US Energy Information Administration (EIA), Venezuela was the fourth-largest supplier of imported crude oil to the US after Canada, Saudi Arabia and Mexico.

The contractor for this project is the China Harbour Engineering Company (CHEC), which is expected to complete dredging work and construction of the new shipyard in 2018. Project financing was arranged by the T&T government and the Export-Import Bank of China. Shiprepair is highly competitive, of course, and SRDC envisages the new shipyard operating on a 24/7 basis for both scheduled and emergency repairs.

The shipyard's chief executive, Wilfred de Gannes, said: "Recent studies undertaken by the Arthur Lok Jack Graduate School of Business located at their Mount Hope Campus, together with the SRDC, anticipates a directly employed workforce in the vicinity of 600 employees at a one-third utilization rate or 1,200 employees at two-thirds utilization rate (in effect, full capacity)."

The aim is to operate the shipyard using



similar labor practices to those in North America, Europe and the Middle East whereby job opportunities are announced locally first, but unfilled positions are then advertised internationally.

The current situation across the Gulf of Paria may also benefit the project. Mr de Gannes said: "Venezuela may be one source for qualified employees, many of whom have gained decades of experience from their energy sector."

There are wider aspects to the building of the new shipyard beyond economic



## NEW USE FOR ALUTRINT FACILITIES

Before the smelter project was cancelled, Alutrint was in the process of installing overhead bulk conveyor equipment and covered storage facilities. The portside conveyor structure has already been dismantled and removed.

Buildings related to storage of materials for the former smelter can possibly be reconfigured to provide adjacent off-site facilities in support of the new shipyard to be located north-east of Alutrint's Brighton terminal.

Alutrint was a joint venture between the National Gas Co of Trinidad & Tobago and Venezuela's Sural Group. The proposed smelter also had financial backing from the Chinese.

**This large-scale industrial project, which has already been endorsed by residents and environmentalists alike, will create opportunities to drydock panamax vessels**

## A CENTURY-OLD TRADITION

Shipbuilding and shiprepair are not new to the island of Trinidad. The local stakeholders in the project have many decades of experience in repairing ships of all types and sizes. In fact, commercial shiprepair was first started at Chaguaramas, north-west Trinidad and goes back to 1907 when a floating dry dock was installed by Ellis Greil & Co.



new LNG carriers will be required to handle shipments from the US.

Those behind the La Brea project believe the shipyard can benefit directly from an increase in shiprepair work required by these additional LNG carriers, which will be moving cargo from the US Gulf Coast via the expanded Panama Canal en route to Asia. It is anticipated that the commissioning this year of the third lock in Panama will shorten LNG carrier voyages to Asia by some 8,600 km and the enlarged waterway will now be able to accommodate 92 per cent of the world's LNG fleet.

## LIQUEFACTION PLANT

Another plus point is that La Brea yard will be close to Trinidad's own Atlantic LNG four-train liquefaction plant at Point Fortin, which recently saw its 3,000th shipment. Furthermore, Atlantic LNG is set to process additional natural gas from the giant 10.25 trillion cu ft Loran-Manatee field, on the maritime borders of Trinidad and Venezuela.

So, with the much-awaited canal expansion a reality, and the anticipated hemispheric increase in LNG exports from both the US and Point Fortin, the prospects for Caribbean-based LNG carrier repair capacity looks very promising indeed. And it's why investors are willing to stump up US\$ 500 million to get this new shipyard off the ground.

## 'Investors are willing to stump up US\$ 500 million to get this scheme off the ground'

diversification and job creation, however, and these relate mostly to the fast-changing patterns of energy use and to major political decisions elsewhere. For example, the recent lifting by the US Congress of its 40-year ban on exports of crude oil, together with the commissioning of Cheniere Energy's Sabine Pass LNG terminal in Louisiana, have made the decision to

proceed with the La Brea project timely.

Now that the ban is lifted, the US is expected to change from a net importer of natural gas to a net exporter – especially with the expected completion of five large-scale liquefaction plants (for converting natural gas to LNG). It is estimated that, by the time these five new facilities are fully operational in 2020, at least 100



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## TERMINAL OPERATING SYSTEMS



# TOS WITHOUT TEARS? YES YOU CAN!

With the coming of mega ships and more hub-and-spoke operations, the demand for greater productivity and efficiency in the world's container terminals has become urgent. Producers of terminal operating systems are rising to the challenge; but implementing these highly advanced new TOS systems will require strong leadership and a change of mindset.

**I**ncreased automation and optimization are two of the key challenges now spurring on development in the terminal operating system (TOS) industry. The latest systems are getting more and more 'intelligent' as software producers aim to create products that allow terminals to meet the never-ending demand for greater productivity and efficiency.

Although the economic outlook for world shipping is unclear, two developments have added to the urgency for improved processes: the arrival of 19,000 teu container-ships and the development of more hub-and-spoke networks. Integrating other port systems and adopting new technologies are also seen as key for ports and terminals in order to meet the demand for improved services.

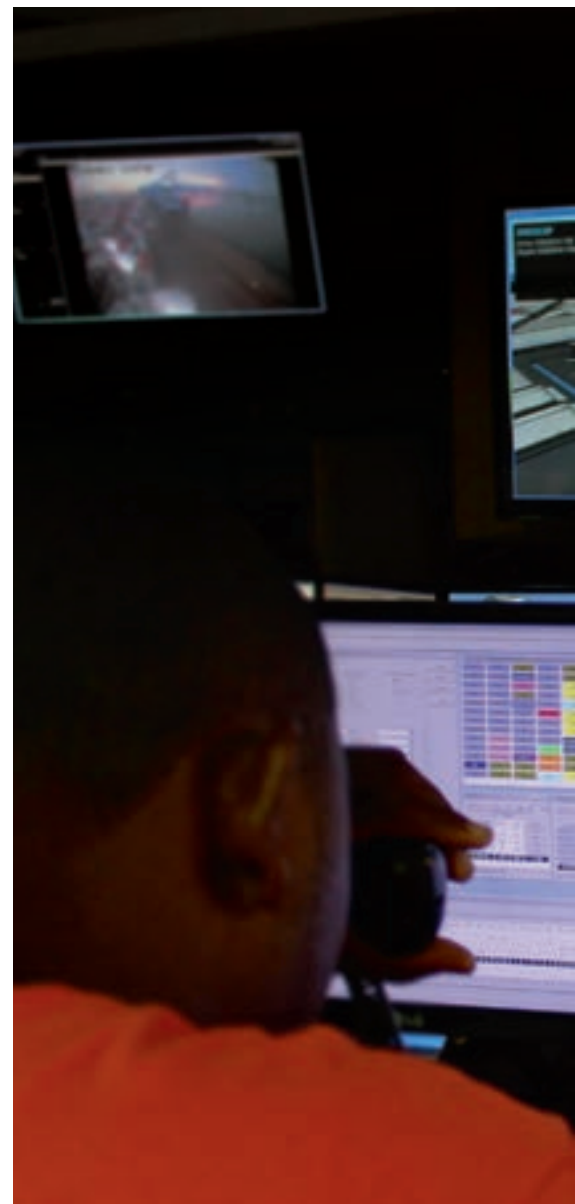
According to a 2015 report by Navis, the world leader in TOS software, it is now possible to eliminate an estimated US\$ 17 billion of waste by adopting more integrated

technology platforms for terminal and port operations. The report says this can only be achieved through strong leadership across the industry and, in some cases, a change in mindset.

### AUTOMATION

TOS software is becoming more complex as larger ships bring in more containers, causing bottlenecks in ports and challenging the existing shoreside infrastructure to maintain productivity. Automation is one way to solve this problem; but it makes operations much more complex. In a conventional terminal, it is people who decide how to deal with container movements. With automation, all these decisions are made by software. For many, this can be a huge adjustment.

By investing in automated systems, a terminal can increase its container density, minimize unnecessary movements and boost productivity. The more that human



interaction can be reduced, the greater the scope for improved productivity.

Increased automation is a challenge both for terminal operators and for TOS designers; but it can reduce costs while increasing safety and sustainability. Some examples of automation already in widespread use are optical character recognition (OCR) of vehicles, containers and security access for automated gate systems; weighbridges and scales on cranes; GPS systems on equipment; position detection systems; and use of radio frequency identification systems.

However, as Chuck Schneider, the general manager, Americas, for Navis, points out: "It is important for terminals to understand the behavior of the TOS user in an automated terminal environment and how they can do their jobs effectively while



using the capabilities of the software. What we are finding is that when the TOS makes a decision in an automated terminal environment, the user will want to second-guess that decision and try to override the system. They end up disrupting many other things upon which that decision was based, driving performance down.”

Navis, established in 1988, is the largest TOS producer in the world. Part of Cargotec Corporation, it developed the first TOS in the late 1980s and now provides software in over 280 terminals worldwide. Its pioneering SPARCS system paved the way for container handling efficiency. The latest generation of software is Navis N4.

Navis is used at a handful of ports in the Caribbean: Freeport Bahamas, Port Authority of Trinidad and Tobago and at Arawak

Port Development in Nassau. Navis has also been in place for a decade in Cartagena, Colombia.

“A computerized TOS system really becomes valuable once a terminal hits 10,000 teu,” said Mr Schneider. “Then they need to start integrating it into the greater supply chain and with operational processes like gate systems that utilize EDI messaging. Up until that point they can really handle things with manual processes.”



