

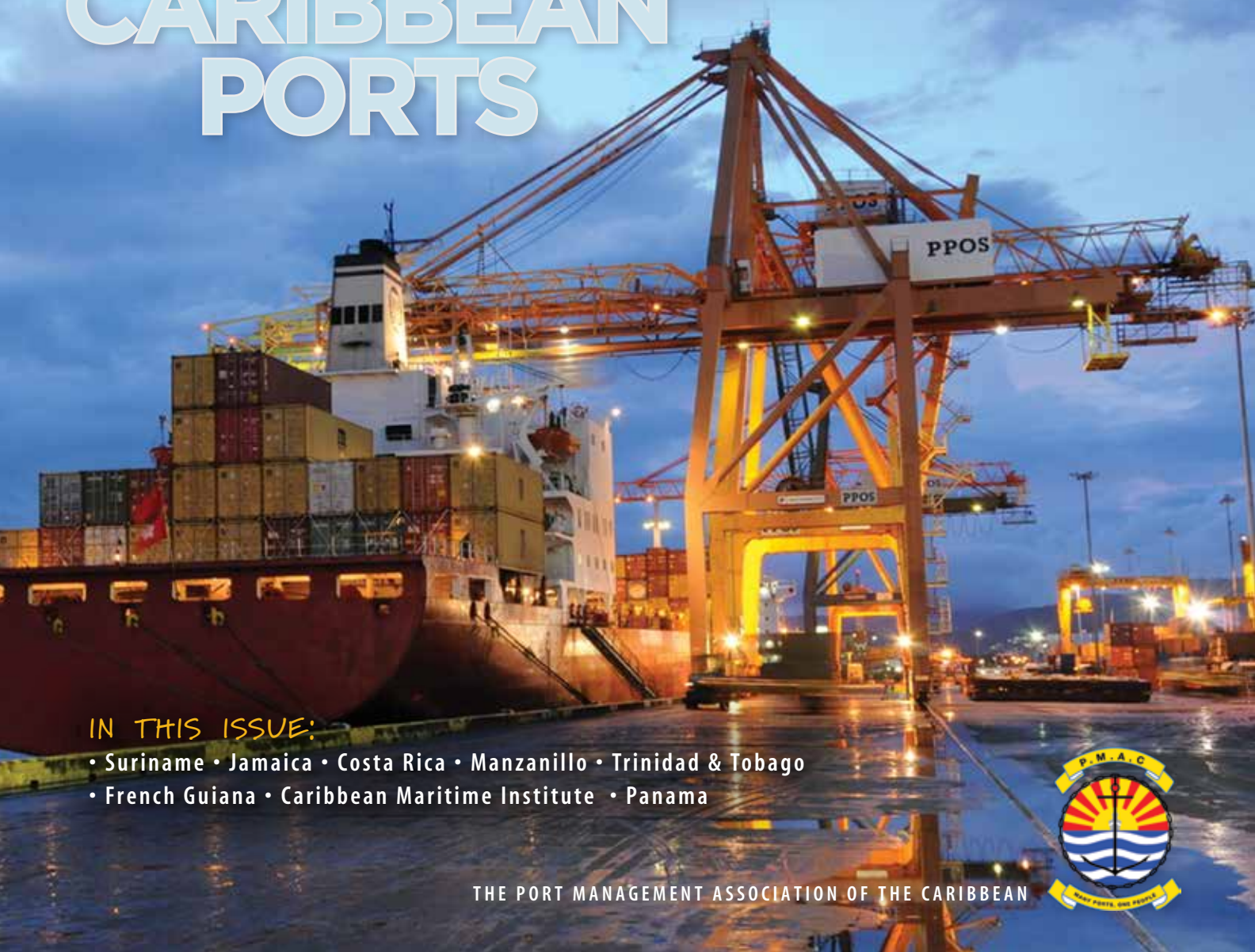
FEBRUARY–APRIL 2015



# portside

## CARIBBEAN

### THE YEAR AHEAD IN CARIBBEAN PORTS



#### IN THIS ISSUE:

- Suriname • Jamaica • Costa Rica • Manzanillo • Trinidad & Tobago
- French Guiana • Caribbean Maritime Institute • Panama



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Volume 1, Number 2 • February–April 2015

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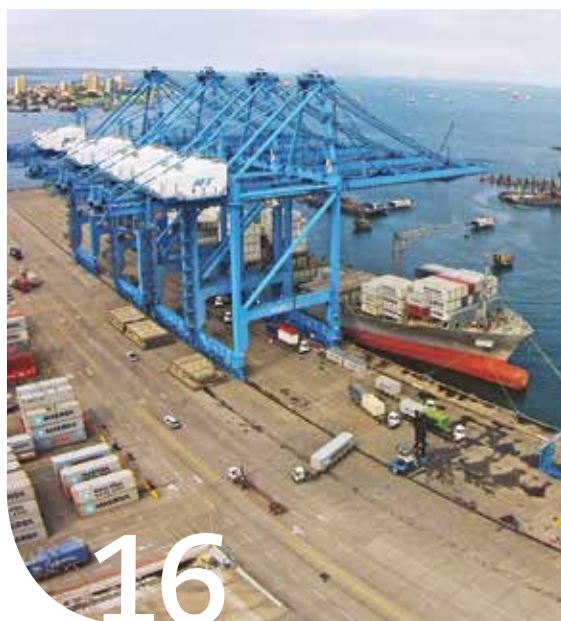
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**Mission Statement:**

To foster operational and financial efficiency, and to enhance the level of service to the mutual benefit of Caribbean Ports and their stakeholders, through the sharing of experience, training, information and ideas.

**February–April 2015  
 Volume 1, Number 2**

Portside Caribbean is published by:



Tel: 866-985-9780  
 Fax: 866-985-9799  
 www.kelmanonline.com



**Publisher:** Cole Kelman  
**Marketing Manager:** Rod Evason  
**Design/layout:** Kristy Unrau  
**Advertising Coordinator:** Stefanie Hagidiakow

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**Editor:** Michael S. L. Jarrett





## New year, positive signs but... For what do we wish?

**A**s we emerge from the season of 'goodwill' and 'good wishes', peering, perhaps reluctantly, into the dimness of the year ahead there is a sense that, within the sphere of global economics, things have been changing, marginally perhaps but positively.

This year started with The New York Times screaming: "Growth Rate Put at 2.6% as Economy Pulls Ahead" and President Barack Obama beaming over increased employment figures and other positive economic indicators. And despite the uncertainties about the Euro, there are positive prognostications about growth in the Irish economy. There are expectations of increased production and trade with continued depreciation of the Euro. And, there is hope for positive growth in demand for European exports given a resurging US economy. Meanwhile, the IMF conservatively predicted economic growth of five percent in Sub-Saharan Africa.

So, while there are positive signs and despite the delay in completion of the expansion of the Panama Canal (now first quarter 2016), we in the Caribbean and Latin American can only wish and hope that this is the year that we begin to feel some real effects of a global economy in resurgence.

I recently posed a question to Caribbean port users about their wishes for 2015. The responses were interesting often quite specific. The top 7 responses are listed here as a service to port managers and terminal operators.

### Port users' wishes...

1. I wish for more ports in the eastern Caribbean to adopt the FAS invoicing system as developed by Bernard Bardouille of Dominica. This has proven to be an efficient format for the port to manage its own revenue cycles and maintain a good relationship with the importers and exporters of the country. It is a more economic format than what is in place in any of the other ports in the region.
2. My wish is for twenty-four hours of port services, seven days a week; double shifts; and, elimination of overtime.
3. Jamaica customs should consider the port as one customs zone and eliminate the documentation requirements for cargo moving between Kingston Container Terminal and Kingston Wharves. Jamaica has ambition to expand in the role of regional cargo hub. Plans are made for large investments in new port infrastructure. I wish that procedures to operate within the existing infrastructures are improved. This will lead to more opportunities for cargo development without any need for investment.
4. I wish for the port authority, customs, labour associations and any other party who has an interest in the daily operation of the Port of Spain to eliminate any and all existing labour agreements, custom rules, port decrees, operating budgets or any other existing text. Start again from a white paper and build new procedures that will allow this facility to play its role as a port to serve its own market and to serve as a regional transshipment hub for southeast Caribbean. The existing port and the existing equipment can have an improved productivity, which will prove to be more than adequate.

5. I wish for planned maintenance of existing equipment, to avoid breakdowns.
6. I would like flexi-starts for earlier commencement of work on arrival of ships.
7. More attention should be paid to the organization of shore-side work, including pre-staging, to expedite movements to and from shipside.

Clearly these wishes do not describe the situation in every port. For example, several terminals do supply services 24-7. However, because they are constructive, they encourage change, improvement and, ultimately, development. This is the mission of *Portside Caribbean*. •

Michael Jarrett

Editor



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## Portside Caribbean... congruent with our mission to assist development

The circulation of *Portside Caribbean* has introduced the Port Management Association of the Caribbean (PMAC) to a wider audience and is sure to increase awareness of the Association's endeavors, as well as activities of members and associates. The launch of the magazine is congruent with our mission and our objectives to assist the development of ports and terminals across the Caribbean and Latin America. This requires the continued expansion of our programmes and membership of those who will ultimately benefit from those programmes.

By having all regional ports and terminals on board the Port Management Association of the Caribbean is able to harness the collective wisdom of port managers across the region. In this way,

the Association is able to bring the vast knowledge and experience of its entire network to the service of each individual port-member. And, through *Portside Caribbean* it is able to empower port managers within and without the region. With the pace of development in global commerce and in the shipping industry, there has never been more urgency for a publication such as this – one dedicated to supporting structured, sustainable development of hundreds of ports and marine terminals in South and Central America and across the expansive Caribbean Sea.

This publication is helping the PMAC to create a network, which will identify and encourage best practices in port operations. I therefore urge all members, associates and other stakeholders,

within the context of the Association's motto "*Many Ports One People*", as we toil to foster greater integration, let us keep supporting *Portside Caribbean* in 2015 and beyond. It is already an important tool for the harnessing and dissemination of information vital to us as overseers and managers of one of the most valuable resources of our country – our ports and terminals.

On behalf of all our members I offer our commendation to the editor and publisher for a job well done. •

*Lenius Lendor*

**Chairman, Port Management  
Association of the Caribbean**

**“With the pace of development in global commerce and in the shipping industry, there has never been more urgency for a publication such as this...”**

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# PMAC

## ‘The year ahead’ already busy as... PMAC implements 5-year development plan

**T**he Port Management Association of the Caribbean (PMAC) is already finding 2015 a busy year. Increasing membership; expanding interest in its programmes and potential; implementation of its ‘Strategic Plan 2013 – 2017’ and, the organization of its 18th Annual General Meeting to be held in Paramaribo, Suriname in June 2015 have coincided to make 2015 a year of rapid growth and development for the regional network of marine terminal managers, port owners and operators.



**Glenn Roach**

PMAC’s Executive Secretary, Glenn Roach indicated that the regional body will be sustaining efforts to communicate PMAC’s activities, initiatives and concerns to Governments and regional stakeholders and a wider regional audience. The initiative to expand PMAC’s communications network across the Caribbean, Latin America and the southern USA is well under way. The initiative received a boost in 2014 when the Association formally announced publication of ‘Portside Caribbean’ magazine as its official voice.

The continued development of the PMAC website will retain priority status in 2015 and ‘ambassadors’ of PMAC will continue to receive and respond to queries about the Association in face-to-face networking at various events within and outside the region.

“We will continue to engage a diversified range of companies and organisations by way of memoranda of understanding, particularly those who meet the criteria for Associate Membership of the PMAC; while effectively representing the interests of members in regional maritime projects, studies and initiatives.” Mr. Roach stated.

As part of its Strategic Plan, PMAC will be continuing its work of creating an ‘enabling environment’ to facilitate and improve networking and information sharing. In this regard, the development of an effective Information and Communication Technology (ICT) platform was identified as an imperative. Work in this regard will continue apace through the year ahead.

“A re-evaluation of the PMAC Constitution; its administrative structure; and, procedures employed by the Association is also to be conducted. This is to facilitate and encourage improved participation by all members and PMAC associates,” the Executive Secretary noted.

As regards to training and human resources development, a priority of the PMAC, Mr. Roach indicated that a strategy is to be devised for effective implementation of a structured, competency-based training, assessment and certification programme (such as CVQ Stevedoring Levels 1 – 3), as a quality standard for PMAC member-ports. He mentioned also plans for development of a standard recording system to monitor the number of port workers trained and certified to international standards. These plans are to be continued vigorously this year as the PMAC continues implementation of its ‘Strategic Plan 2013 – 2017’, Mr. Roach said. ●

“PMAC WILL BE CONTINUING ITS WORK OF CREATING AN ‘ENABLING ENVIRONMENT’ TO FACILITATE AND IMPROVE NETWORKING AND INFORMATION SHARING.”





## The Year AHEAD



# SURINAME

## Suriname pushes development at Nieuwe Haven

**S**uriname shipping community faces a very busy year ahead. Its award winning terminal, Nieuwe Haven Terminal in Paramaribo, will host port managers from across the Caribbean and Latin America in June when the members of the Port Management Association of the Caribbean (PMAC) travel to that country for its 18th annual general meeting.

