

CARIBBEAN MARITIME



Kingston
*Jamaica looking to reposition
Kingston Container Terminal*



Curaçao
*Plans for growth with greater
towage capability*



Miami
*Port of Miami
showing growth*



Cartagena
*Development at Port of Cartagena:
Upgrading
Contecar*

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Except for that appearing in the Editorial column, the views and opinions expressed by writers featured in this publication are presented purely for information and discussion and do not necessarily reflect the views and opinions of the Caribbean Shipping Association.

- The Editor.



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Positive responses and creative decision-making

AT PRESS TIME, the International Monetary Fund released its latest review of the global economic crisis. All told, it was not good news. Describing this as "the most severe recession since World War II" the IMF projected a decline in the global economy of 1.3 per cent in 2009.

This may not seem like much to worry about until you look at its prognostications late last year for world economic growth of almost four per cent. So are we now to trust this most recent prediction of a "slow recovery expected to take hold next year" in 2010? In this present situation, which is deteriorating even as we go to press, any projection for "recovery" in the short term, slow or fast, is reason for hope. And because we can feel the water rising, any lifeline promising an early recovery, will be grabbed with both hands.

According to the IMF, the economy in Latin America and the Caribbean will contract by 1.5 per cent this year, a slightly higher rate than the global economy. Blame it on a fall in commodities prices and slumping demand for exports and tourism. In its World Economic Outlook in late April the IMF says the contraction will be more severe in Mexico, because of its close ties to the USA; and, in Venezuela.

Shipping is driven by consumer demand, which is related directly to inflation. The IMF says inflation in Latin America and the Caribbean will probably slow to 6.6 per cent in 2009 from 7.9 per cent in 2008. Encouraging news for importers, all things considered. On the other hand, the region's current account deficit is expected to widen to 2.2 per cent of GDP in 2009 from about 0.75 per cent in 2008. This is not so good, as it suggests a further decline in national income from exports and tourism, or an increase in the cost of basic imports, or both.

The IMF predicts that the region's economy will rebound in 2010, expanding 1.6 per cent. Pundits in Washington are forecasting happier times late in 2010 when they expect the US economy to start pulling out of this recession. Before that happens, according to the IMF, Mexico will see a 3.7 per cent contraction in GDP, while Venezuela's economy will shrink by 2.2 per cent. Not so good.

Given this mix of projections, it should be clear that, at this stage, no one really knows what is likely to happen. We all know what is happening, but when there will be calmer seas is anyone's educated guess, apparently. The recovery from the Great Depression took 10 years and more for some countries. Will the global economy recover from this recession in 2010? For us in the Caribbean and Latin America perhaps it matters as much as a storm at sea. It makes little or no sense debating when the storm will end. What makes sense is to deal with it hour by hour until it blows over.

In this issue of *Caribbean Maritime* we have focused on some of the major ports of the region. All are members of the Caribbean Shipping Association and all are planning for growth and progress, even as this global economic storm blows. These ports are individually experiencing some decline, shortfall or disappointment. Even as we report the ominous signs, we have sought to document progress and achievement in an attempt to create the mindset that encourages action that will help the region to weather the storm. This can only be achieved with positive thinking at all levels of the industry. We make no apology for presenting the good news, with the hope that it will inspire positive responses and creative decision-making.

Mike Jarrett, Editor

Another CSA initiative to assist growth and development

THE meeting of the G20 in London and the subsequent meetings between world leaders to discuss the current global economic crisis illustrate the close linkages and interdependence of national economies.

We live in a globalised economy and although countries are separated by geography and even political ideology, not to mention language and culture, all are affected to a greater or lesser extent by the economic fortunes of their trading partners. This is the world in which we live.

Microcosm

In this regard, the Caribbean is a microcosm of the world. In this relatively small area called the Caribbean, we have many countries that are

the Caribbean region, as far as maritime affairs are concerned, our economies are closely intertwined. In cargo shipping as well as cruise, the Caribbean is a single destination.

Driving force

For almost 40 years, the Caribbean Shipping Association has been a unifying and driving force in the development of the region's shipping industry. Through CSA conferences and training programmes, this association has stamped its mark on maritime development in the Caribbean. The CSA has assisted the countries of the Caribbean to develop their ports and shipping-related industries and, through its various initiatives, has helped them to grow and expand their national economies.



producers export their products, are therefore critical to the survival of these developing nations. It is in recognition of the absolute

importance of seaports and marine terminals to growth and development that our Editor has selected 'Ports and Terminals' as the theme of this seventh publication of *Caribbean Maritime*. In this issue we focus on some of the ports and terminals within the sphere of influence of the Caribbean Shipping Association. Indeed, the ports reviewed in this issue are members of the CSA. We expect that this issue of the official journal of the CSA, published as a service to the region's shipping industry, will update your knowledge of what is happening in some of the leading seaports of the Caribbean.

Most importantly, we hope that you will see this publication as another CSA initiative to assist the growth and development of shipping in the Caribbean and Latin American region.

Fernando L. Rivera
President, Caribbean Shipping Association

For almost 40 years, the Caribbean Shipping Association has been a unifying and driving force in the development of the region's shipping industry

separated by sea, national borders, culture and political history. Notwithstanding, our economic fortunes are, to a greater or lesser extent, linked. Perhaps in no other industry is this fact as obvious as in the shipping industry. Although much trading does not take place between the countries of

In a geographical area where most of the states and territories are surrounded by sea, shipping plays an extremely important role in the survival and advancement of people. The seaports, through which Caribbean countries obtain vital goods and materials and through which local

importance of seaports and marine terminals to growth and development that our Editor has selected 'Ports and Terminals' as the theme of this seventh publication of *Caribbean Maritime*.

In this issue we focus on some of the ports and terminals within the sphere of influence of the Carib-



Development at Port of Cartagena: Upgrading Contecar

THE COLOMBIAN PORT of Cartagena is investing in new facilities in order to maintain its solid record of performance and growth.

The SPRC terminal at Cartagena has previously won the container terminal section in the annual CSA Caribbean Port Awards for three consecutive years (2005, 2006 and 2007). And, with productivity levels sustained, SPRC could well have made it four in a row were it not for the competition's rules, which prevent winners in the

previous three consecutive years from taking part.

The port's two main terminal operators are Sociedad Portuaria de Cartagena (SPRC) and Sociedad Terminal de Contenedores de Cartagena (Contecar) both under the same management. Together they receive many of the shipping lines that cross the region, including CMA CGM, CCNI, CSAV, Evergreen, Hamburg Süd, Hapag-Lloyd, Maersk, Marfret and Maruba. Together, the two Cartagena terminals have branded themselves as 'the logistics hub for the Americas'.



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With more than 4,200 vessel calls in 2008, the Bay of Cartagena closed the year with a throughput record of 1,064,105 teu, maintaining its position as Colombia's No 1 container port. In fact, Cartagena handles more containers than all the other Colombian ports

The planned development at Contecar has a strong environmental protection component. The project was designed to guarantee a positive environmental impact.

combined. And, thanks to the diversity of traffic, it is connected to more than 550 ports in 135 countries, offering multiple frequencies, high rotation and low freight rates.

Port development

The Port of Cartagena wants to take the Contecar facility up to a maximum handling capacity of 2.5 million teu per year and to make it capable of handling Panamax II vessels of 12,000 teu capacity. The process has already begun. The first development phase (2008 to 2009) is costing US\$150 million.

This first phase includes development of civil works such as dredging, pier upgrading, warehouse construction and yard adjustments. It also includes the acquisition of three additional Super Post Panamax gantry cranes and 10 rubber tyred gantries that should be delivered by late 2010 or early 2011.

The planned development at Contecar has a strong environmental protection component. The project was designed to guarantee a positive environmental impact. Accordingly, a number of eco friendly imperatives have been included in the development plan. All of the acquired equipment carries the latest technology in terms of low gas emission levels and worldwide compliance with environmental regulations.





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Contecar



Historical city with a big future

The port city of Cartagena de Indias has a population of over 1 million inhabitants.

Founded at a crossroads of American and European paths of history, Cartagena today is the industrial petrochemical centre of Colombia.

Cartagena is slated for major development. Over the next three years, more than US\$7 billion is to be spent on industrial expansion there, making the city a key point of interest in Colombia's national development plans.

In addition, because of its beautifully preserved historical architecture, together with some of the finest tropical beaches in the region, Cartagena is enjoying a significant growth in tourism.

In May 2009 the Port of Cartagena hosted the eighth Caribbean Shipping Executives' Conference, presented annually by the Caribbean Shipping Association.



Cartagena currently has seven modern ship-to-shore gantry cranes and 31 RTGs with satellite-linked technology and has developed 126 hectares including yard and warehousing facilities. This allows it to offer one of the highest productivity rates and arguably one of the most competitive logistics services in Latin America on a 24-hour, year-round basis.

Expansion of the Panama Canal will bring to the Caribbean basin the largest and most modern containerships built to date. Cartagena is preparing its infrastructure to cope with the greater




container volumes that are anticipated. Issues and initiatives that affect or stimulate higher productivity levels are being addressed, while security systems and policies are also being reviewed.

Competition

Cartagena sees itself as a major player in global port competition. The port is working towards a level of sophistication in style and operation that will ensure its competitiveness. In this regard, it has adopted as policy the commitment that “when Cartagena is ready to handle 3.5 million teu, it will do so with the utmost effectiveness,

Cartagena sees itself as a major player in global port competition. The port is working towards a level of sophistication in style and operation that will ensure its competitiveness

offering importers, exporters and shipping lines the most appropriate port infrastructure demanded by future logistic needs and requirements”.

Synergies generated at the two marine terminals, SPRC and Contecar, should produce the economies that allow the port to deliver on this commitment. To be sure, it will bring enormous benefits, not only for Colombia but also for neighbouring and regional ports. 





Improved performance in ro-ro, vessel calls and containers handled

EVEN AS countries around the world last year started to feel the pinch of a deepening economic crisis, Manzanillo International Terminal (MIT) was showing improved performance in ro-ro moves, vessel calls and containers handled.

First quarter 2009 showed a fall of 60 per cent due mainly to a decline in the light passenger vehicle sector, which accounts for over 80 per cent of MIT's ro-ro operations.

It was in ro-ro traffic that MIT saw its most dramatic improvement, however. In the five years to the end of 2008 there was a steady growth in ro-ro moves, which increased by a whopping 175 per cent.

Unfortunately, the story so far in this year is less happy. First quarter 2009 showed a fall of 60 per cent due mainly to a decline in the light passenger vehicle sector, which accounts for over 80 per cent of MIT's ro-ro operations.

Figures for 2008 showed ro-ro moves topping 150,000. In 2004 MIT completed fewer than 55,000 ro-

ro moves. Volumes fell about nine per cent in 2005 but were up significantly each year after that. Ro-ro moves increased by 35 per cent in 2006, 56 per cent in 2007 and 42 per cent in 2008.

Ro-ro traffic was driven partly by a construction boom in the region and the

movement of heavy machinery, trucks, backhoes and other earth moving equipment. However, the other leading port performance indicators told a different story of mixed fortunes.

Increase

Vessel calls in the same five-year period increased by just under eight per cent. After a modest increase in 2005 of less than five per cent and a significant decline in 2006 of over 12 per cent, vessel calls were up by a marginal four per cent in 2007 and then by a more significant 13 per cent last year.

Container throughput

increased by 1.3 per cent over the five-year period to 1.6 million teu. Containers increased by over eight per cent in 2005. The figure was down by 16 per cent in 2006, and fell by a further four per cent in 2007, but showed a robust recovery last year, increasing by 25 per cent.

This year brings its own tale of woe, however. At the start of the second quarter, in April, Juan Carlos Croston, vice president of marketing at MIT, saw "no signs of a recovery in sight as yet".

He said the recent growth experienced by MIT had been due "mainly to the economic boom enjoyed by the Latin American countries in

general, which was fuelled by consumer demand, private and government civil projects and a big construction boom. Unfortunately, these factors are non-existent today."

Challenges

With the economic recession expected to get worse before it gets better, Mr. Croston has already identified his marketing challenges.

"To properly plan for an uncertain future, we have to identify volumes and segments, such as ship-to-ship, rail cargo and cargo for the economic free zone, so that assets can be committed," he said in a recent interview.





MANZANILLO INTERNATIONAL TERMINAL

"Every shipping line says there are still opportunities. The paradox is that they want better service at lower rates and with short-term agreements. They want us to make infrastructure investments, but aren't willing to commit."

The answer, he suggests, is efficiency and higher levels of productivity.