Photos supplied by Tideworks

**‘It is important for terminals to understand the behavior of the TOS user in an automated terminal environment’**

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As the terminal grows, the TOS optimizes such processes as equipment use, loading and discharging of vessels, and yard planning.

One of the biggest challenges for TOS development is dealing with changes in the industry. As vessels continue to grow in size and capacity, customer expectations rise and budgets shrink, while container terminals around the world are under pressure to optimize their operations and improve productivity.

"The TOS needs to be the facilitator of managing these challenges so terminals can meet the demands of their customers," said Mr Schneider. "The industry is also recognizing the need for shipping lines and terminal operators to increase their collaboration by sharing data through tools. We are seeing more work being done to develop technological cloud-based tools to help facilitate collaboration and improve the flow of goods. A further trend is the need to deal with the implementation of SOLAS. This is affecting all TOS providers."

From 1 July 2016 an amendment to SOLAS Regulation VC1/2 makes it mandatory for the gross weight of a container to be verified before it can be loaded onto a vessel.

Mr Schneider concluded: "Terminal operators need to catch up with everything that is available in process automation technologies, utilizing best practices for process improvement and efficiency. Some of the big terminal operators now have dedicated people and teams whose job it is to access the terminal's operational performance with six-sigma practices."

### NERVOUS SYSTEM

Harvey Bauer, director of marketing and contracts at Tideworks, probably the most widely used TOS in the Caribbean, acknowledges that terminal operators are looking to push up productivity using the same or fewer resources. They want more sophisti-

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**'Terminal operators of all sizes can reap tremendous benefits from the implementation of a commercial TOS'**

---

cation in systems at a cost-effective price, he says.

"Helping our customers control their costs through the effective implementation of technology is one of our biggest challenges and remains a key driver of our developments and innovation," said Mr Bauer.

"Terminal operators of all sizes can reap tremendous benefits from the implementation of a commercial TOS. Even very modest-sized terminals can substantially reduce the amount of manual processes, increase the accuracy of data, improve reporting capabilities, enhance communication with business partners and, in general, streamline their operations."

Tideworks software is used at Kingston Wharves Ltd (Jamaica), Manzanillo International Terminal (Panama), Barranquilla Container Terminal (Colombia), Santa Marta International Container Terminal (Colombia), the Dole Food Company (Guatemala, Honduras and Costa Rica) and Port Lafito (Haiti). It is also expected to be implemented in Puerto Rico at the TOTE Maritime and Crowley terminals.

"The TOS is intended to be the central nervous system of the terminal's



■ The CSA's 46th Annual General Meeting is to be held from 17-19 October in Trinidad, Trinidad and Tobago.

■ 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.

■ CSA members enjoy preferential rates. There are also early-bird registration discounts and concessionary hotel rates.



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## MODULAR PACKAGES

TOS systems are generally designed as modular software packages that can be extended or modified to suit specific situations. For marine terminals, the most frequently used Tideworks modules are:

- Mainsail Vanguard (the core TOS)
- Forecast (web interface for the terminal's customers)
- Spinnaker Planning Management System (graphical yard and vessel planning)
- Traffic Control (management of container handling equipment).

Tideworks core can easily be augmented by additional modules to enhance visibility, operational control and productivity. These include:

- GateVision (gate operating system and gate automation platform)
- Terminal View (3D data visualization tool).

GateVision can be seamlessly integrated with OCR and other data capture solutions to automate truck movements and streamline gate operations.

Within Navis N4 TOS various optimization modules are available:

- Expert Decking (to maximize yard space utilization, equipment availability and location and best slot allocation)
- Equipment Control (manages crane and RTG location and movements)
- Autostow (automatically generates stowage plans for the whole ship)
- Prime Route (minimizes unladen driving, increasing labor productivity and contributing to better asset utilization).

The most popular modules are Expert Decking and Equipment Control, which can be easily added. The main challenge is the 'change management' that needs to take place with the training of operators.

"Another current trend in the market place involves cloud computing, on-demand software, or Software as a Service (SaaS). Many terminal operators seek technology solutions that not only advance their operational and financial goals but allow them to do so with a minimal IT footprint and overhead. More and more, we see the ability of a TOS provider to offer a cloud-based or SaaS solution as an important factor in the decision-making process."

## FUTURE-PROOF

The TOS has been a key feature in many ports since the 1980s, but to a large extent it has always relied on manual input of data. Data input methodology is changing faster today than ever before, with OCR and GPS tracking becoming more normal.

Choosing the right TOS is a key decision for the port. There is a wide choice of options, all designed for specific purposes but also generally customizable to each port's needs. There are very few off-the-shelf packages. With the decision to roll out taking from six to 12 months of complex testing of the port's existing systems, making the right initial decision is crucial, along with making the whole system as future-proof as possible.

What else does the future hold for the TOS industry? Mr Bauer said: "We predict the pursuit of the correct technology mix will continue to be the goal for marine and intermodal terminals as they work to get the greatest benefit out of limited resources and assets. Increasing pressure on the supply chain to work more efficiently will drive operators to make technology decisions based on gaining the most value out of their investments.

"The TOS has a growing role in this as it is the centerpiece to a terminal's technology suite. Systems and hardware are becoming more complex yet more highly integrated. More than ever, the next-generation TOS will require a strong marriage between technology and operations. Over the next 10 to 20 years we feel the term 'customer' will diminish. Instead, we'll see terminal operators and technology providers engaged in strong, mutually beneficial partnerships."



operations," said Mr Bauer. "Supplementary technologies, such as automated data capture tools or real-time tracking systems, may be added and integrated within the TOS as the terminal grows. So, while the correct mix of technology at any particular stage in a terminal's evolution boils down to a business decision, implementation of a core TOS is fundamental from the onset."

Mr Bauer says automation and optimiza-

tion continue to be the most often requested TOS features from customers. "We have made some tremendous developments in recent years in these areas, culminating with a recently completed project at MIT-Panama, to fully support their use of automated stacking cranes (ASCs). Additionally, we're nearing completion of a project in support of the new, highly automated Tuxpan Port Terminal in Mexico.



**Leah de Souza**  
Managing director,  
Trainmar Inter-Regional  
Programme Ltd

# FOCUSING YOUR TEAM ON BUSINESS GOALS

Leah de Souza, managing director of Trainmar Inter-Regional Programme Ltd, tells 'Caribbean Maritime' about her results-driven consulting business.



**E**veryone knows the key to any successful organization is its personnel. But in today's fast-changing world, with competition sharper than ever, it's only too easy for employers and their employees to lose focus and become less effective as a team.

The Caribbean-based company Trainmar has achieved positive results in this sector with its workshops and customized workplace learning and development solutions.

Trainmar's principal consultant is based mainly in Trinidad, but its offices are "100 per cent virtual" according to managing director Leah de Souza. "We go where our business and clients need us," she says. "Our projects dictate the size of the employee force at any one time. Our diverse complement of experts hail from and work in all corners of the globe."

There are two key areas to Trainmar's activities:

- Public or open enrolment seminars such as IMDG and IFMA\* facility management courses
- Client customized services via consulting.

"Our focus is the client's desired result," says Ms de Souza. "The journey to success varies from project to project." To meet this goal, Trainmar uses a range of Performance Improvement Solutions. These are:

- Customized training in all key business and operational skills
- 360-degree feedback surveys
- Competency profiling

- Coaching
- Business process review
- Outsourced training functions
- Review of training function / department
- Review, design and development of company training programs.

So what are the weak or vulnerable points in organizations and their human resources where Trainmar can make a difference?

"I think that organizations need to make more of a shift in how training is viewed," says Ms de Souza. "In many organizations it is given a small role in the HR department. Workplace Performance Improvement focuses on what the business goals are and how best employees can be equipped with the skills and competencies to achieve those business goals. For Trainmar, training is only one tool to reach this end. We approach each project knowing that training may not be the only answer. Our focus is not the method but the client's goal. And as we do not preach any particular solution, we are able to open-mindedly guide our clients to success."

Going forward, Trainmar is working on a growing number of long-term projects

– "which we prefer so that we can better manage the progress that our clients seek," says Ms de Souza.

"We are always looking to new borders. Our plan of action is to encourage clients to focus more on managing and improving performance."

### KEY ADVICE

So what would be her personal message to HR managers in the maritime sector in terms of how to achieve greater efficiency and job satisfaction? Ms de Souza has three vital pieces of advice:

1. Get your hiring process right. If you don't have the right person for each the job, it's over before it even started.
2. Implement a simple and effective Performance Management System. This is easier than it sounds (both operationally and financially) and it will work wonders for your business and team.
3. Only provide training that is linked to compliance and / or performance. Training is not an excuse for poor management or an event to boost morale.

*\*International Maritime Dangerous Goods and International Facilities Management Association*

## THE TRAINMAR STORY

Trainmar was formally established in Trinidad & Tobago in 1996. At the time the company offered mainly maritime training.

The company has since broadened the range of topics to support organizations and industries in both the private and public sectors in the region.

After 20 years Trainmar offers not only training but also a full suite of services and solutions to improve workplace performance.

Its business today is focused on improving productivity, profitability and positivity for client organizations and their employees.

The Trainmar Programme was originally established in 1980 by the United Nations as a capacity-building programme, promoting trade growth through enhanced training.

Today, the Trainmar Americas Network consists of independently run training centers in the Caribbean, Central America and Latin America.

