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EDITORIAL

Partnership between the public and private sectors in port operation and development is growing and is to be encouraged to make ports more responsive to the market, notably when export-led development strategies are pursued. This was the shared perception of the Intergovernmental Group of Experts on Ports which met at UNCTAD in Geneva from the 18-22 March 1996. More than 140 representatives from both the public and private sectors from the port industry coming from 58 countries, international organizations and non-governmental bodies attended the meeting. The meeting was chaired by John Hayes, Acting Chief Executive Officer of Sydney Ports Corporation (Australia).

"The take out message from this meeting is simple", Mr. Hayes said in closing, "ports and logistic chains of which they are arguably the most vital part, must be accorded prominence in the policy initiatives of our governments. Investments in infrastructure and equipment, in skilled labour forces and continued training, in managerial capability of the highest order, need to be present - each to some degree - if the nations served by ports are to grow and prosper. If financial means are limited then that is a situation in which it is most critical to have talented port management and a thoroughly committed, well skilled labour force." Noting that ports are at all stages of development and that all systems and styles of port management have their place, he stressed that they all have one thing in common: "traffic has to be facilitated, not hindered".

This Newsletter reproduces the conclusions of this meeting plus gives the Chairman's summary of the informal discussions held by the Group. The experts acknowledged UNCTAD's contribution in training and technical assistance and made recommendations for further activities in these fields plus further research. The Group expressed their desire to continue to meet in UNCTAD, considering that it was a valuable forum to discuss port development. In view of the rapid changes taking place in the ports industry, it recommended that a meeting take place every two years. We hope the positive results of this meeting will influence the discussions which will take place at UNCTAD IX in Midrand, South Africa from 27 April to 11 May.

A theme of UNCTAD IX will be trade and development in a liberalized and globalizing world economy. The globalization of production activities is made possible by efficient transportation and communication networks which in many cases have become subsystems of specific production systems. This globalization has resulted in a dramatic increase in the value and volume of manufactured goods shipped by sea. In turn this has generated a continuing growth in the size of vessels and has placed great demands on the port industry. Governments and port authorities have reacted to this by adapting not only their facilities and equipment but also their institutional frameworks to maintain their positions in this highly competitive environment.

Governments that have understood the opportunities of globalization for development have also pursued a policy of developing their ports as global or regional distribution centers. Outstanding examples of this are the ports of Singapore and Rotterdam but also other smaller ports have also been successful. Large investments are required for infrastructure but are complemented by increased employment opportunities and value-added activities in the port and its surroundings. UNCTAD has played a key role in advising port authorities of these developments.
CONCLUSIONS OF THE INTERGOVERNEMENTAL GROUP OF EXPERTS ON PORTS

Ports - an emerging partnership for development

Introduction

The trends in the globalization of production noted in the conclusions of the first session of the Intergovernmental Group of Experts on Ports in 1993 are continuing, with resulting dramatic demands made on transport services. In this highly competitive environment, the existence of an efficient port network, including transport and communications systems, is essential. Transport operators demand reliable and low-cost port services. Seaports are interfaces between the various transport modes and are typically combined transport centres. In addition, they are also multifunctional trade and industrial areas where goods are not only in transit but also handled, manufactured and distributed. In fact, ports are multidimensional systems which, to function adequately, must be integrated into global logistic chains. An efficient port requires not only adequate infrastructure, superstructure and equipment but also good communications and especially a dedicated and skilled management team with a motivated and trained work force.

Over the last decades, there has been an evolutionary process through which a port organization passes from a wholly government-controlled body that is an instrument of economic policy to more efficient organization schemes, including the landlord organization scheme, coordinating private and public sector bodies, and sometimes the totally privatized organization. In all cases there is a need for government to provide a regulatory framework to address issues of national and international relevance such as safety and the environment and to act as coordinator for port development, including hinterland connections. There is an increasing trend towards separating regulatory and commercial activities, with the government and public sectors retaining responsibility for the former and the latter being exposed progressively to free market forces. Rules of fair competition assume importance in cases where government is relinquishing involvement in the commercial aspects of port activity by assigning more responsibility to the private sector.

A pragmatic approach to port modernization, amongst others, is for governments to encourage the private sector to participate in development and expansion projects. Investment of private capital through joint venture arrangements such as BOT (Build, Operate, Transfer) and BOO (Build, Own, Operate) represents a method of satisfying requirements for cargo-handling capacity and auxiliary services and can also provide an avenue for modernizing management skills. Such arrangements will assist in assuring the commercial viability of the project. However, experience so far has proved that it is unlikely that the private sector would be willing to invest in common infrastructure such as breakwaters and approach channels. Thus a partnership between the government, public and private sectors for development is an emerging and necessary trend.

The Group observes that while developed countries have succeeded in certain cases in implementing privatization because they have the necessary framework, developing countries should be encouraged to do so with caution since they may hardly have the logistical, legal and financial framework.

A. General recommendations

(i) Institutional reforms

In the interest of efficiency, there is a need for governments to review the institutional structure of their ports to see if the present structure is adequate for this new environment, notably when export-led development strategies are pursued. If restructuring or change is required to make the port more responsive to the market, there will be a need to revise or create a comprehensive legal framework which may influence ports to allow more efficient development and operation, oriented to free market forces.

(ii) Trade promotion

Port authorities need to be pro-active, which implies a degree of autonomy, in order to play an important role in fostering trade, and thus modern management techniques should be used and commercial disciplines adopted.
This will improve efficiency in the transport chain, which can result in the capture of new markets for export goods.

(iii) Strategic port pricing

There is a tendency for government to intervene in port pricing, which sometimes adversely affects the availability of funds to the ports for their developmental programmes. While recognizing the necessity for government to hold a major stake in pricing decisions where developing ports may have to operate sub-commercially in the national interest, the Group considers that controls should be relaxed when a port has achieved financial self-sufficiency and can demonstrate that flexible (strategic) pricing will foster additional trade. Ports in competition need similar flexibility. The Group recommends that the principles of strategic port pricing should be taken into account when formulating port pricing policies.

(iv) Port cooperation

It is evident that cooperation among ports within particular regions and between ports with interests or trade in common is increasing. In some cases, ports have been drawn together as a consequence of bilateral agreements between nations. In other cases, ad hoc arrangements - such as sister port relations - are providing a valuable vehicle for technical exchange. The Group considers that cooperation is most essential in the area of compliance with international regulations and recommends that governments acknowledge the important development role of cooperation, including forums such as Legiport.

(v) Training and technical assistance

Special attention should be given by the international community to the rehabilitation of ports in war-torn countries once hostilities have ceased and also to those affected by natural disasters. Experiences in such countries have shown that ports can have an essential role in providing employment and generating revenue to assist the country in its economic rehabilitation.

A port will not function efficiently without a suitably trained and motivated workforce. The Group considers that training represents a most important investment and recommends that governments promote the implementation, within both the public and private sectors, and where possible in collaboration between the two, of programmes which offer suitable training in return for commitments by labour to act as partners with management in keeping ports available for service.

The Group believes that the work carried out by UNCTAD in the field of ports, namely research, training and technical cooperation, has benefited senior and middle managers of many ports and that this work should be maintained, and it recommends that governments consider this when making decisions concerning UNCTAD's work programme.

B. Specific recommendations

With the rapid changes taking place in the port industry, and the importance of efficient ports for fostering trade and development, the UNCTAD secretariat should maintain its programme of work, which contributes to the development and modernization of ports, by updating the most important background studies, issuing new monographs on current topics and continuing the dissemination of information by means of the Ports Newsletter and other media to the informal network of port focal points. This programme should be carried out in cooperation with the regional commissions and international agencies (IMO and ILO).

The meeting of the Intergovernmental Group of Experts on Ports is a valuable forum for the international port community to discuss port developments and to provide guidance to the secretariat on its work, and it is therefore recommended that this body meets every two years.

