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## **1. TENTH EXECUTIVE BOARD MEETING OF THE CIP**

On March 23<sup>rd</sup> to 27<sup>th</sup> the Inter-American Committee on Ports (CIP) will hold its Tenth Executive Board Meeting in Buenos Aires, Argentina.

In the preliminary agenda, the report on the advances of 2008, the 2009 work plans and different presentation on technical issues by the sub committees are contemplated. As well, four Technical Advisory Groups will be reporting its activities and define its activities for the present year. In addition, the Executive Board (CECIP) will decide on the next meetings of the Port Organization.

The CECIP is integrated by Argentina, Barbados, Brazil, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Peru, United States, Uruguay and Venezuela. The Mexican delegation holds the presidency and has as vice-presidents Barbados, El Salvador, United States and Uruguay. The fifteen member states of the CECIP will participate with voice and vote, nevertheless the attendance is open to all members of Organization of American States (OAS), Permanent Observers to the OAS and International Organizations.

Due to the economic global crisis, the port sector and the maritime transport are going through a difficult time; a massive concurrence of the hemispherical harbor authorities is expected.

It is necessary to consider the fact that this forum is a special opportunity to measure the damage done by the crisis in the port and maritime industry and plan new strategies that have to be taken to palliate their effect.

For further information please check the CIP's web site, <http://www.oas.org/cip/>

## **2. CHILEAN GOVERNMENT LISTS PORT LAWS FOR 2009**

The Port Advisory Commission of the Chilean government; an institution that has held two meetings since its conception in November 2008, is working on the development of a new General Port Law that would replace the current which dates back to 1997, and it desires to revert the deficit of investments in infrastructure by US\$ 1.000 million in the sector.

The MOP's work plan director, Mister Daniel Ulloa, commented that the Commission- promoted by Ministry of Transport and assisted by the Department of Public Work, Finance, Economy, the Public Enterprise System, the Undersecretary of Maritime and the General Office for Maritime Territory and Merchandise has set a short term agenda, with specific goals to be reached in the next months. At the same time a long term agenda was set for 2009.

The long term agenda considers alternatives to improve the local harbor infrastructure, to adapt them to the new crafts; it will also guarantee additional harbor areas in order to assure the logistics. Mr. Ulloa indicated that the country has a US\$ 1,000 million deficit on harbor infrastructure.

The civil servant pointed out that during the present year the Port Advisory Commission will set the structure for a new port law, which will try to stimulate private investments in the terminals and achieve a stable labor position. The Commission will receive proposals from companies and sector participants in order to set new regulations.

Source: Mundo Marítimo



### **3. ATI LEADS PORT MOVEMENT IN NORTHERN CHILE**

Surpassing the complications presented by the economic crisis in the last period of 2008, Antofagasta International Terminal (ATI) was consolidated as the main harbor enclave of the Northern part of Chile for fifth consecutive year.

The Antofagasta port concessionaire surpassed the annual balance of loads planned for the year reaching 2 million 700 thousand tons, number that surpasses 2007 by 11%, keeping ATI with a major participation in cargos that are transported at the local port, emphasizing on the transfer of one million tons of metallic bronze and improving the increment by 16 % in the container ships.

This terminal is considered by the maritime agencies and the operators as one of the safest and most efficient in the country, keeping a high international prestige in handling of mineral cargos and projects. An example is the 200% improvement, in relation to the previous year of the loads moved from and to Argentina, reaching 15 thousands tons, which defines Antofagasta as oceanic leader in the Integration Area of the West Center of South America, (ZICOSUR).

ATI inaugurated its third port mobile crane Gottward, bought in Dusseldorf Germany, for US\$ 5 million. This is a fifth generation equipment; the biggest and most modern of northern Chile, which enables to deal with post panamax ships, it also can be maneuvered by remote control. It will promote the rates of cargo transfer, especially the transfers made by containers. Moreover, it will emphasize the increase of its bronze metallic stock sites to 3 thousand meters squared, the 100% of the renovation of all the container ship cranes and the Linde oar locks, the incorporation of sophisticated camera security system and the beginning of the expansion project.

Source: ATI

### **4. COSTA RICA'S PORT CONCESSIONS**

The president of the (JAPDEVA) Port Administration and Economic Development of the Atlantic (JAPDEVA), Francisco Jiménez, indicated that the concession of the port of Lemon is advancing in spite of the opposition of the Workers Union of JAPDEVA. In January a 60 day limit was given to make a deal with the traders, Jimenez expressed that within those days the agreement will become a reality.