While the Latin-sector centers are focused on port development training, Trainmar in Trinidad has responded to market demands for training across the entire logistics value chain with a very broad range of topics.

## PROMINENT CLIENTS

Trainmar serves an impressive range of companies and organizations. Its client list includes:

- Atlantic LNG
- BG Trinidad & Tobago
- BHP Billiton Ltd
- Digicel
- DOMLEC
- High Commission of Canada
- EOG Resources Inc
- Glenmark Pharmaceuticals
- Guardian Life
- Gulf Shipping Ltd
- National Training Agency
- Massy Automotive Components Ltd
- Neal & Massy Wood Group Ltd
- Point Lisas Nitrogen Ltd
- Southern Supplies Ltd
- Office of the Prime Minister of Trinidad & Tobago
- Tucker Energy Services
- Water & Sewerage Authority of Trinidad & Tobago
- Yara International.

Among the projects that Trainmar has worked on with its clients are team retreats, leadership development, targeted sales training, redesign of recruitment process, 'train the trainer' development and targeted competency and skills development.



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Mastering the whole logistics chain is a major challenge for island states across the Greater Caribbean – but it is also a real opportunity to gain a long-lasting competitive advantage.

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# Logistics 'sans frontières' in Martinique



Sandra Casanova  
President  
Cluster GAT Caraïbes

**F**our prominent businessmen from the greater Caribbean region will be among keynote speakers at the Caribbean Transport and Logistics Trade Fair (SCTL) in Martinique from 11 to 13 May. They are:

- David Jean-Marie, president of the Caribbean Shipping Association
- Bishen John, president of the Port Management Association of the Caribbean
- Fritz Pinnock, international expert in maritime logistics and executive director of the Caribbean Maritime Institute
- Jean-Michel Caffin, consultant in foreign trade and vice-president of the Chamber of Commerce of Miami.

This pioneering event is being hosted by the Martinique-based organization Cluster GAT Caraïbes\*. Visitors and exhibitors from the greater Caribbean region and from Europe will be attending the fair to showcase their services and products.

The four speakers visited Martinique from 14 to 17 December as guests of Cluster GAT Caraïbes as part of the preparation for the logistics trade fair.

During their visit, the delegates met representatives of various member organizations of Cluster GAT Caraïbes including Frigodom, Soreidom & Caribbean Line, the port and airport authorities, the new TCSP public transport system and the Préfecture as well as professional organisations like CCIM, Contact-Entreprises, MEDEF and AMPI.

In the course of various meetings, the Caribbean visitors underlined their view that Martinique, and the French West Indies

as a whole, represent a real doorway for Caribbean countries to do business with the European Union.

## PRESIDENT'S MESSAGE

The president of Cluster GAT Caraïbes, in a message to members, has expressed the hope that 2016 will bring improved political clarity locally, nationally and internationally as well as greater business opportunities.

"Our businesses need clarity in order to invest and become involved in major projects," said Sandra Casanova.

She called for members to become involved in strategic thinking "so that, together, we can take part in the key issues of our time and in our geographical region".

"This event has been organized with you and for you and, together with outstanding guest speakers, we intend to discuss the issues associated with optimizing inter-Caribbean transport, improving cross-border relations, the logistics performance of companies, sustainable development and transport, training and innovations in the transport and logistics sector."

## MATINALE

Over 90 delegates attended the Matinale Logistics Conference in Martinique on 24 September last year organised by Cluster GAT Caraïbes and the French Logistics & Supply Chain Organisation (ASLOG).

They included business owners, logistics managers, logisticians and logistics students.

This conference has helped bring the business world and the customs service closer together, thus opening up interesting

'Our businesses need clarity in order to invest and become involved in major projects'

avenues of collaboration resulting in greater security of trade and an improved control of import and export costs.

The following three topics were discussed at the conference:

- How to protect your customs clearance
- Taking advantage of customs bonded warehouses
- AEO: your label of competitiveness.

The most acclaimed talks were those which outlined the status of authorised economic operators (AEO). This sharing of companies' experiences met with great success.



*\*Cluster GAT Caraïbes Logistique et Transport is a non-profit organization that aims to bring together private and public-sector stakeholders from across the region with supply chain interests. The SCTL trade fair is being organized by Cluster GAT Caraïbes and the French Logistics and Supply Chain Organisation (ASLOG). To register on-line, visit: [www.sctl-event.com](http://www.sctl-event.com)*

## FLORIDA PORTS

Huge investment in port infrastructure  
to enhance Caribbean services

# FROM CRUISE TO CARGO FLORIDA PORTS CONNECT REGION

By Edward Lundquist

**F**lorida's ports provide a lifeline to the many islands, large and small, in and around the Caribbean basin. At least 10 ports across the State of Florida do business with Caribbean nations. From fruit and vegetables to movie sets, the ports, shippers and their customers have built upon business relationships that span generations.

"Florida ports have had a long relationship of trade with the Caribbean nations and are proud to count them as some of our most valuable partners," said Doug Wheeler, president and CEO of the Florida Ports Council.

According to maritime consultant David Matsuda, former head of the US Maritime Administration, ports, shipping companies and ferry operators are preparing to serve Cuba.

"Changing markets are driving infrastructure and service decisions for ports and shipping companies," said Mr Matsuda. "There is particular excitement about Cuba."

New facilities are needed to handle increased cargo and passenger traffic; to berth the larger ships that can be expected with the widening of the Panama Canal; and to serve emerging markets.

Mr Matsuda applauds the State of Florida. "Overall, Florida is one of the only states that have invested in their ports, leading to additional federal dollars as well," he said. "They are cutting edge in this regard. In order to better serve our partners, Florida has seen more than US\$2 billion invested in public and private dollars in seaport infrastructure and we are pleased to have seen many

improvements to efficiency and connectivity at our ports."

According to Ellen Kennedy, assistant director for communications at Port Everglades, the Caribbean is one of the port's most important markets. "The Caribbean makes up 32 per cent of our total containerized cargo trade," she said. "This equates to 2,220,568 tons of cargo or 237,317 teu. Our largest cargo trading partner is by far the Dominican Republic."

### LARGEST MARKET

Jim Pyburn, director of business development at Port Everglades, said: "Cruise is our biggest source of revenue, with 36 per cent, and cargo is second with 23 per cent. The Caribbean is our largest market for cruise and second-largest for cargo after Central America."





'If you see it on a grocery store shelf, or sit on it in your hotel room, it probably came through here'



Mr Pyburn went on: "We're the largest perishables port in the State of Florida; and the Dominican Republic – our largest Caribbean trading partner by far – grows a lot of those fruits and vegetables. We have a large cold storage warehouse and perishables handling facility; we can accommodate all of the customs and agricultural inspections; and we can fumigate if needed. We get it in and get it out, because fresh items have a limited shelf life."

The islands rely on Florida ports for groceries, furniture and even automobiles. "The majority of the islands are not self-sufficient," said Mr Pyburn. "We can send them everything they need – everything from soup to nuts. If you see it on a grocery store shelf, or sit on it in your hotel room, it probably came through here."

Inbound shipments from the Caribbean

include rum, with a growing number of artisan brands. Clothing is a big import, due in large part to the free trade zones in the Dominican Republic. Fabrics, yarn and other textiles are sent there and finished products are returned.

From Port Everglades the cruise ships go to popular destinations such as Mexican ports along the Yucatan peninsula and down to Belize, the Caymans, Jamaica, the Netherlands Antilles and over to the eastern Caribbean islands.

"Our cruise traffic is focused on the Caribbean, which represents the largest cruise market in the world," said Mr Pyburn.

Ms Kennedy said Port Everglades was carrying out major upgrades to accommodate larger ships, in part because of the widening of the Panama Canal.



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## BIG SHIP READY

PortMiami is the well-known brand for the Miami-Dade Seaport Department of Miami-Dade County. It has a close working relationship with partner Florida East Coast Railway (FEC Rail). Together they posted an increase of 15 per cent in containerized cargo movements for the 12-month period to September 2015. The recent opening of FEC Rail's on-dock intermodal rail service now provides access from PortMiami to 70 per cent of the US population in four days or less.

Latin America and the Caribbean make up PortMiami's largest trade region and account for half of the port's volume, with 13 per cent of the total cargo being traded with Caribbean destinations.

Looking ahead to the widening of the Panama Canal, PortMiami is gearing up to provide more direct connections with Asia. Dredging operations are making the channel deeper and wider. The port's new super post panamax gantry cranes can work cargo vessels up to 22 containers wide, nine

containers above deck and 11 containers below. To ease congestion, a new fast access tunnel links the port directly with the interstate highway network, thus reducing turnaround time for both imports and exports.

"We are big ship ready," said Andria Muñiz-Amador, director of public affairs and communications for PortMiami.



**'We have made infrastructure investments at our terminals in Jacksonville and San Juan to handle these new ships'**

The cruise business is huge in Miami; and PortMiami, located in Biscayne Bay in the heart of downtown Miami, is the 'cruise capital of the world'. The city is a tourist destination in itself and Miami International Airport is one of the country's largest, with convenient connections for cruise passengers.

Caribbean cruise traffic patterns are seasonal, driven by the winter season with a focus on November through April. Miami is a key regional home port for cruise ships serving the Caribbean and Bahamas. Royal Caribbean, for example, announced it will invest US\$ 100 million to build a new cruise terminal at the port, with total investment to reach US\$ 250 million over the full length of the project.

The port is dedicated to operating Florida's number one container port and the world's leading cruise port in a way that supports sustainability.

