

CARIBBEAN MARITIME

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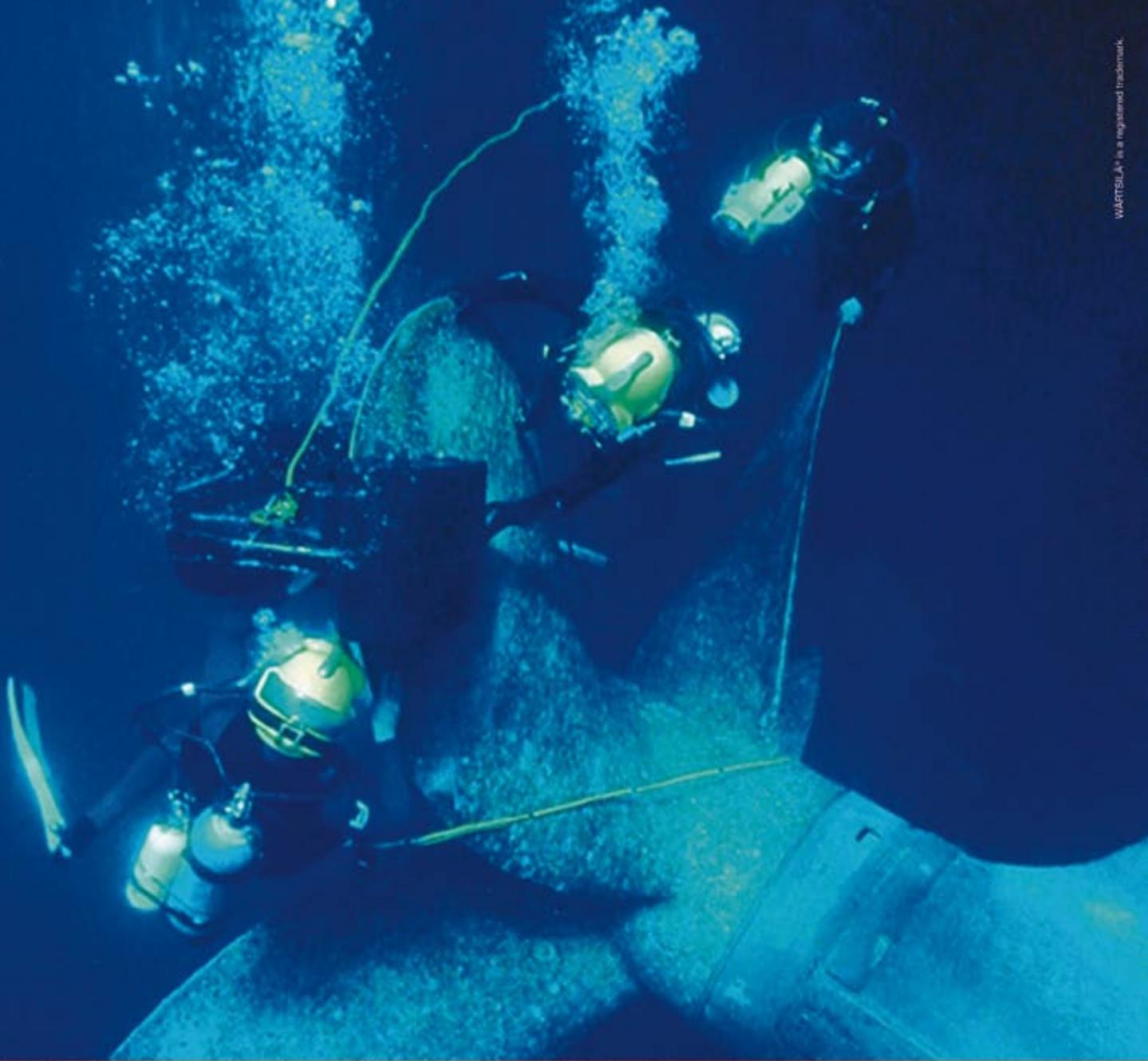
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CARIBBEAN MARITIME

No. 9 | JANUARY - APRIL 2010

Cover photo:
APM Terminals' South Florida Terminal at the Port of Miami

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EXCEPT FOR THAT APPEARING IN THE EDITORIAL COLUMN, THE VIEWS AND OPINIONS EXPRESSED BY WRITERS FEATURED IN THIS PUBLICATION ARE PRESENTED PURELY FOR INFORMATION AND DISCUSSION AND DO NOT NECESSARILY REFLECT THE VIEWS AND OPINIONS OF THE CARIBBEAN SHIPPING ASSOCIATION.

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CARIBBEAN MARITIME

No. 9 | JANUARY - APRIL 2010

The official journal of the Caribbean
Shipping Association



caribbean shipping association

MISSION STATEMENT

"To promote and foster the highest quality service to the maritime industry through training development; working with all agencies, groups and other associations for the benefit and development of its members and the peoples of the Caribbean region."

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Land & Marine Publications Ltd
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Tel: +44 (0)1206 752902
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THE YEAR STARTS WITH TALK OF RECOVERY

Caribbean Maritime welcomes Carlos Urriola Tam, who was elected 15th president of the Caribbean Shipping Association in October. After serving as vice-president for three years and many more as a member of the Association's General Council, Mr Urriola brings solid CSA experience to the chair. It is perhaps fortuitous that he is the first Panamanian president in the 40-year history of the association, since Panama is at the moment experiencing massive growth. Regardless, Mr Urriola brings youthful vigour and proven abilities to the leadership of the CSA. However, his programmes and initiatives may be affected in the short term by the sustained effects of the global recession. Media talk of recovery has so far been only that. We may garnish it with healthy portions of hope; perhaps a pinch of fear and maybe a dash of desperation. But we are yet to taste it. The year ahead will no doubt begin as 2009 ended, with talk of recovery. In the Caribbean and Latin American region not much has changed since the bottom of the world economy fell out in 2008. We are still in the middle of an economic recession and we have the idle capacity and the numbers to show. Of course there are areas of growth. Arguably the largest construction project on the planet, the expansion of the Panama Canal, is taking place in the region (page 24). But, otherwise, not much is happening that will result in the cargo volumes of some five years ago. It is in this context that columnists Fritz Pinnock and Ibrahim Ajagunna present a set of management ideas for dealing with the economic downturn (page 40). And it is against this background that Frank Wellnitz discusses the economies inherent in vertical and horizontal integration (page 36).

This issue of *Caribbean Maritime* peers into the year ahead in a bold attempt to paint a picture of what the immediate future holds. In most Caribbean territories, judging from the articles assembled for this issue, there is hope for growth in 2010. Frank Wellnitz, in discussing Caribbean feeder services, described his expectations as 'cautious optimism'. Such growth, as is anticipated, may well be relative only to 2009 or even 2008, when business downturn had already set in. Any growth, however, we will take. The theme for this issue of *Caribbean Maritime* is 'The Year Ahead'. The opinions and reports published here collectively describe a sense of hope and positive expectations and suggest tools for coping. More than this, they document history: the thinking and aspirations of peoples, in this time, brought together in a common cause for development under the banner of the CSA. Our wish is that your own hopes and high expectations for the future are realised, or driven with new life, in the year ahead.



MIKE JARRETT, EDITOR

Caribbean Maritime - a historical document



It is with a sense of history that I send my first message to *Caribbean Maritime*, the official organ of the Caribbean Shipping Association. This publication was started about three years ago, during the tenure of my predecessor, Fernando Rivera. I am therefore only the second CSA President to have expressed thoughts in this column.

Caribbean Maritime was established to give the CSA and regional shipping a permanent record of history. The printed word has been shown capable of outlasting all other media with respect to the recording and retrieval of history. No matter what new technology mankind develops for recording history, the written or printed

word will survive for centuries to come. Look at the technologies of the recent past – vinyl phonograph records, magnetic tape, celluloid film, floppy disks, compact disks – all have become obsolete. If our history was recorded exclusively in any of these formats, we would have a problem. Clearly we would have difficulties to access and retrieve information. Phonograph turntables, cassette decks, film projectors, floppy disk drives, have all but disappeared. Even CD players – the technology of the 21st century – are fast disappearing, giving way to memory chips and other solid state storage devices. The printed word, whether it be the Dead Sea Scrolls of centuries past, or our fledgling magazine *Caribbean Maritime*, pre-

serves our history in a format that generations to come will have no difficulty accessing, since no special technology is required to read – except, of course, perhaps reading glasses (in my case, for sure).

History

History is not only, as some would have us believe, old stories of times long ago. Of course, the stories of centuries past are a part of our history. However, the history of the 21st century; the history of our time, is happening right now, today, even as you read these words. It is in this context that we must view this magazine.

For example, the history of the Caribbean is largely about the shipping industry: from the period of European dis-

And this publication, *Caribbean Maritime* – of all the newspapers and periodicals in the world – has been faithfully documenting its progress. In the near and distant future, when engineers and scholars seek to research the work and progress of this major construction event in Panama, *Caribbean Maritime* will be for them a significant and reliable source of accurate knowledge and information.

Caribbean Maritime, delivered free of charge as a service to the region and the world, collects the thoughts, ideas, aspirations and initiatives of our people in this time, in this place. It is a CSA initiative; our contribution to regional development and the recording of history.

I invite you to subscribe to

Caribbean Maritime was established to give the CSA and regional shipping a permanent record of history

covery; through the periods of wars and conquest; through the period of slavery and emancipation; and throughout the process of colonisation. And the modern history of the shipping industry is closely associated with the building and operations of the Panama Canal. Today, that same canal, which connects the Old World with the New, is being expanded.

it (you can do this at www.caribbeanshipping.org), read it, enjoy it, and keep it. It is, after all, a historical document. In this regard, I am honoured to present here my first message as President of the CSA.

Carlos Urriola
President, Caribbean Shipping Association





2

The occasion of the 39th Annual General Meeting in Paramaribo, Suriname created a number of memorable moments, some of historic value. His Excellency Rinaldo Ronald Venetiann, who was the keynote speaker at the opening ceremony, was presented with the CSA's ship's decanter by then Vice President, Carlos Urriola (2, 14, 15).



9

It was the setting for the selection of the first Panamanian to lead the Association, Carlos Urriola. Grantley Stephenson (13 centre) of Jamaica was elected Vice President. Among other memorable moments was the standing ovation after the farewell report of outgoing President, Fernando Rivera (4); and, the presentation of the first winner of the CSA Monica Silvera Scholarship, Mr Wallace Collins (6).



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A number of persons in the 2008 – 2009 General Council (5) said farewell, including Robert Foster, Barbados (2nd left), Francis Camacho, Guyana (3rd left) and Corah Ann Robertson-Sylvester (2) who was completing three years as Immediate Past President, following three years as the CSA's first female President.



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The meeting of the CSA's Silver Club (3, 11) had the presence of three CSA Past Presidents – Frank Wellnitz (3, left), Ludlow Stewart (3, 3rd left, red shirt) and Rawle Baddaloo (3, right), Also in attendance were the CSA's President and Vice President, both members of the Silver Club and CSA Honorary Member and former Executive Vice President of the CSA, Alvin Henry (3, 4th right).



The Port Award Committee met (7, 10, 12) and discussed fundamental changes to the structure of the Association's major annual event, the Caribbean Port Awards Competition. Subsequently, the





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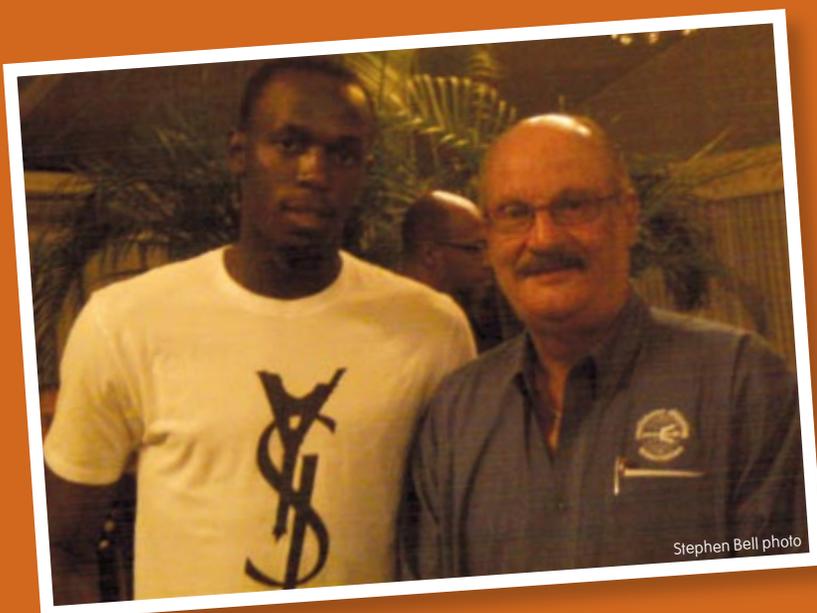
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adjudications panel deliberated and awarded the top awards for operations in 2008 to Cartagena and St. Lucia.

The 39th annual conference over three days October 12, 13 and 14, had a number of worthwhile presentations. The first was a global business outlook by Douglas Rubin (19 left); at right is CSA General Manager, Clive Forbes (19). The people of Suriname were perfect hosts to the CSA, including (20) Mr Eugene Profijt - CEO Traymore N.V.; Mr Glenn Bansse - General Manager Global Expedition (centre) and Mrs Linda Profijt-del Prado, Manager Commercial Affairs at N. V.Havenbeheer who led the organising committee in Suriname.

Three persons were newly elected to the General Council for the 2009 – 2010 term including Rhett Chee Ping (8) recently elected President of the Shipping Association of Trinidad and Tobago; Mrs Linda Profijt (21) of Suriname and Mr Glyne St Hill (25) of Barbados.

Mike Jarrett photos



Stephen Bell photo

FAMOUS FACES

We would like to say Immediate Past President Fernando Rivera “caught up” with the World’s Fastest Human recently on a trip to Jamaica, but that would be suggesting that he had athletic powers we are certain he no longer has. Stephen Bell had the presence of mind to whip out his Blackberry to record Fernando’s historic meeting with the Olympic Champion, World Champion and World Record holder of both the 100 metres and 200 metres, Usain Bolt. Mr Bolt, as you can see in the photo, was very humbled to meet the great Fernando Rivera who was visiting Jamaica to receive recognition from the Caribbean Maritime Institute (page 9).



