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1. GLOBAL CRISIS HITS SHIPPING AND PORTS SECTOR

The current major global financial crisis that has brought economic growth to an abrupt standstill in countries has started to affect the shipping industry and, therefore, the ports sector as well.

Shipping accounts for approximately 80 percent of trading worldwide. Until a few months ago, international shipping routes for bulk cargo (minerals, coal, metals, cereals, etc.) were bustling, with soaring prices reaching 11,793 points last May on the Baltic Dry Index (BDI), which measures activity in the sector. Things have taken a radical turn since then, however, as the BDI began to plummet, down to 850 points recently, its lowest level since 1999—a decline that portends the approach of a serious economic recession. In 1997 and 1998, just before the crisis hit Asia, the Baltic Dry Index was also at about 815 points. Used by economists to forecast global growth trends, the index is not that far off from its historic low of 554 points, recorded in July 1986 when the industry was affected by bankruptcies.

The world's main trading line linking Asia and the United States west coast is now seeing between 10 and 15 percent less trading than a year ago. Meanwhile, despite a strong euro, exports of Oriental goods to Europe barely increased by 3 percent. Apart from toys, electronics, and textile products, the ports of Shanghai, Hong Kong, and Taiwan all saw a decline in container traffic in September and October.

“We were hoping that after the Olympic Games ended, factories would get back to business and everything would return to normal. But, on the contrary, the financial crisis has caused a loss of confidence among consumers and demand has declined,” industry sources explain. This fall-off in orders had two immediate consequences: a surplus of ships and a drop in the value of shipping companies.

Declining orders affect vessels of all sizes. This is all the more remarkable as it comes on heels of five years of especially plentiful orders. During the first eight months of 2008, barely 179 container ships were ordered, down 49 percent from the corresponding period the previous year, according to data from Clarksons, the world's biggest shipping agent. In 2007 a total of 530 ships were ordered.

Moller-Maersk, which owns the largest container fleets on the planet, just announced cutbacks in its Asia-North Europe trips to adjust to current demand levels. “With these changes our market share is still strong, ensuring that our network is sustainable over the long term,” according to a press release issued by the Group.

This will be the first year since 2001 that annual growth in global container traffic has fallen below double digits. In fact, Clarksons has revised its estimates for the sector downward: expecting global orders for goods to increase by only 7.6 percent. Meanwhile, and in view of the companies' shortsightedness, container fleets are expected to expand by 13.4 percent. In other words, the supply-demand gap will widen to 5.8 percentage points, leaving a surplus capacity that will also be harder to fill in a time of crisis.

Strictly speaking, indications had already begun to point to a likely decline in shipping—despite the Chinese phenomenon—since overconfidence began to create tonnage saturation as predicted, because of heavy spending on new construction over the last few years.

According to Clarksons, orders for container vessels have declined by about 50 percent this year. The shipping business analysis firm Global Insight agrees, issuing a report expressing concern about European consumer overconfidence and about an imminent recession that would affect activity.



This has dealt a serious blow to our port sector because, on top of the decline in trading which results in less movement of goods through ports, the global financial crisis makes it increasingly difficult to obtain financing for the new port projects that had been on-stream in many countries of the Hemisphere. Chile, Costa Rica, Ecuador, El Salvador, Mexico, Nicaragua, Panama, and Peru, among others, were well on the way to developing new ports or expanding existing ones. Because of the crisis, plans will now have to be revised or deferred.

Sources: Negocios.com; Nuestromar; Gulfnews; Maritime News; EFE; Reuters

2. AGREEMENT SIGNED FOR DREDGING OF ENTRANCE TO THE PORT OF MAR DEL PLATA, ARGENTINA

President Cristina Fernández has signed an agreement for a project to dredge the entry to the Port of Mar del Plata. “We are here to deliver specific projects to improve the quality of life not only for those living here year round but also for tourists who choose this city as their destination,” the President said.

Under this agreement, the Argentine government makes Dredger 259 available to the Mar del Plata Port, plus \$17 million to cover the work, which could last at least 14 months. The main access route to the local harbor is totally blocked and some 2.5 million cubic meters of sand must be removed for it to be rehabilitated.

Besides the start-up of dredging, other works such as widening and remodeling of Martínez de Hoz Avenue will benefit the local port, and will be financed by the Buenos Aires government.

Eduardo Pezzatti, head of the Mar del Plata Regional Port Consortium, hailing the start-up of dredging, said that this is “a day to celebrate and be thankful” because “it is a historic occasion that marks a before-and-after in terms of support provided for the province of Buenos Aires and this port.”

The situation regarding access to the port is very delicate and, in fact, the last few months have seen incidents with several vessels that did not have enough space to maneuver around the sand bank. The situation is extremely critical for port workers because it is reminiscent of a 1964 disaster in which the ship *Navarchos* ran aground at it was leaving Mar del Plata: it turned back, littered Playa Grande with tons of cereal, forcing the port to shut down operations for several days.

“This is a first step. Besides exports, we want to encourage import orders between the city and southeast Buenos Aires,” said Port Consortium President Eduardo Pezzatti.

Sources: Transport & Cargo; El Cronista

3. ARGENTINE PORT COUNCIL EXAMINES SECTOR’S SITUATION

The Port of Madryn hosted the 137th regular meeting of the Argentine Port Council (CPA), in which representatives of most of the coastal seaports and river ports participated to explore measures that could be adopted to expand operations and improve the quality of port services.

The Argentine Port Council is a nongovernmental organization. It is not a national authority but a group consisting of all presidents of the Argentine Republic’s public ports. It was established to help the various ports address issues that arise in their operations.

After the formal inauguration of the meeting, presided over by the host, Daniel Román, President of the Port Administration Council of the Port of Madryn and Secretary of the CPA board; Mario Goicochea, President of the CPA and of the Port of Quequén; Carlos Eliceche, the mayor; and provincial and municipal officials and legislators, the meeting began its activities with a colloquium on ports, multimodal logistics, and maritime cabotage. During that colloquium, held in the Patagonia



Room of the Hotel Península, a presentation was made by Víctor Saller on multimodal transportation. Mr. Saller was followed by Juan Granada, who spoke on port management and Patagonian port needs.

The Argentine Port Council gathered to hold its last meeting of the year and close the current business period as well as to consider the most prevalent problems affecting Argentina's seaports and river ports, one of which is a lack of infrastructure. One case discussed was that of ports that manage to solve the problem of limited facilities and then realize that there are deficiencies in land and rail transportation infrastructure in the area surrounding the ports. The meeting also discussed another problem common to all terminals: security.

In examining the possible impact of the global economic crisis on Argentine port activity, Mr. Goicochea said: "There will be a drop in exports and, in general, a decline in port activity. This impact has already started to be felt, since there are early indications that some investment are coming to a standstill, but the actual effects on the economy will not be felt until next year. For the time being, it is very difficult to gauge or assess how great the impact will be, but there will be some unfavorable consequences.

Source: El Diario de Madryn

4. BRAZILIAN GOVERNMENT TO OPEN MANAOS AND ILHÉUS PORTS FOR TENDER

The Government of Brazil selected two ports – in Manaus and in the area surrounding Ilhéus (south of Bahía) – as the first projects to be made available for tender to private enterprise under the sector's new regulatory framework. Cargo demand in the Amazonian capital is expected to increase, and the new port in the vicinity of Ilhéus is justified by the establishment of East-West rail service, linking the south of the state to the Luís Eduardo Magallanes agriculture area and, later on, to the North-South, in Tocantins.