In view of the importance of UNCTAD's background reports used in the Intergovernmental Group meetings and
Monographs on Port Management to all ports in developing countries and countries in transition, these documents should be translated into as many of the official United Nations languages as possible and be made available to experts before the meeting takes place.

The Group considers that priority should be given to the following new topics for study:

- Quality management in port operations;
- Development of value-added services in ports as a means of trade promotion;
- Economic impacts on ports of potential developments in marine environment regimes;
- Comparative analysis of legal regimes for ports.

Subject to the availability of resources, priority should be given to developing training packages in the field of strategic planning, strategic pricing and quality management. In particular, the Group noted the valuable contribution the UNCTAD Trainmar programme had made to countries in transition and developing countries, and encouraged donors to contribute to this programme.

CHAIRMAN’S SUMMARY OF INFORMAL DISCUSSIONS

On the subject of strategic port pricing, the Group benefited from the presentation made by Mr. Caude from Le Havre Port Authority (France). The Port Authority assessed pricing for each of the links of the logistics chain, which allowed discussions with shippers and shipowners about the total cost of transit of specific cargoes. Examples for crude oil and containers were given to illustrate the approach, which showed that differences between ports were not important when total transit costs were considered. The volume of cargo to be handled was an important variable when calculating unit costs. Further, tariffs were made up of two parts: a public one, applicable to all users, which could not be negotiated; and a commercial component, for which discretion was given to the Board to adjust it to market conditions.

The Group also profited from the presentation made by Mr. N’Zi N’Guessan from Abidjan Port Authority (Côte d’Ivoire). Pricing was made to comply with the Port Authority’s financial objective of self-sufficiency, and analytical cost accounting was used to control and reduce costs. Pricing levels were also set on the basis of the long-term development plan of the port. The views of users were taken into account by seeking an adequate ratio of quality and price in the provision of services. Finally, the objective of national development was taken into account in fixing certain prices, notably for staple cargoes. Constraints on pricing arose from the need to continue to attract transit cargoes for land-locked countries.

Many port authorities considered that an important element in tariff setting was the need to repay the loans taken to fund port expansion, as well as to contribute to the municipality (e.g. Rotterdam contributed 8 per cent of its anticipated revenue and Antwerp 15 per cent) or to state or national governments. Further, it was generally agreed that tariffs must provide sufficient funds to cover costs without hindering trade.

While there was agreement that the quality of services offered was more important than price, ports often competed on price. The nature and amount of the premium for quality was a matter to be regarded on a case-by-case basis. Many authorities in developing countries and countries in transition charged national users in local currency and international users in hard currency, sometimes with the option to pay in local currency at the rate of exchange applying when the service was performed. Again, port authorities agreed that pricing advantages should not be achieved by disregarding environment protection. There was agreement that competition was the best way to control prices.

The socio-economic development of the country had a bearing on the way tariffs were established and fixed. Port authorities which had a large portion of government-related traffic, maintained port facilities in remote locations, made a financial contribution to the functioning of other ports (for instance to cover expensive dredging) or were located in countries with unstable economies, tended to experience strict control over tariffs by government. The
reasons for the involvement of governments in pricing issues, which included port authority tariffs and cargo handling charges, included fears of the impact of charges on the cost of living or a desire to subsidize an undeveloped region or to balance income and expenditure at the national level. Conversely, ports located in countries with mature and stable economies relied more on decisions made by commercial parties, notably for cargo handling charges. However, even in this case special bodies existed in some countries to hear grievances.

Finally, the legal framework for pricing was reviewed by the Group, and it was found that the view that port authorities' tariffs were taxes was losing its universality. A recent European Union ruling stated that port authorities were enterprises which sought compensation for the services they performed and therefore were free to set tariffs in the way best adapted to trade. It was also agreed that port authorities should not look for unfair advantages through their monopoly powers.

On the issue of deregulation, commercialization and privatization, the Group benefited from the presentation made by Mr. Naumof (Romania). He explained that, in Romania, achievements had been made in the ongoing process of reform. About 500 commercial bodies were now in charge of cargo handling, dredging, repairs, mooring, towage and maintenance activities. All these bodies were selected through a tender procedure, and all of them were funded by private capital. In some cases, a management/employee buy-out (MEBO) had been resorted to. Four autonomous state enterprises (Constanza, Maritime Danube, River Danube and Navigable Canals) were in charge of managing the public port domain, comprising breakwaters, port basins, approach channels, quays, port roads, and port utilities and telecommunications networks. Thus, ports were now managed under the regime of a landlord port authority. Shortcomings in the process were due to the lack of investors in value-added cargo-handling and industrial activities in the port area, insufficient capital in Romanian companies, the unstable situation in Yugoslavia and also the slow change in the previous centralized decision-making mentality.

The Group also benefited from a presentation by Mr. Hayes (Australia). He explained that dissatisfaction with high charges had started a process that had led in a period of 15 years to the closing of the Maritime Service Board of New South Wales. The labour cuts during the process had been substantial, and three new port corporations established to manage the ports of New South Wales were aiming to be successful business entities in charge of maximizing the net worth of state assets and promoting trade, with due regard for community needs and the environment. In his view, a blind preference for privatization was not always justified. In practice, efficient port services were provided by fully public ports, such as Singapore, and fully private ones, such as Hong Kong. He concluded by saying that no port in the world could do without the regulatory function of the Government.

Many ports spoke of their experiences with port reform, and presentations were also given by the representatives of Venezuela (Mr. Sabatino) and Brazil (Mr. Pimentel). In many cases, there had been a decentralization of port ownership from the central government to state governments, often as a result of a general government policy to liberalize the economy. What was clear was the need to have a specific regulatory framework for the port administrative structure. Thus, it would be better to speak of re-regulation rather than deregulation. Several experts indicated that the issue of port reform was a process that required a pragmatic approach to suit the particular conditions present in the country and the individual ports. A common feature of the process was the transfer of duties from the operating type of port authority to the leaner landlord type, and for that a legislative framework was needed. In some cases, a port law was enacted first, as in Brazil; in other countries, a general law such as the devolution of powers from the federal level to states was used. In other cases, a phased legislative approach was used, as in Poland, where the port was first transformed into a company belonging fully to the national Government and after a few years a port bill was submitted to Parliament proposing a non-profit public company, or in Romania, where the limits of the current laws allowing the setting up of commercial bodies in ports had been reached and there was now a lack of legislation.

What was also clear was that the process of port reform took a considerable time. Further, for any reform, it was important to have clearly in view the goal of promoting trade, while at the same time having profitable and thus sustainable operations. The objective for port authorities was to have adequate capacity and efficient services. A complementary legislative effort was required in other areas affecting port operations, and the upgrading of Customs, labour, fiscal, trade and other legal instruments was a prerequisite for successful port reform. In France, one of the components of the reform had included a change in the law concerning the public domain. The changes
allowed leases of up to 90 years, mortgages on public port lands and indemnity in case of eviction.

It was agreed that a partnership of the public and private sector was needed to have a successful port reform, notably in connection with the financing of development schemes. New financing methods such as BOT were being used increasingly by ports. However, proof of technical know-how for both construction and operation of terminals, in addition to the financial commitment of the interested parties, was deemed necessary to avoid financial speculation.

The objective of port reform was increased efficiency of ports. One important issue was the regulation of port operators which, during the first stages of the process, were sometimes numerous and had insufficient resources. For this, a pragmatic approach was needed. In all cases, the need for efficiency placed the focus on a motivated and well trained work force. In general, the introduction of the private sector meant leaner bodies, and the problem of placing excess labour occurred. Redundancy payments and retraining were two means mentioned to solve this problem.