CMI REPORTS PROGRESS AND SUCCESS

28th graduation ceremony held in Jamaica

The 28th annual graduation ceremony of the Caribbean Maritime Institute (CMI) was a celebration of progress and success. The prestigious affair, held at the Jamaica Pegasus Hotel on 12 November, was an ideal occasion for the CMI to showcase its vision and mission in a tangible way.

The CMI's deputy executive director, Vivette Grant, said: "It was an occasion not only to celebrate the outcome of the tireless effort of CMI's graduands, staff and management but to fellowship, in a closed setting, with the institute's friends, partners and well-wishers. It

was an afternoon of excellence where cameras clicked as local and overseas media toppled over themselves to get the best shot of what was an historic event for the CMI."

Guests included the Prime Minister of Jamaica, Orette Bruce Golding, and the minister responsible for the institute, Michael Henry. Members of the diplomatic corps as well as personalities from the Caribbean Shipping Association, including the immediate past president, Fernando Rivera, were also there.

Among the students present were the first cohort of B.Sc. graduands in port management and logistics and supply chain manage-

ment and B.Eng. graduands in industrial systems. A total of 148 graduands marched, including those in the Diploma in International Shipping and Logistics programme and in the Associate of Applied Science Degree programme.

"It was a graduation with a difference, as we were not graduating just traditional degree holders but graduates of very rare calibre and in unusual programmes," said Ms Grant.

One item regarded as

of savings for the employer," said Ms Grant. "Our engineers can work both on land and at sea, which in itself means a high degree of adaptability and employability."

STRATEGY

The basic philosophy that drives the entire operations, vision and mission of the CMI is the Blue Ocean Strategy. This is demonstrated in the scope and depth of the institute's strategic alliances with Ivy League institutions

"THE SCOPE AND DEPTH OF THE MOU WERE DEMONSTRATED BY THE NUMBERS, ORIGINS AND PROFILES OF PERSONS AND ORGANISATIONS IN ATTENDANCE AT THE CEREMONY"

fundamental to the CMI curriculum is the Industrial Systems Operation and Maintenance (ISOM) programme, which produces an engineer capable of handling various aspects of this discipline. CMI thus produces one engineer capable of handling work that would otherwise require two or three engineering specialists.

"This translates into a lot

worldwide, both within and outside the maritime sector. The memoranda of understanding that give a framework to these alliances are "fast bearing fruit" according to Ms Grant.

EVIDENCE

"The scope and depth of the MOU were demonstrated by the numbers, origins



and profiles of persons and organisations in attendance at the ceremony," she said. The evidence, she said, was in the list of attendees who collectively represented the overseas employment community for the CMI. They included:

- Peter Harren, chairman of Harren & Partners (Germany)
- Capt Heiko Felderhoff, from Belgium
- Capt Emmanuel Aguirre, of Exmar Shipmanagement
- Walter Van de Werf, president of Luxury Yacht Group
- Rupert Connor
- Frank Wellnitz
- Helmut Heinrich, of Caribbean Feeder Services
- Capt Andy Schorlemmer, president of Zim America
- Ramon Shaul
- Nehama Bikovshy and Amos Aloni, vice-presidents of Zim.

The institute has a high placement record, with 90 per cent of its B.Sc. and B.Eng. students gainfully

employed or pursuing higher studies. In addition, all students who have successfully completed the Officer in Charge of Watch programmes are on contract at sea or awaiting sea service.

Addressing to the graduation ceremony, executive director Fritz Pinnock said the CMI was "a testament of an agile, tertiary institution committed to serving the needs of the industry".

He went on: "Twenty-eight years ago this noble institution was established through a partnership between the Government of the Kingdom of Norway and the Government of Jamaica under what was then called the Jamaica Maritime Training Institute (JMTI) with the specific mandate to train Jamaican seafarers to satisfy the crewing needs of five merchant ships operated under the Jamaica Merchant Marine. Little did the organisers know that, by establishing the only such institution in the region, other Caribbean nationals would come in droves, knocking at the door. This was the first wind of change to hit the institution. Over time, the institution struggled through two more name changes – Jamaica Maritime Institute

to the now Caribbean Maritime Institute. What will be the new name in the future, considering a new wind change, as we now have students from as far as Peru, Turkey and Suriname, just to name a few? We present to you our first cohort of Bachelor's degree students in the following disciplines: logistics and supply chain management; port management; and industrial systems operations and maintenance."

TOTAL CREW

The CMI stands ready to provide total crew, according to Mr Pinnock.

He said the Bachelor's degree in security management had been a success, with 36 participants in the programme. Students include personnel from the Jamaica Defence Force, Jamaica Combined Police Force and various private security companies. In delivering this programme, the CMI has

collaborated with Kingston Wharves Ltd and its subsidiary, Security Administrators Ltd (SAL).

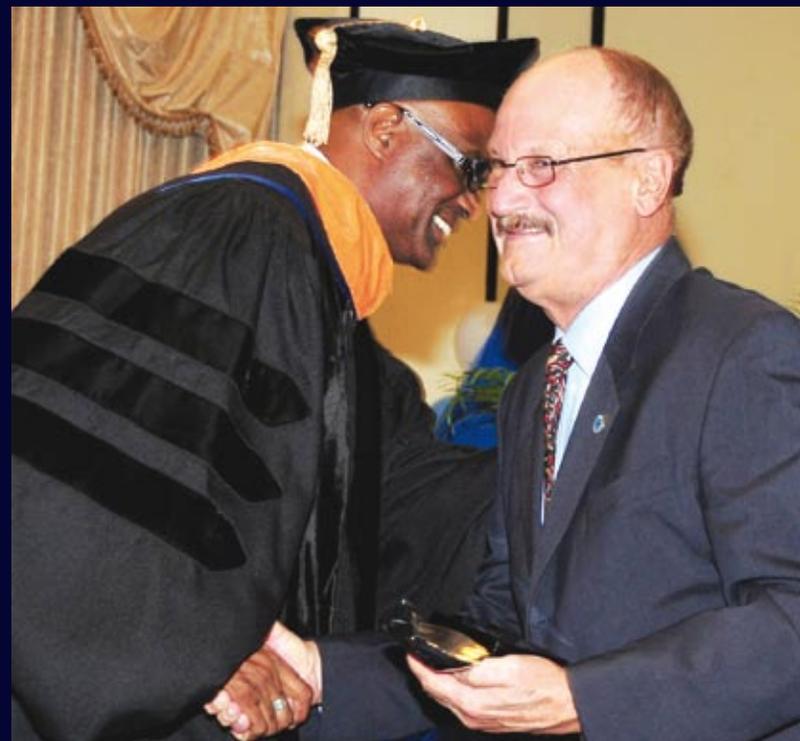
"I am pleased to report to you that over 83 per cent of them are gainfully employed," said Mr Pinnock.

"Last year, despite the recession, the CMI recorded 100 per cent placement of our Phase II seafaring cadets and officers. Cadets are joining ships from all five continents as far as Australia, Dubai, China among others. CMI is now a global brand."

ACHIEVEMENTS

Among its special achievements, the CMI executive director listed the following:

- Exmar: four scholarships awarded to top cadets from the 2007-2008 batch currently pursuing Phase 3. These persons will take up guaranteed employment at the end of their course in December.



- Four scholarships, worth CAD20,000 each, from the Canadian government, consisting of two Grenadians at CMI and two CMI students, Alesha Foster and Candice Williams, at the Memorial University of Newfoundland.
- CSA Monica Silvera Scholarship, worth US\$26,000, awarded to Grenadian student Wallace Collins for M.Sc. degree in logistics and supply chain management (regional programme based in Barbados) where the CMI will have other students from Suriname, Guyana, Antigua, Anguilla,

Dominica and the British Virgin Islands, among others.

- Donation of three classrooms, worth over JAD12 million, by ZIM/Kingston Logistics Centre. The new classroom block will be named in their honour.
- Donation of JAD3 million by Musson Jamaica Ltd towards CMI entrance and security upgrade.
- Airports Authority of Jamaica undertaking a beautification project at the CMI entrance.

- Luxury Yacht Group will donate life-rafts and equipment
- New breakthrough with cadet berths: Rickmers; Seaboard Marine; Juemmetor & Hafentor (Harold Kropp).

Through the efforts of trade envoy Dr Aloysius Tay, the CMI has signed an MOU with Jupiter Innovations, one of the leading distance education providers in South East Asia, to roll out the CMI On-Class distance education system.

Mr Pinnock said: "I am pleased to report that we have paid for 140 new computers and five new state-of-the-art blade servers

a CMI School of Fisheries and Marine Research. Pending, he said, was the signing of an MOU with the Peruvian Merchant Marine Academy that would provide for two CMI students to go to Peru during the year ahead on a full scholarship.

QUALITY ASSURANCE

"Our next conquest will be on 15 December when we will become a DNV accredited institution and ISO 9001: 2008 – the Caribbean's first and only degree-granting institution with such status," he said.

In the year ahead, CMI expects to lay the foundation for the launch of a CMI Asia



CMI honours Fernando Rivera (page 9), Corah Ann Robertson-Sylvester and David Harding (above) – three former Presidents of the CSA – for their work in promoting and developing a regional maritime industry

"OUR NEXT CONQUEST WILL BE ON 15 DECEMBER WHEN WE WILL BECOME A DNV ACCREDITED INSTITUTION AND ISO 9001: 2008 – THE CARIBBEAN'S FIRST AND ONLY DEGREE-GRANTING INSTITUTION WITH SUCH STATUS"

and [we are] currently laying fibre optic cables which will make us one of the Caribbean's most technologically advanced tertiary institutions. Added to this, over the next two years we are projecting the addition of 10 new state-of-the-art simulators to reaffirm our leadership position as the region's simulator centre of excellence. We are now working with ST Electronics, the South East's leading simulator manufacturer, for the development of this equipment."

Other developments mentioned by Mr Pinnock include a MOU with Nova Scotia Community College to set up

campus, the executive director disclosed.

In his keynote address, the Prime Minister recognised the peculiar and unusual nature of CMI's programmes and the capacity of the programmes to meet present and future market demands locally and internationally. He bemoaned the fact that much of the work done by CMI had remained a "lit candle under a bushel" and implored the CMI to bring its programmes and activities to light. He also endorsed the view of the executive director that the government's investment in CMI had been well spent. 



SAB pushes ahead with training programme

The Shipping Association of Barbados (SAB) expects the global recession to continue well into the year ahead.

Notwithstanding, the

by lines as they try to cushion the effects on their bottom line in order to survive."

He said there had been a 50 per cent decline in motor vehicle imports and

showcases so that Barbadians can appreciate the potential of the shipping industry and the jobs that are available to qualified people.

"We are planning to host

conditions of employment for both parties".

He said one area for discussion would be the introduction of a new period of work, applicable only during the cruise ship season when required. The new work period would be from 1900 hrs to 0200 hrs with no extension of overtime instead of the regular shift from 1600 hrs to 2300 hrs with a possible extension to 0200 hrs to complete operations. These discussions were prompted by the fact that cruise vessels normally depart Bridgetown between 1600 hrs and 1800 hrs so that there is no berthing space for cargo vessels all day while cruise ships are in port.

Reports are that the cruise season will be healthy in the year ahead with a growing number of vessels using Bridgetown as a home port. Home porting has become a growing business for Bridgetown. 

Despite the economic gloom, the SAB is actively pursuing dialogue with the Caribbean Maritime Institute (CMI) in Jamaica and tertiary educational institutions in the country to deliver training courses

association is moving forward with a number of plans including an ambitious training programme.

Consensus

SAB president Glyne St Hill said the consensus was that "the global recession is expected to continue to have its effect on the shipping industry and, by extension, the economy of Barbados well into 2010. Consequently, it is also expected that we may see mergers taking place and witness more slot chartering

a 15 per cent fall in general cargo handled at the Port of Bridgetown. As a result, the government was asking companies to do all in their power to reduce lay-offs so that families would be able to meet their commitments.

Despite the economic gloom, the SAB is actively pursuing dialogue with the Caribbean Maritime Institute (CMI) in Jamaica and tertiary educational institutions in the country to deliver training courses. The association will also continue with its careers

an IMDG training course in conjunction with the CMI so that it would give [SAB] members the opportunity to upgrade their skills," said Mr St Hill.

Agreement

Barbados Port Inc and the SAB reached an agreement with the Barbados Workers Union on a new three-year wage settlement from November 2009 to 31 May 2011. However, negotiations will continue. The SAB president said talks would continue "as we seek to improve

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Don't miss the boat...

The next issue of **CARIBBEAN MARITIME** in May 2010, will focus on **PORTS & TERMINALS**. Articles will look at the wharf companies; terminals and support services in Caribbean shipping as well as the work of the Caribbean Shipping Association in assisting development.

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ASSISTING MARITIME DEVELOPMENT IN GUADELOUPE

Port and Maritime Association of Guadeloupe (UMEP)

The year ahead will see the Port and Maritime Association of Guadeloupe (UMEP) continuing its role of facilitating maritime development and best practices in the French Caribbean territory.

For more than 20 years UMEP has been the voice of all stakeholders in the Guadeloupe port community, promoting and encouraging national, regional and domes-

of UMEP are founded on its organisational philosophy that the key to growth is to foster partnerships among the professions that make up the maritime community of the port.

COLLABORATION

With this in mind UMEP, in collaboration with the private company CEIBA Ltd, launched a project in 1999 to establish a cargo community

10 July 2006 when French Customs placed the Port of Jarry on the same level of safety and traceability as the ports of Le Havre, Marseilles, Nantes St Nazaire and Rouen.

PAPERLESS SYSTEM

This platform is now operating paperless exchanges of data and receives electronic manifests from all ports of importation. The platform manages all imports and exports of containerised and conventional cargo. Through this project Guadeloupe has made significant strides towards the development of a paperless system. The main objective is to boost the port's productivity while providing safety, security and traceability.

Building on this experience, UMEP is participating in two new projects in the year ahead:

- Project 'Observatoire du Grand Cul de Sac Marin': This project was designed to monitor the environment of the port site and to measure

the impact of its infrastructure development on the environment. The objective is to adopt environmentally friendly practices and to demonstrate a commitment to environmental responsibilities.

- BECCA electronic shortsea shipping database. This is a freight data system network, adapted to shortsea shipping to provide effective management of demand and supply of maritime transport between the Caribbean countries. UMEP members are actively participating in the steering committee managed by CEIBA Ltd. The BECCA project is co-financed by the Regional Council of Guadeloupe through the European fund Interreg.

Through these projects UMEP is demonstrating its commitment to playing an important role in the integration of Guadeloupe in the Caribbean environment. 