Upgrade

A terminal upgrade in 2007 has allowed MIT to manage whatever cargo volumes it receives. And MIT made a smart move in renting off-dock storage facilities for the growing number of empty containers that were returning from Venezuela and spending a longer time at

MIT while awaiting sufficient cargo for onward shipment. However, the terminal is plagued by other storage problems.

"Cargo destined for the Colon Free Zone (CFZ) was lingering at port because of a lack of buyers," said Mr. Croston. "Storage facilities in the zone are full, with no means of removing the cargo from the terminal. Thus, cargo dwell time increases, along with yard utilisation."

Attractive rates

Mr. Croston has been carefully monitoring the ports, especially in the Caribbean, where countries such as the Bahamas the Dominican Republic and Jamaica offer

attractive rates.

"Although the Panama Canal will soon be expanded, and construction is underway for a new Atlantic-Pacific highway, as well as refurbishment of an existing road linking Panama City and Colon, MIT is taking nothing for granted," said Mr. Croston.

Advantage

"We may have a geographic advantage, but we can't rest on our laurels. Productivity and efficiency are key. The focus prior to canal expansion will be on turning ships around faster. Once the canal expansion is completed, in 2014, we will need to have adequate infrastructure and equipment in place



to handle bigger ships. We expect the canal project to generate a lot of cargo in containers, breakbulk and ro-ro. MIT is very well placed to handle this as the transportation hub on the Atlantic coast of Panama."

Mr. Croston said bilateral and regional free trade agreements, including the Central America Free Trade Agreement, would only help

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Panama if it could provide comprehensive logistics.

"We have 800 employees and 200 of them have been with the company for over 10 years," he said. "Our people travel and are involved in business negotiations. Expatriate Panamanians staff our new joint venture container operation in Santa Marta, Colombia."

In 2007 MIT completed a \$100 million expansion, including the addition of a 400 metre container berth with a ro-ro landing ramp and a Mediterranean-landing ro-ro berth for vessels up to 300 metres in length, as well as 17 acres of paved area for container storage. New container handling equipment have been purchased, including three super-postpanamax gantry cranes. The upgrade has enabled MIT to increase its annual handling capacity from 1.5 million to 2.2 million teu.

Refurbished

The old MIT office building, home of the original 'Michou Marriott', was demolished. Staff are now housed in a former naval administration and high school complex. This was refurbished and fitted with the latest information and communications systems for internal and external data exchange. Now, visiting employees are housed in a new and improved 'MIT Michou Resort', which has been expanded to 34 rooms.

Meanwhile, the parent company, SSA Marine, has continued to expand internationally, with established facilities in Chile, Colombia, Costa Rica and Mexico along with start-up greenfield operations in Vietnam. 

Colourful history behind MIT

The rich history of Manzanillo International Terminal (MIT) is entwined with the long relationship between the USA and Panama.

The terminal is named after the Bay of Manzanillo, in Colon, Panama. Originally known as Coco Solo, it was built in the 1940s as a US military seaplane and submarine base to protect the Panama Canal.

"Getting MIT started was an adventure for the company and its employees, as we took on challenges we never thought possible," said Dave Michou, president of SSA Marine International.

Panama is a melting pot of nationalities, partly because of the foreign workers who built the country's famous and unique trans-

"Getting MIT started was an adventure for the company and its employees, as we took on challenges we never thought possible"

port infrastructure. This includes the Transisthmian Railway, which served as the first rail-and-water link between the Atlantic and the Pacific, and the Canal itself. With a population of mixed heritage and a large international community, Panama has become more global in its investments, especially since control of the Canal reverted to the Republic of Panama in 1999.

"By the early 1990s, growth opportunities for SSA Marine on the US West

Coast had peaked and we had an established business model in place on the East Coast," said Mr. Michou. "So, if we wanted to diversify our terminal operations and stevedoring business, we had to look internationally."

Expansion

Mr. Michou said SSA Marine's expansion into the international arena was due to the vision and persistence of Jon Hemingway and senior vice president Dan Flynn. He said the company's international focus truly began when the late Andy McLaughlan and Bob Watters, current vice president for business development, began pursuing offshore projects.

The opportunity and scope of a greenfield project the size of MIT dictated that




Dave Michou, president of SSA Marine International

triate employees, aided by hundreds of their US-based colleagues, spent 16 frenzied months preparing the facility for operation.

The stakes were high

"As SSA Marine's first offshore greenfield project, which required a huge financial commitment, MIT's success was critical to the company," recalled Mr. Michou. "Dan Flynn often commented that one of our advantages was not knowing enough to believe the doubts our competitors had about the likelihood of our success. This was a case where exuberance, hard work and our employees' absolute unwillingness to accept failure overcame all obstacles."

Security

MIT was established with strict security standards to prevent threats of drug smuggling. "Our customers wanted and demanded top-notch security, so it was a benefit and a selling point for MIT to be so stringent in this regard." 



Port of Miami showing growth

Caribbean, Central America contributed more than half the cargo throughput

By Rick Eyerdam

DESPITE the economic downturn, the Port of Miami has almost doubled contract income and has seen an increase of cruise passengers, while slipping slightly in container throughput since 2007, says port director Bill Johnson.

But the latest cargo figures for the period between the September end of the port's fiscal year and March show a surprising trend to

"Our planning budget anticipated a three per cent decline in cargo volumes. But so far this year our numbers are positive."

the positive side, according to Kevin Lynskey, the port's business initiatives manager.

Mr. Johnson said first quarter container through-

put was actually up two per cent compared with the corresponding period last year when the port experienced a five per cent decline in cargo.

Mr. Lynskey said: "Our planning budget anticipated a three per cent decline in cargo volumes. But so far this year our numbers are positive."

Recognition

Another bright spot, said Mr. Johnson, was that the port had been recognised by the

State of Florida as one of the two safest and most secure ports in Florida along with the Port of Jacksonville.

And the Port of Miami Ter-

minal Operating Company (POMTOC) said it had begun its second year without a time loss incident, exceeding 400 consecutive days when cargo moved without any accident or interruption.

"I have been here 26 years and we have never

previously called at Port Everglades. The APL figures are contributing to the unexpected rise in container throughput.

Mr. Johnson said the port's revenue stream had been revised. Previously, the port's three container terminals

PORT OF MIAMI		
FISCAL YEAR	2008	2007
TOTAL SHIP CALLS	2,413	2,416
% of change	-0.1%	-10.3%
Cargo ships	1,624	1,622
Cruise ships	789	713
CONTAINER CARGO (tons)	7,429,963	7,835,132
% of change	-5.2%	-9.5%
Teu total	828,349	884,945
% of change	-6%	-9%

accomplished that before," said POMTOC manager John Ballestero. He also reported that the terminal has signed an agreement to provide stevedoring services and transhipment for APL, which

operated without paying to lease their land. Now they pay a land lease and operate under performance-based contracts that this year will guarantee \$60 million in base revenue to the port, compared with \$40 million in guaranteed revenue last year.

China top trading partner

Mr. Johnson said that China remained the port's top individual trading partner, but that the Caribbean and Central America contributed 52 per cent of the port's cargo throughput in 2008.

Seaboard Marine, which recently inked a deal with Wal-Mart, has also seen a growth in ro-ro cargo, opening a new weekly service to Panama bulging with trucks



Cargo statistics and tonnage 1999 -2008 (source: Port of Miami)

Year	Teu	Percentage change
2008	828,349	-6.0%
2007	884,945	-9.4%
2006	976,514	-7.4%
2005	1,054,462	4.5%
2004	1,009,500	-3.1%
2003	1,041,483	6.2%
2002	980,743	2.6%
2001	955,671	10%
2000	868,178	12%
1999	777,821	-4.0%

Year Cargo	Tons	Percentage change
2008	7,429,963	-5.2%
2007	7,835,132	-9.5%
2006	8,654,371	-8.6%
2005	9,473,852	2.6%
2004	9,230,036	2.5%
2003	9,002,359	3.7%
2002	8,681,735	5.3%
2001	8,247,004	6%
2000	7,804,946	13%
1999	6,930,372	-2%

and heavy equipment. As part of its new lease with the port, Seaboard will become a common user terminal in 2013.

The new Terminal Link Miami terminal – a coalition of APM and CMA CGM – is operating on the site of the former APM terminal and is now a common user terminal, competing with POMTOC.

In exchange for renegotiating the Seaboard agree-

ments, the port promised to complete \$25 million in terminal enhancements long promised to Seaboard. The improvements will level the yard for accurate rubber tyred gantry operation, improve a bulkhead and remove some underused buildings.

New lease

Under the new Terminal Link Miami lease, which




potentially runs to the end of 2023, the Port of Miami, in partnership with TLM, will generate about \$15.3 million in annual revenues to the port during its first year, of which \$11.9 million will be guaranteed. Previous annual revenues from APM to the port were about \$6.4 million, of which \$3.4 million was guaranteed.

Long-term

The port also recently signed a long-term lease – the first of its kind – with Norwegian Caribbean Line. In exchange, NCL committed

to a minimum payout to the port of \$106 million over 10 years based on 6.5 million passengers.

Mr. Lynskey said he expected the State of Florida to shelve the planned US\$1 billion port access tunnels until new financing became available.

Meanwhile, Mr. Johnson says he is confident that the Miami port will secure funds from the US Congress stimulus package to complete the channel dredging to 50 ft., a project already approved by the Army Corps of Engineers. 





Jamaica looking to reposition Kingston Container Terminal

By Fritz Pinnock and Ibrahim Ajagunna

A STRATEGIC vision has been set out by the Jamaican government for an integrated intermodal industry linking road, rail, air and sea.

In a recent presentation, Jamaica's Minister of Transport and Works, Mike Henry, outlined his administration's strategic vision. He said globalisation now compelled Jamaica to look in a new way at competing in the ever-shrinking global market. He saw the urgency in expanding Jamaica's economic horizon. According to Mr. Henry, Jamaica's strategic approach and competitive advantage lies in finding solutions through establishing a transport and logistics hub that is multimodal in approach.

Investment

Over the years, Jamaica has invested tremendous resources in developing a world-class transshipment hub port: the Kingston Container Terminal. In February 2009 the management agreement with APM terminals ended. This was partly due to the decision of Maersk Lines to use the west coast of Panama as its hub port instead of the Carib-



bean. The Port Authority of Jamaica will thus be repositioning Kingston Container Terminal to play a lead role in the development of Jamaica's logistics hub.

One problem facing Jamaica is the changing global traffic patterns and imbalance in East-West trade routes. For every five full containers coming from the East, only one returns with

One problem facing Jamaica is the changing global traffic patterns and imbalance in East-West trade routes. For every five full containers coming from the East, only one returns with cargo

cargo. The other four remain empty. According to Mr. Henry, these empty containers pose a threat to the sustainability of the transshipment port. One plausible solution to this overarching problem is to transform Jamaica from merely a transshipment container hub into a fully integrated multimodal hub to match the dynamics of global trade. Simply put, the logistics hub will create economic activities that will result in the re-export of cargo, which will incorporate air transport for time-sensitive and high-value goods.

Mr. Henry listed among the objectives:

- Increasing skills
- Encouraging employment
- Making Jamaica more attractive to multimodal enterprises
- Gaining economic benefits by leveraging existing port infrastructure and networks to enhance cargo traffic.

He also listed intentions to:

- Develop a port or airport logistics park with free zone or bonded warehouse status and multimodal transport connections
- Develop a cluster of integrated transport and logistics companies

- Develop a distribution platform with a national, multi-country, US East Coast and pan-regional scope

- Create a business and investment regime to attract the regional headquarters of major logistics providers.

Objectives

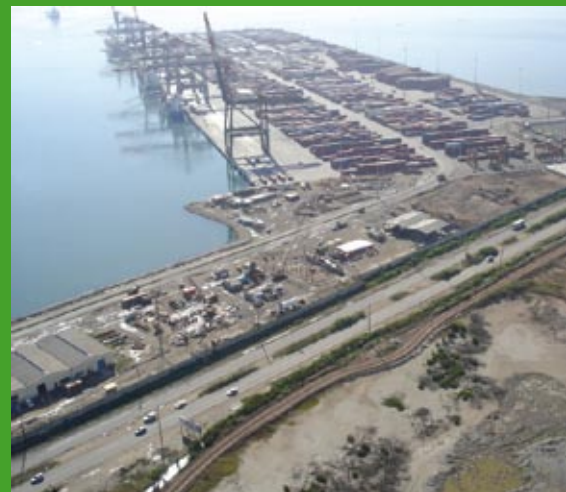
In achieving these objectives, Mr. Henry anticipated the following benefits:

- Increased generation of primary revenue streams from transport and related facilities and services
- Increased contribution of the transport sector to gross domestic product and employment
- Opportunities for the development of related economic activities throughout the logistics value chain
- Increasing cargo throughput at all ports
- Additional jobs through the Caribbean

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- Training for Jamaicans to work in other industries locally and internationally
- Absorbing other skilled persons who have been laid off from other industries such as bauxite, sugar and bananas

- Enhanced integration of intermodal linkages between land, air and maritime transport systems.
- Integration of administration for strategic planning for land, rail, air and sea transport
- Expansion of the export base in Jamaica
- Revival of the manufacturing base through incentives.