Under the concession model, the government will tender for contract to the private sector specific port projects to be developed by the Agencia Nacional de Transportes Aquaviário (ANTAQ). The first two will go to auction in the second half of 2009. Entrepreneurs may present the government with their own projects, which must go through the competitive bidding process.

According to the Minister, the head of the Special Ports Secretariat, Pedro Brito, the worsening global crisis will have an impact on all areas, but he is confident that investments will come in. "The call for tenders will be preceded by a "road show" of market presentations. Anyone who invests in ports realizes that he or she is investing for 50 years at least, viewing things from a long-term perspective." Minister Brito also said that the decree containing the sector's new rules would be published.

Source: NTC; Webpicking

5. SANTOS PORT IN BRAZIL TO BE DEEPENED

The capacity of the Port of Santos to accommodate deep-draft vessels will constitute the major challenge of the "Masterplan," an agreement between Companhia Docas do Estado de Sao Paulo (CODESP) and the Inter-American Development Bank (IDB). A consortium made up of the Louis Berger Group (U.S.) and Internave Engenharia (SP) is initiating work on the project, in order to ascertain the potential of, and prospects for, terminal expansion for the decades ahead. A period of 10 months is needed to conclude, at a cost of US\$1.3 million, with 77 percent paid for by the IDB and 23 percent by the Special Ports Secretariat.

According to Minister Pedro Brito, who signed the contract with the IDB, expansion of the Port of Santos cannot be considered unless the navigation channel deepening project is guaranteed. We expect to call for tenders for the dredging before the end of the year. The purpose of the dredging is to increase the port channel draft from 12 to 15 meters.

Priorities for the project's execution were established at a meeting held at CODESP, the first meeting of the working group on the Port of Santos Development and Expansion Plan. The Port of



Santos is expected to see its current traffic increase by between 10 and 30 percent, which would correspond to the movement of 82 million tons of cargo. Today the port can receive ships carrying up to 5,500 containers.

As indicated by the SEP, demand projections for the medium and long terms will take into account identification of possible physical, operational, and technical bottlenecks, as well as the inclusion of subsystems that make up the port. José Roberto Serra, President of CODESP, defends including surrounding coastal areas in the Port of Santos facilities, with the development of river courses and even other external areas that may be connected to the terminal. The Group will also consider alternative expansion plans, installation schedules, and environmental, socioeconomic, and financial prefeasibility studies, with cost and benefit estimates.

Source: Webpicking; Empresa Exterior

6. UPCOMING BIDDING PROCESS FOR THE CHILEAN PORT OF SAN ANTONIO

The Government of Chile is reactivating the competitive bidding process for ports. “The idea is that at some point in the future all ports will be operated by the private sector,” said Andrés Rengifo, Director of the Port Enterprise Unit of the Public Enterprise System (SEP). Mr. Rengifo therefore made it clear that the third stage toward privatization of Chile’s ports was starting to take shape. San Antonio, with its Espigón site, is an important component of that stage. According to unofficial figures, the private company that wins the Espigón contract will have to invest about \$440 million.

This third stage follows those that took place in 1999 under Eduardo Frei’s administration, which in the case of San Antonio meant privatizing sites 1, 2, 3, and 8; and then under Ricardo Lagos’s administration, which transferred Iquique, Arica, and Antofagasta.

The ports that are farthest ahead in this bidding process are San Antonio and Valparaíso. The San Antonio terminal hopes to send its presentation to the Tribunal for the Defense of Free Competition (TLDC) in the next few weeks, to enable adjudication for Espigón to begin in the third quarter of next year, as long as there are no unforeseen planning problems or conflicts with the port workers, who are following each step of the process very carefully.

In the case of the Port of Valparaíso, the terminal was waiting for the TLDC decision but interrupted the process to get a clear indication from the SEP of whether the current operators, Von Appen, in Valparaíso, and Claro, in San Antonio, can participate in the process. Apparently, the Government had already reached a consensus: they can but with conditions. Following that decision, “we hope that we’ll be able to proceed with the bidding,” said Germán Correa, President of the Empresa Portuaria de Valparaíso. Unlike San Antonio, the expansion of this terminal requires a \$350 million investment. Otherwise, the terminal will collapse in four years. Groups like Claro, Von Appen, and Urenda have expressed interest in both San Antonio and Valparaíso.

Another port to be licensed out in the near future is Coquimbo. The adjudication process began last September upon receipt of the TLDC application. According to Mr. Rengifo, the bidding process could begin late this year or early next year.

The Government is also interested in opening Talcahuano, in the Octava Region, for bidding. Last year, the privatization process of this terminal – which requires more than \$100 million in investments – was suspended because of pressure from workers. The president of the port company, Mrs. Eliana Caraball, said that the workers no longer posed an obstacle and that indemnity and rehiring costs would be incorporated into the process and borne by the private sector. According to her estimates, bidding could take place in 2009 or 2010.

For his part, the General Manager of Hamburg Sud, Mr. Gilberto Rubio, expressed concern about the fact that the ports were lagging behind. “Chile’s ports are not keeping pace with the capacity of ships, which are getting bigger and bigger, and must be modernized, but they have been sluggish in moving forward. They are losing their competitiveness to other South American ports,” he said. In addition he thought that the Government should strengthen the two main ports of the country, Valparaíso and San Antonio, rather than be concerned about intra-port competition.



Source: El Líder; Mundo Marítimo

7. COSTA RICAN GOVERNMENT CONFRONTS JAPDEVA UNION

The labor union of the Junta de Administración Portuaria y Desarrollo Económico de la Vertiente Atlántica - Puerto Limón (JAPDEVA) is demanding that the Government of Costa Rica pay each of its workers \$500,000 in exchange for the concession of the Costa Rican Caribbean ports.

At a labor assembly, the workers decided to demand that amount from the Government in exchange for their permission to license the ports of Moin and Limón. JAPDEVA currently has 1,400 permanent workers and 1,000 alternates. Paying the indemnities called for by the union would cost the Government \$1.2 billion.

The Government of Costa Rica said that the demand for payment of this amount to each port worker for privatization of the management of two seaport terminals was unreasonable but that it would continue its discussions with the union. The amount it had offered as collective compensation was \$80 million.

According to a government communiqué, “the amount requested by the union members is absurd and disproportionate. Not only does it show a lack of respect for the intelligence of the Costa Rican people, it also strikes at the heart of the state port enterprise JAPDEVA and of Limón’s inhabitants.”

The Government said that it was “deeply convinced of the benefits that would accrue from the program to modernize, expand, and change the management model of the Caribbean ports. It would therefore continue preparing the international bidding specification documents for participation in the building and concession of the ports.

The communiqué stated that the “\$80 million proposed by the Government is the highest amount ever offered in Latin American for port concession,” and that the officials were open to considering a union counterproposal, but that “its terms would have to be logical and reasonable.” The amount demanded by the workers is the equivalent of a new wharf with five berths.

Source: Diario Extra; Invertia; La Nación

8. DREDGING OF PORT OF LIMÓN WHARVES IN COSTA RICA

Dredging will begin in December to deepen the wharves of Limón and Moin, an activity that has not been undertaken since 1994. The Junta de Administración Portuaria y de Desarrollo Económico de la Vertiente Atlántica (JAPDEVA) will be investing \$4.6 million in the project, which will take between six and seven months to complete.

As a result of the dredging, the wharves will be 10.5 meters deep. As noted by Carlos Thomas, General Manager of JAPDEVA, Limón’s wharves are now 9 meters deep and Moin’s, 8.7 meters, at their most critical points.