TWO NEW PROJECTS IN THE YEAR AHEAD

tic trade through the Port of Guadeloupe. The association monitors and disseminates information about port and ship activities to its members. UMEP will continue to serve as an advocate for business interests in the maritime community through the publication of documents, press releases and short films.

The activities and projects

system for the port community of Guadeloupe.

Members of the association hold regular meetings with the French Customs department to discuss new procedures and provide feedback on the electronic data interchange (EDI) platform. This will continue in the year ahead. Previous efforts in this regard were rewarded on

TOP PRIORITY FOR HARBOUR DEEPENING AT DEMERARA

Shipping Association of Guyana plays key role in national development

Demerara Harbour is scheduled for upgrading and in the year ahead the Shipping Association of Guyana (SAG) will be working with other stakeholders to provide capital resources for dredging and other services.

The SAG has been relentless in its efforts to have the draught situation in Demerara harbour attended to as a matter of urgency. That situation reflects years of inadequate maintenance and a lack of modern equipment to assist in its upkeep.

The public-private sector partnership will set up a fund to enhance the conditions within Demerara harbour. The work will be done with local expertise and managed by a consortium including the SAG and the Maritime Administration Department.

EMPHASIS

The SAG says the year ahead will see more emphasis on related cargo clearance procedures. A more strategic approach is planned and the Customs and Trade Administration will be central to this initiative. There will be a more structured approach

to issues related to Customs procedures and documentation. The aim is to drastically reduce new and emerging problems that plague the industry from time to time. It is hoped that closer ties could be established with the Customs Brokers Association with the aim of having more effective dialogue with the Customs department. This initiative was started in the

latter half of 2009 with a training seminar in Customs broker management, run by the Customs department, which targeted Customs brokers, Customs officers and officers of the SAG.

STRATEGY

In its strategy for the year ahead, the SAG has adopted a new approach to deal with sector-specific issues. The aim is to consolidate and harmonise relationships with

various sectors of industry. At year end a timetable was being drawn up to include regular forums with all sectors: that is, all engaged in international trade and dependent on the shipping sector. A proactive approach has been adopted. This initiative is designed to ensure that problems are identified and dealt with immediately or as soon as possible after they

tration Department and the Caribbean Maritime Institute, with which a training partnership has already been established.

OPPORTUNITIES

Completion of the Guyana-Brazil road has presented new opportunities for trading activities in Guyana and the SAG intends to take advantage of such opportunities.

COMPLETION OF THE GUYANA-BRAZIL ROAD HAS PRESENTED NEW OPPORTUNITIES FOR TRADING ACTIVITIES IN GUYANA AND THE SAG INTENDS TO TAKE ADVANTAGE OF SUCH OPPORTUNITIES

emerge or become evident. Success will ensure that complaints are kept to a minimum.

In the year ahead, the SAG will continue efforts begun three years ago to establish a demurrage company. The association also plans what it described as "fresh engagements with our sister organisations in Jamaica and Trinidad and Tobago". It plans to continue its training programme in collaboration with the Maritime Adminis-

Guyana is a main outlet to the Atlantic Ocean for the South American continent and the completion of an overland cargo route linking Guyana with Brazil is, to say the least, important.

SAG projects are in line with the government's plans for the development of the local maritime sector. Indeed, SAG and other stakeholders have already taken the initiative to improve the level of services being offered

within the shipping industry and to open new avenues for business. It is in this context, says the SAG, that "we strive for closer collaboration with the Caribbean Shipping Association in support of its objectives and development plans for national [shipping] associations in the region".

The SAG ended last year on hope, promise and a positive attitude to national development. Throughout the year, the association collaborated with other stakeholders in the shipping industry and pursued strategies and programmes that

contributed to the aims of Guyana's National Development Strategy.

Guyana reported an overall decline in shipping of about 14 per cent in the first six months of 2009. The SAG says this should be compared with the 16 per cent decline in world shipping over the same period, reported by Pousseurop in November 2009.

DIALOGUE

Large vessels are not sailing half-empty to Guyana, perhaps because large vessels are not sailing to Guyana. The country is therefore not

suffering fallout as a result of lines rethinking routes and schedules. Because of draught restrictions in the Port of Georgetown, very large vessels do not use the port where the bulk of the country's international trade transits.

In January 2009 a Public Private Dialogue (PPD) organisation was set up to look at trade transactions and procedures considered to be time-consuming. The aim was:

- To identify problems associated with such delays

- To investigate issues related to import/export procedures and concerns within the industry

- To prepare recommendations for solutions.

The issue of the dredging the Demerara channel received urgent attention. The PPD still hopes this project will receive assistance from the Inter American Development Bank. 

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Shipping Association of St Lucia defines role and plans development

The Shipping Association of St Lucia Inc (SASL) hopes to make significant strides towards its own development in the year ahead so as to empower it to assist national progress.

Still in its infancy, the Association is currently served by its third president, Wayne Monrose, completing the first year of his two-year term.

In the year ahead, the Association will continue its work to define itself and to establish its presence in the St Lucian community.

“To date we are not seen as a force-

ful and meaningful organisation within the community,” said Mr Monrose. “We recognised that from within we must

IN THE YEAR AHEAD, THE ASSOCIATION WILL CONTINUE ITS WORK TO DEFINE ITSELF AND TO ESTABLISH ITS PRESENCE IN THE ST LUCIAN COMMUNITY

revisit our mission, our vision and if necessary amend our Articles of Association to allow us to include in our membership other entities that share commo-

nality of purpose. If we are to remain relevant, we must of necessity strive to become of greater meaning and signifi-

cance within the community.”

Mr Monrose said that, while the members shared common goals to ensure future opportunities for the organisation, they were also aware of the inhibiting factors that impede success. In this regard, he said, a competent individual must be drafted to pursue a strategic business plan that would truly reflect the aspirations of all members and stakeholders. That plan, he said, must be “a true guide that will direct our path” and must be ready for immediate implementation.

GOALS AND OBJECTIVES

“We have all agreed that the success of the Association hinged not only on the conceptualisation of ideas, but with the services of a highly competent individual to successfully channel the goals and objectives through a functional and effective secretariat. The success of any business desk must include a cost. As such, we must and will explore all possibilities and avenues for financing opportunities for funding the secretariat for long-term success.”

After its inauguration in February



2004 the SASL found the early period difficult as it strove to establish an organisation strong enough to influence positive development in the shipping sector.

The period immediately following the inauguration was spent largely in preparing and sensitising the membership to cope with the new challenges and measures being implemented as a result of the new port security system just then being implemented. This was followed by the hosting of the Caribbean Shipping Executives Conference, an attempt to expose membership and the wider community to the Caribbean Shipping Association.

WORKSHOP

In July 2009, through the CSA Secretariat, the SASL invited the Shipping Association of Jamaica to travel to St Lucia to conduct a workshop to share experiences and best practice. The aim was to motivate its membership to cope with the many challenges facing new associations, especially that of defining



and implementing strategies that would lead to a viable and profitable association.

In this regard, the St Lucia Air and Sea Ports Authority (SLASPA) has been invited to full membership of the association.

"Barriers which for the last 10 years have impeded direct dealing between them [SLASPA] and the NVOCCs are currently being discussed [with a view to] dismantling," said Mr Monrose. "We both recognise the serious benefits that can be shared because of our common purpose." 

ROLLING OUT A STRATEGIC PLAN

Shipping Association of Trinidad and Tobago

The year ahead will see the Shipping Association of Trinidad and Tobago unveil its strategic plan. Commissioned in 2008 and completed in 2009, the plan will see the SATT move away from its traditional group structure to committees.

In this regard, the year 2010 promises to be an exciting and challenging one for the SATT.

Under the leadership of the association's recently elected president, Rhett Chee Ping, the association will roll out the strategic plan, which fundamentally reorganises how members relate. Three major committees will hold portfolio responsibility for:

- Stakeholder Relations
- Membership Management
- Marketing and Public Relations.

STAKEHOLDER RELATIONS

Activities to be emphasised under 'stakeholder relations' are:

- Strengthening the Association's relationships with other local business associations, regional shipping associations and the Caribbean Shipping Association
- Collaboration on strategic areas that affect or hinder the flow of trade
- Engaging the relevant government ministries and seeking a more rapid response in identified strategic areas

- Collaboration focused on building capacity in the industry.

MEMBERSHIP MANAGEMENT

Membership management will emphasise the maximisation of satisfaction by way of:

- Training and development – largely through seminars and workshops and general forums
- Improving members' access to industry data
- Providing members with more timely information on key developments in the industry
- General membership outreach.

MARKETING AND PUBLIC RELATIONS

Marketing and Public Relations activities will include public statements about the Association's position on a range of issues directly or indirectly related to the maritime industry. The Association will play a more central role in building general awareness of how trade impacts on the everyday lives of the general public. It will educate the public on the role of each stakeholder in the trade and shipping value chain. Activities will also be developed to illustrate how trading efficiency contributes to real economic development.

With its new strategic plan in place, the SATT plans to make 2010 historically significant. 



MIAMI - TO BE FIRST WITH 50 FT DEPTH

By Rick Eyerdam



APM Terminals' South Florida
Container Terminal, Port of Miami

In the year ahead, Miami will move closer to becoming the first container port in the south-eastern United States to offer a depth alongside of 50 ft (15.24 metres).

Kevin T. Lynskey, recently appointed assistant port director, said the final phase of channel dredging was halfway through the planning, engineering and design stage.

“The port will have a better understanding of what the final dredge cost number will be and at that point we will be looking to the Feds for the normal share of that expense,” said Mr Lynskey.

He estimated that the total cost of channel dredging, from the head pin to the end of the 6,000 ft of linear berth space, would be no more than US\$180 million. At that point, some time next year, Miami will be the first East Coast port to be dredged to the new industry standard of 50 ft at normal tide.

DELIVERY

Two more super post panamax cranes have been ordered for delivery in 2010, bringing the total to six. In order to handle the potential daily volume gener-

ated by 10,000 teu class containerships, plans are being drafted to formally establish the footprint for on-port rail system in conjunction with the design and location of the future Port of Miami tunnel entrance. The on-port rail footprint, to be integrated into the master plan next year, calls for parallel 2,500 ft lengths of track connecting with the existing bascule bridge that links the port to the mainland rail system. Plans also include repairs to the bridge.

With the availability of on-port rail and an eventual improvement in traffic flow to and from the facility via the two adjacent Port of Miami tunnels, the port administration has entered talks

EXPANSION PLANS

with Florida East Coast Railway (FEC) and the Flagler development company Coral Gables to identify shippers and carriers essential to support a planned intermodal rail yard and inland port on the western edge of Miami International Airport.

According to literature provided by Flagler and the FEC, the Flagler Logistics Hub at the existing FEC rail yard will support the Port of Miami and Miami International Airport expansion plans “by serving as an off-port container yard, an off-airport and possibly on-airport cargo facility as well as an enhanced and non-exclusive intermodal rail facility.”

To become more efficient, the port requires shorter dwell times and longer hours – and that requires warehouses and bonded yards willing and able to accept cargo after sunset and before dawn. Those are the clients the developers will be seeking.

Mr Lynskey said: “We have a pretty solid estimate that we can handle all our anticipated growth through 2035 [the theoretical end date of the master plan]



To that end, long-promised improvements at the Seaboard terminal have advanced with such alacrity that the port was able to collect a \$1 million bonus for beating its construction timetable.

Negotiations are so near completion that the new long-term lease agreement with the Port of Miami Terminal Operating Company (Pomtoc) will be signed in 2010. With a long-term lease in hand, Ports America, one of the partners in Pomtoc, has said it is willing to fund substantial modernisation and automation of container handling equipment.

In the year ahead, Miami will move closer to becoming the first container port in the south-eastern United States to offer a depth alongside of 50 ft

through known technologies within our existing port footprint.”

The “known technologies” include improved gantry cranes, redesigned port access for trains and trucks, modernised terminals capable of automated container movements and longer hours extended as throughput demands. There is no sense buying cranes and digging a channel deep enough for a 10,000 teu containership unless it can discharge at least 10 per cent of its cargo at one terminal. That would require the Port of Miami to clear at least 1,000 containers from the port on any given day. Double stacked, that would require four trains, 100 cars long, and 200 truck journeys, if the port had no other calls that day.

“We anticipate that within four months we will have all three container terminals under long-term contract,” said Mr Lynskey.

NEW AGREEMENTS

The long-term contracts also place the Port of Miami in a favourable credit situation. Mr Lynskey explained that, whereas at one time the port survived on a total annual revenue guarantee from cargo and cruise business of about \$38 million, the new agreements guaranteed the port about \$60 million.

“That is pretty incredible, because the operating budget of the port is only about \$70 million,” said Mr Lynskey. 



Blount Island on dock rail.
- Eyerdam photo

Major new rail and ship facilities on way for Jaxport

The Port of Jacksonville enters 2010 with a view to its global future and a commitment to satisfy the immediate needs of its tenants and clients, says the chief commercial officer of Jaxport, Roy Schleicher.

During the past year Jaxport opened its TraPac Terminal and handed over the keys to Mitsui OSK Lines (MOL), completing its groundbreaking rapprochement with the Asian carriers of The New World Alliance – namely, APL, Hyundai Merchant Marine and MOL.

Mr Schleicher said the year ahead would bring an improved rail system for the Blount Island Marine Terminal and a significant advancement in the dredge permitting process. However, the most import long-term issue would be selecting an engineering company to design the proposed Hanjin container terminal at Dames Point.

BIDDING PROCESS

“The Hanjin process is our biggest thing in the bidding process,” said Mr Schleicher. He said the Board of Direc-

tors of the port authority had accepted the recommendation of its technical committee to retain Halcrow

authority from the Board to negotiate the cost of engineering as part of the design/build contract structure.

THE YEAR AHEAD WOULD BRING AN IMPROVED RAIL SYSTEM FOR THE BLOUNT ISLAND MARINE TERMINAL AND A SIGNIFICANT ADVANCEMENT IN THE DREDGE PERMITTING PROCESS

as the engineering company. Halcrow also carried out the engineering studies for the nearby TraPac Terminal.

Mr Schleicher said that in 2010 the Port would obtain

The TraPac Terminal is built on similar geology, but the Hanjin terminal operators want to use advanced automated container handling gantry cranes that travel on

tracks, so the engineering design will be different.

"The rail-mounted gantries require a different type of science," said Mr Schleicher.