Suriname is not inexperienced in hosting the regional shipping industry to conferences however this is the first time that it will receive the port managers as a group. Port Managers from the Caribbean, South and Central America and from the Florida peninsula are expected to attend.

Even as it plans for what is expected to be one of the largest PMAC conferences in the history of the association, the Suriname Port Management Company (SPMC) which operates the terminal, is pushing on with a number of projects initiated last year and the year before. Training, capacity-building and skills upgrading remain a priority of recently appointed CEO, Andreas Talea. In addition several projects were finalized or initiated in 2013 and these are being pushed ahead. A large section of the Suriname River, along the docking area, was dredged and the reefer station is being rehabilitated and expanded to 14,000 square metres. The number of reefer plugs is to be increased from 119 to 300.

Meanwhile, an area of seven hectares is being prepared to facilitate export-related operations. Construction of storage space will provide an additional 20,300 square metres for containers.

SPMC's top priorities include optimizing services and enhancement of the business climate in the port. Construction, maintenance of existing port infrastructure; development of usable space to facilitate terminal operators and entrepreneurs within the port community are all part of the SPMC's development programme for Nieuwe Haven terminal.

Guaranteeing safe, smooth and environmentally responsible management of the movement of cargo within the port area is its mission. Achieving high quality standards and the creation of a corporate-friendly atmosphere within the port are among the immediate corporate goals. ●





# CARIBBEAN PORTS

## Larger ships bring challenges for Caribbean ports

BY BERTRAND SMITH\*



**D**uring 2015 Caribbean ports will brace themselves for the impact of the vessel sharing agreements which were negotiated between the mega carriers resulting in the Ocean three and 2M alliances. One major impact will be the introduction of larger ships as mega carriers try to take advantage of economies of scale and the windfall of significantly lower bunker fuel costs. The major transshipment terminals in the Caribbean will also continue to invest in dredging and other infrastructure projects as they position themselves to receive the post panamax vessels which be transiting the expanded Panama Canal now scheduled to be opened in the first quarter of 2016.

Containerised cargo accounts for only 15% of global seaborne trade and it would be unfortunate for the region to ignore the impact of the expanded Panama Canal on the dry bulk (grain and coal) and the wet bulk (oil and LNG) traffic between Asia, US Gulf and the Caribbean.

The Panama Canal Authority expects the global fleet of LNG tankers to experience the greatest impact from the expansion of the waterway. Currently only 6% of the fleet can transit the Canal but this will increase to 81% when the expansion is completed. The statistics for crude oil tankers are equally significant, rising from 24% to 55%. This compares with the figures showing that 84% of full container ships currently use the Canal

and that the expansion will result in this total rising to 98% of the global fleet.

### Risks from invasive species

We are therefore likely to see more traffic, with larger tankers, LNG carriers and bulk carriers in the region. And regardless of whether the expected benefits arising from the expanded Panama Canal are realized, these larger ships will be transiting the Caribbean Sea bringing in their wake increased challenges and environmental risks to our ports and coastal interests.

These risks include the introduction of invasive species in ships' ballast water; the management of large volumes of ship generated waste; oil pollution

"THE PANAMA CANAL AUTHORITY EXPECTS THE GLOBAL FLEET OF LNG TANKERS TO EXPERIENCE THE GREATEST IMPACT FROM THE EXPANSION OF THE WATERWAY. CURRENTLY ONLY 6% OF THE FLEET CAN TRANSIT THE CANAL BUT THIS WILL INCREASE TO 81% WHEN THE EXPANSION IS COMPLETED."

"WITH LARGER SHIPS TRANSITING THE EXPANDED PANAMA CANAL AND THE GROWTH IN EXPORTS OF SHALE GAS AND OIL FROM THE USA, THE BALLAST WATER PROBLEM IS LIKELY TO ESCALATE IN THE CARIBBEAN REGION."

incidents; and, higher volumes of dangerous goods arriving at our ports.

Ballast water, used by empty and partially loaded ships to provide stability, is critical to safe navigation. Ships typically take on water as ballast when departing from ports of discharge and subsequently discharge it just before entering the port of loading. The International Maritime Organisation (IMO) estimates that, with the increase in ship size, every year more than 10 billion tonnes of ballast water are transferred from port to port; and that more than 10,000 species are transported daily in ballast water.

Invasive species pose serious economic, ecological and public health threats. The problem has caused total closure of commercial fisheries and the spread of dangerous pathogens around the world. In the Caribbean, ballast water has been identified as the vector for the introduction of the indo pacific green mussel, which poses more than a public health risk. It is fouling the intake pipes of power companies. Wharf piles are also affected.

With larger ships transiting the expanded Panama Canal and the growth in exports of shale gas and oil from the USA, the ballast water problem is likely

to escalate in the Caribbean region. A significant increase in large tankers in ballast transiting the region *en route* to US loading ports brings the risk of significant volumes of ballast being discharged in the waters of Caribbean states prior to those vessels entering US waters, as they have to comply with stringent US legislation.

The response to the ballast water and invasive species problem has to be regional. Marine port administrations need to focus jointly on compliance, monitoring and enforcement measures including the implementation of the Regional Ballast Water Management Strategy, which was adopted in 2012.

Larger ships will increase the risks of pollution from oil or hazardous substances, which can affect multiple jurisdictions and devastate the national economies of Caribbean countries that rely heavily on a pristine marine environment.

In many instances small island-states, like Jamaica, with exclusive economic zones many times larger than their landmass, will bear the risk of oil and LNG tanker traffic transiting our waters *en route* to distant ports. Many will recall that the largest pollution incident in recorded history occurred in 1979 when two oil tankers

collided off the coast of Trinidad and Tobago. The wind and sea currents took the oil slick away from any land but the incident remains a stark reminder that the region is not immune to large spills.

Port authorities and governments must urgently strengthen the current regional oil response framework and incorporate the international legal instruments governing liability and compensation for pollution damage.

Bigger ships carry larger volumes of waste generated from the operation of the ship – oil, sewage and garbage. The MARPOL Convention prohibits the discharge of these wastes, except in limited circumstances. Waste must be kept on board. The Convention however places a corresponding obligation on countries. Ports must have adequate reception facilities for ship-generated waste.

Many small island developing states (SIDS) in the Caribbean region are already hard pressed to treat domestic solid waste in a manner that is environmentally safe and sustainable. And the requirement to receive waste from ships provides an additional challenge. This has resulted in some countries in breach of the Convention, refusing to collect food waste, biomedical ship-generated waste and others such as batteries.

Approximately 50% of packaged goods and bulk cargoes transported by sea can be regarded as dangerous, hazardous or harmful to the environment. Shippers, freight-forwarders, stevedores, and customs officers will be required to handle increasing amounts of dangerous goods, some of which will be mis-declared or undeclared. The recent multi-million dollars award to a Jamaican stevedore who suffered personal injuries and loss as a result of being exposed to dangerous goods without the appropriate protective gear, highlights the importance of complying with the International Maritime Dangerous Goods Code (IMDG). This Code establishes uniform standards for packing, labeling, stowage, segregation and responding to incidents involving dangerous goods.

The latest amendments to the Code came into force in January 2015 and, having regard to the mandatory provisions for the training of onshore personnel, it is critical that the maritime administrations and operators of port facilities ensure that all personnel who come into contact with dangerous goods receive adequate training on the new provisions of the Code.

**\*Bertrand Smith** is Director of Legal Affairs at the Maritime Authority of Jamaica, the focal point for the IMO, administering that country's international obligations for safety of shipping and marine pollution. ●

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# COSTA RICA

## Solid start at Moin ...Costa Rica's Caribbean port

Costa Rica, the world's largest exporter of fresh pineapple, is advancing its multi-faceted programme to develop and modernise its logistics infrastructure and container handling capabilities in the years ahead. Its flagship project in this initiative, the development of the Container Terminal of Moin, has begun.

UNCTAD's figures show Costa Rica, the fourth largest pineapple producer, with about 9% of commercially-farmed pineapple on the planet, well ahead of other exporters throughout the first decade of the current century. In 2010, for example, about 1.7 million metric tonnes of the sweet tropical fruit crossed the country's dock, seven times more than (Belgium) its closest listed competitor. [Major Pineapple Exporters 2008-2010 (FAOSTAT/COMTRADE)]

Costa Rica's exports have been growing at an average of 8.5% over the past 10 years. The government therefore decided that, for the country to maintain this steady growth trend in international commerce, the logistics infrastructure and port complex on the Caribbean coast had to be modernised. So, half-way through the first decade, the government of Costa Rica and the Board of Port Administration and Economic Development of the Atlantic Coast of Costa Rica (also known as 'the Caribbean port authority' or, by its Spanish acronym JAPDEVA) contracted a study to be used for planning development. The study was to determine the needs and national opportunities for improving the logistics infrastructure leading to the Caribbean port complex, which handles 80% of the country's imports and exports.

Among the decisions taken at the time was the construction of the Container Terminal of Moin, a specialised marine terminal, with world-class technology and high quality standards and procedures to facilitate and improve competitiveness in the global marketplace. Since then, phased implementation has been

proceeding. Other projects include upgrading of roads, rail, airport facilities, the cruise terminal and marina.

In 2011 APM Terminals won a 33-year concession to finance, design, build, operate and maintain the new Container Terminal of Moin (TCM, the Spanish acronym) off the coast of the province of Limon. Since then, the company has set about designing a terminal worthy of its own corporate philosophy of protecting the natural environment by minimising its ecological footprint. This of course facilitates a harmonious relationship with the Costa Rican government and its agencies. The country maintains very high environment protection standards. APM Terminals won approval for its innovative terminal design covering about 200 acres (80 hectares) 500 yards (457 metres) off the Moin coast. The design ensured minimum environmental impact on trees, beaches, fresh water canals, flora and fauna along the coast line. "If you build out in the ocean you have minimum impact on land," noted Rogelio Douglas, Communications and Public Relations manager at APM Terminals Moín.

The port developer ended 2014 with successful completion of all requirements and obtained an environmental and social impact license from the Costa Rica Environmental Protection Agency (SETENA). Two days later it obtained the 'Construction Start Order', from the National Concession Commission (CNC) and immediately scheduled for January 2015, the groundbreaking for the Container Terminal of Moin.

The port will be able to service new panamax container vessels with capacity of 13,500 teu. The first phase of the development is expected to be functional early in 2018, with six ship-to-shore cranes, 23 electric rubber tyre gantries (ERTGs), 650 metres of lateral berthing (with two berths), 3,024 reefer plugs, 14.5 metres depth alongside and a 16-metre depth access channel. The facility will have a breakwater on three sides and is expected to handle 1.3 million teu. When completed the TCM will feature an additional three



ship-to-shore gantry cranes for a total of nine. It will be operating a total of 39 ERTGs. It will be protected by 2,430m breakwater and will have accessible 1,500m of linear berthing. On shore it will have 7,056 reefer plugs and will be capable of handling 2.7 million teu.

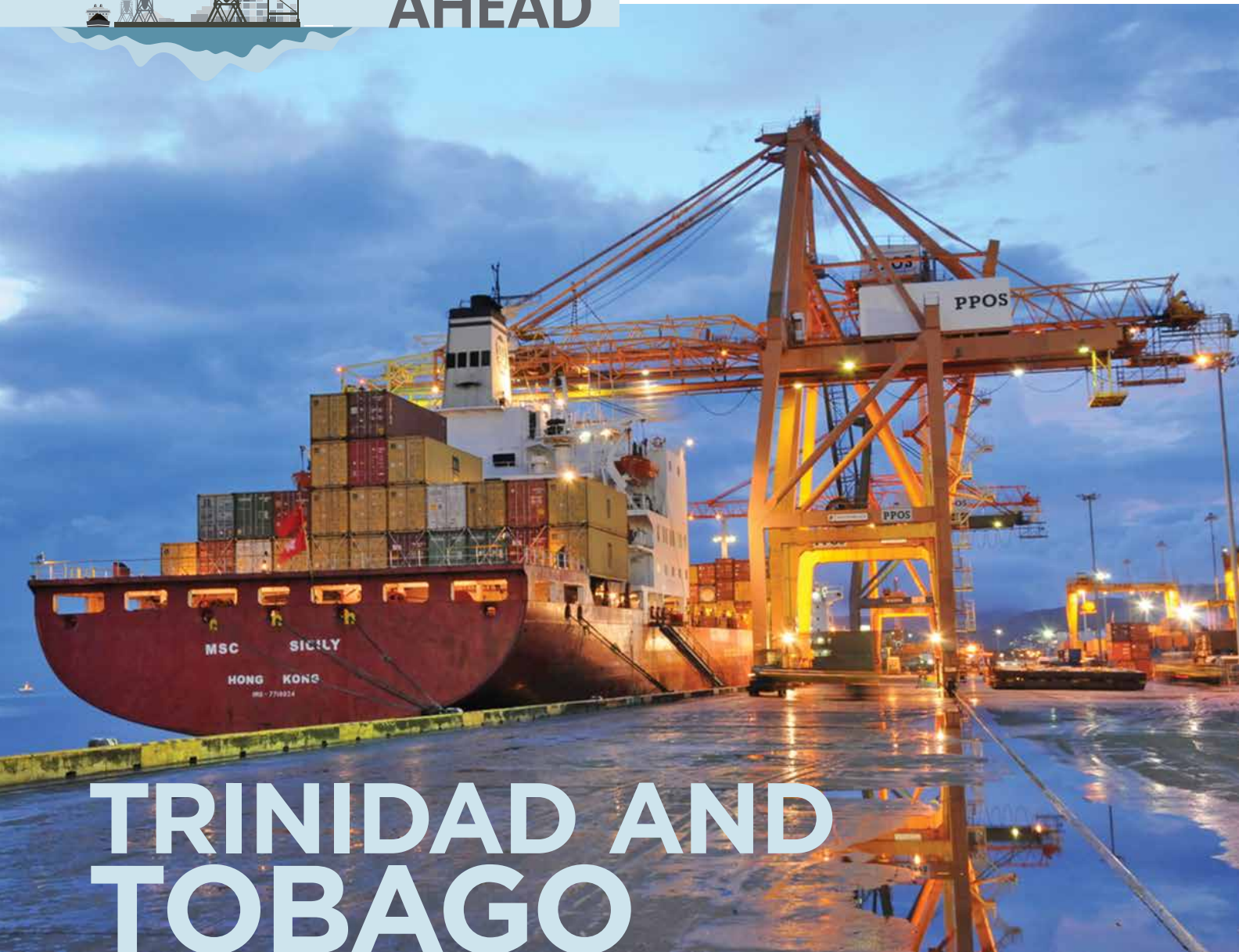
"With these features the TCM will be able to deliver international standard service levels twenty-four hours a day, three hundred and sixty-five days a year. TCM will not only strengthen the country's foreign trade competitiveness but will also boost investor confidence in the country. Further, it will promote socio-economic development in the province, generating a wave of new employment opportunities," Douglas said.