Ms Muñiz-Amador noted that PortMiami is surrounded by a natural environment that includes sea grass and marine life in Biscayne Bay and surrounding ecosystems. That includes a major relocation project and managed coral habitat area; monitoring of over 40 acres of mangrove restoration at Oleta River State Park; and efforts to relocate trees from construction areas.

## ENVIRONMENTALLY FRIENDLY

Peter Keller, executive vice president of TOTE, says his company is investing in new ships, container equipment and port facilities in the US and Puerto Rico.

"We're first to the market with new environmentally friendly LNG powered containerships," said Mr Keller. "We have made infrastructure investments at our terminals in Jacksonville and San Juan to handle these new ships."

The two 3,100 teu Marlin-class containerships have been delivered from NASSCO in San Diego. The first, 'Isla Bella', arrived last year and the second, 'Perla Del Caribe', in February of this year. They will primarily serve Puerto Rico, with weekly sailings. Transit time is about two and a half days.

"Jacksonville is our port of call in Florida and our partners at JAX LNG are working

## FLORIDA PORTS

with us to build an LNG liquefaction plant at Dames Point,” said Mr Keller.

The first LNG bunkering took place on 9 January 2016 when the ‘Isla Bella’ received about 100,000 gallons of the fuel at JAXPORT. The bunkering was overseen by TOTE Maritime’s sister company, TOTE Services, which manages the vessels.

Tim Nolan, president of TOTE Maritime Puerto Rico, said: “We are very pleased with the results of this initial LNG bunker event and know that the use of LNG in our Marlin-class vessels will provide unprecedented environmental benefits both here in Jacksonville and in Puerto Rico.”

### LIGHTS, CAMERA, ACTION!

Crowley has experience with both traditional and unusual cargoes. It recently shipped production-related cargo to the Dominican Republic for the Netflix movie ‘The True Memoirs of an International Assassin’. The cargo included all types of movie props, from wardrobe and vehicles to special

effects materials and even a helicopter.

Mark Miller, Crowley’s vice president for corporate and marketing communications, said most of the props had been dispatched from Port Everglades. They included seven SUVs, a helicopter and seven containers with props used as weapons and ammunition, make-up, wardrobe and filming material. After filming, the gear will be packed up and shipped back to Port Everglades.

Crowley also shipped all the equipment required to stage Cuba’s first major rock concert, the Rolling Stones concert in Havana.

Crowley has also served Cuba since 2001 (and from Port Everglades since 2006) providing weekly services – originally to Havana and these days to Mariel – with food products, medical, agricultural and humanitarian supplies. It’s only one port and the shipments are one-way. Nothing is sent northbound. All shipments have been on a cash basis, but trade is expected to grow when shippers can conduct business on credit.

Crowley also has two LNG-fueled con-ro (container and ro-ro) ships under construction, designed specially for service between the US and Puerto Rico. The Commitment-class con-ro vessels, named ‘El Coquí’ and ‘Taíno’, will use clean LNG as their primary fuel. This will offer a 38 per cent reduction in CO2 emissions per container as compared with existing fossil fuels.

To support Crowley’s fuel needs, Eagle LNG will build a natural gas liquefaction plant in Jacksonville with a capacity of 200,000 gallons per day (87,000 gallons per day initially). This facility is due to enter service in early 2017.

“This state-of-the-art engine technology will add efficiency while continuing to reduce impacts on



Photos supplied by Crowley



the environment, one of Crowley’s top priorities,” said John Hourihan, senior vice president and general manager, Puerto Rico Services.

### HELPING HANDS

Florida ports have been a lifeline for the Caribbean when disaster strikes.

When the 2010 earthquake struck Haiti, a significant part of the humanitarian assistance and disaster response originated in Florida. The US Navy provided airlift and sealift assets, including 21 Military Sealift Command vessels, as part of Operation Unified Response, carrying personnel, equipment and supplies to help the people of Haiti. Much of the logistics support was managed by the Navy’s Fleet and Industrial Supply Center (FISC) Jacksonville and staged from JAXPORT’s Blount Island Marine Terminal and Naval Air Station Jacksonville.



Photo supplied by Crowley

## PORT OF BARRANQUILLA

# My vision for a world-class gateway port

René Puche, who has been at the helm at the Port of Barranquilla for over three years, tells 'Caribbean Maritime' about his plans and ambitions for the major Colombian port.



**A**s the largest cargo handling complex on the Caribbean coast of Colombia, the multipurpose sea and river port of Barranquilla has been undergoing a major program of modernization and logistical expansion in order to take full advantage of its gateway position.

René Puche has been chief executive of Sociedad Portuaria Regional de Barranquilla S.A. since February 2013.

With over 20 years' experience in the logistics business in Europe and West Africa behind him, Mr Puche has brought his specialist knowledge to bear on the challenge of transforming the Port of Barranquilla into a world-class logistics platform.

**Q.** What are the key strengths and advantages of the Port of Barranquilla?

**A.** With a prime location on the banks of the Magdalena River and 22 km from its mouth at the Caribbean Sea, we open the door to a variety of opportunities and advantages. Our 94 hectare area and our multipurpose port vocation reinforce the privileges enjoyed by each of our customers.

Also, Barranquilla is known for five basic characteristics:

- Capacity to produce export cargo

## CAREER PATH

René Puche has a Business Administration degree and MBA from the University of Texas. During his professional career, Mr Puche has worked for Yara International in different positions, starting in 1993 as commercial and logistics director in Colombia. In 2001 he was transferred to Yara Belgium to take over as supply chain director in charge of fertilizer sourcing for the Global Yara network.

In 2007 Mr Puche was put in charge of Yara's operation in Ghana overseeing West African markets. After three years in Ghana he was transferred to Yara France as supply and trade director



for Africa and Latin America based in Paris. A few months later, the role was transferred to Yara Switzerland in Geneva where he stayed until December 2011.

In 2012 René joined Abocol, a multinational fertilizer company based in Colombia, where he took over as supply and logistics vice president. He became chief executive of the Port of Barranquilla in February 2013.

- Authorities involved with the development of city's infrastructure
- Integration between public and private sectors
- Guilds committed to the growth and development of the city
- Natural platform for foreign trade agreements (FTAs)
- High demand for imported goods.

**Q.** What major improvements and expansions have been made to the port during your presidency and what is your vision for the Port of Barranquilla?

**A.** There has been a positive development in the country in terms of ports infrastructure specially during the last 10 years. That is the reason why in 2014 we decided to review our vision and short-term objectives.

In order to stay ahead of the market we are focusing on becoming a logistics platform that, from Barranquilla, connects Colombia to the world.



Our role in the industry is the provision of safe and reliable towage at the ports in the Caribbean and Americas to help shippers and shipping lines meet their schedules. We know how vital an undisturbed supply chain is to the economy and our clients. Our focus is to provide tailor-made towage services, based on win-win contracts. Talk to us and be convinced.

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**SVITZER**



To achieve such a vision, we developed a three-year (2015-2017) business and investment plan focused on four strategic lines: Security, Technology, Infrastructure and Equipment.

During that exercise, 117 projects were identified and 64 were accomplished during 2015 among which we should highlight the construction of the first and only cold storage and distribution center inside a port in Colombia, allowing us to guarantee temperature control along the supply chain. Among its key features are:

- 3,200 square meter warehousing and distribution center
- 2,640 pallet positions
- 48 containers per day
- 10 loading / discharging bays.

### Q. What investments have you made in port security?

**A.** Proper cargo management and safety are among our priorities. We decided to improve our security system by installing:

- Security fence around the six hectare container yard.



- 9 x 38 meter high light towers
- 38 high definition cameras
- ID-number marking for cargo handling equipment
- GPS devices on all reach stackers
- Additional cameras for increased CCTV coverage.

With the implementation of this project, our port has one of the most advanced security systems in Colombia.

### Q. What is your plan for the port and its operations over the next few years?

**A.** In 2016 we will invest about US\$ 10 million in strengthening our infrastructure and in operational improvements. Our major projects are:

- Eco-hopper for handling clinker
- Implementation of a non-intrusive inspection system (scanners)
- Improvement of weighbridges and shore scales
- Implementation of a booking system for trucks carrying general and bulk cargo
- Complementary investments in road infrastructure.

### Q. Are there any problems or weaknesses in the present-day operation of the Port of Barranquilla that you are striving to overcome?

**A.** Because we are a river port and the Magdalena is a very complex river, keeping the depth of the access channel is always a challenge, especially during the dry season. Fortunately, the national and local government included Barranquilla as part of the national dredging plan in order to safeguard our long-term competitiveness. This project includes bringing the channel to a depth of 15.0 meters by 300 meters wide. This will allow all terminals to receive bigger vessels.

### Q. Will the opening of the expanded Panama Canal have a big impact on business at the Port of Barranquilla?

**A.** Due to our location it will not make a great impact on our business. However, we are getting ready to receive bigger vessels as mentioned above.



# Marine ingenuity



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For decades, Van Oord has been working on dredging and marine engineering projects in the Caribbean, working closely with clients and partners while showing respect for each other and the environment. The multi-disciplinary project Sandy Bottom, carried out in the Bahamas, is a proven example of this sustainable mindset.

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# Spring shoots in US-Cuba trade?

The ongoing thaw in relations between the United States and Cuba has led to a modest level of new air and sea passenger traffic between the two countries. But the all-important US economic embargo is still in place.