The site of the proposed Hanjin terminal is the current location of the Port's temporary cruise terminal. With an extensive parking lot, this site is far closer to being development-ready than the TraPac site was when engineering began. Nevertheless, says Mr Schleicher, no-one expects any shovels to be turned on the Hanjin project in 2010.

FINANCING

He said the engineering would be funded "through regular sources" without any need for bonding or other complex financing and with-

out 'stimulus funds'.

Meanwhile, the Port will continue to chase approvals for the planned dredging of the ship channel from Mile Point 14 past the Talleyrand Terminal, a real benefit for users of the Talleyrand Terminal including Mediterranean Shipping Company and Hamburg Süd.

Mr Schleicher said the Port was in the middle of a general re-evaluation report by the US Corps of Engineers that should be concluded in 2010. This would help move along the approvals and funding.

IMPROVED RAIL

The workhorse Blount Island Marine Terminal – at 754 acres, the largest in Jaxport – is home to SSA Marine Termi-

nal, Crowley and a major US Marine Corps staging terminal for Iraq and Afghanistan.

CRANES

Blount Island has one 100-ton Whirley crane and six container cranes (three of 50 tons capacity, one of 45 tons and two of 40 tons) with two additional cranes to be purchased this year. The efficient movement of cargo is facilitated by the terminal's on-dock rail, served directly by CSX Corporation and served by rail-mounted gantries.

Those rail operations will be improved dramatically from the proceeds of an Economic Development Administration grant of US\$6 million from the Department of Commerce. The grant will be used

to rebuild existing track and rail ties, allowing Jaxport to enhance its global competitiveness and continue to create and retain private-sector jobs, according to Mr Schleicher.

The 14-mile, single-track rail system of Blount Island moves more than 30 per cent of all Blount Island cargo. However, the Blount Island rail system is over 40 years old and the grant project calls for portions of the existing track to be replaced. More than 19,000 linear feet (3.6 miles or 5.9 km) of new track will be laid. Over 12,000 timber ties (sleepers) will be replaced and 15 new turnouts (sets of points) will be constructed.

The Port will contribute \$1.7 million to the project. 

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A positive outlook for the year ahead

Caribbean Feeder Services holds a positive outlook on the year ahead. Indeed, CFS head Frank Wellnitz believes the fall in volume of containers imported to and exported from the Region has reached bottom. He is looking forward to 2010 with 'cautious optimism'.

According to Mr Wellnitz, the CFS forecast is based on identical volume carried during 2009.

"The service network and planning, which is presently being budgeted and fine-tuned, will reflect this," he said. "This means CFS will continue to employ nine vessels."

Discussing the CFS services, he listed the following:

- Merengue Service linking Kingston with Caucedo and San Juan
- Island Service linking Kingston and Caucedo with Trinidad and Barbados
- Two slings of a Venezuela service ex-Kingston and Caucedo
- Copaco service linking Kingston with Colombia, Costa Rica, Panama and Puerto Rico
- Haiti service from Kingston
- Mexico service from Kingston to Tampico and Veracruz.

Mr Wellnitz said the company's priorities for the coming year were:

- To go on providing reliable services and port connections to its customers
- To continue to employ the nine vessels of the group
- To cover any additional requirements by short-term charter of vessels available in the market

November that we saw some improvements," said Mr Wellnitz.

As a feeder operator, CFS links 25 ports in the region on a regular basis. Final destinations are ports in Mexico, Central America, Colombia, Venezuela and Caribbean ports including Port-au-Prince, Caucedo, San Juan,

In planning for the year ahead, CFS will lean heavily on its 10 successful years of business

- To prepare for better years.

"And finally," added Mr Wellnitz, "to use the somewhat unpredictable future and market trend in container volume and vessel daily rates to the advantage of CFS."

In planning for the year ahead, CFS will lean heavily on its 10 successful years of business and on the 35 years of Caribbean experience and know-how that Mr Wellnitz brings to the table.

Volumes

Last year CFS saw 20 per cent less overall volume compared with 2008. The first quarter saw volume carried over from 2008 but the second-quarter graph showed a deep valley. This trend continued into the third quarter.

"It was only starting in

Port of Spain, Barbados, Aruba and Curaçao.

Despite the drastic reduction in volume, CFS was able to go on employing its nine containerships from the Harren & Partner group of companies in Bremen, Germany, a partner in CFS.

"The major tool to bring slot capacity in line with reduced requirements was to reduce vessel speed and improve port call combinations, economising mostly on bunker consumption," said Mr Wellnitz. "This compares favourably with other German KG companies which show up to 50 per cent of idle and unemployed vessels of their fleet. Looking at the statistics of the Journal of Commerce listing those idle vessels, the name Harren & Partner is noticeably missing. CFS feels very good about this." 





PORT OF PORT OF SPAIN INVESTS IN FURTHER IMPROVEMENTS

Dredging, enhanced gate control and more yard space

Despite talk to the contrary, the Port of Port of Spain (PPOS) reports that relocation of the new Port is moving forward. An update from the port notes that “the request for proposals has gone out for a new terminal in Sea Lots, which will become operational in approximately three years”.

Meanwhile, the Port continued its improvement programme, which began mid-decade. In 2006 Portia Management Services was contracted as terminal operator with a mandate to introduce international best practices and a transfer of knowledge to local managers. During the initial three-year contract – since renewed for a further two years – the terminal operator focused

stakeholders. Regular meetings gave stakeholders the opportunity to give feedback, to voice concerns and to receive direct responses from managers involved in daily operations.

Some of the upgrades to further improve the customer service at PPOS include:

- Implementation of a new computerised terminal management system for online management and tracking of containers
- Integration with the Customs computer system for a smoother clearing process
- Total security coverage by closed circuit television.

out-of-gauge cargo. The middle lane can be switched to either ‘in’ or ‘out’ depending on traffic demand. The security booth for ‘out guard’ duty is further away from the ‘out’ lane, helping to speed up the process. The Customs service has removed its functions in this area, leading to a time saving of two to three minutes per transaction.

DREDGING

PPOS completed dredging exercises in the first quarter of 2009. Dredging took place along the full length of the berths. The work took about seven weeks. In addition, Berths 6E/W and 7 were dredged to a depth of 12.5 metres in response to customer demand.

Equipment acquired with an initial investment of US\$20 million included a fifth ship-to-shore crane, five rubber-tyred gantries and 12 trucks. New capital expenditure for 2009 allowed for acquisition of 12 terminal chassis and six tractor trucks.

In the year ahead and beyond, PPOS expects to bring on stream further container yard spaces for an additional 80,000 teu per annum. This involves the removal of Shed 9. 

EQUIPMENT ACQUIRED WITH AN INITIAL INVESTMENT OF US\$20 MILLION INCLUDED A FIFTH SHIP-TO-SHORE CRANE, FIVE RUBBER-TYRED GANTRIES AND 12 TRUCKS

on hardware upgrade in the first year, software update in the second year and transfer of knowledge in the third.

The main focus was customer satisfaction and greater interaction with all

A new West Gate was installed as part of an improved system that eventually will be fully automated. The new gate has six lanes, each with its own booth, with extra-wide lanes at each end for

PROJECT MOVES TOWARDS LOCK CONSTRUCTION

Two years have passed since the memorable groundbreaking blast at Paraiso Hill on September 3 2007 that marked the beginning of work on the Panama Canal expansion.

Since then, a lot of dirt has been removed. Three of the four dry excavation projects are under way. The first two are nearing completion. The second project is facing slight delays, however, with its contractor working round the clock to make up time. The third contract is progressing on schedule. The fourth and most extensive was scheduled for award before the end of 2009.

ON SCHEDULE

Contracted dredging operations to widen and deepen the Pacific entrance to the Canal continue at full pace. The contract to widen the Atlantic entrance was recently awarded, while in-house efforts to complete the dredging within canal waters are on schedule.

The Panama Canal Expansion Programme was divided into various components including the construction of two sets of locks: one set on the Caribbean and the other on the Pacific. Each set of

locks has three levels. There are three water-saving basins on each level.

The excavation of new access channels for the new locks on both sides of the isthmus is divided into phases known as Pacific Access Channel 1-4 (PAC); widening and deepening of the existing channels; and elevation of the maximum operating level of Gatun Lake.

By 31 October last year 98 per cent of the works had been completed under

by the Mexican-based company Cilsa Panama Minera Maria, reported 91 per cent completion as of October 31. This work included excavation of 7.5 million cubic metres of material; construction of a 3.5 km diversion channel for Cocoli River; and relocation of 1.3 km of the Borinquen Road.

PAC-3, awarded to MECO, SA, includes the excavation of 8 million cubic metres of material; levelling of

DREDGING OPERATIONS TO WIDEN AND DEEPEN THE PACIFIC ENTRANCE CONTINUE AT FULL PACE

PAC-1 awarded to Constructora Urbana SA (CUSA). Works under this contract included the levelling of Cerro Paraiso from 136 to 46 metres; excavation of 7.3 million cubic metres of material; clearing of 146 hectares of land contaminated with unexploded ammunition (UXO); and the relocation of 3.4 km of the Borinquen Road.

PAC-2, carried out under contract

Paraiso Hill from 46 to 27.5 metres; and clearing of 190 hectares of UXO. It was reported to be 39 per cent complete as of October 31.

The contract for PAC-4 was published on July 30 2009 and was scheduled for award on December 3 2009. This is the most extensive of the excavation projects. It involves the excavation of some 27 million cubic metres of unclas-





to the new locks on the Atlantic side to a minimum of 218 metres.

After revealing the results of a technical evaluation process and the lowest price proposal in a public ceremony on July 8 last year, the ACP awarded Grupo Unidos por el Canal (GUPC) the contract to design and construct the third set of locks on July 15.

GUPC's proposal, which included provisional amounts for a series of additional works, came to a total of \$3,221,631,384, less than the amount allotted.

As stipulated in ACP Contracting Regulations, all participating consortiums were notified of the award and were granted five working days to review the winning proposal and three additional days to file any protests against the ACP. This term expired on July 27 with no protests filed.

After submittal of the required security and payment bonds, the ACP issued the order to proceed which stated that the contractor would have 1,883 days to complete the works starting from August 25 2009. The consortium is formed by: Sacyr Vallehermoso SA, leader (Spain), Impregilo SpA (Italy), Jan de Nul NV (Belgium) and Constructora Urbana, SA (Panama).

DESIGNERS

- Montgomery Watson Harza (MWH), leader (USA); IV-Groep (Netherlands); and Tetra Tech (USA)

GATE MANUFACTURER

- Heerema Fabrication Group (Netherlands).

The next phase will be the expansion programme's main project: construction of the massive locks that will allow the transit of post Panamax vessels across the isthmus of Panama. 



sified material; the installation of a long backfill cellular cofferdam water barrier about 1.8 km long; and construction of a 3.5 km long impervious clay core rock fill dam – with a foundation nearly 180 metres wide by 30 metres high and a 30 metre wide crest – comprising about 5 million cubic metres of fill.

CONSTRUCTION

Other works include construction of access roads, managing disposal site areas, clearing UXO areas, water drainage diversion channels, installing a dewatering system to remove surface and underground water, managing and implementing environmental controls, and instrumentation.

Meanwhile, the Belgian contractor Dredging International Panama, SA is dredging the Pacific entrance of the canal with 48 per cent completion as of October 31 2009. Its two 'green' icons, the hopper dredge 'Breydel' and cutter-suction dredge 'Vlaanderen XIX', have become a familiar sight in the area. They will be joined by the self-propelled cutter suction dredge 'D'Artagnan', the largest of its kind in the world, after it finishes a contract in the Persian Gulf.

Under this contract, officially launched on November 17 2008 for a total of \$177.5 million, DI Panama will remove 9.1 million cubic metres of material through the widening of a 14.2 km stretch to a minimum of 225 metres

width and 15.5 metres depth.

The Panama Canal Authority (ACP) is responsible for all dredging work for deepening and widening of Gatun Lake as well as the deepening of Gaillard Cut, from which 27 million cubic metres of material will be removed. At the end of October last, 23 per cent of the work had been completed with the use of the ACP-owned drill boat 'Baru', the dredges 'Mindi' and 'Rialto M. Christensen' and the leased dredge 'Il Principe'.

On September 28 the ACP awarded the contract for dredging the Atlantic entrance to the Belgian company Jan de Nul NV. This \$89.6 million contract was awarded following a lowest-price negotiated bidding process.

The following companies, aside from Jan de Nul, submitted proposals: Joint Venture Boskalis-Dredging International; Van Oord Dredging and Marine Contractors BV; China Harbour Engineering Co – Pilotec SA; and Great Lakes Dredging and Dock Co, LLC.

Works under this contract include deepening the approach channel to 15.5 metres below mean low water level. This will require dredging some 14.8 million cubic metres of material and excavating an additional 800,000 cubic metres.

An area will be dredged to allow widening of the Atlantic access channel from 198 metres to a minimum of 225 metres and of the north access channel

CURAÇAO - THE FUTURE IS BRIGHT

The Caribbean Shipping Association will deliver its ninth annual Caribbean Shipping Executives' Conference on 17, 18 and 19 May in Willemstad, Curaçao. Dimitri Cloose of Curaçao Ports sets the backdrop for this event

Curaçao sparkles in the Southern Caribbean as a precious gemstone. Here, in the very near future, many diverse and unique developments will see the light of day.

This Dutch Caribbean territory is home to a multicultural population of nearly 140,000 souls; 40 different nationalities living together on a surface area of just 44 sq km (17 square miles). It is located just 40 miles off the coast of Venezuela, between the islands of Aruba and Bonaire.

In Papiamentu, the local Portuguese and Creole influenced language, Curaçao is called 'Kòrsou' and is referred to affectionately as 'Dushi Kòrsou', which means 'Sweet Curaçao'.

In this position just above the equator (latitude 12.2°N, longitude 69.0°W), it is not the tropical sun that is blinding. It is Curaçao's future that is so bright.

Curaçao is the largest territory of the Netherlands Antilles, a country within the Dutch Kingdom consisting of the five Caribbean Islands

of St Maarten, St Eustatius, Saba, Bonaire and Curaçao. By the end of 2010 the Netherlands Antilles will be dismantled and Curaçao and St Maarten will receive a more autonomous governmental status within the Dutch Kingdom; a self-governing political body that is comparable to the current Status Aparte that Aruba has had since 1986. With this transition, Curaçao will become an autonomous EU-affiliated country, whose inhabitants will share a common European passport, like every

Dutch citizen. The territory's close relationship with the Netherlands will always be a strong asset.