According to Francisco Jiménez, Executive Chair of the Board, the call for tenders for the dredging was declared void in May this year. “Dredges are currently in use in ports in Panama, Guatemala, Jamaica, and the Dominican Republic, and this equipment is in short supply,” Mr. Jiménez said. Moreover, only 550,000 cubic meters of material will be removed – a quantity which, he added, is “not very attractive” to dredging companies. Therefore, on November 7, the Controller’s Office decided to contract a firm directly. JAPDEVA hired the Colombian company Dragados Hidráulicos S.A., which is already working at the oil wharf of the refinery Refinadora Costarricense de Petróleo, S.A. (RECOPE).

“Dredging will allow goods to be loaded on and unloaded from larger ships, with the resulting cost savings, as well as the arrival of cruise ships that carry a larger number of passengers. The sediment that has accumulated for about 20 years will be dealt with in the next few months,” Mr. Jiménez said.

He recognized that this large investment has obliged JAPDEVA to put off buying equipment. However, deepening the draft to accommodate larger vessels is more important given the



competitiveness of port transportation in the country. He said that these works were part of the Master Plan, developed by the Royal Haskoning Company.

He noted that, at present, estimates indicate that the maximum draft achievable is 14 meters, but studies have shown that, through technology, it is possible to move closer to the offshore rig and achieve the recommended depth.

Mr. Julio Sarmiento, JAPDEVA Director of Operations, added that the dredging works will produce 500,000 cubic meters of waste materials, which cannot be reused. Hence, two ocean dumping sites will be established for these wastes.

The price of each cubic meter lifted from the seabed will depend on the composition of the materials. Coarse sands cost less than silts or fine sands or muds. The price will fluctuate between \$3 and \$8 per cubic meter, according to Mr. Sarmiento.

Dredging works like a gigantic vacuum cleaner suctioning up all the materials on the ocean floor until the desired depth is reached. The materials are deposited in a hopper on the boat and then disposed of in a coastal area three kilometers away, where there is no danger of the currents' returning the sand to the ports.

During the next six or seven months, when work is under way, JAPDEVA asked the shipping lines for their understanding. He was aware that when the dredge was working in the bay boats would have to wait additional hours to be taken care of. For the time being, there is only one dredge in the RECOPE wharf, but JAPDEVA hopes that another one will be brought in in December, so that the two can work at the same time around the clock in the wharves of Limón and Moin.

Source: La Nación; Prensa Libre

9. EXPORTERS CALL TO PARTICIPATE IN THE CONCESSION OF PORTS OF COSTA RICA

The Exporters Chamber of Costa Rica (CADEXCO) asked the Government of Costa Rica to allow the participation of the port of Limon and Moin to participate in the concession process. Mrs. Mónica Araya, the Chamber's President said that the entity would work in a team with the Government in order to give "an integral solution due the deficiency in the competitiveness of national ports". She said that the current government has not taking them into count to fix the priorities of the process of the ports modernization process.

As well, CADEXCO emphasized the need of efficiency in the ports of Limon and Moin, the reduction of time that the vessels should wait to be attended and the need to have a special terminal to bulk perishable goods, cruises and dangerous materials. Mrs. Araya is agreeing with the concession not to generate private monopoly, rather different leader companies which would share the provision of port services.

Mr. Marco Fidel Tristán, Vice president of the Chamber, recognized that the concession is an initiative to improve the port operation but this process would take several years. While it is concretized, he said that the State must invest "immediately" in cranes, tugs, wharf dredging and to guarantee a service of "24 hours a day, 7 days a week, 365 days a year". The exporters Chamber have 800 entrepreneurs which exports 3,900 products to the 140 countries.

The exporters also added that it is not enough to improve the ports and call the government to invest more money. Wharfs and ports are not enough; the Costa Rican exporters believe that there is a need of investment principally in infrastructure. "We are in favor of the port modernization but additionally we require the railroad and ways to arrive to the modern ports" said Mrs. Araya. According with the exporters there is an urgent need for investment in infrastructure especially due to the low export level that has been present in the past few months.



Source: La Nación; Teletica

10. DESIGNATION OF THE HEAD OF THE PORT SECRETARIAT OF ECUADOR

With the Decree N° 8 (created by the Ministry of Transport and Public Works –MTO) subscribed in January 2007, the president of Republic of Ecuador Mr. Rafael Correa created the sub-Secretariat of Ports, Maritime and Fluvial Transport, as a part of the MTO, to be in charge of port activities of the country; but just now this office has its first chief; Eng. Alex Villacrés who was the president of the Port Authority in Guayaquil. The entities purpose is to maintain the port activities in the country as well as the maritime transport with headquarter in Guayaquil.

“I accepted the position of sub- Secretary of Ports, Maritime and Fluvial Transport in Quito at the Ministry of Transport and Public Works” stated Eng. Villacrés when he announced that the government required to him to regularize the ports.

“The National Government has transferred the power of civil, port and maritime activities control as well as the private ports: the regularization and management of maritime terminal in Posorja and specifically everything related with fluvial and fishing craft terminals”, added.

On the other hand, he affirmed that he will work on a new project that will allow the extra money, but will not be handled by the Ministry of Economy and Investments. The idea is “achieve the effective transference of resources given by private ports and with the extra resources produced by national port authorities in order to finance projects in sectors with more needs”.

The National Maritime Authority gave the functions, powers and competences in port area public and private sector to the new sub-Secretariat. Eng. Villacrés mentioned “in an effective manner the transference of the sub-Direction on Ports and Maritime Traffic Direction of DIGMER (General Direction of Merchant Maritime of Litoral) was done towards the sub-Secretariat of Ports”. His criterion is that the Direction of Maritime Transport will continue with the operations counting with the same personnel although “a restructuration of the sub-Secretariat is necessary in light of the organic statute”.

In addition, the National Direction of Aquatic Spaces (DIRNEA) ascribed to the General Marine Commander, was created and which as National Maritime Authority will be in charge of the administration, maritime safety, superintendence control, coast guard, and all associated with the achievement of international agreements related to the Maritime Authority.

The Contralmirante José Noritz, director of the new Maritime Authority refused that the measures are limiting the Army functions. He explained that the measures are according with the world, where the government in charge of the port, public and private politics and the maritime and fluvial transport. “What we are doing is achieving the disposals given and done in the world ambit. The Army will execute only the politics in relation with the maritime authority”. Noritz also said that the naval personnel returns to the General Marine Commander and the civilian are now a part of the Ports sub-Secretariat.

Source: CRE Satelital; Ecuador Inmediato; El Telégrafo; El Comercio

11. ANDEAN CORPORATION OF PROMOTION APPROVES CREDIT OF 35 MILLION FOR ECUADORIAN PORT

The Andean Corporation of Promotion (CAF), office in Quito, informed that this organization will give a credit of 35 million dollars to build a port of international transference in cargo in Manta city at the west of Ecuador. According with the report of the CAF office, the credit has been guaranteed by the



Ecuadorian government which will finance the first stage of the project “Mega port of international transfer of cargo at the port of Manta” located in the Manabi Province.

Nowadays, Manta is considered as the most important tuna port in the world and its modernization would turn it in the center of cargo exchange in the region also as in Asia and South America. According with the CAF “the Mega port” of Manta will turn into “a new pole of economic development in the region that will impact positively” Ecuador’s development.

Furthermore, “the port of Manta has an excellent maritime geologic condition for the development of the ports competitiveness”. According to the CAF’s report, “this port is located in the more occidental point of South America close to the important maritime routes; it has easy access to the open sea with natural depths of 12 meters in low tides”. This condition allows an “easy access to ships of big bulk which would stick 24 hours per day, 365 days of the year without long waiting time”. With the difference of other big ports in the Ocean Pacific, the port of Manta does not need dredging which will lower the operation costs, added the CAF’s report.