First phase

The first phase of the project will see the Port Authority of Jamaica construct a new logistics hub at the site now occupied by the Tinson Pen domestic airport. Phase 2 will include the development of a major logistics hub covering about 3,000 acres to include a regional hub port at the old Vernamfield Air Base.

Jamaica is one of the few countries to straddle a central position in both global air and sea lanes. It therefore needs to undertake and implement a number of steps over the short, medium and long term to ensure its ability to establish a successful transport and logistics hub. 

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Port of New Orleans acting on master plan

By Rick Eyerdam

THE Port of New Orleans is prepared to embark on more than US\$1 billion in projects outlined in its 2008 master plan. Key aspects are two new gantry cranes, ordered for the Napoleon Avenue Container Terminal, bringing the total to six; and a \$125 million expansion of the terminal wharves and yard.

However, the top priority project in terms of revenue and the sustained growth of the port is the plan to relocate the freezers and storage warehouse of New Orleans Cold Storage, a major shipper of frozen poultry. Port

spokesman Chris Bonura said the company would move these facilities to a new refrigerated quayside accommodation. He said the \$40 million warehouse was essential for the port to stay competitive in its business of supplying frozen poultry by sea to Russia and the Ukraine.

The New Orleans Cold Storage facility and the France Road Terminals, located on the Inner Harbour Navigational Canal, were heavily damaged by Hurricane Katrina in the last week of August 2005. The warehouse was repaired, but ship access to the facility has been limited because of silt-ing and the planned closure

of the Mississippi River-Gulf outlet.

Mr. Bonura explained that ships bound for Russia needed more depth to operate at one end of the channel and were too wide

"We are just kind of riding out the downturn and we think the long-term possibilities are very good. The anticipated growth in world trade and the expansion of the Panama Canal bodes well for us."

in the beam to enter the locks at the other end. So New Orleans Cold Storage had been compelled to dray its frozen cargo to another terminal for export.

He said the solution had

turned out to be 'win-win' if all went well. Once an engineering study is completed and the property acquired, New Orleans Cold Storage will get a new facility on a deeper berth. Meanwhile,

the port has signed a lease with Seaboard Marine to revive operations at the damaged France Road terminal. This is possible because Seaboard operates a fleet of vessels that can

access France Road via the Mississippi River and the Inner Harbor Navigation Canal Lock and self-load.

Mr. Bonura said the poultry processing and export business and coffee imports were strong at the port, while steel was in a serious decline.

"We are off by about five per cent in teu, but that is to be expected," said Mr. Bonura. "We are just kind of riding out the downturn and we think the long-term possibilities are very good. The anticipated growth in world trade and the expansion of the Panama Canal bodes well for us."

Advantage

He said New Orleans had the advantage of a 45 ft. channel depth and a new, modern terminal at Napoleon Avenue with the latest in security gates, an appointment system for dray, the latest scales and optical character recognition.

Soon, he said, the port would embark on an expansion of the old Illinois Central rail yard to offer near dock rail through a partnership with the local short line rail system.

In 2002 the Port of New Orleans handled 2.8 million tons of cargo (241,854 teu). By 2004 tonnage had grown to nearly 3.2 million tons (258,448 teu). In 2005 the port's tonnage declined to less than 2.6 million tons (203,411 teu) and fell slightly in 2006 to about 2.3 million tons (175,905 teu). A boom for the Port of New Orleans was 2007 when it handled 251,000 teu, up more than 42 per cent from 2006.





The port's fiscal year ends on 30 June but the incomplete data for 2008 reflects the national downturn.

Statistics


Mr. Bonura said: "In New Orleans we look the most at general cargo, rather than containerised cargo, and that is down 19 per cent. Containers are down 11 per cent. Ship calls are down 1.5 per cent from 1,503 to 1,480 in 2008. The big thing that is driving it down is steel, which is down 32 per cent."

He added: "Some good news is that coffee is up 12.5 per cent and we have not lost any significant carriers."

Calls by vessels of greater than 10,000 dwt to the Port of New Orleans were 4,884 in 2007; 4,364 in 2006; 3,749 in 2005 and 4,612 in 2004 according to data published by Lloyd's Maritime Intelligent Unit to the US Department of Transportation. 



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Former bauxite port converted to general dock operations

By Ivan Cairo

A FORMER bauxite port facility in Moengo, east Suriname, has been given a new lease on life after years of disuse. It was officially reopened on 19 April 2008 and is currently being transformed to facilitate new operations.

Traymore NV bought the Moengo port compound, previously used by the Sur-

alco bauxite company, at an auction in 2005 with a view to setting up a privately owned commercial port.

“We want to breathe new life into Moengo, which once was one of the most developed ports of Suriname,” said Eugene Profijt, chief executive of Traymore.

The company expects to help improve the local economy in the eastern part of Suriname as well as creating jobs for local people.

Moengo Dock Operations will operate as a landlord port. With a compound of 21 hectares, Traymore is promoting private entrepreneurship and the establishment of port-related industries.

more than US\$2 million has been invested in renovation and construction at Moengo. There are currently 10 members of staff, but the plan is to have a full complement of 25 staff when operations are up and running. In

“We want to breathe new life into Moengo, which once was one of the most developed ports of Suriname”

Up until the late 1980s bauxite was being transported from this facility by way of Suriname’s deepest river, the Cottica, to the alumina refinery in Paranam. However the main activities were moved to Coermotibo and Moengo lost its usefulness to the bauxite industry. The port was sold, but remained largely unused until it was acquired by Traymore in 2005.

discussions with companies interested in setting up operations at Moengo port, it has been agreed that local workers will be hired as far as possible.

Major player

“The people of Moengo and Marowijne want development,” said Mr. Profijt. “Those people want jobs.”

Moengo Dock Operations is expected to become a major player in Suriname’s shipping industry because of the anticipated investment in large-scale production of palm oil, mining

Cargo

Traymore believes the port will regain the position it once held in the Surinamese economy, offering a wide range of services to entrepreneurs. All kinds of cargo will be handled and facilities will be set up to accommodate cruise ships. Meanwhile, the Maritime Authority of Suriname has examined the depth of the Cottica River and has certified Moengo Dock Operations to operate as a port.

Over the past two years,



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activities, logging and other future developments. Thanks to this new development, cargo destined for the Moengo area can be shipped directly to this port instead of through Nieuwe Haven in Paramaribo. Moreover, cargo destined for French Guiana can be

border. Currently, some cargo is being moved into French Guiana via Paramaribo and transported by road to Cayenne.

Tank farm

Moengo port currently has the only privately owned tank farm in Suriname and

“The people of Moengo and Marowijne want development. Those people want jobs”


shipped to the Moengo port because it is close to the border of the French overseas territory.

This will result in less heavy traffic from Paramaribo to the French Guiana

is strategically located with respect to neighbouring countries. So the port can expect to play an important role in the distribution, export and transhipment of petroleum products and



other dry commodities. The tank farm has a combined capacity of 58,000 barrels.

Moengo Dock Operations obtained its ISPS certification in August 2007. 

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New 10 year master plan being developed

... to focus on cruise tourism

By Charles Harding

BUOYED by healthy cruise tourism prospects, at least for the next two years, Barbados is reportedly dusting off a 1990s proposal for a separate multi-million-dollar cruise pier to help streamline operations and alleviate congestion at the Bridgetown Port.

A new 10-year master plan is being drawn up to determine the seaport's true capacity and soundness in changing economic times and to set out a clear vision for the next decade.

It is not yet clear when construction of the new cruise pier would actually begin, but Barbados Port Incorporated (BPI), the quasi-state body responsible for the Bridgetown Port, is understood to be putting cruise tourism at the

centre of its development plans, especially in the light of current economic challenges and a projected healthy cruise tourism season in 2010/11.

"After that we are not yet clear how the Caribbean is going to fare," said BPI chairman David Harding. "There is a lot of interest in cruise ship operators sailing the east coast of Brazil and deploying ships to sail within Australian waters."

Volumes

Mr. Harding, a Past President of the Caribbean Shipping Association has served the BPI under various political administrations since 1981. "We are not sure what volumes we could expect after the 2010/2011 season, but the Barbados Tourism Authority is working diligently to ensure Barbados maintains its current market share," he said.

Member of Parliament George Hutson, appointed Minister of International Business and International Transport following the Democratic Labour Party's general election victory on 15 January 2008, has already made it clear that the Bridgetown Port must be reviewed to create "an enabling environment for the creation of an innovative and entrepreneurial society."

Limited space

Speaking at a reception to mark the 26th anniversary of the association between local agents Eric Hassell and Son Ltd and the United States shipping line Seaboard Marine Ltd, Mr. Hutson said that, while the port had undergone several transformations and had evolved as a major port of call for the cruise industry, some challenges

still existed, given the limited physical space for handling cargo vessels and cruise ships.

Space is severely limited in Bridgetown, a port that has enjoyed sustained growth and development in recent decades. The BPI chairman insisted that, despite the port's performance "it needs to set its mind to the further separation of cruise from cargo for safety reasons, for security reasons."

The cruise pier, expected to be built just south of the Bridgetown Port, was estimated to cost about US\$20 million when the project was first conceived in the late 1990s. At that time, cruise ships were visiting Barbados at a significant rate – sometimes five to six vessel calls in a day.

Shelved

Although the idea was never officially shelved, it was left unattended. In the

interim, the price of raw materials and labour has tripled. This means the cost of building the proposed cruise pier could now be more than US\$40 million – twice the original projection. The BPI chair-

"We are not sure what volumes we could expect after the 2010/2011 season, but the Barbados Tourism Authority is working diligently to ensure Barbados maintains its current market share."

man agreed. "It is now looking more like US\$30 million to US\$35 million," he said.

Mr. Harding noted that the process of tendering and obtaining quotations would now have to be repeated before the actual costs could be determined.

The separate cruise pier is intended to accommodate two mega ships simultaneously, help alleviate congestion at the port and create more space

for cargo handling. It was earmarked for completion in 2006 and was included in a development plan designed to lead the cruise and tourism sectors of Barbados to a new era of prosperity.

It was also projected that cruise passenger arrivals would increase to 1 million per year with parallel developments on shore in terms of visitor facilities and amenities.

Over the years, the Bridgetown Port has gone through a programme of major expansion and improvement to deal with increased cargo and cruise line traffic. The port was built between



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1958 and 1961 on reclaimed land that connected mainland Barbados with the tiny offshore Pelican Island. It was extended in 1975-78 and the most recent reclamation was done in 2002 when the inner harbour was dredged to accommodate the 'Adventure of the Seas' and other cruise ships with deeper draughts.

New equipment

In the early years of this century, over US\$10 million was invested in a range of equipment that included high intensity lighting scanners and X-ray equipment, specified by the International Ship and Port Security Code.

Each expansion has brought increased traffic, with a huge rise in cruise ship business between the 1960s and 2008. Cruise passenger arrivals increased from 51,593 in 1966 – the year Barbados became a sovereign state – to 597,523 (provisional figures) in 2008.

Cruise ships have been calling at Bridgetown at an average of 450 vessel calls a year since 1998, with 539 calling in 2004 – a development that has created big challenges for cargo handling operations and which apparently speeded up the opening of an additional berth about two years ago.

Although congestion still poses a headache for the port's administration, the Bridgetown Port seems to be managing relatively well with its existing capacity, which includes 1,513 metres of berthing. Bridgetown handled some 1.2 million tons of cargo in each of the years 2006, 2007 and 2008 and accommodated 653 cargo vessels – some with a capacity of more than 3,000 containers – at the Deep Water Harbour and 206 at the Shallow Draught in 2007. In the same year 486 cruise ships called at the Bridgetown Port.


Besides the new cruise pier, construction of which could start this year,

plans are on the drawing board for a new fire service sub-station to deal with emergency rescues and fires.

Otherwise, for BPI authorities mindful of the international economic slowdown, it will be a period of consolidation while maintaining the drive for efficiency and improvement.

Streamlining

In addition to the streamlining of operations, the Bridgetown Port is looking at new trends within its current industry sectors while contemplating exciting and innovative developments in cargo handling and the cruise sector.

