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# INTER-AMERICAN COMMITTEE ON PORTS NEWSLETTER



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### Annex 1. Port activities in the region

1. [Investment plan for ports to exceed \\$15 billion \(Brazil\)](#)

An investment plan that commodities giant Brazil will announce in the coming weeks to boost capacity at its clogged sea ports could exceed 30 billion reais (\$15 billion), a source involved in the plan's development told Reuters on Thursday.

The investment would come on top of a 133 billion reais state-led investment package the government announced on August 15<sup>th</sup> to improve its road network and expand a woefully-inadequate rail system in the continent-sized country.

Those investments were welcomed by local industry and economic analysts who say years of under-investment in infrastructure is restricting Brazil's

economic potential after rapid growth in the last decade that has strained logistics.

The source said the government was still considering the final details of the plan and deciding on an investment model, but said it would involve both the construction of new ports and terminals and the revamping of existing facilities.

The investment model would also be designed to stimulate competition among private companies for the operation of terminals at the ports.

Ilheus in the northeastern state of Bahia and the river port in Manaus in the Amazon region are among sites where private enterprise would be responsible for building and running new terminals.



Photo: Courtesy of Portal Aqua

The plans for investments at the ports aim to ensure their capacity expands in tandem with the rail network whose capacity to deliver cargo will increase immensely after Wednesday's announcement of 91 billion reais investments in the system.

Source: Reuters, August 16<sup>th</sup>, 2012

<http://www.reuters.com/article/2012/08/17/us-brazil-ports-investments-idUSBRE87G01F20120817>



**2. The Belgian Company Jan De Nul will start dredging on Barranquilla Port (Colombia)**

The Port Authority of Barranquilla awarded the Belgian company Jan de Nul N.V. dredging work at the Barranquilla Canal, for a total investment of US\$4,069 million.

In the tender process *Dragados Hidráulicos S.A.*, Van Oord and Jan de Nul N.V. companies participated. Jan de Nul will keep the Canal Magdalena’s river depth, from Barranquilla Port to kilometer 19<sup>th</sup>.

“We expect that after 21 days of the contract agreement and pertinent guarantee deposit, dredging work will start covering 325,000 cubic meters to allow widen the canal to 150 meters with depth of 12.20 meters in La Boya sector”, said Antonio Felfle, Executive Director of the Port Authority of Barranquilla.



The official said that this project will allow the entrance of vessels of up to 10 meters of depth, which represents an increased port capacity of 18%. “In the area of Port Magdalena and SPRB dredging will be extended until permitted, but an immediate benefit will be seen in the depth of the channel. Entrance to the port area and the first 6 kilometers are in very good condition”.

The Director of the National Roads Institute (Invias), Carlos Rosado, mentioned Barranquilla Port’s dredging will improve the import freight cost by allowing 7,500 tonnes vessels.

The port association added that this process was done in a moment in which the institution, during the first semester of the year registered growth of 8.51% compared to last year. The Institution remarked that besides this actions, the Port Authority plans to invest US\$80 million in infrastructure and equipment that will allow a more competitive port.

Source: La República, August 15<sup>th</sup>, 2012  
[http://www.larepublica.com.co/economia/firma-belga-jan-de-nul-realizar%C3%A1-obras-de-dragado-del-puerto-de-barranquilla\\_18132](http://www.larepublica.com.co/economia/firma-belga-jan-de-nul-realizar%C3%A1-obras-de-dragado-del-puerto-de-barranquilla_18132)

**3. Port of Los Angeles wins global environmental award (United States)**

The Port of Los Angeles has received a Lloyd’s List Global Award in the Environment category, an honor recognizing the Port’s environmental leadership in adopting and promoting programs that reduce emissions from maritime sources.

The award highlighted several of the Port’s green initiatives and leadership efforts at both the regional and international level, including the San Pedro Bay Ports Clean Air Action Plan (CAAP). Initiated in 2006, the CAAP established control measures for port-related ships, trains, trucks, terminal equipment and harbor craft, and ties these measures to specific emissions reduction goals. Two notable CAAP programs are the Clean Truck Program and the Vessel Speed Reduction Incentive Program which have significantly contributed to emission reductions in and around the Port.