On the subject of financing port development, there was a considerable degree of agreement on the conditions required to attract private capital. Leases of 20 to 25 years which were also renewable were common in several ports, and longer periods were allowed for larger investments. The representative from Rotterdam explained that his port provided only land, land access and the quay wall, for which a fixed amount was charged. The amount was indexed, and the lessee had to return the land in the same condition. An environmental audit was made before and after the lessee took the premises, and he was liable for any pollution. In other countries, notably Egypt and Morocco, due to the large investment required and the long payback period, financing of port development was undertaken by the State.

State aid, like that proposed by the European Union for the development of transport networks, could affect the competitive position of ports by reducing inland transport costs. However, it was maintained that such aid was necessary for some ports which were not commercially viable due to their eccentric location and which were necessary for broader national reasons, as in Greece and Norway.

On the subject of cooperation, the Group benefited from a series of presentations made by representatives of several French ports. Mr. Fourgeaud from Nantes-St. Nazaire Port Authority made a presentation on the collaboration of his port with Djibouti Port Authority (PAID) within the framework of the Convention signed between the two Governments. This collaboration involved financial aid amounting to eight million French francs, and a supplementary protocol had been signed between the two port authorities. The implementation of a Company Plan was agreed as the main object of the collaboration. Some of the main actions undertaken were: reorganization of the accounting and financial functions; setting-up of a new tariff; a development plan for the workforce; updating of port regulations; improving port statistics and establishing commercial policies. A new simplified tariff, a union agreement and new regulations had all been implemented.

Mr. Weizmann from the Directorate of Ports of France presented the rationale for and the scope of cooperation in the Mediterranean Sea, as agreed by the European Union, to establish a zone of stability, development and free trade in the southern region of the Union. France acted as the focal point in transport and communications. Two projects that were being implemented were in the areas of maritime safety and the linkage of computerized networks.

The evolution of cooperation in the field of ports in the Mediterranean Sea was presented by Mrs. Romani from the Marseille Port Authority. She described the use of the ESCALE software to speed up the turnaround of ships in 14 Mediterranean ports, the plans for the rehabilitation of the port of Beirut and the development of a new port in Gaza strip, as well as the MARTRANS programme of the European Union which would simplify and standardize the transfer of computerized data for maritime transport in the Mediterranean. Cooperation in the field of hydrography was presented by Mrs. Fourcassies from the Bordeaux Port Authority. She stressed the importance of hydrography for port authorities to assure a safe passage to and from the port and the benefits that could be reaped from decreasing dredging costs. She outlined the cooperation carried out by her port in this field with several ports in Africa and the Caribbean.
The role of the International Association Cities and Ports was presented by Mr. Delsalles, representative of the Association, who noted the need of ports and cities to discuss important issues such as the reconversion into commercial or residential areas of the obsolete sections of ports, the increased concern for the environment and the important role played by ports in respect of regional planning and development.

The cooperation of four major deep-water ports and two railway companies in one Brazilian state to set up an export/import corridor in Central Brazil was presented by Mr. Pimentel (Brazil). The objective of this cooperation was to promote exports from the region.

Cooperation between European ports was presented by Mr. Suykens, Chairman of the European Sea Port Organization (ESPO). Extreme diversity in size, location, management, operations, etc. was the main feature of European ports, but in 1972 they had started to cooperate informally within the scope of the activities of the European Commission, and in 1993 they had created ESPO. The rapidly changing environment maintained the need for ports to cooperate, notably in issues related to regulations.

The cooperation carried out by the Port Management Association of West and Central Africa was presented by Mr. Daniels, representative of the Association. The Association provided useful forums for exchanging information on the experiences of those member ports introducing commercialization. In addition to the regular meetings, international seminars were also sponsored by the Association in the subregion.

The cooperation carried out by the Union of Port Administrations of North Africa was presented by Mr. Ait Jafour (Morocco). Members from the seven countries of the Union concentrated on the harmonization of laws, regulations and policies, the running of seminars and the preparation of feasibility studies for the procurement of computerized equipment.

The activities of the Association of Port Lawyers (Legiport) was presented by Mr. Rezenthel, Secretary-General of the Association, who invited interested professionals from port authorities, port-related bodies and organizations and academia to participate in the seminar to be organized in Casablanca (Morocco), in late 1996, to foster the main aim of the Association, namely to develop port law as a specialized branch of law.

The intervention of several experts showed that considerable cooperation was taking place between ports at the subregional level. Cooperation existed amongst ports in Southern Africa, in the Black Sea, in the Baltic Sea, in the Mediterranean Sea and, through the American Association of Port Authorities, in Latin America. Participants from Latin America stated their support for the work of Legiport and emphasized the need to introduce commercial concepts into the traditional administrative law that prevailed in many ports. Cooperation activities at a bilateral level were reported by a number of countries, e.g. Netherlands and India, and Belgium and China, and well established channels, such as the Ministry for Cooperation in France, were in place for this purpose in many countries. There were mixed opinions as to whether cooperation between competing ports was feasible, but the of exchange of information on matters concerning safety was essential. Cooperation amongst ports was also essential to dissuade the use of substandard ships.

Participants were appreciative of the new certificate course for the training of middle managers and the training survey for senior port managers presented by the UNCTAD secretariat. Comments related to the need to have a comprehensive approach to training that covered several management areas, the need to tailor training to the specific needs of individual ports, the importance of building some in-port capacity for training delivery, and the importance of attitude changes in respect of training in the work place. Many developing countries noted the positive results they had achieved in developing training capability by being associated with the Trainmar programme.

PORT LITERATURE

This section provides information on port literature coming from different sources. Requests for information on
articles or studies presented in this section should be addressed directly to their authors or publishers.

**Comparative experiences with privatization: policy insights and lessons learned (UNCTAD/DTCI/23)**

Privatization is an important instrument of economic policy in many countries, both developed and developing, as well as in the countries in transition. This publication provides information to policy makers on what works and what does not work and how privatization programmes can be designed to enhance economic efficiency, welfare and growth. It builds on the results of the UNCTAD Ad Hoc Working Group on Comparative Experiences with Privatization. Presentations were submitted to the Group from 50 countries. This practical book is organized in eight chapters. The first chapter examines the formulation of privatization objectives, the key participants in the privatization process, and the requirements for the successful planning and implementation of a privatization strategy. Chapter II discusses the macroeconomic and legal frameworks for creating a conducive environment for privatization. The third chapter covers both divestiture and non-divestiture options, as well as such aspects as valuation, underwriting and financing. Chapter IV deals with the issue of competition and regulation of public utilities, which includes a sectoral analysis of road infrastructure. Chapter V presents the issues of privatization of banks and pension funds. The next chapter examines the social impact of privatization on conditions of employment and job security, consumer welfare and on the provision of infrastructure and social services. Chapter VII looks at the impact of privatization on the environment and examines the environmental management of privatization. The final chapter reviews the impact of privatization on profitability, efficiency, employment, fiscal position, capital markets and foreign direct investment.

*United Nations Sales Section, Palais des Nations, 1211 Geneva 10, Switzerland. Fax: +41 22 917 0027.*

**Comprehensive Manual on Port Reception Facilities (IMO-597E)**

This publication of the International Maritime Organization (IMO) is prepared as a guide for the provision of reception facilities for ship-generated waste. The objective of the manual is to help port authorities and governments to implement the International Convention for the Prevention of Pollution from Ships (1973), as modified by the Protocol of 1978 (MARPOL). The manual deals with legal aspects, strategy in waste management, planning, equipment, financing, etc. and incorporates previously issued guidelines.

It is divided into 15 chapters related to the different steps followed in the implementation of port reception facilities and provides options and technical information to be used as a basis for future development of strategies and policies in waste management. It outlines the practical actions, such as collection, transport and disposal, and controls to ensure that these actions are carried out. A check-list gives an overview of the main aspects of developing a waste management strategy. Finally, there is an appendix of the steps needed to successfully plan and implement a port-based recycling programme.