The construction and operation of “Mega Port of Manta” was given in concession in 2006 to the Company International Terminals of Ecuador (TIDE) affiliated to Hutchinson Port Holding (HPH) from Hong Kong which is between the two big port operators of the world.

The port of Manta, which now has a capacity of 40,000 tons per year would extend it to 3 times more in 3 years and reach 1, 6 million tons at the end of the project. It will assure that the project is “consistent with the business vision of “Eje Amazónico”, in the initiative of Infrastructure Integration of South America (IIRSA), because it is the occidental extreme which connects the Pacific with Manaus city” in the Brazilian Amazon.

Source: Unionradionet

12. WORKS IN SALVADOREAN PORT OF UNION IS COMPLETED

According to the Executive Committee Port Autonomous (CEPA) of the port Union, the port could be inaugurated before the end of the year by President Elías Antonio Saca. The project has been in planning since the administration of ex-President Armando Calderon Sol but just began in 2005 with the arrival of President Saca. The cost of the project has increased from 98 million dollars to 179 million according with CEPA and deputies from different political parties.

Mrs. Ana Vilma de Escobar, Vice President of the Republic, recently confirmed that the Japanese Bank for International Cooperation (JBCI) gave a loan of 102,1 million dollars while CEPA gave 77 million dollars between own resources and other resources from different financial funds.

The Project of the port of Union is emblem to the current administration and it beats to turn the country in an international logistic center. It would be the final destination in the countries with exit to the Pacific, particularly to China, Japan and United States, in order to increase value and re export goods to third countries including the European Union.

The wharf includes 3 structures that have a forehead of 820 meters length for vessels of big depth. The container terminal which is the principal structure, counts with 360 meters length; the multi-purpose wharf has 240 meters length and the passenger’s wharf (which will be able to receive touristic cruises) is 220 meters length.

The navigation canal has an extension of 22 kilometers length, five of which are in front of the platform and has a depth at least 15 meters because this port has been visualized as a port to vessels of big depth, and some of them cannot pass by the Canal of Panama.



Its strategical position and its depth turns it in the unique port with the capacity to this kind of maritime ships between the ports as Manzanillo in Mexico and Canal of Panama. It will be a port of third generation because its capacity to move the cargo, will be the only one of its kind in the Pacific of Central America and its is perceived to connect by land with Puerto Cortés in Honduras, the only one of third generation in the Atlantic of Central America.

Nevertheless, there is a concern about the concession not being ready before June 2009; it is a risk of not taking advantage on it because other countries of the region are doing similar works. The investment of the port of Union is 179 million dollars and an addition of 95 million will have to be invested on the international operator to the terminal's equipment.

Source: elsalvador.com

13. CONCESSION OF SALVADORIAN PORT STAGNATED

After dozens of meetings with all involved sectors, the Vice president of the Republic Mrs. Ana Vilma de Escobar presented to the governmental team a preliminary law project that will allow –if it is approved- the concession of the port system in El Salvador. Nevertheless this document will be in charged for political negotiation by the Executive before taken this up to a plenary session. The wait might mean that the administration of the President Elías Antonio Saca does not sign the concession of the port of Union (his administration will end on June, 2009).

The Salvadorian President emphasized the need to analyze exhaustibly the project and to coordinate it with the Salvadorian politicians because all the work would get lost if it is not approved. The project will be given out for political consultation by the public-private association as one of the requirements of the opposition parties which stopped the approval of the previous document in which it was left out the State's investment “certainly that having majority in the private sector because it is the investor” affirmed the president when he explained the reasons of this private investment that would allow a major development for the country.

The international bidding which will define the winning company of the project might be last between six to seven months. To begin this process the legislation must be approved and in force. The law process includes also the approval of the Legislative Assembly in plenary session and with a term of 10 working days to the sanction, observation. After that it will have to wait 8 days after its publication in the Official Diary. With this and adding the possibility of a political discussion of more than one week- difficulty the process –with the six or seven months of the bidding- can culminate in May 2009, date that the Government has expected the signature of the contract.

The president of the Republic Mr. Elías Antonio Saca confirmed that he had an offer to concessioner the port with a percentage of 90% in favor of the private sector and 10% in favor of the State. The mandatory did not assure that it would be in charge of presenting the project. “We will attend to all” he said. The President Saca supported that he has his own believe about how the port concession should be conformed, but he didn't want to say his criteria yet.

The candidate to Vice president to the 2009 elections for the ARENA party (officialist), Mr. Arturo Zablah Kuri who is advising the President Saca had meetings with the Commission in charge of reviewing the concession bases and with the current Vice president of the country, Mrs. Escobar and Mr. Zablah of whom insists that one of the best options is the services concession and not the mix concession that gives both terminals administration to one operator and where the State only has a 10% of participation.

“If the numbers or a qualitative analysis indicates the convenience of one operator is fine, but for the moment I am not sure that we require just one operator” affirmed the vice presidential candidate. As well, he stated as an example the services concession of the International Airport El Salvador and



the Acajutla Terminal. “We are not going to sell the primogeniture for a plate of lentils... we are not going to sell a port or concession as a blank check when what it is vital to see it is the interest of the country”. He added and also confirmed that he still has his offer of services concession as an option.

Mr. Rodrigo Avila presidential candidate of ARENA confirmed his support to the insistent proposal of his partner to concession the services of the ports of Acajutla and Union and its administration will be property of the Autonomous Executive Commission on Ports (CEPA). “I am agreeing with this. I am conscientious that there is necessary lots of goods, an existence of international transit, companies which know how to do that, but it is not the same to concession all the port with all the extra port zone that only concession the operation, the idea is to search the best combination to the country” said by Mr. Avila.

The other political parties are moving in the same line. The National Conciliation Party (PCN), one of the principal supports that the Party needs in Government to approve the concession of ports, also has conditioned their votes to give more percentage in favor of the State. The PCN proposes 51% to the State and 49% to the private sector. The Frente Farabundo Martí to the National Liberation (FMLN) has the similar point of view.

On the other hand, some representatives of the private sector have received with fear the proposal of a concession public-private to the countries´ ports, which the operator would have 90% of participation and the State 10%. Mr. Federico Colorado, president of the National Association of Private Enterprise (ANEP) said that as a gremial entity always they have inclined to a concession totally private.

“We believe that it is the model which has functioned better in Latin America, there are lots of successful experiences in lots of countries” said Mr. Colorado. In his opinion, the decision of give the ports in concession totally private or mix will be reflected in the investor attraction of international characteristically which would be interested in manage the Salvadorian port system. Also he regretted that the gray work of the port of Union is still not ready and it will not count with an operator for the moment.

Others as Mr. Jorge Daboub, president of the Commerce Chamber and Industry of El Salvador (CCIES) supports the model of maestro concession. Mr. Daboub said it is the best to applying in a port because it represents an important option for the country’s development, although the political environment “has forced” to change the offer that the CEPA presented at the beginning of the Legislative Assembly. But he added that a 10% of participation in favor of the State would be acceptable for an international operator which wants to be a part of an association. “The idea was a private concession but the political circumstances force to a mix concession and a percentage of 10% is reasonable to the groups which want to maintain the State as a part of the concession”, affirmed.

As Mr. Daboub stated, any international operator is interesting in associating with the State which has more participation because to modernize a maritime terminal which is projecting as first level, there is necessary millionaire investments that the governments not always immediately. Not only the port areas should be part of a private concession but also the extra ports, in order to do a good use of it, as Mr. Daboub said. According to the offer presented by the Vice president, the extra port areas are not been including in the concession project.