"We are trying to go through a heavy maintenance programme on the equipment we have, realising we cannot do a lot of new capital business, like buying a lot of new equipment; and we are looking at streamlining the operations – just to keep our heads above water." Mr. Harding said. 

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Nassau to undergo major improvement

THE government of the Bahamas has moved forward with plans for a major improvement of the Nassau port.

A contract for over US\$44 million was signed with Boskalis International early in April 2009. The Nether-

Woodes Rodgers Wharf is expected to cost an additional \$24 million.

Plans also include repairs to Prince George Wharf piers and connecting bridges, with new bollards to accommodate 'Genesis' class vessels.

change the face of Nassau. He said the project would bring many benefits to the Bahamas economy and would help to alleviate the unemployment situation.


Timescale

The international contracting director at Boskalis, Harry Sands, said his company would start bringing its workers into the Bahamas by mid April and they would begin to lay pipelines in May 2009. Dredging is expected to begin in July, with total works to be completed about 15 weeks later.

As regards the environmental issues that could arise from this development, the Prime Minister said there had been consultations with local and

foreign agencies to ensure the project did not have a negative impact on nature. He told the news media that analyses had predicted minimal change to beaches and tidal flow as a result of the deepening of the harbour. And there was no indication of a threat to the Western Esplanade Beach from the dredging.

The Prime Minister said the environmental impact assessment had recommended the storage of fish and conch at alternative sites during the project. He said turbidity levels were also within the standards of the Florida Environmental Protection Agency.

The harbour improvement project is expected to be completed by November. 

A new security screening building and support facilities will also be constructed on the wharf.

lands-based company will deliver what is termed the Nassau Harbour Improvement Project. The work includes:

- Dredging of 1.9 million cubic yards of material from Nassau harbour
- Construction of three mooring dolphins at Prince George Wharf
- A 1,000 ft. extension at the western end of Arawak Cay
- Extension of the northern coast of New Providence from East Street to Armstrong Street and up to 30 ft. into the water.

A new security screening building and support facilities will also be constructed on the wharf.

Prime Minister Hubert Ingraham, who signed the multi-million-dollar deal with Boskalis, said the new development would help to

This is expected to create an additional mile of waterfront promenade to the Woodes Rodgers Wharf. This complementary work on extending



One mile of additional waterfront promenade is being created in Nassau



Relocating the Port of Port of Spain

True global positioning

FEW in the Caribbean region – or, indeed, the world – can speak knowledgeably of the kind of experience on which the Port of Port of Spain (PPOS) is about to embark. It is a move that could result in the fulfilment of dreams and the realisation of opportunities; but it could also present the people of Trinidad and Tobago with some grave challenges.

It is a mammoth task that has generated a high degree of collective excitement in the twin-island republic. When it is complete, the region as a whole will reap great benefits.

The government has taken what has been described as a visionary decision to relocate the port to an area just east of the capital known as Sea Lots. The decision to relocate one of the Caribbean's oldest ports was driven by cur-

rent space constraints. There is simply no room at the present location for PPOS to expand.

Plans for the new port – being overseen by the country's port authority (PATT), the Urban Development Cor-

It is a mammoth task that has generated a high degree of collective excitement in the twin-island republic.

poration of Trinidad and Tobago and Portia Management Services – became reality in 2008 when the Rotterdam Maritime Group (RMG) was selected as consultants for the new port development. RMG is a joint venture between

public and private enterprises in the maritime services sector of the dominant European ports. The aim is to create a significant hub for trade in the Caribbean region, to increase market share and to set new standards for port

operations in Trinidad. RMG is working closely with PATT and Portia Management Services, the port's operating consultant since March 2006.

International benchmarks

The RMG team of consultants is led by Gaby Shouten. He says the basic layout



of the new port offers terminal dimensions that will enable container handling operations to match international benchmarks. The port will also be able to accommodate much larger vessels. These two factors will boost the competitive advantage of PPOS as an import and export terminal for Trinidad and as a container transshipment hub for regional ports, including those on the north coast of South America.

The new port has the potential to handle an annual total of 1 million teu, 120,000 tonnes of breakbulk cargo and 50,000 cars. This represents a significant increase on the port's 2008 throughput of about 385,000 teu.

Benefits

Relocation of the port, on both existing and reclaimed land, will also bring social benefits as it is expected to reduce the impact of port traffic on road congestion in the city environs.

Initial plans include a quay length of 1,200 metres and a depth alongside of 13.3 metres in the first phase. The outer channel will have a depth of 14.5 metres – ample for vessels with a capacity of 4,000 teu and more. In later stages of the project, depth alongside



could be increased to 15.5 metres and the outer channel to 16.9 metres, allowing the port to receive even larger containerhips of up to 9,000 teu.

The container block will measure 400 metres x 1,000 metres, providing a static ground slot capacity of 5,320 teu. The port will be equipped with eight post-panamax ship-to-shore gantry cranes, supported by newly acquired


and relocated equipment from the present-day port.

It is universally acknowledged that a world-class port facility needs a world-class workforce in order to run successfully.

PPOS has already initiated plans to upgrade training of Operations, Maintenance, Administrative and Systems personnel in global best practices.

Upgrading

Other improvements being pursued include an upgrading of the PPOS Terminal Operating System and the negotiation of a new industrial relations agreement containing rules and practices that emulate best-in-class standards. These new initiatives are being spearheaded by Portia Management Services and PPOS says it is confident that all personnel will be physically and mentally ready for the transformation.

The new port brings a new dimension to the business of PPOS that includes a heightened sense of corporate social responsibility and a top-of-mind focus on the environment. According to a company statement, the management team of the new facility will be fully committed to furthering the vision of the new Port of Spain. 





Despite global economic challenges ...

Port of St. Maarten sailing ahead

THE pouring of concrete on 2 April brought the final section of St. Maarten's mega cruise pier closer to completion.

Expansion of the cruise and cargo facilities at St.

completed in September 2009. These will further enhance the port's existing facilities.

The Commissioner of Port Affairs, Theo Heyliger, is pleased with progress to date. He is looking forward

In 2008 this island paradise received 1,345,800 cruise passengers, a small decline of 5.4 per cent from the figure of 1,421,906 in 2007. This was to be expected, given the chal-

of the year, the port received 365,268 cruise passengers, compared with 337,269 in the corresponding period of 2008 – an increase of just under 28,000.

Mr. Heyliger expects the port to pull through fairly well during this downturn. He believes the expansion of cruise facilities will not only strengthen the territory's position as a destination but will allow it to deal with future growth in the industry.

Additional cruise terminal facilities are expected to be completed in September 2009. These will further enhance the port's existing facilities.

Maarten was due for completion in May 2009 – but the work may be finished a few weeks earlier than scheduled.

Additional cruise terminal facilities are expected to be

to the conclusion of the expanded cruise facilities, which will allow St. Maarten to receive some of the industry's largest vessels, such as 'Allure of the Seas' and 'Oasis of the Seas'.

lenges faced by the cruise industry throughout 2008. These included high fuel prices, which forced cruise lines to adjust their itineraries. The fact that some ships were repositioned to take advantage of business in new emerging markets did not help.

Challenge

As the global economic crisis continues, 2009 will be a challenging year for the cruise industry as well as for destinations. However, port officials in St. Maarten remain upbeat in spite of expectations of a further decline. They expect to receive over 1.1 million cruise passengers in 2009. In fact, in the first two months

Expansion

A total of US\$97.5 million has been invested in the cruise and cargo expansion project, which began in late 2007. It includes a new pier, 445 metres in length and 21 metres in width, designed to accommodate two cruise vessels of 220,000 gt. The development also includes an additional facility with ancillary services for cruise passengers.

Despite the global financial crisis, port officials are confident the industry will weather the economic storm and remain on an even keel for the next 12 to 18 months. At that time they expect to see the first signs of a recovery – provided, of






working relationship that has developed over the years between the Port of St. Maarten and the cruise lines.

“These challenging times now call for us, as a cruise industry and a destination, to see where we can work together in ensuring that we both are able to sail through this crisis without too much negative consequences for both stakeholders.”

Attractions

Driving the growth of the port are the island’s many fine tourist attractions. Among its key advantages are the beauty of the destination, with its 37 white sandy beaches; the friendliness of the local people; the dual nationality of the cruise destination (Dutch and French); and St. Maarten’s status as the duty free shopping capital of the north-eastern Caribbean. In addition, the Dutch territory can now offer exceptionally modern and secure facilities for cruise lines and their passengers.

Clearly, the strategic location of St. Maarten in the north-eastern Caribbean is a significant factor. 

course, there are no further negative developments in the interim.

Mark Mingo, chief executive of the St. Maarten Harbour Group of Companies, said: “The Port of St. Maarten will be ready to

the global economic crisis. In the meantime, the Caribbean region is positioning to deal with this challenge by being innovative in what they have to offer cruise lines.

“The Port of St. Maarten has the facilities to cope with

are working on to further enhance our facilities and services to the cruise lines and passengers.

Innovate

“In these challenging times, we have to continue to be innovative, upgrade and invest in order to reap the opportunities, benefits and business when global economic conditions improve.”

Mr. Mingo expressed his gratitude for the close

A total of US\$97.5 million has been invested in the cruise and cargo expansion project, which began in late 2007.

accommodate the Future Larger Vessels, despite this challenging economic environment, when they are launched and set sail to carry out their itineraries in the last quarter of 2009. We are very much looking forward to welcoming these mega cruise vessels to the Port of St. Maarten.

“The cruise industry has to adapt to the number one challenge for 2009, which is

small, large and, in the near future, mega cruise vessels. We are currently expanding our facilities that will also accommodate the future ultra mega yacht vessels.

“Another prime area that the island is catering to is home porting of small European cruise lines. Our first experience with one line, easyCruise, went very well. We have a number of other service areas that we



Theo Heyliger



Mark Mingo



Curaçao plans for growth with greater towage capability

THE YEAR 2008 will be remembered as the time when the world financial system showed its vulnerability. The interdependence of major national economies, linked through private financial arrangements and the operations of multinational corporations, means there is no haven in a major economic storm.

The storm clouds have gathered in the Caribbean; but there have been rays of sunshine and silver linings.

Success

Like many other Caribbean states, Curaçao has been grappling with the current crisis, with some degree of success. Last year closed with an increase in the overall performance of the Ports of Curaçao. Cargo movement topped 1 million tonnes for the first time, up about 4.5 per cent on 2007. The increase was smaller than that in 2007 when

cargo movement increased by 7.7 per cent. However, it was a continuation of a period of growth. Curaçao has seen cargo movement increase every year for the past seven years.

Although there was a decline in cruise ships calls last year, from 257 the previous year to 215, there was an increase in cargo vessel calls. The port handled 2,923 cargo ship calls in 2008, about 140 more than in 2007. This increase, though marginal, is a positive sign when some other regional ports are showing negative numbers.

Cargo shipping and the cruise industry were caught

unawares by the recession. The world's largest construction project, the Panama Canal expansion, is in full swing. Larger cruise ships are being built.

International Monetary Fund has projected a world recession deeper than previously expected.

Despite the bleak economic outlook, change is

The new tug will allow Curaçao to handle even bigger jobs and thus expand its international business.

Royal Caribbean's huge Genesis-class cruise ship, 'Oasis Of The Seas', now under construction, is due to begin Caribbean cruises later this year. In the midst of all this additional capacity now being developed, the

being forced on the ports of the Caribbean. In response, the Curaçao Ports Authority and its sister company KTK (the Curaçao Towage Company) have expanded the tug fleet. They have taken possession of the 'Ola' (a Papiamentu

Cruise and total vessel calls with percentage differences

Year	Cruise calls	% difference	Total vessel calls	% difference
2004	162		2,625	
2005	201	24%	2,622	-0.1%
2006	205	2%	2,684	2.4%
2007	257	25.4%	2,781	3.6%
2008	215	-16.3%	2,923	5.1%

Cargo movement (metric tonnes)

Year	Unloaded	Loaded	Total
2004	587,778	220,865	808,643
2005	623,959	271,445	895,404
2006	648,701	266,148	914,849
2007	697,398	287,474	984,872
2008	747,679	281,151	1,028,830

word meaning 'wave'), the 'Manta' and now the 'Mero' (both named after fish).

Expanded horizons

In addition to their tug fleet, the Ports of Curaçao have expanded their horizons, with tugs taking on international jobs. In 2007 the KTK fleet sailed the entire western hemisphere, handling a total of 20 towage jobs. This

32 per cent growth compared with 2006 is encouraging.