*International Maritime Organization, 4 Albert Embankment, London SE1 7SR, Fax: +44 171 587 3210.*

**The Laws of Harbours and Pilotage**

This book deals with British law for harbours which are managed by harbour authorities under statutory powers. This fourth edition published in 1992 gathers in one volume the many and diverse items of case and statute law which have accumulated over hundreds of years. Important changes to harbour law have been effected by provisions of the Environmental Protection Act 1990 and the Aviation and Maritime Security Act 1990, the Ports Act 1991 and provisions of the Transport and Works Act 1992. This book is a valuable reference for port lawyers interested in British law and is organized in 19 chapters with 11 appendices.

*Lloyd's of London Press Ltd., Legal Publishing and Conferences Division, Sheepen Place, Colchester CO3 3LP, Fax +44 1206 772118.*
Port Information in Internet

In our last Newsletter we provided our readers with a list of port sites on the Internet. As new locations are added and locations change, we have included the following update to the earlier list of sites.

Associated British Ports: http://www.eurotruck.co.uk/route/ports/abphome.html
Brest: http://194.51.211.11/welcome.htm
Halifax: http://fox.nstn.ca:80/~mrkting/
Hong Kong: http://www.info.gov.hk/mardep
Houston: http://www.vannevar.com/port_of_houston
Latvia: http://www.itl.rtu.lv/transp/port.html
Montreal: http://port-montreal.com/
Oakland: http://www.portoakland.com/
Ravenna: http://www.romagna.com/sapir/
Seattle: http://www.eskimo.com/~bwest/portsea.html
Setubal: http://www.telepac.pt/porto-setubal/port-ing.htm
Singapore: http://www.singaport.gov.sg/
Swedish ports: http://www.shsf.se/index.html
Toronto: http://www.io.org/~torport/menu.htm
Venice: http://www.portve.interbusiness.it/portve/portve.html
Yokohama: http://www.city.yokohama.jp/port/

As well, UNCTAD is also creating information on Internet and readers can access information at http://gatekeeper.unicc.org/unctad.

Shipping Statistics and Market Review: Focus World Ports

The Institute of Shipping Economics and Logistics (ISL) in Bremen publishes a Shipping Statistics and Market Review 10 to 12 times per year. The publication provides statistical information on the shipping market, shipbuilding and ports and sea canals. The October 1995 issue focused on the developments in the major world seaports. Once again world trade is in a period of more rapid growth with the projected rate of growth in 1995 being 8.0 per cent versus 3.8 per cent in 1993. The annual growth rates of developing countries exceed the growth patterns of the industrialized countries. Asian countries have especially increased their importance in international trade and the larger container vessels will be primarily engaged in trades between the Far East and Europe. Fewer ports will be served and feeder traffic and/or combined land traffic will be used to a larger extent. The report concludes that container traffic will be even more concentrated in the world hub ports.

Institute of Shipping Economics and Logistics, Universitätsalle GW1 Block A, Bremen 28359, Fax +49 421 220 9655.

Terminal Security

This manual is one of a series published by the TT Club (specialist insurer of transport operators' equipment and liabilities) as part of its ongoing loss prevention initiative. These guidelines have been prepared by security consultants and are based on many years' experience in handling loss-related claims. The quality of security can have a critical impact on the quality of the terminal's service, on the perception the terminal's customers have of its operation and, ultimately, on the terminal's balance sheet. Preventative security measures are invariably more cost-effective and less disruptive than reactive ones. The manual is 44 pages and has chapters on establishing the parameters of a security strategy; planning a topographical audit; physical security; personnel and procedures;
container freight stations and rail links; and information technology. This extremely useful guide also provides a security check list.

Through Transport Mutual Services, Holland House, 1-4 Bury Street, London EC3A 5AE, Fax +44 171 283 5763.

Waterline - a newsletter on maritime issues

This publication is prepared by the Bureau of Transport and Communications Economics in Canberra, Australia. It provides regular articles on stevedoring and port authority performance. The report provides quantitative data on the five major Australia ports, Adelaide, Brisbane, Fremantle, Melbourne and Sydney. The indicators on stevedoring performance provide figures on crane rate, net rate, elapsed rate, crane intensity and the proportion of time the ship is not worked while the indicators for port authorities are on financial performance. The March 1996 issue provided information on Australian coal ports and performance comparisons with Asian container ports.

Information Services, Bureau of Transport and Communications Economics, GPO Box 501, Canberra, ACT 2601, Fax +61 6 274 6816.

TECHNICAL NOTE
Selection of terminal trailers

The following note is based on a presentation made by Buiscar (a Dutch trailer manufacturer) in Sweden to a delegation from the Port Management Association of West and Central Africa.

Often those in charge of the technical or operational side of a terminal have a tendency to neglect this simple piece of equipment. With the exception of the straddle carrier direct system, trailers play a key rôle in efficient terminal operations. There are three basic types of harbour trailer: roll trailers, used for the transport of containers and general cargo on and off the ship; skeletal trailers, used for the internal transport of containers within a port, and industrial trailers, used for the internal transport of general cargo within a port. Each of these trailers have their own characteristics and are not designed to operate at speeds higher than 40 kms/hour.

Roll trailers have the platform height as low as possible to allow good access into the ship. This is obtained by small wheel diameters with tyres in solid rubber type to support container weights. Normal distance travelled is 500 meters at a maximum speed of 10 kilometers per hour. Normally the platforms can hold two 20-foot containers and often a 45-foot container.

Skeletal trailers are designed for transport of containers within a port with maximum distances of 5 kilometers and safe laden speeds of 20 kms/hour. Pneumatic tyres are required to cope with the road surfaces. The trailer should have good shock absorption capacity for the loading of containers and trailer crossbeams should have a large safety factor. With the pneumatic tyres the height of the platform is around 1.6 metres. Corner guides are normally provided to facilitate landing the container over the fixing points.

Industrial trailers are found in many industries where heavy cargoes have to be transported internally. They could be equipped with full rubber tyres or "soft comfort" pneumatic tyres. Capacities up to 120 tons are possible and thus these trailers are used for extremely heavy cargo.

For terminals with a high density of tractor-trailer combinations, multi-trailer systems (MTS) are being used. A combination of one heavy duty tractor with a maximum of seven skeletal trailers have the following characteristics:

- all trailers stay in track with the tractor;
- braking per trailer is related to the weight of its cargo;
braking force always works on the last trailers first;

- fully automatic coupling between the tractor and trailers;

- maximum capacity of each trailer is 50 tons;

- maximum speeds 20 kms/hour laden and 30 kms/hour empty.

Roll trailers are often the first type of trailers used on the terminal and they are sometimes purchased for general container transport. The use of these trailers for container transport over several kilometers per day and at speeds in the range from 15 to 20 kilometers per hour will shortly lead to failure of wheel bearings and wearing out of tyres resulting in high downtimes and repair costs. Another case of misuse in terminals is the purchase of road trailers instead of skeletal trailers. For a non-specialist, the two look more or less the same and the road trailer's purchase price is cheaper. However the main beams of a skeletal trailer are 50 - 60 centimetres in depth versus the 20 - 25 centimetres of a road trailer. Road trailers have been designed to carry cargo thousands of kilometers at speeds of 80-100 kms/hour. However they are not designed to withstand the repeated heavy shocks of a container being landed from a crane. Thus if a road trailer is used within the terminal, it will have a relatively short lifetime with high maintenance costs.

Having selected the proper type of terminal trailers, the final decision on the manufacturer must be based not only on purchase price, but rather total operating costs. Additional factors to consider are the quality of parts used, the maintainability of the trailer, the quality of the paint used, and quality of construction.

