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NEW ALLIANCES CAN HELP REGION

– but we must be vigilant

The P3 Network Vessel Sharing Agreement between Maersk, CMA CGM and Mediterranean Shipping Company was approved by the US Federal Maritime Commission (FMC) on 20 March.

This agreement, which took effect on 24 March, authorises the parties to share vessels and act in a cooperative way in the trades between the USA and Asia, northern Europe and the Mediterranean.

According to the Journal of Commerce, the P3 Alliance will control 42 per cent of Asia-Europe capacity; 24 per cent of transpacific capacity and 42 per cent of transatlantic capacity.

Alliances are nothing new and most of the top 20 shipping lines are in some form of alliance. In fact, the G6 alliance, which includes Hapag-Lloyd, NYK, APL, MOL, Hyundai and OOCL, recently announced an expansion of its coverage of the transatlantic and Asia Pacific west coast trade lanes – perhaps a reference point for the potential benefits of alliances for consumers.

While we welcome any development that benefits the markets we serve, we in the Caribbean need to be vigilant and mindful of how the evolving alliances will affect trade in our region, both in terms of prices levied on the markets we serve and how it affects the business of our ports.

DEDICATED

Maersk is to restore the SeaLand name in a new company dedicated to the intra-Americas market. SeaLand will have local sales and support personnel in North, Central and South America as well as in the Caribbean. It will be interesting to see how this affects the business of Caribbean-focused carriers and what impact the competition will have on shippers to and from the region.

While we focus on the changes in the global shipping landscape, it is equally important to keep an eye on the development of the regional economy, because our ports have much better competitive



IN THIS ISSUE

Welcome to the latest issue of Caribbean Maritime – number 22, in fact, and the second since January's successful design and content revamp.

This issue coincides with the Caribbean Shipping Executives' Conference at the Miami Marriott Biscayne Bay from 11 to 14 May. We have used the opportunity to feature a profile of the world's biggest and busiest cruise port.

CM highlights some of the many new port and terminal projects currently on the drawing board or under construction in our region. Chinese investors seem to be among the keenest to promote what are truly world-scale undertakings. In particular, we look at controversial plans for a new logistics hub in Jamaica.

The magazine also features one or two select and very different cruise terminal projects – one in the Dominican Republic and the other in Belize. I believe this is the first time we have featured Montserrat in CM and it's good to see the island making a recovery as a destination.

On the subject of cruises, we profile a 'new kid on the block' in the form of Pearl Seas Cruises. Watch out for this particular name next Caribbean winter.

Another major change that is set to transform the Caribbean is a switch from crude oil to gas for the region's domestic energy needs. CM looks at this nascent energy market and investigates what is being done to develop the use of liquefied natural gas, in particular, in the Caribbean.

We also have features by our regular contributors, who always have something thought-provoking to say and provide an insightful view of the region's maritime sector.

I hope you enjoy this issue of CM. The magazine can also be viewed at www.caribbean-maritime.com.

Please feel free to contact me about the magazine and its content.

Gary Gimson
Publisher
publishing@landmarine.com

While we welcome any development that benefits the markets we serve, we in the Caribbean need to be vigilant and mindful of how the evolving alliances will affect trade in our region

prospects if we can expand regional economies and stimulate trade within the Caribbean.

So it is pleasing to hear that both the Inter-American Development Bank (IADB) and the IMF are forecasting growth of three per cent in 2014 for Latin America and the Caribbean. The IADB also projects growth of 3.3 per cent in 2015. Both organisations pin this growth on improving economic conditions in the USA and Europe.

Overall, the outlook is better than it has been recently for most Caribbean and Central American economies following the recession of 2008. Such growth, if it can be sustained, will undoubtedly have a positive effect on the economies of the nations of the Caribbean and Central America and, by extension, the region's ports.

AGREEMENT

Another positive development is the announcement that the Panama Canal operators and the consortium involved in the expansion project have reached agreement for the work to resume. It is in the interest of all Caribbean and Central American port states that Panama should complete the work as close to the original schedule as possible. It is clear that the diversion of US East and Gulf Coast cargo to the Suez Canal and other competing routes will take away potential benefits from all ports in this region.

By the time you receive this volume of Caribbean Maritime we will be enjoying the hospitality of the Miami members of our Association at the 13th Caribbean Shipping Executives' Conference of the CSA, at the Miami Marriott, Biscayne Bay.

I look forward to seeing you at the conference. If you are not yet a member of the CSA, I hope you will visit us in the future at one of our conferences and events.



Grantley
Stephenson

President,
Caribbean Shipping Association

HARBOUR VIEW

PORT OF MIAMI

Take a look at PortMiami, the world's cruise capital. It's an impressive sight. This view shows the Dante B. Fascell Port of Miami-Dade full to overflowing on a busy Saturday during high season.

The cruise port is owned and operated by the Miami-Dade Seaport Department, which is administered by the Miami-Dade County in Florida. The port handles over 4 million passengers a year and is the home port for: Aida Cruises, Azamara Cruises, Carnival Cruises Lines, Celebrity Cruises, Costa Cruises, Crystal Cruises, Disney Cruise Line, MSC Cruises, Norwegian Cruise Line, Oceania Cruises, Regent Seven Seas Cruises, Resorts World Bimini and Royal Caribbean.

For the record, Dante B. Fascell was a distinguished member of the House of Representatives for Florida's 4th, 12th, 15th and 19th districts and was chairman of the House Committee on Foreign Affairs from 1984 to 1993. He retired from the House in 1993 and died in 1998.





MIAMI IN GOOD SHAPE

for 'post panamax' future

Miami is the venue for the CSA's 13th Annual Shipping Executives' Conference from 11 to 14 May. So how is PortMiami shaping up to the challenges of today's shipping world? Through a sustained program of investment in new infrastructure and facilities, the Florida port has underlined its claim to be both the 'Cruise Capital of the World' and the 'Cargo Gate Gateway of the Americas'.



In a shipping and trading context, the importance of Miami to the Caribbean region can hardly be overstated. Not only is PortMiami the number one hub for Caribbean cruising, but the port is a vital gateway for containers, refrigerated containers and other cargo traffic en route between the Caribbean and the USA. Over half of the port's trade is with the Caribbean and Latin America.

Now, PortMiami is set to move up a gear with the opening of the expanded Panama Canal, scheduled for April 2015. Some \$2 billion is being invested in port and infrastructure improvements to allow PortMiami to handle the new generation of mega ships and the increased cargo traffic they are likely to bring.

At the same time, the construction program and the resulting facilities are generating thousands of new jobs in Florida, while PortMiami is looking to contribute some \$30 billion to the local and state economies in 2014.

CRUISE

New brands and ships in busy cruise sector

The 'Cruise Capital of the World' has seen a major expansion in its cruise sector over the past two years, with new lines using the Florida port and in some cases introducing brand-new vessels.

The 2014 cruise season at PortMiami features yet another new cruise brand, MSC Cruises, which joins the port's already impressive roster of modern and innovative cruise lines.

MSC Cruises, an elegant Mediterranean brand, is sailing one of its newest vessels, the 'MSC Divina', on itineraries that include the Caribbean and Latin America. The 'MSC Divina' will homeport at PortMiami all year round.

In February the port welcomed Norwegian Cruise Line's newest ship, the 'Norwegian Getaway', which will also use Miami as

its year-round home port. The 'Norwegian Getaway' is deployed on itineraries to The Bahamas and the Caribbean.

Other ships new to the PortMiami fleet this year include Carnival Cruise Lines' 'Carnival Conquest' and 'Carnival Ecstasy' and Costa Cruises' 'Costa Luminosa'.

In addition, Resorts World Bimini is now offering a daily service between PortMiami and Bimini in The Bahamas.

Over 4 million cruise passengers used PortMiami in 2013.



ON-DOCK RAIL LINKS

A \$46.9 million program to restore and improve the port's rail freight connections is almost complete.

In Phase 1, completed in October 2013, the port's on-dock rail link was restored following hurricane damage back in 2005. Phase 2 is due for completion in summer 2014.

The program is being carried out by PortMiami in partnership with the Florida East Coast Railway, the US Department of Transportation and the State of Florida. It links the port with the Hialeah intermodal rail yard and the national rail network.

This in turn will expedite the movement of goods throughout Florida and into the continental USA, allowing containerized cargo to reach 70 per cent of the US population in one to four days.



CRUISE HUB OF CHOICE

PortMiami is home to some of the world's leading cruise lines: Aida Cruises, Azamara Club Cruises, Carnival Cruise Lines, Celebrity Cruises, Costa Cruises, Crystal Cruises, Disney Cruise Line, MSC Cruises, Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises, Resorts World Bimini and Royal Caribbean International.

With over a dozen cruise brands berthing more than 30 ships, PortMiami is the departure hub of choice for cruises to The Bahamas, the Caribbean, Mexico and beyond.

Not only is PortMiami the number one hub for Caribbean cruising, but the port is a vital gateway for containers, refrigerated containers and other cargo traffic en route between the Caribbean and the USA

MIAMI

INFRASTRUCTURE

\$2bn program to make port 'big ship ready'

PortMiami is in the middle of a huge capital improvement program to make the port 'big ship ready'.

The driver, of course, is the opening of the expanded Panama Canal, now scheduled for April 2015, which is expected to bring much larger containerships and other cargo vessels to the Caribbean region.

PortMiami is carrying out infrastructure improvements worth more than \$2 billion in order to be ready for the new class of mega ships that will begin transiting the canal in 2015. These major investments will allow PortMiami to take advantage of its status as the closest major US East Coast port to the expanded canal.

Key projects include a program to deepen the harbor to minus 50 ft (minus 15.24 meters); restoration and expansion of the port's on-dock rail links; and a new tunnel link to ease the flow of passenger and truck traffic to and from the national highway system.

ADDITIONAL

PortMiami has also invested \$39 million in four additional super post panamax cranes. With these installed, the port now has 13 cranes, six of which are super post panamax. Meanwhile, seven wharves are undergoing a \$65 million strengthening program that includes new bollards, fenders and water stations. This is due for completion in summer 2014.

These investments will help PortMiami to grow as a logistics hub and confirm its status as 'Cargo Gateway of the Americas'.

HARBOR DEEPENING

PortMiami will be the only US East Coast port south of Norfolk Virginia to offer a depth of minus 50 ft when the expanded Panama Canal opens in 2015.

A \$220 million dredging program, due for completion in summer 2015, will allow the port to accommodate the new class of mega ships with a cargo capacity of over 10,000 teu.

Miami is looking to benefit from increased trade with Asia as the emphasis shifts from West Coast to East Coast ports.



PortMiami is carrying out infrastructure improvements worth more than \$2 billion in order to be ready for the new class of mega ships that will begin transiting the canal in 2015



ROAD TUNNEL PROJECT

Freight vehicles – and cruise passengers – now have quicker and easier access to the port area thanks to a new tunnel link.

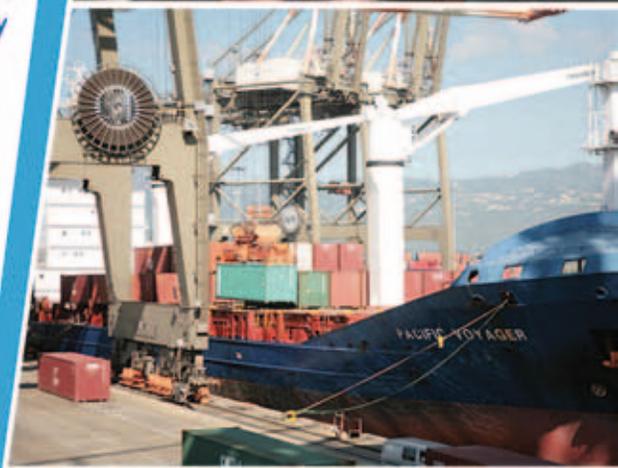
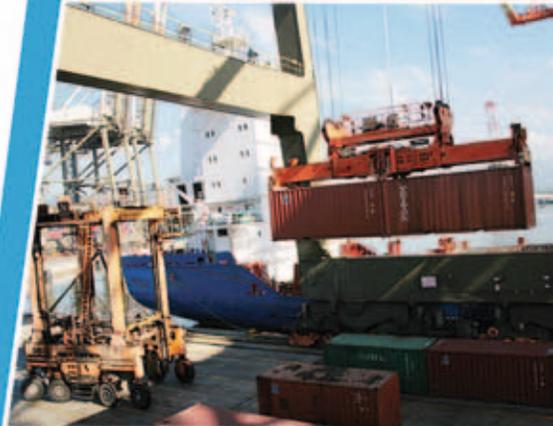
Construction of the new road tunnel cost \$915 million and is due for completion in spring 2014.

As well as providing a direct link with the interstate highway system, the new tunnel will ease congestion in downtown Miami and reduce vehicle idle time and emissions.