Construction of the first phase of the TCM is expected to engage more than 600 workers. Operations are scheduled to begin in 2018 with 400 managers and operators. Staff complement is expected to reach near 1,000 when the port development plans are fully implemented. By that time, the expected investment inflows to finance development and construction of warehouses, industrial parks, light assembly, office space and commercial parks as well as residential and hotel constructions should have materialised.

Commerce statistics source: PROCOMER ●



## The Year AHEAD



# TRINIDAD AND TOBAGO

## Port of Port of Spain plans upgrade

**T**he Port of Port of Spain (PPOS), Trinidad and Tobago's first and largest multi-purpose port facility looks to the year ahead with plans to upgrade the competencies of its workforce and expand employment as well as its operations capabilities. New equipment will be acquired and facilities are to be improved as projects now active are completed and planned developments are implemented.

The Port listed among its plans: the implementation of new working practices; recruitment and training of new employees; training and development of existing staff; upgrading of equipment and the acquisition of new equipment which might include, in the next 18 months, a ship-to-shore gantry crane.

The port administration says it expects these initiatives to create within the organization a greater sense of urgency and focus, particularly in addressing external factors.

As regards Information Technology, upgrading of the container terminal management system has already started with installation of more functionally elaborate computer software. The latest version of its NAVIS software was installed in December last. New computer hardware has been placed in existing trucks and RTGs and additional access points have been installed, giving improved connectivity across the entire terminal.



“NEW EQUIPMENT WILL BE ACQUIRED AND FACILITIES ARE TO BE IMPROVED AS PROJECTS NOW ACTIVE ARE COMPLETED AND PLANNED DEVELOPMENTS ARE IMPLEMENTED.”

Work in progress involving equipment includes an improved scheduled preventive maintenance programme and intense servicing and inspection of all equipment. This is being done with the DYNASTAR Computerized Maintenance Management System. Other projects now under way or scheduled include:

- Enhancement of preventive maintenance with the use of predictive methods such as oil analysis, vibration analysis and infra-red thermography.
- STS001 & STS002 cranes – improvement of the safety systems on both cranes by the installation of a modern hoist control system
- STS001 & STS002 cranes – modification of both main hoist brakes systems with modern Bubenzerdisc brakes systems.
- New ship- to-shore gantry crane – tentative procurement
- New engines – purchase of six new NTA 855 G3 Cummins engines for RTGs
- Human Resources – hiring of additional mechanics and electricians
- Training of employees to improve skills sets and troubleshooting capability
- Tooling – procurement of modern tools to reduce repair and troubleshooting downtime.
- Spare parts – streamlined procurement of critical parts.
- Document digitizing – the digitization of technical documents and parts manuals to allow access using a mobile application that enables viewing from mobile phones, laptops and electronic pads, inside and outside the PPOS
- Terminal tractor-trucks procurement ●



*MSC 'Divina' at Port of Spain.*



*Cruise passengers at Port of Spain.*



## The Year AHEAD

### PLIPDECO: Plans to construct six new berths

*PLIPDECO is a multipurpose cargo facility with six commercial berths. It handles a wide range of cargo including dry and liquid bulk, containers, general cargo and break-bulk. It services both individual shippers and business sectors. It also handles project cargo, mainly for new plants on the adjacent industrial estate. Presently, more than 15 shipping lines call at the port.*

**T**he Point Lisas Industrial Development Corporation (PLIPDECO) has charted a number of development projects for 2015 and will begin or continue implementation of infrastructural projects, upgrading initiatives and capacity building.

Rehabilitation work at Berths 1A, 3 and 4, which began in January, 2015, is being implemented on a phased basis over (10) months. The industrial port halfway down the west coast of Trinidad will also be refurbishing its rubber tyred gantry (RTG) bays. It will be installing reefer racks within the RTG bays so as to accommodate an increase in refrigerated container traffic.

In 2014, as part of its phased asset acquisition programme, the port acquired and commissioned a Gottwald Mobile Harbour Crane (GHMK 6507) and a Terex 5-High Reach Stacker. The port has declared an intention to continue this programme in 2015 by procuring an empty container handler, a Reach Stacker and six tractor trucks.

PLIPDECO currently has two rail-mounted, post-pamax and super-pamax ship-to-shore gantry cranes, three mobile harbour cranes, six rubber tyred gantry cranes and two empty container handlers. There are also seven forklifts, 16 tractor trucks and 21 trailers deployed.

The port started this year by upgrading the software, which runs its container management system. Having adopted the NAVIS platform in 2005, PLIPDECO installed the latest version (NAVIS N4) in January as a first step to improving vessel planning operations,





**Ashley Taylor, CEO**

yard management, gate processing, report generation, data accuracy and customer services. It is implementing a cargo management system that works similarly to the container management system.

This capability will electronically tally all general cargo discharged and record its storage location. It will facilitate ready retrieval of cargo and reduce customer waiting time.

Security systems have not been ignored and the port plans expansion of its closed circuit television (CCTV) infrastructure. The objective is to improve security and safety on the port and the estate.

### New Berths Planned

The activities planned for the year ahead will position PLIPDECO for implementing its long term development strategies. The corporation, mindful of global dynamics including the shift in demand by emerging economies as well as the expansion of the Panama Canal, plans to construct six additional berths, on a phased basis, over the next ten years.

These berths will accommodate the larger vessels expected in the region following the completion of the Panama Canal expansion. This massive undertaking will begin with the construction of two berths, with supporting infrastructure and equipment. This will necessitate the dredging of the channel and widening of the turning basin.

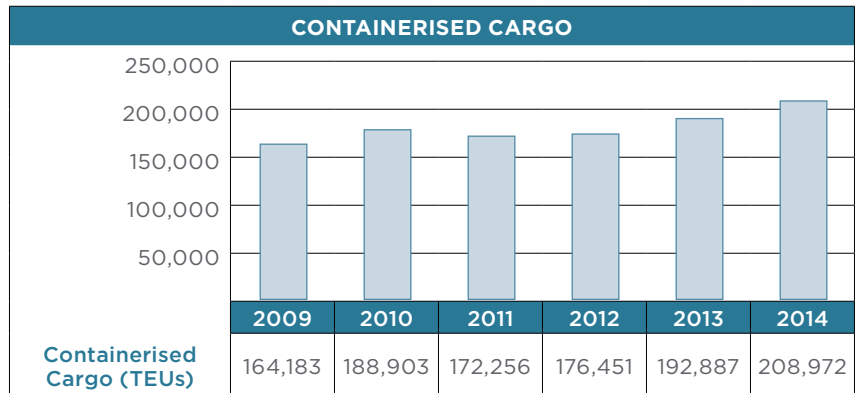
### New Services

The PLIPDECO leadership is moving to position the Port of Point Lisas as more than a docking facility but as a total logistics services provider. In this regard, the Corporation introduced a 'Less Than Container Load (LCL) Export' initiative in October 2014. This was designed to increase intra-regional trade. New warehouse space has already been provided to facilitate this service. It will complement PLIPDECO's existing bonded LCL warehouse that provides for both trade and non-trade cargo. Both these warehouses are located within 4 km from the Port of Point Lisas.

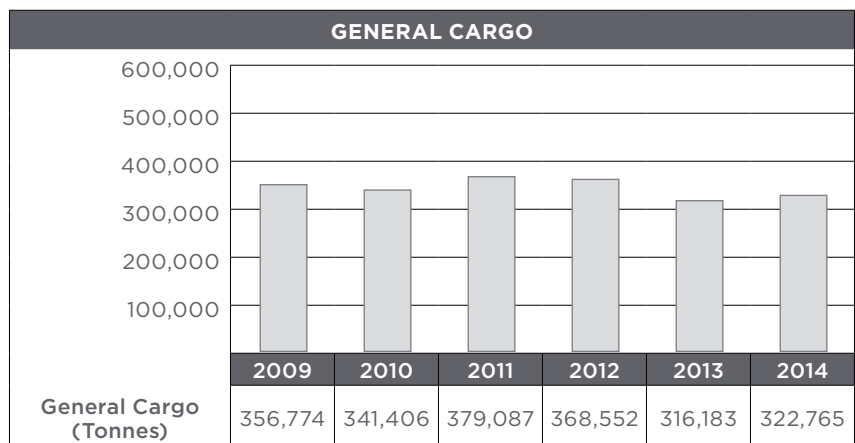
PLIPDECO achieved record contain throughput of 208,972 teu in 2014. General cargo tonnage for 2014 was 322,765 metric tonnes. Initially constructed to support the anticipated needs of the Point Lisas Industrial Estate, the port is now one of Trinidad and Tobago's main container and general cargo terminals, handling just over 50% of the country's domestic container trade and approximately 90% of the country's break-bulk cargo. The government of the country owns 51% of its shares. •

"THIS MASSIVE UNDERTAKING WILL BEGIN WITH THE CONSTRUCTION OF TWO BERTHS, WITH SUPPORTING INFRASTRUCTURE AND EQUIPMENT."

PORT OF POINT LISAS  
CONTAINERISED THROUGHPUT (TEU) 2009 TO 2014



PORT OF POINT LISAS  
GENERAL CARGO TONNAGE (METRIC TONNES) 2009-2014





# The Year AHEAD

# PANAMA

## Expansion at Manzanillo – Increased capacity in the year ahead

“MIT HAS POSITIONED ITSELF AS ONE OF THE MOST EFFICIENT TRANSSHIPMENT TERMINALS IN LATIN AMERICA.”

*Now in its 20th year, Manzanillo International Terminal prepares for more volume and increased demands. The first private port in Panama, MIT started operations in 1995 on the Atlantic coast of Panama. The terminal has a reputation for reliability, servicing shipping lines transiting the Panama Canal and calling South America and the Caribbean region.*

expected early in 2016 when the Panama Canal expansion is completed. MIT's expansion programme is intended to bring its handling capacity to four million teu per year. The first phase of this US\$270 million investment is expected to be completed by the third quarter of 2015.

The work at MIT includes construction of 400 metres of berthing, equipped with four super-post panamax cranes; deployment of an improved stacking system in the container yard area; and, dredging alongside to a depth to 16.5 metres so as to accommodate new-

**M**anzanillo International Terminal (MIT) in Panama is in implementation phase of plans to meet the new demands

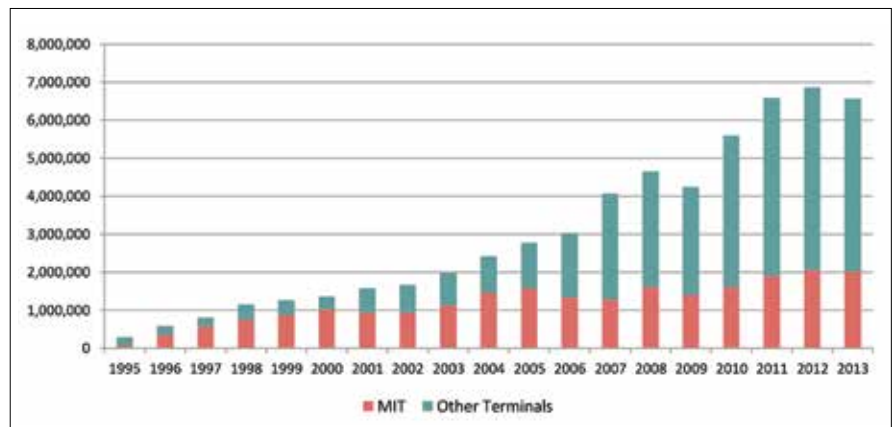


panamax vessels. The terminal received the first six automatic stacking cranes (ASCs) in 2014.