Mr. Colorado and the Chamber Commerce’s president agreed that concession ports “does not mean “give it””, but put it in private hands which could development and investment olin it.

Source: La Prensa Gráfica



14. **PORT OF SAVANNAH (UNITED STATES) CHOOSES TO EXPAND ITS CAPACITY IN SPITE OF THE CRISIS**

The Executive Director of Georgia Port Authority (GPA) in the United States, Mr. Doug Merchant has defended the need to extend the capacity of the port of Savannah in spite of the current international financial crisis. "It is precisely the moment to assure in an aggressive way the additional capacity and when it is done we could turn into a potential element of the economic recuperation and future growth", affirmed.

In his opinion although the current challenges must be taken into consideration now it is not the moment to move back from the planning and the building that has generated a good part of the port's prosperity. Also, he added that without the canal access of 16 meters depth up to the Garden Terminal City, the vessels of great size will not be able to access to the Savannah, that's the reason for the need of the project.

The port of Savannah has turned into the enclave of faster growth in the country and it has occupied the fourth place for traffic in the United States, after Los Angeles, Long Beach and New York-New Jersey. During the 2008 fiscal year the Georgia Port Authority has put into service 14 mobiles cranes and four fixed cranes of the post-Panamax model and it is expected that the last four will be given at the beginning of the next year.

The institution which manages the Terminals in Bainbridge, Columbus and Savannah have mobilized in that time more than 2,6 million TEU that shows an increase of 14,9% also 25 million tons of general goods, around 17,5% more than the last fiscal year.

Source: Veintepies

15. **APM TERMINALS GETS A PRIZE FOR THE FACILITIES THAT OPERATES IN KINGSTON, JAMAICA**

The facilities that APM Terminals, a port operator, managed in the port of Kingston (Jamaica) have been awarded by the Caribbean Maritime Association (CSA) as the best Terminal of the year. The Terminal property of the Jamaica Port Authority moved 1,8 million TEU the last year. The award was given by the president of the association Mr. Fernando Rivera during the XXXVIII edition of the awards given by CSA in a ceremony celebrated in Port of Spain (Trinidad).

"We are grateful for this recognition to the operations of our terminal and it is our pleasure to be capable to contribute to the general success of the port of Kingston", affirmed by Mr. Hans Evald Jensen, Manager of the APM Terminals Jamaica, entity that operates the terminal. As he mentioned, this prize recognizes the efficiency and the reliability of the facilities, as well as the initiatives of the company to reach a higher level of productivity, growth and terminal development.

APM Terminals registered in the first 6 months of the year incomes of 1,517 million dollars, over the 1,195 million assessed during the same period last year. Also its benefits increased until 185 million dollars since the 49 million obtained between January and June 2007.

APM Terminals completed in these six months the port projects that were developing in Xiamen (China), Tánger (Morroco) and Tema (Ghana) and they continue with the expansion of their current facilities in Salalah (Omán), Rotterdam (Holland) and Tanjung Pelepas (Malasia). The company as a part of Danish group A.P.Moller-Maersk manages more than 50 port facilities in 31 countries.

Source: Veintepies



16. MERCOSUR IS NEGOTIATING A MULTILATERAL AGREEMENT FOR TRANSPORTATION

The XI Meeting of Maritime Transport Specialist of the working Sub group N° 5 of MERCOSUR-Transport held in Maceió, Brazil, reaffirmed their desire, specially from Argentina and Brazil, to advancing in the signature of the Multilateral agreement of maritime transport for MERCOSUR which includes all the operated cargoes between States ports as part of the agreement.

Likewise the Sindicato de Armadores Brasileños (SYNDARMA), principal shipping entity and the Shipping Chamber of Argentina, presented a joint declaration, In this, it is emphasized “the principles sustained by the outfitters of MERCOSUR which have as objective the Regional Merchant Marine Development and all the linked sectors including naval industry and the contracting of personnel embarked by the countries involved.

Based on the document, it is clear that there does not exist the pretension of a closing markets, cartelization of the warehouse offer or an increase of tariffs overhead of the values of market. The establishment of mechanism that increases the offer and the healthy competition between the companies of maritime transport of the region were defended. At the same time was it was guaranteed the free negotiation of tariffs between outfitters and users, favoring the installation or creation of new companies by regional and extra regional investments respecting always the laws of the State involved and inscribing vessels in the records of the mentioned States.

The Brazilian delegation proposed to create an information system and a statistic of maritime transport which would be supported by the member countries. For Brazil, an agreement in regional maritime transport will have to include the merchant marine and the naval industry based on its strategic economic importance and employment generation. Today, Brazil has 1,172,000 tons of transport capacity and there are building 5 containers vessels in shipyards of the country.

The idea is to give priority to the transport of shipping companies established in the MERCOSUR countries. When these companies cannot realize in proper or freighted crafts the traffic would be liberated to third flags.

The Argentine delegation considered that the 3 pillars of the agreement are to maintain it in the application ambit of MERCOSUR, to contemplate all the cargoes transported between the ports of the member states ports de independently transported from the goods origin or final destination and to apply the same concept of national coastal navigation of regional transport.

Source: Nuestromar

17. AN OPINION TO REFORM THE PORT LAW IN MEXICO WAS APPROVED

The Deputy Chamber of the Transport Commission of Mexico approved by unanimity the reform decree project and cancelled different disposals to the Ports Law with the objective that this country faces the current and future challenges of the foreign national trade adapted to the world maritime dynamics.

The mentioned idea simplifies some of the administrative procedures as the creation of port places, and it will allow making faster the port’s growth and its exploitation as well as the requirements to the licensees in order to not making expensive the services offered by this kind of port facilities.

In addition, it gives the port authority different faculties necessary to correct monitoring of the use of nation’s goods, as well as the accomplishment of actions that are required to unify the healthy practice in each port as the suitable and efficient port operation.



For the exploitation use and utilization of goods of public dominion of the ports Federation, marine terminals, port facilities, general routes of communication for water there will be required an authorization or concession given by the Secretariat of Communications and Transport.

“The Secretariat will be able to give the concessions for a term of 50 years, taking into count the business plan that will include among others, the projects’ characteristics, amounts of investment, social and economic benefit of the region, direct and indirect employments”, indicated in the document.

Among the figures that contains the opinion; it emphasizes the creation of the Planning Committee in each port integrated by the port manager, the investors and 3 users with the objective to support the first one in the port planning (their responsibility) and the verification units.

At the longest 180 days, the Secretariat of Communications and Transport will publish an agreement in order to make the extension for this occasion and fulfilling the competitiveness of the terminals area and port facilities of public use.

By 2012, 491 million containers will be mobilized in the world with the most varied scale of products and Mexico must know what role it wants to play in this market, expressed the Secretary of the Committee and also by the coordinator of the sub-Committee of Maritime Ports and PAN Deputy Mr. Alejandro Delgado Oscopy. In addition, they mentioned that “the country has to use its strategic geographical position and be an option in order that from its ports the products are distributed to different countries to all globe markets”.

Source: Juris México; El Financiero en Línea

18. MÉXICO WILL CALL FOR BID THE PORS OF MAZATLAN AND GUAYMAS

The Secretariat of Communications and Transports (SCT) of Mexico has announced two new bids to modernize the port facilities of Mazatlán and Guaymas which will have an investment of 62,7 million dollars.

The Secretariat Manager, Mr. Luis Téllez affirmed that Mexico has “an important port vocation” and alluded to recent projects as the new cruise terminal of Guaymas, the amplification of Manzanillo and Lázaro Cárdenas and the new port bid of Colonet.