"We have the development port plans for the 2009- 2030. This plan is an official and formal document, prepared by government authorities and by companies from the private sector, it was also prepared by a specialized consultant company", he stated. "Part of the master plan is to quickly develop a new port infrastructure and provide the present infrastructure with equipment and resources in order to make competitive our ports in terms of costs for the users".

The master plan contemplates the development of three international public biddings. The first one, denominated "Public Service Management of the Port of Moin and Limon", consists of giving to one or more operators the operations of the ports of Moin and Limon for duration of 25 years. The operator has to accommodate itself with the lack of infrastructure (i.e. cranes and warehouses) and has to be able to control the ship information system, to reach a top level, as it is in Panama and Guatemala. The first bidding has as conditions the following: the operator will take the control of port operations and on the basis of a fare regulated by the Regulatory Authority for Public Services (ARESEO), JAPDEVA will charge the fare directly and they would pay a tax.

Engineer Jimenez also pointed out that with or without the port bidding, the renovation of the port authority will be completed by the end of the present year in order to improve its management and efficiency.

Source: La Nacion (Costa Rica)



## **5. ECUADORAN GOVERNMENT SUGGESTS THE CONCESSION REVISION OF THE PORT OF MANTA**

On January 6<sup>th</sup> 2009, the Port Authority of Manta (APM), sent an official letter to the International Terminal Enterprise of Ecuador (TIDE) with an immediate and preferred modification of the mutual agreement bidding contract in order to exclude US\$ 55 million from public investment, determined as government aid for the bidding. This change would mean that the Ecuadorian government will build the port through the APM.

The motivation behind this was the continuing mishandling by TIDE, and the goal is to improve the bidding process. The official letter also stated that the bidding company will be obliged to reprogram valued chronogram that was presented on December 23, 2008 in order to reach primary development of phase IA 1, and it will need to initiate the execution of the works within the first days of February 2009.

A few days ago, President Rafael Correa threatened to remove the Chinese company Hutchinson from the bidding process due to the delay in works adjudged for the extension of the international load terminal in the city of Manta, west of this South American country. The chief executive in his habitual weekly working report remembered that the concession to Hutchinson was made before the beginning of its mandate, in January 2007, but observed that this company "is not fulfilling the chronogram of investments, therefore I already showed them a yellow card".

"With this Government one doesn't play around; forget about the Banana Republic where it was tradition to do whatever one wants. If they do not adhere to the concession of the port of Manta, they will simply have to leave the country and you know that we are serious", emphasized President Correa.

Hutchison Port Holding Company (HPH) was committed on September 2006 to build and manage the port of Manta. It has been the first occasion, according to the newspaper, that the Ecuadorian Government has allowed a foreign company to manage one of its ports. Hutchison Port, which counts with 247 wharves in 42 ports located in 20 countries, is a branch of the Hutchison Whampoa Group, whose president, Li Ka-Shing, already announced that he was considering ending some of his investments due to the financial crisis.

Engineer Alex Villacrés, Under Secretary of Ports, Maritime and Fluvial Transportation, communicated to TIDE, the presidential decision of \$55 million dollars from the Trust Funds to be handled directly by Port Authority of Manta (APM). "Briefly, the state contribution to the concession contract that APM maintains with TIDE is removed, affirmed the civil servant who met with the Directors of APM and civil servants of TIDE. This new issue referring to the concession of the port of Manta involves the welcome for mutual agreement and legal modifications to the initial contract between APM and TIDE.

The legal advisers of HPH are analyzing the willingness of the Port Authority of Manta to modify the legal contract of concession and the legal effects that this may create in the process. This was confirmed through a letter sent by Gerry Jim, HPH division commander for America, the Middle East and Africa. He indicates that the predisposition exists so that after the analysis that is being realized in Hong Kong, Mr. Jim and other high civil servants will arrive at Manta to discuss with the representatives of the Port Authority and the Government.

For the Mr. Villacrés, the HPH answer is a refusal to the ultimatum that the Government as placed on the concession of the port of Manta. He indicated that in three months it will be determined if the concession of the handling of the terminal of Manta will be reverted.

Source: La Hora; El Mercurio (Manta); Mundo Marítimo; El Comercio; EL Universo; EFE.



## **6. 11 NEW CRANES ARRIVED AT THE PORT OF GUAYAQUIL, ECUADOR**

The equipments were bought for US\$32 million. By using them the company CONTECON Guayaquil, concessionaire of the port, a subsidiary company of International Terminal, INC. Container (ICTSI), is trying to reduce by a 50% of the the time of the ships delay. They are 11 new cranes that arrived from China for the loading and unloading of containers.