MIT's modern facilities, high quality equipment and advanced technology ensure efficient and continuous world-standard services. Fifteen ship-to-shore cranes with post-panamax or super post-panamax capacity patrol a mile of berthing (1,640 metres). Its container yard has storage for 48,000 teu and 1,910 reefer sockets. A substantial fleet of yard equipment, including 24 RTGs, 20 top-picks, 21 side-picks, 102 yard tractors and 115 specialized container trailers, keep containers moving unimpeded into, through and out of the terminal. And the latest from Tideworks Systems provide support to both administrative and operational systems.

MIT customers include 30 shipping lines and agencies. It offers a direct link to 55 countries and 160 ports in Asia, Europe, America and Oceania. MIT also provides road and rail connectivity to the Pacific coast of Panama and road connectivity to Central America. In addition, MIT offers logistics services in the MIT Logistics Park adjacent to the port.

TEU HANDLED IN PANAMANIAN PORTS  
1995-2013



It has positioned itself as one of the most efficient transshipment terminals in Latin America. Since opening its doors up to the end of last year, MIT has handled over 24 million twenty-foot equivalent units (teu), over a million vehicles and has received about 38,000 vessel calls.

In 2013 MIT handled 2,025,904 teu, a 2% decrease compared to 2012 volumes. This was mainly due to trade issues related to the Colon Free Trade Zone. Terminal throughput in 2014 was projected at 2.07 million teu, a 2% increase on 2013 volumes. MIT expects volumes over this year to be at or about 2014 levels. ●







The Year  
**AHEAD**

# FRENCH GUIANA

Port upgrade under way...  
'strategic project' promises transformation



**O**n the first day of 2015, the fledgling Port Authority of French Guiana celebrated its second anniversary but it was already well into one of the largest ever port development projects the country has so far witnessed.

Last year, the Port of French Guiana started an ambitious programme which will improve infrastructure, upgrade and expand facilities and services. It carried the title: Strategic Project of the port for the period 2014–2018.

The plans address the physical, operational and financial arrangements for implementation over five years.

It includes, *inter alia*:

- rehabilitation of facilities including docks and container areas
- equipment acquisition
- social organization and training
- systems development for container movement;

The major component is the programme to increase the capacity of the port area in order to accommodate new industrial and logistics activities, including, those related to waste treatment and sustainable development.

As regards operations, the port authority plans to optimize the port community system, bringing into contact port users, including customs, freight forwarders and shipping agents.



"LAST YEAR, THE PORT OF FRENCH GUIANA STARTED AN AMBITIOUS PROGRAMME WHICH WILL IMPROVE INFRASTRUCTURE, UPGRADE AND EXPAND FACILITIES AND SERVICES."

The development plans include what was described as "...a very important environmental component'.

The price tag? The investments are estimated at € 41 million for 4 years. Financing flows from the European Union, the Contract Plan French State-Regional Council and Grand Port Maritime de la Guyane (GPM-Guyane).

Today, the "Grand Port Maritime de la Guyane" handles more than 95% of goods imported into French Guiana. It includes the Port of Degrad des Cannes and port facilities of Pariacabo in Kourou. The Port of Pariacabo is specialized. It receives spatial elements for the European Space Base (CNES-CSG). ●



## A note from the CEO

**Philippe Lemoine, Chief Executive Officer:**

*"...the future of French Guiana is extremely favourable to us through several factors, such as the population growth (of 3.5% a year). Indeed, the people of French Guiana will double by 2030, which will have a positive impact on importation and maritime and port traffic."*

"French Guiana and in particular its commercial port, wants to be part of a strong strategic cooperation for the potential development on the Guiana Shield."

The challenge we are now focusing on is to become a competitive entity alongside other ports in the Amazon-Caribbean zone. Offshore oil exploration just off the coast of French Guiana offers hope to build a real logistics base which will offer oil operators of the Guiana Shield, a grouping of equipment and logistics services.'

In this perspective, the GPM-Guyane signed on June 2014, an agreement with the Port Authority of Suriname. This agreement will help us to do a study on a structured and common approach "win-win". The study is funded by the Operational Program of Amazon (PO Amazonie).'

Another objective of the GPM-Guyane is to create the Interport Conference of the Guiana Shield. This conference will include the ports of the State of Amapa and Para (Brazil), Suriname and Guyana. This large region has a strong economic future around its natural resources, (more than 4% a year).'

I am happy to announce that GPM-Guyane joined the PMAC in 2015 and French Guiana will also be present at the next PMAC meeting scheduled for June at port Paramaribo."



## The Year AHEAD



# JAMAICA

## Logistics hub initiative advances... Jamaica planning to be fourth node

"BECAUSE OF ITS LOCATION TO MAJOR SEA LANES, THE HUB IS EXPECTED TO MAKE JAMAICA SIGNIFICANT IN GLOBAL SHIPPING AND LOGISTICS. THE COUNTRY IS IN CRUISING DISTANCE TO MARKETS OF 800 MILLION INCLUDING NORTH AMERICA AND BRAZIL."

**W**hen Jamaica's Prime Minister Portia Simpson-Miller and her Ministers made themselves personally available to potential business investors in March of this year, they were expected to know everything about the potential of Jamaica's logistics sector. As one advisory noted: "...it will be a key industry focus at JIF 2015."

JIF-2015, or otherwise the Jamaica Investment Forum 2015, is a biennial event; this year March 10-12 at the Montego Bay Conference Centre. An international investment and business conference organized by the country's national investment promotion agency, Jamaica Promotions Corporation (JAMPRO), the event was designed to provide investors and business executives an exclusive opportunity for face-to-face dialogue with the Prime Minister of Jamaica and other senior officials in the Jamaican

government apparatus. However, Prime Minister Portia Simpson-Miller, as host, was not expected to miss any opportunity to plug Jamaica's initiatives in building a world standard logistics centre.

The Jamaica Logistics Hub Initiative is in an advance state of preparation. As planned and projected, it will be the fourth (global logistics) node, joining Singapore, Dubai and Rotterdam. Given its location to major sea lanes, the hub is expected to make Jamaica significant in global shipping and logistics. The country is in cruising distance of markets of 800 million including North America and Brazil. And the hub will be able to receive post-panamax ships travelling from the Asia-Pacific region. These ships will have a direct shipping lane from the Pacific to the Atlantic (Eastern Seaboard and South Atlantic).

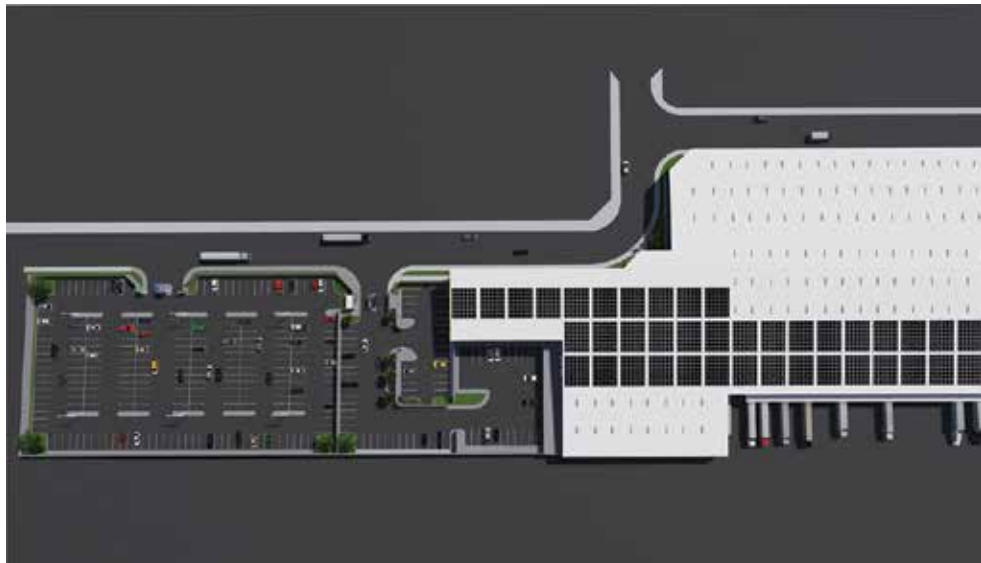


The government of Jamaica has decided to privatise the Kingston Container Terminal (KCT) which forms part of the Port of Kingston. The KCT negotiation is well advanced and should result in the expansion of the port and dredging of the ship channel to 15.5 metres. Currently, the Port of Kingston is one of the leading transshipment hubs in the region with a throughput of 1.7m teu in 2013. The privatization of KCT and subsequent modernization and expansion will expand capacity from 2.8 million to 5.5 million teu.

Other plans include the development of a logistics park with multimodal connectivity to the Norman Manley International airport. This project will be handled by the KCT through a private-public-partnership or a joint venture. This logistics park will be designated a Special Economic Zone with capacity to accommodate manufacturing companies, third party logistics providers and retailers.

Kingston Wharves Limited (KWL), a multi-purpose terminal situated in the Port of Kingston, is a key component of Jamaica's Global Logistics Hub. Keeping pace with the Jamaica Logistics Hub Initiative, KWL began an expansion and modernization programme. It is expected to cost the company US\$70million and will take five years for completion. KWL started the first phase of construction in October last. This project, a US\$20 million investment, will involve building a Total Logistics Facility with 150,000 square feet of modular warehouse. It is expected that construction will last for a year and that the facility will be commissioned in January 2016.

Kingston Wharves Total Logistics Centre will provide space for manufacturing, third party logistics, warehousing and value-added services including assembly, labelling, testing/examination, packaging and repackaging, sorting and invoicing. Kingston Wharves' logistics park is currently a free zone but will transition into a Special Economic Zone (SEZ), once the new SEZ regime becomes effective in 2015. ●



## Jamaica Logistics Hub Planned Development



**Port of Kingston** – dredging of Kingston Harbour and expansion of the Port of Kingston

**Cow Bay, St. Thomas** – proposed deep water site for development of a commodity port.

**Jackson Bay** – to be developed as a dry dock for ship repairs and maintenance

**Caymanas Economic Zone (CEZ)** – a three-pronged investment opportunity consisting of an economic/industrial zone, a technology park and a facility providing renewable energy to these ventures

**Vernam Field** – located on 2,900 acres of land, envisioned as a cargo aerodrome, warehousing facility and industrial centre

**Jamaica Railway** – an integral part of the planned hub, will facilitate movement of cargo to and from economic zones to key seaports and airport

**Norman Manley International Airport & Aerodromes** – one of three international airports in Jamaica and a key transfer airport within the region ●

# CARIBBEAN MARITIME INSTITUTE

## CMI launches master's degree in 2015 ...hosts international conference in the summer

**T**he pace of activity within the walls of the Caribbean Maritime Institute will increase significantly in the year ahead. Three red pins stand out among the others on the CMI's 2015 calendar. The CMI will be partnering with Maritime University of Shanghai, China, in hosting an international maritime conference in Jamaica. It will be launching its master's degree programme and, in collaboration with FESTO Lab in Germany, will be establishing on its campus a training facility in mechatronics, hydraulics, robotics and pneumatics.

The joint conference involving the two academic institutions, planned for June, will present a variety of topics for discussion under the banner 'Logistics Transforming the Economy'. Target groups include university students and professors, leaders of industry and executives of government and quasi-government agencies. The CMI will take the lead roles in staging the event, including logistics, the call for abstracts and papers, the review of abstracts and papers and the selection of papers for presentation.

The CMI masters' degree in Logistics and Supply Chain management will be delivered with support from the Port Management Association of the Caribbean (PMAC) which will assist in the promotion of the degree to its members. The Maritime Administration of Antigua and Barbuda/Antigua Port Authority will be host for the programme.

The first cohort in this new degree programme must be a minimum 10 students/participants to make it economically feasible. The number of students will vary in each year as participants could join the programme at intervals. The minimum pre-requisite for enrollment is a bachelor's degree in any field. Credits will be given to participants with a wealth of experience in the industry. The programme is planned to commence in April, 2015.



*CMI campus in Kingston, Jamaica.*

The establishment of a Caribbean centre for FESTO Lab, for training in Mechatronics, Hydraulics, Robotic and Pneumatics (Integrated Engineering) for global certification has been a priority project for CMI. Working in collaboration with FESTO Germany, the CMI will set up the laboratory on its Kingston, Jamaica campus. There it will offer a global certification in mechatronics to its students and participants across the Caribbean.