KTK is expecting a brand-new oceangoing Stan Tug 4011 tug in 2010. Its arrival will open more opportunities and Curaçao is expecting to capitalise. Its arrival will allow Curaçao to handle even bigger jobs and thus expand its international business. With this expanded towage capabil-

ity, Curaçao has been quietly carving out a niche for itself.

As regards port infrastructure, the wharves and especially the cruise terminals are slated for improvements in security, safety and functionality. A number of small but vitally important construction projects are planned and new regulations are on the way. These will be announced in due course. In

addition, there are plans this year for commercial development of port and harbour-related properties.

With all the crises and woes predicted, 2009 is the year in which the Ports of Curaçao can reflect, react and reinvent. The plan is to deliver a higher standard of service to all port users – and the move towards this objective is well underway. (M)



*Curaçao
on the move
towards the
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Focus on third set of locks as Panama Canal work goes forward

FOUR of the eight main construction projects to expand the Panama Canal are well under way, 18 months after the expansion programme began.

Evaluation of proposals for the design and construction of the third set of locks has begun and the contract is expected to be awarded by mid 2009.

Evaluation has begun of proposals for the design and construction of the third set of locks and the contract is expected to be awarded by mid 2009.

On March 3, 2009 the Panama Canal Authority (ACP) received three technical and financial proposals from the consortia prequalified for the project's main contract: Bechtel, Taisei, Mitsubishi Corporation; Grupo Unidos por el Canal; and Consortium C.A.N.A.L. The other pre-qualified consortium, Atlántico-Pacífico de Panamá, did not submit a proposal.



Three of the four dry excavation contracts are now in the process of being carried out.

In compliance with the bid process, the ACP evaluation technical board – made up of 15 professionals of the canal entity – began a technical assessment of the documents. Once their evaluation is complete, the ACP will review their price proposals. That information will be kept safe in the vaults of the Panama National Bank. This is

a best value non-negotiated bid, in which the technical aspects represent 55 per cent of the total and the financial aspect 45 per cent.

Interest

Jorge Luis Quijano, executive vice president of engineering and programmes management, who heads the expansion program for the ACP, said in December: "We are very pleased with the interest shown by the three world-class consortia that are competing for the design and construction of the new locks. In the meantime, the other main projects continue at a good pace and all are expected to be concluded as scheduled – and some may even be finished a bit earlier and within budget."

The ACP awarded the third excavation contract of the Pacific Access Channel (PAC 3) to connect the Pacific post-



An evaluation of three proposals for the design and construction of the third set of locks was begun by the ACP in March.

panamax locks with the Culebra Cut – a contract worth \$36.6 million – to Constructora Meco. In the second quarter of 2009 the Costa Rican company will mobilise the equipment needed to complete the levelling of Paraiso Hill from 46 to 27.5 metres above sea level. This will be about 1 metre above the water level of Gatun Lake. This contract will involve the excavation of 8 million cubic metres of material.

Clearing

The PAC 3 contract also includes the clearing of 190 hectares containing Munitions and Explosives of Consideration (MEC), which the United States military left behind from training activities during its presence in Panama.

The two other excavation contracts

now report over 80 per cent and 50 per cent of progress, respectively.

The Panamanian company Constructora Urbana, S.A. (CUSA) has virtually concluded two of the four components

In February the ACP published the requirements for the Atlantic dredging bid. The contractor will have to dredge 15 million cubic metres of submarine material and excavate 800,000 cubic


By the end of 2009 the Panama Canal expansion is expected to have 97 per cent of its projects awarded and in execution stage

of the first excavation contract of the Pacific Access Channel (PAC 1): the clearing of 146 hectares of MEC and the levelling of Paraiso Hill from 136 to 46 metres – the height of the Statue of Liberty in New York.

In addition, the consortium Cilsa Panamá-Minera María has excavated half of the 7.5 million cubic metres of material required for the second dry excavation contract of the Pacific

metres of material in the Atlantic entrance of the canal to allow the transit of post-panamax vessels.

Excavation

Mr. Quijano said: “By the end of 2009 the Panama Canal expansion is expected to have 97 per cent of its projects awarded and in execution stage, including the fourth and last dry excavation contract of the Pacific Access Channel (PAC 4). This contract includes the excavation of 24 million cubic metres of material and the building of an earth dam that will retain the channel connecting the northern end of the Pacific locks to the Culebra Cut.” 



The Belgian company Dredging International will dredge 9.1 million cubic metres of material at the Pacific entrance of the canal.



Paradise Hill, in front of the Pedro Miguel locks, has been reduced in height from 136 to 46 metres. The elevation is equivalent to a 30-storey building.

Access Channel (PAC 2).

At the time of writing, the first major item of equipment used in the dredging of the Pacific entrance navigation channel, the cutter-suction dredger ‘Vlaanderen XIX’, had finished removing 1.6 million cubic metres of material. The second, the drill barge ‘Yuandong 007’ was expected to begin sub-aquatic drilling and blasting.

By the end of the contract, in 2012, Dredging International is expected to have dredged a total of 9.1 million cubic metres of material.





Cruise industry faces 'the perfect storm'

AT THE cruise conference in Miami earlier this year, the industry took great care to play it cool and spell out 'business as usual'. Although executives admit that 2009 will be a difficult year, they continue to present the long-term outlook of the industry as positive.

The message for the yards, the suppliers and the destinations is to continue

to deliver quality products and services and ride out the tide. Experience teaches that the industry is at its best in times of economic hardship, when people are looking for value for money. This is exactly what the industry offers and wants to continue to offer.

Confidence

Now more than ever, we are told, people will have a

Now more than ever, we are told, people will have a reason to choose a cruise over a land-based vacation

reason to choose a cruise over a land-based vacation. This confidence is based on the assumption that the industry is in good shape and that this is the best time to face the perfect storm. Like in the movie, this storm is catching up and we cannot outrun it. So, instead of running, we must turn and sail right into it to shorten the stress period and avoid being swept off course completely. How will this Hollywood-like scenario play out and what does it mean for the Caribbean?

For the short term, the message is clear: the industry will go back to proven products and markets and will take its loss. This means more ships and volume in the Caribbean, with heavy discounting, declining yields and lower spending levels.

Outlook

This is the picture for 2009 and most of 2010. What happens next will largely depend on the length and intensity of the storm and its ultimate effect on the industry. The long-term outlook may be good, but in a perfect storm, how much stress can the ship handle in the short term and for how long?

An impressive order book until 2012 requires deep



By Jan Sierhuis*

pockets and heavy discounts to market these ships in a deprived market. Cash will come at a premium – and, without cash, the engine runs less smoothly. Will the ship hold? How fast will she sail out of the storm and into more tranquil waters?

The cruise executives skillfully avoided such questions, but they are on the minds of everyone.

"Don't worry, men," the captain reassures. 'She's a strong ship and you're a good crew'.

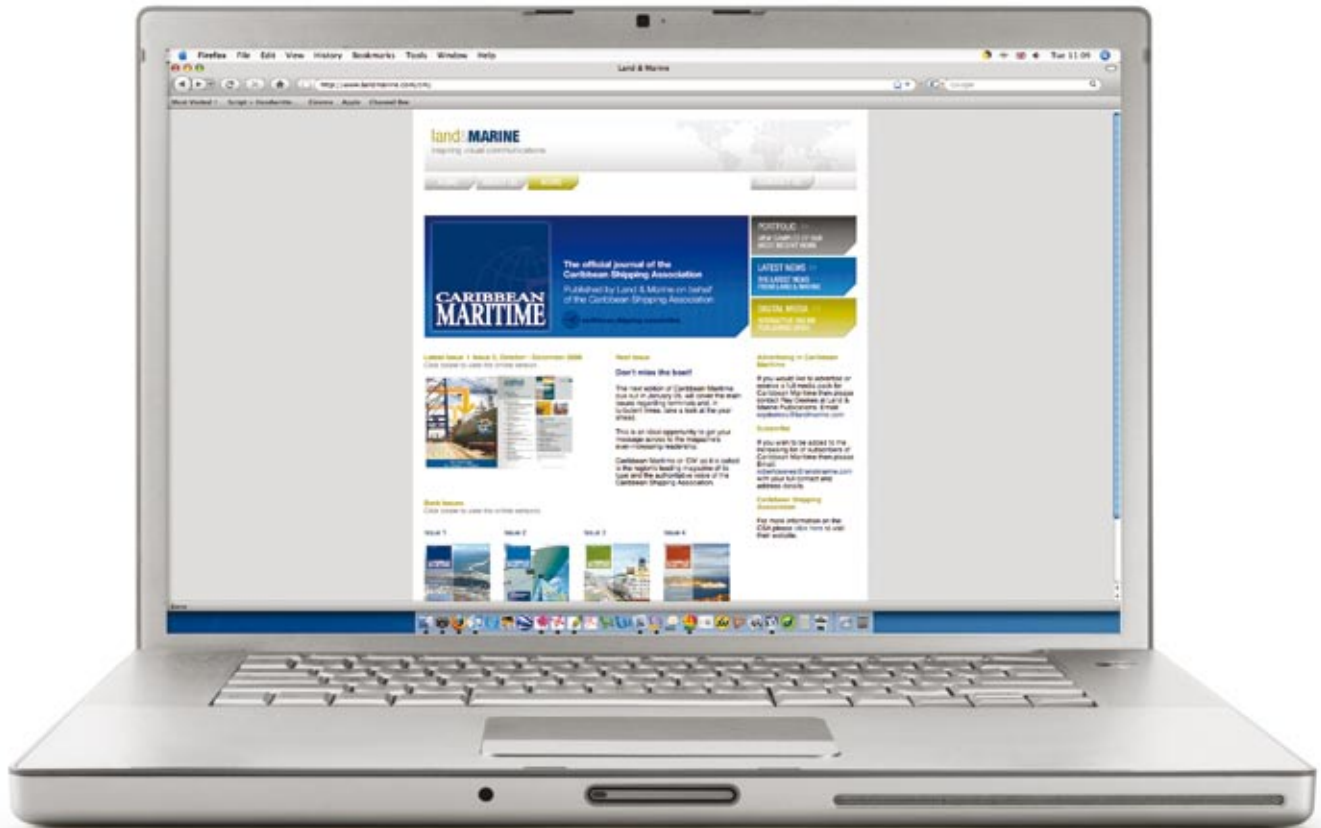
'Aye, Captain!'

The crew prays dutifully; but only the good Lord knows how long the storm will last and who will survive. ☹

**Jan Sierhuis is chairman of the CSA Cruise Committee*



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CARIBBEAN PORT PRODUCTIVITY AND THE ROLE OF HUMAN CAPITAL

By Fritz Pinnock and Ibrahim Ajagunna

THE transport industry of the Caribbean has a legacy of piracy, slavery and colonialism that caters to the needs of small markets. Factors such as the movement of world oil prices, containerisation and the impact of globalisation have all changed the nature of the world's shipping industry – and the Caribbean was slow in responding to this change.

The pressure on the Caribbean has been not just on the physical infrastructure but on finding and retaining qualified human resources.

Today, the Caribbean is two to three times more expensive on average than the rest of the world. Equally, with the container revolution in its ninth-generation phase, and with 15,000 teu capacity vessels on order,

Caribbean countries are constantly dredging and upgrading their infrastructure in a bid to remain relevant in a changing global environment. The pressure on the Caribbean has been not just on the physical infrastructure but on finding and retaining qualified human resources. Equally, the Caribbean has failed to keep pace with the advancement in information technology (IT) and there is a

wide disparity between the countries and ports of the region in terms of productivity. Caribbean ports have now recognised the need to invest in development of the human factor in the shipping industry. To date,

Jamaica, Barbados and St. Kitts and Nevis have entered into partnership with the Caribbean Maritime Institute (CMI) for training and certification of their workforces. The CMI is the only maritime training organisation in the Caribbean to be accredited by the National Council on Technical, Vocational Education and Training (NCTVET). The CMI is working to develop a Caribbean vocational qualification to address the training needs of the Caribbean shipping and logistics industry. This will facilitate training from basic entry skill levels to Master's Degree level, addressing the needs of both middle and top level management in the industry.

The Caribbean waterfront has been the birthplace of major trade union movement across the region. Today, shipping associations serve as an active trade union movement, serving

the dual role of providing a competent port labour force while protecting the rights of workers in a harmonious and productive environment. The historical divide between management and worker has created a zone of mistrust. This mistrust has affected productivity and, ultimately, the motivation level of workers. Effective production is a state of mind. It depends not on technology, technical ability or efficient management action but, to a considerable extent, on the will to produce; that is, on one's motivation (Cater, 1997:3). Motivation is a dynamic exchange between the individual, his internal biological tensions and his social environment (1997), and all these factors influence to a particular set of perceptions, preferences, expectations and values which constitute the goal towards which the individual shipping industry worker is motivated.