The Engineer Gustavo Walls, director of CONTECON engineering, explained that three of the machines are port cranes which mean that they work on the docks, loading and unloading the containers from the ships. These have a 50 meters mechanical arm, which allows them to operate on the ship. In addition, it operates from 36 meters high.

In the docks, railroad type rails were installed for the cranes transportation. In addition, the facilities were reinforced in order to support the machinery weight (1500 tons each).

In addition, eight (8) patio cranes were bought which will allow the containers crowd rammer in the storage area and can mobilize containers up to 6 meters high. They move on rims, which was also adapted to the patios.

The Eng. Humberto Palaces, President of the Port Authority Directory of Guayaquil (APG), explained that the main benefit is the dispatched rapidity. One calculates that the dwelling time of the boats will be reduced by 50%. “The port is going to be more attractive for the users due to the time of displacement”.

According to the Department of Engineering, the mobile cranes that now toil in the terminal, loads between 16 to 18 containers per hour, with a high of up to 26 containers. With the new machineries, the productivity will turn to 26 to 28 containers per hour, and a high of up to 40. “If we put the three cranes on a boat with 1500 containers (load average), it is possible to unloade in less than in a day”, said Eng. Cercos. Eng. Luis Cao, CONTECON’s general manager, pointed out that in almost a year and a half, the concessionaire invested USD \$100 million in infrastructure, port security and computer science. In the months of operation a new electrical substation was build, port software and new safety measures were implemented. In addition 1000 workers have been hired.

Source: Mundo Maritim

## **7. EL SALVADOR RECEIVES PORT LA UNION AND INITIATES LOBBYING FOR THE CONCESSION OF THE PORTS.**

After three and a half years of construction, the Executive Board received the project of the port of La Union and the infrastructure of which it looks to turn the country into a center of regional logistics. With the project completed, the next step is to define the form of operability.

With the reception of the port of La Union, the Executive looks to obtain as soon as possible the consensus of the Legislative Assembly for the approval of the project of law for the concession that would allow, after a long process, to put into operation this infrastructure. This document with some of the modifications that the parties requested in order to give their votes, will be sent to the Legislative Organ, where the President of the Republic, Antonio Saca, already realized the collaboration of the Partido de Conciliación Nacional (PCN) and of the Partido Demócrata Cristiano (PDC), as well as the opposition of the Frente Farabundo Martí para la Liberación Nacional (FMLN).



The congressman Rodolfo Parker, Secretary General of the PDC, advanced that his party is ready for the concession of the ports. He also added that “it would need a 100% of private investment” because, in his opinion, speaking about any other percentage can motivate first level companies to not invest and resulting in that the port could stay in the hands of second level companies.

The plan that would arrive at the Legislative Assembly, with initiative of the Public Work Ministry, contemplates that the private investor would be owner of 90% of the actions and the State of the rest 10%, which guarantees less distribution of the funds at the time of investing in its development.

“They will have to receive it, study it, and send it for revision and, surely invite civil servants who are responsible for the text. But they would have to immediately identify the observations that have been done and that were very accurate”, expressed President Saca when talking about the proposal of the PCN congressman, Mario Ponce, one of the strongest critics that was received at the Legislative Assembly.

The Executive requires a simple majority, 43 votes, for the project of concession of the ports to be approved by Legislature. In his opinion, President Saca pointed out that the most important part of the consensus, contemplates the preliminary project law. “Politicians, businessman and civil society have agreed on this project”, exclaimed.

The chief executive agent does not reject the idea that the opposition could come from the FMLN, which after Sunday’s January 18<sup>th</sup> elections, the Mayorship of La Union won, who is directly related with the port project. “We wish it could be approved by everyone, but probably there will be some debate on the concession percentage issue. I have seen the will of the PCN and PDC”, he said. After being consulted about the reconciliation with the FMLN and the position that this party would take on the project, President Saca informed that the development commission and CEPA have had meetings with the politicians of the Frente to explain the port situation; “this is the latest information we have”, he claimed.

The FMLN has opposed to the concession, the candidate to vice-president of the ARENA formula (pro-governmental officials), Arthur Zablah, has also said that he doesn’t agree with a port concession. On March 15<sup>th</sup> presidential elections will be held in El Salvador. The polls give as favorite the FMLN candidate, the well known journalist Mauritius Funes. In the recent legislative elections the FMLN obtained a slight advantage on ARENA.

Source: La Prensa Grafica (El Salvador)

### **8. PORT OF LONG BEACH (USA) AFFECTED BY THE GLOBAL ECONOMIC CRISIS**

In 2008 the containers shipments through the port of Long Beach reflected the depth of the global economic recession, falling 11 percent in comparison with 2007. It is the biggest drop in the last 20 years.