**RECENT UNCTAD PORTS STUDIES**

**Financing port development (UNCTAD/SDD/PORT/4)**

This study addresses the main issues that port authorities and governments face in financing port capital investment. With the growth in trade, particularly in containerized trade, new special purpose facilities are required and financing this development is a major challenge facing the port industry. In the past, ports have depended on municipal, state or national funds but now with the reduced public sector role in ports, port authorities have to look more to the private sector to finance investments which is being facilitated by deregulation and privatization. More port authorities have become "landlords" with a reduced number of them acting as public operators.

The study looks at the evolving institutional framework of port authorities and how this can create new opportunities for investment. The financial objective of the port authority should be that the totality of port revenues should be sufficient to cover the totality of port operating and maintenance costs, and of capital costs on a replacement cost basis. Indeed, doing this helps to ensure the good financial reputation of the port authority which is required to obtain outside finance.

At the same time they must be able to satisfy their clients with the quality of their services and tariffs and thus demonstrate to their bankers that future growth is assured. Also institutional reform in the port sector in many countries has created the opportunity to use private funds and other forms of innovative funding for port development. The estimated capital investment required in developing countries by the end of the century will be approximately US$ 12,900 million. In a major departure from traditional funding this amount will very likely be invested by two different parties: port authorities and port operators.

Chapter III reviews the potential sources of financing to meet port investment requirements which include self-financing from reserves; debt (borrowing, bond issues) and equity (raising of new capital) financing; joint-venture financing with development costs being borne both by a port authority and by a user, e.g. a shipowner, a shipper.
or receiver, or a terminal operating company (concession or lease); and user financing: e.g., with the sole user of a terminal financing its development. Examples of different financing methods used in Gothenburg, Tanjung Priok, Manzanillo (Panama) and Jawaharlal Nehru Port Trust are given.

The final chapter provides information on financial control and evaluation of capital investment projects. Whatever the source of funding a financial appraisal will be required and the financial strength of the party developing the facilities will be paramount. The study also contains a glossary of 34 investment terms.

**Potentialities for regional port cooperation (UNCTAD/SDD/PORT/5)**

This study is an update of past studies carried out by the secretariat in this field and was requested at the last meeting of the Intergovernmental Group of Experts on Ports. Cooperation of a commercial nature is taking place in most ports, among port authorities, port operators and port users that is benefiting the development of the international transport network. Cooperation between port authorities is carried out through their professional associations and they have developed industry standards as well as taking steps to enforce international standards. Training is another activity where cooperation is well developed and a good example is UNCTAD's Trainmar programme which involves many port authorities.

The present report examines the potentialities for regional cooperation in the ports field, taking into consideration the trend towards cooperation on a commercial basis. The study is organized in five chapters that describe the various types of port cooperation, explain the rationale for cooperation and the advantages, and give examples of cooperation and the role of UNCTAD in promoting cooperation. The study also gives a list of port associations with contact addresses and facsimile numbers plus a comprehensive breakdown of the membership and objectives of each association.

**Freeport development: the Mauritius experience (UNCTAD/SHIP/494(13))**

This publication is the latest UNCTAD Monograph on Port Management which describes the different phases of setting up a free trade zone in Port Louis, Mauritius, and provides insights on the economic, juridic and managerial concepts including marketing activities. The Mauritius Freeport Authority (MFA) was established in 1992 with the objective to promote the country as a regional, warehousing, distribution and marketing center. The monograph is organized in four chapters which describe the creation of the Freeport, the opportunities offered by the Freeport, the organization and activities of the Freeport authority and finally the promotion of Freeport activities. Appendices include the legal text for the creation of the Freeport plus a copy of the cargo declaration document. This document is a multi-part form supplied by the MFA and completed by the licensee and contains information that can be used for operational, statistical and marketing purposes. After processing, the form is presented to the Mauritius Marine Authority to secure release of the cargo. Copies of the form also go to Customs. It is hoped that this monograph will assist governments and port managers who wish to create a free trade zone in the port area.

**SURVEY OF PORT MANAGEMENT TRAINING NEEDS**

**Objectives of the analysis**

This survey and analysis was carried out to identify the future training needs of senior port officials and managers. Two factors led to this work. Firstly, changes in the port industry are increasingly complex and difficult to understand. Thus, senior port managers are seeking new management and administration tools to master this changing environment. Secondly, many training programmes are available on the market. The objective of this study is to provide information that may be used to see how these relate to managers' needs.
General analysis

A questionnaire was sent to 244 port authorities, port companies and administrations through our informal network of focal points and 51 of them replied to the questionnaire (21 per cent). Replies came from 39 countries and territories. Although a total of 418 questionnaires were collected (several questionnaires being sent by one port), only the 217 replies received before the meeting of the Intergovernmental Group of Experts on Ports were analysed for the presentation which took place. Nevertheless, all the questionnaires were scrutinized and results confirm the initial conclusions. The 217 replies were segregated into three categories, namely developed countries, developing countries and countries from Eastern and Central Europe as variations in the replies were observed, however this grouping was not always required.

The majority of replies came from senior port managers who work within port authorities. Thus the results of the survey express the real needs of port officials facing the real issues of daily port management. This approach was new as most training needs analysis is often carried out through the interviews of one or two senior port officials who express ideas on behalf of all senior port managers. This approach therefore provided a different, more spontaneous, picture of future training needs of senior managers.

Training programmes

Out of 182 replies, 50 senior managers did not benefit from any training over the last 3 years, that is less than one third. The rate of about 70 per cent receiving training seems satisfactory. There was no difference between the country groupings. When considering that a senior manager will likely hold the same position for 5 years on average, this rate can be considered as an acceptable minimum. It is thus expected that all senior managers will follow at least one training session during a 5-year period. This seems necessary to upgrade the qualifications of managers who will have to occupy different positions during their careers.

The length of training received was different according to the country groupings. The average annual training received by senior port managers from developing countries was 15 days during the survey period, i.e. the last three years. For senior managers from Eastern and Central Europe, the annual training received was 8½ days, while senior port managers from developed countries followed shorter training courses with a total duration of 5½ on average per year. Training needs are greater in developing countries and may be an explanation of the longer training periods. Indeed, some training periods are very long in developing countries as 13 senior port managers out of 84 followed a one-month training course each year over the three year period.

The financing source is probably one element to explain the differences in training duration.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Self-financing</th>
<th>International funding</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing countries</td>
<td>68.0</td>
<td>26.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Countries of Eastern and Central Europe</td>
<td>56.5</td>
<td>43.5</td>
<td>-</td>
</tr>
<tr>
<td>Developed countries</td>
<td>95.0</td>
<td>-</td>
<td>5.0</td>
</tr>
</tbody>
</table>

3 Algeria, Bahrain, Benin, Canada, Cape Verde, Cyprus, Colombia, Côte d'Ivoire, Djibouti, Equador, Spain, Estonia, United States of America, France, Ghana, Guadeloupe, Ireland, Japan, Jordan, Lithuania, Malta, Malaysia, Morocco, Mexico, Myanmar, Namibia, New Zealand, Panama, Papua New Guinea, Peru, Philippines, Poland, Reunion Island, Romania, Togo, Tunisia, Turkey, Venezuela, Zambia.

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International funding remains a key component of training in developing countries. The role of international funding for specialized training abroad is even more important. The importance of self-financing is an indication of the efforts made by developing countries in the field of training. It also reflects the efforts made to create port training institutions at national level to which the Trainmar programme of UNCTAD has made a valuable contribution. However, it is of utmost importance to strengthen local capacities through external pedagogical and financial support for specialized training programmes for senior managers. At the same time, a number of senior managers noted that port training centers abroad were the most appropriate to deliver specialized training courses.