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The Port of Kingston has become a key player on the international shipping scene. With its excellent facilities and strategic location, Kingston is widely recognised as the Caribbean's number one hub for container transshipment.

Focus of operations is Kingston Container Terminal (KCT), owned by The Port Authority of Jamaica and operated by Kingston Container Services Ltd, a major subsidiary. KCT has three terminals with a combined capacity of 2.8 million teu. Maximum efficiency has been achieved through a combination of leading-edge technology, stable industrial relations and a highly trained, well motivated workforce.

The Port of Kingston is perfectly placed for ships trading on north-south and east-west routes across the Caribbean and for vessels using the Panama Canal.

The Port Authority
of Jamaica



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NEW MAN AT THE HELM IN KINGSTON

But same commitment to quality, expertise and innovation



In the last issue of *Caribbean Maritime* we interviewed the outgoing chairman of the Ports Authority of Jamaica, the Hon Noel Hylton. This issue we have chosen to undertake a Q&A with his able successor, Prof Gordon Shirley.

Caribbean Maritime: It must be difficult to fill the shoes of a man who previously headed up the Port Authority of Jamaica with such distinction for more than 40 years. How are you coping with the challenge?

Prof Gordon Shirley: Yes, it is a challenge to take over the management of the Port Authority of Jamaica (PAJ) following four decades of excellent stewardship by the Hon. Noel Hylton. Under successive governments, Mr Hylton was instrumental in establishing the structure for the operation of Jamaica's shipping and cruise ship ports.

I have had the benefit of his thoughts and ideas during the transition period; and I am confident that going forward they will serve me in good stead.

In my short time on board, I have already established that the PAJ has highly skilled and professional senior and middle management personnel as well as a cohort of experienced personnel at all levels. Therefore, my approach to the management of the PAJ in the short term will be to:

- Take full advantage of the skills that are already available; and continue to upgrade and attract skilled personnel as necessary.

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PROFILE: PROF GORDON SHIRLEY

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Caribbean Maritime: Do you plan to do things differently going forward or do you see yourself as purely maintaining a continuum?

Prof Gordon Shirley: Naturally, going forward the things that are working will be part of the continuum. However, the times are changing and the remit of the port is also changing. We are in the process of privatising the Kingston Container Terminal; and with the advent of an expanded Panama Canal it is necessary to reposition the port as a major regional entity to take full advantage of the larger and increased shipping lines traversing the region.

Caribbean Maritime: What differences have you encountered moving from academia to one of Jamaica's highest-profile business positions?

I have a background in engineering and management; and while port management is a new category for me, I have always maintained that the basic management principles are no different from one sector to another

Prof Gordon Shirley: I have a background in engineering and management; and while port management is a new category for me, I have always maintained that the basic management principles are no different from one sector to another given that the main objectives are to determine workable strategies and initiate plans to implement those strategies.

During my 23 years at the University of the West Indies my role was not restricted to 'education' per se. I was principal and served as head of the Department of Management Studies; executive director of the



Above: Kingston Container Terminal

Mona School of Business; and facilitated the Mona Institute of Business to become a 'self-sustaining school of business with endowments for research and entrepreneurial studies'.

At the international level, I have served as the Jamaican Ambassador to the United States of America from 2004 to 2007. In addition, I have served on several public and

seeking to grant a long-term concession to operate and expand the Kingston Container Terminal to be able to capitalise on the expansion of the Panama Canal which is expected to be completed by mid 2015.

In fact, the KCT is already regarded as a major global transshipment hub in the Caribbean; and, with the proposed improvements at the port, its position can be maintained and enhanced.

This privatisation will generate new capital for expansion and will provide the requisite expertise to expand the business to take advantage of emerging trends to attract east-west trade, which is expected to flow through the Panama Canal.

We believe that the port provides an exciting opportunity for an experienced terminal operator to acquire an existing business with a record of performance, opportunities for expansion and good growth potential. And, at the same time, the partnership with the port authority will provide opportunities for expanding the business to include logistics.

Caribbean Maritime: On the other hand, what happens if the Port of Kingston is not successfully privatised?

Prof Gordon Shirley: Based on the current strategy for privatisation, we anticipate that we should have a concessionaire in place by the end of the year. In the event that this does not materialise, we have to keep all

private sector boards, including: chairman of Grace Kennedy (current); chairman of the National Task Force, Logistics Hub Initiative; and I have been a member of the boards of the PIOJ [Planning Institute of Jamaica] and the JPSCo [Jamaica Public Service Company].

Caribbean Maritime: What are your views in regard to the privatisation in 2014 of the Port of Kingston?

Prof Gordon Shirley: The government of Jamaica through the port authority is

PROFILE: PROF GORDON SHIRLEY

options open as we need to ensure that the KCT continues to operate as a viable entity.

Caribbean Maritime: The Port Authority of Jamaica has for many years prided itself on its excellent labour relations. Do you aim to maintain these and could the proposed privatisation of the Port of Kingston put these under threat?

Prof Gordon Shirley: The labour relations in the Ports of Jamaica have been excellent and continue to be so. And the proper mechanisms are in place to ensure that this continues. We do not anticipate that this will change with the privatisation of the Kingston Container Terminal.

Caribbean Maritime: The opening in 2015 of the enlarged Panama Canal changes the dynamic for several Caribbean container ports. Where do you think Port of Kingston currently stands in the race to maintain

Prof Gordon Shirley: We do not perceive of other ports in the Caribbean as being competitors in respect of the business to be generated by an expanded Panama Canal. Instead, we see regional ports as being part of a wider network of highly efficient port facilities working to the benefit of Caribbean states, shipping lines and other businesses.

Caribbean Maritime: Jamaica has been very successful in the cruise shipping sector. What does Jamaica need to do to maintain its pre-eminence in this market?

Prof Gordon Shirley: The Port Authority of Jamaica is particularly pleased with the operations of its cruise shipping sector; and we are in the process of expanding and upgrading our ports, particularly Ocho Rios and Montego Bay. And the cruise pier at Falmouth has set the standard for the kind of development we anticipate.



Above: Prof Gordon Shirley
Below: Ocho Rios and Falmouth are key cruise ship calls

Both Jamaica and the Port Authority of Jamaica are poised to take full advantage of the business generated by the enlarged Panama Canal

existing business and in its quest for additional throughput?

Prof Gordon Shirley: Both Jamaica and the Port Authority of Jamaica are poised to take full advantage of the business generated by the enlarged Panama Canal. We are positive that our current port expansion and enhancement strategies will place us in a position to benefit from this expansion and the resulting increase in traffic within the Central American and Caribbean regions.

We are in the process of exposing corporate Jamaica and the wider public about the requisite infrastructure, business activities and skills that are required to create a logistics hub; while at the same time inviting external participation in its development.

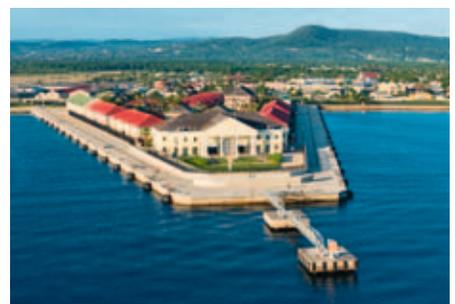
Caribbean Maritime: In your view, where does Kingston face its biggest competition, and why?

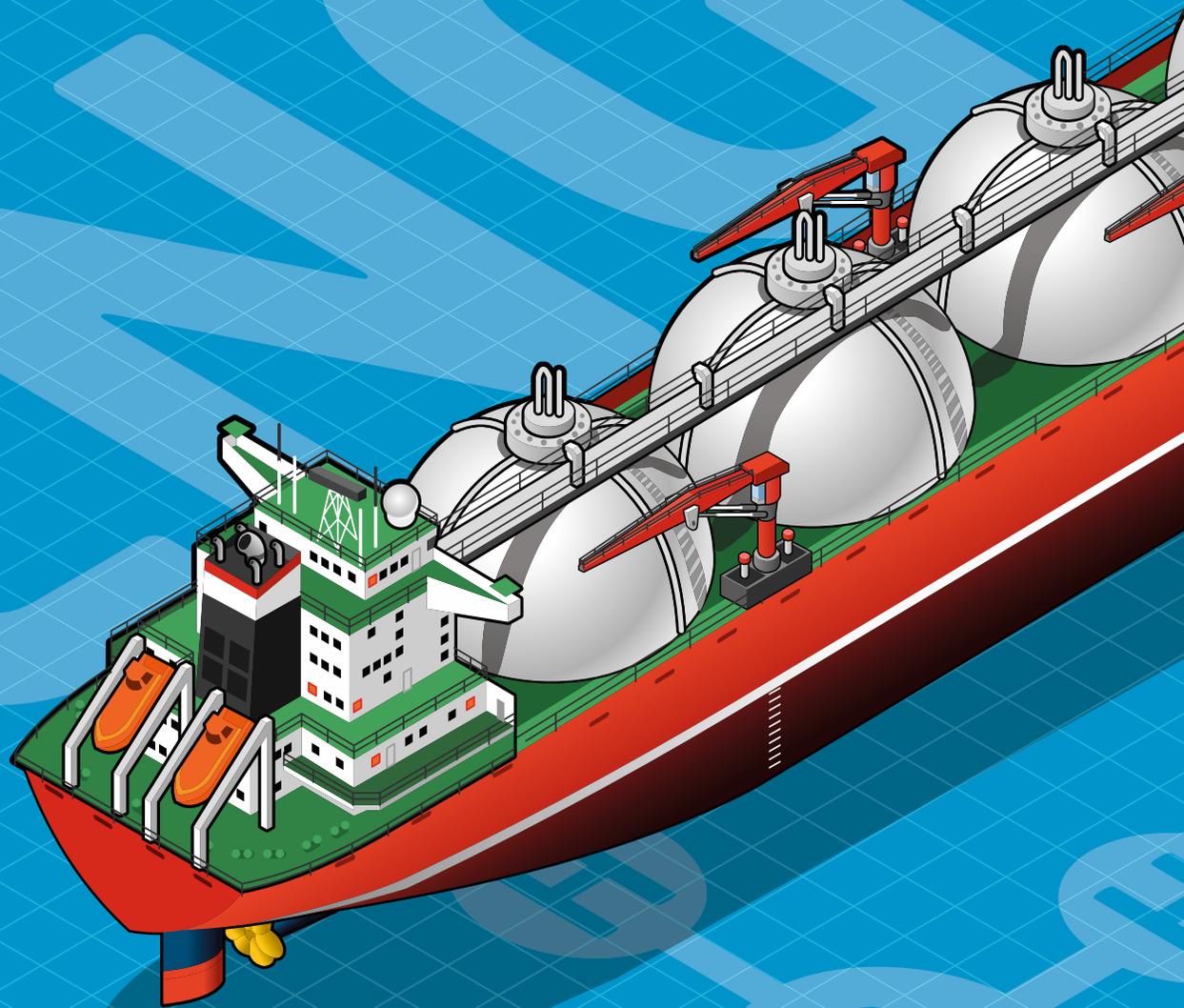
Therefore, we are also exploring new marketing strategies to expand our fledgling home-porting facilities and attract new cruise shipping lines to call at our ports.

Caribbean Maritime: Do you support the plans to redevelop Port Royal as a cruise terminal and broadly along the same lines at Falmouth?

Prof Gordon Shirley: Yes, I support the plans for the redevelopment of Port Royal as a cruise terminal as this will enhance the country's profile as a significant cruise shipping destination within the region. Port Royal has great possibilities, given its history, and would certainly add diversity to the cruise ship market.

And, we are fully aware of the initiatives that have been made to redevelop Port Royal as a cruise destination, with its historic and other attractions.