This was reflected in the total amount of containers mobilized in the port in 2008, 6.5 million TEU – the lowest level in Long Beach since 2004. 2008 ended with a weak December, when the monthly total fell to 25.3 percent, registering only 429,946 TEU - the lowest monthly total since February of 2005.

“In spite of the economic crisis, the port of Long Beach is still strong and competitive”, said the Port Executive Director Richard D. Steinke. “Although 2008 has been a difficult year for the marine industry, the port trusts that the investments will provide new local jobs, stimulate the local economy, protect the environment and improve safeness”. These improvements are part of a long term project that will create a great number of temporary and permanent local jobs, through private construction companies, benefitting the city and part of the State.

2007 was the ports busiest year with 7.3 million TEU, this result is much appreciated due to the fact that imports were reduced since the real estate market drop and this affected the import of furniture and



domestic equipments. The imports - for example clothes, toys and Asian electronic devices- had been slow during 2008.

It was compensated with important exports during the summer, since a weak dollar helped the American exporter of raw materials. In mid September the global crisis also affected the exports; after a constant rise during two years, in November a fall to 23.4% was registered and during November and December 2007 the drop was 34.2%.

Source: PTI online

## **9. MEXICAN AUTHORITIES WILL REVIEW PENDING PORT BIDDINGS**

The bidding process for new port terminals in Mexico, which are still under review, corresponds to the ports of Lazaro Cárdenas and Manzanillo, which will be reviewed in order to match their objectives and the national strategic planning; pointed out the Executive Director of Promotion and Port Administration, Engineer Othón Perez Martinez.

The civil servant commented that the fact that they are being reviewed does not mean that they are going to be stopped. They will make sure that all the investments, projects and all biddings are aligned to an integral port plan.

In that sense, he said, the biddings for new terminals in the ports of Manzanillo and Lázaro must begin in the first two months of 2009.

“The ports are only a link in all the chain; it’s pointless to have a great port with all the investments and equipment, when in the region, the industry is not developed enough, as well as the railroad and the highway system”, affirmed.

In addition, he added that the subject of the terminal of containers in the port of Tuxpan is not finished: “in the case of Tuxpan, it will be necessary to see why the [bidding process](#) was suspended, the reasons and review what other authorities has determined; but definitively it is not a dead subject, in fact it is a subject that is alive.”

Engineer Perez Martinez claimed that the objective is to look for the benefits of the Integral Port Administration (API), and in second instance the benefit of the individuals, because the main goal is to make businesses and to increase the regions and companies economy.

“It is necessary to do all this with the outmost transparency, considering the regulations; a series of laws and regulations that prevails upon us and it is necessary to review them well, it is as simple as to follow them exactly and to move within the limits that standardization and legislation establishes. If that happens we are all going to be happy, everyone will see the results, and therefore there are not going to be surprises”, concluded.

Sources: T21, Mundo Marítimo

## **10. CRISIS WILL REDUCE TRAFFIC IN MEXICAN PORTS AND WOULD AFFECT PROJECTS**

The President of the Secretariat of Communications and Transports (SCT), Mr. Luis Téllez, informed that the reduction of ports in the Pacific was by 30% in November and December 2008. For that reason, he mentioned that in Mexico there will be a negative effect in the movement of load in the ports due to the crisis.



He pointed out that in Mexico there is still not a certainty of the annual percentage decrease, but there is surely it is going to be considerable. "It is possible to anticipate that in Mexico we will have a fall of two digits, approximately in the twenty percentile, but what we are going to do is to compensate with employment, with the expansion and the investments that are being made in the ports". The Government estimates that during 2009, 9,700 million pesos (about \$702.8 million dollars) will be invested in different ports of the country with public and private resources.

In a press conference, it was mentioned that the 2009 bidding process will include investments of 22 thousand 325 million pesos and the creation of 29,600 jobs, which will allow the country to be prepared for the crisis.

In the port of Dos Bocas there will be a bidding for the installation of an oil platform services; in Lázaro Cárdenas, it is being projected a second Terminal of Automobiles and a second Terminal Specialized for Containers; in Guaymas, an installation for the mineral handling and another one for fertilizers are being considered. In Mazatlán a Terminal of Multiple Usage will be built (TUM); in Ensenada, a marine bay (maritime and commercial development); in Tuxpan, a terminal for overhead and containerizing, and in Veracruz, the expansion of the northern part of the ports.

Mr. Téllez pointed out that the Punta Colonet project is still in progress and that already 42 companies showed their interest in obtaining the registry form to continue in the bidding process. Nevertheless, for the second time the beginning of the bidding project, which is a 5 billion dollars investment, will be postponed. The secretariat initially extended the term to the end of January; now it was postponed without giving an exact date.