The Port was also honored for its international collaborative efforts to reduce maritime emissions, including its role in creating the Pacific Ports Clean Air Collaborative (PPCAC), a group of ports, shipping operators, cargo owners, and other stakeholders along the Pacific Rim committed to economic growth in an environmentally sustainable and socially



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responsible manner. In February 2012, the Port hosted the 2012 PPCAC conference with the theme of “Challenges for a Sustainable Future,” which brought together members from all over the world to exchange ideas for reducing air emissions.

The Port’s role in a new Environmental Ship Index (ESI) program was also noted. The Port is the first port in North America to commit to the ESI, an international clean ship incentive program developed within the World Ports Climate Initiative, of which the port is a founding member. Operators that visit the Port earn an ESI financial incentive by participating in the program and by using cleaner technology and practices that reduce emissions beyond international regulatory requirements. In addition, the Port plans to provide additional incentives to ships with Tier 2 and 3 engines and ships that participate in Technology Advancement Program demonstrations.

Source: Marine Link, September 27<sup>th</sup> 2012  
<http://www.marinelink.com/news/environmental-global348020.aspx>

#### **4. South Koreans presented Port Development Plan (Honduras)**

The Master Port Development Plan was presented to the Honduras National Port Authority Tramar by a group of Korean specialists, who are part of the Korean Ministry of Land, Transport and Maritime Affairs (MLTM). The Plan reflects a complete study for the Honduran Ports modernization, with primary focus in Puerto Cortes.

The Plan’s presentation is the product of the signing of the memorandum of understanding between the governments of Honduras and South Korea, following an agreement signed in June last year, in order to create wealth and development through the implementation of the Expansion and Modernization Plan of Puerto Cortes.

Seng Soo Ahn, Coordinator of the Korean offered Delegation, thanked the Government of Honduras hospitality offered by the National Port Authority, and for providing dynamically and carefully human resources and technical support in conducting this study (Port Development Master Plan in Honduras).

This cooperation initiative is the result of “Forum for East Asia-Latin America Cooperation” celebrated in Seoul, 2011. This agreement will allow Korean companies to make five feasibility studies of projects through public-private investment, for expected increased economic development and employment.

Koreans will share in general their road technology development and infrastructure, and in particular to strengthen the implementation and management of the modernization and expansion of Puerto Cortes.

In addition, Koreans are committed to human resources development by conducting training in technical and administration matters, that is required for project management, through the Public-Private synergy.



Photo: Courtesy of Portal Tiempo

Source: Tiempo, September 23<sup>rd</sup> 2012  
<http://www.tiempo.hn/honduras/18942-coreanos-presentan-plan-de-desarrollo-portuario>



**5. Noranda Announces Port Rhodes expansion project (Jamaica)**

Noranda Aluminum Holding Corporation announced plans to move forward on two capital projects – a \$45 million investment to build a new rod mill and an \$11 million investment to further expand harbor capacity at Port Rhodes in Discovery Bay, Jamaica.

“The new rod mill and the port expansion project are attractive to us because they provide avenues for revenue growth and increased productivity and because their value-creation is largely independent from LME aluminum prices,” said Layle K. (Kip) Smith, Noranda’s President and Chief Executive Officer. “Redraw rod has been one of our strongest primary aluminum products in recent periods, and we expect continued growth in this product. The opportunity to further expand harbor capacity in Port Rhodes represents not only a value-creating investment in our existing bauxite operation, but also an investment in our long-term relationship with the Government of Jamaica.”



The scope of the \$45 million rod mill project includes infrastructure development and construction of a new, state-of-the-art mill to produce redraw rod, which is used in the manufacturing of electrical wire and various types of cable, as well as for deoxidizing steel. The Company anticipates that the project will increase its annual redraw rod capacity and reduce costs. The Company expects spending on the project

to begin in 2013, and expects full production to be realized in 2015.

In early 2011, the Company completed a \$6 million project that allowed for more efficient use of vessels by improving port infrastructure and performing a certain amount of dredging. The new phase consists principally of harbor dredging and builds on the previous phase to further reduce costs and provide greater flexibility for shipping activities.

