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REVIEW OF MARITIME TRANSPORT 1998

Chapter V

. Port Development



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Chapter V

PORT DEVELOPMENT

This chapter covers recent developments in institutional changes in ports, container port traffic for developing countries, electronic data interchange messages for ports, and port tariffs and guidelines on privatization.

A. INSTITUTIONAL CHANGE

International terminal operators

122. The most significant feature of the past year has been the continuing move by Governments and port authorities to foster port improvements and development through partnerships with terminal operators. Port authorities are evolving from having an operating role to acting as a landlord with responsibility for coordinating port development and granting leases to companies to manage and operate facilities. In particular, these operators provide the management expertise and finance required to develop container-handling facilities in their port.

123. In the 1990s more and more companies have become involved in the international management of container-handling facilities. Privatization is slowly becoming the norm in the container industry, and has resulted in a rapidly growing competitive market. A recent study by Drewry Shipping Consultants estimated that the global TEU throughput for 1997 exceeded 170 million TEUs and forecast growth of 6 per cent per annum up to 2005. Investment on a huge scale is needed and much of this investment will be provided or managed by private terminal-operating companies. This growth, linked to good returns on investment, makes participation in the container terminal sector an attractive opportunity. As a result terminal operators and shipping lines have increasingly become involved.

124. The major terminal-operating companies handling more than 4 million TEUs in 1997 were PSA Corporation (see box 3), Hutchison Port Holdings (HPH), Europe Combined Terminals (ECT), P&O Ports and Stevedoring Services of America (SSA). PSA Corporation handled 15.5 million TEUs in 1997 through its facilities in Singapore, Dalian, Nantong,

Fuzhou, Taicang, Cigading, Aden, Genoa, Venice and Tuticorin. HPH handled 13.8 million TEUs through its facilities in Hong Kong, Shanghai, Yantian, Gaolan, Jiuzhou, Nanhai, Jiangmen, Shantou, Xiamen, Felixstowe, Thamesport, Harwich, Freeport, Cristóbal, Balboa and Yangon. ECT handled 4.6 million TEUs through its facilities in Rotterdam, Duisburg and Trieste. P&O Ports handled 4.5 million TEUs through its facilities in Sydney, Melbourne, Brisbane, Fremantle, Southampton, Tilbury, Larn, Genoa, Naples, Cagliari, Manila, Shekou, Bangkok, Laem Chabang, Vostochnyy, Qasim, Colombo, Nhava Sheva, Buenos Aires and Maputo. SSA handled 4.0 million TEUs through its facilities in Seattle, Portland, Tacoma, Oakland, San Francisco, Long Beach, Los Angeles, Mobile, Charleston, Savannah, Jacksonville, Manzanillo (Panama) and Manzanillo (Mexico). Another global player, which handled 1.75 million TEUs in 1997 was International Container Terminal Services Inc. (ICTSI), with facilities in Manila, Buenos Aires, Rosario, Veracruz, Karachi, Dammam and Ensenada. The international terminal operators are commercially oriented and normally will look for partners, often local companies, to spread the risk and provide local expertise.

125. The major terminal-operating shipping lines are Sea-Land, Maersk Line, Evergreen, Cosco, OOCL and NOL/APL. Carrier participation is generally made to maximize their control over handling operations and terminal costs. Shipping lines are often involved in transshipment hubs. Sea-Land operates terminals in Hong Kong, Kaohsiung, Yokohama, Rotterdam, Algeciras, Long Beach, New York/New Jersey, Baltimore, Oakland, Tacoma, Rio Haina, Adelaide and Salalah. Maersk Line has terminals in Oakland, Long Beach,

BOX 3

PSA Corporation Ltd.

One of the most notable developments in the port industry in 1997 was the corporatization of the Port of Singapore, which became the PSA Corporation Ltd. This completed the transition of the organization from a statutory board to a corporation and is particularly interesting as normally port reform is carried out to improve performance or to attract new capital, neither of which were needed in Singapore as the port handled 314,164,000 freight tons with 7,11.0 employees in 1996 while earning an operating surplus of S\$ 896 million. In this case, the corporatization was carried out to allow PSA to pursue a new business direction and to open new areas of growth. The change will take PSA from operating a world-class port to becoming a world-class company, managing a worldwide network of ports. Already PSA is involved in projects for investment, management and consultancy services in approximately 30 different ports. While the majority of these projects are in the Far East, they also include Aden, Yemen and Genoa. The Corporation is 100 per cent State-owned by the Singapore Government.

In 1997, third-generation containerships were serviced at an average rate of 88 containers per hour. About 80 per cent of the port's traffic is transshipment. Productivity is a key concern for management. Two berths commenced operations at the new Pasir Panjang Terminal in October 1997 and another two berths will be operational by the end of 1998. PSA has taken delivery of the first eight in a new series of super post-Panamax gantry cranes. They have a lifting capacity of more than 40 tons and an outreach of 55 metres which allows them to work containerships that are capable of loading 18 containers across. When completed, the new terminal will have 26 berths and an annual capacity of over 18 million TEUs. PSA reported an operating income of US\$ 1.3 billion and a surplus before taxes of US\$ 644 million in 1997. Staffing was reduced by 3 per cent to 6,973 while container volume increased by 9.2 per cent.