Punta Colonet, which has been described by the government of President Felipe Calderón as the greatest infrastructure project of his government, will compete with ports like Long Beach and Los Angeles, in the United States. The Mexican government had published the bases of the bidding in September and said that it would announce the winner in mid 2009.

Analysts and industrialists in the sector have agreed that this project runs the risk of not taking place due to the global economic crisis and to the financial restrictions, which limit the resources that these works requires. Because those interested in the bidding would have to destine important resources like guarantees during the contest period by amounts of 25 million pesos, 200 million pesos later and up to two billions of pesos at the end.

The university professor of Maritime Law of the UNAM, Juan Carlos Merodio, pointed out on this project that "the amounts are too high to be distracted from the companies finance, and it does not seem plausible that these resources could come out from the international financial system which faces one of the worse crises of its history".

On the other hand, the analyst of Santander, Gonzalo Fernandez, commented that these types of projects "are very difficult to be carried out this year", since they require a significant amount of capital. The director of SSA Mexico, Francisco Kassian Diaz, mentioned that if before the economic crisis there were few possibilities to realize this project, nowadays there isn't an institution that is willing to fund Punta Colonet".

The specialist of the UNAM confirmed that the strategy of the federal government of continuing with the national infrastructure development is, without a doubt, the most appropriate way to face the economic and financial international problems. The development, he claimed, must be promoted through the bidding of new container, automobiles and others specialized and multi-use terminals.

Source: The Universal (Mexico); The Financier; Reuters; Notimex



### **11. 2008 , A GOOD YEAR FOR PORTS AND SHIPS IN PANAMA**

In 2008, the Panamanian Maritime Authority (AMP) registered a growth in port movements and registration of ships. In 2008, Panama continued leading in ship registration, registering 12.697 ships of all type and areas of navigation, with a gross tonnage of 208.3 million.

Lloyd's Register issued a report which indicates that Panama leads the international merchant fleet with 8.159 registered ships above the 100 tons. The main client is Japan with 2.437 ships that transport 85.1 tons gross. Greece follows with 663 ships and 14 million tons and the Asian colossus, China with 614 ships with Panamanian flag, transporting 11.8 million tons gross. The total of cargo vessels ascends to 8.159 with 180 million 18 thousand tons.

The marine pinnacle represents an important income for the Governments treasury. The information provided by the Financial Department of the Panamanian Maritime Authority (AMP) has indicated that since January 1<sup>st</sup> to December 24<sup>th</sup>, \$114,400 million dollars was collected. The AMP contributed in 2007 with \$59,526 million dollars to the National Treasury and for the 2008 it will contribute with \$63 million and about \$150 million of indirect income.

Sources: La Estrella (Panama)

### **12. ANNP IS CRITICIZED FOR NOT DREDGING PARAGUAYAN RIVERS**

The lowering of the levels of the Paraguay River, that connects the commercial navigation of the country with Rio de la Plata, has forced the shipping companies to lighten the loads that enter the territory, informed sector sources. The cyclical slope of the river level, that crosses Paraguay from north to south and that connects this country, without marine coast, to foreign trade, has caused in accordance with official statistics, a lose of more than \$100 million dollars a year to the local commerce. There has not been a loss like in the last ten years.

The private sector has indicated that according to the statutory law 1.066/65, the National Administration of Navigation and Ports (ANNP) is not fulfilling one of the two functions for which it was created on.. The norm, in its 4th article establishes that it must "maintain the navigability of the rivers, at all time, for the ships of fluvial and marine traffic".

On the other hand, Mr. Albino González, President of the ANNP, pointed out that his organization does not have sufficient resources to carry out the works of dredging that the Paraguay River needs in order to avoid navigation problems. He indicated that the institution could finance part of the works, but he also suggested that companies or people that use the river pay for its maintenance.

According to Mr. González, Paraguay is going to sign an agreement with Argentina to carry out dredging works. He indicated that Argentina will put its dredges and ANNP and the Paraguayan private sector, the fuel and the feeding of the workers. He affirmed that both equipments that the institution has for this type of procedures are not working and they do not work because of the lack of maintenance. He said that the present government can not invest in this area due to the shortage of resources of the institution.

He recalled that the World Bank made a study which indicated that the maintenance of the navigation canal of the Paraguay River will have a cost of approximately 40 million dollars. According to specialists, a good maintenance of the ship canal could resolve some of the problems.

Moreover, it was inquired that the Paraguayan government is studying the possibility of granting concession for the works of navigability improvements of the Paraguay and Parana Rivers to a partnership that would be integrated by state and private companies.