**Training topics: priorities**

The rankings given to topics by managers was the most interesting finding of the survey. The replies have been converted into an "index" and are displayed in the table below.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Index</th>
<th>Topic</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning</td>
<td>100</td>
<td>Port legislation</td>
<td>59.7</td>
</tr>
<tr>
<td>Quality management</td>
<td>67.3</td>
<td>Strategies for shipping lines</td>
<td>59.5</td>
</tr>
<tr>
<td>Strategic pricing</td>
<td>65.7</td>
<td>Human Resource Development</td>
<td>59.0</td>
</tr>
<tr>
<td>Marketing</td>
<td>65.5</td>
<td>Privatization/Commercialization</td>
<td>54.8</td>
</tr>
<tr>
<td>Port financing</td>
<td>65.4</td>
<td>Environment Management</td>
<td>44.4</td>
</tr>
<tr>
<td>EDI</td>
<td>65.0</td>
<td>Purchase function</td>
<td>28.5</td>
</tr>
</tbody>
</table>

The topic of "strategic planning" clearly had top priority and was the first or second priority for about two thirds of the surveyed senior managers. The analysis showed that the fields of interest for each country are reflected when replying to this question. For example, there were diverging views on topics such as privatization and commercialization. Senior managers from developing countries of South America in general and some countries in Asia where the privatization process was well under way, ranked this topic among the ones with the highest priority (at the 3rd or 4th rank in the table if the analysis was carried out on a regional basis). The topic of legislation, which is closely related to institutional reforms and privatization, was also given priority. On the other hand, Sub-Saharan countries were less disposed to give a high priority to this topic and favoured topics with a technical content such as human resource management or strategies for shipping lines. Further, there was a general concern of senior managers to have training courses on topics related to a better commercial orientation of port management such as quality management of port services, strategic pricing and marketing.

Although everybody agrees that environment management and the new information technologies are topical today, they are not perceived as having high priorities for senior managers. There are two main explanations. Firstly, senior managers do not believe that they are in position to act in these fields if there is not a more global and institutional approach for these issues, and secondly these topics are very technical, for instance EDI, and thus, senior managers believe that long-term training programmes in specialized schools, different from a sensitization approach, are required if they want to master the subject.
Objectives of training

A specific approach must be followed in designing training courses for senior managers. The content of the training course must not be too descriptive or theoretical but should be action-oriented and provide the port managers with a series of management tools for sound management, administration and development of the port. This is a particular concern for this category of personnel. The basic technical knowledge are deemed to be known already through experience or through the education of the senior manager. Thus, most of the senior managers indicated that the objective of training is primarily to improve their knowledge of port policies and modern management methods. Then, in descending order, objectives of training are: sensitization to topical port issues, in-depth and technical study of a specific topic and experiences of other ports.

Ideal duration of training session

There is a wide disparity of answers to this question. Senior managers from developed countries preferred short and intensive training sessions. About 90 per cent of replies wanted training sessions to be one week or less. Senior managers from developing countries however, preferred long training sessions.

Table 3 - Ideal Duration of Training

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Day(s)</th>
<th>Week(s)</th>
<th>Month(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Developed countries</td>
<td>1.5</td>
<td>36</td>
<td>52</td>
</tr>
<tr>
<td>Developing countries</td>
<td>-</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Countries from Eastern and Central Europe</td>
<td>-</td>
<td>7</td>
<td>57</td>
</tr>
</tbody>
</table>

Senior managers from developed countries or, in general, the most qualified and high-ranking officials from all countries liked the idea of creating an intensive training course on several topics taught in a one-week period. Fifty-five per cent of replies were positive to this suggestion. Cost and time savings were mentioned as the reasons for this type of training. From a pedagogical angle, some senior managers believed this would maintain their interest by having several topics. Several reasons against this type of training were mentioned such as the difficulty to assimilate knowledge, the risk of being superficial because of the time constraint, and the difficulty to exchange ideas because of the intensity of teaching. If such training sessions were to be organized, a major concern would be to assure consistency for the selected topics.

Training methods

The organization of the training session reflects the concerns of senior managers to have training that is pragmatic, action-oriented and concrete. A balance was observed in the requested allocation of time for the training session: theory, 29 per cent; case studies, 28 per cent; port or terminal visits, 18 per cent, and discussions with professionals, 25 per cent. It was suggested that time be allocated for personal presentations and to evaluate the training course. There was no difference between country groupings. Most of the highly qualified senior managers favoured time spent in discussions with professionals. According to them, up to 50 per cent of the total training duration could be dedicated to such discussions. As mentioned previously, the same group preferred short training sessions.

New information technologies raise some issues on the relevance of present training methods as well as on the pedagogical tools used. More than 92 per cent of surveyed senior officials indicated that the quality of training mainly depended on the quality of the instructor. This confirmed that organized and recognized training structures

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are required to ensure the quality of instructors. Training can not be created "ex-nihilo" or "imported" through technologies such as videos, CD-roms or internet although the quality of training can be improved with these tools. New technologies remain useful for making a training session attractive or for self-training, but they cannot replace the dialogue and interactivity with the instructor.

As for the instructor, more than 50 per cent of replies indicated that the profile of the instructor was of little importance and what was significant was his capability to teach the topic. There were many replies indicating that port professionals were the most appropriate instructors to deliver training. In fact, capability and credibility of the instructor are related to several qualities listed by several senior managers: the instructor must know the subject and therefore, a field-experienced and subject-specialist professional was appreciated, he/she must be convincing, he/she must have knowledge of teaching methods, he/she must be able to create and to stimulate discussions. Senior managers who take part in a training session, seek dialogue and fruitful exchange of ideas with the instructors. University professors are appreciated for their pedagogical approach but they often lack field experience. Port consultants are good trainers but their "commercial" approach is sometimes disliked. Senior managers desire trainers that are capable of mastering teaching methods, have practical experience and have the highest degree of objectivity.

The size and the composition of the group of participants were important ingredients of the training. Sixty-three per cent of the surveyed senior managers believed that the ideal size of the group to be trained was 15 persons. This seems to be the most appropriate size to allow the exchanges of ideas between trainers and participants. For the same reason, 175 of the 217 surveyed senior managers thought that participants should come from different port organizations and companies. Above all, participants must be encouraged to express their ideas. This sometimes may not be possible if they work in the same company. Senior managers believed that a mixed group would be suitable for expanding their experience through an exchange of ideas and views with other professionals who share the same concerns on the same issues.

Regarding the appropriate venue for training, differences are visible between the country groupings (see table below). The following reasons are mentioned by those supporting training sessions abroad: possibility to make comparisons with developed countries, in particular when port terminals are visited; possibility to acquire or to improve a foreign know-how; lack of specialized training institutions at the national level or lack of port specialists on the topic; chance to focus on training without being disturbed by day-to-day work. Travel abroad was also mentioned as a "motivation" or a sign of recognition within the company.

Table 4 - Venue for training

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing countries</td>
<td>21.5</td>
<td>78.5</td>
</tr>
<tr>
<td>Eastern and Central Europe</td>
<td>27.0</td>
<td>73.0</td>
</tr>
<tr>
<td>Developed countries</td>
<td>76.5</td>
<td>23.5</td>
</tr>
</tbody>
</table>

Supporters of training at local/national level argued that training abroad was too expensive. For the highest officials, training abroad was also exhausting and time was lost for travel. Nevertheless, they agreed that some very specialized training must take place abroad.