The Integral Port Administration (API) of Mazatlán has presented a bid for the concession of a new multipurpose terminal which will imply 23,5 million dollars of investment. The project fulfills the objectives established in the National Plan of Development and the National Program of Infrastructure 2007-2012 dedicated to modernize and extend the Mexican ports.

It is expected that the investments catch of an annual traffic of 80,000 TEU and attend principally the commercial route with the Asian continent. The interested companies will be able to present their offers and the bid until next February (which contemplates the use, modernization and operation of the facilities). It will be decided by the end of March.

On the other hand, the Integral Port Administration of Guaymas, in the state of Sonora, has published a bid to build, operate and explore a new terminal destined to the containers movement. The project will include an investment of almost forty million dollars and it will be able to receive vessels with a length of 300 meters and will permit to manage more than 100 thousand containers. According with the offer, the bidding call will is based on the building and operation of a space of 320 meters with water front and also with an operation area in wharf of 50 meters to the installation of portico derricks which will allow the download of vessels carrying containers. Likewise it



contemplates the rehabilitation of an area of 10 hectares with its respective equipment. The terms present has a deadline for next March 6, 2009 and the project will be adjudicated at the end of the same month.

Source: Veintepies

19. MEXICO WILL ONLY BID PORTS WITH PROFITABLE PROJECTS

Due to the Financial situation in United States, the Secretariat of Communications and Transport (SCT) will monitor the biddings of ports, stated the General Manager of SCT Ports, Mr. Pablo Medina Zamora. During the XIV Annual Congress of Shipping Agents realized in Mazatlan, Mr. Medina explained that the market will be the only one that will determine the viability of each different project.

In reference to the federal government's decision to begin a second stage of port biddings, the proposal is to turn Mexico in a regional hub. Also Mr. Medina added that the Mexican ports are competitive, but he admitted that the logistic and bureaucratic aspects to the customs process are the principal problem. For this reason, he considered necessarily to do a review and adjustment of the legal frame, especially in the customs process for which has been sought to support conversations with customs authorities and with the Republic's General Attorney (PGR).

During the Congress developed under the topic "Extension of Latin American ports before the foreign trade growth" and which attend representatives of the maritime port sector of the country, Mr. Medina Zamora spoke about the impact that the financial crisis will generate in the bidding process of Punta Colonet. He indicated that at present there is an "appetite" of Mexican and foreign investors for this offer and other projects in door, although he added that at the present there exists 30 companies interested for a total of 60, though the law does not specify names.

Recently there were published different modifications to the Bahía Colonet bidding to extend the adjudication due the second meeting of Explanations about the next stages, remained by the Port Manager.

He estimated that the commercial trade between Asia and Mexico is going to continue growing in the long term so the environment will still exist, "we will be evaluating and monitoring".

Mr. Medina Zamora also reported that this month will be published the bidding for the second terminal of containers for the port of Manzanillo and he hopes that the financial crisis will be solved which would calm the panorama: "we believe that this port business will continue being important to the infrastructure and it will be better".

Source: El Sendero del Peje; Invertia

20. EXPECTED REDUCTION OF GENERAL CARGO AND CONTAINERS IN MEXICAN PORTS

Although in the first nine months of the year the general cargo movement and containers in Mexican ports has increased, it is expected a decrease for the closing of 2008 due the financial crisis and the parities peso-dollar principally.

The General Coordinator of Ports and Merchant Marine of Communications and Transport Secretary (SCT), Mr. Alejandro Chacón, was interviewed and he said that it is possible not to reach the same number than 2007. "It is probably that the deceleration affects the movement in the ports, and we hope it will be lightly", assured.



The movement of the last year was 3 million 63 thousand 624 containers, 14,5% more than the registered the same period in 2006; while the general cargo had an increase of 5,3%, from 272,3 to 287,4 million tons.

Source: Notimex

21. MANZANILLO WAS THE HEADQUARTER OF THE II CONFERENCE OF MEXICAN, LOS ANGELES AND LONG BEACH PORTS

The Secretariat of External Relations of the General Consulate of Mexico in Los Angeles and the Secretariat of Communications and Transport, in coordination with the ports of Los Angeles and Long Beach, California, the United States; participated in the II Conference of Mexican, Los Angeles and Long Beach ports which was held from October 16 to 17 in Las Hadas Hotel, Manzanillo, Colima, México.

This meeting had as objective to identify projects, strategies and development in environment, commercial and tourist matter that could strengthen the region as well as the signature of the collaboration agreement between these ports.

As the principal expositors were the General Manager of Ports of the General Coordination on Port and Merchant Marine Mr. Pablo Medina Zamora, the Director of FONATUR Ports Operator, Mrs. Carmen Azpeitia, as a part of the port of Los Angeles Mr. Joseph Radisich Commissioner of the Board of Directors Port Commissioners of Los Angeles and as a part of the port of Long Beach Mr. Mario Cordero Commissioner of the Board of Directors Port Commissioners.

In the event they had the special participation of the sub-Secretary of Environmental Protection and the Minister of SEMARNAT Mr. Mauricio Limón Aguirre who presented the topic Ports and Environmental Sustainability.

The conferences were classified in 5 stages and it had as principal topics the Operation and Port Administration, Relations with the environment and the community, Commercial Cooperation, Cruises and the Coast Line Development, among others.

Source: Webpicking

22. PORT FOR CRUISES WILL WORK IN PANAMA

The first port of origin (home port) for cruises of Central America will begin its operations in Panama next December when the first ship arrives with more than two thousand tourists to visit ports and islands of the Caribbean. Every Sunday, from December 7 until April 19 the cruise "Enchantment of the Seas" of the Royal Caribbean Company will arrive with a capacity of 200 passengers from the Panamanian city of Colón (on the Atlantic coast), going to Cartagena, Santa Marta (in Colombia) and the islands of Aruba, Bonaire and Curacao.

The home port with and investment of US \$10 million will have a transport terminal of 10 thousand square meters, 200 meters of wharf and will be able to move 18 thousand suitcases per day. These facilities expect to give employment to more than hundred people in the days of the port operation.

"Where more opportunities exist to the development and extension (of the touristic activities of cruises) is in Central America", said Mr. Augusto Terracina Manager of Colón 2000, tourist consortium in charge of the project. Mr. Terracina also added that the fact of a cruise can arrive in a relatively short term to other ports in the region "it opens the opportunity to all countries of Central America to increase the number of tourists that comes to our countries".



The touristic promoter also affirmed that this port of cruises exists not only directed to Central America but “to the whole Latin America”.

The home port will be located in a tourist center that includes commercial areas, hotels and other maritime terminals which have a total investment of US\$72 million, and the promoters expect to recover US \$1 million for each week of the cruise exit.

Since 2000 there has arrived in Panama a total of 1,219 ships with 1,6 million passengers leaving incomes around US\$ 151 million, according with the report made by the tourism Authority.

In the last season of cruises (October 2007 to may 2008) 141 ships with 163,358 passengers, leaving incomes estimates of US\$ 15, 5 million contributed to the Panamanian ports.

Source: Diario de Yucatan; Colón 2000

23. NEW LOANS APPROVED FOR THE PANAMA'S CHANNEL

The World Bank (WB) announced the concession of a 300 million dollars loan for the extension project of the Panama Channel. This loan is an addition to the loan announced in October by the Corporación Andina de Fomento (CAF) of 400 million dollars. Both loans are an addition to the 1,700 million dollars of financing obtained by the ACP of other foreign financial institutions for the work.