LNG

WEIGHING THE COST OF BIG SWITCH TO GAS-FIRED ENERGY

Is liquefied natural gas (LNG) the answer to the Caribbean's energy needs? And if it is, what does this mean for the region's ports and maritime sector in terms of new terminals and the specialized tonnage needed to move the gas? >>

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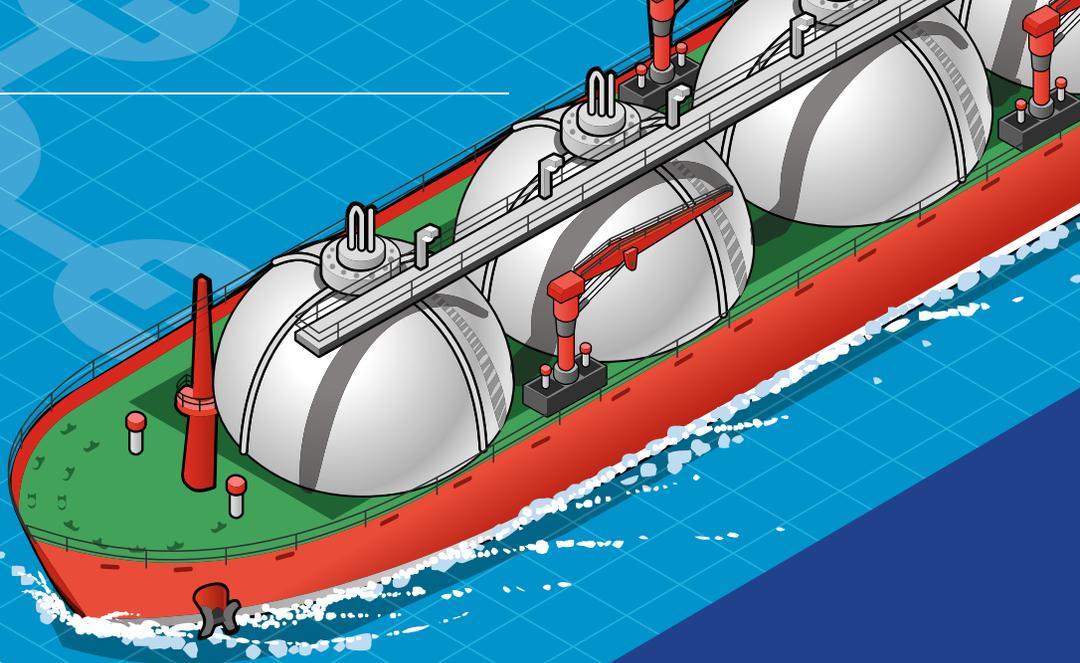
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The Caribbean's overdependence on crude oil for energy generation has been a concern for some time. There is a plentiful supply of less expensive natural gas in both Trinidad and, more recently, in the United States, but it's the cost of switching over from one energy source to another that has been holding back any switch.

Obviously, there is the physical transportation of LNG from its source of production to various islands across the Caribbean – and to Central and South America. In addition, there is the construction of terminal and storage facilities needed to handle the imported LNG; and, finally, the power generation plant to consume the gas. No one element can exist in isolation, so any plan to switch from crude oil to LNG for generating energy requires a lot of investment and security of supply.

The cost savings associated with replacing crude oil with LNG are considerable; yet so is the price to switch over.

The savings vary depending on the fluctuating prices for LNG and crude oil, transportation and other costs, but they

are huge. Using the US as a benchmark and in terms of British thermal units (BTUs), one US dollar's worth of natural gas generates 200,000 units of energy (at a spot rate of \$5 per million BTU). This compares with \$1 of crude, which produces around 60,000 units of energy (at a spot rate of under \$100 per barrel).

THINK BIG

But to get these savings, nations need to think big. So here is what's required to set up an LNG terminal and plant:

- Installation of 100,000 or 200,000 cubic meter LNG storage tanks to handle the imported gas
- Construction of a regasification terminal for converting the imported LNG back into natural gas
 - Building of a dedicated deep-water harbor and jetty for discharging LNG carriers
 - Installation of a pipeline between the regasification plant and the power generation plant
 - Purchase and installation of new combined-cycle generation turbine (CCGT) facilities to improve conversion efficiency.

The cost savings associated with replacing crude oil with LNG are considerable; yet so is the price to switch over

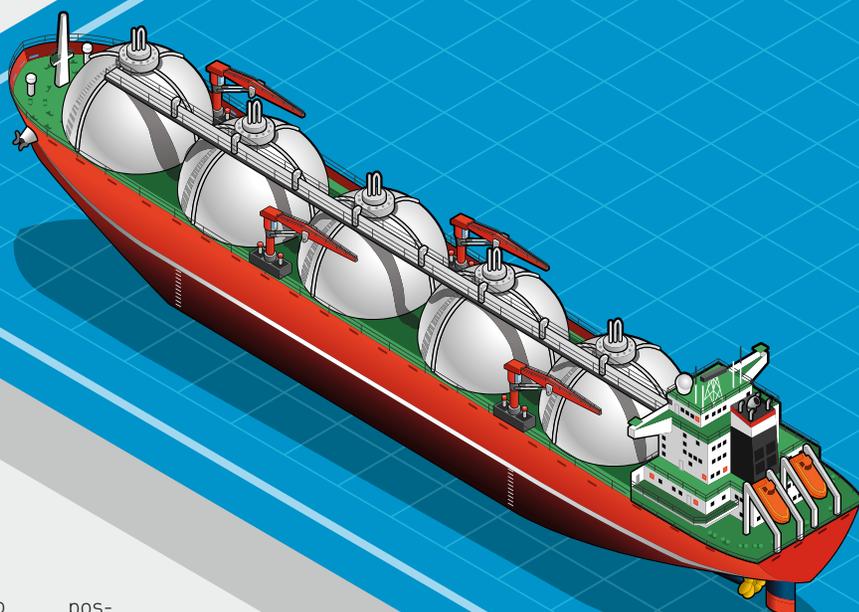
MIXED FORTUNES FOR LNG EXPORTER

Trinidad & Tobago was only the second nation in the world to generate all its electricity from natural gas. It is also the sixth-largest exporter of LNG, with customers in 19 countries. But falling gas prices in the United States (as a result of the shale gas revolution) have seen T&T lose market share. At one time, the US took 80 per cent of all its exports, so the twin-island state is looking closer to home for new markets.

In 2012 the UK's Gasfin signed a memorandum of understanding with the T&T government to build a \$400 million LNG plant producing 500,000 tons annually just to supply Caribbean markets. It is understood that Panama and Costa Rica are among new markets being evaluated. Both have a bigger demand for energy than most Caribbean island nations.

The US is expected to start exporting gas by 2016, offering competition to T&T and the prospect of much lower LNG prices for regional importers.

Looking further afield, very little of T&T's LNG exports from its Point Fortin terminal currently go through the Panama Canal as deepsea trading gas carriers are generally too big. But the expansion of the Panama Canal will clearly open up new possibilities. Experts say it will allow some 80 per cent of the world's current fleet to transit the waterway.



Owing to the integrated nature of LNG use and transportation, the level of investment is huge (sums from \$250 million to \$1 billion are mentioned for a regular-sized installation) and the five-year timescale to build facilities is also a major disincentive.

So does LNG really make sense for small, often island, economies – even if gas is cheaper than oil and is set to remain so? Not only is gas cheaper; it's also cleaner and therefore more environmentally and politically acceptable.

90 PER CENT

At present over 90 per cent of the Caribbean's energy use is related to crude oil and only the Dominican Republic and Puerto Rico currently import LNG for power generation – in both cases from Atlantic LNG in Trinidad & Tobago. Barbados, Haiti, Jamaica and Cuba are all said to have plans to buy LNG.

possibility of converting the 120 MW Bogue power station on the island's north coast from liquid fuels to natural gas and agreement to go ahead with this scheme now seems close.

More interestingly from a small-island perspective is the Maurice Bonnefil LNG Import Terminal, 14 km north of Port-au-Prince. This complex will cover an area of over a million square meters including the landfill to place the storage and regasification phases. The MB LNG Terminal is a complex project with an initial gross storage capacity of 15,000 cubic meters of LNG. The terminal jetty will be capable of receiv-

the construction of an LNG terminal in Cienfuegos capable of processing 2 million tons of gas annually, and a 150 MW electricity generation plant, in a project valued at \$1.3 billion. Trinidad & Tobago is likely to supply the LNG for this plant, but as Venezuela had also been involved in the Cienfuegos project via a crude oil swap deal there is now some about its certainty and all has gone quiet.

Clearly, there are different benefits for different nations in switching to LNG. Haiti relies heavily on wood and plants for power generation and this has exacerbated local deforestation, in turn making the nation more vulnerable to natural disasters. So a change-over to LNG would not only reduce Haiti's import bill and forex drain but would have local environmental benefits.

FLEXIBLE

The cost of transportation can also be reduced using this model. Deliveries can be made not only by using smaller and more flexible carriers, but also with the use of LNG barges, operating like 'packets' of LNG that can be pushed and towed where needed. Barges also serve a double role as both transportation and a storage system.

Aside from using Trinidad as an obvious

Aside from using Trinidad as an obvious source for LNG, the boom in US shale gas production opens up further possibilities for locating sources of gas supply at a more competitive price

Barbados currently imports LNG by barge. It produces only small quantities locally – certainly not enough for power generation as demand increases. But Barbados aims to benefit from a new 300 km gas pipeline from Tobago that should be completed by late 2015. The pipeline offers a less expensive and better option than deliveries by barge and may be extended to St Lucia, Dominica, Martinique and Guadeloupe.

For more than five years, the Jamaica Public Service Co has been discussing the

ing ships of 10,000 to 60,000 cubic meters capacity. The cost is put at \$123 million and the project is a privately led initiative by Haytrac Power and Gas S.A. – a company specialising in the construction of small and mini LNG terminals.

The Haiti terminal looks like the perfect model for smaller island economies and will be fully operational 2016, creating around 160 jobs at the plant and another 6,000 indirectly across the nation.

In Cuba, the Chinese had been backing



Caribbean LNG terminals

Jacksonville, USA
EXPORT
(UNDER CONSTRUCTION)

Maurice Bonnefil, Haiti
IMPORT
(UNDER CONSTRUCTION)

Aguirre, Puerto Rico
IMPORT
(UNDER CONSTRUCTION)

AES Andres, Dominican Republic
IMPORT

Peñuelas, Puerto Rico
IMPORT

Point Fortin, Trinidad
EXPORT

Tobago

PIPELINE
(PLANNED)

Barbados
IMPORT

source for LNG, the boom in US shale gas production opens up further possibilities for locating sources of gas supply at a more competitive price. Key to this could be the \$600 million Floridian Natural Gas Storage in Martin County with its 8 million cubic feet capacity.

Further ideas are being floated. One is to build a mega terminal in the Caribbean from which to feed LNG to islands in much the same way as a container hub. The Dominican Republic has been mentioned as a possible location for such a hub; able to handle LNG 'motherships' of up to 260,000 cubic meters. The case for DomRep is based on its central location, its existing facilities and its growing domestic demand for LNG. Another option is the installation of 'low-

cost' floating storage and gasification units (FSGUs) at a cost of between \$50 million and \$200 million and in a comparatively speedy installation time of between 12 and 30 months.

So, providing the finance can be put in place to make the switch, LNG could indeed be the answer to reducing the Caribbean's energy bills.



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Region must keep a sharp eye on changing trade patterns

By Grantley Stephenson,
President, Caribbean Shipping Association

On 20 March the United States Federal Maritime Commission (FMC) announced that it approved the P3 Network Vessel Sharing Agreement between Maersk Shipping Line, CMA CGM and Mediterranean Shipping Company (MSC), authorising the parties to share vessels and act in a cooperative way in the trades between the USA and Asia, northern Europe and the Mediterranean.

This agreement took effect on 24 March. The FMC said its decision was based on a

determination that the agreement was “not likely at this time, by a reduction in competition, to produce an unreasonable increase in transportation cost or an unreasonable reduction in transportation service.”

The Commission noted, how-

ever, that circumstances might change to cause the P3 Agreement parties at some point in the future “to unreasonably reduce services or unreasonably raise rates that could raise concerns; and as such the Commission directed staff to issue

alternative reporting requirements to the P3 Agreement parties to assist the Commission in its ongoing close monitoring of the agreement.”

In coming to its decision, the FMC said it had taken into consideration a comprehensive analysis conducted by its staff and comments received from shippers and other stakeholders; and that it believed the agreement would produce operational efficiencies for the benefit of the US consumer.

Apart from regulatory

In coming to its decision, the FMC said it had taken into consideration a comprehensive analysis conducted by its staff and comments received from shippers and other stakeholders

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- Eric Hassell & Son Ltd.
- Fast Transit Shipping Ltd.
- Goddards Shipping & Tours Ltd.
- Marine Trading Ltd.
- Ocean Air Transport Services Ltd.
- Platinum Port Agency Inc.
- Renewals Inc.
- Robulk Agencies Inc
- Seafreight Agencies & Stevedoring Ltd.
- Windward Agencies Ltd.

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INSIGHT

hurdles in China, commentators believe the arrangement has the green light. The fact that US, Chinese and European regulators met in December and that the FMC has approved the undertaking could be a sign that the other regulators will approve without much further delay.

In fact, the attitude of the European regulators seems to

a preponderant use of the Suez Canal for cargoes destined for US East and Gulf Coast ports. We also see strong usage of US West Coast ports and intermodal routes, with very minor P3 traffic in the Caribbean region.

This does not necessarily signal a negative outcome for the Caribbean, since these three lines and others will

Our ports have a better prospect of competing if we can expand regional economies and stimulate trade within the Caribbean.

It is pleasing to learn that both the Inter-American Development Bank (IADB) and the International Monetary Fund (IMF) are forecasting a growth of three per cent this year for Latin America and the Caribbean. The IADB also projects a growth of 3.3 per cent in 2015. Both organizations pin this growth on improving economic conditions in the USA and Europe. The IADB says growth could be even higher if the region's economies were to carry out growth-inducing reforms to boost productivity.

