## news IN BRIEF

### Colombo to bring in scanning equipment

**As part of the US CSI programme, Colombo port is to invest $20-$30m in acquiring a series of x-ray and gamma scanning machines, with five to be purchased initially. More than half of the country's exports are sent to the US and every box sent there now needs to be scanned. The port is seeking a private operator to undertake this task.**

### GPA moves forward

**The Georgia Ports Authority are spending $819,000 on security enhancements including terminal lighting upgrades, installation of pole-mounted lights and the supporting infrastructure of a planned intrusion detection system for both Savannah and Brunswick. The two contracts will be funded through $1.5m in Port Security Grants awarded by the US Department of Homeland Security.**

### Another TRANSEC trainer

**Ian Waugh – author of The Nautical Institute's 'Mariner's Guide to Marine Communications' – has received UK TRANSEC approvals to run Port Facility Security Officer training courses. Waugh has been delivering GMDSS training to the maritime community – including Harwich Haven Authority, King's Lynn Conservancy Board, and Milford Haven Port Authority – since 1997.**

SAFETY & SECURITY

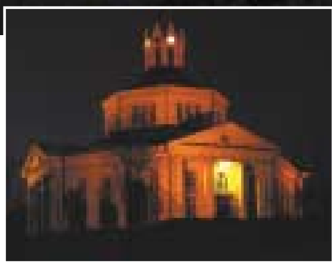
# What you see is what you get

Prismalence of Sweden has addressed the tricky problem of contrasting light and shadows cast by standard port lighting systems. A new broad-spectrum CDM light source and a unique optical system, distributes the near parallel light beams from the reflector evenly across a precisely defined rectangular area by means of an asymmetrical lens.

In conventional systems, typically, the lighting looks bright, but it is still difficult to see clearly and there are large areas that the light doesn't reach. Steve Cameron, whose Cameron Maritime Resources markets Prismalence to the maritime industry, says: "If it's raining and a driver is tired and straining to see through a greasy windscreen, it's easy to miss what are, in daylight, highly visible objects."

Prismalence provides a daylight white light that dramatically improves clarity, security and CCTV screen images, while requiring less than half the power. It also produces between 50-100% energy costs savings, as well as providing a light unit with a considerably extended life span.

**After . . .**



**. . . and before**

Prismalence units are already in operation at the ports of Rotterdam and Amsterdam. Trials being planned include anti-terrorist lighting systems for gas carrier operators, customs entry and exit inspection points, high security sites, car and rail terminals and vessel docking spotlights.

# AAPA concerned over funding shortfall

The American Association of Port Authorities (AAPA) is worried that next year's federal budget provides no funds to meet port facility security requirements despite being authorised in the Maritime Transportation Security Act (MTSA). AAPA president, Kurt Nagle, said: "Port authorities and facility operators are expected to comply with the new security regulations at a cost of billions of dollars. Federal help is simply imperative in order to make that expectation reality."

An FBI official testifying before Congress has stated that ports are a key vulnerability that has attracted interest from terrorists. He added that a significant challenge is the limited amount of funding and resources available to the state and local port agencies. At the same hearing, a USCG official said a major port closure for one month due to a maritime terrorist act could cost up to $60 billion in economic loss to the United States. According to Coast Guard estimates, port facilities will need to spend $5.4 billion on enhanced security measures over the next ten years to comply with new federal regulations mandated by the MTSA, with $1.125 billion of that projected for the first year alone. Since September 11, 2001, Congress has appropriated $493.2 million for the port security grant programme.

AAPA urges an annual federal funding level of $400m for the port security grant programme to make the enhancements required under the new regulations. While disappointed in the lack of funding for port facilities, AAPA says it's pleased that the Department of Homeland Security (DHS) received a 10% increase over the 2004 budget with several Coast Guard and Customs and Border Patrol maritime security programmes benefiting from the boost in funds. For example, both the Container Security Initiative (CSI) and the Customs Trade Partnership Against Terrorism (C-TPAT) programme received increased funding.