Source: Dredgingtoday.com, July 25, 2012  
<http://www.dredgingtoday.com/2012/07/25/jamaica-noranda-announces-port-rhodes-expansion-project/>

**6. Puerto del Callao reduces to 12 hours (Peru)**

The modernization of facilities for loading and unloading container ships in the South Wharf of the Port of Callao reduced the average time of ships in port from four days to twelve hours in the last two years, said Dubai Ports (DP) World Callao.

The entity also noted that this standard of efficiency in the South Wharf has improved the competitiveness of the Port of Callao and placed it in first place on the South American Pacific coast. It said the equipment installed on the South Wharf and the experience gained by more than 700 Peruvians who work in the maritime terminal helps it to achieve world class standards. It has generated profits and lowered costs for foreign trade players in Peru, the company said in a statement after six years as operator of the container terminal.





Photo: Courtesy of Portal Frutícola

It noted that the ability to move more than 25 containers per hour, even with peaks of over 30, with each type of gantry crane installed, including Super Post Panamax on the South Quay, has a direct impact on service times to ships. This capability has allowed deployment in 2011 on the South Wharf of more than one million TEUs (20-foot container equivalents).

Source: The Bulletin Panama, August 18th 2012 <http://thebulletinpanama.com/puerto-del-callao-reduces-to-12-hours>

**7. Panama is on its way to become the logistics hub of the Americas**

At an astonishing GDP growth rate of 10 percent for 2011, Panama is well on its way to become the logistics hub of the Americas given the on-going project to expand its Canal. The government of Panama investment of US \$5.25 billion seeks to double the Canal’s capacity by building a third set of locks, widening and dredging the water route, and for the first time allowing the transit of post-panamax ships capacity to carry 12,000 to 15,000 TEU (twenty-foot equivalent unit). Said project has become a magnet for investment with more than 50 multinational firms establishing their offices in Panama. The expansion project is to be completed by 2014, just in time for the Canal’s Centennial celebrations.

The expansion of the Panama Canal is enhancing the country’s strategic geographical position and setting the framework to increased economic activity. The government is providing incentives and creating special economic zones such as the “Colon Free Zone” in the Atlantic Ocean (the second largest duty free zone after Hong Kong) and the “Panama Pacifico” on the Pacific side.

Taking advantage of the Canal’s expansion and by establishing special economic zones, Panama seeks to improve its service sector by upgrading its ports and container terminals, and by creating a business friendly environment. These reforms are expected to lead to a clustering effect where services related to air, rail and sea transportation are complimented by financial and legal services.

The government of Panama is strategically investing not only in the expansion of its water route, but also in other logistics assets as well as improving administrative processes to attract more Foreign Direct Investment. These actions aim to transform Panama into the Singapore of the Western hemisphere and while it may sound far-fetched, the government is making firm strides towards that goal.



Photo: Courtesy of victorhugomorales.com.ar

Source: Debra Rodriguez, Master in International Trade Policy and professional intern at the Secretariat of CIP (Summer 2012)



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### 8. [OAS provides support in the training of port Authorities in the Americas](#)

The XVII Iberoamerican Course on Port Management, organized by the Inter-American Committee on Ports (CIP) of the Organization of American States (OAS) jointly with the Spanish Port System, took place from October 1st to October 26th, 2012 in Madrid and was attended by 20 experts from ten Member States of the Organization.

Among the main objectives of the training were to analyze the principal port development models that exist worldwide, with emphasis on Spain and Latin America, and to study the main elements and techniques of port management in Spain. The workshop focused on the study of efficiency and competitiveness required of modern ports, and their impact on economic, financial, commercial, and human resource factors.

At the Closing Ceremony of the conference, which was held today, the President of the Spanish Port System, Engineer José Llorca, as well as other local and national authorities in the field were present.

Through initiatives like this one, the Inter-American Committee on Ports contributes to the strengthening of human and technical capacities benefiting workers and officials at port administration authorities throughout the hemisphere.

The CIP is the highest government authority on ports of the permanent Inter-American forum and promotes the strengthening of dialogue, in addition to technical and institutional capabilities to further cooperation through public-private partnerships in the 34 Member States of the OAS. The CIP was created in 1956 as the Inter-American Port Conference, and became the Inter-American Commission in 1998.