This is about a project that is contemplated in a package on probable investments in Paraguay that falls under an economic team of President Fernando Lugo and who anticipates the creation of public-private alliances in matter of infrastructure. The Public Labor Minister, Efraim Alegre, pointed out that it is vital to guarantee the navigability throughout the year in the waterway of the Paraguay and Parana Rivers and to diminish the logistic costs of export and importing loads.

"Our plan aims at the concession of this communication channel in a 554 kilometers area. The decision is in hands of the economic team and the President has already indicated his willingness to go ahead with the initiative. He also added that "what we think is that we need to improve the necessity of increasing the amount of infrastructure investments through societies of state companies and the private sector".

He also commented that there exists different models for those groups and that the main target is not to resort to the coffers of the State to finance the projects, but to call for interested private capital. In the precise case of the Paraguay and Panama Rivers, the subject has the character of "urgent, necessary and at this time sensible by the present conjuncture of drought and lower of the waters that is seriously affecting Paraguayan foreign trade".

In the working plan concession of the rivers, it is contemplated the dredging of difficult steps, the marking of buoy and the maintenance of the water to allow navigation at all times, which would improve the competitiveness of the Paraguayan foreign trade. The project anticipates the collection of a toll of 50 cents of dollar by tonnage of gross registry, in spite of generating resistance by the shipping companies; it constitutes an inferior sum to the tariff average of 1.23 dollars by ton that is charged in other sections.

Sources: ABC Digital Color; the Nation (Paraguay); Our Sea

### **13. DP WORLD PRESENTS PROPOSAL FOR CONCESSION OF NORTH WHARF IN CALLAO, PERU**

The company DP World AMVER (DPWA), concessionaire of the South Wharf of the port of El Callao, presented on December 2008 to the Agency of Promotion of the Private Investment (ProInversión) and the National Port Authority (APN) a modernization project of the northern wharf of Callao, that has predicted to be developed by a three phase plan with an approximated cost of 1.300 million dollars. The exposition of concession for the modernization and operation of the North Wharf contemplates a 30 year term.

The initiative contemplates the construction of four dock berths for Post-Panamax ships, two dock berths for shallow-draft vessels and a storage area of 73 hectares with the necessary gentry' cranes. In agreement with the information, this will allow that the capacity of the northern Limean wharf would change from of 1.2 million containers, of 20 cubical feet, to three million annually.

The plan contemplates the integration of efforts of the North and South Wharf in order to transform Callao "in a port with capacity of 4.5 million containers per year, transferring economies of scale to better tariffs and conditions for the foreign trade users", it was pointed out. The proposal looks to turn the Callao into "a mega hub" of the South American Pacific and to attract the load of containers coming from markets like Brazil and Chile, which will allow it to become the 'axis of transfer' of containers in the region.

On the other hand, DPWA included in their proposal to create a trust fund with their own resources to assume the total payment of the not financed pensioners' liabilities that the National Company of Ports (ENAPU) has, as part of their proposal of incentives for the concession of the North Wharf - the first port of the country. DP World has considered that these liabilities sum to \$200 million dollars with base in an actuarial value of December 31, 2008.

It was indicated that if the proposal is accepted, to adjudge the concession of the North Wharf, then the concessionaire will contribute to the trust fund for a period of 14 years until the not financed pensioners'



liabilities of ENAPU in the port of Callao are cancelled completely. “This commitment would solve the financing of such pensions, alleviating ENAPU and the government of Peru of this load”, stated the proposal.

Also, it offers ENAPU to participate in the directory of the possible concessionaire of the North Wharf with right to vote, and without the right to veto, in order to offer the visibility and importance to the port state company. For this, DPWA will set up a company that will be the concessionaire and will maintain the majority property (no less than the 51 percent) during the five years after the culmination of the first stage of the project.

DP World also proposed, in case of adjudging the concession, to offer employment (in similar terms and conditions) to an important proportion of the workers of ENAPU having as base the Callao and that is currently being implemented.

“The only workers who would not be included in this commitment are those that belong to the group of high executives of ENAPU because DP World understands that they will have a continuous role in the administration of the regional those ports of smaller spread”, sustained the company.

For this, the concessionaire will offer a wide training program to the workers who are transferred from ENAPU and the costs will be assumed with private investment, whereas the beneficiaries will continue receiving their normal remuneration during the capacitating process.

Source: Andina (Peru)

### **14. GRANTY CRANES ARRIVES TO CALLAO**

After a voyage of 51 days from Shanghai (China), the first two granty cranes purchased by the National Company of Ports (ENAPU) arrived in Callao. Both cranes were bought at a cost of \$22 million dollars each. These two immense cranes of 57 meters of height (equivalent to a building of 20 floors) will quintuple the capacity of mobilization of containers (it will rise from 12 to 60 the number of loads and unloading) in the first port terminal of this country. It is anticipated that the cranes enter to work in the first days of the month of March.