Table 1: Caribbean productivity by berth equipment type (berth moves per hour) mobile cranes

Port/Country	Average moves per month												Year avg.
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Kingston Wharves, Jamaica	22.66	16.79	14.43	17.86	15.76	17.58	17.64	18.88	16.60	18.07	19.56	20.22	17.73
George Town, Cayman Islands	11.64	14.27	14.45	13.36	14.24	7.31	8.58	7.47	8.83	13.77	16.80	15.43	11.24
Castries, St. Lucia	10.98	14.38	15.05	13.48	7.67	11.96	8.64	13.44	6.10	13.63	13.17	14.38	11.08
Nassau, Bahamas	12.83	8.63	7.92	9.29	9.09	7.99	14.97	17.00	7.08	15.20	16.50	13.17	10.93
Port au Prince, Haiti	11.24	9.24	7.22	8.77	16.38	8.14	8.12	8.00	10.05	10.79	11.95	12.36	10.07
Vieux Fort, St. Lucia	11.13	-	-	-	19.36	-	-	-	8.21	9.95	8.72	7.81	9.84
St. John's, Antigua	11.34	13.82	11.93	13.88	15.64	5.27	6.90	5.34	5.67	11.68	15.38	13.01	9.13
Montego Bay, Jamaica	7.42	6.45	12.47	9.62	10.51	9.43	8.22	10.59	4.04	5.48	5.70	10.73	8.67
Povidenciales, Turks & Caicos	13.34	13.04	11.00	10.84	10.82	4.50	6.57	6.15	5.97	11.94	12.07	12.07	8.51
Phillipsburg, St. Maarten	9.67	8.43	8.70	5.84	8.19	4.97	3.22	5.29	3.28	8.05	8.42	6.17	6.12
Grand Turk, Turks & Caicos	5.13	4.36	4.65	4.49	4.82	2.10	-	4.48	4.86	7.31	9.18	5.92	4.78

Adapted from Florida Shipowners' group 2008

Table 2: Caribbean productivity by berth equipment type (berth moves per hour) gantry

Port/Country	Average moves per month												Year avg.
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Kingston Container Terminal, Jamaica	30.05	-	21.37	18.24	24.40	20.54	17.21	19.14	16.75	20.92	20.85	18.89	19.80
Point Lisas, Trinidad	7.77	13.85	15.44	14.47	11.95	11.45	10.60	9.86	10.06	13.26	12.82	17.59	11.86
Port of Spain, Trinidad	14.14	-	-	-	17.76	-	-	-	6.56	8.51	9.53	27.81	10.98
Bridgetown, Barbados	14.46	14.97	13.45	12.85	13.33	7.26	6.51	6.92	1.78	11.72	9.58	13.29	7.72

Adapted from Florida Shipowners' group 2008

Analysis and ranking of Caribbean port productivity

A major productivity challenge facing the Caribbean is a lack of standards for labour practices and operational efficiency. For example, most ports in the region are labour-intensive operations based on archaic and restrictive labour practices. This has led to intra-island competition and global pressure which is now dictating changes as the Caribbean is transformed from being ancient, exclusive and private to just another node in the global logistics chain.

Table 1

Table 1 represents the productivity of Carib-

bean ports for January to December 2008 in terms of berth moves. These are ports that predominantly use mobile cranes in their loading and discharging operations. Kingston Wharves Ltd is shown to be the most productive port with a year to date average of 17.73 berth moves per hour. This is 63.4 per cent ahead of George Town, Cayman Islands, ranked No 2 in this port sub-group. In third position is Castries, St. Lucia, followed by Nassau, Bahamas. In No 11 position was Grand Turk, Turks and Caicos, with an average of 4.78 moves. In the estimation, Kingston Wharves achieved the highest berth moves per hour with the exception of March and May

2008. In March 2008 Castries, St. Lucia, achieved the No 1 spot with 15.05 moves. This was followed by George Town, Cayman Islands, with 14.45 moves, ahead of Kingston Wharves, in No 3 position, with 14.43 moves. In May 2008 Vieux Fort, St. Lucia, achieved 19.36 moves, ahead of Kingston Wharves, with 25.76 moves.

Table 2

Kingston Container Terminal recorded the highest average berth moves per hour in 2008 with 19.8. This was 59.9 per cent ahead of second-place Point Lisas, Trinidad, with an average of 11.86 berth moves per hour. Kingston Container Terminal topped the table for every single month with its high-

est productivity average, recorded in January 2008, with 30.05 moves, and its lowest in September 2008, with 16.75 moves. Barbados took the fourth spot with an average of 7.72 berth moves.

Table 3

Table 3 shows ports that depend on ship's gear and ro-ro facilities in their daily operations. It is traditional to show these ports as the least productive and least developed among the three categories under review. However, Georgetown, Guyana, achieved a respectable 12.43 average berth moves per hour for 2008. This was ahead of Paramaribo, Suriname, with a creditable 11.98 berth moves per hour. Georgetown, Guyana,



PORT PRODUCTIVITY

achieved the highest berth move per hour with the exception of August, October and December 2008. In August 2008 Paramaribo, Suriname, achieved the highest berth moves per hour with 13.09 moves. This was followed by Georgetown,

Guyana, with 12.97 moves. Roseau, Dominica, claimed the No 3 spot for the month with 12.07 moves. Again, in October 2008, Paramaribo, Suriname, claimed the No 1 spot with a repeat performance of 13.09 berth moves. Georgetown, Guyana, held

on to No 2 position with 11.5 berth moves. In December 2008 Paramaribo once again claimed the No 1 spot with 11.69 berth moves, followed by Roseau, Dominica, with 10.85 berth moves. Georgetown, Guyana, recorded its lowest performance of the

year with 6.78 berth moves, which placed it second from bottom.

Table 4

Table 4 shows an overall ranking of all 22 ports regardless of stevedoring equipment (gantry cranes,

Table 3: Caribbean productivity by berth equipment type (berth moves per hour) ship's gear and ro-ro

Port/Country	Average moves per month												Year avg.
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Georgetown Guyana	-	-	12.25	14.75	13.73	13.55	13.50	12.97	14.03	11.95	14.26	6.78	12.43
Paramaribo, Suriname	-	-	11.40	14.18	10.79	10.29	9.75	13.09	13.13	13.09	13.57	11.69	11.98
Roseau, Dominica	5.26	7.96	11.33	12.31	5.16	9.48	12.17	12.07	9.49	9.94	7.20	10.85	8.93
Freeport Bahamas	8.09	7.75	8.48	8.39	7.82	7.75	7.21	4.29	6.78	8.14	8.46	8.72	7.42
St. George's, Granada	6.38	-	8.45	8.05	7.27	9.10	7.90	5.52	6.00	6.78	7.15	7.68	7.13
Kingstown, St. Vincent	2.55	7.58	6.71	7.28	5.70	8.06	6.15	6.58	7.64	8.61	8.67	7.00	6.53
Road Town, Tortola	-	-	-	-	-	-	-	-	-	-	-	6.34	6.34
Basseterre, St. Kitts	5.08	9.34	8.51	7.92	7.01	8.22	6.62	5.10	3.37	6.07	7.34	8.76	6.26

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mobile cranes, ship's gear and ro-ro facilities). The table does not include the Bahamas transshipment terminal and Caucedo, Dominican Republic. These ports are not served in a large way by the Florida Shipowners' Group but are dedicated international transshipment facilities. Gantry cranes are shown to be the most productive, followed by mobile cranes including mobile harbour cranes. The least productive are those using ship's gear. Kingston Container Terminal was the only gantry operation to be placed in the top four overall. Interestingly, Kingston Wharves Ltd, ranked among

the best for mobile cranes, caught the No 2 spot overall. This is followed by Georgetown, Guyana, and Paramaribo, Suriname, which took the No 1 and No 2 positions in the ship's gear and ro-ro category. Point Lisas, Trinidad, took the No 5 overall spot in the gantry category. Port of Spain took the No 8 spot and Bridgetown, Barbados, the No 15 position. Phillipsburg, St. Maarten, and Grand Turk, Turk and Caicos Islands, were ranked 21st and 22nd in the mobile crane category.

This analysis clearly shows there are other major factors besides equipment type such as the human factor, management of operations

and the logistics of terminal and integrated information technology (IT) that affect productivity levels in the various ports of the Caribbean. The top two ports in the above table have invested heavily not just in stevedoring equipment but also in training and development of the workforce and in IT infrastructure.

In a study in 1980 of the Fortune 500 companies, 70 per cent said their greatest asset was their human capital. In a recast of the study in 2007, over 60 per cent of the companies who held that view were no longer part of the Fortune 500 list. A total of 76 per cent of the respondents in the recast study

pointed to human capital as their greatest asset. This suggests that the Caribbean is no longer a quiet corner where each country can manipulate its local industry while ignoring global forces. Today, the market is controlled by the customer, who is demanding greater value. This puts pressure on Caribbean ports to move beyond the basic role of receiving, storing and delivering cargoes to become an integrated member of the global supply chain. It is high time the Caribbean placed the same level of importance on training and certifying its human resources as it does on acquiring and deploying cutting-edge equipment.

Table 4: Average moves per berth hour (January to December 2008) for the Caribbean

Port/Country/Rank	Average moves per berth hour												Year avg.
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Kingston Container Terminal, Jamaica 1	-	30.05	21.37	18.24	24.40	20.54	17.21	19.14	16.75	20.92	20.85	18.89	19.80
Kingston Wharves, Jamaica 2	22.66	16.79	14.43	17.86	15.76	17.58	17.64	18.88	16.60	18.07	19.56	20.22	17.73
Georgetown Guyana 3	-	-	12.25	14.75	13.73	13.55	13.50	12.97	14.03	11.95	14.26	6.78	12.43
Paramaribo, Suriname 4	-	-	11.40	14.18	10.79	10.29	9.75	13.09	13.13	13.09	13.57	11.69	11.98
Point Lisas, Trinidad 5	7.77	13.85	15.44	14.47	11.95	11.45	10.60	9.86	10.06	13.26	12.82	17.59	11.86
George Town, Cayman Islands 6	11.64	14.27	14.45	13.36	14.24	7.31	8.58	7.47	8.83	13.77	16.80	15.43	11.24
Castries, St. Lucia 7	10.98	14.38	15.05	13.48	7.67	11.96	8.64	13.44	6.10	13.63	13.17	14.38	11.08
Port of Spain, Trinidad 8	14.14	-	-	-	17.76	-	-	-	6.56	8.51	9.53	27.81	10.98
Port au Prince, Haiti 9	11.24	9.24	7.22	8.77	16.38	8.14	8.12	8.00	10.05	10.79	11.95	12.36	10.07
Vieux Fort, St. Lucia 10	11.13	-	-	-	19.36	-	-	-	8.21	9.95	8.72	7.81	9.84
St. John's, Antigua 11	11.34	13.82	11.93	13.88	5.64	5.27	6.90	5.34	5.67	11.68	15.38	13.01	9.13
Roseau, Dominica 12	5.26	7.96	11.33	12.31	5.16	9.48	12.17	12.07	9.49	9.94	7.20	10.85	8.93
Montego Bay, Jamaica 13	7.42	6.45	12.47	9.62	10.51	9.43	8.22	10.59	4.04	5.48	5.70	10.73	8.67
Povidenciales, Turks & Caicos 14	13.34	13.04	11.00	10.84	10.82	4.50	6.57	6.15	5.97	11.94	12.07	12.07	8.51
Bridgetown, Barbados 15	14.46	14.97	13.45	12.85	13.33	7.26	6.51	6.92	1.78	11.72	9.58	13.29	7.72
Freeport Bahamas 16	8.09	7.75	8.48	8.39	7.82	7.75	7.21	4.29	6.78	8.14	8.46	8.72	7.42
St. George's, Granada 17	6.38	-	8.45	8.05	7.27	9.10	7.90	5.52	6.00	6.78	7.15	7.68	7.13
Kingstown, St. Vincent 18	2.55	7.58	6.71	7.28	5.70	8.06	6.15	6.58	7.64	8.61	8.67	7.00	6.53
Road Town, Tortola 19	-	-	-	-	-	-	-	-	-	-	-	6.34	6.34
Basseterre, St. Kitts 20	5.08	9.34	8.51	7.92	7.01	8.22	6.62	5.10	3.37	6.07	7.34	8.76	6.26
Phillipsburg, St. Maarten 21	9.67	8.43	8.70	5.84	8.19	4.97	3.22	5.29	3.28	8.05	8.42	6.17	6.12
Grand Turk, Turks & Caicos 22	5.13	4.36	4.65	4.49	4.82	2.10	-	4.48	4.86	7.31	9.18	5.92	4.78