The idea to create training sessions with both senior managers and their subordinates generated a lot of reaction from senior managers as 95 per cent replied. The tone of replies was sometimes abrupt and often reflected the management style in the port. The negative replies (8 per cent) were the most severe. For instance, the capacity of subordinates to follow common training with senior managers was questioned. The opponents to this type of training also feared that trainees would be inhibited and that they could be blocked by the hierarchical balance of
power which could lead to poor understanding between senior managers and their staff. The large number of positive replies (78 per cent) highlighted the interest for this kind of training to enhance better relations and communication within the team. This type of training could be a way to develop a team spirit based on a horizontal approach of working relations and through dialogue, the emphasis on sharing qualities and capacities would result in a common approach to solving problems. This training may be an opportunity to remove "invisible" barriers and to induce open-minded behaviour and common understanding. Besides, this type of training is a chance to discuss common ideas, to share a common vision and to agree on decisions or to understand the concerns of the senior managers. The training session may also be an opportunity to disseminate information through an external source, i.e. the instructor. The choice of topics as well as the preparation of these training sessions need to be carefully worked out. However, topics like strategic planning, quality management or human resource development are well suited for this format of training.

**Diploma or certificate**

For the 160 replies to this question, 130 (80 per cent) stressed that the content of training was more important than the diploma. Senior managers believed that training sessions which delivered a certificate with the full backing of local professional organizations, eg. port or shippers associations, etc, were more beneficial. Some countries follow this approach and some port associations have already set up their own training schemes. Some surveyed senior managers mentioned that the delivery of a certificate should depend on the training duration and the topics taught. But the main finding was that the support of a national port organisation was a condition to ensure the national recognition of the training followed.

**Costs of training**

There were only a small number of replies to this question. This shows that the value and cost of training are not well known by senior port managers. Costs of training were evaluated to be in a range of US$ 200 to US$ 300 per day and per participant. There were great variations and disparities according to the country. For instance, managers from North American and Oceanic countries valued training at more than this range while European managers fell into this bracket. In developing countries, there were a lot of replies on the inability to pay which indicates that the availability of financial resources for training remains an important issue. A more detailed analysis on this subject is required.

**UNCTAD Ports Section activities in the field of training**

To the question "what should be the priorities of the UNCTAD Ports Section in field of training", the organization of conferences and seminars in cooperation with port authorities and the preparation and delivery of good quality training packages were given first or second ranking by about 60 per cent of the surveyed senior managers. The financing of training was another highly rated priority, particularly in developing countries. UNCTAD can play a crucial role in identifying international assistance and helping to channel assistance to developing countries. Surprisingly, the preparation and publication of reports on port topics was ranked last by senior managers. There are several possible explanations: training is the top priority among all activities; senior managers know that UNCTAD has already produced studies and believe the organization will continue to do so; the publication of studies is of less interest as UNCTAD has already a comprehensive "library" of studies on port management, administration and development. The UNCTAD Ports Section continue to think that the publication of studies is a complementary activity to training as it provides materials, particularly with the rapidly changing environment in transport.

**Conclusion**

The need for training, in particular in developing countries, is confirmed by this survey. Replies showed that external support is required for developing countries at both the pedagogical and the financial levels. This survey indicated that some changes may be needed in choice of topics, in training methods and in composition of trainees,  

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4 The Professional Port Manager (PPM™) programme of AAPA is an example.
Both senior managers and subordinates. The issue of costs of training requires further study. International assistance is required to support the delivery of training in many developing countries. Ways to improve the cost/benefit ratio of training sessions should be addressed when this is possible. For instance, the secretariat suggested, during the Intergovernmental Group of Experts on Ports, that the cost to produce one-week training sessions could be met by several developing countries.

This survey shows that the Ports Section should maintain its activities of producing new training courses and should strengthen its capabilities in the organization of conferences and seminars in cooperation with port authorities. Conferences are a good format of training for senior managers whose time is limited, in particular in developed countries. During its second session, the Group of Experts recommended that strategic planning and quality management should be future topics for new training programmes.

**REHABILITATION PROGRAMME FOR SOMALI PORTS**

**An update**

This project continued to focus on the Northern part of the country. Work has concentrated on the repair of cargo handling equipment, including the training of drivers and mechanics and the setting up of a workshop in the port of Berbera. Also, attention has been given to the establishment of basic accountancy and administrative procedures for the ports of Berbera and Bosasso. These activities follow the setting up of Boards in each port last year and the action plans approved at that time.

Also, the European Union (EU) has decided to rehabilitate the damaged infrastructure of the port of Berbera and arrangements are being made with an international contractor and supervisor to this end. To contribute to this rehabilitation, a proposal has been submitted by UNCTAD for EU funding to carry out business development, training and other institutional building activities. In a separate development the UN Development Office for Somalia (UNDOS) conducted a mission to help in the establishment of a regional government in the Bari region. This will stabilize the hinterland of the port of Bosasso.

The project continues to monitor activities in the South of the country. The efforts to set up a Board for the port of Kismayu were fruitless. In fact, the continued instability in the port of Mogadishu over the last month, with three factions disputing the territory, leads one to think that any work in Kismayu will be contingent on the solution of the problems of the former. A request to survey the lighterage port of Merca earlier this year was called off due to security reasons.

At the time of writing, mid-April 1996, the UNDP is in the process of approving an extension of the project, with a focus in the Northern ports and including some minor rehabilitation items.

**THE FUNDAMENTAL ROLE OF PORTS IN WORLD HISTORY**

**André Merck**

The following article is the first part of a two part series of a condensed presentation given by the French historian, André Merck at the international colloque organized the 16-17 May 1995 by the Port Authority of Dunkirk on the theme "The economic and strategic importance of maritime ports".

Since ancient times, ports have always been vital centers of great nations and in our highly technical era, they remain the economic motors of prosperous countries. Direct access to the sea is a major asset and the acute problems that land-locked countries face is proof of it. At the time of the ancient grand civilizations, the battle for access to the sea through the possession of the surrounding land was always a primordial objective of ambitious people, who had already understood that the development of a lucrative international trade was tied to the strength
of their warships as well as their merchant vessels.

**Ports of Antiquity**

The word port is linked to the French word "porte" (door) and the Latin one "portus", meaning opening or passage. Thus the port has always been both an opening to far horizons and a place for concentrating ships close to storage areas full of goods for shipping. For centuries the port has also acted as a lookout to watch for enemies and to observe competitors passing by. The port was often fortified and was always on the defensive.

As soon as man was able to move along the waters in rivers and lakes, he wanted to go to sea, "with his heart surrounded by a triple shield of bronze" according to the poet Horace, for it was necessary to be brave. What a passage from the dugout made from the trunk of a tree and the fragile woven reed raft of the Nile farmer, which were the initial steps of the ship construction industry.

Natural ports have always been rare and those wishing to use the seas quickly constructed artificial ports. The Phoenicians, who were the most active traders of the ancient world (13 centuries before Christ), constructed major works. Chased from their trading posts of Tyre and Sidon, they founded Carthage, near modern Tunis. This great city was hated by the Romans who continually sought to destroy its two splendid harbours, connected by a canal. It was the capital of an immense maritime empire, of which little remains after the Arabs established themselves at the end of the 7th century.

The wealth of all these ports was astonishing. However the construction and maintenance of these artificial harbours and ancillary works, breakwaters and dykes must have been difficult because of the relative fragility of the ships and barges that were going to berth. The Greeks were also very active and ingenious in the large cities of Ephesus, Miletus (with four harbours), etc. In the 6th century, Massilia, the future Marseilles was created by the Phoceans of Asia Minor.

For port architecture, the works of the Romans are the best known. They created semi-circular breakwaters and dykes by packing stones together. They used wooden columns and volcanic rock for cement. They knew the technique of sealed cofferdams and how to pump out water with hydraulic wheels and Archimede's screws. Rome had 40,000 sailors, nearly all without a maritime background. No task was too great for the Romans. Ostia was rebuilt twice, with a canal linking it to the Tiber. Certainly, slaves were not in short supply. The extent of Roman trade is demonstrated by the remains of their goods found in the ice of Greenland.