Photo: Course fellows

Source: OAS, October 26<sup>th</sup>, 2012

[http://www.oas.org/en/media\\_center/press\\_release.asp?sCodigo=E-390/12](http://www.oas.org/en/media_center/press_release.asp?sCodigo=E-390/12)

### 9. [CIP present in the Competitiveness Forum of the Americas](#)

The Inter-American Committee on Ports presented to the Competitiveness Forum of the Americas, celebrated from October 24 to 26 in Cali, Colombia, its contribution in the field of port development "Port Development: Innovation and Competitiveness in the Americas." This document was prepared by the Chair of the Technical Advisory Group (TAG) on Logistics, Innovation and Competitiveness – Mexico, through the General Bureau of Ports, Ministry of Communications and Transport - and the Inter-American Committee on Ports through its Secretariat.

In addition, the mentioned document was put into consideration to the authorities of the Inter-American Competitiveness Network (RIAC) to enrich the hemisphere dialogue and strengthen cooperation by building joint complementarities.

An efficient multimodal transportation, including port network is crucial to boost innovation and competitiveness by reducing supply chain cost, integrates national and international markets, by



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improving the efficiency in the allocation of resources and reducing income inequality and poverty.

The TAG on Logistics, Innovation and Competitiveness recognizes the importance of the Inter-American Competitiveness Network (RIAC) and urged port authorities to participate in the forum and to promote the integration of the port industry standards on its supply chain. Similarly, one of the elements of the vision of this TAG is that countries invest in areas such as infrastructure, education and innovation for competitiveness and sustainable development with a long term perspective.

Finally, the CIP/OAS through its TAG on Logistics, Innovation and Competitiveness noted the need to strengthen dialogue with a holistic perspective that incorporates competitive, secure and sustainable ports in the Americas.

File can be view at [www.riacreport.com](http://www.riacreport.com).



Source: Violeta Gutiérrez, CIP Secretariat



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- *Seminar on Port Statistics*. Organized by the National Port Authority of Peru (APN) and the CIP/OAS from November 29 – 30 2012 in Lima, Peru.

<http://www.oas.org/cip/cursos>

- *XII Inter-American Course in Technology, Operation and Environmental Port Management*. Organized by: “Puertos del Estado de España” and the Inter-American Committee on Ports (CIP) of the Organization of American States (OAS) in collaboration with the Santander Port Authority from October 15 to November 9, 2012 in Santander, Spain.

<http://www.oas.org/cip/cursos>

-*International Symposium on Ports Prevention: Simposio Symhazard 2012*. Organized by “Instituto Panamericano de Ingeniería Naval” of Uruguay. From October 31 to November 1, 2012.

<http://www.symhazard2012.org.uy/es/Pages/organization>

-*I Latin American Conference on Port Development and Waterways..* Organized by “Asociación Internacional de Profesionales de Puertos y Costas”. It will take place in Argentina from November 5 to 9, 2012.

<http://www.hidroviasypuertos.com.ar/programa.htm>

-*II Meeting of Port Protagonists*. Organized by “Todo Logística & Comercio Exterior”. It will take place in Uruguay on November 6, 2012; and in Argentina on November 27, 2012.

<http://www.encuentrodeprotagonistas.com/>

-*V Integral Port Security Forum*. Organized by “Comisión Portuaria Nacional de Guatemala”. From November 19 to 20, 2012.

[http://www.cpn.gob.gt/index.php?option=com\\_content&view=article&id=230&Itemid=273](http://www.cpn.gob.gt/index.php?option=com_content&view=article&id=230&Itemid=273)

-*Shifting International Trade Routes*. Organized by AAPA, United States. From January 24 and 25, 2013.

<http://www.aapa-ports.org/Programs/seminarschedule.cfm?itemnumber=18597>

-*Latin American & Caribbean Executive Management Conference*. Organized by AAPA, United States. From February 5 to 7, 2013.

<http://www.aapa-ports.org/Programs/seminarschedule.cfm?itemnumber=18598>

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