HISTORIC

The historical inner city of Willemstad, a Unesco World Heritage Site, was built around the main harbour, the beating heart of the national economy. Since the Dutch took over the island in 1634, St Anna Bay, the natural narrow canal that connects the inland port to the Caribbean Sea, with its famous pontoon bridge connecting



the city areas, became the main harbour of Curaçao. Owing to the modernisation of the shipping industry

issues the crisis would bare. With the global economy steadily growing and gradually leaving the crisis behind,

of persistency, perseverance and futuristic vision towards the shipping industry, with successful contracts in Venezuela and Colombia; interests in Panama and Aruba; and numerous jobs within the whole Americas. It was just six years ago that KTK had only two tugs. It now has a fairly new fleet of tugs that keeps expanding. KTK is a totally local company. All employees are citizens of Curaçao and they are all trained locally with Dutch accreditation and ISM certification.

for other smaller ports in the region, due to its multifunctional facilities, the Curaçao Ports Services (CPS) keeps modernising its container and cargo handling operations. CPS, together with Antillean General Transport (AGT), recently invested in a Loaded Container Handler THDC-975 and an automated Heavy Forklift TX300 to improve the services delivered within the ports of Curaçao. The Curaçao Ports Authority, landowner of the terminal and cranes, has intentions to invest in two new ship-to-shore gantry cranes, a move towards coping with the bright and clear future ahead.

THE TERRITORY'S CLOSE RELATIONSHIP WITH THE NETHERLANDS WILL ALWAYS BE A STRONG ASSET

during the last century, the main shipping activities moved to the Schottegat, the inland port on the other end of the canal.

Curaçao Ports Authority, a liability company, owned by the government, administrates and manages five multi-faceted ports in the territory. They are: Bullen Bay, oil storage terminal; Caracas Bay, deepwater facilities with two berthing jetties; St Michiel's Bay, deepwater and single mooring buoy; Fuik Bay, private wharves of the mining company; and Willemsstad, the main port. There are also yachting facilities in the Spanish Water, a large bay on the south-east side.

the rising sun on the horizon shines so brilliantly that you have to wear sunshades.

The Curaçao Towage Company, abbreviated as KTK, was the only entity that believed in a turnround and positive growth, based on its demands. The company dared to invest in a brand-new 40.75 metre (133.66 ft) oceangoing Stan Tug, of 5,000 hp and 65 tons bollard pull, for its profitable international ventures, especially on long-distance projects. KTK, which will celebrate its 25th anniversary this year, is a clear example

INCREASE

Over the past five years there has been a steady increase in cargo. Curaçao, a beautiful but dry island with a small population and not enough rainfall for a diverse and self-supporting agricultural economy, imports most of what is needed to exist and most of those imports come by ship. Playing a key role in cargo storage and lay-over

The increase of the petroleum sector, the oldest and one of the main economic pillars of Curaçao, is also worth mentioning in this 'scenario of positivism'. The forecast growth in storage of crude and hydrocarbon products is likely to prompt an increase in tanker trades at Bullen Bay, a sheltered deep-

STABLE ECONOMY

The last two years have reflected the effects of the global economic crisis and although the credit squeeze was definitively felt, as were the disastrous fuel prices, especially for destinations in the deep south of the Caribbean, the overall economy of Curaçao was stable. There were even signs of growth in certain sectors.

On the other hand, no big or risky investments were made as the whole world watched international developments and what





water harbour in the south-west with six jetties, three of which are VLCC T-shaped.

LEASED

The Curaçao Oil Terminal, which is partly leased by the Venezuelan State Oil Company, Petróleos de Venezuela S.A. (PDVSA), will provide new opportunities to explore at the end of the lease contract next year. In fact, the area surrounding Bullen Bay has the potential for commercial and maritime activities in the near future (except oil storage) with the economic boost the expansion of the

at the beginning of last year, signed a Memorandum of Understanding (MOU) with the Panama Canal Authority (ACP). The CPA intends to undertake activities to promote the oceanic exchange of goods. The MOU also includes merged advertising campaigns, data interchange, market analyses through joint shipping and training programmes for personnel.

These brilliant prospects of times ahead are also shining on the cruise industry. Curaçao expects an increase in visiting passengers, with larger vessels from all

wharves of St Anna Bay. A very unusual, and therefore historic, berthing was expected to take place on 23 December 2009 when the 'Eurodam' of Holland-America Line was scheduled to be moored at the Eastside wharves of St Anna Bay. For the first time in the modern era of Curaçao's cruise industry, a cruise vessel of its size will berth on these wharves. The wharves are used only for small barques coming from Venezuela, bringing fruits and vegetables, as well as the KTK tugs.

Owing to the narrowness of St Anna Bay, width varying between 90 to 110 metres (295 to 361 ft), there must always be enough space for shipping transit to the Schottegat Bay. That is the reason for berthing cruise ships only on the wharves on the

west side. On 23 December P&O's 'Ventura' and 'Celebrity Constellation' were also expected to visit. Neither can sail under the bow bridge, so that would leave the 'Constellation' and 'Eurodam' berthed at the East and West wharves, blocking the St Anna Bay canal for ship traffic. The 'Ventura' would therefore have to berth at the Megapier.

GROWTH

The foreseen growth in numbers and size of cruise ships has the CPA looking for new opportunities outside St Anna Bay. The nearby Caracas Bay, a natural sheltered deepwater port within 12.87 km (eight miles) of the inner city, has attracted great interest from Royal Caribbean International for possible cruise expansion.

CURAÇAO EXPECTS AN INCREASE IN VISITING PASSENGERS, WITH LARGER VESSELS FROM ALL MAINSTREAM CRUISE LINES

Panama Canal is expected to bring to the region.

The Curaçao Ports Authority (CPA) is evaluating the possibilities of expanding for the growth of its port. The petroleum sector will most likely to show immediate growth. Oil carriers represent 40 per cent of all vessel traffic in the ports of Curaçao. However, the focus on petroleum is not at the expense of cargo or cruise. The CPA,

mainstream cruise lines. At present, most cruise ships berth at the Megapier, a T-shaped jetty just outside the entrance of the Willemstad harbour, and on the south-west side of the St Anna Bay canal. Cruise ships that can pass under the 183 ft (55.8 m) bow bridge sometimes berth at the Prins Hendrik Wharf in the Schottegat Bay or, depending on length, berth on the north-west



Local excitement around this unique cruise village concept, which is much more than just a cruise terminal, is understandable.

Curaçao has a positive view of the year ahead. And the CPA is taking nothing for granted. It is currently undertaking small construction projects to upgrade and improve efficiency at existing facilities. These include the

installation of new fenders and signage for efficient flow of cruise passengers as well as improvements in safety and security at the port.

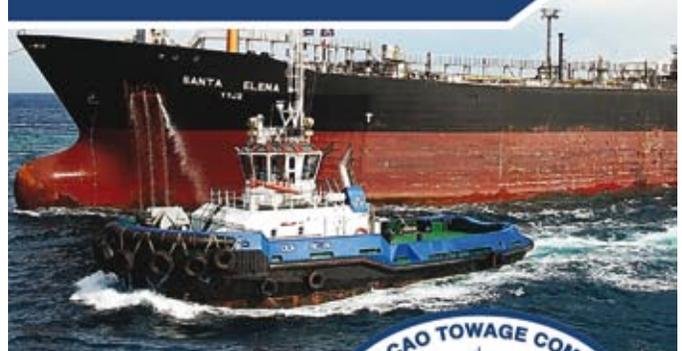
New multi-year contracts are being signed with foreign companies for home docking, storage and handling. There are development plans for real estate managed by the CPA, especially the shore areas around St Anna Bay. 



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JOHN FERNANDES LTD CELEBRATES 50TH ANNIVERSARY

One of the premier shipping companies of Guyana, John Fernandes Ltd, celebrated its 50th anniversary in October with an event worthy of the milestone.

Chairman and CEO Chris Fernandes, a former member of the CSA's General Council, played chief host at the main event. Among those present were President Bharrat Jagdeo; the head of Sea-Freight, Roland Malins-Smith; Seaboard Marine's regional vice-president, Stephen Bell; and the CSA's Group A chairman, Michael Bernard.

Mr Fernandes told the story of the company's rich history. Most of his speech is given below.

HISTORY

John Alvaro Fernandes, born in 1901, was the eldest of 11 children. His parents, John Fernandes and Deolinda Mario Franco, were second-generation Portuguese immi-

grants from Madeira.

In 1924 John married Alda Jardim. This coincided with the death of his father and also the collapse of the world sugar market after the First World War. His father, a businessman, was almost bankrupt when he died and the family had to dispose of most of their assets to pay his debts. They were able to salvage only the cycle store known as DM Fernandes Ltd.

DM Fernandes Ltd could not sustain the entire family, forcing John to branch out on his own. Securing a timber concession at Waratilla in the Kamuni Creek, on the Demerara River, he worked long hours producing firewood and charcoal for local consumption.

During the Second World War, his market for the wood products developed both locally and in the English-speaking Caribbean as a result of the fuel shortage. He rented a small area of property from W.M. Fogarty Ltd which he later bought. This was the birth of John Fernandes Shipping as he was now able to load and discharge inter-island sailing vessels. He would later export large volumes of charcoal to Liverpool, England, using the international shipping lines calling at Bookers Shipping Wharves.

John Fernandes Ltd (JFL) was officially registered in October 1959. During politi-

cal riots in Georgetown in February 1962 the offices, wharf and warehouse of JFL were destroyed by fire. While others waited for the political unrest to settle, John Fernandes built a small wharf, office and warehouse and was back in business within three months. Later, these facilities were expanded.

John Fernandes closed his wood products division in 1967 and, with the nationalisation of the shipping companies Bookers, Sanbach Parker and Sproston in 1976, JFL found itself in the unique position of being the only privately owned commercial pier and warehouse operation in Guyana. The company offered an efficient personalised service and in time was able to capture over 50 per cent of the containerised trade it has maintained up to today.

On his retirement in 1970, John was succeeded by three of his sons. His eldest, John Junior, managed the company until he migrated to the USA in 1978. He was succeeded by Bernard (Bunny), who retired in February 1992.

I succeeded Bunny as chairman and CEO on 1 March 1992 bringing to the company a new style of leadership. In 1993 we purchased the entire shareholding in De Freitas Investments Ltd for G\$200M with funding from NBIC. This allowed us to commence our expansion programme. We purchased

additional waterfront property from Gandhi Investments, which allowed us to further extend our wharf.

MARKET

Having reached the market to the south, we turned our attention north to J.P. Santos and Co Ltd, with whom we established a lease agreement in 1997 for the use of their warehouse and wharf. This significantly increased our capacity to handle export rice. In addition, we entered into a lease agreement with GNSC for the use of their No 1 wharf. We have subsequently leased from them a mudflat. We reclaimed the area, compacted, land-filled and surfaced it with concrete bricks to further increase our container storage for import cargo and to free up space to facilitate the export trade.

We needed to find a way to purchase the JPS property, which we considered vital to our future development, but the valuation of the real estate made it beyond our reach. In 1999 we made the major shareholders an offer per share and in less than three months we had acquired more than 50 per cent of the company. We now have over 90 per cent of the shares.

In 2005 J. P. Santos purchased the Guyana Stores Agencies building. This has been refurbished and is leased by John Fernandes Ltd as our LCL warehouse and sales office.



Chris Fernandes (centre) makes a presentation to Roland Malins-Smith. A right is Philip Fernandes, Director and Secretary of John Fernandes Ltd

In 1994, as breakbulk cargo gave way to containerisation, the need for increased storage became evident. The only solution was the establishment of an off-port terminal on six acres of land on Mandela Avenue, Riumveldt, later purchased from Central Garage Ltd.

EXPANSION

In 1999 a further six acres were leased from Sanata Textile Ltd and finally purchased from NICIL in February 2008.

We have been continuously developing our terminal and have recently purchased additional land from Houston Estate for possible future expansion to the south.

John Fernandes Senior also established Bounty Farm Ltd (Bounty) in 1976. The company is a fully integrated poultry farm on the East Bank of the Demerara River at Soesdyke / Timehri. Dad's first love was agriculture.

In 1965 his son William (Billy) was given the task of managing the farm. Poultry was soon introduced, with peak production being 4,200 chickens per week. However, in 1982 Guyana was experiencing foreign currency difficulties and the importa-

tion of hatching eggs was put on a quota system where only established hatcheries were allotted eggs. Being forced to seek other sources of revenue, Bounty converted its chicken pens to pig pens. The first manager, Billy Fernandes, migrated to Canada in 1987 and Patrick de Groot, the current managing director, was appointed.

In 1990 foreign currency availability improved and once again Bounty was able to recommence its poultry development. The company is accepted as the leader in the poultry Industry, producing an average of 80,000 chickens per week.

In 1985 John Fernandes Ltd and Bounty Farm Ltd together formed Fairfield Investments Ltd and purchased a 600-acre rice estate and a rice mill at Fairfield, East Coast Demerara. They were able to utilise the by-products of bran and broken rice from the rice milling in the poultry feed production of Bounty. The company is now a 50 per cent joint venture partner with the Seaboard Corporation of America in Fairfield Rice Inc, which produces rice for

export, the majority of which is being shipped to Jamaica.

EXEMPLARY RECORD

While we are not big enough to be the leader in the industry, we pride ourselves on the exemplary payment record we have maintained with the farmers who supply paddy to our mill.

In 2000 the decision was made to have J.P. Santos & Co Ltd invest in the purchase of a 51 per cent shareholding in the newly established firm of Bryden & Fernandes Inc (B&F). The remaining 49 per cent being held by A.S. Bryden & Sons Barbados and Trinidad. B&F, which is in the distribution trade, rents offices and warehouse space from JP Santos & Co Ltd and has been a success.

The John Fernandes Ltd Group of Companies currently employs about 1,000 people and considers their welfare to be our priority.

We have already indicated to the president our willingness to work with the government to improve the efficiency of Port Georgetown and to assist in the development of the deepwater harbour. This would be



Chris Fernandes (right) holds the attention of Guyana's President, His Excellency Bharrat Jagdeo (2nd right); Dr. Peter De Groot (2nd left), a Director and the CEO of JFL's rice entity, Fairfield Rice, which produces white rice for the Jamaican market. JFL's joint venture partner in that Company is the Seaboard Corporation, represented in the photograph by its Regional Vice President, Mr. Stephen Bell

necessary in the long term to cater for possible cargo movement to and from Brazil and the further development of our export trade.