Adapted from Florida Shipowners' Group 2008



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Table 5: Average time await berth for Caribbean ports (January to December)

Port/Country/Rank	Average time await berth												Year avg.	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Roseau, Dominica	1	0:33	3:49	0:21	0:25	0:19	0:18	0:18	0:17	0:18	0:24	0:16	0:16	0:37
Freeport Bahamas	2	1:12	0:33	0:22	0:23	0:27	0:21	0:17	0:27	0:59	1:34	1:08	1:11	0:42
Vieux Fort, St. Lucia	3	0:48	-	-	-	0:51	-	-	-	0:34	0:42	1:03	0:31	0:46
Road Town, Tortola	4	-	-	-	-	-	-	-	-	-	-	-	1:01	1:01
Castries, St. Lucia	5	0:28	1:57	0:36	1:11	0:31	0:47	1:29	0:31	0:34	1:58	2:11	2:00	1:14
Kingston Container Jamaica Terminal,	6	1:52	-	0:13	0:27	0:25	0:43	0:28	0:25	0:52	3:10	3:26	2:44	1:24
Montego Bay, Jamaica	7	5:04	2:04	0:47	0:53	0:52	0:47	0:55	0:57	0:42	0:40	0:40	0:55	1:24
Basseterre, St. Kitts	8	0:10	2:06	6:43	2:45	0:20	0:21	0:18	0:35	0:33	2:06	0:55	0:33	1:25
St. John's, Antigua	9	1:54	1:48	3:09	0:56	3:29	0:41	0:44	1:02	1:35	2:01	0:55	0:37	1:35
Kingston Wharves, Jamaica	10	1:30	1:25	1:25	1:22	3:07	1:12	1:10	2:22	1:13	1:41	1:30	1:17	1:40
Kingstown, St. Vincent	11	4:34	0:35	0:27	0:23	0:56	0:24	0:38	6:54	1:54	1:10	1:02	1:06	1:42
St. George's, Granada	12	0:48	-	0:33	0:59	0:26	0:32	2:53	3:56	0:59	1:41	2:45	1:27	1:46
George Town, Cayman Islands	13	2:54	0:58	3:58	0:42	1:17	1:02	1:55	1:13	2:51	3:41	1:27	7:17	2:25
Georgetown Guyana	14	-	-	2:26	3:12	1:48	3:45	1:03	0:47	2:01	2:32	3:14	6:35	2:57
Bridgetown, Barbados	15	23:43	0:58	2:30	1:28	1:33	1:44	0:41	0:49	1:12	0:58	1:57	2:47	3:04
Port of Spain, Trinidad	16	2:18	-	-	-	7:17	-	-	-	12:26	1:15	0:51	0:50	3:10
Phillipsburg, St. Maarten	17	5:39	1:17	4:20	4:25	1:34	2:32	1:18	3:39	5:39	1:47	3:34	1:32	3:11
Port au Prince, Haiti	18	1:47	1:16	0:57	4:12	5:45	10:33	1:37	1:55	5:58	2:11	3:03	12:00	3:35
Grand Turk, Turks & Caicos	19	0:11	0:16	0:15	0:10	0:09	0:31	-	1:15	0:42	0:24	7:01	21:17	3:45
Providential, Turks & Caicos	20	1:43	3:09	6:10	4:07	3:40	9:23	2:47	1:46	1:36	1:51	1:59	3:54	3:47
Point Lisas, Trinidad	21	8:22	2:36	3:11	2:46	1:29	3:54	4:41	15:14	6:38	9:30	4:10	2:18	5:30
Paramaribo, Suriname	22	-	-	0:52	27:00	2:16	16:20	3:26	6:48	7:19	11:07	12:21	7:51	8:24

Adapted from Florida Shipowners' Group 2008

Table 5


The above table highlights the average waiting time for a vessel to access Caribbean ports. This forms an important link in the overall picture of the total turnaround time of the vessel. "A ship in dock is a wasted ship", as the saying goes. Ships are expensive assets and they make money while sailing and not tied up in ports. Average berthing time is a significant part of the overall time taken to turn around a vessel. Unfortunately, in several instances, this time can exceed the total load on discharge time. Table 5 shows Roseau, Dominica, with a

waiting time of 37 minutes, as the most accessible port, followed by Freeport Bahamas, with 42 minutes, and Vieux Fort, St. Lucia, with 46 minutes. The Caribbean's two top ports are Kingston Container Terminal, ranked sixth, with 1 hour 20 minutes waiting time, and Kingston Wharves Ltd, ranked 10th, with 1 hour 40 minutes waiting time. The two bottom ranked ports are Point Lisas, Trinidad, with 5 hours 30 minutes, and Paramaribo, Suriname, with 8 hours 20 minutes. Georgetown, Guyana, the No 3 ranked Caribbean port, was placed 14th with an average waiting time of 2

hours 57 minutes. Interestingly, Georgetown, Guyana, and Paramaribo, Suriname, are tidal ports and can be accessed by large container-ships only at high tide. This can add an additional six to 12 hours of waiting to allow for low and high tide changes.

Conclusion

For the Caribbean shipping industry to remain relevant, ports have to reinvent themselves. The traditional role of 'receive, store and delivery of cargo' is no longer sufficient to maintain competitive advantage. Ports are more than natural sites for transshipment of

goods from one mode of transport to another. Historically they have provided a link between maritime and inland transport and the interface between sea, road, rail and air. Increasingly, ports are playing a more important role in the management and co-ordination of materials and information flows as the transport is an integral part of the entire supply chain. The role is changing more to creating synergies, as well as converging interests, between the players of the port community in order to guarantee reliability, continuous service and a good productivity level. 



Business continuity – are you prepared?



By Frances Yeo*

BUSINESS continuity should be the number one priority of every organisation, since failure to have a contingency plan has repeatedly proven catastrophic.

The National Archives and Records Administration of the USA has found that 93 per cent of businesses that lost their data centre for 10 days went bankrupt within a year.

80 per cent of all data centres have experienced one major event every five years

McGladly and Pullen have also found that 43 per cent of companies experiencing disasters never reopen and that 29 per cent close within two years.

Many organisations may believe they are not susceptible to such catastrophic

events. However, as Gartner has highlighted, 80 per cent of all data centres have experienced one major event every five years; and, secondly, one in four organisations have seen a significant disruption in their computer systems, with 25 per cent of these lasting longer than 24 hours.

The previous statistics, coupled with the fact that Caribbean businesses are exposed to natural disasters such as earthquakes, hurricanes and torrential rainfall, should be more than enough to demonstrate the susceptibility of organisations to business interruption and the far-reaching consequences it produces. Natural disasters have an even greater impact when we consider the physical location of many businesses

in the shipping industry – specifically, on the waterfront. So it is essential that organisations take a keen interest in business continuity, which includes several proven preventative strategies

Good strategies help in

preventing the interruption of critical services. They plot a path to re-establishing full functionality as smoothly and swiftly as possible. Essentially, it is a series of best practices designed to implement solutions that maximise uptime and protect against data loss. Consequently, business continuity has to be undertaken on a three-tiered strategic structure: (1) planning and recovery; (2) availability; and (3) disaster recovery.

- Planning and recovery helps organisations develop a holistic strategy to prepare people, processes and technologies for expected or unexpected events that could disrupt operations.

- High availability systems help maintain the availability of critical systems during a system failure or service outage.

- Disaster recovery systems assist in recovering critical systems and data after catastrophic events or disasters.

Now that the strategies have been outlined, it is critical that organisations examine each level of the internal infrastructure and use the strategies previously explored. The internal

infrastructure of a company can be broken down into four levels: platform, data, application and site.

First, the platform level examines rapid equipment replacement, including vendor services and training programmes.

Secondly, it looks at high availability servers such as hot-swappable, redundant components and mission-critical support.

The data level focuses on storage, back-up and restoration. Under ‘storage’, emphasis is placed on the ability to constantly access servers. Under ‘back-up’ and ‘restore’, there is an emphasis on realtime tape back-ups along with offsite storage.

Clustering

The application level focuses on ‘fail over’ or ‘load balancing’ which ensures that the solution being used is consistently available through clustering. Clustering is an approach where multiple servers run the same application. If there is a problem with accessing one server, a switch can be made to another server both of which are running the same solution, so downtime is minimised or eliminated.

The final level examines site recovery and highlights

A PASSIONATE PROFESSIONAL WHO LEADS BY EXAMPLE

Roger Hinds, new president of the Shipping Association of Jamaica

THE name Roger Hinds is now indelibly written in the history of Jamaica's shipping industry. As the Shipping Association of Jamaica (SAJ) celebrated its 70th anniversary in January 2009, Mr. Hinds was only halfway through his first month as president of the association.

Through his passion and his commitment to professionalism, leading always by example, Mr. Hinds has challenged and inspired his colleagues, both in his business, Transocean Shipping Ltd (TSL), and in the SAJ.

Journalist

Mr. Hinds began his career as a journalist in Barbados but moved to Jamaica and into the maritime sector in 1982. TSL was established in April of that year and Mr. Hinds assumed responsibility for its operational portfolio. By 1993 he had assumed full responsibility as managing director and became its chief executive. The company later acquired its own property at 90-92 First Street, Newport West, refurbishing a former laundry building.

With an insightful vision, Mr. Hinds built on the foundations of the successful agency and stevedoring activities to found Transport Logistics Ltd and Marine Haulage Services Ltd with a view to providing full logistics

and supply chain management services. Never satisfied with less than the best effort, he requires of others what he demands of himself: a willingness to think creatively, pay consistent attention to detail and embrace a commitment to leading change.

Acumen

The steady growth of TSL and the role Mr. Hinds now plays in plotting a course for the industry are evidence of a remarkable acumen in matters of business. He has served three terms as vice president of the SAJ and began his tenure as president on January 2, 2009.

Speaking of the current economic crisis, Mr. Hinds said: "These are testing times, but it forces us to be clear on who we are and what we are about. We have to maintain our relevance as the situation changes and we have a strong foundation on which to build. I want all our members and stakeholders to participate in our creation of a new vision we can all work toward. We have to think beyond transshipment and also embrace the vision of Kingston as a distribution and logistics hub that offers value-added services to cargo from China to the Americas."

The new SAJ president expressed his interest in continuing the initiatives for establishing a port commu-




Roger Hinds, new president of the Shipping Association of Jamaica

nity system and in developing an industrial park in Newport West.

Partnerships


"The strengthening and broadening of partnerships is crucial to all our future plans," said Mr. Hinds. He is confident that workers, employers, trade unions and all stakeholders in the private and public sectors will come to a deeper appreciation of the mutually beneficial relationship they share in the shipping industry.

Mr. Hinds continues to serve on the board of directors of Kingston Wharves Group, where he is Company Secretary. He also serves on the boards of Port Computer Services, Assessment Recoveries Ltd and Amalgamated Stevedores Ltd. 

remote or commercial recovery services.

Having briefly explored the impact of business interruptions, outlining business continuity strategies and the level of preparation required of the internal infrastructure, it would be prudent for business operations to consider whether they are prepared to meet unexpected downtime caused by a myriad of factors. As members of a global industry it is essential that your company is prepared. It is essential, therefore, to identify resources to assist in developing a plan. Key areas for consideration would be:

- Business impact analyses
- Risk/threat assessments
- Exercises and simulations
- Pandemic planning and incident response
- Emergency and crisis management
- Incident management during disasters.

Are you prepared? 

**Frances Yeo is executive director of Port Computer Services Ltd*



Plans for Vieux Fort stalled

VIEUX FORT, ST LUCIA: The buzz about initiatives for a major port expansion in St. Lucia subsided as *Caribbean Maritime* went to press.

Major development of the port of Vieux Fort, St. Lucia, was due to start in April 2009, according to news reports from that country, published earlier this year, which went unchallenged. The silence gave truth to the reports. The St. Lucia government and Dubai Ports were reportedly discussing the transformation of Vieux Fort into the country's main port facility.

"Some persons are just not happy with Dubai Ports' offer," was one answer we got to our queries.

Nothing official has been said pub-

licly since and the CSA's contacts have been unable to confirm whether agreement between the two sides even materialised. What is fact, however, is that, at the halfway point in April, visible work had not yet begun.

"I can confirm that nothing has happened," said Trevor Philip of the St. Lucia Shipping Association. "No agreement has been signed."

According to earlier reports, Dubai Ports wanted to do a joint venture with the government on the Vieux Fort expansion. However, the St. Lucia administration had some issues had with the Dubai Ports proposals. The government reportedly wanted a guarantee that St. Lucia would make

at least the same amount of money that it currently makes and would share whatever surpluses were realised.