Both the master's programme and the FESTO lab are timely and particularly relevant with the impending opening of the expanded Panama Canal and the possible opening of the new Canal in Nicaragua. ●

### CURRENTLY ACCREDITED CMI PROGRAMMES

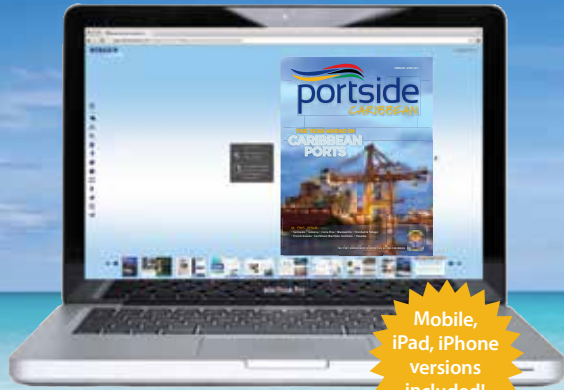
- ISO 9001 - 2008 by Lloyds of London
- The Chartered Institute of Logistics and Transport UK - December 2014

### EXPECTED ACCREDITATION

- The University Council of Jamaica
- America Southern Accreditation
- World Customs Organization



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WHAT PORT MANAGERS SHOULD KNOW

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# SUSTAINABLE CRUISE PORT

BY JAN SIERHUIS\* AND JESPER GOODLEY DANNISØE\*\*





## THE IMPACT OF CRUISING ON THE CARIBBEAN

Growth in cruise traffic is usually perceived as positive. Growth in ship size and passenger volumes increases business. More Caribbean communities today make a living by providing services to cruise ships and the passengers. However, as the cruise business grows, the negative impact is revealed in the form of deteriorating beaches, reefs and nature sites, traffic jams and increasing levels of crime. How do we deal with this and how far can we go? What are the limits of acceptability and how do we ensure that these limits are not exceeded? Ports have a responsibility to ensure the limits are not exceeded.

**I**t makes perfect business sense to plan sustainability when developing cruise ports and destinations. Sustainable means that tourists can continue to enjoy nature's beauty while nationals can continue to make a decent living from the opportunities that tourism offers, while at the same time enjoying the land they call home. With community-based cooperation and development programmes this is achievable, provided all stakeholders agree on the level and type of tourism that is acceptable for their particular destination.

### MONITORING AND PROTECTING THE MARINE ENVIRONMENT

The cruise industry is still growing. And nations in the Caribbean have come to regard access to the cruise industry as economically favourable. Nothing comes without a cost. And, seen from an environmental point of view, the impact of the cruise industry is often forgotten when all the positive benefits are put in the headlines.

It is possible to develop ports and harbours in ways, which can significantly reduce the negative impacts of cruise shipping on the environment, many of which are often associated with their construction. To do this, background information about the environment is very important. For most port authorities, the wider environment and its condition is not a part of the work and so responsibility is normally shunted to the environmental authorities.

Initiating very close cooperation with relevant authorities, so as to establish common understanding of the need for protecting the environment is to be recommended.

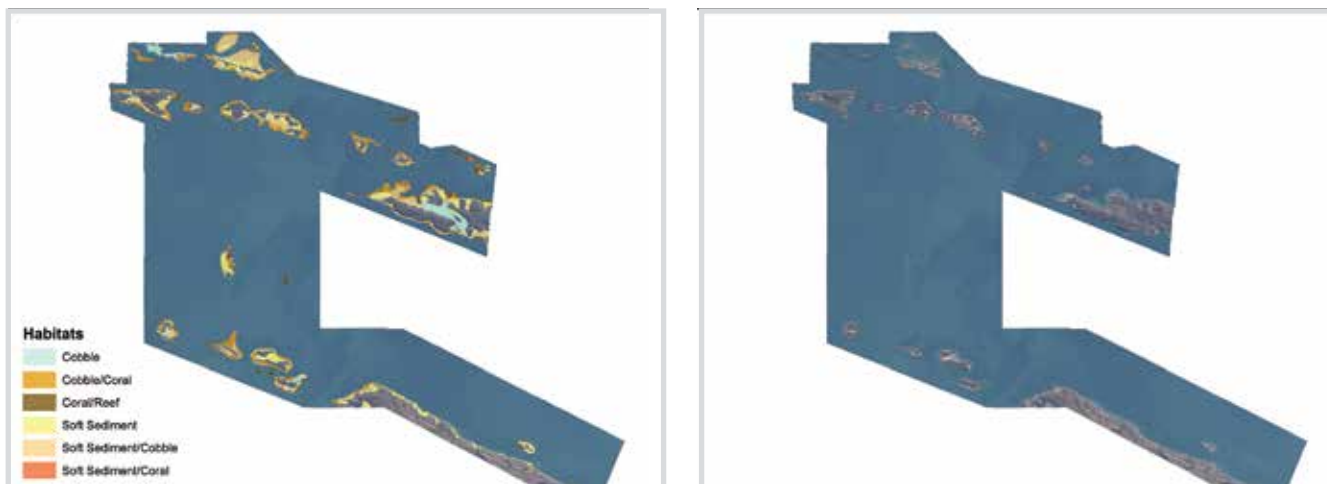
Protecting the marine environment calls for a monitoring programme. This will establish knowledge about the seabed conditions at and around the harbours. It is important to realise that such investigations should be based on the fact that various impacts from port and construction activities travel far. In addition marine investigations should be based on continuity and should be repeated with regular intervals, depending on the types of seabed habitats found because nature is dynamic! Such investigations lead to the creation of a baseline, which describes the environmental conditions at the present level of human pressure (port operations, sewage discharge, fisheries, recreational water sports etc).

### SO HOW DO YOU START?

The optimal way to begin is to create various impact maps. These maps document where present types of impacts occur, according to time, scale and space. This can be done with sophisticated GIS systems but could also be initiated with a much simpler approach. We suggest you start simple and get the information needed for entering into more advanced stages of monitoring, if conditions allow.

Take a look at the sea chart from your port and adjacent areas? Here you will see what the old seafarers observed when seeking port: information about reefs, sand bottom, gravel etc. Their main objective was to avoid having the ship wrecked and so they were always looking for good places to anchor. Interestingly, many of the old observations are still there. Now you already have a good basis from which to start. The next step should be to search for observations made by fishermen, divers and others who may have valuable information. Now add knowledge about coastal currents and you will then be able to assess spreading of fine-grained material, for example, if dredging is a part of either maintenance or construction activities. For all observations one should include seasonal differences which could alter the assessments. Be sure to include aerial photos, which may enable you to see many new structures and their extent on the seabed. You can also take advantage of using various types of satellite images, where analyses can add valuable information about the seabed composition.

In the example below, the left shows the original image and the right shows the same image after interpretation. Most marine habitats do not change much over the year, except those, which are the result of sand transportation. Seagrass beds and coral reefs are examples of habitats established where changes to the seabed are infrequent.



Example of satellite interpretation, based on images from World-View2 satellite. Courtesy DHI.



Despite efforts to protect important marine habitats, port and coastal development may eventually cause problems. It is therefore the duty of the port and the authorities to ensure minimum damage to the environment. The most fragile habitats are seagrass beds, coral reefs and other hard bottom habitats like rocks. Certain types of sandy habitats may be very important feeding grounds for fish. Good baseline maps of the areas in and around the harbour will help planners understand which impacts to minimise before, during and after the construction.

### MARINE ENVIRONMENTAL PROTECTION REGULATION

The Caribbean was declared a 'Special Protected Area' by the International Maritime Organisation (IMO) and the maritime community wants to implement MARPOL regulations to better protect the marine environment. Of particular importance are the so-called 'MARPOL annexes'. They provide guidelines to minimise various forms of ship pollution, including oil, sound and atmospheric pollution; toxic ballast water pollution, introduction of invasive marine species, as well as direct wild life damage due to collisions.

Under the so-called 'Cartagena Convention', the Caribbean states work together to maximize the implementation of the relevant IMO instruments. **Under the UNEP banner, IMO is financing regional programmes to assist Caribbean governments to successfully implement these instruments.** National legislation is important, particularly in case of deliberate or accidental violations, when corrective action is required. Hence, when implementing legislation, the cost of supervision and policing should be budgeted. Regional institutions like the Rac/Rempeitc in Curaçao can assist with this.

### LAND-BASED IMPACT

Thousands of passengers coming ashore day after day will have a severe impact on the cruise destination. An entire service economy has developed around visits. Passengers and crew have needs and the destinations

cater to them by offering a wide range of tourism and transportation services. The high volumes and concentrated time span of most cruise visits are a major challenge for the destination. Just to manage the crowds and vehicular traffic on narrow streets in a manner that ensures that a visitor's stay is enjoyable is no small effort and requires sacrifice and patience on all sides. Yes, most Caribbean people do welcome the tourists but they also want to be able to get to work and take their children to school on time. If the roads and intersections are frequently congested as tour buses and taxis take ownership, local support for cruise tourism may quickly decline. And we haven't even mentioned impacts from increased car exhaust, CO<sub>2</sub>, etc!

### LOCAL CAPACITY RESEARCH AND YOUR GROWTH STRATEGY

Cruise tourists pay in US dollars. This reality tends to attract not only local nationals but also people from other parts of the country or even from abroad. This can change the social structure of the smallest Caribbean communities. Social control mechanisms deteriorate and youth are not well prepared to deal with the dollar-based lifestyle that invades their country, fuelling crime, drug abuse, prostitution and other deviant behaviour. Health care, education and youth social programmes are collectively the best way to deal with these issues.

Like the effects on the marine and land environments, the socio-economic effects must also be studied in advance. This also requires a "baseline" capacity study in which infrastructure and transportation capacity and crime, immigration and population statistics are analysed and applied to the over-all cruise growth strategy. This study should pinpoint the obstacles for growth and set limits to the amount of passengers that the destination can handle on any particular day.

As with the marine environment, nature and historic sites must also be monitored and protected by legislation from misuse, over use and deterioration. All

this requires the involvement of various government ministries and departments, as well as environmental and other community groups. Collectively they can assist in supplying both the data and the volunteers for monitoring and assisting.

### INVOLVE LOCAL STAKEHOLDERS IN PLANNING AND DESIGN

It is clear that building a sustainable cruise port and destination is much more than doing technical surveys and designs and then 'dredge and build'. The level of cruise tourism and the small size of most Caribbean destinations require a long-term, multi-disciplinary approach that involves many government agencies and community groups. The described capacity study can set the framework and limits for growth. They can be a cornerstone for building a successful strategy for port development, one which protects the investment. Non-traditional local partners can contribute, for free, local data, which is priceless for determining how, how fast and how far your cruise port should grow. We suggest that you start smart, by making use of local knowledge and by harnessing the goodwill and dedication, not only by listening to the people but by actually involving them in your destination planning and port design. ●



**\*Jan Sierhuis**, Director, Maritime Authority of Curacao ([maritimecuracao@gmail.com](mailto:maritimecuracao@gmail.com))



**\*\*Jesper Goodley Dannisøe**, Senior Project Manager, DHI Denmark ([jda@dhigroup.com](mailto:jda@dhigroup.com))

"THE DESCRIBED CAPACITY STUDY CAN SET THE FRAMEWORK AND LIMITS FOR GROWTH. THEY CAN BE A CORNERSTONE FOR BUILDING A SUCCESSFUL STRATEGY FOR PORT DEVELOPMENT, ONE WHICH PROTECTS THE INVESTMENT."





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## JAMAICA: Workers reassured at Kingston Container Terminal

**A**s negotiations continue for the privatising of the Kingston Container Terminal (KCT), Jamaica's largest, the company has made a public statement to reassure employees. The company said it was confident that appropriate disclosures will be made in a manner and at a time that does not prejudice the outcome of the negotiations and appealed for patience. There was no sign that the company's reassurances calmed the employees who are anticipating massive layoffs and redundancies once the terms of the negotiations are disclosed.

Last October, the Jamaican government announced commencement of talks with Terminal Link Consortium, which consists of Terminal Link, CMA CGM, and China Merchant Holdings International.

The workers fear that repair and maintenance have lapsed at the terminal and link this to the uncertainty surround the negotiations. However, the company countered, that over the period 2010 to 2014 it recorded an increase in productivity of

more than 18%. It said the 28.59 mph (average crane moves per hour) achieved in 2014 was the highest ever achieved and that the second highest, 26.88 mph, was achieved the previous year, in 2013.