## news IN BRIEF

### India to invest $25 billion

**Indian prime minister Atal Bihari Vajpayee revealed that $25 billion is to be invested in domestic ports as part of a series of upgrading and construction projects, with investment sought from European companies. "We are about to launch a major initiative to build and upgrade a necklace of modern ports, supporting international and coastal shipping," he said, adding that India has 12 major state-run ports and a further 148 minor ports run by provincial authorities.**

### Karnataka to upgrade minor ports

**The Indian state of Karnataka is to upgrade at least three of its nine minor ports splayed out along 300km of coast to handle increases in traffic, therefore providing relief for the state's only international port at Mangalore. Private sector investment is being sought.**

### $4 billion for Colombo

**A report on a planned $4 billion development of Colombo port is due to be published. The project, which is being promoted by the Sri Lanka Export Development Board, will add a further 13 berths to the current 12, with the majority of the new ones given over to container handling. This will boost throughput from 3m to 8mTEUs. The development, which is south of the existing port, will be taken forward with private sector investment.**

DEVELOPMENT & INVESTMENT

# Cote D'Ivoire Vridi Terminal concession, done or undone?

The recent announcement that the Vridi Container Terminal concession at Abidjan, Cote D'Ivoire had been awarded to the French Group Bollore, caused a considerable reaction in port privatisation circles and the West African maritime community.

The reaction wasn't because it was the Bollore group that had secured the contract but that it had happened apparently behind closed doors without other parties being invited to tender - an attitude that prompted the local Chamber of Commence to write in protest to the World Bank. It seems that the agreement was reached between Bollore and the port authority but local observers believe it is likely to have needed presidential support as well.

With the repercussions still reverberating in the Cote D'Ivoire press, the events took another turn during the first week of March when apparently, a letter was sent to Bollore by the ministry of economic infrastructure, normally responsible for concessioning and privatisation agreements. The letter apparently states that the contract with Bollore is not binding and as far as the ministry is concerned, has not been sanctioned either them anyone else in government. What happens next remains to be seen.

One thing that is clear is in a country that is separated by an unresolved civil war and supported by the French Government, it's certainly a bold stand that has been made in the name of transparency and best commercial practice.

# Ship canal gets new tri-modal port

A new £150m intermodal container terminal is to be built on Peel Holdings' Manchester Ship Canal with a projected annual throughput over the berth of 83,000 TEUs, accommodating 250 ship calls a year. The berths will be equipped with up to six ship-to-shore gantry cranes. A further 416,000TEUs will be catered for by rail with capacity for handling 30 train arrivals daily, giving a total capacity of 500,000TEUs.

Port Salford's planning application has been submitted with environmental, traffic and other appraisals also being presented for the tri-modal port and warehousing complex to be served by sea, rail and road.

Two berths just downstream from Barton Locks on the north bank of the Canal, three miles west of Salford in Manchester, will provide direct access to the sea. A new rail line connecting Port Salford to the Liverpool/Manchester line, and thereby to the UK's West Coast Mainline, will provide six sidings into the terminal, which covers 17ha, with 83,000 sq metres of storage capacity.

**Feeder on trial voyage up the Canal**

It is hoped that Freightliner, P&O's Roadways and the Canal company will operate the terminal in a three-way joint venture. The planning process is expected to take 12-18 months. As a brownfield, inland site, it is not anticipated that this will be as contentious as Dibden Bay and other coastal port plans. The berths will be built at the outset and the construction phase is expected to take a further 12-18 months after planning approval is given.