**T**he historic visit to Cuba by Barack and Michelle Obama from 20 to 22 March this year was a key event in diplomatic terms. But the US economic embargo on Cuba, which only Congress can rescind, is still in place.

Both President Obama and his Cuban opposite number, Raúl Castro, want the embargo lifted, and Mr Obama even went so far as to declare during his visit that “the embargo is going to end”, although he could not say when.

While sea trade between the two countries has yet to be normalized, there are indications that passenger traffic is moving beyond the stage of charter visits and into more ‘mainstream’ activity.

‘Money’ magazine reported recently that flights, ferries and cruise packages

between the US and Cuba were “popping up left and right”. They include:

## FLIGHTS FROM NEW YORK

JetBlue will commence flights from New York JFK to Havana on 3 July. These are being sold as charter flights through Cuba Travel Services although they are operated by JetBlue. Sun Country Airlines began flying the New York to Havana route in March; while ABC Charters already uses JetBlue aircraft for flights to Cuba from Tampa and Fort Lauderdale.

## FLIGHTS FROM BALTIMORE-WASHINGTON

Cuba specialist Island Travels & Tour, which already runs charter flights to Cuba from Miami and Tampa, is expanding with

## OPPORTUNITY KNOCKS

Both the US and Cuba – but especially the US – can expect to gain from new trade opportunities.

- Cuba, just 90 miles from Florida, imports about 80 per cent of its food, making it a natural market for US agricultural products.
- The estimated cost to US exporters of maintaining the embargo is US\$ 1.2 billion per year, according to the US International Trade Commission.
- US exports of merchandise to Cuba could be worth up to US\$ 4.3 billion a year if the embargo were lifted, according to a study by the Peterson Institute for International Economics.
- Opening trade with Cuba could create 6,000 new jobs in the US, an analysis by Texas A&M University has found.
- Normalized trade with Cuba would bring a surge of new business to US ports and airports, particularly in south-eastern states.

flights from Orlando in July and flights from Baltimore-Washington (BWI) in the fall.

## SMALL-SHIP CRUISE IN CUBA

Starting in late 2015, International Expeditions, based in Helena, Alabama, began operating small-ship cruises using the 48-passenger, three-masted motor sailer ‘Panorama’. The 10-day itinerary embraces the Cuban ports of Cienfuegos, Cayo Largo, Maria La Gorda and Havana.

## FERRY SERVICES FROM FLORIDA

Four companies have received licenses from the US government to operate ferries between Florida and Cuba, according to a recent report in the South Florida ‘Sun Sentinel’. They include Havana Ferry Partners, which could launch 200-passenger ferries from Key West to Havana within weeks and later introduce overnight trips from Miami, Fort Lauderdale and perhaps Tampa using vessels of 300 to 500 passengers.



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# COMBATING INTERNAL FRAUD AND CORRUPTION - THE CONSTANT INTEGRITY CHALLENGE

By its complex and international nature, the maritime industry can be vulnerable to various kinds of internal fraud. However, there are practical steps that companies can take to make life difficult for would-be fraudsters while enhancing the integrity of the organization.

By Andrew B. Brown



**T**he proliferation of internal fraud and corruption in any organization can be likened to a disease that, left unchecked and treated, continues to spread, eventually leading to the untimely demise of the company and all of those within.

The shipping and maritime industry has numerous sector peculiarities that expose it to greater risk of such criminal activity:

- Complex international and domestic regulatory compliance
- High level of government interaction at various points in the business chain
- Vast amounts of sensitive data requiring scientific data management

- Heavy reliance on third parties in the business chain
- Complex accounting structures between shipping lines and shipping agencies
- Often high congestion at foreign ports and weak government infrastructure
- High volume of daily cash turnover at numerous locations.

Such complex activities expose the industry to various types of fraud and corruption in their daily business. A recent Skuld report highlighted:

- **Bunkering fraud:** Fuel can be the greatest daily single expense with the margin for profit in criminal activity high.
- **Cargo and document fraud:**

These can come in a wide variety of formats where misrepresentation is a common theme in quantity and quality.

- **Chartering fraud:** Usually revolves around unknown or numerous third parties and an overly trusting approach.
- **Port-related fraud:** In some foreign ports, vessels are at risk of fraudsters seeking to use the ship call as an opportunity to obtain payment for services and goods that were never provided.
- **Blackmail and extortion:** A well established crime that plays on the victim's fear of reputational loss.
- **Cyber fraud:** A rapidly developing risk where information theft is a key element. Cyber attacks can open the way



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to wholesale theft of vast amounts of sensitive data.

- **Fake job fraud:** Perpetrated against individual seafarers, usually from developing nations.
- **Information 'phishing':** Fraudsters will seek to 'phish' information from various sources where the risks can range from monetary frauds to theft and hijacking of vessel and crew.
- **Physical security:** Vulnerable cargo theft, container damages and misappropriation of fuel and other consumables.

mitigate such risks, adopting a series of measures that are underpinned by the organization's values will make life for the criminal increasingly difficult, while at the same time enhancing the integrity of the organization.

- **Training:** Ensure that all employees from board level to the factory floor understand the risks to the organization and, importantly, the policies and procedures implemented to prevent fraud and corrupt practice.
- **Leading by example:** Taking a proactive stance allows employees to observe the

nism allows employees to 'peer monitor' and highlight suspicious activity. This provides an invaluable and confidential source of intelligence.

- **Investigative ability:** Train select employees to be able to investigate a suspected fraud; to gather and secure evidence; to link with legal advice; and to present findings to the authorities or in internal disciplinary hearings.
- **Security of information:** Ensure robust processes in the destruction of paper files. Adopt a strong IT policy that covers internal and external

## By its very nature, corruption can be difficult to detect, as it usually involves two or more people entering into a secret agreement

- **Bribery and corruption:** Payment of bribes to corrupt officials or agencies, in spite of anti bribery and corruption legislation.

By its very nature, corruption can be difficult to detect, as it usually involves two or more people entering into a secret agreement.

Companies must be alive to the risk of internal fraud and corruption. The senior leadership must ensure that they and their employees display high levels of personal integrity to be alive to the risk of this criminal behaviour.

Fraudsters and corrupt employees will constantly invent new ways to make personal or financial gain, usually facilitated by organizational and individual complacency. To

correct behaviours where integrity is key to the organization's success.

- **Code of conduct:** This establishes the expectations around integrity and behaviour as an employee. Aligned with policies, risk assessments and mandatory processes, it clearly sets out rules and guidelines which, if contravened, can lead to disciplinary action.
- **Designated officer:** Appointing someone as a Compliance Officer not only allows you to have an 'integrity champion' who can continually educate staff; it also allows for random internal audits to ensure procedural compliance and deter 'insider' fraud.
- **Anonymous reporting:** Establishing such a mecha-

communication, custody of digital records and databases and on-line security policies.

- **Due diligence:** Should be applied to every new business partner and third party checks along with random internal audits on suppliers and vendors in your business chain. A periodic review should confirm their credibility and trustworthiness.

Adopting such integrated measures will put the company on the 'front foot' in preventing, detecting and responding to such criminal behaviour within. Membership of the Maritime Anti-Corruption Network (MACN) allows you to share best practice, pick up on new trends in fraud and corruption and share intelligence on corrupt third parties. It will keep you in that prevention mode.



**Andrew B. Brown**  
Chief Inspector  
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Tulliallan, Fife

Effective security lighting needs expert guidance

# IT'S GOT TO BE RIGHT ON THE NIGHT

The need for enhanced security will be on the mind of every facility security officer in view of recent global terrorist attacks and active shooter cases. There is no 'one size fits all' solution. But, the security and safety of employees, contractors, visitors and the facility itself can be enhanced with effective lighting, says Thomas Venezia\*

## Effective security lighting is a requirement of the approved Facility Security Plan set out in the US Government's Code of Federal Regulations.

Under Title 33, Section 105.275 of the federal code, the facility owner or operator must ensure that security measures are in place in this section and must be able to monitor them continuously through a combination of lighting, security guards, waterborne patrols, automatic intrusion-detection devices and surveillance equipment.

Facility lighting must not produce glare or impact safety, navigation and other security activities. Facility security officers (FSOs) must comply with federal regulations, but it's a lot more than just being in compliance; it should truly be about keeping your people safe from any potential threat or risk.

## INTENSITY

The positioning, direction and intensity of lighting can all contribute to improved security and safety. Often, a facility security assessment will identify a lighting upgrade as a viable and cost-effective way of mitigating risk. Improved lighting can reduce the vulnerability of a facility by providing a

deterrent to breaches of security. Further, a retrofit security lighting project can help reduce the overall cost of security services and the FSO should strongly consider facility lighting as an effective risk mitigation measure. Nonetheless, everything starts with a facility security assessment, which is the foundation for reliable security organizations (see diagram below).

Once it has been decided to upgrade, the first task is to identify the facility's security lighting needs. A thorough and unbiased appraisal will look at questions like what type, how many and where to place them – and the associated risks. Each situation requires careful study to provide the best visibility, to prevent illegal entry, to detect intruders and to deter security breaches. If the assessment shows that improved lighting is a higher priority, the FSO may consider different lighting above recommended industry standards.

The Illuminating Engineering Society (IES) is looked on as a reliable lighting authority throughout North America. Its 10th Edition Lighting Handbook, along with other IES documents

on roadways, parking, exterior environments and walkways, identify industry best practices for exterior applications.