The St. Lucian Cabinet Secretary, Cosmos Richardson, told media that Dubai Ports was eyeing the expansion work taking place in the Panama Canal and felt that the United States and major container ports around the Caribbean region had little additional capacity for expansion. "Dubai Ports was of the opinion that, in three to four years' time, we in St. Lucia could be doing up to 250,000 and possibly 350,000 containers a year," he said.

St. Lucia currently handles between 40,000 and 60,000 containers a year.

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Recession bites in Kingston

KINGSTON, JAMAICA: The number of vessels calling at the Port of Kingston declined in the first two months of 2009 compared with the corresponding period last year, says the Port Authority of Jamaica.

Kingston Container Terminal and Kingston Wharves Ltd together reported 161 vessel calls in January and 167 calls in February 2009. The corresponding figures for last year were 186 and 166.

Cargo ships have made significantly fewer calls so far this year. There was a 16 per cent decline in January and a nine per cent decline in February compared with 2008.

Domestic cargo

Kingston Container Terminal, where domestic cargo accounts for 10 per cent of business, recorded a decline of 39 per cent in January 2009. This was followed in February by a 35 per cent decline compared with February 2008.

Kingston Wharves Ltd handles most of Jamaica's domestic cargo. In January, the company recorded a 27 per cent decline in vessel calls compared with January 2008. The same margin of decline was recorded in February 2009 compared with February 2008.

Puerto Rico Ports Authority cleaning up the mess

SAN JUAN, PUERTO RICO: Álvaro Pilar Villagrán, newly appointed executive director of Puerto Rico Ports Authority, has placed repair of the authority's financial situation at the top of his agenda.

Cleaning up the mess that has hurt the organisation's overseas credit rating will therefore occupy most of his attention in the early months of his appointment. It is a tough task which, if not addressed immediately, will affect not only Puerto Rico's ability to invest in its maritime development but, ultimately, other government initiatives, particularly

in the areas of business promotion and tourism development.

When the new executive director took up his job, he found debt obligations amounting to over \$650 million, according to one report. To make matters worse, Standard & Poor's had just delivered a crippling blow. Considered one of the world's foremost providers of independent credit ratings, S&P downgraded the port authority's outstanding revenue bonds from A- to a very low BBB-

In addition to repairing the port authority's financial image, Mr. Pilar Villagrán has

other development priorities. They all need capital. To raise the cash, he plans to cut staff; arrange public-private sector joint ventures around major projects such as a Port of the Americas proposed development; and to sell off all port authority properties not directly related to airport or sea-port development. There is reported to be about US\$200 million worth of property that could be sold to raise money for the cash-starved port authority. Mr. Pilar Villagrán is looking to raise between \$100 million and \$150 million from property sales.

Cranes for Ponce being built

PONCE, PUERTO RICO: A \$250 million line of credit approved by the previous Puerto Rican administration for development of the Port of the Americas mega port in Ponce is nearly exhausted, with \$220 million already spent on the project.

The Port of the Americas Authority, which oversees the project, said the project needed an additional \$480 million for completion.

The Shanghai Zhenhua Port Machinery Company has started building the cranes, which are expected to be ready by January 2010. Three-quarters of the \$22 million cost of these cranes has already been paid.

Construction of the container terminal at the port is 99.6 per cent complete and the first three phases of the mega port are already finished.

New pilot boat for Freeport

FREEPORT, BAHAMAS: Freeport Harbour is expecting to take possession of a brand-new St. John's Class pilot boat in November this year. 'Maritime Today' reports that the vessel is being built by the Gladding-Hearn Shipbuilding, Duclos Corporation, of Somerset, Massachusetts. The all-aluminium high-speed launch measures 52.6 ft. overall, with a 17 ft. beam and 4.8 ft. draught. It has twin Caterpillar C-18 diesels, each producing 671 bhp at 2,100 rpm and turning a five-blade propeller. Top speed is expected to be 25 knots. Freeport Harbour Company provides tug and pilot services in co-operation with the Grand Bahamas Port Authority.



If you think training is expensive, try ignorance

How to improve productivity of Caribbean ports by 20 per cent through training and certification of stevedores

'The 20th century was the age of machines; the 21st century will be the age of people' - Kanter, cited in Kermally, 2006.

'Globalisation, empowerment, cross functional teams, downsizing, learning organisation and knowledge workers are changing the way of life of managers and the way they manage people' - Kermally, 2006.

THE shipping industry has become a prime example of a globalised industry now attached loosely to national sovereignties. Shipping differs from other examples of global business, such as fast food chains and the auto companies, in that the physical capital is itself movable in a way a burger kiosk or car manufacturing plant is not.

However, from the Caribbean perspective, the largest investment is in port infrastructures, which are totally immobile. From

I will look at the soft side; the harnessing of human resources.

The traditional approach to Caribbean port productivity is to focus on upgrading equipment instead of a holistic integration of equipment, technology and labour. Due to advancement in technology and, in particular, information technology, Caribbean ports are now under pressure to put more emphasis on 'soft skills' and less on 'brute force' for training of stevedores. Studies in Europe, for example, have shown that

ance and transport, are 30 per cent higher than the world average. In addition, container handling tariffs in the Caribbean are either opaque or hidden and inevitably trigger heavy cross-subsidisation. This not only leads to a disconnection between the actual costs incurred in handling the containers and tariffs levels charged but, more significantly, it promotes inefficiency and excessive tariffs levels. This therefore suggests that improving training and development of port workers in the Caribbean must be a top priority, both in the short and medium to long term.

Priority

The top five global port operators now controlling over 70 per cent of world port throughput have made the matter of certification and standardisation of port workers a priority. The Caribbean, in an attempt to compete and to remain relevant, has no choice but to make this initiative its focus, too. The Caribbean Mari-



By Fritz Pinnock*

time Institute, for example, was recently approved and accredited by the National Council on Technical, Vocational Education and Training (NCTVET) as the only such entity serving the maritime transport sector in the Caribbean. CMI is currently developing Caribbean Vocational Qualification (CVQ) standards for stevedores and other port workers.

Barbados and Jamaica are the first two countries in the Caribbean to pioneer the training and development of stevedores and port workers to facilitate improvement and efficiency of their ports workers. It is imperative that stevedores be considered a vital part of the asset base of the shipping industry and not treated as a major expense item.

In the Caribbean, training has been generally treated on an *ad hoc* basis as opposed to being approached from a strategic perspective affecting overall

Studies in Europe, have shown that training and development of the human element can improve port productivity by as much as 20 per cent.

a First World perspective, when referring to the shipping industry, lines are portrayed as the industry. This article focuses on Caribbean ports and their productivity. Rather than the hardware of infrastructure and cranes,

training and development of the human element can improve port productivity by as much as 20 per cent.

Tariffs


In the Caribbean, handling charges, including insur-

productivity. It is placed on the wrong side of the balance sheet. In other words, it is treated as increasing cost as opposed to enhancing the human capital.

Today, the human capital is the Caribbean's single largest asset. If harnessed properly, it can be positioned as a major competitive advantage. Planned upgrade in physical assets should be done in keeping pace with technology and the capacity of the workforce.

Cost and benefits of training

Training is too often viewed as purely a monetary cost, a drain on the bottom line. The benefits are often ignored because they can be difficult to identify and quantify in financial terms. A broader, more reflective consideration of training leads to the identification of a range of non-monetary benefits, many of which influence productivity as well as key aspects of people's lives. The argument that training is just an expense is countered by the argument that not to engage training is even more expensive. As the old saying goes, "if you think training is expensive, try ignorance".

Training is inextricably linked with life beyond the workplace. In evaluating and balancing the costs and benefits of training, the social and individual factors must also be considered. 

**Fritz Pinnock is Executive Director of the Caribbean Maritime Institute*

Can the law support the Caribbean shipping industry in its struggle with global realities?

VERY OFTEN, the effective response to any form of challenge is dependent on the legal framework and support which those in authority provide.

I want to examine that thesis – perhaps truism – in the context of the impact of global realities on the Caribbean shipping industry and to pose a few questions, some of which others must answer.

For purposes of the examination, I will use three global realities: the current global recession; the threats of piracy and terrorism; and the impact of global warming on the Caribbean Sea.

Caribbean territories are not immune to the effect of

Caribbean territories are not immune from the threats of piracy and terrorism.

the global economic crisis. Indeed, this column has previously alluded to that crisis while exploring the theme 'Shipping and Ports Is Not Recession Proof!' So too, Caribbean territories are not immune from the threats of piracy and terrorism.

In my presentation to the Caribbean Shipping Association's Sixth Annual Carib-

bean Shipping Executives Conference in May 2007 in Mayagüez, Puerto Rico, and previously in my first column in this series in *Caribbean Maritime*, I placed the threat of piracy within the Caribbean context and within the overarching concern with terrorism.

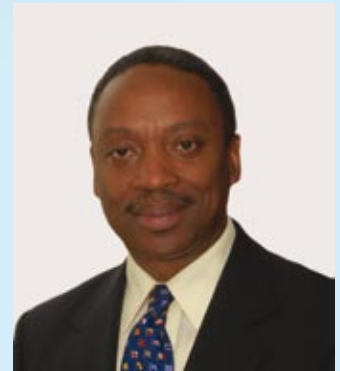
Then, too, the international concern and reality of climate change will have a detrimental effect on the Caribbean Sea, which sustains essential fishing industries and even more essential tourism industries. The common thread is that the Caribbean shipping industry must be mindful of, and responsive to, the global environment.

Against that background,

what can be done to provide the Caribbean shipping industry with the legal framework and support to successfully grapple with these global realities?

The global recession

At national level, many countries have sought to stimulate their economies



**By Milton J. Samuda,
Attorney-at-Law***

by increasing government and private sector expenditure on infrastructure. Could port construction, expansion and/or modernisation be included in Caribbean governments' initiatives for stimulating their economies through spend and employment creation, even as they position their economies for the post-recession era?

While we must leave the economists to answer that question, if we assume that the answer is 'yes', it follows that Caribbean governments should seek to improve their ports and construct new ones. That investment thrust could be underpinned with legislative support. Existing laws, if not adequate, could be amended so that property, security, loan and tax policy measures, employment incentives and, where

possible, government guarantees are targeted to support the thrust. Of course, such measures would have to be mindful of World Trade Organisation strictures.

Piracy and terrorism

In my presentation in Mayagüez, I pointed out that the 1982 United Nations Convention on the Law of the Sea contains a comprehensive definition of piracy, but that there is no internationally accepted legal definition of terrorism. I further pointed out the disconnect between the two for purposes of international law. Caribbean territories should heed that disconnect and provide their law enforcement agencies with a clear and harmonised definition of piracy and of terrorism and equally clear and harmonised penalties. Further, the requisite pre-emptive tools for investigation should be provided. Why is this so important?

The interwoven nature of businesses in our region – such as, for instance, the cruise industry with the airline industry, with the hotel industry, with the creative industries, with the agricultural industry and the total impact on employment – means that a threat to the viability of one area invariably constitutes a threat to the viability of the others. Contemplate the impact on our inter-dependent industries were there to be an enlivened threat to merchant or cruise shipping in our waters.

Climate change and the Caribbean Sea

Increased sea temperature affects fishing and marine life. It leads to rising sea levels which increase the likelihood of flooding and erosion. Beaches are threatened. The frequency and intensity of hurricanes are increased, affecting everything from agriculture to tourism. Increasing sea

temperature destabilises weather patterns, increasing rainfall with resultant infrastructure damage. What can the law do?

The 1992 United Nations Framework Convention on Climate Change provides the first binding international

Community (Caricom), signed at Chaguaramas on July 4, 1973 and the protocols thereto, provide a flexible legal and policy framework within which Caricom can make a co-ordinated response, not just to the realities of the global recession

Caribbean territories should provide their law enforcement agencies with a clear and harmonised definition of piracy and of terrorism and equally clear and harmonised penalties.

legislation dealing with climate change. Caribbean territories have ratified the convention. They must therefore do what they can within their borders and region to set and enforce standards to restrict greenhouse gas emissions towards the desired stabilisation.

One last word: The treaty establishing the Caribbean

sion and the twin threats of piracy and terrorism, but also to the creeping threat of climate change. ☐

**Milton J. Samuda is managing partner of the Jamaican-based law firm Samuda & Johnson*

Don't miss the boat...

The next issue of **CARIBBEAN MARITIME** in May 2009, will focus on **PORTS AND TERMINALS**. Articles will look at the wharf companies; terminals and support services in Caribbean shipping as well as the work of the Caribbean Shipping Association in assisting development.

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