PSA's International Business Division embarked on its first Middle East project in June 1997 when it signed an engineering, procurement and construction contract with Yeminvest to construct a new container terminal at Aden, followed by the signing in October of a 20-year terminal management contract to allow PSA to manage and operate the terminal after its completion in March 1999. In China, PSA signed a contract with the Fuzhou Port Authority in April to form joint venture companies to manage and operate the existing terminals at Qingzhou and Taffiang, and to develop and manage a new deep-water terminal outside Minfflang. A contract was also signed with the Nantong Port Authority to develop, manage and operate two container berths and a bonded warehouse.

Table 41

Container port traffic of developing countries and territories in 1996 and 1995

Country or territory	Container traffic 1996 ^a (TEU'S)	Container traffic 1995 (TEU'S)	Percentage change 1996/1995	Percentage change 1995/1994
Hong Kong, China	13 460 373	12 549 746	7.3	13.6
Singapore	12 943 900	11 845 600	9.3	13.9
Taiwan Province of China	8 078 251	7 848 695	2.9	7.4
Republic of Korea	4 725 206	4 502 596	4.9	17.7
China	4 466 455	4 678 875	-4.5	15.1
United Arab Emirates	3 807 769	3 511 909	8.4	9.7
Malaysia	2 505 801	2 075 470	20.7	18.9
Philippines	2 260 197	1 691 639	33.6	-15.7
Thailand	2 052 296	1 961 917	4.6	10.8
Indonesia	1 764 392	2 048 130	-13.9	7.1
South Africa	1 486 150	1 359 941	9.3	24.3
India	1 460 871	1 360 908	7.3	8.3
Brazil	1 365 930	1 414 307	-3.4	22.8
Sri Lanka	1 356 301	1 028 746	31.8	5.8
Saudi Arabia	1 148 093	1 090 142	5.3	-7.9
Egypt	808 608	1 062 945	-23.9	-4.8
Mexico	679 569	556 743	22.1	15.2
Chile	651 671	539 550	20.8	7.8
Malta	632 048	553 896	14.1	29.3
Panama	617 182	483 685	27.6	37.0
Cyprus	564 000	373 996	50.8	0.5
Pakistan	555 347	550 650	0.9	7.3
Jamaica	483 526	395 207	22.3	16.6
Argentina	345 540	253 885	36.1	-52.3
Peru	335 795	296 147	13.4	31.6
Ecuador	323 377	180 000	79.7	1.7
Cote d'Ivoire	309 713	261 324	18.5	5.6
Costa Rica	275 668	253 136	8.9	-30.0
Honduras	260 000	240 000	8.3	10.0
Bangladesh	250 000	230 000	8.7	10.0
Venezuela	244 729	214 752	14.0	33.3
Kuwait	225 000	223 896	0.5	1.4
Kenya	220 000	201 350	9.3	25.6
Morocco	194 806	194 256	0.3	37.5
Nigeria	180 190	201 305	-10.5	35.9
Trinidad and Tobago	175 699	171 554	2.4	10.7
Uruguay	160 000	137 644	16.2	30.1
Guam	155 311	157 037	-1.1	-1.0
Jordan	139 317	108 819	28.0	-2.2
Syrian Arab Republic	135 000	135 000	0.0	1.5
Dominican Republic	135 000	125 000	8.0	8.0
Martinique	134 110	121 064	10.8	9.9
Lebanon	130 000	128 882	0.9	-44.0
Colombia	124 000	114 000	8.8	9.0
Papua New Guinea	118 291	114 920	2.9	-3.8
Ghana	112 000	100 102	11.9	13.1
Tunisia	108 710	94 644	14.9	3.7
Cameroun	108 160	95 680	13.0	-43
Mauritius	105 651	92 882	13.7	-0.9
Bahrain	103 339	99 445	3.9	-3.6
Iran, Islamic Republic of	103 080	173 769	-40.7	56.7

Table 41 (continued)

Country or territory	Container traffic 1996 ^a (TEU'S)	Container traffic 1995 (TEU'S)	Percentage change 1996/1995	Percentage change 1995/1994
Oman	100 853	95 603	5.5	8.8
Total	73 187 275	68 301 389	7.2	8.9
Other reported D	889 682	821 635	8.3	-
Total reported	74 076 957	69 123 024	7.2	10.3
World total	147 348 255	137 238 569	7.4	5.2

Source: Derived from information contained in *Containerisation International Yearbook, 1998*.

- a Data in italics are estimates made by the UNCTAD secretariat.
b Comprising developing countries and territories where less than 100,000 TEU per year were reported or where a substantial lack of data was noted.
c Certain ports did not respond to the background survey. While they were not amongst the largest ports, total

Table 42

Traffic for selected ports in 1997 and 1996

Hong Kong	14 567 000	13460340	8.2	7.4
Singapore	14 120000	12940000	9.1	9.4
Kaohsiung	5693340	5063050	12.5	0.2
Busan	5285700	4725210	11.9	4.9
Dubai	2600000	2247020	15.7	8.6
Shanghai	2530000	1 930000	31.1	26,4
Bangkok	2224500	2052300	8.4	40.2
Manila	2008870	1 913210	5.0	13.2
Keelungng	1 981 175	2 108580	-6.0	-2.6
Tanjung Priok	1 900000	1595500	19.1	5.0
Klang	1 821000	1409500	29.3	24.3
Colombo	1628000	1356300	20.0	29.1

Source: Compiled by the UNCTAD secretariat on the basis of data supplied by *Port Development International January/February 1998*, and *Containerisation International Yearbook 1998*.