Effective lighting for safety and security should consider:

- **Horizontal illumination:** With many tasks being horizontal, this is the primary lighting metric, but is less critical for security than other metrics such as vertical and uniformity.
- **Vertical illumination:** Very critical, because the main security issues are identifying persons and vehicles along with their movement, which is best done by viewing their vertical surfaces.





- **Uniformity/shadows:**

This is critical to avoid dark areas where people or objects may hide. Uniformity also enhances the effectiveness of video cameras.

- **Glare:** Lighting pointed in the wrong direction can cause glare that can make it hard for employees, security personnel and cameras to identify people and objects. No light should ever be emitted above the light source's horizontal plane – meaning, we need to see what is being lit, not the light itself. Note: lighting cannot negatively impact navigation, safety and other security activities.

## WATTAGE

The FSO should select the most appropriate light source and wattage. The general rule is that the higher the wattage, the greater the efficacy (lumen per watt output) of the lamp. In addition, high-wattage lamps usually allow high ratios of spacing to mounting height, thus allowing the fixtures to be well elevated on a

pole or structure, out of reach of vandals.

A common misconception is that lighting alone will achieve safety and security. Security lighting allows security personnel to maintain visual-assessment capability when it's dark. Instead, the collective wisdom denotes a combination of a thorough security assessment, good design elements that include appropriate lighting levels, security activities, proper surveillance equipment and maintenance.

Some things to consider are:

- Lighting fixtures insufficiently safeguarded from vandalism
- Lamps not inspected and sufficiently cleaned in conditions of high dirt accumulation



- Lamps not replaced before they burn out, thus creating non-uniform lighting conditions
- Need for FSO to make regular patrols around the facility looking for these symptoms and for burned-out lights
- FSO should also encourage employees to report any lights that are burned out or causing a glare.

In today's world, security and safety are a much higher priority. For whatever reason a facility decides to install, upgrade or retrofit lighting, each facility is unique and requires a thorough security assessment that includes a risk-based analysis.

Remember, security starts with the assessment; and your FSO should strive for pre-eminent security and safety, not mere compliance with regulations.

*\*Thomas Venezio is director of training for Seebald & Associates International, a full-service maritime security firm based in Houston, Texas.*

# PORT BRIEFING

## NEW CONTAINER SERVICE TO CARIBBEAN

A new weekly dry and refrigerated container service connecting the French West Indies, Central America, Port Canaveral and Europe has begun with five 1,300 teu capacity vessels, each with 250 reefer plugs.

The Blue Stream Service, which is operated by StreamLines, part of the SeaTrade Group, commences in Rotterdam and calls Tilbury (UK) and Radicatel (France) before heading to Fort-de-France (Martinique), Pointe-à-Pitre (Guadeloupe) and Philipsburg (Sint Maarten) in the French West Indies and then to Moín (Costa Rica), Puerto Cortés (Honduras) and Santo Tomás (Guatemala) before ending in Port Canaveral.

The service will call at GT USA's growing Gulf tainer Canaveral Cargo Terminal, which focuses on fresh produce and perishable cargo.

## NEW CURAÇAO CRUISE PIER ON WAY

Construction began in November 2015 of a second cruise pier in Curaçao to join the existing Mega Pier in the Otrobanda area of Willemstad, west of Sint Anna Bay. The project was first approved in 2014 as passenger numbers began to exceed the capacity of the destination. The new Tula Pier, costing US\$ 43 million, will allow Curaçao to handle about 1 million passengers a year.

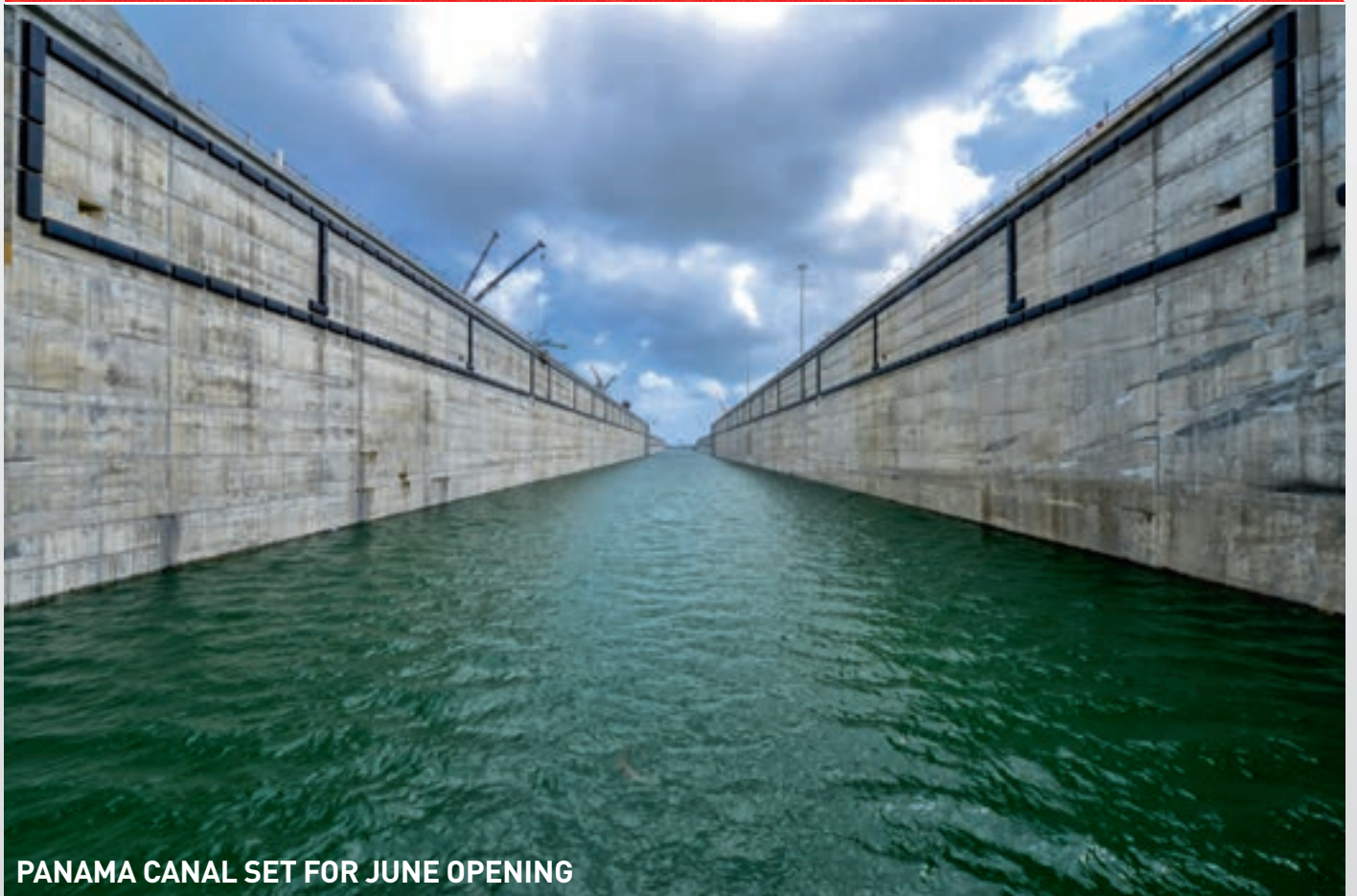


## SLOW PROGRESS ON CUBA OPPORTUNITIES



Following the article in issue No 27 of 'Caribbean Maritime' about the many proposed ferry operators waiting to begin services to Cuba, there have been a few developments that they may find encouraging. In February the United States and Cuba finalized an air service agreement for up to 110 daily scheduled flights and airlines are now bidding to offer services. In addition, the Virginia Port Authority became the first US port to sign a Memorandum of Understanding with the Cuban National Port Authority to increase trade and develop direct services between the Port of Mariel and the Port of Virginia – the leading US port for agricultural exports to Cuba. While these are all positive signs that Cuba is opening up, the general feeling is that Cuba will proceed at its own speed, slow or otherwise.





## PANAMA CANAL SET FOR JUNE OPENING

Following years of delays and setbacks, the new locks of the Panama Canal are now scheduled to open by the end of June. What will happen next is the subject of wide discussion. The Panama Canal Authority is advising caution over expectation of a sudden growth in services transiting the canal, with the

transition of shipping lines forecast to take several months. The canal is currently undergoing extensive testing after repairs to the cracks found in the Cocoli Locks. Discussions also seem to be under way about the possibility of a US\$ 17 billion project to further expand the canal to handle the world's largest

containerships. While that is the subject of speculation, there are more concrete plans for a new logistics zone and a new container transshipment terminal at Port Corozal, at the Pacific end of the canal, to serve North and South American container lines.

## MOÍN CONTAINER TERMINAL UPDATE

Construction of a US\$1 billion new container terminal for APM Terminals in Moín, Costa Rica, is under way by the consortium of Van Oord and BAM International. Van Oord's work includes

3 million tonnes of dredging to clear the access channel and turning basin and construction of a 2.2 km breakwater. The terminal is being built on 40 hectares of reclaimed land using 6.5 million tonnes

of sand and will have a 650 meter quay wall. The project is being carried out in three phases, with completion of Phase 1 expected in 2018.

## SVITZER SIGNS NEW CONTRACT AT SINT EUSTATIUS

Svitzer has signed a two and a half year contract to provide marine services at the NuStar terminal in Sint Eustatius from February 2016. It will provide berthing and unberthing of tankers and bunkering services.