By **Steve Cameron**

# NIGERIA TAKES THE PLUNGE

**It's been quite a year for Nigeria and its ports in particular. The successful elections last year marked the first civilian transfer of power in the country's history and growing international support was underlined by the Commonwealth heads of Government meeting and a state visit by Her Majesty the Queen. The privatisation process gathered momentum with progress in the hotel, insurance and fertiliser industries and in particular the telecoms sector.**

Now it's the turn of Nigeria's ports where privatisation has been discussed for more than a decade. Once the elections were successfully completed, the top tier executives were dismissed and rumours of misappropriation of funds were rife as the ports' bank accounts were frozen and a financial audit undertaken. Since then progress has been swift with the installation of Adebayo Sarumi as md and as President Obasanjo continues at every opportunity, to urge his ministers to make progress on privatisation.

### WHY NIGERIA MATTERS

This process in Nigeria is one of the most important in Africa. Nigeria enjoys a GDP that is similar to South Africa but with a population of 135 million people it's almost 3.5 times as big. This coupled with the huge oil and now gas investment in the region creates the potential to make Nigeria the power house of Africa bringing a big improvement to the economy and a huge increase to the movement of goods which will in turn stimulate healthy increases in port traffic.

The invitation to tender for Nigerian concessions, handled by the Bureau of Public Enterprise, was issued at the end of last year and has been extended twice with a cut-off date at the time of writing, of 20 February. All of Nigeria's ports are listed in the tender, inviting concessionaires to bid for container, cars & roro, and general cargo handling at the ports of Apapa, Tin Can Island, Lagos Container Terminal, Lagos Ro-Ro Terminal, Port Harcourt, Onne (Federal Lighter Terminal & Federal Ocean Terminal), Warri, Sapele , Koko and Calabar.

This is not the first time that concessioning has been promoted in Nigeria. 20 years ago, a concession was granted to GAC to run the ro-ro terminal on Tin Can Island, Lagos and your correspondent, as operations manager O.T. Africa Line, offered GAC's consistently high performance as a benchmark and target for European operators to match.

More recently a successful joint venture operation between APMT and Intels at Onne has expanded to three sites including the New West Africa Container Terminal. What is confusing is that the same operation is included on the tender list when the two companies are reportedly saying they have another 18 years of their concession still to run.

The tender document clearly states: "These ports constitute the hub of international trade in the West African sub-region and some landlocked countries of Sub-Saharan Africa. Prospective concessionaires, who must be local/international port operators, will be responsible for terminal operations including investment in the provision and maintenance of the superstructure and equipment".

110 expressions of interest have been received and some clarity is emerging in terms of who the interested bidders are expected to be and whom they are paring with as local partners. Local partnership is vital in Nigeria and its constitution can be pivotal in achieving success. It should include a shareholding by suitable Nigerian companies or individuals who can guide bidders through the tender process and continue to do so once the contract is secured to protect and support the investment.

### SO WHO'S RUNNING?

It was initially rumoured that P&O Ports were linked with local agents Hull Blyth but interest in Nigeria by P&O has recently been denied. The South African ports have also shown an initial interest as has the international operator ICTSI. Local observers also believe that APMT and Bollore, who compete ferociously against each other for their respective shares of the liner traffic through their organisations of Maersk-Sealand and Delmas, may actually bid together as Maersk are believed to be well connected and their local partners may include Shonekan, a former Nigerian president. If successful, this would once again in West Africa raise the issue flagged before in PS concerning potential conflict of interest when carriers operate terminals.

HPH is believed to be in discussion with local 'experts' and MDHC consultancy Portia has teamed up with a local liner agency. Specialist African infrastructure consultancy TCI Infrastructure lead by Oliver Andrews, has been approached by an international terminal operator to assist them and it is expected that the liner operator Grimaldi will be bidding for the ro-ro concession.

What is less clear is where this leaves the local maritime agency community that over many years has had to provide terminal handling facilities to their clients to ensure ships and containers were turned round within commercially acceptable time scales. Will all these companies be able to bid for concessions or will it be necessary for them to form consortium groupings?

Then there's the labour force who until recently had a reputation for confrontation and have consistently opposed privatisation. It now seems that a more conciliatory approach is emerging. With the revenue that the concessioning will generate it should give the government the opportunity to provide training for the port workers. Investment to provide well trained multi-skilled workers and supervisors will be a strong motivator. It is also likely to reap dividends in terms of improved performance for the port and its new operators.