A local newspaper [The Observer] had reported that a most of the terminals workforce (under near 1,000 workers) were fearful and uncertain about their future. The staff mood was described as *"...nervous, uncertain, jaded, just totally bewildered."* •

## USA: House votes against repeal of Jones Act

**D**uring the second week of 2015, 32 members of the US House of representatives, from both sides of the political divide, urged the U.S. Senate leadership to reject the McCain amendment which would repeal the *Jones Act*. The signatories to a letter addressed to Senators Mitch McConnell and Harry Reid, voiced concerns with the amendment, arguing it would undermine the country's ship-building industry with harmful effects both to the economy and national security. A part of the letter, published on the internet, states: "America's sea services are the most powerful in

the world and play a critical role providing a stabilizing presence to keep the seas free and open, which in turn allows global commerce to thrive. One of the reasons our navy is strong is because of the U.S. shipyard industrial base. This measure, however, would gut the nation's shipbuilding capacity and have far reaching impacts across the nation. Building and maintaining these complex naval vessels and retaining a capable and experienced U.S. workforce are essential to the safety and security of our nation. Shipbuilders are vital to America's national and economic security because they build, repair, maintain and modernize the largest

and most sophisticated navy and coast guard in the world as well as America's fleet of approximately 40,000 commercial vessels. According to a recent study by the Department of Transportation's Maritime Administration, America's shipbuilding industry supports more than 400,000 jobs in all 50 states, which boost our economy by almost \$60 billion every year. Each direct job in the shipbuilding and repairing industry leads to another 2.7 jobs nationally, and each dollar of direct labor income leads to another \$2.03 in labor income in other parts of the economy." •

## JAMAICA: KCT losing workers to Canada, USA

**T**he Kingston Container terminal reported that it has had about 189 resignations over the last five years as its skilled employees emigrate to take up job opportunities, the majority

going to Canada. However, a representative of the unionised workers contested the company's figure saying 289 workers had left over the past five years. The KCT told local newspapers that there was a very high demand

and ongoing recruiting exercises by Canada and the United States for the specialised skills acquired by KCT team members. Apparently most of this "exodus" took place prior to 2013 and has since declined. •



## ARUBA – LED floodlights for Oranjestad

The new container terminal of Astec in the port of Oranjestad, Aruba, will soon be illuminated by LED floodlights. The owners of the port and terminal have reportedly opted for the installation of an energy saving and flexible illumination system. Once the installation is completed, the new container terminal will be illuminated by 41 high-powered LED luminaires on 14 masts.

“The AAA-LUX AL90 luminaires that will be installed are typically used for illuminating large areas. They provide the highest quality illumination and require hardly any maintenance. That makes them perfect for illuminating large areas such as ports, train terminals, parking lots and airport aprons,” said Garry Parsonage of mast manufacturer, Abacus Lighting.

“We selected the AAA-LUX LED floodlights as this Dutch manufacturer is renowned for its high quality LED luminaires. They also have a track-record that dates back to 2009. AAA-LUX was the first to achieve high quality illumination through LED and their luminaires have been used in various projects around the world, including ports projects,” he said, referring to installations of AAA-LUX in the Port of Cape Town (South Africa), Beira (Mozambique), Rotterdam as well as the port of Amsterdam (both the Netherlands).

“The latter installation is of particular significance as AAA-LUX set a new standard by achieving illumination of 45metre height at the Rietlanden coal terminal. Employees requested illumination that would contribute to their ability to see and be seen at the busy terminal while management were looking for an illumination solution that would reduce their energy bill and would require as few masts as possible.”



**PORT AMSTERDAM RIETLANDEN: AAA-LUX is the first manufacturer that manages producing sufficient light with LED's from 45 metre height.**

The installation at Rietlanden is only one example of how AAA-LUX continuously moves the benchmark. “The company was also the first to illuminate a professional football stadium, as well as, the first to be used for an international sports tournament. That is why we are comfortable using their luminaires as they are of proven quality and will meet all international standards and requirements.”

The AAA-LUX luminaires and control system apparently fits perfectly into the ‘green’ policy of the Aruba Ports Authority, owners of the port in Oranjestad. It meets requirements for reduced energy consumption. And additional advantage is that they are controlled dynamically. They can be

switched on or off both on-site as well as from the central control system. The luminaires can also be dimmed, which allows for additional energy savings, without affecting illumination uniformity and quality. As LED floodlights are dimmed directly on the DC current, the illumination level can be reduced without any technical interference with the CCTV system that is installed to ensure maximum security at the terminal.

The installation in Aruba is set to be finished by September this year. “I have no doubt that, once completed, operations at the Astec container terminal will be further improved and will, certainly be a saver,” Garry Parsonage said. •

**“The AAA-LUX AL90 luminaires that will be installed are typically used for illuminating large areas. They provide the highest quality illumination and require hardly any maintenance. That makes them perfect for illuminating large areas such as ports, train terminals, parking lots and airport aprons...”**

# Generating value from intellectual and knowledge-based assets

BY FRITZ PINNOCK, PHD\* AND IBRAHIM AJAGUNNA, PHD\*\*



**W**hile there is no universal definition of Knowledge Management (KM), there is equally no agreement as to what constitutes knowledge in the first place. For our purposes here we will work with the definition that Knowledge Management is the process through which organizations generate value from their intellectual and knowledge-based assets.

Often, generating value from such assets involves (a) codifying what employees, partners and customers know and (b) sharing that information among employees, departments and even with other companies in an effort to devise best practices. Experts have also argued that KM competency is an important dimension for international enterprise (such as ports) to retain their competitive advantages. Organizational structure plays an important role in the success of knowledge management.

The structure of many organizations reflects a shift away from hierarchical structures towards a greater reliance on decentralized authority, teamwork, and supporting incentives. This shift invariably involves information processing. To many in the Caribbean, where it is often said that employees are employed to follow instructions and not to think, this might sound like Greek. The dilemma is that Caribbean ports with archaic structures and mind-set to match are now forced to respond and service rapidly growing supply chains. It is our intention to present KM not as a missing component from Caribbean ports but as an important opportunity for transforming leadership and future operations.

While the importance of understanding what KM is, it is of equal importance to know what it is not. Albert Einstein proclaimed that “information is not knowledge” and, in a similar vein, information management is not synonymous with knowledge management. The possession of a library of unread books does not



necessarily equate to an understanding of the knowledge contained within the pages by quickly glancing at the titles on the spine. Neither is knowledge the ability to recall or recite unassisted from a list using memory techniques such as a mnemonic peg system. There needs to be a level of understanding. In an organizational context, having good information management, for example, port tracking databases and document storage, does not correspond to KM. An example of this could be an increase in operating margin of one percent on the previous year’s performance by a port.

“Fantastic effort, everyone. Well done!” However, this is just information. Knowledge is about understanding what drove that improvement; how to measure it and how to replicate it. This presents an initial challenge for change and transformation in the Caribbean, characterized as it is by small-volume ports faced with a rapidly changing environment, antiquated equipment, militant trade unions and departments operating as silos.

## CHALLENGES

Once knowledge has been created in an organizational environment, the challenge is to capture it, harness it and share it so that it is no longer an exclusive resource. It should be shared, understood and available throughout the organization. In most Caribbean ports there is still a high degree of ‘manual information’. Because it is linked to personalities and individuals, it cannot be easily or readily shared across the organization on a timely basis. This requires investment in integrated information and communications technology (ICT) management platforms so the shift can be moving from collecting data to interpretation and solid decision-making. To successfully facilitate knowledge management across Caribbean ports and their supply chains adds further complexities and challenges to the increasingly current topic of the validity of organizational knowledge management.

An important question for ports across the Caribbean however, is why is KM important and relevant to supply chains? Just as managing the supply chain cannot be



left to chance, neither can approaches to knowledge management in supply chains. Effective communication networks between all tiers within a supply chain facilitate knowledge transfer because effective supply chain management requires effective knowledge management. In competitive and time-critical environments, the ability to capture and utilize knowledge across networks is a source of competitive advantage and has the ability to build supply chain resilience and agility. KM in the supply chain provides supply chain intelligence. As networks become increasingly complex they would fail unless the correct knowledge is shared. Similarly, successful supply chains have best practices KM. There can be barriers to successful KM in a single team. However, when cross-functional teams from multiple different organizations across a supply chain are included, the barriers to effective KM become even more prevalent.

**KNOWLEDGE IS POWER**

Throughout time, philosophers and society in general have recognized knowledge as a resource from which power can be drawn. This is perfectly encapsulated in the Latin proverb “*Scientia potential est*”, commonly understood as ‘knowledge is power’. As in companies and society in general, knowledge can be recognized

and accepted as a strategic resource in the area of logistics and supply chain management. Knowledge is a sustainable source of competitive advantage and, in logistics and the supply chain, where responsiveness is paramount, KM is a prerequisite.

In a small team within the same department of the same organization there could be barriers to effective knowledge sharing and management. For example, people in the administrative offices often think of themselves as superior to those working outside in the yard. As assumed, a generalization could be that, with greater involvement of numerous organizations across the Caribbean, barriers to effective KM in a port operation not only will exist but may also be more prevalent than in other industries. The reason driving the potential for more barriers to effective KM in ports and logistics organizations has three aspects: frequency; depth and complexity (*i.e.* the complexity in which port employees work with other departments; other divisions and other companies such as customs, immigration, shipping agents, consignees, shippers and shipping lines).

In port operations, multiple organizations can be involved in various sequential tasks, a fully collaborative approach or a combination of both. Where sequential task steps occur, for example, shipping lines must

submit manifest and loading and discharging plans to stevedores before vessel operations can begin, essential explicit knowledge is shared. In an open and collaborative approach, socialization, externalization and internalization are more likely to effectively occur. For example, shipping lines/agents and ports are fully sharing relevant information, objectives, forecasts and site visits to understand how an operation feels.

In today’s business environment, ports and logistics companies no longer compete on the basis of tangible assets but rather on intangible assets. The differentiating element in the knowledge economy for ports to compete is usually the capability differential harnessed from intangible resources. The value incorporated in products and services is mainly due to the development of organizational knowledge resources. In today’s port and logistics environment, ports need to know what they have in terms of knowledge resources and competencies and how they can use them more effectively to gain or sustain competitive advantage. ●

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## The new port manager

BY ANTON EDMUNDS\*



**I**t is sometimes argued that those involved in port management focus almost exclusively on what is happening within the boundaries of their facilities. However, in an increasingly difficult global economic environment, there is real risk that a fixation on the innards of a port can serve to stymie economic development rather than facilitate growth.

In an era in which economic stagnation and non-competitiveness have a direct impact on the ability of governments to access capital needed to maintain facilities, and rising port charges being seen by some as having a deleterious effect on trade, the emergence of the port management executive as economic development expert has never been more important.

The port executive of the future will be a key cog in the machine that is the economy. And, as a result, he/she needs to be, amongst other things, part economist, part analyst, part psychologist and perhaps most importantly, full partner and stakeholder with the commercial community.



As an economist, the port executive has to have an in-depth understanding of global, regional and national trends. In this role, an understanding of which changes in trade and commerce are brought on by global recession and which are influenced by new entrepreneurial models of business need to be key areas of focus. An even more intimate understanding of the trends in the transportation industry, including consolidation and the forming of alliances amongst carriers so as to share capacity will be important. Indeed, all of the above challenge the *status quo* in terms of port traffic and critically, revenue generation options. Port management executives, less as a steward of a brick-and-mortar institution and more as economic guru, working in tandem with constituents and clients, will be vital to the competitiveness of not only the industry and the port but also the national economy.

As an economist, the port management executive of the future will note that trade and commerce have progressed to a point where even the concept of the supply chain has evolved from a logistics term to one used internally by private sector entities. The supply chain is no longer just about getting products into customers' hands. It is the day-to-day interaction within the private sector operation. The broader definition of the supply chain is one that includes planning, information sharing, and value-added activities rather than just shipping.

### Challenges

For many private sector companies in the Caribbean and Latin America, today's competitive battle is how to raise customers' expectations of service by bringing new products to the market. This is especially important for the many small and medium enterprises that dot our economic landscape and for whom survival depends on being first. While most ports were built with the larger trading companies in mind and many of those entities continue to import the same goods they have traditionally traded, they do face challenges. The most competitive among them are those who will effectively manage risk; respond to changes in the economic, technological and trading environment; and, yet be able to exploit new opportunities more effectively than their competitors. Impediments for traditional and new business alike include the price of power. This cost has increasingly impacted, among other things, the storage costs of perishables. Additional challenges include financial constraints brought on by new international banking compliance rules and regulations, which have crippled the relationship between some Caribbean banks and their US counterparts. The tightening of credit requirements from banks and a resulting shorter

payback period are other issues beyond the waterline that the port management executive needs to track.

As an economist and analyst, the new port executive recognizes that this more complex and global distribution network demands an integrated and transparent approach between the private sector and the port management team. The modern port executive also notes that tight and cross-functional coordination between the private sector and the port is critical. It is understood that not being in the market with product in a timely fashion can mean inability to compete. And the result of such can be the loss of a client for the port, and or a decline in volumes and revenue. The executive with limited knowledge of the speed-to-market needs of the commercial sector will find that instead of being a partner and facilitator for economic growth, he/she wears the tag 'deterrent to progress'.

It is however as partner that the forward leading port executive probably has the most impact. In is in that role that the executive will be one who integrates processes to streamline operations and offers tailored services as a way to increase customer loyalty and support economic development. It is important to note that while the call for the integration of systems and the use of technology are to be heeded (and implementation of such embraced), systems have to represent the needs of the nuanced economy they were designed to serve. In this regard what might be truly important is depth of knowledge and more interaction with those in the business community and less with the software salesman.

While in countries where there are more than one port facility vying for business, competition often guarantees that port management is more integrated into the wider economy. For single port countries that make up most of the Caribbean, a lax attitude can have dire consequences. In fact, it can be argued that port managers of facilities in single port countries are under even more scrutiny as there is no hiding from perceptions of inefficiency and ineffectiveness. In addition to opening oneself up to competition from the aggressive air cargo industry, the fact is that port efficiency (inclusive of customs) is a significant metric of all of today's Doing Business reports and rankings. This makes the economic development role of port management executives crucial to their country's attractiveness to the investing community.