Among other creditors there are: 500 million dollars from the European Bank of Investments (EBI) which is the community financial organ of the European Union, 800 million dollars from the Bank for the International Cooperation of Japan (JBIC), the Official Financial Institution of Japan Government, and 400 million dollars from the Inter-American Development Bank (IDB).

The World Bank loan will be channelized across the International Financial Corporation (IFC), the department of the WB which gives loans to the private sector and will be administered by the Panama Chanel Authority (PCA), an autonomous entity of the Panamanian government responsible for the administration, the functioning and maintenance of the Channel.

The loan, which will be done by the world institution has a term of 20 years and will help to finance the works of the channel's extension which includes the building of new sluices and improvements in the navigation canals and which total cost is 5,250 million dollars.

The PCA manager, Mr. Alberto Alemán Zubieta, was grateful for the contribution of the World Bank and said that “In this financial and economic world crisis, the approval of this loan means that the confidence in this historical project of extension exists and in the country”. Eng. Alemán said that the extension will have a positive impact not only in the country, but also in the maritime transport world and the trade.

Source: EFE; Business News Américas

24. PANAMANIAN GOVERNMENT WILL ADOPT AN OIT AGREEMENT FOR MARITIME WORK

Panama is ready to adopt the OIT agreement directed to regulate the labor conditions of 1.2 marines around the world as well as to guarantee a better quality of maritime transport. These objectives are contained in a law project in which it has approved the agreement of maritime works adopted by the OIT in February 2006 and which was approved in the second debate by the National Assembly.

According with the Deputy Mr. Juan Carlos Arosemenas almost a 1.2 million marine workers are employed at the vessels around the world but they are working in very difficult conditions, for this



reason it is necessary to ratify the agreement. Also he said that workers are vulnerable to the exploitation, to the nonpayment of wages, to the failure of contracts and to poor diets.

The agreement establishes the minimum conditions for work time, rest, housing, facilities, recreation, food and medical assistance among others. According with the OIT, the instrument will help guarantee the quality of maritime transport which is the key to the world economy. It will be applied to all the crafts which will do commercial activities with exception of those destined to the fishing and the traditional crafts.

This agreement is going to guarantee the pretensions adapted to the workers of the first world industry and one of the first activities of the Republic of Panama, said by the Deputy.

Source: Panactual.com

25. PRIVATE PORTS WILL NOT USE AGROCHEMICALS TO ENTER PARAGUAY

The National Administration of Shipping and Ports (ANNP) ruled on the importation of agrochemicals and the not entry of these through private ports rather than the port of Villeta. The disposition of reference is endorsed by the Deputy National Director of the ANNP Mr. Carlos Troche by the 28 Circular.

On March 2007, during the previous government, Decree 1025/07 was approved of which enabled the port of Villeta as the only point of entry of the agrochemical products with the tariff 38.08 and its release by the Customs Services of the above mentioned port. It is important to emphasize that the products with the reference mentioned are composed by insecticides, raticides, and other anti rodents, fungicides, herbicides inhibitors of germination and growth regulators of plants in addition of disinfectants and similar products.

However, lots of import companies due to delays caused by the use of the mentioned port was using private ports to enter goods in transit from Villeta where once the final control and the payment of tariffs were done and the goods were entering to the local market. With the new disposal all the importers will have to necessarily enter their agrochemical products by the official port exclusively.

Recently, three containers which were carrying agrochemicals and which should have stopped in the port of Villeta have stopped in the port of Fénix and when it tried to continue the containers were refused access because during the transit from Zeballos Cué zone to Villeta it was observed that one of the containers was missing toxic liquids according with the reports.

The environmental attorney Mrs. Maria Bernarda Alvarez who is in charge of investigating the spill confirmed that there is bad management of storage and unloading of the products.

The cargo was destined to the port of Villeta, but according to reports, as the cargo was in poor conditions they did not want to receive it. According with the attorney, the port of Fénix is responsible for what it receives and it should communicate immediately what had happened. This is a situation that has been frequency occurred.

The Decree is considered unconstitutional by the private ports because it establishes a monopoly in favor of the State's Company, which in the last years has had some problems to compete against private ports that are now more than 40 across the country. Importers also criticized the measure at that time because many times the imports were easily taken at the port of Villeta.

When the disposal was given to private spheres they said that Villeta was not in conditions to turn into the only entry of agrochemicals to the country based that it does not possess the proper



infrastructure, either equipment and qualified personnel required to manage the importation of 25 tons per year for a value of more than US \$100million.

“The agrochemicals are products of risk which need a specific place, adequate protection and it must be manipulated very careful to prevent zone contamination and the personnel, and the port of Villeta is not in conditions to receive the volume of the mentioned products. There are agrochemicals that cannot be in touch with other goods. In Villeta there are no safety measures and guarantees to do this type of work”, expressed a businessman dedicated to the exploration of a private port.

Source: ABC Color

26. IN 2009 ENAPU OF PERU WILL HAVE A PARTNER FOR CALLAO

During her presentation to the Transport Committee of the Peru’s Congress the head of the Ministry of Transport and Communications, Eng, Veronica Zavala announced that this year will open a bid to incorporate a private partner for the North and Central wharfs of the Callao. “The idea is to incorporate the partner next year but we have not decided how it will be”, explained by the Minister, although a “joint venture” with the National Port Company (ENAPU) is the most viable option until now.

There are 3 offers to modernize these wharfs –from ENAPU, MTC and National Port Authority (APN), Eng. Zavala said the final decision will depend on the conversations with the interested parts including companies in Singapore. In any case it is clear that it will require an investment of about U.S.\$ 500 million to strengthen the northern and central wharfs building and both will be made at the same time and no longer in two parts.

ENAPU will have to compete with Dubai Ports World Callao in the Port of Callao where the company operates the concession of the South wharf and it will invest US \$600 million in the project. The minister said that Dubai Ports is planning to invest US \$276 million in the first stage of operations and US \$216 million in the second. The concessionaire also has to give US \$144 million to the National Port Authority (APN) as a part of the complementary additional investments.

If the new operator comes into play next year, by 2014 it will be using the new infrastructure as well as with the south wharf would allow to the port of Callao mobilizing 4 million TEU per year approximately.

Eng. Zavala explains that with this capacity the Callao will become in the “hub” of the region. “It is obvious that the bigger vessels will prefer to stop in one wharf instead of four and from there the cargo will be distributed to the other wharfs of the region. And that port should be the Callao”.

But not only the north and central wharfs are in the master plans. Eng. Zavala also mentioned that the feasibility studies of the Marcona Port are ready. Moreover it is expected a bidding soon to make a concession to the private sector. And there are already lots of interested parties. While in a first stage it will specialize in mineral cargo to benefit the projects of Apurimac Ferrum and Las Bambas, it is expected that in long term (by 2030) also has infrastructure for containers, and by that time it should replace the Callao as a regional “hub”.

The offer to select a private associate provoked the rejection of the Workers’ Federation of ENAPU (FENTENAPU) which said that the intention of the government was to privatize the whole port of Callao. The Secretary General of the Federation, Mr. Adolfo Granadino said that ENAPU does not need a strategic associate and it is the State itself that must compete with Dubai Ports. “The company has an operative profitability of 40% of its invoicing, utilities about 18 million soles (US \$6 million) and there are invoicing more than US\$100 million per year”, said by the Secretary.



Source: El Comercio; Webpicking

27. VALENCIAPORT FUNDATION BEGINS AN ASSESORY PROJECT ON PORT DEVELOPMENT PLAN FOR PERU APN

The port development area of ValenciaPort Foundation has started a project on “the review of the National Plan of Port Development of Peru” coordinated by Mr. Arturo Monfort Mulinas Director I+D+I (Investigation, Development and Technological Innovation) of the Institution.