Bounty Farm has responded to the call made by the president to diversify into non-traditional areas of agriculture. Currently an 80,000 sq ft model crop farm is being established at our Timehri location.

We are optimistic about Guyana's future, if we can find a way to put aside our politics and all put our minds and shoulders to the wheel we can achieve anything.

John Fernandes Ltd.



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NEWSBRIEFS

'ALLURE OF THE SEAS' TO BE DELIVERED IN THE YEAR AHEAD

The Allure of the Seas, the second Oasis class vessel under construction at STX Finland's Turku Shipyard, was launched on 20 November, 2009. The Allure of the Seas is the second in a series of the world's largest cruisers built at Turku Shipyard. The first vessel in this series, the Oasis of the Seas, was handed over to the owners, Royal Caribbean, at the end of October last. These are revolutionary vessels of a totally new type. Their futuristic design and bold innovations has already set new standards for the cruise industry. Under the contract, the Allure of the Seas will be delivered to the owners towards the end of 2010. The Allure of the Seas is a twin of the Oasis of the Seas. The only difference being some colour and material changes. The project has progressed on schedule. Once the Allure of the Seas is moored at the outfitting quay, interior outfitting will begin. The length of the Allure of the Seas will be 1,184 ft, beam 216.5 ft and height from sea level 236.2 ft. The gross tonnage of the vessel will be 225,000. At full capacity, the Allure of the Seas will accommodate 6,320 passengers and a crew of 2,100. It will have 16 passenger decks and 2,704 cabins.

DR STRONG ON MARITIME CONNECTIVITY

The Dominican Republic is reportedly in the lead among DR-CAFTA signatory countries on the Liner Shipping Connectivity Index (LSCI) for 2009. The United Nations Conference on Commerce and Development (UNCTAD) sponsors the index. Overall, the DR is ranked 47th of 162 countries. In the Americas, the US, Canada, Panama, Mexico, Brazil, Argentina, Colombia and Uruguay ranked higher than the DR. The higher the ranking, the easier it is to access a high capacity and frequency global maritime freight transport system and thus effectively engage in international trade. The announcement was made by Andres Van der Horst Alvarez, head of the Dominican Republic's National Competitiveness Council. He said that the country's port facilities and costs, together with its strategic location close to major markets were the basis of the high ranking.

NEW SHIPPING LINE TO SERVE SMALL PORTS

Santé Shipping Line, a new entity with services to Haiti, was launched late last year in South Florida. Former director of the Port of Miami, Chuck Towsley, is the new company's President. Santé launched its new container service on October 28 last with a new 181 teu container ship, m/v Santé MANNA. The service departs Miami every two weeks to Cap Haitien and Gonaives. Towsley said Santé will be filling a niche by putting direct services into smaller ports. It plans to add a barge early in 2010 to transport goods from its container vessel to even smaller ports in Haiti. Plans also call for building roll-on, roll-off barges to serve Puerto Rico, Turks and Caicos Islands and the southern Bahamas. Towsley, 61, led the Port of Miami for eight years. He resigned in 2006 to pursue maritime consulting. Bruno E. Ramos is Santé's CEO.

PARTNERSHIP FORMED TO EXPAND KINGSTON DRY DOCK

Jamaica Fruit and Shipping Limited and Maritime and Transport Services have partnered to expand the Kingston Dry Dock in Harbour View, St Andrew, with the use of a floating dry dock system. The Jamaican partners have been looking for international investors for the project. The existing dock can lift only small vessels of up to 150 tons. However, with the use of the floating dry dock system, large oceangoing vessels can be accommodated. Executive chairman of Jamaica Fruit and Shipping Limited, Charles Johnston, said the development will add to the attractiveness of Kingston as a cargo port. He indicated that the floating dry dock will be similar to the one that has been operating at Freeport, Grand Bahama, since 2001. The expansion of the dry dock in Kingston will require an investment of US\$14 million for equipment and infrastructural works including dredging and piers. Kim Clarke, Managing Director of Maritime and Transport Services said the project will create 18 administrative jobs as well as another 150 jobs for contractors, skilled and semi-skilled workers. The plan is to deliver services such as hull maintenance; sandblasting; painting and steel work; pipe-fitting and machinery repairs; equipment maintenance including electrical work and repairs to electronic equipment.

CURAÇAO DIRECTORS RETIRE

The Curaçao Port Authority's directors Richard Lopez-Ramirez and Agustin Diaz were slated for retirement at the end of last year, after a sixteen consecutive years in service of the company. Under their management, Curaçao Towage Company (KTK) strengthened its local position, expanded its fleet and took its business to international waters. It was also during their tenure that the Megapier was constructed to accommodate large cruise ships.

SHIPPING ASSOCIATION OF JAMAICA RETURNS EXECUTIVE EN BLOC

The Shipping Association of Jamaica returned its leadership en bloc at its annual general meeting on December 4. President Roger Hinds will therefore lead the SAJ for a second term in office. The SAJ president restated the Association's commitment to work with stakeholders in the industry in the development and expansion of port operations. He said that the clean-up of Kingston's main port area, Port Bustamante, was also high on his administration's agenda. The SAJ's Managing Committee for 2010 includes Kim Clarke (Vice-President), Michael Bernard (Immediate Past President), Harry Maragh, Grantley Stephenson (currently CSA Vice President), Charles Johnston, Joseph Lowe, Corah-Ann Robertson Sylvester, Denise Lyn Fatt, Evroy Johnson and Trevor Riley (General Manager of the SAJ).

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MARTINIQUE TO GET NEW FERRY TERMINAL

The year ahead promises growth for Martinique. For the Chamber of Commerce and Industry of Martinique, the main event is the opening in February of an international inter-islands ferry terminal for passengers at Pier West.

The chamber manages all commercial facilities at the port of Fort de France.

The inter-island passenger traffic between Martinique and Guadeloupe (via Dominica) and between St Lucia and

development in the Greater Caribbean. The second phase of this community initiative is the implementation in 2010 of recommendations obtained from studies initially conducted by local consultants.

FEATURES OF TERMINAL

- Central lobby of 971 square metres with a capacity of 1,000 passengers; a reception zone with three registration desks and one ticket counter

- Three-level parking for 300 cars
- Computerised high-tech network for registration operations, information on ship movements (stopovers) and terminal performance.

WHAT IS INTERREG?

Interreg was established to foster transnational co-operation between the Euroregion (Guadeloupe, Martinique and French Guiana) and close geographical and political entities in the Caribbean and the Americas; as well as the Ultraperipheral Regions (the Azores, Madeira, Canaries, Réunion). The programme was designed to promote sustainable, balanced and harmonious development of the Greater Caribbean, including better co-operation between the countries and territories that make it up. Total funding available for the Interreg III B Programme 'Caribbean Space' stands at €24 million, of which 50 per cent is financed by the European Regional Development Fund (ERDF) and the other half by financial inputs from the regional councils of Guadeloupe, Martinique and French Guiana. 

THE MARTINIQUE TERMINAL IS BEING FUNDED AS PART OF THE EUROPEAN UNION'S 'COMMUNITY INITIATIVE PROGRAMME'. THE AIM IS TO PROMOTE TOURISM AND ECONOMIC DEVELOPMENT IN THE GREATER CARIBBEAN

Martinique began in the 1990s using catamarans. Today, with approximately 280,000 passengers a year, the traffic is largely seasonal, peaking during school holidays.

The Martinique terminal is being funded as part of the European Union's Community Initiative Programme. The aim is to promote tourism and economic

- Mezzanine with restaurant, waiting room, boarding room, maritime companies' offices, Customs and border police
- Ramp to access vessels
- Air conditioning with a chilled water store
- Ramp for loading accompanied vehicles

BILLION DOLLAR MASTER PLAN BUT NEW ORLEANS PROCEEDS WITH CAUTION

By Rick Eyerdam

Although armed with an ambitious US\$1 billion master plan for growth up to 2020, the Port of New Orleans, like many other ports faced with the global economic downturn, has adopted a more sedate pace in 2010 for its expansion plans.

"Incremental is the buzz word," said Chris Bonura, a spokesman for the port. "We are working to incrementally increase capacity at our existing terminals in these troubled times."

Mr Bonura said a recent study commissioned by the port showed that modest efficiencies and improved usage of existing berths could meet the near-term demand for cargo handling with two exceptions.

PRIORITIES

The Port established as its top two priorities:

- Replacement of the France Road Terminal container handling facilities, damaged during Hurricane Katrina
- Relocation of the freezers and storage warehouse of New Orleans Cold Storage, a major shipper of frozen poultry.

"Our priorities for 2010 are to relocate New Orleans Cold Storage and to recreate the container capacity lost to Katrina," said Mr Bonura.

He said the \$40 million warehouse for New Orleans Cold Storage was essential

for the port to stay competitive in its international role of supplying frozen poultry. The warehouse had been repaired, but ship access to the facility was ruled out by siltation and by closure of the Mississippi River-Gulf Outlet.

New Orleans Cold Storage was compelled to temporarily dray its frozen cargo to a wharf that can accommodate deep-draught vessels destined for Russia, Albania and other ports in the eastern European trades. The original relocation plans for New Orleans Cold Storage envisioned a new quayside facility where the port's current overflow yard is located at Governor Nicholls Street wharf.

PRESERVATIONISTS

Although there was a consensus among planners, the Port and politicians to accommodate New Orleans Cold Storage at Governor Nicholls, a small but vocal group of preservationists agitated against the chosen site because of its proximity to old and fragile buildings in the neighbourhood. They argued that the buildings, which had withstood Hurricane Katrina, might be damaged by truck traffic.

Mr Bonura said that, as a compromise, New Orleans Cold Storage would get a new facility on port leasehold property at Henry Clay Wharf, where the Port will also construct and lease back the required warehouse and refrigeration equipment.

The other major item on

the 2010 agenda is improving the efficiency of the Napoleon Avenue Container Terminal by adding two new super post Panamax gantry cranes, bringing the total to six. Also planned is an expansion of the terminal wharves and yard at a cost of about \$125 million. The two cranes, under construction in Korea, should be delivered in the year ahead, according to Mr Bonura.

FUNDING OPTIONS

Restricted in revenue and a downturn in throughput by "a few percentage points", the Port is working with the state to develop a system of tax credits for importers and exporters using the facility.

"We are getting out information at this point and the rules must be developed," said Mr Bonura.

The Port is also seeking a Tiger grant for an intermodal rail yard next to the Napoleon Avenue container yard, built from the remnant tracks of the New Orleans Public Belt Railroad, along the Clarence Henry Truck Route.

With six Class One rail connections available to New Orleans shippers, Mr Bonura said: "This is another way to effectively market the port."

He said the port remained strong in the import of coffee and ferrous metal, but its traditional strength in iron and steel had yet to rematerialise. 



Time is right for more integration of transport services



By Frank Wellnitz
Past President of CSA

To integrate is to complete, sometimes imperfect things, by addition of parts and combine into a whole. No doubt the word 'integrity' is derived from that meaning.

Integration, once completed, must have 'integrity'. Here is a simple real-life example in the maritime industry of what can be integrated:

Positioning of container at warehouse; loading at warehouse; trucking to rail station; rail transport to load port; storage at port; loading of vessel; transport to discharge port; discharging at port; transport to warehouse, etc.

Such integration would be covered under intermodalism, a one-stop service offered by many regional and global carriers. I would call this vertical integration.

Another good example of integration is a combination

of vessels into a co-ordinated service, covered under a vessel sharing agreement. I would call this horizontal integration.

With all the experiences of regional and global carriers active in the Caribbean region, supported by the forceful voice of the Caribbean Shipping Association (CSA), how come we have achieved so little by way of integration? With this kind of experience, could we not have identified other potential areas for integration?

Circumstances and needs

There is no shortage of circumstances and needs. In fact, the list of circumstances and needs that could be facilitated or improved with integration is long.

Are the maritime community and our respective governments not able to identify

and bring importance to activities and situations which could be integrated for the benefit of our region? Allow me to look back.

In 1991 at a CSA symposium on the future of Caribbean Maritime Transportation a paper was presented for distribution to Caribbean governments. It included a composite list of views and ideas presented by leaders of the shipping industry in the public and private sectors across the Caribbean: from government representatives, including Caricom, and a government-owned shipping line to private interests representing a wide spectrum, from regional shipping lines and global carriers to private wharves and port facilities.

As the rapporteur of that symposium in Martinique, it was my task to identify the main issues raised by the pre-

senters; to weigh the importance of recurring topics; and to draw up conclusions to make the paper into an instrument of information for our industry and, perhaps more important, our governments.