EXPORTS

The IMF concurs with the IADB assessment of Latin American and Caribbean growth, citing world economic growth rising to 3.75 per cent, China at 7.5 per cent and the emerging markets at about five per cent. The IMF predicts that global demand will boost tourism and exports in Central America and US remittances, which was already on an upward trend in that sub-region. The IMF sees Central America as a whole growing by 3.2 per cent in 2014 but consid-

ers high public debt and budget deficits as representing a risk to the outlook for some Central American countries.

In the Caribbean, the IMF expects tourism-dependent countries to recover on the back of rising US activity but forecasts that growth will remain low at just one and a half per cent. Caribbean commodity exporters would enjoy stronger growth at 3.7 per cent; but for some Caribbean countries, as in Central America, elevated public debt poses risks.

Overall, the outlook is better for most Caribbean and Central American economies. Such growth, if it can be sustained, will benefit the national economies of the Caribbean and Central America and, by extension, the region's ports. It is very welcome news.

Another positive development is that agreement has been reached for the Panama Canal expansion work to resume. Clearly, the diversion of US East and Gulf coast cargo to the Suez Canal and other competing routes will take away potential benefits from all ports in this region. It is thus in the interest of CSA members that Panama should resolve any impediments to the smooth completion of the canal project.

It is worth keeping our eye on the ball to ensure that we can respond quickly to protect the considerable investments that Caribbean ports have made, particularly in recent years

be that the lines can go ahead and implement the P3 arrangement because the arrangement does not represent a merger; and the European Union will reserve the right to intervene if it sees any uncompetitive practice at a later date.

According to the Journal of Commerce in January, the P3 Alliance will control 42 per cent of Asia-Europe capacity; 24 per cent of transpacific capacity and 42 per cent of transatlantic capacity.

MINDFUL

Alliances are nothing new and most of the top 20 shipping lines are in some form of alliance. We welcome any development that provides a benefit to the markets we serve. Nevertheless, we in the Caribbean need to be vigilant and mindful of how the evolving alliances will affect trade in our region, both in terms of prices levied on the markets we serve and in relation to the effects on the business of our ports.

For example, a review of the suggested P3 routes points to

maintain other strings that serve the region; but it is worth keeping our eye on the ball to ensure that we can respond quickly to protect the considerable investments that Caribbean ports have made, particularly in recent years, in anticipation of a growing demand for logistics services.

Such keen attention is necessary when it is considered that Suez Canal traffic for cargoes destined for the US East and Gulf Coast ports is now roughly equal to Panama Canal traffic, on which most of the ports in the Caribbean and Central America depend.

It has also been announced that Maersk will restore the SeaLand name in a new company dedicated to the intra-Americas market. It will be important to observe how this will affect the business of carriers focused on the Caribbean trade; and what effect the competition will have on shippers.

While we focus on changes in the global shipping landscape, it is equally important to keep a watch on the regional economy.



ECO-CONCERNS over cruise resort plan

Opponents and proponents of a new private cruise terminal and resort in Belize continue to squabble over plans by Norwegian Cruise Line (NCL) for a development earmarked for Harvest Caye.

Yet, as things stand, NCL has the go-ahead from the Belize government to buy around 75 acres in the south, where it plans to build the company's second private resort on Harvest Caye. NCL already owns Great Stirrup Cay in The Bahamas.

Harvest Caye is made up of two thin, adjoining islands, covered mostly in mangrove and located about 5 km south of the Placencia Peninsula.

NCL plans to spend US\$ 50 million on the resort, which is set for completion in 2015.

Harvest Caye will feature a floating pier, a tasteful island village with raised-platform structures, a marina, a man-made lagoon for water sports and a beach. As with Great

Stirrup Cay, the resort will be the exclusive reserve of NCL passengers.

The purchase marks NCL's second attempt to build a private cruise resort in Belize. In mid 2013, for environmental reasons, the government turned down a proposal to build a cruise ship terminal on Crawl Caye (a privately owned island reportedly up for sale on the internet for US\$ 6 million). Crawl Caye is located in the South Water Caye Marine Reserve, a Unesco World Heritage Site. Undeterred, NCL then pushed for and won approval for its alternative location at Harvest Caye.

In order to comply with certain conditions insisted on by the Belizean authorities, NCL agreed to abide by the country's environmental standards, to employ local construction workers and to set up a hiring program for Belizeans who want employment on board the cruise operator's ships. Naturally enough, local people will also get preference for staff positions at Harvest Caye.

CARDS ON THE TABLE

Meanwhile, NCL chief executive Kevin Sheehan put the company's cards on the table: "In our quest to continuously look for new and exciting destinations for our guests, we plan to develop a cruise destination focused on sustainable design and eco-friendly principles that will retain the natural beauty and local culture of this tropical paradise."

Not everyone agrees with NCL. But Harvest Caye had already been approved for resort development by Prime Minister Dean Barrow, who says he wants to "decentralize cruise tourism" away from what he describes as "busy Belize City". At present, the nation's main cruise port receives up to nine ships a week during the peak season. But it's fair to say that many Caribbean destinations would not regard nine cruise calls a week as 'busy'. Nine a day, perhaps.

As elsewhere in the Caribbean, however, there is friction between those seeking foreign investment and pushing for economic development, and those who say that protection of the environment is paramount. Accusations that the government is in too much of a hurry to approve such environmentally sensitive projects are also being voiced.

For example, in relation to Belize's famed barrier reef, concerns are being raised about the impact of the waterborne disposal of dredged spoil and the loss of the breeding grounds of the endangered Antillean manatee. At the same time, the sheer size of the project in a largely undeveloped part of Belize is sounding alarm bells. The length of the 100 meter cruise pier, which appears to exceed local planning restrictions, is also a factor.

Yet Nayari Diaz-Perez of the Protected Areas Conservation Trust told CM that her organisation did not have a position for or against the scheme.

Conversely, and somewhat surprisingly, the Belize Tourism Industry Association (BTIA) and the national hotel association are also both against the project.

EMPHATIC

The BTIA says the nation's Sustainable Tourism Master Plan is emphatic that southern Belize should remain an eco-friendly, low-impact destination. In terms of cruise ship calls, the plan clearly states that only so-called 'pocket' cruise ships (carrying fewer than 250 passengers) are acceptable on the south-eastern coast of Belize.

Then there is the usual fight over who controls what. Local people want a slice of action in regard to the proposed Harvest Caye-mainland shuttle, but this operation is likely to be the preserve of NCL, which can use its specially designed shallow-draft tenders to take passengers 'ashore'. The same goes for shore excursions, where local tour operators feel they may be denied opportunities to generate income.

Others are worried that the passenger head tax (part of which will be re-bated to the cruise operator) is far too generous in NCL's favour.

So here we have a government and a serious foreign investor on the one side; environmentalists and those not set to gain financially from the project on the other. It was ever thus.

As elsewhere in the Caribbean, there is friction between those seeking foreign investment and pushing for economic development, and those who say that protection of the environment is paramount



Above: Passengers from the NCL vessel 'Norwegian Jewel' arrive in Great Stirrup Cay, in The Bahamas, which has undergone a major refurbishment

WHEN IT COMES TO CARIBBEAN CRUISING – small is beautiful

The recently launched small-ship cruise line Pearl Seas Cruises has drawn up an attractive-sounding itinerary for its first Caribbean cruising season in spring 2015.

The company's brand-new vessel, the 210 passenger capacity 'Pearl Mist', will be deployed on a selection of cruises to some of the Caribbean's most sought-after island destinations, including The Bahamas, the US and British Virgin Islands, Puerto Rico, Turks & Caicos, St Martin and Martinique. Each itinerary is designed to highlight what the company describes as "the most exquisite areas of the Caribbean which few people have the opportunity to experience". The Grand Caribbean cruise, for instance, will take passengers to 11 distinctive islands including Jost Van Dyke, St Croix and Saba, with fascinating shore excursions in each place.

CONCEPT

One of the key advantages of the small cruise ship concept – from the point of view of the host island or host port – is that, in the words of Pearl Seas Cruises, "we never overwhelm the local communities visited".

A choice of seven-night, 10-night and 11-night Caribbean itineraries is being offered by Pearl Seas Cruises, running from February to May 2015 (see accompanying table).

Pearl Seas Cruises is the newest small-ship cruise line in the United States. It claims to have developed a new style of

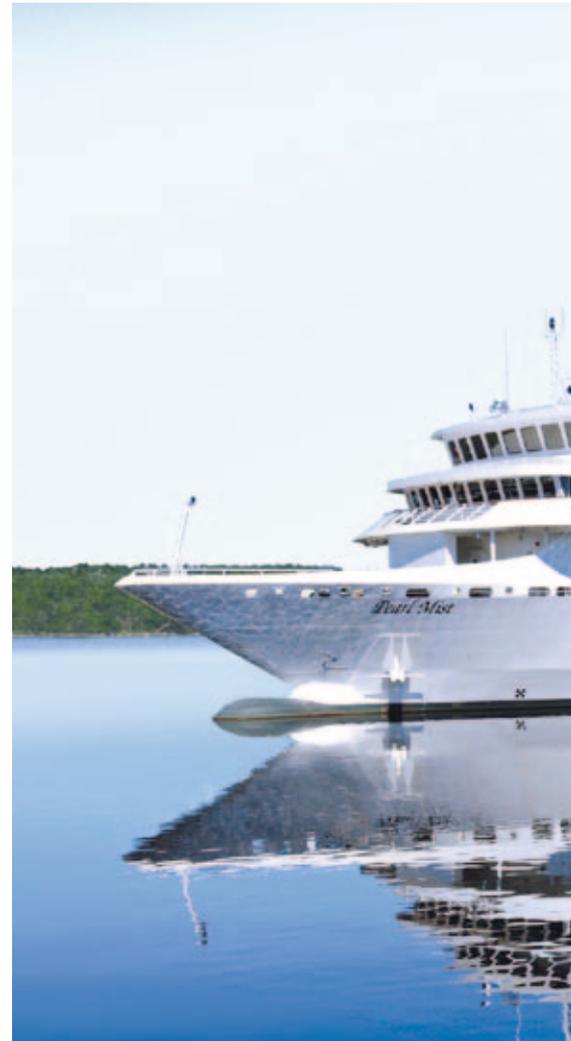
luxury small-ship cruising with an emphasis on comfort, safety and personalised service combined with a relaxing and intimate atmosphere on board. A unique selling point of the 'Pearl Mist' is that the new ship is designed to navigate sheltered harbours, rivers and protected waterways as well as the open sea.

The excellent 'route availability' of the 'Pearl Mist' will be amply demonstrated in the company's inaugural season, commencing in June 2014, when Pearl Seas Cruises will be offering a range of cruises to New England, the Canadian Maritimes, the Great Lakes and the St Lawrence Seaway. The vessel's maiden voyage will take the form of an 11-night, 12-day New England Christening Cruise up the eastern seaboard of the United States and Canada from Baltimore to Halifax departing on 25 June 2014.

The 'Pearl Mist' has been undergoing final outfitting by Chesapeake Shipbuilding in Salisbury, Maryland. The company has coined the phrase 'Luxury Adventure' to describe the style of cruising that goes with its brand-new vessel. The 'Pearl Mist' is intended to be a super-luxury vessel that, in addition, offers passengers the chance to experience the thrill of cruising in a small ship.

On the luxury side, the 'Pearl Mist' features very large and gracefully appointed staterooms, all with private balconies and full-sized bathrooms. Excellent food is served in the Grand Dining Room. There is also a choice of comfortable lounges, while

The 210 passenger capacity 'Pearl Mist' will be deployed on a selection of cruises to some of the Caribbean's most sought-after island destinations





CARIBBEAN CRUISE SCHEDULE

- Path of the Explorers – Southbound: 11-night cruise from West Palm Beach, Florida, to St Martin, departing on 21 February 2015
- Grand Caribbean – St Martin: 10-night round trip departing St Martin on 4 March 2015
- Caribbean Discovery – St Martin: seven-night round trip departing St Martin on 14 March and 21 March 2015
- Grand Caribbean – St Martin: 11-night cruise from St Martin to San Juan departing on 28 March 2015
- Grand Caribbean – Puerto Rico: 10 night-round trip departing San Juan on 8 April 2015
- Caribbean Discovery – Puerto Rico: seven-night round trip departing San Juan on 18 April and 25 April 2015
- Path of the Explorers – Northbound: 11-nights cruise from San Juan to Freeport, Bahamas, departing on 2 May 2015



other onboard amenities include a spa, a fitness center and a theater. Wireless internet access and flat-screen satellite TV are provided in every stateroom.

INTIMATE

In terms of passenger safety, too, the 'Pearl Mist' earns a high score, complying with all the latest maritime safety regulations.

The aim of Pearl Seas Cruises is to create an intimate and congenial ambience on board its cruise ship, while offering the level of hospitality one might expect from a world-class hotel.