Svitzer takes over from the previous operator, Seabulk Towing, and will take over its four tugs and four bunker barges while also using two of its own vessels at the terminal. The move was taken to improve efficiency at the terminal by using the same service provider for terminal and bunkering operations.



## RECORD YEAR AGAIN FOR NEW ORLEANS CRUISE INDUSTRY

New Orleans recorded its fifth successive record year for cruise passengers in 2015, handling more than 1 million passengers, a one per cent increase on 2014. As the country's sixth-largest cruise port, New Orleans is looking forward to further

increases in 2016 when it expects to welcome larger ships bringing still more passengers.

Cruise lines calling New Orleans include Carnival, Norwegian Cruise Line, American Cruise Line and the American Queen Steamboat Company.

The port's two cruise terminals, Erato Street and Julia Street, are home port to vessels such as 'Carnival Dream' (3,646 passengers), 'Carnival Elation' (2,052 passengers) and 'Norwegian Dawn' (2,340 passengers).



# STARBOARD BRIEFING

## NICARAGUA CANAL AUTHORITY STICKS TO PLAN

Despite widespread dissent over the proposed US\$ 50 billion Nicaragua Canal project, and ongoing setbacks, the Nicaragua Canal Authority (NCA) is firm in its message that construction will commence this year. This, in spite of the financial problems in China that have purportedly threatened to derail the principal source of funding behind the HKND Group. It has been three years since the project was announced by Nicaraguan President Daniel Ortega, in competition with the expanded Panama Canal just 300 miles to the south. A government study reports 81 per cent support by Nicaraguans for the 172 mile (278 km) canal. Other studies say about a third of people think it is just 'propaganda'. NCA says construction of the port on the Pacific side will begin at the end of 2016.



## CMA CGM NEW CALLS TO FRENCH WEST INDIES

CMA CGM has added two new weekly calls to its French West Indies service and will operate larger vessels on the route. The ports of Zeebrugge and Rotterdam will be added in the first quarter of 2016 and the existing 2,200 teu vessels will be replaced by 2,800 teu vessels to support regional growth and intra-Caribbean trade developments. The service will call Dunkerque, Zeebrugge, Rotterdam, Le Havre, Montoir-de-Bretagne, Pointe-à-Pitre, Fort de France, Pointe-à-Pitre and Dunkerque. The company hopes this expansion will develop its transshipment business, especially at its hub ports of Pointe-à-Pitre and Fort-de-France.



## 'LIBERTY OF THE SEAS' RETURNS

After a month in dry dock for a minor makeover, Royal Caribbean's 'Liberty of the Seas' is returning to its home port of Galveston, Texas, where it will commence seven-night itineraries in the Western Caribbean. Destinations will include Belize City, Cozumel and Puerto Costa Maya (Mexico), Falmouth and Montego Bay (Jamaica); George Town (Grand Cayman) and Roatan (Honduras). The makeover included the addition of food and beverage facilities (Sabor, Giovanni's Table and R-Bar) and the Splashaway Bay aqua park, featuring the 'boomerang-style' Tidal Wave slide.

## BUMPER CARIBBEAN ARRIVAL FIGURES

The Caribbean tourism industry is welcoming reports that 2015 was another bumper year for tourist arrivals, up seven per cent on the previous year. According to data from the Caribbean Tourism Organization, there were a reported 28.7 million stay-over tourists in 2015. The biggest increase was in Cuba, which saw a 17 per cent increase. These visitors spent an estimated US\$ 30 billion – 4.2 per cent more than in 2014. Over 50 per cent of arrivals came from the United States.

Container market

# SMALL BEATS LARGE



Vessels in the 4,000 teu to 8,000 teu range experienced the largest cuts, whereas 13 ships between 1,000 teu and 3,000 teu are in service



**This spring, the container charter market was not very active because many charterers fixed their ships, especially in the 1,000 teu segment, for 12 months or longer in the course of autumn last year.**

Charter rates for standard 1,100 teu ships have moved sideways for the past few months in a corridor of mid to high US\$ 7 thousands. Very economical 1,100 teu designs were able to earn a premium of about US\$ 1,000 to US\$ 1,500 on top of the rate paid for the standard 1,100 teu ship.

The 1,300 teu segment has felt the pressure of several spot ships in Asia. Owing to the low bunker price, positioning of ships to the Caribbean was a good argument and consequently rates dropped by about 10 per cent to levels in the low / mid US\$ 8 thousands.

On a positive note for the owners, it can be registered that charter periods are

fairly outright and have so far escaped the extremely flexible durations now common for ships fixed in Asia. Ships in the 1,700 teu category were able to achieve similar to or slightly below the earnings of the 1,300 teu vessels. Their levels thus have been stable since the end of 2015.

## **OVERSUPPLY**

Standard 2,500 teu vessels in Caribbean and South American Coast liner trades suffered dramatically from the global tonnage oversupply in this segment, resulting in rates in the US\$ 6 thousands and thereby lower than for 1,100 to 1,700 teu vessels. In mid March, worldwide over 60 ships of the 2,500 to 2,800 teu segment had been in spot positions. With this in mind, the Caribbean trade did no longer pay any premium over other trading areas. Better earnings could only be achieved for the ambitious high reefer trade, which, however, also took a hit from its heights last year and benchmarked in the high 8 thousands to low 9 thousands in the first quarter of 2016.

The situation in the charter market currently reflects the carriers' fleet deployment strategies. According to Alphaliner, the total employed fleet related to Latin America trades fell in teu values by about four per cent from December 2015 to March 2016; the number of ships, however, increased by over four per cent. Vessels in the 4,000 teu to 8,000 teu range experienced the largest cuts, whereas 13 ships between 1,000 teu and 3,000 teu are in service.

Despite the overall mixed economic signals, food exports from the Americas continue firmly. On the back of that development, reefer operator StreamLines started its first containership service from Central America to Northern Europe. Now being operated with charter tonnage, StreamLines plans to replace those ships in the future with its own very high reefer container newbuildings. Maersk, in cooperation with Fyffes, also initiated a new string to Europe with 2,500 teu ships, serving the previously reefership-only port of Turbo, Colombia. Lastly, CMA CGM organized a new feeder service connecting Turbo to Kingston.

**SALE AND PURCHASE OF CONTAINER TONNAGE**

The vessel pool below 1,000 teu continues to shrink as a further two ships have been sold to owners operating in other trading areas. Two 1,100 teu ships were also sold, but are likely to stay in the Caribbean.

**MACROECONOMICS**

The overall economic development remains uncertain. Low commodity prices continue to pressure many Caribbean countries depending on raw material exports. The first positive signs were, however, detectable during February and March, when metal prices appreciated by about 15 per cent and the price of oil rebounded from a low of US\$ 30 to just over US\$ 40 per barrel. Despite the negative impact of the Zika virus on the tourist sector, most Caribbean countries expect increasing visitor numbers in 2016.

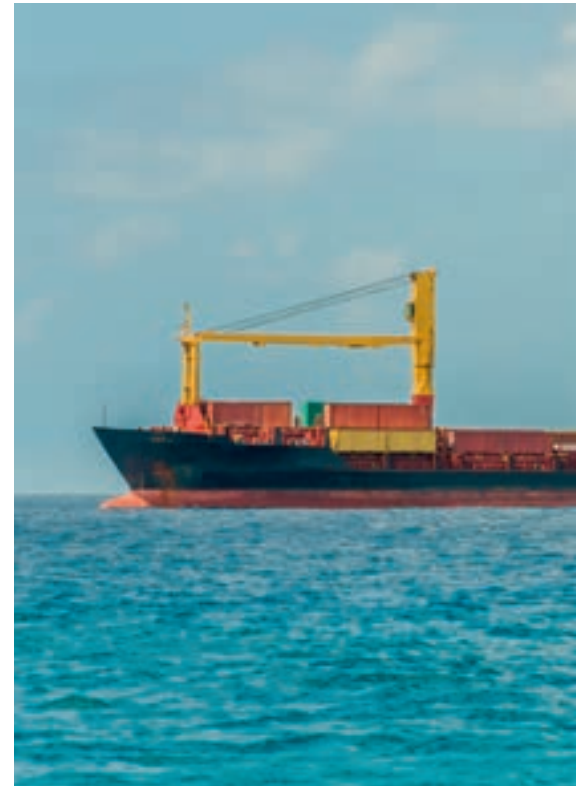
In summary, the Caribbean Development Bank is cautiously positive, expecting Caribbean GDP growth of 1.7 per cent in

2016, a slight increase compared with 1.4 per cent in 2015.

Hardest hit is still Venezuela, where inflation rates continue to grow and imports are shrinking. Also in trouble is Brazil, where after an economic contraction of over four per cent last year another year of negative growth is expected for 2016. A positive sign for trade, though, is that, regardless of the Brazilian recession, exports and imports are forecast to grow this year.

Colombia, another important country for the Central American region, will also be affected by the global trend of capital outflows from emerging markets. As a consequence, the mining industry is projected to fare worse than last year and consumer outlook has turned negative. Positive for containerized trade should be the prediction that Colombian manufacturing will be much better in 2016.

After stagnating for several months, the diplomatic approach between the United States and Cuba gained new momentum with president Obama's historic visit to the island in March. The American public is now in favor of abandoning the trade embargo and tourist numbers have already increased substantially.