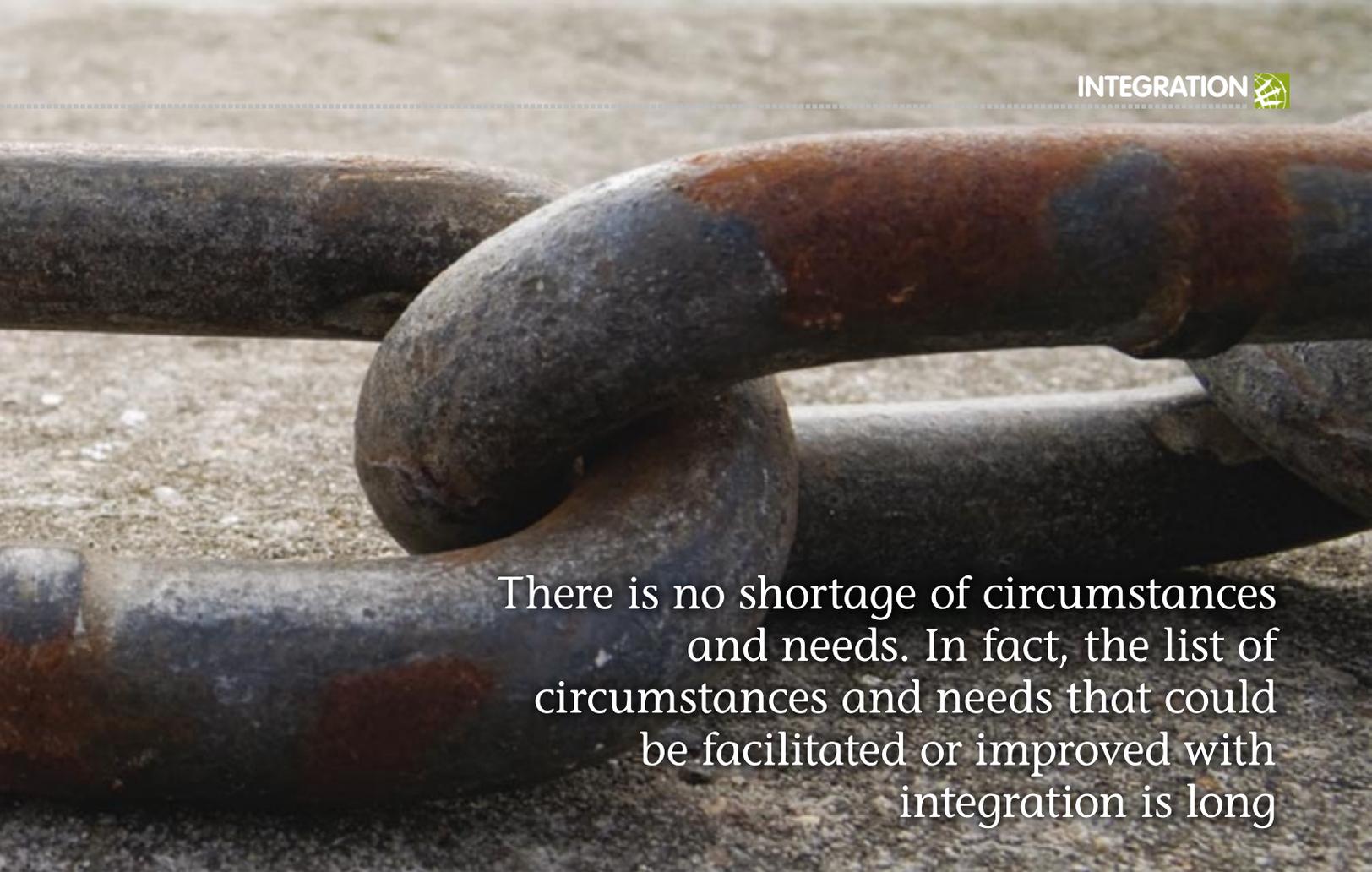
The published report of that event is as important today as it was back in 1991. You will find it still as informative and factual as it was more than 18 years ago. Allow me to quote some issues recorded in that report as examples:

Recurring themes

- Maritime transport needs regional structure, guidelines and laws
- Government is expected to and must set the framework and provide the necessary regional legislation.

Conclusions

- Improve and place more emphasis on port infrastruc-



There is no shortage of circumstances and needs. In fact, the list of circumstances and needs that could be facilitated or improved with integration is long

ture and port facilities

- Harmonise merchant shipping legislation and develop maritime administration and systems on a regional basis

- Develop a regional co-ordinated system of maritime pollution control in the region.

At that symposium and in the resulting document, the word 'integration' was not used once. At that time it was not a phrase in vogue. But is this not what we were talking about and trying to achieve?

The discussions and conclusions clearly pointed to the need for:

- Integration of pollution control in the Caribbean and the region
- Integration of port infrastructures of the ports in the region
- Integration of presently

fragmented, and at times conflicting, regional legislation.

Virtually nothing done

Eighteen years later we must admit that we have done virtually nothing which could qualify as a move towards 'integration'. The private sector has done its own thing and has muddled along. Each of us has become single-minded, looking after our own interests. And the governments have not only allowed us to do that, but have turned a blind eye when the private sector or the CSA made presentations such as the 1991 document.

Boldly speaking, we have become indifferent. It is time to wake up. Let us not just use 'integration' as a new buzzword. Let us do something about it now. It is late, but not too late.

Let us recognise that there

is no other body like the CSA, which has a mandate to make integration its responsibility, to address these issues and to be the focal point in its successful implementation. Today, the voice of the CSA is stronger than it was back in 1991. The governments of the region will listen.

We need to identify what is important to integrate on a regional level.

'Wish list'

Here is a 'wish list' for integration that could be adopted by the CSA:

- Legislation and laws to protect our vessels when they visit our ports. An arrest of a vessel in Kingston, for whatever reason, should not be different from an arrest in Port of Spain. The same standard of P&I Club guarantees should be known to all and applied by all.

- Clearing of vessels and imported goods should have a regional procedure to reduce port time for the vessel and dwell time.

- In 1991 security issues were of low priority, but today are high on our list of importance. In addition to the already co-ordinated efforts by international organisations, the Caribbean region can further integrate implementation of systems and procedures.

- Integration of cargo flow between designated hub ports and destination ports. This vertical integration could reduce the cost of transportation.

There is a long 'wish list' of important issues of integration, but let us start with a few. Having said that, I am mindful that the integration, vertically or horizontally, of certain commercial activities could be subject to anti-trust laws in the USA. 



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Every year the Caribbean Shipping Association puts on a business exposition that runs the three days of the October conference. The event, the “Shipping Insight” series, is declared open the evening before the first day of the conference.

“Shipping Insight 2010” was opened on Sunday October 11 on the grounds of the Torarica Hotel, the venue of the conference. Guests and exhibitors were welcomed by CSA President Fernando Rivera in one of his final acts as CSA President. Dr John A. Defares (4), General Manager of N.V. Havenbeheer Suriname, gave a special Suriname welcome and (10) Mrs Linda Profijt, Manager Commercial Affairs at N.V. Havenbeheer Suriname, in her capacity as head of the Suriname organising committee for the CSA conference, the CSA President (centre) and Vice President, Carlos Urriola cut the ribbon to symbolically open the exposition.

Following the ceremonies, the CSA President and Vice President toured the booths, stopping for photographs at Wartsila display (9); the Port of Port of Spain (8); and, Phaeros (7). Linda Profijt introduced media personnel to CSA’s Carlos Urriola (6) following which he was ‘arrested’ (12) by (still Immediate Past President) Corah Ann Robertson-Sylvester (left) and former member of the CSA’s General Council, Sonja Voisin-Tom of Trinidad and Tobago, for this shot. President of their respective national shipping associations: Hernan Ayala (11 left) of Puerto Rico; and Rhett Chee Ping (3 right) of the Shipping Association of Trinidad and Tobago share the happy moment. Linda Profijt’s sister Joyce (2 left) and her daughter Angela (2 right) worked with the Suriname conference organising committee to make the conference – and in particular the spouses programme – a great success.

Mike Jarrett photos

DO WHAT YOU DO BEST

By Fritz Pinnock

How to move upwards in a downturn

Shipping is a mirror of the world economy. The recent bursting of the new economic bubble has shown that business cycles are still with us.

The question, then, for executives is what to do to weather these downturns.

Darrell Rigby, a director of Bain & Company, reveals how companies need to go against the grain of convention and exploit industry downturns to harness their unique opportunities for upward mobility. He says smart executives don't panic. They look bad news in the eye and institutionalise an approach to detecting storms. Rather than hedge their bets through diversification, they focus on their core business

and spend to gain market share. They manage cost relentlessly during good times and bad. They keep a long-term view and strive to maintain the loyalty of employees, suppliers and customers. And, coming out of the downturn, they maintain momentum in their business to stay ahead of the competition they've already surpassed.

OVERCONFIDENCE

In the conventional approach to downturns, company leaders approach impending trouble with overconfidence, denying that their industry faces any real danger. Then, when the downturn is an established fact, they make cuts across the board, from

R&D spending to employee head count. Finally, when signs of recovery are everywhere, they turn on the spending spigot to rebuild morale.

Although such an approach may seem reasonable in the heat of the moment, it could eventually damage competitive positions and financial performance. A better outcome is possible, however, if a company's leaders exploit industry downturns so as to harness their unique opportunities for upward mobility, in the same way that the 'Apollo 13' astronauts exploited the moon's gravitational pull to escape disaster.

Emerson pressed ahead

with an investment in a major air conditioning processing plant in Thailand during the Asian economic crisis of the late 1990s. While competitors mothballed projects, Emerson ramped up production, exported the plant's products and secured a strong position for itself in the Asian market when the crisis ended.

Bain & Company analysed 377 'Fortune 500' companies that lived through industry slumps and economic recessions over the past two decades and interviewed nearly 200 of their senior executives. The research found that a downturn evolves through three separate phases. An examination of these phases reveals both the pitfalls that



come from following conventional approaches and the rewards that can be reaped by exploiting contrarian opportunities.

Successful companies in a downturn use timing to work their way out on top.

STORM CLOUDS

In the first phase of a downturn, storm clouds are gathering on the horizon but industry executives are still basking in memories of sunny years of profitable growth and public accolades. Confidence remains high. As the clouds roll in, analysts report that industry growth is slowing and divisional managers signal that they might miss their budgets, while still beating the competition which is doing worse.

Many continue with their business as usual and hope the storm will blow over. Others run for cover, investing in new and often unrelated businesses to hedge their bets. But smart executives resist those extremes: they prepare for the worst while focusing on their core

business. They do what they do best.

Executives tend to pull the same levers they have pulled in the past, even if those levers don't work in the new conditions. The time to get a range of options out in the open, where they can be broadly and creatively debated, is before the downturn. Managers who are able to successfully negotiate a downturn build contingency planning into the culture of their strategic planning and budgeting processes.

Emerson has been one of the most consistent performers in the 'Fortune 500'. It has seen 43 consecutive years of earnings growth. And its performance is the direct result of sophisticated planning systems. Former CEO Charles Knight and his senior team spent at least half of their time planning.

CORE BUSINESS

Downturn winners avoid diversification and wisely so. During downturns, typical diversification – the type that enters new businesses with

low odds of achieving market leadership – is worse than worthless. It dilutes the company's average market share and therefore subjects it to more earnings volatility, not less. What does make sense is focus, creating ballast by reinforcing the core business. Successful downturn managers avoid diversification and concentrate as many resources as possible on playing to win on their main field of competition.

When the weather starts to turn nasty, you can't wait until the last minute to buy batteries and water. By then, the shelves will be empty. Far better to plan ahead and stay focused on what you know you can do. Not on a hope that you can do better than established players in other markets.

SEEING BEYOND THE BAD TIMES

When an industry's news is universally bad, managers tend to want to apply quick fixes. To cut costs quickly and spread the pain as fairly as possibly, they slash budgets

and staff across the board. They slice sales and earning targets. They also reduce capital expenditure, drop services that their competitors don't offer and push suppliers to cut prices. That focus is for short-term survival.

At a certain point, questions about an industry downturn become moot. The high winds or copious precipitation can no longer be ignored. Several smaller competitors are visibly on the brink of ruin. Investor dollars, management talent and public attention are all seeking higher ground in industries with brighter prospects. Analysts aren't sure how long the downturn will last, but express fears that the industry will never be the same again. Smart companies look beyond the storm and even find ways to grow while it rages all around them. 

IN THE FIRST PHASE OF A DOWNTURN, STORM CLOUDS ARE GATHERING ON THE HORIZON BUT INDUSTRY EXECUTIVES ARE STILL BASKING IN MEMORIES OF SUNNY YEARS OF PROFITABLE GROWTH AND PUBLIC ACCOLADES

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JAMAICAN FIRM PROVIDES TECHNOLOGY SUPPORT IN REGION

The Jamaican company Port Computer Services Ltd (PCS) is to provide technology support to the St Christopher Air and Sea Port Authority (SCASPA) in St Kitts.

The software, called Advantum Port Manager, is an upgrade to the Wharfage Information System (WIS), which was previously used at SCASPA.

WIS is an online warehouse inventory system created in 1987 by PCS for the domestic cargo terminals of the Port of Kingston. The system is used to process charges related to cargo movement over the terminals and to keep track of the inventory. WIS is currently being used in Jamaica.

Frances Yeo, executive director of PCS, said: "We have continued to develop technological solutions for our clients to cater to the growing demands as the industry becomes more modernised and as several ports throughout the region seek to automate their activities."

Ms Yeo said PCS was poised to offer Advantum, as well as other software technology, to the regional shipping industry.

She pointed out, however, that the technology developed by PCS had applications beyond port and shipping operations.

Advantum is a multi-user, multiple-principal windows-based software in which manifest information can be inputted manually or imported electronically for quick retrieval and billing of charges. This manifest information can be extracted and sent electronically to Customs departments and other relevant agencies. It

"WE HAVE CONTINUED TO DEVELOP TECHNOLOGICAL SOLUTIONS FOR OUR CLIENTS TO CATER TO THE GROWING DEMANDS AS THE INDUSTRY BECOMES MORE MODERNISED AND AS SEVERAL PORTS THROUGHOUT THE REGION SEEK TO AUTOMATE THEIR ACTIVITIES"

also enables shipping agencies with multiple principals to segregate data according to principal.

Advantum offers great flexibility to the user. "Compared to WIS, Advantum is able to distinguish gate pass processing from breakbulk cargo, container cargo as well as motor vehicles, and so facilitates container/motor

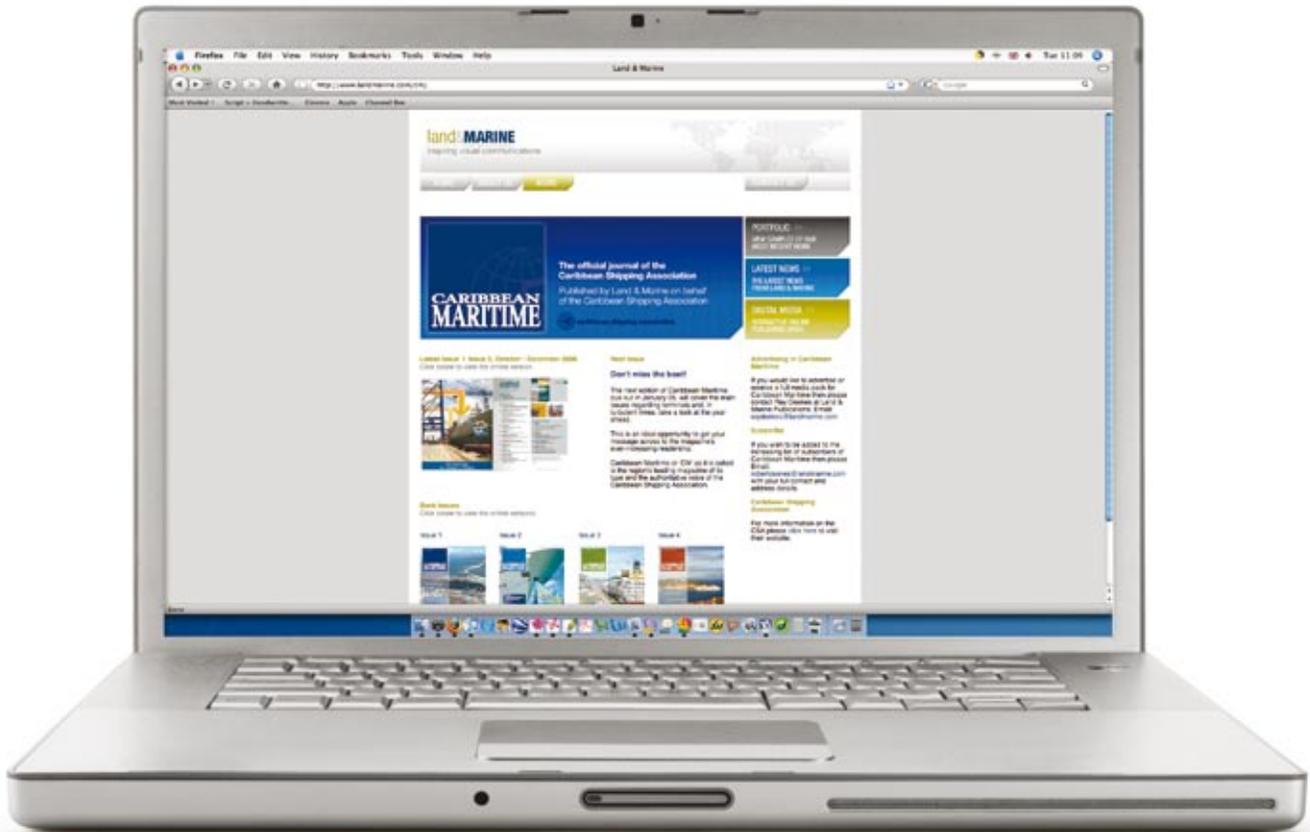
vehicle tracking," said David Watson, systems development and software engineering manager at PCS.