### A Partner

In the evolving trade environment, port managers will engage more intimately with private sector leaders (large and small), less as service provider and more as partner. They will make it their business to understand

***“...the new port executive recognizes that this more complex and global distribution network demands an integrated and transparent approach between the private sector and the port management team.”***

the internal workings of the operations that their clients lead. They will be willing to adjust their own systems in response to the needs of these groups and the wider economic community. Metrics of performance traditionally used by the private sector will become tools for guiding port operations. Issues, such as: how the current global economy impacts the viability of the local corporate entity; the direct impact of the port system on their ability to deliver value and compete; and, how both parties can optimize and integrate their systems will be the common end goal. While such an effort at an integrated approach may serve to help all parties to measure effectiveness of their respective systems, it may well help highlight corporate inefficiencies and in some respects, there is where the engaged port management executive takes on the role of psychologist. In this 'psychologist' role, the manager takes his clients through some of the exercises needed to improve their own performance, rather than allow them to proceed with the assumption that the failures at hand are as a result of factors outside of their control.

The new era of global trade and commerce has ushered in challenges to industry and economies that require a revision of the role of port management executive. For emerging market economies such as those in the Caribbean, long-term economic success may well partially rest on the ability of port executives to accept and excel at a myriad of new roles. ●

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\* **Anton Edmunds** is Managing Director of The Edmunds Group International, an emerging markets consulting firm.



## *Slow steaming a sea of differences...* **A journey begins**

BY CANUTE JAMES\*



**T**he agreement between the United States and Cuba to try to normalise over 50 years of strained relations will reorder the geopolitics of the Americas, regardless of whether all the differences between the two countries are resolved. The US attitude to Cuba is a “failed approach,” president Barack Obama said in announcing the new policy. Cuban president Raul Castro agreed in a simultaneous statement that “isolation has not worked.”

However, the changes promised by both countries will take some time to implement, not just because of the vexatious nature of the decades of entrenched

animosity that has hardened party political lines in Washington, but more so because of demands that Washington and Havana have already started to make on each other. Some seemingly intractable issues will have to be resolved.

These were immediately exposed in the late January visit to Havana by a US delegation led by assistant secretary of state Roberta Jacobson – the first high level contact between the two countries following the announcement by presidents Obama and Castro. Jacobson’s conclusion that the initial talks were “encouraging” was immediately countered by

her admission that the discussions were clouded by some sensitive issues relating to human rights in Cuba, described as a sponsor of terrorism; and, the future of the US naval station at Guantanamo Bay.

President Castro later stated Cuba’s definitive position on some of these issues. He warned Washington not to interfere in his country’s internal affairs by supporting opposition groups, and set conditions for restoring normal relations, including the return to Cuba of the Guantanamo Bay military base; compensation for the economic cost of the US embargo; and, the lifting of the embargo. The battle



**“The US attitude to Cuba is a “failed approach,” president Barack Obama said in announcing the new policy. Cuban president Raul Castro agreed that “isolation has not worked.”**

lines were immediately fortified by the White House. The message from Pennsylvania Avenue was that the military prison at Guantanamo Bay would be closed and the US would retain the naval base it has had since 1903.

By all indications, president Obama wants the economic embargo lifted but cannot, unilaterally, do so. This is an issue that must be determined by a Republican controlled legislature whose inclination [in this pre-election period] is to thwart any significant policy changes that could be considered the president’s legacy. The likely trenchant nature of the political battle in Washington over Cuba has been indicated by the chairman of the senate foreign relations subcommittee on Western hemisphere, Marco Rubio. A fervent representative of the anti-Castro lobby, Rubio wants human rights in Cuba to lead the agenda in discussing US relations with the Caribbean state.

While president Castro wants Washington to compensate Cuba for the cost of the embargo, his government will face claims for compensation for properties seized from Americans and Cubans in the early days of the Cuban revolution. Democrat senator from Florida Robert Menendez has put the current value of the seized property at \$6 billion, and has said additional economic and political concessions to Cuba should be made only after the administration “prioritizes the interests of American citizens and businesses that have suffered at the hands of the Castro regime.”

However, the promise of normal relations with the US has come at an appropriate time for Cuba. The economy of its major trading partner, Venezuela, has been under pressure for the past five years, and has been made worse by the fall in oil prices that started in the second half of last year. Cuba relies on preferential imports of crude and products from Venezuela to supplement its domestic production. There is increasing concern in Cuba that Venezuela may not be able to maintain the preferences for much longer. Cuba would be hard hit if it were required to pay market prices up front for its energy imports.

Cuba has always regarded the USA as a “natural” market for its goods and services and has admitted that its economy has been damaged by the embargo. The restrictions have not prevented trade between the two countries. US farmers sell hundreds of million dollars’ worth of food to Cuba each year after they had implemented Washington’s conditions on methods of payment.

The “natural market” that Cuba sees in the USA offers significant potential for the export of one of the country’s main services – tourism. Although US restrictions have deterred Americans from holidaying in Cuba, the Cuban government reported that it received three million foreign visitors last year – 5.3% more than 2013. It said it earned \$2.5 billion from tourism. Most of the tourists were from Canada but about 300,000 Americans are reported by Cuba to have visited last year.

Caribbean countries that earn significantly from tourism have taken a philosophical position on increased competition from Cuba that is likely with better relations with the USA. The Caribbean Tourism Organization says a thaw in relations would bring more visitors to the region. “Cuba is a longstanding and active member of the CTO,” it said. “We engage the destination in our efforts in Canada, Latin America and Europe and we look forward to including Cuba in our programmes in the US.”

Concern about a negative impact on the tourism business of Cuba’s neighbours is “misplaced”, Jamaica’s finance minister Peter Phillips said. Instead, the growth of Cuba tourism “offers investment opportunities for Jamaican and other Caribbean enterprises involved in tourism.”

It remains, however, it will be some time before these concerns and opportunities are realised. The changes promised by presidents Obama and Castro may not be as complete as the presidents suggest. It will be a slow process, and will not be done “with the flick of a switch,” concluded William Ramos, director of Intergovernmental affairs in the US commerce department. ●

**\*Canute James, PhD**, former Senior Lecturer and Director of the Caribbean Institute of Media and Communication (CARIMAC), Mona Campus, University of the West Indies was a reporter for the *Financial Times of London* and radio reporter, presenter and producer in London, England for the BBC.



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## Hot Potato! Exploring the liability of Caribbean Port operators

BY LOWEL MORGAN\*



**T**here is, apparently, a great game of ‘hot potato’ being played in the shipping industry. It seems liability for delayed, damaged or lost cargo is being tossed from player to player – each seeking to pass liability as quickly as possible to the next party. The players in this game are shippers, ship owners, carriers, stevedores, agents, and port/terminal operators.

The law has provided certain advantages to some players, allowing them to toss liability faster than others. Some players are even able to exclude their liability altogether through contractual arrangements (such as terms in bills of lading), domestic legislation, and international instruments.

Unfortunately, port operators and particularly those in the Caribbean, are more often burnt by the liability potato. They have very few sources of protection on which to rely. Why are port operators in this position? Do the instruments currently in force address these issues? And what is the way forward?

*“It seems liability for delayed, damaged or lost cargo is being tossed from player to player...”*



## “It is evident that port operators are, more often than not, going to be left holding the hot potato and getting burnt.”

### Contractual Arrangements

Port operators find themselves in a unique and challenging position. Port facilities are an essential service. They facilitate the execution of private contracts for the carriage of goods by sea. Under the ordinary application of the doctrine of ‘privity of contract’, a contract cannot confer rights or impose liabilities on an entity that is not party to it. Yet, port operators who are *not* parties to contracts between shippers, carriers, and agents often find themselves, on the one hand, exposed to all liabilities under the contract (and some liabilities outside of it as well); but, on the other hand, excluded from any of the benefits.

Port operators cannot, therefore, exercise any of the rights and privileges that come with being party to such contracts. This, of course, includes the right to contractually limit their liability for damaged or delayed cargo. This leads to a peculiar application of the doctrine of privity of contract as port operators are nonetheless exposed to the risk of contracts to which they are not a party.

While the simple and obvious solution would be for port and terminal operators to become party to the contracts, this is in effect impractical. No one can insert themselves into a contract negotiated by others for their common benefit. Similarly, port operators cannot simply insert themselves into a contract between the shippers, ship owners, carriers and agents. The port operator would essentially have to contract with each player. If contracting with every player is not feasible then the question arises: with whom to contract? The answer: ALL of them. This takes us back to square one.

Contract terms may provide for liability to be excluded altogether, or limited (generally or in respect of certain causes of loss or damage). In performing the contract of carriage, a ship owner will usually employ persons or use the services of others as independent contractors (for example, stevedores to load and unload cargo) and the services of other sea, land, or air carriers. Ship owners will naturally seek protection from being held responsible by a charterer or bill of lading holder for any breach of contract or other defaults committed by employees, agents or independent contractors. And they may achieve this by entering into contracts with, for example, an agent acting on behalf of the charterer or bill of lading holder.

Another commonly used device is the *Himalaya* clause. This is a term that seeks to ensure that any exemption and exceptions available to one of the parties to the contract is also available to his employees, agents and independent contractors. The *Himalaya* clause will: (i) contain a statement that no servant or agent of the carrier shall incur any liability to the shipper, consignee, owner of the goods or bill of lading holder for loss of or damage to the goods, and (ii) confer on the employee or contractor the right to rely on any exceptions or limitation provisions available to the carrier as set out in the contract of carriage or otherwise.

The extent to which port operators could benefit from *Himalaya* clauses is uncertain, as they may not be considered servants, agents or independent contractors of the carrier. In England, the Contracts (Rights of Third Parties) Act provides that a third party may avail itself of an exclusion or limitation of liability in a contract for the carriage of goods by sea where this is expressly provided for in the contract, or on a proper interpretation of the contract it appears that the parties intended that this protection should be extended to a third party. There is no equivalent statutory provision in jurisdictions such as Jamaica. Such a statute would prove mildly beneficial to port operators as on a proper interpretation of these contracts, protection would be extended to them as a third party.

### Domestic Legislation

There is one legislative instance we would like to highlight which gives some limitation of liability to port operators in a very specific circumstance. Section 410 of the Shipping Act of Jamaica provides that a dock or harbour authority may be liable for “any loss or damage caused to any vessel or to any property on board any vessel, *without the actual fault or privity of such authority*”. Similar sections exist in various pieces of legislation in the Caribbean and other Commonwealth countries.

The liability without actual fault refers to instances where it is the employees/servants of the port operator who cause the loss or damage being complained about. This principle of an employer being held liable for the acts of his employees is a feature of any employer/employee relationship. As such, legislative restriction of the employer’s liability is of great benefit to the port operator.

This protection is only available in a very limited number of instances and the port operator will need to show the following in order to receive its protection: (1) the damage occurred within an area under the control of the dock or harbour authority; and, (2) it was caused by their servants doing something connected to the operations/work/services of a dock or harbour authority.

Liability without privity takes us back to our earlier discussion of the contractual exclusion that port operators face and as such they are neither bound nor are they the beneficiaries of any limitations of liability or protection that these contracts may offer.

It is evident that port operators are, more often than not, going to be left holding the hot potato and getting burnt.

Having realised the difficulties in the application of the doctrine of contractual privity and the inadequacy of domestic legislation we will next review the merits and drawbacks of international instruments.

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\*\*\*\***Arlene A. Williams**, BSc., LLB.

We acknowledge also the initial discussions with Mr. Darwin Telemaque of Antigua. - Ed. •



## Warehouse management is about attention to detail

BY ALRICK MITCHELL\*

*“Warehouse management in today’s port environment, where domestic cargo consignments are delivered largely as individual items to hundreds of customers requires relentless attention to detail.”*

**W**arehouse management has evolved from times when general cargo was discharged “loose” from ships. The wharfinger, a licensed warehouse practitioner, had more responsibility for keeping and caring of cargo as the ‘bailee of the goods’ while said cargo remained in his custody. He had to be cognisant of “damage mitigation” requirements, various aspects of the “sue and labour” clause as part of the need to protect his cargo and himself from claims of negligence in his duties of ‘caring for the cargo’. Some familiarity with “Hague Visby rules,” or charter parties, or maritime liens, or the proper use of cargo handling gears, would all be a part of his expertise. Not the least however would be how accurate he was at receiving and delivering cargo.

Warehouse management in today’s port environment, where domestic cargo consignments are delivered largely as individual items to hundreds of customers, requires relentless attention to detail.

One of the many challenges is the tracking of large numbers of packages of different types, sizes and of various ‘marks and numbers’. A successful end-result, getting the cargo to consignee, will happen only where there has been total accuracy in the delivery exercises. This demands undivided attention.

The warehouse system has to deliver with unflinching accuracy while maintaining the integrity of packages. The packages should be delivered in the same condition (except for fair wear and tear) in which it they were received.

While there are various advanced automated and electronic management systems devised to track inventories, the key is to employ systems which fit the particulars of the trade.