Shipping has so far only benefited from the lifting of some bureaucratic measures. Should the trade become fully liberalized in the future, overall containership capacity demand could fall in the short term

**Whether the expanded Panama Canal will have an effect on intra-Caribbean trade remains to be seen**

<b>CONTEX</b>				
		12 months	12 months	24 months
	Contex	1,100	1,700	2,500
<b>Jan 16</b>	334.25	6,649	7,396	7,452
<b>Feb 16</b>	336.38	6,813	7,435	7,462
<b>Mar 16</b>	338.86	6,988	7,417	7,556

<b>AVERAGE REEFER RATES</b>				
		Dec	Jan	Feb
424000 cft		0.62	0.6	0.53
265000 cft		0.46	0.44	0.44



as some products could then be sourced from the much closer United States instead of from Europe, China or Brazil. Currently, 20 ships with a total capacity of 28,000 teu are trading to and from Cuba and an end of the embargo could create a chance for small ships of between 500 teu and 1,100 teu to the disadvantage of 1,700 teu tonnage. Short distances and quick turnaround times would favor the small-size category most. In the mid to long term, however, stronger Cuban growth opportunities should support also the larger vessel segments.

Whether the expanded Panama Canal will have an effect on intra-Caribbean trade remains to be seen as the official opening date has been postponed from April to June and some industry players are voicing concerns about whether the canal will be completed in 2016 at all. And the building of the Nicaragua Canal is supposed start by August 2016.

## REEFER

The year has started in much the same uneventful way as 2015 ended.

The COA and liner operators are fully employed. Nevertheless, with exports of

## SELECTED CONTAINER FIXTURES

### 1,100 teu – geared, celled

Jan 16	<b>Asian Moon</b> 1,118 teu / 700@14 / 18on43 / 220rp	6-8 months	US\$	7,550	p/d
Feb 16	<b>Boston Trader</b> 1,083 teu / 650@14 / 19on40 / 200rp	5-6 months	US\$	7,725	p/d
Mar 16	<b>AHS Hamburg</b> 1,118 teu / 712@14 / 20on41 / 220rp	11-13 months	US\$	7,900	p/d

### 1,300 teu – geared, celled

Jan 16	<b>Mizar</b> 1,341 teu / 925@14 / 20on52 / 449rp	3-6 months	US\$	8,750	p/d
Feb 16	<b>Arsos</b> 1,296 teu / 957@14 / 20on45 / 390rp	7-9 months	US\$	8,200	p/d
Mar 16	<b>AS Felicia</b> 1,296 teu / 957@14 / 20on45 / 390rp	6 months	US\$	8,500	p/d

### 1,700 teu – geared, celled

Jan 16	<b>HS Smetana</b> 1,740 teu / 1278@14 / 21on65 / 298rp	4-5 months	US\$	7,250	p/d
Feb 16	<b>RHL Agilitas</b> 1,732 teu / 1275@14 / 20on58 / 379rp	2-7 months	US\$	7,200	p/d
Mar 16	<b>Viking Merlin</b> 1,684 teu / 1270@14 / 19on55 / 345rp	5-7 months	US\$	8,000	p/d

### 2,500 teu – geared, celled

Jan 16	<b>Frisia Lissabon</b> 2,478 teu / 1916@14 / 23on84 / 400rp	4-8 months	US\$	6,300	p/d
Feb 16	<b>Aldebaran</b> 2,785 teu / 2170@14 / 22on90 / 432rp	6-10 months	US\$	6,150	p/d
Mar 16	<b>EM Corfu</b> 2,532 teu / 1850@14 / 22on87 / 600rp	23-25 months	US\$	11,000	p/d

Chilean table grapes divided between Seatrade and Cool Carriers, no sign of squid in the South Atlantic and only limited demand from Argentina, there are few alternatives for those operators that do not have contract coverage. The chartering activity is light, the Ecuadorian exit price remains too high for speculative voyages into the Med and the Chile volumes are affected by unseasonal rainfall. Therefore, it seems more likely that 2016 will turn out to be a

disappointing year for the specialized reefer business.

The situation for small ships is also rather gloomy. The Nigerian import quota, currency restrictions, the Russian import ban, fishing off Mauretania below expectations and a lack of squid in the South Atlantic led to drastic drops in rates. Although 'peak' season should be close, there is sufficient tonnage available in all areas.

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# Forewarned is forearmed...

When it comes to internet security, everyone should be aware of the threat posed by so-called 'social engineering', which involves tricking the internet user into 'volunteering' sensitive information. The best defence is to be on your guard and know the danger signals.

**W**ith the internet playing a major role in what seems like every aspect of our lives these days, it begs the question: how secure is it? More importantly, how secure is OUR data?

Internet security can be broken down into layers. From a more local standpoint, it can start from how we as end-users access the internet, our browser (or browsing habits), operating system and, on a wider scope, network security. Keep in mind that we are still not 'on-line' at this point.

Remember the last movie you watched with a hacking scene? Quite likely it had someone sitting at a desk in front of multiple screens, batting away at a keyboard while lines of what appears to be gibberish flow up each screen. To what end? Maybe they were trying to infiltrate the infrastructure of a massive financial institution. Maybe they were just trying hack their way to better grades in school. Or maybe they just wanted someone's email password.

Maybe that still happens in the real world, but you know what would be easier? Having an unsuspecting internet user 'willingly' volunteer that information to them, which brings us into social engineering.

Social engineering is an attack vector that relies heavily on human interaction and often involves tricking people for the sole purpose of gathering sensitive data.

The most prominent form of social engineering is 'phishing'. This is typically done via email, appearing to come from a legitimate source, usually a financial institution or retail outlet. The email prompts the receiver to take action on something with their account and supplies a fraudulent



link to carry out this action. This link takes the user to a (usually) well done, albeit fraudulent, web page that requests sensitive information. Sometimes they take the form of a log-in page, prompting you to enter your user name and password, or go as far as asking you for sensitive banking information.

## ENTITIES

In some incidents closer to home, a myriad of local entities including government agencies were the target of the Locky Virus. This attack came in the form of so-called 'ransomware'. This is a form of malware which, in a nutshell, holds the files on an infected machine to ransom by encrypting them and demanding payment for the decryption key. It is even more devastating in an environment with multiple comput-

ers, as it seeks out network share destinations and mapped drives and ends up affecting those as well. So, while you may not have been the person who downloaded the virus, you could have been affected just by being on the same network as an infected computer. Why these attacks were so effective locally is because they seemingly came from a source that most people, especially in the business world, have heard of: the Bank of Jamaica.

Remember when we spoke about phishing earlier? Emails coming from what appear to be 'trusted' sources? One of the main vectors of this virus came from a mails@jm.boj.com domain. Most people wouldn't think twice about opening an email from this address, especially if they have done business with the Bank of Jamaica in the past. The email went on to say: "Greetings. Please find enclosed the new transaction

guidelines set by the Bank of Jamaica for individuals and companies, effective from Tuesday, March 1, 2016. Regards, Bank of Jamaica." It also contained an attachment, assumingly with these new guidelines. Upon opening that attachment, however, a script was executed and the infection began.

Affected entities were sent scrambling for back-ups, early detectors were able to isolate infected machines from the network and restore them individually. Those without back-ups or those who were not able to follow the removal guidelines had to cut their losses and start over, while some had no choice but to pay the ransom of between US\$ 200 and US\$ 400, which was required in the largely popular and nearly untraceable cryptocurrency, Bitcoin.

## HOW CAN WE PROTECT OURSELVES?

### Read your emails thoroughly.

You may see a mail come in from your bank, or maybe it's your uncle sending a link to some family photos. What does the body of the message say? If the link isn't shortened, does it look like something actually coming from the sender? I personally have received mails from what looked like my primary banking institution requesting my account be reset. First giveaway was the sender's email address. It did not come from an address resembling anything from the institution. Out of curiosity I continued reading until I came upon a link which was supposed to reset my account. The URL, however, did not have my bank's name or initials in it and contained a lot of 0s – yet another giveaway.

### Watch what you click.

While related to the above, this is not limited to email. Every day we are bom-

barded by pop-ups and flashy banners when we browse the web. Luckily, today, modern web browsers come with pop-up blockers, but they can't catch everything. Chances are, that flashy banner telling you that your computer is slow and you can download a free application to 'tune up' your computer is going to do the complete opposite. We have encountered many computers with these applications on them and while they do not seem particularly harmful to the layman, they install a lot of malware (the same things they claim to remove) that run in the background. While you do not know what is going on, these applications hijack your browser by adding even more advertisements, pop-ups and, in some extreme cases, log your key strokes. Anything you type (including names, addresses, credit card info, etc) is stored, and likely sent to the makers of the application. (I think I have your full your attention now, yes?)

### Back-ups.

Do I even need to explain this? You should have multiple copies of anything deemed important to you or your organization. Portable storage is very cheap these days in the form of USB flash drives or external hard drives. Cloud storage may be even cheaper (or free) and more convenient, as it can replicate your files seamlessly without much (or any) interaction. Network Attached Storage devices are also a good choice if you have large amounts of data you want to store locally. There is NO reason today not to have important files backed up.

In the words of Kevin Mitnick, dubbed the world's greatest hacker turned security expert: "It's much easier to hack a human than a computer, because computers follow instructions. They don't vary. Humans go by emotions, by what's happening in their day. So it's not hard [to socially engineer someone] especially if they haven't been burned before."

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