“This year a little more of a million containers has entered into force in the port of Callao, but in two years we will duplicate the actual operations to two million containers, because this acquisition will place Callao at the level of the first ports of the world just like Liverpool or Shanghai”, stated President Alan Garcia Perez, during the arrival ceremony of the granty wharf cranes to the Peruvian port.

On the other hand, the Minister of Transports and Communications, Enrique Cornejo, stated that the greater the movement is, the higher the reduction cost of loading and unloading of containers will be, which will eventually favor greater competitiveness of the products that are being imported and exported. “When quintupling the cargo capacity of the port, it has been calculated a yearly saving of (as much for the State as for the commercial ships) approximately \$30 million. If we divided this amount between the number of ships, we would be talking of a saving cost of \$100 USD per ship”, pointed Mr. Cornejo.

Nevertheless, with the expectation of the arrival of the modern infrastructure for the marine commerce the uncertainty is added on the future investments that are required for the modernization of the port of Callao.

The first obstacle is the refusal of the National Financing Fund of the enterprise activity of state (FONAFE) to grant ENAPU \$ 80 million dollars that is contemplated in its budget for the acquisition of two other cranes so that they could start working by the end of the 2010. “Unfortunately FONAFE did not approve this budget, because they expect that this new investment would be assumed by a private partner, through the



Public-Private Association (APP), even though ENAPU has their own resources”, affirmed the economist and ENAPU President Mr. Mario Arbulú.

Although Mr. Arbulú trusts that the expansion of the ENAPU budget is accepted; – the decision will be taken by FONAFE in March, recognized that everything depends on the political will of this organization and of which is made up-off the Ministers of Economy, Housing, Transport and Energy. “It is necessary to purchase the cranes, with resources of the private sector or even of the State. In the event that the resources are not obtained, we cannot risk indebtedting the company. We would look for a strategic partner that will respect the workers’ rights”, pointed Mr. Arbulú.

Furthermore, he indicated that ENAPU has proposed the expansion and remodeling of the Néstor Gambeta avenue in Callao in order for it to connect with the trucks alleys, and that this be initiated from entrance of ENAPU and DP World Callao.

Source: The Republic (Peru)

### **15. LAUNCHING OF EXPOPUERTOS URUGUAY 2009**

At the National Directory of Port Administration (ANP) the presentation of EXPOPUERTOS URUGUAY 2009 for the press and port community was realized. The main reason for this event, which is going to be held on April 20- 22, 2009, is the demonstration of the Uruguayan ports management capacity.

The authorities of ANP associated with private promoters, will exhibit during three days the art in logistic, port and marine matters of Uruguay, in agreement with the following objectives:

- Promote the advances of the National Port System and its world-wide projection.
- Culminate a successful management (2005 - 2010) with an event of repercussions at local and international level.
- Celebrate as hosts of the International Port Community.
- Present with TCP the works of extension of the Terminal of containers and the wharf of the centenary.
- Call a meeting with all the local and international operators.
- Open the ports to the community in order to develop port consciousness in Uruguay.

During a press conference, the Vice-president of the ANP, C/N (r) Gastón Silbermann, preparatory achievement of the next EXPOPUERTOS 2009, pointing out that lecturers of the highest caliber will be called to talk about subjects related to hinterland, the product and the load, the Regional System of Ports (interaction and complementariness) as well as subjects related to foreland and the ports of destination.

In the estate of the old station of General Artigas, equipped for the purposes of the fair, conference halls, rooms for businesses meetings and the week premises will be located where they will exhibit stands of constructors and naval repairers, logistic operators, customs agents and foreign trade, agencies and shipbuilders, carriers, marine suppliers, fishing companies, tourist cruises and operators, deposits, etc. Amen educative centers (universities and centers of technical formation).

As representative of the organizers, Mr. Luis Camacho emphasized that beside the constructive and logistic aspects already anticipated; an agenda is being prepared in which lecturers of the ports of the region will be included. He pointed out three fundamental subjects in the conferences: the Hinterland - with representatives of Argentina and Paraguay, the Regional Port System (complementariness) with



representatives of the ports of Rio Grande and Buenos Aires and the Foreland with Asian representatives - Pusan, Europe - Hamburg and Puertos del Estado - Spain.