### Stripping

Warehousing activity carried out from a shipping terminal is mainly to support the stripping of containers. These can be Full Container Loads of homogenous cargos or, containers described as L.C.L or F.A.K (‘less than container load’ or ‘freight of all kinds’). Regardless, functions of stripping and stuffing, reconsolidation, repackaging, transfers, as well as the handling of bulk consignments all generate economic activity. They must be planned for, measured for utility and augmented accordingly.

In this regard, the logistics of establishing and determining the stripping or stuffing queue; along with the concomitant space requirements needed in relation to output expectations, assume paramount importance. And efficiency and accuracy have to be maintained while accommodating, for example, cargo intrusion checks, customs inspection, bills of lading or order authentication, as part of the daily exercise.

In this milieu, practising of safety protocols as they pertain to handling dangerous/ hazardous or disagreeable cargoes must also be on-going. The negative effects to the health and safety of employees are obvious and therefore must be kept in the forefront of consideration. Modern and functioning safety and protective gear; on-hand first aid access; timely fulfilling of fumigation requirements; and container airing requirements are all imperative and warehouse managers run dangerous risks by not holding to all safety protocols and procedures.

### Stowage

In order that the warehouse’s cube can be fully utilized, racking is compulsory. Palletized cargo can be handled easily enough. However, where pallets need to be sorted



out in groups of like consignment or different package types, the effort has to be much more discerning. Heavy pieces must be racked or stowed lower. Lighter pieces can be stowed higher. That never changes.

The smart warehouse manager is prepared to receive numerous barrels and drums of 'personal effects', especially at the Christmas peak period. There is some challenge as to completeness when sorting and stowing this type of cargo. Most challenging are the reconciliations required to consolidate or stow the 'returning residents' mix. This might include anything, including the pigeon coop or old motor-bike parts... odds and ends and small items which can get mislaid quite easily.

Commercial cargos are much more 'accommodating' in their stowage needs. Shrink-wrapped packages (usually associated with the informal commercial trade) pose reconstruction problems after being subject to custom examinations because it is almost impossible to "re-shrink-wrap" without the shrink-wrap machine.

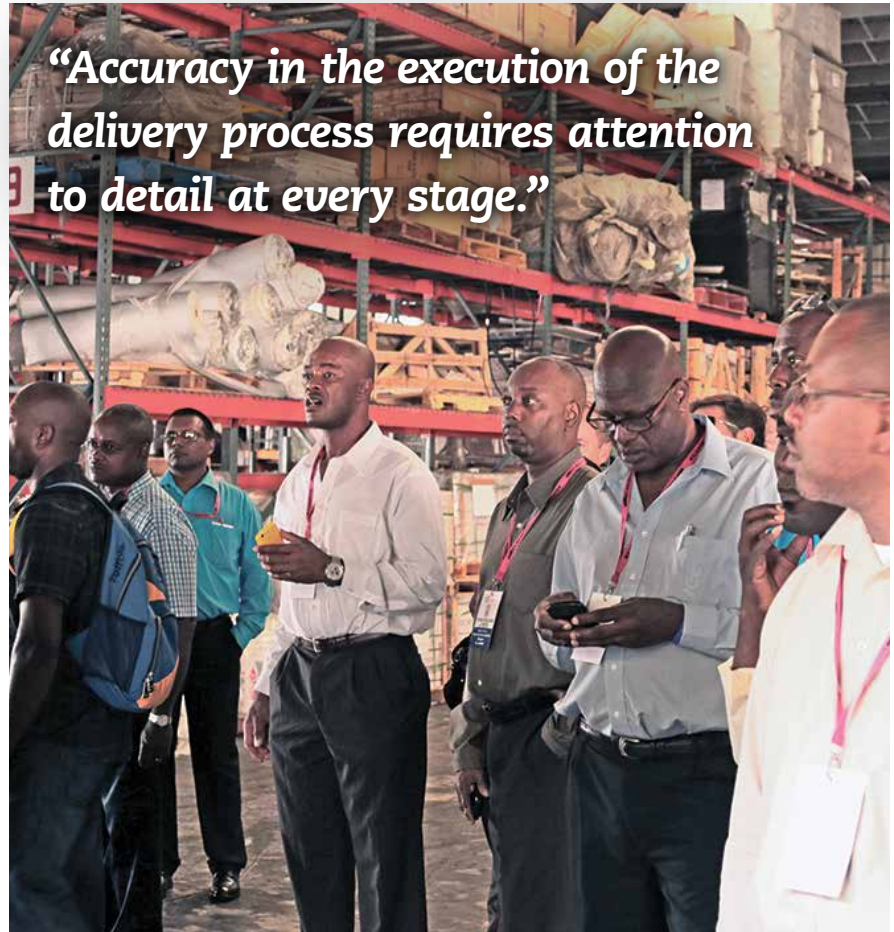
### Cargo Security

Special cargos lockers, necessary to protect high value or easily stolen articles, keyed by both customs and warehouse personnel, are useful security precautions. For cargo that needs to be loaded for export or in situations where reconsolidation and de-consolidation are undertaken, the proper chocking and dunnaging techniques must be applied. Properly trained technicians are a pre-requisite, as this application ensures the stability, integrity and safety of the cargo while in transit.


There is a particular damage certification clause that the *au fait* warehouse practitioner ought to know. It reads in part: "...at the time of delivery and in the presence of the customer, customs officer and warehouse supervisor (or designate), found in apparent good order and condition, but upon examination, found to be rattling, broken, torn, dented ...etc.". In the event of insurance-related claims, this protects the warehouse from liability for damage incurred. Containerization has surely reduced the need for this type of damage certification. Improvements in packaging have also contributed to the minimizing of cargo damage.

Accuracy in the execution of the delivery process requires attention to detail at every stage. This is imperative for all who are a part of the process but managers and supervisors have to be on top of their game, as long as there is cargo under their care. ●

**\*Alick Mitchell, BSc. (Hons.)** Marine Commerce, has managed Planning and Operations at the Port of Kingston for 30 years.



PMAC conference participants visit port warehouse in St. Maarten, June 2014 (Mike Jarrett)





# ALL in the SAME BOAT

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## You think training is expensive? Try ignorance! Improve productivity by 25% with training, certification

BY FRITZ PINNOCK, PHD\*

*"The 20th Century was the age of machine;  
 the 21st Century is the age of people"*  
 – Kanter, cited in Kermally, 2006.

*"Globalisation, empowerment, cross functional teams,  
 downsizing, learning organization and knowledge  
 workers are changing the way of life of managers  
 and the way they manage people."*  
 – Kermally, 2006.

**T**he traditional approach to Caribbean productivity has been to focus primarily on upgrading equipment. Where this focus is in itself necessary, it is perhaps far more important to adopt a strategy which begins with a holistic integration of equipment, technology and human beings.

Due to advancement in technology and, in particular, information technology, Caribbean ports are now under pressure to put more emphasis on 'soft skills' and less on 'brute force' for training of stevedores and clerks. Studies in Europe and the USA have shown that training and development of the human component can improve productivity by as much as 25%.

In the Caribbean, handling charges, including insurance on transport are generally 30% higher than the world average. In addition, container-handling tariffs are either opaque or hidden and inevitably

trigger heavy cross-subsidisation. This leads not only to disconnection between the actual costs incurred in handling the containers and tariff levels charged but also and perhaps more significantly, it promotes inefficiency and excessive tariff levels. This therefore suggests that improving training and development of port workers and clerks in the Caribbean must always be a top priority in the short and the long term.

The top five global port operators, now controlling over 80% of the world port throughput, have made the matter of certification and standardisation of port workers a priority. The Caribbean peoples, in order to compete and remain relevant, have no choice but to take this approach to development.

Barbados and Jamaica were the first two countries in the Caribbean to pioneer training and professional development of stevedores and port workers as a strategy for improving marine terminal productivity. What has been learnt from their experiences is that it is imperative that stevedores are considered a vital aspect of the asset base of the shipping industry and not be treated as a major expense item.

In the Caribbean, training has been treated on a *ad hoc* basis. Rather than adopting training as a solution strategy for low productivity or to increase production from investment already made, training is placed on the wrong side of the balance sheet. In other words, it is treated as increased costs as opposed to a direct investment, which adds value.

Human capital is the Caribbean's single largest asset. If empowered through training, it can be an organization's competitive advantage. In the case of Barbados Port Inc., it was noted that after an extensive training exercise with the stevedores; health and safety awareness increased and the confidence of stevedores increased significantly while, at the same time, there was a notable decline in accidents and incidents.

Planned upgrade in physical assets is critical and should keep pace with technology and the capacity of the workforce. However, training is too often viewed as purely a monitoring cost and a drain on the finances. The benefits are often ignored, only because they can be difficult to identify and quantify in financial terms. A broader, more reflective assessment of training often leads to identification of non-monetary benefits, many of which have positive influences on productivity.

Training is inextricably linked with life beyond the work place. In evaluating and balancing the costs and benefits of training, the social and individual factors must also be considered. Like any good investment, training offers returns. And the true measure of value derived is often evident in what is saved and also what is gained. •

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\* **Dr. Pinnock** is Executive Director of the Caribbean Maritime Institute

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 If empowered through training, it can be an  
 organization's competitive advantage."**





## Lemons to lemonade

BY JOSEPH CERVENAK\*

**W**e awake to the grief of more than 10 major disasters every 72 hours. Statistically that is 3.4 disasters every day. And we track them all – in the morning headlines over cereal and coffee or later over dinner during the evening newscast.

Each is undeniably tragic, immeasurable in human pain, suffering and casualties but sometimes quantifiable in terms of deaths or dollars. And dollar value for property destroyed can soar into billions.

The frequency of such catastrophic events tends to numb the senses. We are engaged only until the next new disaster flashes on the screen or screams from the tabloids selling sensationalism. We shield ourselves from these disasters by thinking that it happens to someone else. Yet, with reflection, we recognize that ‘it’ could happen to us.

In the Caribbean we are well aware of the ‘natural risks’ and man-made hazards. And, we applaud the governmental agencies, non-government organisations (NGOs), private sector and universities that collect data, develop models, create simulations and build actuarial tables that advise us of probabilities, forecasts, and advance warnings. We are convinced that during our lifetime the Caribbean and Latin America will likely experience three of the worst types of natural hazards.

During our early years we learn about natural disasters, be they hurricanes, volcanoes or earthquakes. We know that almost every major city in the region at some time during its history has been devastated by an unstoppable natural disaster. As adults, we learn to prepare for the historically documented, most likely or inevitable revisit. This is a risk-sensitive world where disruptions will always exist and most are beyond our control.

Since the 911 terrorist attacks on the World Trade Centre in New York City, the business of day-to-day life has changed. Businesses are increasingly vulnerable to

disruptions of services, cyber incidents as well as threats to human safety. In the context of this writing, we view these matters as man-made hazards.

Preparation for disaster includes learning about risk as a continuum; as one of connected steps. We are schooled, directed and quick to learn how to mitigate risk, how to protect our people, properties and businesses. We learn to stash batteries, water, and food, secure windows, doors and gaps with the potential to admit the undesirable. We pay to safe-haven key documents and cash and establish a human communication network system. We ready ourselves. And then, based on expectations, we choose to bunker down and ‘ride it out’ or otherwise move to safety. Thus the first phase of dealing with risk is completed.

As we view the *risk* continuum we label these first actions as *reconnaissance*. That is, we evaluate and prepare for what we think will come, be it a natural or a man-made disaster or hazard. In tandem, we progress to the next step of *responding* to and *recovering* from the brunt of the damage.

Likely, there is a great deal of expertise in our region capable of addressing immediate emergencies. Usually available are well-tested prepared procedures, training manuals and instructional literature with ‘how to,’ and ‘to-do’ suggestions for protection and recovery. However, it is from an immediate transitional phase to a post-disaster recovery to which attention is drawn.

Recovery is the re-entry to business. A phase with a well thought out strategy will direct the company and its leaders to overcome the effects of the disaster or hazard in an efficient manner. And, it carries the imperative to precisely and deliberately resume business as quickly as possible. It is in this latter phase, with a sense of urgency, that we examine the logistics of aid provided by the government and support sectors. Such examination of their actions continues throughout

**“A well thought out strategy will direct the company and its leaders to overcome the effects of the disaster or hazard in an efficient manner.”**

the recovery phase. This time line to re-establish a working infrastructure and support communities and businesses is dependent on these parties and thus affects the transition to the company’s recovery.

Thus, with the end game in mind, an examination and thorough understanding along with a buy-in of the recovery strategy is absolutely critical. Taking the initial steps for developing a strategy is to address risk in stages. Namely, what is of value? What is the potential of losing that value? What is the assessment of the loss of value? What benefits could result from the experience of loss?



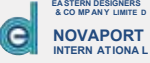








The latter presents a novel question. Can our organization benefit from a loss experience? Likely, if risks are viewed beforehand as advantages rather than adversities.

‘When life hands you lemons, make lemonade.’ •

\*Joseph Cervenak is Managing Principal of Kemper Joseph llc., josephc@kemperjoseph.comcast.net

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