Speaking in December 2013, Timothy Beebe, Vice President of Pearl Seas Cruises, said: "As the New Year and the completion of the Pearl Mist draw closer, we're getting increasingly excited to introduce the world to Pearl Seas Cruises. Complete with new Caribbean sailings, we believe the line's unique itineraries and Luxury Adventure concept will appeal to many and we look forward to welcoming guests onboard."





■ The CSA's 44th Annual General Meeting is to be held from 13-15 October at the Barceló Bávaro Beach Resort, Bávaro Beach, Higüey, Dominican Republic.

■ Please contact the CSA Secretariat in Kingston (details below) or visit the CSA website www.caribbeanshipping.org for further details about speakers and to register for this key networking event.

■ CSA members enjoy preferential rates. There are also early-bird registration discounts and concessionary hotel rates.



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PORT BRIEFING

Please send all news items for consideration for Port Briefings in Issue 23 by 1 August. Email to cm@landmarine.org

THE BAHAMAS



Freeport Container Terminal is set for major expansion

FREEPORT EXPANSION TO GO AHEAD

A US\$ 250 million expansion of Freeport Container Port looks set to go ahead after Bahamian prime minister Perry Gladstone Christie confirmed that his government was about to agree the scheme with owner Hutchin-

son Port Holdings and main user MSC Shipping.

On completion of the Phase V Development, Freeport will have a total quay length of 1,536 meters, a yard area of 63 hectares, an alongside depth of 15.5 meters, nine post panamax cranes and one super post panamax quay crane.

The project will boost annual handling capacity by around 1 million containers.

The move comes as other Caribbean terminals, both new and existing, line up to compete for post-expansion traffic.

Work on Phase V is due to commence this summer.

BARBADOS

NEW LUXURY MARINA ON RIVIERA

A new luxury marina has entered service in the riviera district on the north-west coast of Barbados. Port Ferdinand, which opened in December, features 120 berths for 60 ft to 90 ft yachts as well as the first of 83 luxury apartments on a 16 acre inland waterway site.

There is a fuel dock close by with concierge services for repairs and provisioning.

Costing US\$ 80 million to date, this project is just one of many ongoing

marina developments in the Caribbean in response to the growing demand for yacht berths and associated residential properties. There are believed to be more than 500 berths under construction across the Caribbean, adding to the existing stock of 113 marinas with nearly 13,500 berths.

Barbados itself is a relative newcomer to yacht traffic. Its first marina, Port St Charles, was built about 20 years ago. The opening of Port Ferdinand has brought a sense of optimism to Barbados and the region.

JAMAICA

PRIVATIZATION OF KINGSTON CONTAINER TERMINAL

Evaluation of proposals for the privatization of Kingston Container Terminal will commence after 22 May, the deadline for returning bid documents.

Three global terminal operators are expected to bid. They are the Port of Singapore (PSA) Terminal Link Consortium; Dubai Ports World; and the China Harbour Engineering Company and China Merchant Holding International consortium.

The process is expected to be completed by June with privatization commencing in September.

PORT BRIEFING

USA



CRUISE BUSINESS EXPANDS AT PORT CANAVERAL

Passenger numbers at Port Canaveral were up 6.7 per cent in the last three months of 2013 compared with the previous year's figures. A significant increase is expected in 2014, too, following the announcement of new contracts with Norwegian Cruise Line and Royal Caribbean Cruises.

The 'Disney Magic' has already returned to Port Canaveral, giving it three of the four Disney ships. Carnival is replacing two of its vessels, while Royal Caribbean's 'Explorer of the Seas' will start calling Port Canaveral in November.

In addition, a new agreement negotiated with Norwegian Cruise Line will add a seasonal home-ported ship from

2015. The 'Norwegian Spirit', with a capacity of 2,018 passengers, will offer itineraries from the port in November 2015 through April 2016.

Port Canaveral already has seven cruise terminals and construction work has begun on an eighth, due to open in November. Two further terminals are planned.

USA

HARBOR EXPANSION AT PORT CANAVERAL

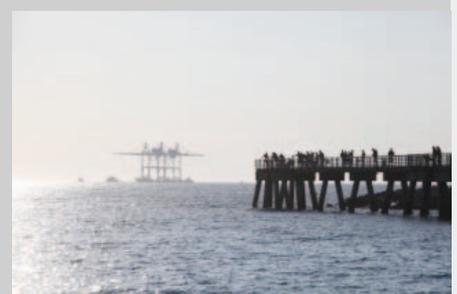
Larger ships will soon be able to call Port Canaveral after the long-awaited widening and deepening program began in March 2014. As a result of this program, scheduled for completion in November, the harbor will be widened by 100 ft to 500 ft and the entrance will be deepened by 2.0 ft to 46.0 ft. The project is costing US\$ 35 million. Work on dredging the rest of the channel will continue until November 2015.

Port Canaveral also took delivery in March of two 273 ft tall ship-to-shore container cranes, transported by barge



from their former home in Savannah, Georgia.

The cranes, together with the port's rail connections, are seen as vital to development of the port's container business. They are expected to have a positive impact on the local economy as part of the port's expansion project.



Photos courtesy of Port Canaveral

HAITI

HAITI CHANGES PLANS FOR NEW PORT

Haiti is to scrap plans to build a new port at Fort Liberté on the north coast. The new port had been mooted by the US government, which was partly financing the new harbor as part of a bilateral aid package. Instead, Haiti will seek an alternative scheme to modernize and upgrade Cap-Haitien, a town largely untouched by 2010's tragic earthquake.

The high cost of building Fort Liberté, the lack of private backers for the project and serious environmental concerns are cited as the reasons for the change of plan.

Estimates had put the cost of Fort Liberté at over US\$ 250 million with the USA contributing around \$US 70 million.

When it was first proposed in 2011, the rationale for Fort Liberté was to reclaim or divert to Haiti cargoes now



moving via ports over the border in the Dominican Republic.

But Fort Liberté was not considered value for money by the USA and with no private sector money to make up the balance in what is still considered a high-risk location, there was no alternative but to shelve the scheme. Moreover, and perhaps critically, Fort Liberté port is located in a newly created protected area. Attention now switches to Cap-Haitien, where there is still spare capacity for container handling. However, the cost of redeveloping the port is not yet known. Cap-Haitien will require significant dredging, construction of a bridge to ease congestion and a new breakwater.

CUBA

NEW PORT AT MARIEL IS OPEN FOR BUSINESS

Cuba's brand-new port of Mariel was officially opened on 27 January by President Raúl Castro of Cuba and President Dilma Rousseff of Brazil.

Ironically, the first ship to call was from Port Everglades in South Florida. The Jacksonville-based operator Crowley Liner Services brought around 50 containers to Mariel under a waiver to the 50-year-old trade embargo imposed by the USA.

Slated to replace Havana as Cuba's main port, Mariel port is Cuba's largest infrastructure project for decades. It was financed mainly by Brazil and built by the Brazilian construction giant Odebrecht. The port has a special development zone covering 180 square miles with tax breaks and other incentives available for businesses.

STARBOARD BRIEFING

TROPICAL SHIPPING TO BE SOLD

Tropical Shipping, based in the Port of Palm Beach in Florida, is being sold by owner AGL Resources Inc, of Atlanta, Georgia, to a subsidiary of Seattle-



based Saltchuk Resources Inc.

The US\$ 220 million sale is expected to go through in the second quarter of 2014.

This will be the fifth transportation-based company for Saltchuk, which employs some 7,500 people across the country.

Tropical Shipping was founded in 1963. It now employs over 1,000 people and owns 11 ships with three on lease.

SEA AND RIVER DEFENSES IN GUYANA

The government of Guyana has signed a €14.8 million financing agreement with the European Union for sea and river defenses along its vulnerable coastline. This is the 10th European Development Fund (EDF) financing agreement. It brings the total of EU contributions to Guyana's sea defenses to around €50 million.

Eco-row over Chinese plan for cargo hub

YEAR OF THE GOAT?*

It may sound an improbable name for a proposed logistics hub, but Jamaica's Goat Islands are being lined up as the location for the Caribbean's next major container terminal project – or at least they will if the Chinese get their way.

In fact, so improbable is the Goat Islands name that the scheme is also referred to as Portland Bight. But whether it's called Goat Islands or Portland Bight, it is proving a battleground for those in Jamaica pitted for and against the highly controversial US\$ 1.5 billion mega project.

The China Harbour Engineering Co (CHEC) wants to construct a new port complex on Little Goat Island and Great Goat Island which together make up Goat Islands. These small islands are located just around the headland from Kingston and off the Hellshire coast in Old Harbour Bay – that is, about midway between the Port of Kingston and the Jamalco terminal at Rocky Point.

The project is heavily backed by the Jamaican government and has been supported by new Port Authority of Jamaica president and CEO Prof Gordon Shirley.

OPINION

Yet outside the comparatively narrow confines of the maritime sector, opinion in Jamaica is deeply divided over the merits of the planned scheme. Many welcome the prospect of investment and the jobs that would follow; others caution against growing Chinese influence in the Caribbean and express concern about the impact on the environment. In particular, local conservationists are staunchly opposed to the plan, while opposition politicians criticize the government's handling of the whole process.





Despite these objections, the Jamaica government in late March pushed ahead and signed a framework agreement with CHEC.

The nub of the controversial decision to press ahead with the project is that the Goat Islands form part of the 1,876 sq km Portland Bight Protected Area (PBPA). The two islands were once a habitat for the critically endangered Jamaican iguana. In fact, the nation's last surviving colony is still there on the mainland and within the PBPA. At the same time, the PBPA remains Jamaica's largest mangrove system and is home to 53 endemic plant species plus birds, snakes, skinks and frogs not found elsewhere.

GROUP

Those against the project (and they are many) have organised themselves into the 'Save Goat Islands' group. Diana McCauley, chief executive of the Jamaica Environment Trust, told CM: "Our main objection is

Ms McCauley wanted to know how a protected area could even be earmarked for development. "It was the government that declared Portland Bight a protected area and after considerable study," she said. "It was declared protected because of the important natural resources it contains. Millions of dollars [Jamaican, not US] have been spent on conservation projects in the PBPA. So what does it mean for all other national parks and protected areas in Jamaica if the government can just change its mind about the use of land?"

Outside the comparatively narrow confines of the maritime sector, opinion in Jamaica is deeply divided over the merits of the planned scheme

the secrecy which has surrounded and still surrounds it. Environmental stakeholders, including the protected areas manager, read about it in the newspaper – along with the rest of Jamaica. Development, especially major development, in protected areas should be approached with care, transparency and full study."

* The Chinese Year of the Goat is actually 2015

THE FLEMING EFFECT...

In the very first James Bond movie, 'Dr. No', shot on location in Jamaica and released in October 1962 just after the country gained its independence, the eponymous character was a wealthy Chinese businessman who had acquired an island off the coast and was using it as a base from which to expand his private empire.

Of course, 'Dr. No' is a work of fiction and there is absolutely no suggestion that every foreign investor who buys an island off Jamaica is secretly plotting to shoot down American space rockets. But there are some uncanny parallels.

Bond's creator, Ian Fleming, was so fond of Jamaica that he built a house at Oracabessa in the late 1940s and spent much of his time there.

GOAT ISLANDS

The objectors say that they are not against a logistics hub on the island as such and are happy to see such a facility built in Jamaica, but not in the PBPA.

Ms McCauley said: "We have asked from the beginning what other sites were considered and why they were rejected. The government has not responded. We are not opposed to other sites..."

Another factor is that this is a purely Chinese idea, in which the Chinese have arrived with a detailed plan and the money to finance it. This is contrary to the more traditional development model whereby the Jamaican government might have made the case for such a project, carried out various studies and evaluations, consulted widely and then sought finance from banks or other lending institutions.

On the other hand, the government cannot just ignore such an idea and has to consider the positive impact the project is likely to have on jobs in a country that has long suffered from high unemployment.

EXPLORED

Jamaica's Minister of Transport, Works & Housing, Omar Davies, says that a project which does not harm the environment, and will improve people's living standards, must be explored.

This general view was supported by Prof Shirley: "Jamaica must capitalize on its unique position of having the most favourable location in the region, particularly with the impending expansion of the Panama Canal."

He also recognized that the planned logistics hub, with

space for additional activities, offered good prospects for employment: "We have to move in a direction of adding greater value to the cargo which comes to Jamaica and at the moment this is the single largest opportunity to do so," he added.

When contacted by CM in mid April, Prof Shirley politely declined to comment further about the project.

But Ms McCauley claimed: "I don't think the government is living up to its own commitments [in regard to] sustainable

development and openness..."

As it is, around 2,000 jobs are expected to be created during the construction phase and perhaps 10,000 permanent jobs when the project is fully operational at some point in the future.

Whether or not the project goes ahead (or retains its odd name), Chinese interest in Jamaica only confirms what many others in the shipping industry having been saying for some time: the island clearly has the best location in the Caribbean.

Another factor is that this is a purely Chinese idea, in which the Chinese have arrived with a detailed plan and the money to finance it



© Jeremy Francis

Pictured: Untouched paradise

Journalistic all-rounder has helped to shape modern image of CSA

Mike Jarrett, former consultant and adviser to the Caribbean Shipping Association in the capacity of director of information and public relations, has had a fascinating and varied career that has involved him in virtually every aspect of journalism and public relations. We look back at some of the highlights.

Mike Jarrett's education, both at school and at college, provided an excellent foundation for a career that would span 40 years.

A graduate of Meadowbrook High School and Mico University College in Jamaica, he spent time at the International Institute for Journalism (IIJ) in Berlin and the Caribbean Institute of Media & Communications, UWI.

We all have to start somewhere in our business life and for the young Mike Jarrett it began in 1972 when he was invited by the deputy general manager at Jamaica Broadcasting Corporation, Hector Bernard, to join the station's news team. He gladly accepted and so in September 1972 left a classroom at one of Jamaica's leading high schools, Cornwall College in Montego Bay, where he taught mathematics for a year as an intern teacher, to take up his first full-time job in journalism. News was not unfamiliar to Mike as, after leaving high school, he had worked as a proof reader at Jamaica's leading newspaper, 'The Gleaner'.

This first job in journalism in his native Jamaica had Mike writing features and reports for radio and TV about industrial production, commerce and corporate affairs as well as international issues affecting industry and commerce. In this regard, he covered assignments involving multilateral organizations such as the United Nations Development Programme, the World Bank, the African Caribbean and Pacific Group of Countries and the International Bauxite Association.

Mike's three years of work at JBC

attracted the attention of public relations firms in Jamaica. He was approached by Desmond Henry, then a principal of Jamaica's largest PR firm, to join their team as PR officer at the Jamaica Industrial Development Corporation (JIDC), where, Mike worked under the direction of Carmen Tipling. He and Carmen enforced the reputation of the multi-faceted JIDC (since merged with others to form the Jamaica Promotions Corporation) as the leading force in Jamaica's industrial development.

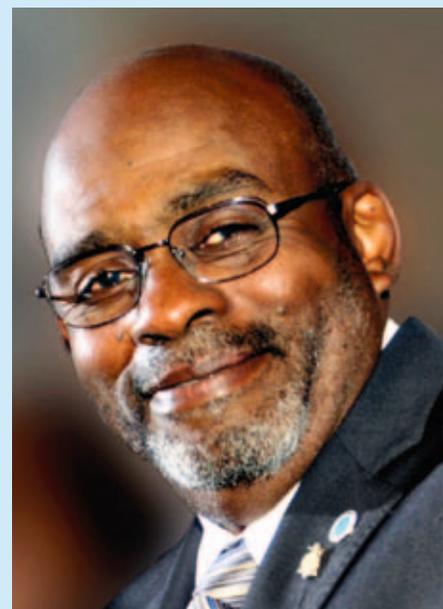
IMPLEMENTATION

"Carmen, as PR director, dealt with concepts, strategy, policy initiatives and speech writing," recalls Mike. "My job was policy implementation – generating news releases, news features, producing brochures and promotional materials and planning and executing special events such

This first job in journalism in his native Jamaica had Mike writing features and reports for radio and TV about industrial production, commerce and corporate affairs

as the JIDC's display at Jamaica's annual national agricultural show at Denbigh."

In carrying out his various tasks, young Mike Jarrett, who was still in his mid twenties, had to meet and interact with department heads of the JIDC's Productivity Center, the Food Technology Institute (since merged with the country's Scientific



Research Council), the Repair and Maintenance (Training) Division, the Tool and Die Institute, the JIDC Engineering Department and the Small Industries Development Division (SIDD).

"The SIDD was, at the time, headed by Rita Humphries, with able support from Kingsley Thomas and Richard Byles. The SIDD had established and maintained a number of industrial complexes around Jamaica. My

job required my visiting these complexes, interacting with the heads of manufacturing entities that operated the factories there and, through discussion and observation, gaining intelligence about the effectiveness of JIDC policies and a clear understanding of the details of particular problems each factory might have been facing."

MIKE JARRETT PROFILE

Mike's job as PR officer at the JIDC was quite an education, he says.

"I developed over time an intimate knowledge of the processes, industrial machinery and bottlenecks to production in the factories of all JIDC tenants, from St Thomas in the east to St Elizabeth in the west, dealing with everything from food processing to fabric manufacturing; from shoe manufacturing to ceramics production and everything in between," he recalls.

"It was a gruelling job, but there was never a dull moment. In fact, Carmen and I as a team did what may sound impossible to many in public relations. We had a robust and, as it turned out, record-breaking publicity program for the JIDC. There was one week – and I mean seven days, not a five-day work week – in which, every day, we had a news article or a news feature published in the newspapers about the JIDC. I suspect that record still stands in the annals of public relations practice in Jamaica."

Within three years, however, Mike was back in mainstream journalism as chief reporter industry and commerce, business editor and parliamentary reporter at the now defunct 'Jamaica Daily News'. During his time at the 'Daily News' he initiated Jamaica's first-ever weekly editorial feature

paper. For the shipping section, I had a staff of one freelance writer. I had him visit and walk the Port of Kingston every Monday to observe and talk with port workers and to get a sense of their current concerns and what they were talking about. Based on his reporting and my interviews with heads of Kingston Wharves, Western Terminals, the Kingston Container Terminal and the Port Authority of Jamaica, the 'Daily News' published a rather successful weekly shipping feature.

"By contrast, 'The Gleaner's' only focus on the shipping industry at the time was a page – half a page as I recall – on which it placed advertisements from shipping companies. There was no regular reporting or publication of features specific to the industry."

CSA MAGAZINE

Based on his coverage and writings about the shipping sector, Mike was approached by the then PR director of the CSA, Anthony Gambrell, who offered him a job to edit the CSA's magazine, 'Caribbean Shipping' journal. So, in 1981, he took charge of the CSA magazine. The job title was publications editor of creative communications incorporated, so Mike, by now a seasoned journalist, who had won the Director's Prize for highest score on final examinations at the IJ in Germany, was now also editor of an eclectic magazine portfolio that included the Air Jamaica in-flight magazine 'Skywrit-

for the next three decades and more. That strategy involved pre-publicity and post-publicity but its mainstay was a format for an official opening ceremony for CSA conferences, developed at the request of then CSA President Ludlow Stewart.

A year later, Ludlow Stewart called Mike to the CSA's General Council. This was in Puerto Rico in October 1983.

"My boss and CSA PR director, Tony Gambrell, was a member of the General Council and was attending that meeting and he did not invite me to this closed meeting so I was embarrassed to accept the president's request for my presence," says Mike. "I told Luddy that I had no status or reason for being in the General Council meeting, but he insisted that I'd be there on his invitation. I tried to protest, but Luddy would not yield.

"My problem is that I am not afraid or shy to express my point of view in any forum. I guess it's the journalist in me. So I was no 'dummy' at my first General Council meeting. I guess my interventions there were respected as I was subsequently expected to regularly attend General Council meetings."

In addition to his efforts on behalf of the CSA, Mike started a process that led to the development of his own business. In 1985 he resigned from CCI and, confident in his knowledge and experience, launched Mike Jarrett Communications (MJC), a private PR consultancy based in Kingston.

"Ironically, my second client was CCI. Tony Gambrell called me during the first week and offered me a three-year contract to edit the CSA's magazine."

MJC was incorporated, within two years, as Mike Jarrett Communications Ltd, a company that handled not only PR consultancy but advertising and publications. It was a full-service media house, a member of the Public Relations Society of Jamaica (PRSJ) and a member of the Advertising Agencies Association of Jamaica, with a complement of 19 staff providing a complete range of services in PR, advertising, publications and graphic design. The company created and produced corporate brochures, newsletters, annual reports, TV and radio commercials, press advertisements and video documentaries and excelled in special events planning (including, for example, the annual Carib Cement Jamaica Marathon; the launch of the Institute of Chartered Accountants of the Caribbean; and the historic West Indies

In 1982 Mike proposed and carried out a PR strategy for the CSA's AGM in New Orleans which the Association was to follow for the next three decades and more

dedicated to the maritime sector.

"Jamaican media had never treated shipping as an industry," says Mike. "Rather, it was seen as a support service. My position was that its complexity, the specialised machinery and superstructure; the unique hardware and technology employed in receiving, storing and delivering cargo – not to mention a large workforce of skilled, semi-skilled and unskilled workers – qualified shipping as a separate and identifiable industry.

"My editor, Canute James, agreed and he accepted my proposal for a four-page shipping industry section which was subsequently published weekly in the Wednesday

ings', the short-lived 'Caribbean Farming' and the 'Caribbean Ports Handbook'. Mike was tasked with editing, often rewriting, the stories submitted; supervising as 'stone editor' layout and paste-up in the graphic arts department and was generally responsible for ensuring that publications deadlines were met. In the pressurised world of publishing, it doesn't get much tougher.

When it comes to his long and distinguished links with the CSA, the watershed year for Mike was 1982. In that year he proposed and carried out a PR strategy for the CSA's AGM in New Orleans which the Association was to follow with success

Since giving up his role with the CSA, Mike has been working on an autobiography, 'All in the Same Boat', to be published this summer

Cricket Board Dinner in Kingston to Honour Past and Present West Indies Test Players.)

During the company's 15 years of existence it represented or provided services for some of the top names and brands in Jamaica's manufacturing, financial and maritime sectors and a number of overseas entities as well, including:

- Carib Cement
- Capital & Credit Merchant Bank
- Southern Pine
- Maritime & Transport Services Ltd
- Institute of Chartered Accountants of Jamaica
- Institute of Chartered Accountant of the Caribbean
- Maritime General Insurance Brokers Ltd
- Maersk Line
- Government of Jamaica (Ministry of Health – National HIV/STD programme)
- West Indies Cricket Board
- United Nations Population Fund (UNFPA)
- Kingston Wharves Ltd
- Western Terminals Ltd
- Port Authority of Jamaica
- Caribbean Shipping Association
- Shipping Association of Jamaica
- The Life Underwriters Association of Jamaica
- Medic Alert Jamaica.

Mike's time at the helm of MJC coincided with his role from 1983 as consultant and adviser to the General Council of the CSA – a position he held for 30 years until October 2013. During those 30 years Mike was closely involved in a series of key initiatives and events. He:

- Proposed and launched the CSA Newsletter
- Proposed and launched the CSA Silver Club
- Proposed and launched the 'Shipping Insight' Annual Business Exposition
- Proposed and named the Caribbean Shipping Executives' Conference (CSEC) to replace the May Semi-Annual General

Meeting (which was suffering a decline in attendance and had become a perennial financial loss)

- Proposed the 'CSA Handbook of Caribbean Ports'
- Proposed the adoption of conference logos for each CSEC (to be used alongside the CSA's logo)
- Proposed and designed a standard backdrop for CSA conferences
- Proposed and launched the CSA Website, the first full corporate website in regional shipping
- Proposed and launched the Annual Silver Club Roast
- Proposed and launched 'Caribbean Maritime' and designed the magazine's trademark logo
- Proposed and established CSA Facebook.

AUTOBIOGRAPHY

Since giving up his role with the CSA, Mike has been working on his autobiography, 'All in the Same Boat', to be published this summer. And he is well advanced in research for another book dealing with socio-political realities in the evolution of Jamaican music which he expects to be published early in 2015.

Discussing 'All In The Same Boat', Mike says the book "...places the challenges and successes of the CSA in historical context. It documents for posterity the economic and political issues and the historical milestones in the process of developing a viable regional maritime network. It records the contribution and thoughts of some of those who laid the Association's foundations and celebrates their selfless contribution to the development of the CSA and the Caribbean maritime network.

"In doing this, I have included a varied collection of editorial and anecdotal memories dating from the early 1980s to the end of the 20th century. 'All In The Same Boat' is a first-hand account of the early period of my career as editor of CSA publications, speechwriter to a number of presidents, public relations consultant to the Association, serving 11 of the first 15 CSA presidents."



From top: Mike (right), then PR officer at the JIDC, with executive chairman Wesley Wainwright (left) and the Hon. P.J. Patterson, Minister of Industry and Commerce, at the 'Food & Drink '75' exhibition in Kingston. The JIDC booth won the award for Best Exhibit.

Mike (right) assists a CSA delegate with his PowerPoint presentation.

Mike receives an award from Dr Fritz Pinnock (left), executive director of the Caribbean Maritime Institute, in recognition of his proposal for the establishment of a Caribbean maritime institute to replace the Jamaica Maritime Institute. His suggestion led to the establishment of the CMI in 2001.

Mike says the book includes little-known facts about the CSA; however, he is careful to point out, it is not an inward look at the Association. "It is an autobiography, but it presents the CSA to the world by documenting the history of the times in which the Association evolved."

Mike and his wife Donna have been invited by the CSA's General Council to attend the October 2014 AGM in the Dominican Republic where, as CSA President Grantley Stephenson has stated, the Association will properly thank Mike Jarrett for his 30 years of service to the CSA.

THE PHOENIX RISES over Montserrat

Nearly two decades after the volcano erupted, Montserrat is starting to rebuild its economy with ambitious plans for a new city and a new port

In 1995 the island of Montserrat was largely destroyed by a volcanic eruption that made headlines news around the globe. Now, nearly two decades later, it is beginning the process of rebuilding its economy with ambitious plans for a new city and a new port.

Until 1985 the Soufrière Hills volcano, in the south of the island, had been dormant. After it started erupting in 1995 the Georgian-era city of Plymouth was destroyed and two-thirds of the population fled the island.



Though the volcano has been largely quiet since 2010, the whole southern half of the island is still an exclusion zone. Plymouth and its port facilities are unusable and much of the surface is covered by a blanket of volcanic lava.

Montserrat is still home to some 5,000 people, many of who returned to the island after having been evacuated. This figure, however, is in stark contrast to the population of 12,000 before 1995. Following the eruption, the government and business center moved to Brades in the north of the island.

Initially, priority was given to rebuilding the basic infrastructure; but now the island is looking to attract investment to develop a site at Little Bay.

Little Bay, and Carr's Bay, is a 225 acre site on the north-west tip of the island. The rebuilding plan embraces residential, commercial and marine areas, including a new port facility.

INVESTMENT

The port project, to be located at Carr's Bay slightly to the south of Little Bay, requires an investment of around US\$ 150 million while the rest of the project, including the town, a marina, a hotel and other mixed-use facilities, needs US\$ 400 million.

With the design of Montserrat's new port at an advanced stage, attention is now turning to the task of drawing in the investment to make it possible. The port is expected to cost about US\$ 96 million and the marina about US\$ 50 million.

This project is being led and co-ordinated by the Montserrat Development Corporation (MDC). The master plan, drawn up by award-winning architects Lane Pettigrew, in 2012, has been approved by the government. It includes a hotel, a range of accommodation from luxury villas to apartments, and various retail and leisure facilities.

The port has been designed to accommodate vessels of up to 300 meters in length, while the marina will accommodate 60 yachts of various sizes. Completion of the port and marina will transform access to Montserrat for leisure, business and tourism. Ferries, too, will be able to dock reliably and run more frequently from Antigua.

In addition to cruise and ferry berths, the new port will also incorporate facilities for cargo vessels, a fuel berth, and a 105 meter megayacht berth.

OBJECTIVE

The MDC's objective is to coordinate the promotion of foreign direct investment, implement a strategy for private sector development and lead the development of the Little Bay Project. More specifically, the Trade and Investment Promotion Division looks after investment marketing and handles investment inquiries, provides business development services to the local private sector and identifies and tests new project and business opportunities.



An MDC spokesperson said: "At present MDC is working to source investment for these opportunities inclusive of the port. We have been in talks with a number of potential investors and hope in the near future to determine the best viable option.

"Montserrat is currently in a unique position to rebuild a new capital city and ensure it's done well. Although investment from outside is important we have to ensure their ideas correlate with the beauty that is Montserrat and we are able to maintain the positive aspects that very few can boast."

TALKS

The MDC is already in talks with commercial port operators about public-private partnerships with the Government of Montserrat to build and operate the new port. Discussions are going on with cruise ship operators, too, about including Montserrat in their itineraries with a focus on luxury, low volume operations.

But first, investment is needed. Montserrat is talking to many potential investors, including those, mainly from the Middle East and China, who have already invested in other parts of the Caribbean. China alone is investing huge amounts in a multitude of port and waterside developments across the region.

What will Montserrat be able to offer the tourist, when over half its surface area is out of bounds to visitors? While the volcano has kept people away for nearly 20 years, it may also serve as an attraction. The Pompeii-style southern half does have a certain morbid attraction, but there is certainly much more of interest on the island.

In its heyday the island was self-supporting, with an economy based on tourism, light manufacture, agriculture and medical education. By 2020 the island hopes to return to a state of self-sufficiency and the Little Bay development is a major part of that progress.

How 'foresighting' can help us shape the future to our advantage

Conventional forecasting is proving less useful in these times of rapid change. Today we must look for new ways to chart a course to the future. A new technique called 'foresighting' may prove an invaluable tool for the region's maritime sector.

*By Ibrahim Ajagunna
and Fritz Pinnock*

Experts have argued that we now live in an era of unprecedented technological change; and technology is one of the most fundamental drivers of social and economic development.

Each radical innovation, incremental improvement and new deployment of technology enables and spurs further phases of economic and technological change in a positive reciprocating dynamic way. This pace of change is now being further accelerated by the process of globalization; the progressive removal of barriers to international trade, as the effect of liberalization is to reduce costs, promotes greater specialization and efficiency, increases competition and thereby spurs innovation.

According to the experts, this suggests we are moving into an era of particularly rapid change, where corporations and countries alike have to learn to operate in an increasingly dynamic and borderless world economy and where new technologies will constantly transform the array of business constraints and opportunities. As a result, traditional forecasting and planning methods are no longer adequate tools for mapping business or national development strategies for coping with these transformations, because they have a limited ability to predict or survive discontinuities; that is, significant changes in the external or internal environment that force a fundamental re-evaluation of strategy or goals.

BEHAVIOR

Experts have also argued that, as the socioeconomic system itself changes, its behavior in the past no longer forms an entirely reliable guide to its probable behavior in future. This also means, of course, that conventional forecasting will tend to become less useful at times of particularly rapid change. It therefore means that we must now look for new models that can give us a more durable basis for charting a course through the increasingly uncertain years ahead. In general, such a model must be able to accommodate discontinuities, facilitate anticipation and proactive planning and thereby provide a robust action plan, a stable underlying strategy combined with flexible tactics. The model must also be able to support the necessary internal restructuring, as the fundamental challenge is to

build the capacity to anticipate and adjust to constant change.

Foresighting is a technique now being used by many of the world's largest and most successful corporations, as well as by a dozen governments, to model, understand and shape the future to their advantage. By definition, foresighting is a process by which one comes to a full understanding of the forces shaping the long-term future, which should be taken into account in policy formulation, planning and decision-making. Foresight involves qualitative and quantitative means for monitoring clues and indicators of evolving trends and developments and is best and most useful when linked directly to the analysis of policy implications.

RESTRUCTURE

Countries such as Jamaica and South Africa, for example, have employed foresight exercises in order to restructure some sectors of their economy. The implementation of the result of those exercises has brought tremendous changes to those sectors in which foresighting was employed. This suggests there is a need for a foresighting exercise for the shipping industry in the Caribbean. The exercise should cover ports, cargo, cruise and pleasure boats, and it will be used to inform a national strategic plan for the maritime transportation sector at the regional ports.

A foresighting exercise is a group process, which would encourage knowledge exchange and development of a mutual deeper understanding of central issues important to the future of the shipping industry in the Caribbean. The exercise would demonstrate that it is possible to bring different perspectives together to discuss, in a more constructive manner, the future of a critical industry such as maritime transportation and the shipping industry. This, in turn, will show the benefits of a more inclusive and consensus-based approach to planning for the present and future change.

If well conducted, a foresight exercise would map out the threats and oppor-

tunities facing the industry, the clarification of the choices to be made, and help to shape the future of the industry. The process of foresighting exercise as put forward by the experts includes the following:

VISIONING: To identify all stakeholders who will contribute a wide range of scenarios/ perspectives to the industry.

REFLECTING: To conduct a comprehensive workshop on how the various stakeholders see a big shift coming in the shipping sector. The stakeholders' views are then grouped into a connected pattern and priorities drawn from the best ideas. A rough picture of the future based on these priorities is then sketched out.

BACKCASTING: Analyzing back from the preferred scenario to the present day, tracing the sequence of critical events and changes. This part of the process allows people and the various ports to develop a strategic plan, which will then inform their actions as critical events and changes unfold. This, in turn, allows people to become agents of change rather than being driven by change. It also allows people to create trends rather than being the victims of trends; and, finally, to monitor, evaluate and review as they go along.

THE BENEFITS: Contrary to forecasting and its reliability, foresighting helps to improve long-term decision-making, generate alternative trajectories for future developments, improve preparedness for emergencies and contingencies and in the process motivate change. It will also allow the shipping industry in the Caribbean to get ready to respond, quickly and decisively, to the rapidly transforming array of problems and opportunities in the global environment.

Foresighting is a technique now being used by many of the world's largest and most successful corporations, as well as by a dozen governments, to model, understand and shape the future to their advantage

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LINER AND FEEDER OPERATORS LOOK TO OPTIMIZE FLEETS AND SCHEDULES

The Charter Market of the Caribbean December 2013 to March 2014

Liner trades in general are suffering from depressed sea freight levels and the Caribbean liner trade is no exception.

In an effort to reduce overhead and operating expenses, Caribbean liner and feeder operators have taken advantage of economies of scale and optimized their fleets and the patterns of their services.

For some services, a return to profitability meant a slight reduction in carrying capacity. Other operators have been entering into vessel sharing agreements and have upsized from two smaller to one larger vessel with an adjusted schedule. Across the Florida, Caribbean and North Coast South America area the overall number of chartered ships has been reduced.

With the Caribbean showing very little new employment and a tendency towards larger units of 1,000 teu plus, owners of ships between 500 and 950 teu were left without employment and decided to reposition their ships to other areas. In particular, the small segment of 500 to 700 teu geared vessels moved away from the Caribbean, partly in sales transactions. While, at this stage, this may not create a problem, it may have a negative impact later when operators need this tonnage to serve smaller ports.

TONNAGE

The container charter market, especially for the standard sizes of geared vessels between 950 and 1,800 teu, moved sideways only. Owners of charter tonnage have accepted long waiting times and short 'in between' employments only, but declined to fix lower levels. In any case, current rates are only marginally above vessel operating expenses and still not enough to cover capital expenses.

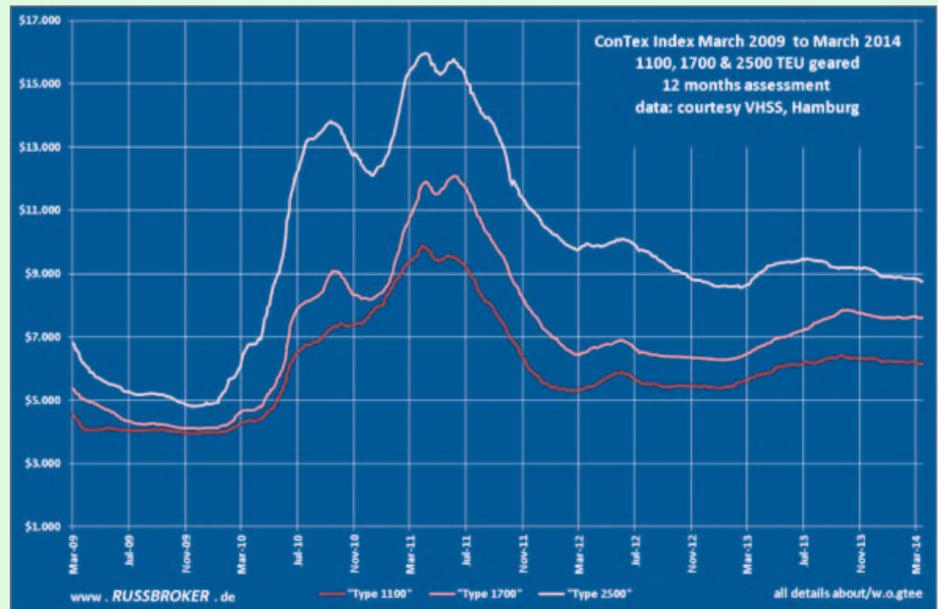
The long-term future of Caribbean container chartering is misty, with a lot of

factors fuelling the uncertainty. One key factor is Venezuela's development. Congested ports with slow productivity and reduced imports and exports have forced

established operators to leave the trade and adopt a 'wait and see' position.

Meanwhile, feeder operators are waiting for the verdicts of authorities in respect to the P3 Alliance of Maersk, MSC and CMA CGM in order to schedule services around them.

Maersk is rebranding Sealand as an independent service provider in the



REPRESENTATIVE CARIBBEAN FIXTURES OF YF 966-TYPES

11,500 dwt, 957-966 teu, 604 teu @ 14 t, 250+ rp, 18 k 35 t IF380, shgen, geared 2 cr 45t

| | | | |
|--------|---------------------------------|----------------|------------------|
| Dec 13 | Hoheriff / King Ocean | 1-2 months | US\$ 6,800 p/d |
| Jan 14 | Hoheriff / King Ocean | 3-4 months | US\$ 6,700 p/d |
| Feb 14 | Vega Scorpio / Agriex | 2 months | US\$ 6,600 p/d |
| Mar 14 | Heinrich Sibum / various | various. rvoys | US\$ 6,700-7,000 |

REPRESENTATIVE CARIBBEAN FIXTURES OF CV1100-TYPES

13,700 dwt, 1118 teu, 700 teu @ 14 t, 220 rp, 19.3 k 42t IF380, shgen, geared 2 cr 45 t

| | | | |
|--------|---------------------------------|--------------|----------------|
| Dec 13 | Hudson River / CMA CGM | 6-8 months | US\$ 6,600 p/d |
| Jan 14 | Hamburg Trader / CFS | 3 months | US\$ 6,500 p/d |
| Feb 14 | Shippan Island / CMA CGM | 11-13 months | US\$ 6,700 p/d |
| Mar 14 | INIS MOR * / AFL | 2 months | US\$ 6,500 p/d |

*] 1,016 teu / 626 @ 14 / 17 on 30 / 90 rp



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RUSSBROKER CHARTER MARKET COMMENTARY

Americas' starting in 2015 but has not yet announced much more than this. It is expected that Maersk is looking to repeat what it has accomplished in Asia with MCC and Europe with Seago Line. The introduction of ECA-Zone (the North American

14,000 dwt with two 250 to 450 ton cranes) against long-term charters.

After intensive recycling of tonnage in 2012, reefer tonnage finally enjoyed a decent year in 2013 and expectations were high for 2014. The optimism was short-lived,

fruit service to the US East Coast and US Gulf returned to dedicated conventional reeferships with good container capacity for reasons of port facilities and storage. The planned merger of Chiquita and Fyffes will bring interesting new scenarios.

The multipurpose, general cargo and heavy lift market in the US Gulf and the Caribbean has enjoyed stability with balanced supply and demand

Emission Control Area) in 2015 and the Panama Canal expansion are milestone events that will change trades.

Sale and purchase transactions on the container side resulted in tonnage leaving the Caribbean rather than entering the region. There is still tonnage, currently trading in the Caribbean, which is available for sale, and thus bound to leave when sold. The technical features of these ships are proving to be insufficient for the region, lacking flexibility in container dimensions and fuel efficiency. In the current circumstances, it will be unattractive for shipyards to build – and charter owners to operate – small, Caribbean-suitable vessels. In fact, there is zero building activity under 1,000 teu in this respect. As a result, in the not-too-distant future, operators will face limited availability of suitable, flexible and economic tonnage to serve small ports.

STABILITY

The multipurpose, general cargo and heavy lift market in the US Gulf and the Caribbean has enjoyed stability with balanced supply and demand. Tonnage is often picked up on the basis of round voyages or short periods and the levels have remained stable for the past four months.

Standard tweendeck tonnage of about 8,000 dwt with two cranes of 80 tons fixed US\$ 6,000 to 6,500 per day ex USG/Caribs and 1,250 dwt with two cranes of 80 to 120 tons was taken at US\$ 8,000 to 8,500 per day. Operators focused largely on economic tonnage. The demand for such tonnage has led to ordering of new tonnage (12,000 to

however. The banana crop in Ecuador and the demand in Mediterranean dropped. Spot activity almost stopped in February and came back at a reduced level in March.

It is worth noting that a containerized

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REPRESENTATIVE CARIBBEAN FIXTURES OF 1,300 TEU

abt 18,000 dwt, 1,296 teu, 957 teu @ 14 t, 390 rp, 19.5 k 47 t IF380, geared 2 cr 45t

| | | | |
|--------|--|------------|----------------|
| Dec 13 | Fouma / H Süd | 6 months | US\$ 7,500 p/d |
| Jan 14 | Stadt Gotha / COSCO | 6 months | US\$ 7,500 p/d |
| Feb 14 | Stadt Gera / Maersk | 8-9 months | US\$ 7,350 p/d |
| Mar 14 | Corona J * / GWF *) 1,209 teu / 940 @ 14 / 19 on 48 / 354 rp | rvoy(s) | US\$ 7,400 p/d |

REPRESENTATIVE CARIBBEAN FIXTURES OF GEARED 1,700 TEU

| | | | |
|--------|---|------------|----------------|
| Dec 13 | Caribbean Sea / Evergreen 1,74 teu / 1,234 @ 14 / 19 on 54 / 300 rp | 3-6 months | US\$ 7,700 p/d |
| Jan 14 | San Antonio / H Süd 1,819 teu / 1,300 @ 14 / 22 on 85 / 462 rp | 12 months | US\$ 8,000 p/d |
| Feb 14 | BF Ipanema / King Ocean 1,794 teu / 1,350 @ 14 / 20 on 61 / 319 rp | 12 months | US\$ 7,750 p/d |
| Mar 14 | no reported fixture in Caribbean | | |

REPRESENTATIVE ATLANTIC TWEENDECK FIXTURES

| | | | |
|--------|----------------------------|---------------------|----------------|
| Dec 13 | 17,500 dwt 1108 teu | 9-12 mos US/WAF trd | US\$ 9,000 p/d |
| Jan 14 | 17,300 dwt 962 teu | tct Cont/Caribs | US\$ 9,950 p/d |
| Feb 14 | 17,100 dwt 962 teu | tct Med/USG/Caribs | US\$ 9,000 p/d |
| Mar 14 | 12,700 dwt 665 teu | 70 days Atlantic | US\$ 8,200 p/d |

REPRESENTATIVE TC - FIXTURES OF REEFER TONNAGE

| | | | |
|--------|-----------------------------------|------------------|----------------------|
| Dec 13 | 540 k cbft - 18.5 kn 33,5t | Ecuador/Passero | \$ 0.60 / cbft / 30d |
| Jan 14 | 539 k cbft - 18.5 kn 36,5t | Ecuador/GibSkaw | \$ 0.82 / cbft / 30d |
| Feb 14 | 539 k cbft - 19.0 kn 37,0t | Ecuador/PassSkaw | \$ 0.72 / cbft / 30d |
| Mar 14 | 540 k cbft - 18.5 kn 33,5t | ECCA/USG-EC rvs | \$ 0.65 / cbft / 30d |



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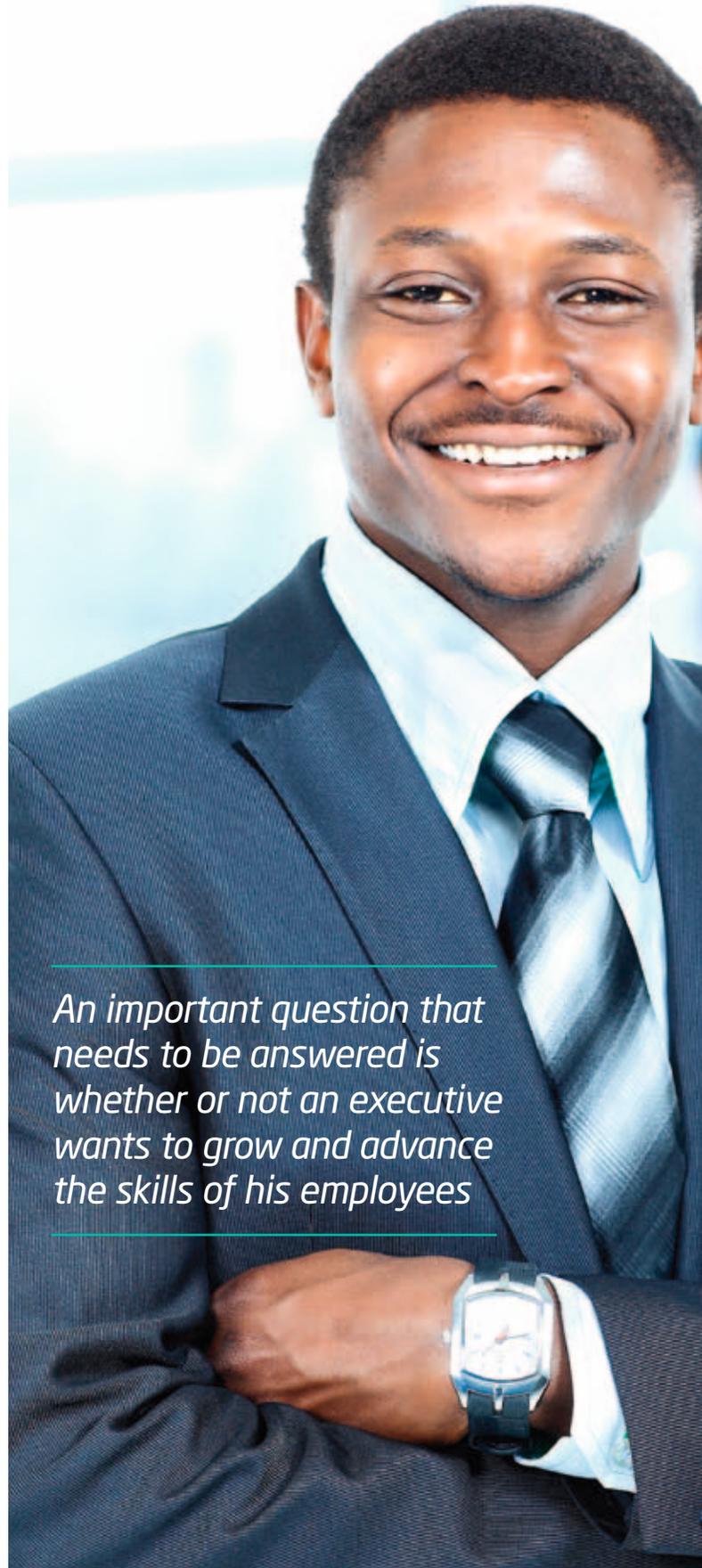
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An important question that needs to be answered is whether or not an executive wants to grow and advance the skills of his employees

BEST WAY TO KEEP GOOD STAFF is to treat them right

By Fritz Pinnock

Experts have argued that, while some executives may expect the money they invest in training their employees to pay off in a short time, the reality is that, once well trained, some employees may seek opportunities elsewhere.

Glen Dalakian, for example, said this was especially likely when employees' new-found skills were needed in more established and higher-paying companies where a start-up salary just could not compete with.

While this may be so, it's no excuse not to train new employees. No matter where they are, start-ups should expect to do a bit of training to build talent that may not be readily available.

BOTTOM LINE

The bottom line, according to Dalakian, is that the risk of losing employees to competitors will always be there, whether or not a company invests in its employees. An important question that needs to be answered is whether or not an executive wants to grow and advance the skills of his employees. Training in every organization should be seen as an opportunity and a future asset.

Training alone is not enough, however. You must treat your employees well and create opportunity for them so that they don't think of leaving your organiza-

TRAIN YOUR STAFF

tion. Managers who do not create the right opportunities for their employees, do not communicate with them and do not appreciate them will often find themselves dealing with a high rate of turnover. To achieve success in employee retention, it is important that chief executives practise the following golden principles:

- Delegate responsibility and then trust your employee. Experts have pointed out that once an employee has been trained to handle a task, he (or she) should be allowed to handle the task without interference. Different people have different approaches, and someone else's way of doing something may be just as efficient as the way you would do it. As executive, before you step in and force your way on an employee, you must give an honest evaluation of the method; and if you find it works just as well, even if it's different from yours, let it be. Constantly correcting your employees undercuts their confidence and does not allow them to exercise their own style.
- Empower your staff to make decisions and don't second-guess them. If you've

done a good job of training your people to be your proxies, then you must believe they are doing their best to act in your (and your company's) best interest. Even if they make a wrong decision, or handle a situation in a way you would not have handled it, don't second-guess or berate them. Instead, use it as yet another training opportunity. Hear out their reasons for their action. Most of the time, when taken in context, there was a logical basis for what they decided to do.

- Help them learn to work out issues without your intervention. Sometimes your employees may experience friction with one another. It is your duty to listen to them. If someone is not fulfilling his own responsibilities or is mistreating another employee, you will need to step in and resolve the conflict. But if you are satisfied it's only an issue of competition or a simple personality clash, urge them to settle it between themselves.
- Deal with any problems quickly and directly. When you see a problem, deal with it quickly and don't nag your people about it later. Try to elicit the agreement that whatever just happened was not acceptable.

Remember that your goal is to promote productive behavior and retain the respect of your employee, not to antagonize them, especially in front of others.

- Learn to be an effective listener. Your employees deserve to be heard when they have concerns. Allow them to finish talking before you speak; do not assume that you know what they are going to tell you before they finish talking; do not form objections in your mind while they are talking. Instead, try to be fully engaged while they are talking without making it about your rebuttal. Acknowledge their points. This does not mean that you agree; but it does mean that you understand their concerns. Repeat their points in your own words to confirm, if necessary. You may not need to take any action, but hearing them out is important to their sense of empowerment and significance. Often, simply saying: "I appreciate your telling me this" is all that is needed to make them feel they were heard.

These golden rules help you become the best executive that you ever wanted to be as well as helping you to retain your employees.

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