The International Association of Ports and Harbours (IAPH) held its Pan African Ports Conference in Douala, Cameroon last December. **Steve Cameron** was there.

# AFRICAN PORTS PROGRESS

**The third IAPH Pan African Ports Conference saw delegates from Casablanca to Port Said, from Dar Es Salaam to Durban. The West African ports were well represented too with delegates from Senegal Cote D'Ivoire Ghana, Togo, Benin, Nigeria, the Congo and Angola.**

Opening the conference, John Begheni Ndeh, Cameroon's minister of transport, stressed that Douala is an important gateway to West and Central Africa and in particular to the landlocked countries of Chad and the Central African Republic. Col. Edouard Etonde Ekoto, president of Port de Douala, outlined the objectives of the conference as the need to respond to the challenges and developments of globalisation. He reminded delegates that African countries needed successful ports for their economies to grow. He also highlighted that, attracted by work opportunities, African ports gather burgeoning populations, and that port managers need to remember that their responsibilities for the environment and safety, extend not just to their shareholders but to employees and the local community as well.

The conference, chaired by Peter Struijs, vice chairman and executive director of the port of Rotterdam, noted the new information age and the network created, have given a substantial boost to the inexorable process of globalisation. As production processes are increasingly shifted to low-cost regions, Africa – and African ports - with rich natural resources and competitive labour, should benefit.

It is clear to many of us who have worked here that African ports have made significant progress and gains in port performance during the last 10 years. This was ably demonstrated by the conference's presentations which covered, amongst other topics, technical developments that African ports are implementing, port community networks in Casablanca and Dakar, the focus on improved customs clearance for inland cargo corridors by Namibia and improved cargo tracking for intermodal movements from Dar Es Salaam and Mombasa through Tanzania and Kenya to Rwanda, Uganda and the Democratic Republic of Congo.

The Coego project for a new 500,000TEU capacity terminal 20km from Port Elizabeth was also discussed. It looks as if P&O Nedlloyd together with the specialist African port project incubator TCI Infrastructure, have secured preferred bidder status. The two companies are also part of the core consortium for the new Ille de Boule terminal development being promoted by the port of Abidjan where the Vridi container terminal concession is also under the review spotlight at present and attracting considerable attention given its importance as a regional transhipment hub. And in Cameroon it looks as of the container terminal concession in Douala is likely to go to a consortium including Bollore and APM Terminals.

Whilst all this progress should help African ports improve their performance and stimulate economies, the changes are causing concern in some sectors. The smaller shipping lines, generally the regional specialists, are concerned at the conflict of interest caused where container terminal operations and liner shipping companies fall under the same ownership as is the case with Bollore (the owners of Delmas and OTAL) and APM Terminals, part of the Maersk Group. Whilst some of these smaller operators also have their own stevedoring licences they are concerned they will be squeezed out by pressure from the larger container concessionaires. This is certainly an issue occupying the minds of the senior management of the pan-African specialist Messina Lines and md, Dr Cerruti, was in Douala during the conference to seek assurances from the government that they would be able to continue their own stevedoring operations.

What is very significant for the African ports is the huge investment by the oil industry taking place along the Atlantic coast from Morocco down to Angola. Equatorial Guinea, adjacent to Cameroon, has shown a massive growth rate of 65% recently and is now one of the fastest growing economies in the world. The Chad-Cameroon pipeline is one of the largest American investments ever made in a sub-Saharan country and in Nigeria, where oil and gas comprise more than 90% of the GDP, it is forecast that the current 33.7 billion barrels of recoverable oil will increase to 40 billion barrels by 2010. This coupled with Nigeria's expected LNG production of 28 billion /yr will make it the biggest supplier in the Atlantic Basin replacing Brent Crude as the benchmark.