**From the Pax Roman until the end of the Middle Ages**

For their expansion past the Alps, the Romans developed the still existing port sites of Barcelona and Porto in Portugal, both names coming from "portus". To invade Britain, Julius Caesar created Portus Itius or Gesoriacum, site of the present port of Boulogne (France). The discovery of the remains of pottery and coins show the important role this new port and neighbouring ports had for trade. The active commercial and administrative relations that were created from Gaul benefited from its excellent road system which could be used to extend relations across the sea. Caligula, creator of the celebrated "classis Britannica" fleet, and the emperor Claude finalized the conquest of Britain in 43 A.D. which was started by Caesar 93 years before. Roman centers were created in London, in York (called Eburacum), and other places. The arrival of the barbarians both in Gaul and in Great Britain ended this gallo-roman commercial network and its British extension.

**The Hansa and the medieval port cities of Northern Europe**

From the end of the early Middle-Ages, whilst the European nations were organizing themselves under dynasties, maritime activity was becoming general from the tip of the Iberia peninsula to the Baltic shores. Associations were created in the 13th century between the ports of Lubeck, Hamburg, Rostock, Riga and Dantzig before the appearance of the famous Hanseatic League which also included Bruges, Antwerp and London. Denmark opposed the League, who thanks to its military strength, obliged its enemies to sign the treaty of Stralsund in 1370 from which it received enormous advantages.
The Hanseatic organization ruled the world of maritime affairs of Northern Europe and operated like a nation external from the countries in which the ports where located. The triennial Diet that decided Hansa's policy last sat in 1670, but the large northern German ports continued to grow in power.

(The second half of this article will appear in the November issue)
UNCTAD'S TRAINING ACTIVITIES

UNCTAD/Port of Ghent Seminar on the New Commercial Role of Ports and Port Marketing
In English  30 September - 18 October 1996

This is the fifth seminar, which is designed to change the attitude of port managers, sensitize them on new trade opportunities and train them in modern marketing techniques, which is scheduled to take place in Ghent. The seminar has lectures with audio-visual support, exercises, visits to ports and the preparation of a marketing plan. The Belgian Government finances the seminar and also contributes to the cost of the stay of participants.

The seminar is reserved for marketing and commercial managers in ports, import-export agencies, cargo handling companies, as well as government and administrative services dealing with ports. There is funding for twenty participants. Lecturers will come from the UNCTAD secretariat, Ghent Port Authority, Ghent Maritime University and from the port community. Participants will prepare a marketing plan for their own ports during the seminar.

Advanced port management: modern principles and methods
13 - 24 May 1996

The Institut Portuaire du Havre (IPER) is organizing this seminar in association with UNCTAD. With the rapidly changing environment, port managers are looking for new and better management techniques to help them develop strategic business plans. This seminar offers participants the possibility to review today's port industry, consider the implications of present trends on their ports and select the management concepts and methods that will assist them in efficiently running their organizations in the early 21st century. Three major topics will be discussed: strategic port management and available tools to implement the main concepts; the issue of private sector involvement and the reasons for its growing significance; and the nature of port competition and the available strategies to survive and prosper. The seminar will take place in Le Havre and for more information contact IPER at Fax +33 35 41 25 79.

Port finance
3 - 14 June 1996

This seminar is also being organized by IPER and will explain the basic principles of port finance and the reasons why it is essential to use pricing as a strategic management tool and have financially sound objectives. The management techniques that can be used to make investment profitable will be explained. The seminar shows how to develop forecasts, how results can be interpreted and how they can be used to define performance indicators. The course will concentrate on port tariffs and explain how well balanced tariffs can encourage optimal use of port facilities. The seminar will take place in Le Havre and for more information please contact IPER at Fax +33 35 41 25 79.

MISCELLANEOUS: CONFERENCES

INTERMODAL SOUTH AMERICA '96

This is the world's second biggest event on intermodal transport and will be attended by company decision makers and cargo shippers from various sectors of the economy including exporters, importers and inland cargo movers. Intermodal '96 will also host a conference on Latin America - Competition through Logistics. This conference will consider infrastructure and services needs, global logistics, an update on developments in Latin America, a forum on the maritime industry, airports and air cargo, railway privatization and the port as a link integrating the multimodal transport chain. The meeting will take place in Sao Paulo from 3 to 5 June 1996.
Shipping, ports and logistics services: solutions for global issues

This international conference will discuss improving port performance, liner shipping, strategic issues in bulk and tanker shipping, maritime statistics and policies and contributions of information technology in maritime management. This programme will take place in Vancouver, Canada from 26 to 28 June 1996.

VenueWest Conference Services; Vancouver; Fax: +1 604 681 2503 or http://www.venuwest.com/iame96.

ASIA PORTS '96

This international summit on port development, operations, financing and investment is being sponsored by IAPH. The programme will explore port initiatives and opportunities in Asia's key markets. Critical areas to be covered include the impact of Asia's rapid trade growth on ports and carriers, port investment opportunities, operator and user implications of the growth of shipping line alliances, port financing innovations, the potential for automation and emerging opportunities with privatization and commercialization. The summit will take place in Hong Kong from 16 to 18 September 1996.

Executive Director; Institute for International Research; Hong Kong; Fax: +852 2586 1999.

Intercaribbean Transport Fair '96

This international fair will offer participants information about developing harbours, security and safety, training and international regulations, and of course equipment. It will also provide up-to-date information on developments in the freight, transport and cruise sector. This fair will be a meeting point for those active in transport, transhipment, warehousing, equipment, automation and telecommunications and will take place in Curaçao, Netherlands Antilles, from 23 to 25 October 1996.

InterExpo Nederland BV; Brielle; Fax: +31 181 414 185.

20th Biennial Conference of IAPH

The next IAPH Conference will take place in London from 2 to 6 June 1997 and will be sponsored for the second time by the Port of London Authority.

Port of London Authority; Fax: +44 171 265 2699.

Acknowledgements

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The Ports Newsletter of UNCTAD was set up following the recommendations of the intergovernmental group of port experts. Its objective is to improve the distribution of information on port activities of the UNCTAD secretariat. It also includes technical and other information of interest to the international port community, in particular for ports from developing countries.

The Newsletter is published twice a year, in May and November. It is produced in English, French and Spanish and is sent free of charge to a network of more than 300 focal points in more than 150 countries. For a subscriptions, we request a financial contribution of US$50 per year. For additional information, please contact the UNCTAD secretariat at the address below:

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Switzerland

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Le bulletin portuaire de la CNUCED a été créé en application des recommandations du groupe intergouvernemental d'experts portuaires. Il publie des informations sur les activités portuaires de la CNUCED afin d'en améliorer la diffusion. Il publie aussi des informations techniques ou autres présentant un intérêt pour la communauté portuaire internationale, en particulier pour les ports des pays en développement.

Le bulletin paraît deux fois par an en mai et en novembre. Il est produit en anglais, français et espagnol et est diffusé gratuitement à un réseau de plus de 300 correspondants dans plus de 150 pays. Pour un abonnement, nous demandons une contribution financière de 50 dollars par an. Pour de plus amples informations, contacter la CNUCED à l'adresse ci-dessous indiquée:

El Boletín Portuario se publica como consecuencia de una de las recomendaciones del grupo intergubernamental especial de expertos portuarios. Su propósito es mejorar la distribución de la información relativa a las actividades portuarias de UNCTAD. Incluye información técnica y otras de interés para la comunidad portuaria internacional, especialmente para aquella de los países en desarrollo.

El Boletín se publica dos veces al año dos veces al año, en mayo y noviembre. Se edita en español, francés e inglés y se distribuye gratuitamente en una red de más de 300 corresponsales ubicados en más de 150 países. A aquellos otros interesados en recibirlo se les solicita una contribución financiera de US$ 50 por año. Cualquier información adicional solicitarla a la dirección siguiente: