

INTER-AMERICAN COMMITTEE ON PORTS NEWSLETTER

No. 31 August 2010

Published by the Inter-American Committee on Ports (CIP) Of the Organization of American States (OAS)

INDEX

- 1. Northern breakwater in Mar de Plata to modernize its structure
- 2. High probabilities of second cruise ports for Belize
- 3. APM Terminals acquires 50% of new terminal in Santos (Brazil)
- 4. Ultraport invests USD 1 million in new equipment (Chile)
- 5. New SPRB bulk system (Colombia)
- 6. Investments in Santa Marta Port to aid the regional economy
- 7. Dos Bocas Port is an essential logistics key for the industrial sector (Mexico)
- 8. 96 years of continuous operations for the Panama Canal
- 9. APN to look for big investments for the port sector in Peru
- 10. New Committee for tourism development (Trinidad & Tobago)
- 11. Uruguay signs dredging contract with Shanghai Dredging Company for USD 6 millions
- 12. Enormous investments for Latin-American ports
- 13. Latin-American Ports, source of investments and economic strength in the region
- 14. China Shipping Line to carry out direct service between Asia, Mexico and South America

E-mail: cip@oas.org

Website: http://www.oas.org/cip/

- 15. Actualization of Incoterms 2010 ©, will enter into force on January 1st of 2011
- 16. Port Activities





1. Northern Breakwater in Mar de Plata to Modernize its Structure

Mar de Plata's Regional Port Consortium (El Consorcio Portuario Regional Mar del Plata) presented the preliminary draft of an infrastructure that will provide all the touristic services including gastronomic, recreational and cultural spaces, and pedestrian walkways through a panoramic site that will constitute the future cruise terminal in the northern breakwater of Mar de Plata port.

Recently, the Northern Breakwater was assigned by Ministry of Defense of the Nation to both the provincial and municipal governments for a shared administration for at least 20 years.

Governor Mr. Daniel Scioli explained that the main project is to build the cruise terminal with recreational infrastructure for tourists just like there are in many other cities of the world. The completion of this project, will serve as an economic platform both for this province and Argentina because it is planned to be able to compete with all of the top Cruise Harbors in the world in order to launch Argentina's touristic possibilities. The Consortium's President, Eduardo Tomas Pezzati, explained that "in the preliminary draft, the main infrastructure is a full equipped building; with all the services apt for international tourism, which will add to many other projects we have for the northern breakwater; always prioritizing for the well being of the tourist."

Among the many services offered on this new project are: waiting room, exchange house, telephone lines with International Direct Dialing, Internet Services and free Wi-Fi connection, etc. At the same time, the construction of outdoors resting areas and gastronomic centers with indoor and outdoor terraces with a panoramic view to the nearby beaches are part of the project.

Source: Consejo Portuario Argentino

2. Possible Construction of Second Cruise Ports for Belize

Belize Port, the main and most important port of the country, is the only port that receives cruise vessels.

Due to the growth of the cruise industry in this Caribbean region, one of the most important companies in this sector, Royal Caribbean, is studying the possibility of transforming Placencia Port as a cruise port for smaller cruise vessels.

The government of Belize, through its Ministry of Tourism, informed that they have received several proposals from investors interested in participating in this project, among them Royal Caribbean International. The feasibility of this project is being currently analyzed by the Environment Department and the Port Authority, and also with the localities near the port.

Such and investment, will contribute with the development of this industry and the economic development of the country; more specifically with the Placencia region.

Source: Amandala online

3. APM Terminals Acquires 50% of New Terminal in Santos (Brazil)

The port operator APM Terminals, property of the Danish group A.P. Moller-Maersk recently announced an agreement in which it will acquire 50% of the Brasil Terminal Portuario (BTP), a new container terminal on its construction stage in the Brazilian Port of Santos.

In this agreement, still waiting to be approved by the government, APM Terminals and Terminal Investment Limited, also a stockholder of the project, agreed upon the joint operation of the terminal.





BTP is currently building the infrastructure, which is expected to be fully operational by mid 2013. The container terminal will count with a 15 meters deep draw and a 2.2 millions TEU capacity when it is finished, which will allow covering all of Brazil's transport maritime future needs through a world class port capable of serving the next generation of vessels for trade.

Kim Fejfer, general director of APM Terminals stated that Brazil has one of the fastest growing emergent markets in the world; therefore, port modernization represents a great opportunity. In addition, he explained that "the new agreement is an important step in order to offer a better access of Brazilian markets to APM's clients."

On his part, Vikram Sharma, general director of the Terminal Investment Limited added that "this agreement will benefit the Brazilian carriers of Santos, making it more competitive on the world's markets."

The Santos port serves the Sao Paolo state and the surrounding areas. Approximately, 50% Brazil's GDP is generated in the areas served by the port of Santos and more than 25% of Brazil's trade is done through this port.

Currently, APM Terminals, operates on the Brazilian ports of Pecem and Itajail; it also offers land and storage services to its clients. At the same time, Terminal Investment Limited operates the terminal of Portonave in Navegantes, Brazil.

Source: Mundo Maritimo

4. Ultraport Invests US\$1 Million in New Equipment (Chile)

Angamos Ultraport Port, one of the most modern ports of South America, recently invested USD 1million in high technology machinery. This enterprise has more than 29 years of experience in port operations, managing different types of cargo such as liquid and solid bulks, containers, and fractioned cargo.

Francisco Gomez, manager Ultra Port - Second Region, stated they are aware of market demands and their intention as a company is to be ahead of the requirements of the companies of the mining sector in order to insure a successful achievement of their commitments to their clients thanks to Ultraport's experience.

The arrival of this new machinery will imply an increase in the efficiency of operations in Port Angamos, optimizing transportation times and increasing reliability in the operations, with the objective of promoting substantial improvements on the services.

A total of 20 items of high technology equipments, thirteen forklift cranes model H35T and seven H70D cranes, with a capacity of 3.5 y 7 tons, respectively, will arrive in November of 2010 to Port Angamos.

The machineries, Linde brand, count with diverse qualities that assure a secure and efficient operation of each item. The incorporation of LFM software that integrates impact sensors, analyzes data, and allows to control and to identify the correct operation of each machine is one of the most important of these characteristics.



American States



These equipments also have hydraulic transmission, which favors an easier and more precise conduction, increasing productivity with a longer spam of useful life. In addition, this guarantees more safety in the operations.

All of these will warrant a better treatment of the cargo and to minimize the stay of the vessels in the port.

Source: Mundo Maritimo

5. New SPRB Bulk System (Colombia)

The regional port authority of Barranquilla started to implement a new system of unloading clean solid bulks. This is part of a marketing and investment plan which has been carried out in the port since 2008. The Port of Barranquilla is the second port in Latin America that has acquired this equipment.

This new system has made the port of Barranquilla the fastest in the country regarding to the unloading of clean solid bulks system; mobilizing up to 600 TON per hour.

The port invested around USD 8 million for this new system and it consists of four (4) warehouses, two (2) of them with an approximate capacity of 12,000 TON and the other two (2) with a 24,000 and 34,000 TON capacity, respectively. In addition, the first stage of the refrigerated containers is already in service since the SPRB has the biggest infrastructure of the country.

Until 2009 the Society counted with a static capacity for clean bulks storage of 78,000 TO. Since this system has been implemented the capacity increased to 138,500 TON.

The Executive President of the Society, Fernando Arteta Garcia, explained that this plan and investment is being developed with the commitment of "improving capacity, efficiency and service, the beginning of this new stage represent a great accomplishment for the SPRB, in which we expect to keep contributing to the regional and national economic development."

Source: Sociedad Portuaria Regional de Barranquilla (SPRB)

6. <u>Investments in Santa Marta Port to Aid the Regional Economy</u>

With a total investment of USD 127 millions, Santa Marta Port acquired high technology machinery which will increase the operational efficiency of loading and unloading of cargo.

With the new bridge cranes and RTGs cranes, the port will increase its containers operation from 50 thousand to 300 thousand. Currently, the port has a capacity of 100 thousand containers; with the project finalized, it will be able to receive 420,000 containers. The operation of this crane guarantees a faster rotation of the merchandise in the port, speeding up the custom's processes for the general improvement of the port.

These investments will be a great boost for the regional economic development, because the city of Santa Marta is currently going through an economic crisis. It is expected that this project will counter this crisis.

Source: Eltiempo.com





7. Dos Bocas Port is an Essential Logistics Key for the Industrial Sector (Mexico)

The strategic geographical location of Dos Bocas Port has made it a fundamental key as a logistic platform of transportation for enterprises of the industrial sector of the southeast of Mexico. From Dos Bocas, the distance, to and from, the main production and consumption centers is shorter than from other routes; saving on times and prices of transportation. This offers advantages for the management of commercial fluxes and the movement of any types of products.

The reception of diverse types of cargo such as mineral bulks in containers, fluids and loose cargo such as oil equipments and supplies has been consolidated in Dos Bocas through the multipurpose structure of its terminals, the development of the concessionary enterprises' projects and through the well over than 43 specialized service providers that operate in the port.

In addition, the Grupo Escudero Industrial S.A. de C.V., company that runs the only private asphalt plant in Mexico, located in the Multifunctional Terminal in Dos Bocas Port, began the unloading of 5.300 tons of asphalt. This asphalt came from Corpus Christi Port, being this the second time that asphalt has been imported via sea route.

This liquid cargo, arrived on August 11, 2010 onboard the Panamanian flag M/B An Hai Wan with 106 meters long and 7 meters draft, to strengthen Grupo Escudero operations in the southeast region of Mexico

According with the Integral Port Administration of Dos Bocas, the specialization on industrial and logistic activities goes together with the development of support infrastructure. Such is the case of the Industrial Park of Dos Bocas, which goes over a reserve of 70 hectares and is designed to provide basis to the development of new projects and generate investment opportunities in such matters as: Strategic Supervised Premises, Integral Services for the Oil Company, Tubs, Materials and Fluids Storage Patios, Metalworking, Light Industries, Manufacturing Centers, Center of Logistical Services for Dry and Frozen Unloading, Consolidation of Cargo, Specialized Infrastructure, Installed Industrial and The Short Shipping Prot Development.

SOURCE: ADMINISTRACION PORTUARIA INTEGRAL DE DOS BOCAS

8. 96 years of continuous operations for the Panama Canal

On August 15th, Panama Canal turned 96 years of facilitating the transit of near 998,000 ships of one hundred of countries. Panama route has been used as the best way to shorten distances and save time and transportation costs.

Since its inauguration, the route has been a remarkable factor in world transportation because it connects the Atlantic and Pacific Ocean; a route that gains more value everyday.

In the last decade, under Panamanian Administration, US \$1,600 millions have been invested in the Canal in a modernization plan to improve security, efficiency and reliability of the route service.

At the same time, the Enlargement Program is both an objective and a challenge for the Administration; however, it is currently in the stipulated date and budget.

Until June 30th, 2010 contracts with a total sum of US \$4,041 millions have been adjudicated for the Enlargement Program; which includes the main components of the program.





Along with the progress of the enlargement that will double de capacity of the Canal through a third rail of locks, the ACP preparing to face the challenges of the inter-oceanic way operation on 2014, on its 100th anniversary.

At the same time, the ACP signed an agreement with Tennessee/Tombigbee Development Waterway Authority to strengthen economic links, mutual benefits, international trade and to promote the use of the route "toda agua" ("all water route"), which goes from Asia to the United States East Coast and to the United States Gulf of Mexico, through the Panama Canal. This maritime route includes 17 US states and 14 of its rivers, benefiting more than half of the population of this country. This water way allows the transit of 1.2 thousand millions of metric tons of trade every year, saving approximately US \$100 millions in transportation costs every year.

All these facts make the Panama Canal a key component of the world supply chain.

SOURCE: EMPRESA EXTERIOR.COM

9. APN to look for big investments for the port sector in Peru

According with Frank Boyle, president of the National Port Authority of Peru, this organization expects to attract investment for the development of the Peruvian Port sector for over USD 1.5 thousand of millions by the end of 2011, including the investment in concession granted by Proinversion and the APN private institutions.

Boyle commented that there are proposals to invest in port terminals in Arequipa and Lambayeque which specialize in minerals for approximately USD 80 millions respectively.

Among other projects that are in the draft agenda of this institution are investment in Puerto de San Juan de Manorca for USD 180 million; the Yurimaguas- Nueva Reforma Port with USD 56 millions of investment; Pucallpa Port with over USD 29 million of investment; and Callao Port, specifically the North Dock Terminal, that will require an investment of nearly USD 550 million.

On the other hand, APN and Oakland of San Francisco Port have recently met to propose a cooperation agreement to strengthen the links between both port terminals in order to generate opportunities and to make them more competitive, efficient and modern.

SOURCE: ANDINA NOTICIAS; APN

10. New Committee for tourism development (Trinidad & Tobago)

Tourism is one of the main industries in the Caribbean. Most of the countries in this region depend significantly on this activity, which represent a big percentage of their GDP. According with the Economic Commission for Latin American and the Caribbean (ECLAC/CEPAL), "this sector contributes in most of the countries of this region to more than half of their GDP. In countries such as Antigua and Barbuda and the Bahamas, tourism contributes with 74% and 89% of its GDP, respectively."

Trinidad y Tobago is not the exception. Authorities of this country and many private enterprises take advantage of this sector that highly contributes to the Caribbean nation's economy. Considering its relevance, Trinidad y Tobago's Ministry of Tourism implemented a new Committee to develop tourism, especially oriented to sustainable development.



According with the Minister of Tourism of this country, Mr. Rupert Griffith, "the main priority of the Tourism Development Committee is to create 3 sub-committees to work in 3 main areas: education and awareness, niche development and competitiveness."

The Committee, during its first meetings has had the collaboration of the Port Authority of Trinidad and Tobago, Caribbean Airlines, the Labor and Transportation Ministry and the Ministry of Development.

SOURCE: TRINIDAD EXPRESS NEWSPAPER

11. Uruguay signs dredging contract with Shanghai Dredging Company for USD 6 Millions

The National Administration of Ports of Uruguay (ANP) signed a USD 6 million contract for the dredging of Montevideo Port with the Chinese company Shanghai Dredging Company (SDC).

The contract was signed under an agreement of renting the machinery for 24 weeks with the objective of improving services in this port. Uruguayan authorities explained that one of the most important advantages this contract has is the freedom of dredging anywhere in the port; which makes it easier to carry through the desired improvements.

The ANP plans to solve the ongoing problem for Ancap (a Uruguayan state-owned petroleum company) of not reaching the basin of la Teja. At the same time, the dredging problem in Montevideo will be solved in the next three years.

Alberto Díaz, director of the ANP, stated that the final depth dredging of the access channel will be determined after meeting with the shipping companies and the exporter sector; because the amount of dredging will depend on the data these institutions provide.

The contract, will not only work for the improvement of the port but also for the international economic integration with the South American country and the Asian nation.

Source: Asociación Consejo Nacional Portuario

12. Enormous investments for Latin-American Ports

The Philippine company International Container Terminal Services Inc (ICTSI) announced the investment of USD 600 million with the purpose of expanding its activities in Latin America. Such investment will be aimed to Mexico, Argentina and Colombia, explained ICTSI president, Enrique Razón.

According to ICTSI, "this investment in Mexico, Argentina and Colombia, will allow the company to mobilize 1.5 million of 20 foot containers in addition to the 6.8 million that the company currently mobilizes."

Previously, the company announced an investment of USD 123 million in order to increase its operational capacity in Brazil, Ecuador, Madagascar, and Manila.

ICTSI was founded in 1987 with its headquarters in Philippines. Since then, the company has become a leader operator of its field. The subsidiary ICTSI Ltd., property of the company, manages its international operations. Currently, the company is in Manila, Hong Kong, Jakarta, Miami, Sydney, Knysna, Dubai and Ghana. ICTSI is currently in negotiations to acquire new concessions in Asia, Australia, the Indian subcontinent, the Middle East, Africa, Europe and the Americas.





"In 2009, the Port Administration of Manzanillo (Administracion Portuaria de Manzanillo) granted the tender to ICTSI that incurred an investment of USD 769 million. In 2008, ICTSI agreed to participate in the building of Port of La Plata (Argentina) and the year before, the company signed a contract in order to increase the operational capability of Port Buenaventura (Colombia)."

Source: diariodelpuerto.com; ICTSI

13. Latin-American Ports, source of investments and economic strength in the region

Latin American ports have become strong elements for their regional economies. In the last few years, investments in port infrastructure have increased intensively in Colombia, Brazil, Chile and Peru. Where Chile, Colombia, Panama and Peru have invested USD 1.380 millions, while Brazil has invested USD 1.000 millions since 1995, these types of investments haven't been carried through in the last 50 years.

After 1996, when Colombia's ports where privatized, the port movement skyrocketed generating new jobs (400.000 total with both direct and indirect employment). In Colombia, the results are shown in the Port of Santa Marta. In addition, the country has invested USD 15 million in social responsibility.

In Peru, port development started approximately three years ago. It is necessary to highlight port El Callao; the developments carried through on its south harbor won 25 hectares to the sea, which allowed the development and construction of new infrastructure. Moreover, there are plans of granting the north zone as a concession, which will generate more economic movement.

On the other hand, there are 34 ports in Brazil and the Government is in charge of promoting investments.

However, in Ecuador the situation is totally different. In Manta, there are inconclusive legal actions that are not allowing efficient functioning of the port. Once the legal conflict is finalized, the port authorities will seek a new firm to manage the port; the companies interested in managing Manta are: Portec (Korea) and China Road and Bridge Corporation (CRBC). At the same time, there are alternatives that will alleviate the current problems, such as the Public Enterprises Law (Leyes de Empresas Publicas); with this law, government officials assure that "strategic alliances for the management of ports can be created, both entirely and partially." At the same time, it is necessary to modernize port of Manta and its terrestrial channels in order to assure competitiveness with other ports in the Americas and the world. The country must complete the connection between the Pacific Ocean and the Atlantic Ocean through its multimodal axis of Manta-Manaos

Source: Asociacion Consejo Portuario Argentino

14. China Shipping Line to carry out direct service between Asia, Mexico and South America

On September 13th China Shipping Lines (CSCL) will begin a new direct weekly service between the ports of Asia, Mexico and the West Coast of South America.

The shipping company informed the new service will be operated by 10 vessels with a capacity of 2,350 Teus to 2,550 Teus. In addition, these vessels have 300 connections for refrigerated containers.

CSCL also stated the new service will offer improved transit times in order to meet the current trade demand between Asia, Mexico and South America, both in imports and exports.





The rotation of the route will stop at the ports of Shekou, Ningbo, Shanghai, Pusam, Manzanillo (Mexico), Buenaventura, Guayaquil, Callao, Iquique, Valparaiso, San Vicente, and Pusan. The first vessel is expected to sail from the Shekou port on September 13th of 2010.

This new service is added to the current weekly services that CSCL already has with connections in Mexico, like the ACSA, that serves Asia, Manzanillo, Central and South America, both in north route and with exports to Asia; an the AAE2 service, from Asia to Ensenada and Manzanillo, with exports to the Caribbean; this service is, too, a direct weekly service.

This all is a result, among many other factors, of the investments in infrastructure and the work carried through in order to maintain the interconnection of the ports; which allows the quick delivery of cargo to its final destination at low costs for both the companies and the consumers.

Source: Mundo Maritimo

15. Actualization of Incoterms 2010 ©, will enter into force on January 1st of 2011

The International Commerce Chamber is preparing the introduction of the Inconterm 2010 © rules for September, these will enter into force January 1st of 2011. These rules are the result of an exhaustive revision of the ICC Icoterms rules applicable to thousands of millions of US Dollars of commercial transitions. This new implementation represents another important step in order for international trade professionals to guarantee judicial safety, to save time, and to reduce costs.

These rules will be used in both national and international buying and selling contracts and they simplify the writing of contracts and contribute to avoid misunderstandings; clearly establishing certain obligations for both the buyer and the seller.

Jean Rozwadowski, ICC Secretary General, stated that the world rules developed by ICC and used by companies in innumerable opportunities constitute an essential part of the work of the ICC. These rules help differentiate the ICC from the majority of the international companies.

With the writing of two new rules, the editing of the Incoterms © 2010 reflects the changes that have occurred on the international trade industry during the last decade. The current review, conducted by an international writing group chosen by the ICC and formed by eight experts, has taken into account topics such as the progress in cargo security and the urgent need to substitute paper documents into electronic documents. Among the main changes, costumers will find the elimination of the DAF, DES, DE1, DDU Incoterms. At the same time two new Incoterms will be added: DAP (Delivered at Place) and DAT (Delivered at Terminal).

The new rules have been developed in order to take into account the previously mentioned changes as well as other new tendencies in the international trade practices. The result of these will be a set of clearer Incoterms; more precise and complete rules adapted for the XXI century.

In addition to the 11 rules, the publication of Incoterms© 2010 offers a practical guide as well as graphics that will help users to chose the most appropriate Incoterms rule for their transactions.

SOURCE: EMPRESA EXTERIOR.COM



16. Port Activities:

- 2nd edition of online course "Seguridad en la Circulación Ferroviaria." Organized by La Fundación de los Ferrocarriles Españoles, in collaboration with la Fundación CEDDET y el Instituto de Comercio Exterior. It will take place from September 13 to November 24, 2010. http://cursos-online.ceddet.org/Ediciones.php?action=vercurso&id=825
- 3rd edition of the online course "Explotación Técnica de Ferrocarriles." Organized by La Fundación de los Ferrocarriles Españoles, in collaboration with la Fundación CEDDET y el Instituto de Comercio Exterior. It will be held from October 3rd until November 28th, 2010. http://cursos-online.ceddet.org/Ediciones.php?action=vercurso&id=825
- "XV Iberoamerican Course on Port Management." Organized by Puertos del Estado and the CIP/OAS in Spain. From October 4 to 29, 2010 http://www.oas.org/cip/english/docs/courses/Convocatoria XV Madrid.pdf
- "MBA Maritime, Transport and Logistics." Organized by École de Management de Normandie in France. From September 2010-September 2011. http://www.oas.org/cip/english/docs/courses/mba mar trans log.pdf
- Engineering Programmes, Shipping Logistics and Supply Chain Management Programs, Professional Seafarers Programmes and Masters Degree. Organized by the Caribbean Maritime Institute (CMI). In Kingston, Jamaica. From September 2010-September 2011
- "Comite Maritime International (CMI) Colloquium." Organized by: CMI and the Argentine Maritime Law Association (locally known as AADM). In Buenos Aires, Argentina. From October 24th-27th, 2010.

http://www.cmi2010buenosaires.com.ar/en

- "AAPA/NAWE/MARAD Marine Terminal Management Training Program." Organized by AAPA. In Jacksonville, Florida. From October 25th 28th , 2010 http://www.aapa-ports.org/Programs/seminarschedule.cfm?itemnumber=17161
- "12th International Conference Cities and Ports." Organized by AIVP. In Buenos Aires-Rosario, Argentina. From November 15th 19th, 2010 http://www.citiesandports2010.com/?rubrique1&lang=en
- "The Challenges of Contemporary Port Cities: Urban Port Development and Environmental Sustainability." Organized by Internacional de Tecnología y Administración Portuaria: Autoridad Portuaria de Santander, Universidad Internacional Menéndez Pelayo and Universidad de Cantabria, Puertos del Estado, Cantabria's governemnt; RETE and CIP/OAS. In Cartagena de Indias, Colombia. From November 16th 19th, 2010. http://www.cifaeci.org.co/aeci_cartagena/on_line/index.jsp
- Smart Rivers Conference 2011. Organized by PIANC. In New Orleans, LA. From September 13th 16th , 2011.

http://www.smartrivers.org/

- "First Hemispheric Convention on Port Logistics and Competitiveness." Organized by the Coordinación General de Puertos y Marina Mercante de la Secretaria de Comunicaciones y Transportes de México, Administración Portuaria Integral de Lázaro Cárdenas and CIP/OAS. In Ixtapa, Mexico. From November 3rd – 5th, 2010 http://www.oas.org/cip/english/docs/courses/Newsletter Ixtapa (version 1).pdf

INTER-AMERICAN COMMITTEE ON PORTS NEWSLETTER



- Online Course on Legal Instruments of International Economic Relations and Regional Integration

Organization of American States

Organized by UNCTAD in collaboration with the Government of Spain, the Fundación Centro de Educación a Distancia para el Desarrollo Económico y Tecnológico (CEDDET), the University of Barcelona and the Institute of International Studies of the University of Chile. From October 11th to December 12th, 2010

http://www.oas.org/cip/english/docs/courses/onlinecourse_legal.pdf http://www.ceddet.org/survey

- Seminar: Sustainable Transportation in Ibero-America. Organized by ECLAC/CEPAL with the sponsorship of CIP/OAS. It will be held in Montevideo, Uruguay from October 26th to 29th. For more information please contact Mr. Ricardo Sanchez via email at ricardo.sanchez@cepal.org