The principal project objective which would finished in the second semester of 2009 is to contribute, to orientate and to support the National Port Authority of Peru (APN) in the updating of the National Plan of Port Development (PNDP) as a tool of planning and port management.

Also it is expected to achieve a study of the port systems in Peru be done and there will be established strategic lines at national level in order to make practical an offer of competitive port services to the foreign trade of Peru. Some of the results expected from this project are to contribute to the presentation of the project about the directories of the APN as well as to support on the coordination and meetings with the principal agents of the port community.

At the beginning of 2003 the Peruvian government began a reform process in the national port sector in order to modernize it and to be able to reach international standards of quality, improve the competitiveness and increasing the foreign trade.

In this context a law of national port system was created in order for the APN to institutionalize the port reform. One of the main APN’s functions was the development of National Plan of Port Development (PNDP), which was published in March 2005.

In December 2007 both institutions signed the Framework Agreement of Cooperation and Technical Assistance to emerge from these activities.

Source: Veintepies

28. MONTEVIDEO PORT PROJECT DOES NOT ESCAPE THE WORLD CRISIS

Due to its location, the port of Montevideo is central positioned in the point of Integration and Development for MERCOSUR-Chile based on the initiative for the integration of the South American Regional Infrastructure (IIRSA). The port shows the fourth position in the region in relation to the traffic of containers after Santos in Brazil and Buenos Aires and Río Grande in Argentina.

Montevideo is the principal centre for refrigerated containers in the region and its operations has a strong transnational impact because half of its activities involves containers transshipment from the countries neighbors. The Montevideo’s port should extent its capacity to manage the cargo by building a new multipurpose berth and deepen the channel access with the objective to allow more access to draft’s vessels. These improvements will increase the port’s efficiency and will reduce the cost of maritime and fluvial transport.

Last October, the Inter-American Development Bank (IDB) gave a loan of US \$ 40 million to Uruguay in order to modernize the facilities of the port of Montevideo which would allow to improve its efficiency and to reduce the transport costs. The resources will help to build a new wharf and deepen the access of the Canal.



However, when the National Port Administration (NPA) announced the bidding to build the C wharf, the port of Montevideo was not imagining what was going to happen. At the moment to bid was opened, they found offers that were duplicating the estimations. The companies that did offers to the bidding for the wharf building duplicated the estimated costs.

The numbers offered “are enough in comparison with the previous prevision. We will take the time necessary to study and to take the decision about what we are going to do” said the NPA president Mr. Fernando Puntigliano during a press conference. Of the received offers, four are between US \$ 86,3 millions and US \$ 95,8 millions. The specialists calculated a cost no bigger than US \$ 40 million for the work which were requested to the IDB. The work would begin in July of the next year. As the work has an estimation of one year and half of duration, the companies prefer covering for a possible increase in construction costs.

Though the NPA might decide to be in charge of the dredging (between 9% and 15% of the offers) and for this reason the total cost of the work would decrease, this will depend on that there has the idle machines to do it. The wharf will have a length of 300 meters and 33.60 meters of width and will have an area of 38.400 square meters of landfill. If the bidding is awarded the maximum term to finish the work will be 540 days.

Source: Voice of America; EFE; Transport & Cargo; El Cronista

29. SPAIN FORCES VESSELS TO HAVE INSURANCE AGAINST POLLUTION

The Ministers Council of Spain approved a Royal Decree in which the vessels with more than thousand tons of gross gauging will be forced to sing an insurance or financial guarantee in orders to cover their responsibility for the damages due to the pollution caused by the vessel’s fuel, as well as for the costs or damages caused by all the reasonable measures that with possibility of an incident any person usually takes in order to avoid or to reduce to the minimum of the damages due to the pollution.

The vessels will have to take on board the certificate expedited by the General Direction of Merchant Marine in December. Without the certificate tit will be prohibited the navigation of any Spanish vessel except war and State vessels with more than thousand tons of gross gauging. Likewise, it will be prohibited the entry or exit in Spanish ports of any foreign vessel with more than a thousand tons of gross gauging if it doesn’t take on board the certificate previously mentioned.

Source: Pesca al día

30. MEETING TO ANALYZE A NEW LAW FOR SPANISH PORTS

The president of the public entity *Puertos del Estado*, Mr. Mariano Navas had a meeting with the presidents of the general interest ports to approach some issues of the new Law of Ports that as the Spain’s president said last summer Mr. José Luis Rodríguez Zapatero, the new law will have to be approved before December 31.

Mr. Navas said that in this meeting the new law will be “similar” in comparison with the law that was not approved during the last legislature and explained that “it is a project very similar” to the above mentioned text which was not approved because the coincidence with the end of the legislative period”. In declarations, the president of *Puertos del Estado* admitted that the project of modification is being prepared but it is not completely finished. Thus he said “this meeting is the first contact to share ideas to make the offer of *Puertos del Estado*” to this modification.



The port rates and the labor aspect are both part of the new legal text that has more requirements presented by different port sectors. The ports have emphasized on the need to provide the ports with more tariffs flexibility to the port competition. In the labor part the already extinct societies of stowing were the centre of the debate about the new law of ports which include the European or communitarian directives approved in the last years.

Source: Sur.es

31. VALENCIA'S FIRST PORT IN CONTAINER MOVEMENT

The port of Valencia has faced the international crisis and registered an increase of 16,82% between January and September. In the same months, other two Spanish ports Bahía de Algeciras and Barcelona that are in the first positions in this kind of traffic, has decreased about 3,16% in the first case and a 3,57% in the second one. Until September Valencia has manipulated 2'664,158 TEU, while Bahía de Algeciras reached 2'476,311 TEU and Barcelona 2'020,624.

These good results of the port of Valencia are because the notable evolution of TEU's traffic in transit. In the first three quarters of the year 1,140,283 TEU was mobilized, 49.37% more than in the same period of 2007. Barcelona reached 804,606 in transit, 9.94% more than the last year and Bahía Algeciras a decrease of 3,13%, around 2'355,908 TEU of transit.

In reference with the information facilitated by Puertos del Estado thought at the moment the Spanish ports have faced the crisis, the results with a minimum increase of 0,19% in the total traffic shows that at the end of the year it will not be good as expected. In these 9 months there has been a slow down compared with the growth of previous periods which has been reflected in the total traffic of the ports of general interest which have registered 359'604,876 TEU just 670,868 TEU more than last year.

Source: Veintepies

32. PORT ACTIVITIES

i. Innovative Workshop that will examine the change in international commercial routes with a strong emphasis on the implications of the extension of the Panama Channel, organized by American Association of Port Authorities (AAPA), United States Maritime Association and Tampa Port Authority, January 15 – 16, 2009, Tampa, Florida, United States. E-mail: afuentes@aapa-ports.org, <http://www.aapa-ports.org/Espanol/seminario.cfm?itemnumber=11176>

ii. Third Course in Port Terminals Management which will be held from January 27 to February 6, 2009 in Santo Domingo, Dominican Republic, organized by Dominican Port Authority (APORDOM), Customs Headquarter (DGA) and Inter-American Commission on Ports (CIP). E-mail: cip@oas.org, <http://www.oas.org/cip/>

iii. Tenth meeting of the Executive Board of the Inter-American Commission of Ports (CECIP), March 23- 27, 2009, Buenos Aires, Argentina. E-mail: cip@oas.org, <http://www.oas.org/cip/>