Payment types are flexible and include cash, bank cards and cheques. Debit notes can be managed by the user and payment options, waivers and discounts are easier to apply.

Advantum can support any platform that has an SQL database and, as a browser-based application, it provides a rich user interface and can be made accessible over the Internet.

PCS, a subsidiary of the Shipping Association of Jamaica, has been delivering IT support and services for over 20 years. The company offers software development, network and hosting and is a reseller of various IT products including Microsoft, Fortis Document Management and HRA Human Resources Information System. 

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Resilience: the best medicine for economic recovery

Why do some people bounce back from life's hardships while others despair?

In light of the recent global meltdown and unpredictable future conditions, there is understandable worry about what the future holds for the shipping industry.

One thing is certain, whatever form recovery takes, it will need resilience at all levels more than education, experience and training.

Theories abound about what produces resilience but three fundamental characteristics seem to set resilient people and companies apart from others. One or two of these qualities make it possible to bounce back from hardship but true resilience requires all three.

One thing is certain, whatever form recovery takes, it will need resilience at all levels more than education, experience and training

- The capacity to accept and face reality: In looking hard at reality, we prepare ourselves to act in ways that allow us to endure and survive hardships.

- Resilient people and organisations have an ability to find meaning in some aspects of life. And values

are just as important as meanings: value systems at resilient companies change very little over the long haul and are used as scaffolding in times of trouble.

- Resilience is the ability to improvise. Within an arena of personal capabilities or company rules, the ability to solve problems without the usual or obvious tools is a great strength.

Facing reality

A common belief about resilience is that it stems from an optimistic nature. That is true, but only as long as such optimism doesn't distort an organisation's sense of reality. In extremely adverse

situations, 'pie in the sky' thinking can actually spell disaster. People can overlook or fail to accept reality and slip into denial as a coping mechanism.

Sometimes bigger challenges call for an almost pessimistic sense of reality. For example, prior to 9/11

Morgan Stanley was the largest tenant in the World Trade Centre. The company had some 2,700 employees working in the South Tower on 22 floors between the 43rd and 74th. On that tragic day, the first plane hit the North Tower at 08.46 and Morgan Stanley started evacuating just one minute later, at 08.47. When the second plane hit the South Tower 15 minutes after that, Morgan Stanley's offices were largely empty. All told, the company lost only seven employees despite receiving an almost direct hit.

What was Morgan Stanley's hard-nosed realism that enabled the company to benefit from its luck?

Soon after the 1993 attack on the World Trade Centre, senior management at the company recognised that working in such a symbolic centre of US commercial power made the company vulnerable to attention from terrorists and possible attack. With this grim realisation, Morgan Stanley launched a programme of preparedness at the micro level. Morgan Stanley's vice-president of security, Rick Rescorla, brought a military discipline to the job. Mr Rescorla, him-



By Fritz Pinnock

self a highly resilient, decorated Vietnam veteran, made sure that people were fully drilled about what to do in a catastrophe. When disaster struck on 9/11, Rescorla was on his bullhorn telling all employees at Morgan Stanley to stay calm and follow their well practised drill. Sadly, Mr Rescorla was one of the seven who did not make it out.

Trying to make meaning of terrible times

We know people who throw up their hands and ask: "Why me?" Such people see themselves as victims and living through hardships carries no lessons for them. On the other hand, resilient people devise constructs about their suffering to create some sort of meaning for themselves and others. "Why not me?" Use your challenge as a bridge to better things.

Finding meaning in one's environment is an important aspect of resilience. It should not come as a surprise that the most successful organisations and people possess strong value systems. Strong values infuse an environment with meaning because they offer ways to interpret and shape events. Businesses that survive also have their creeds, which give them purposes beyond just making money. Strikingly, many companies describe their value systems in religious terms. Johnson & Johnson, for instance, calls its value system, set out in a document given to every new employee at orientation, the 'Credo'.

Value systems at resilient companies change very little

over the years and are used as support in times of trouble. For example, UPS chairman and CEO Mike Eskew believes that the 'Noble Purpose' of UPS helped the company to rally after the agonising strike in 1997.

"It was a hugely difficult time, like a family feud," said Mr Eskew. "Everyone had close friends on both sides of the fence and it was tough for us to pick sides. But what saved us was our 'Noble Purpose'. Whatever side people were on, they all shared a common set of values. Those values are core to us and never change; they frame most of our important decisions. Our strategy and our mission may change, but our values never do."

Through resilience one has the capacity to be robust under conditions of stress and change. Values, positive or negative, are actually more important for organisational resilience than having resilient people on the payroll. If resilient employees are all

secrets to the atomic bomb were set to the same mathematical constant, *e*, whose first six digits are 271828.

Companies which survive recessions regard improvisations as a core skill. Consider UPS, which empowers its drivers to do whatever it takes

Through resilience one has the capacity to be robust under conditions of stress and change

interpreting reality in different ways, their decisions and actions may well conflict, calling into doubt the survival of their organisation. And as the weakness of an organisation becomes apparent, highly resilient individuals are more likely to jump ship than to imperil their own survival.

Bouncing back

Bouncing back requires the ability to make do with whatever is at hand. This speaks to inventiveness; an ability to improvise a solution to a problem without proper or obvious tools or materials. Richard Feynman, winner of the 1965 Nobel Prize in physics, out of pure curiosity reportedly made himself an expert at cracking safes. He not only studied the mechanics of safecracking but also psychological insights about people who used safes and set the locks. He reportedly cracked many of the safes in Los Alamos, for instance, because he guessed that theoretical physicists would not set the locks with random code numbers they might forget but would instead use a sequence with mathematical significance. It turned out that the three safes containing all the

to deliver packages on time. "We tell our employees to get the job done. It then means if they need to improvise, they improvise. Otherwise we just couldn't do what we do every day. Just think of what can go wrong: a busted traffic light, a flat tyre, a bridge washed out. If a snowstorm hits Louisville tonight, a group of people will sit together and discuss how to handle the problem. Nobody tells them to do that. They come together because it's our tradition to do so," says Mr Eskew.

Tradition

That tradition meant the company was delivering parcels in south-east Florida just one day after Hurricane Andrew devastated the region in 1992 causing billions of dollars in damage. Many people were living in their cars because their homes had been destroyed, yet UPS drivers and managers sorted packages at a diversion site and made deliveries even to those who were stranded in their cars. It was largely the improvisational skills of UPS that enabled it to keep functioning after the catastrophic hit. And the fact that the company continued on gave others a

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sense of purpose and meaning amid the chaos.

Improvisation of the sort practised by UPS, however, is a far cry from unbridled creativity. Indeed, much like the military, UPS lives on rules and regulations. As Mr Eskew says: "Drivers always put their keys in the same place. They close the door the same way. They wear their uniforms the same way. We are a company of precision."

Rules

He believes that, although they may seem stifling, UPS's rules were what allowed the company to bounce back immediately after Hurricane Andrew, for they enabled people to focus on the one or two fixes they needed to make in order to keep going.

Karl Weick, a professor of organisational behaviour at the University of Michigan Business School in Ann Arbor, said: "What we do not expect under life-threatening pressure is creativity." In other words, the rules and regulations that make some companies appear less creative may actually make them more resilient in times of real turbulence.

Being lucky is not the same as being resilient. Resilience is a reflex, a way of facing and understanding the world, that is deeply etched into a person's mind and soul. Resilient people and companies face reality with staunchness, make meaning of hardship instead of crying out in despair and improvise solutions from thin air. Others do not. This is what the shipping industry needs to face the interesting year ahead. 

Is Copenhagen a sideshow?

Two significant events were unfolding at the time of writing. One was being held over a defined period of days. The other has been going on for some time. I speak, of course, of the United Nations climate change conference in Copenhagen, Denmark, and the ongoing expansion of the Panama Canal.

UN conference

The Copenhagen conference took place from 7 to 18 December. Clearly, the nations of the world consider the matter important enough to set aside two whole weeks for deliberations and significantly, for negotiations. The ambitious agenda of this conference was pursuant to the

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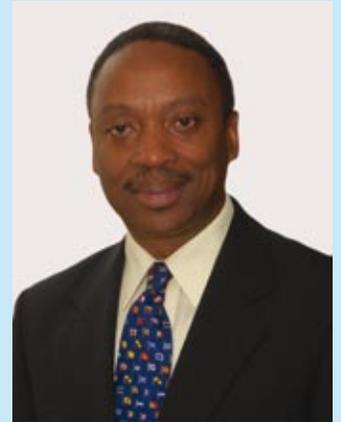
international law contained in the UN Framework Convention on Climate Change (UNFCCC). This international environmental agreement was the output of the UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, popularly known as the Earth Summit. That conference was itself a

response to the global outcry, led by scientists worldwide, that warned of dire consequences to the Earth if nations failed to control the level of greenhouse gases in the atmosphere, for failure to do so would result in undesirable climate change.

Following the Rio de Janeiro conference, and since the entry into force of UNFCCC on 21 March 1994, the nations who are party to UNFCCC have met annually as the Conferences of the Parties (COP), the supreme body under the convention. The latest meeting in Copenhagen was one such.

At the COP meetings, the nations undertake a rigorous review of the continued challenge and an equally rigorous assessment of any progress made. It was COP 3, held in

Kyoto, Japan, in December 1997, that resulted in the Kyoto Protocol on Climate Change, a far-reaching agreement which, among other things, sought to benchmark greenhouse gas emissions at 1997 levels. It also called for mandatory and legally binding reductions to agreed levels between 2008 and 2012.



By Milton Samuda

COP 15, held in Copenhagen, was intended to agree a comprehensive programme to unfold from 2012.

The Copenhagen conference was really an amalgam of meetings. It was not only the 15th session of the Conference of the Parties of UNFCCC (COP 15) but also:

- The fifth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 5)
- The 31st session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 31)
- The 31st session of the Subsidiary Body for Implementation (SBI 31)
- The 10th session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 10)
- The eighth session of the Ad Hoc Working Group on Long-term Co-operative Action (AWG-LCA 8).

Now, readers, place in the context of this two-week

conference in Copenhagen the reference in my previous column to the global considerations that must attend any consideration of cruise shipping and its environmental impact. You will begin to understand the importance of the UNFCCC. The shipping industry must be mindful of the UNFCCC as a part of the framework of international law. Refer specifically, if you will, to the SBSTA session held on the second day of the conference and you will note that Item 7 dealt, in part, with emissions from fuel used for international aviation and maritime transport. The future of shipping will be determined in part by the commitments made, and to be made, pursuant to UNFCCC and similar treaties. The very configuration of ships and their facilities will be designed in the light of

international commitments. Is Copenhagen a side-show? Assuredly not.

Panama Canal

When Panama regained control of the canal at the end of 1999, concern was expressed about whether the Panamanians could maintain the level of efficiency associated with control and management by the USA. Recent history has resolutely dealt with all doubt. In fact, the Panamanians, through the Panama Canal Authority, have so distinguished themselves that the world awaits without fear the completion of the ambitious canal expansion now being undertaken.

The impact on the future of international shipping is patent and palpable. In a recent article in 'The Economist', the author addressed the 'high hopes for a \$5.25

billion expansion of the waterway'. That expansion will see locks 60 per cent wider and 40 per cent longer, leading to a marked increase in traffic and timing. The improved facility, driven by a historic increase in traffic at an annual rate of between five and eight per cent, will not only respond to the immediate demands of an insatiable market but will also position the canal for the future, anticipating both the continued increase in traffic as well as a continued increase in the size of ships passing through. On completion in 2014, the expanded canal will be able to receive practically all mega vessels – container-ships, breakbulk carriers and tankers – and will accommodate the anticipated increase in traffic from Asian interests. This 24-hour, year-round operation will continue to be

the single most important maritime construction.

Conclusion

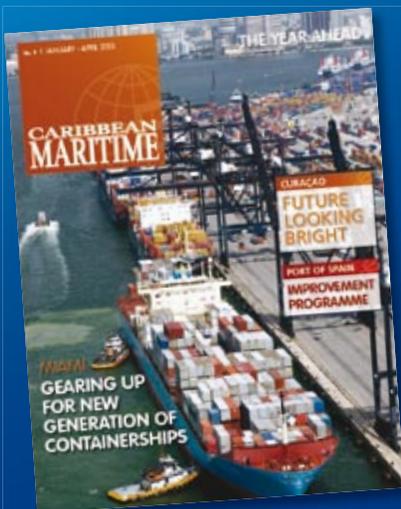
In the midst of the global recession, with the experts still not agreed on when it will end, the shipping industry must continue to look to the future, seeking always to expand its reach, impact and profitability but with due regard for environmental and social considerations that must be addressed if development is to be sustainable. The UN conference in Copenhagen, and the soon to be completed expansion of the Panama Canal, call us towards a challenging but bright future. I remain optimistic that our industry will survive, contribute and thrive. 

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

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