Source: ANP

### **16. THE GREAT SPANISH PORTS ARRIVE AT AN UNCERTAIN 2009**

The great Spanish container ports have lived the arrival of the 2008 crisis under a common denominator; the increase of transit load. The percentage of those containers that are unable to leave the ports has varied in Algeciras, where its weight was already at its maximum, but is very significant to its increase in Barcelona and Valencia, where the import and the export have always played a preponderant role.

The Port of the Algeciras Bay does not allow glimpsing a change of tendency, since its role has always been in helping the development of the transit of containers. A 95 percent of its TEU has been moved in this section till October of 2007; and the same 95 percent in 2008.

For the three enclaves (Valencia, Sagunto and Gandía) that form the Harbor Authority of Valencia (APV), the transit until October 2008 reached a total of 1.300.516 TEU. The gathered growth in the first ten months of the year has reached a 52.04 percent, because until October 2007, 855,398 TEU had been moved. There have been more containers in transit and with a more important role, if we consider its participation percentage according to the export and the import. In Valenciaport, this percentage went from 33.61 percent in 2007 to 43.21 percent in 2008, based on both loaded and unloaded containers.

The situation of the Port of Barcelona is very similar in terms of participation of the transit of the carried containers. The increase has not been so great from a year to another, taken into consideration that it initiated from a high number. Until October 2007, the transit represented the 37.51 percent of the TEU. In 2008, in the same period, the number raised to 39.58 percent.

All the economic forecasts say that the crisis that has stroke the financial world in 2008 will continue, and it may be worse in 2009. So far, Barcelona and Valencia have been able to maintain at least their capacity to absorb the export and import of merchandise. In Barcelona, export raised to a 0.92 percent while the import went down to a 2.89. In Valencia, the load increased to a 4.63% and the unloading felt to a 2.16. In both cases there is not a notable variation between full and empty containers.

In the last years, the continued growth of traffic of containers in the Spanish ports was attributed to the exponential increase of the imports from China. In 2008, this import growth has not been able to mark a new top and have been declining- which needs to be observed in 2009.

Source: Diario del Puerto (España)

### **17. ROUGH DRAFT OF NEW SPANISH LAW OF PORTS READY**

The rough draft of the new Law of Ports of Spain is concluded. After months of elaboration, Ports of the State has sent to the Ministry of Public Works and Economy, to the Ministry of Labor and Immigration and to the Ministry of Economy and Hacienda, the first draft of Law for the revision of Law 48/2003.

A great part of the previous text was kept, although some changes were introduced, mainly concerning the sector of the rammer, which does not actually satisfying, on the one hand, the Coordinadora - the biggest rammer union in Spain, and on the other hand, the National Association of Stevedore Companies and Consignatories of Ships (ANESCO), although the employer's association are waiting for the final text.



The Coordinadora still does not understand exactly final text. It affirms that some of the activities and rights of the stevedores are being cut and Secretary General, Antolín Goya, warns about the situation of “irregular” competition between competing ports with different systems.

The Extraordinary General Assembly that was celebrated by the Coordinadora and held in Madrid decided “to reject the text of the Law of Ports that the Government tries to approve in the Congress of the Deputies in this first trimester of 2009”. In addition, Mr. Goya, was explicated, “we are prepared for the worst consequences”, threatening the mobilizations if Ports of the State does not accept to dialogue with the union.

On the other hand, sources from the Spanish Government request a call of tranquility and assured that the Central Administration has planned to meet with them, as well as with the General Workers Union (UGT), the Confederation Union of Workers Commission (CCOO), and the enterprise sectors, once the preliminary draft is elaborated. After this a term of a month for the amendments will be granted and pleas and suggestions will be heard.

Source: Veintepiés; Europasur

### **18. PORT ACTIVITIES**

- “X Iberia-American Course on Technology, Operations and Environmental Management of Ports”, organized by Port of the State -Spain, Port Authority of Santander, International University Menendez Pelayo, University of Cantabria and the Inter-American Committee on Ports (CIP) of the Organization of American States and which will take place on Monday May 18 through Friday June 12, 2009 in Santander, Spain.  
<http://www.oas.org/cip/cursos.html>
- “Tenth Executive Board Meeting of the CIP (CECIP), Buenos Aires, Argentina.  
<http://www.oas.org/cip/>
- “Conference on Executive Administration”, organized by the American Association of Port Authorities (AAPA), which will be held on May 4-8, 2009 in Tampa, Florida, United States.  
<http://www.aapa-ports.org/Espanol/seminario.cfm?itemnumber=11181>
- “Seminar on Port Operations, Security and Information Technology”, organized by the American Association of Port Authorities, which will be held on June 10-12, 2009 in Seattle, Washington, United States.  
<http://www.aapa-ports.org/Espanol/seminario.cfm?itemnumber=11183>