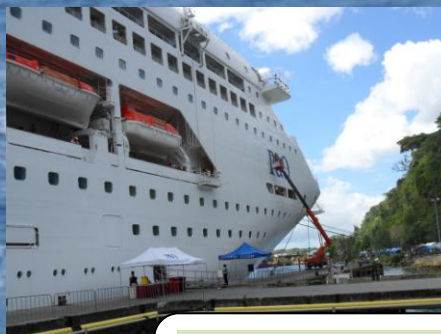


# Republic Of Vanuatu

## Inter-island and International Shipping Background

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By

John M.A. Batie

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## **Introduction**

The Republic of Vanuatu relies on its inter-island shipping services as the major means of transport, connecting its outer islands to the central port hubs, Port Vila and Luganville. The shipping provides routes for cargo shipment and other services deliveries to various communities living on the outer-islands. Inter-island shipping supports the trade between the outer islands and also supports the international trade of Vanuatu.

Not all communities living on the outer islands are fortunate to have regular shipping services. This is due to longer distances and limited products or produce which cannot sustain shipping services costs on such routes. Though a number of ships do engaged on uneconomical routes at times, no regular schedules were adopted and voyages are at the operators own costs. Some of these faced issues were resolve by working corporately with the ship operators, owners, and communities.

## **Background**

Republic of Vanuatu is composed of about 83 scattered islands in a “Y” shaped layout and known as New Hebrides when colonized by Britain and France until 1980 when it got its independence and changed its name to Vanuatu.

Below is some of its brief background outline:

1. Population of 256,155 (2012).
2. Life Expectancy 65.06 years (2012)
3. Total area 12,200 sq.km,
4. Land area: 2,266 Sq. km
5. GDP 2.5% (2012)

Like any other regional states, Vanuatu does use land, sea and air transport. However, sea transport is the main means of reaching most of its outer islands in support of inter-island and external trades and providing services to the majority of its population. For sea transport, the domestic ships fleet links the outer island nodes to the major shipping hubs which are Port Vila and Luganville. These two hubs provide the entry and exit of imported and exported goods as well as passengers visiting by ships.

## **Structural Arrangements**

Vanuatu has two different Government Ministries administering its shipping and

Maritime Acts or Legislations. The maritime Act is under the Ministry of Finance and Economic Management (MFEM) and the shipping Act, ports Acts and Vanuatu Maritime College are under the Ministry of Infrastructure and Public Utilities' (MIPU) administration. The Department of Ports and Marine, which is under MIPU is responsible for the implementation of the shipping and ports Acts. Other roles which the Ports and Marine takes care of are the domestic ships registrations and safety inspections, the certification of the Vanuatu Maritime College's students, port state control, and the port operations.

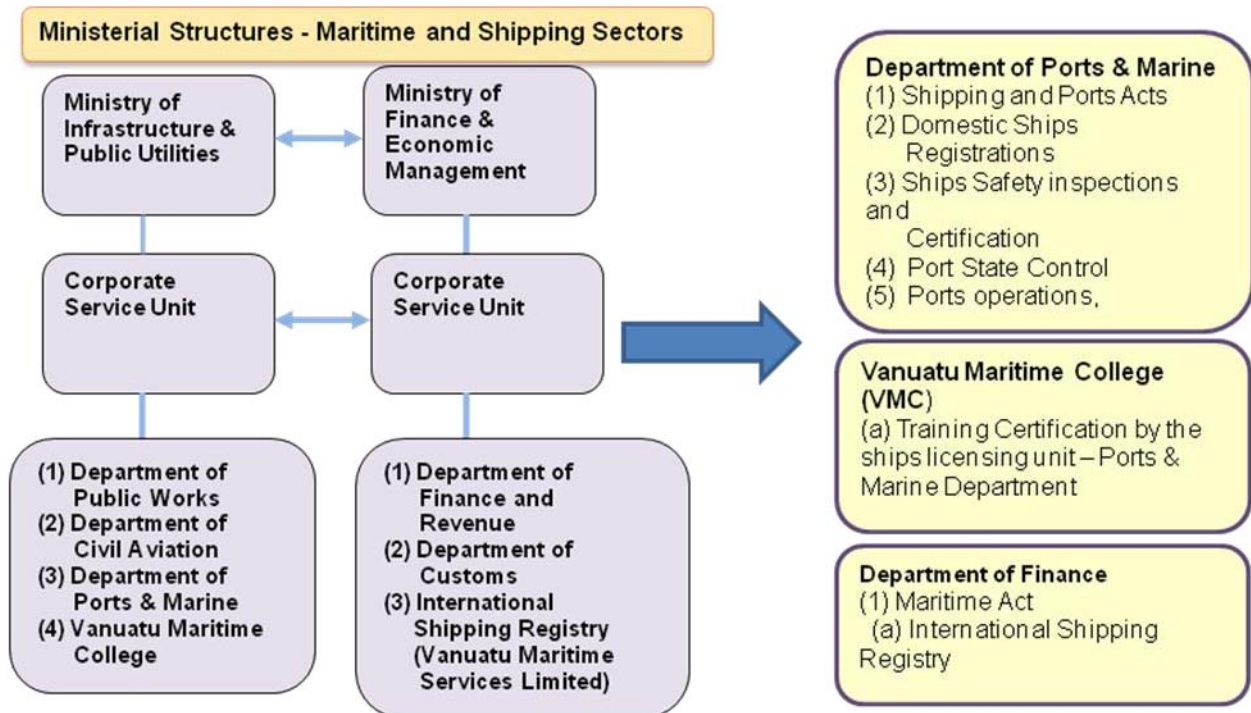


Figure 1.0 Maritime and shipping sector structure

## 1. Port Infrastructures

For the shipping infrastructures, such as the wharf and other supporting infrastructures such as ware houses, water supplies, electricity and hinterland road links, only some of the ports have these. The two international Port hubs (Port Vila and Luganville) do have the supporting infrastructures.

On the outer islands, there are a few wharves and jetties which support the domestic ships operations for cargo loading and offloading as well as passenger embarkation and disembarkation. However, coastal anchorages and landings are used throughout the islands where there are no jetties or wharves.

## 2. Fleet Size, Age, and Type

**Table 1: Fleet size**

No	Type of Vessel	Estimated Total	Trade Engaged In	Remarks
1	All types	243	Passenger, cargo, fishing, tug operations, and pilotage operations	Vessels being registered as domestic operating vessels
2	Landing Crafts	10	Cargo and Passenger	Engage in Inter-island operations
3	Flair Bow vessels	54	Cargo and passenger	Engage in Inter-island operations
4	Other vessels	175	Coastal cargo/passenger transportation	

The Domestic ships fleet Gross Registered Tonnages range from 20 to 500 tons. Within the fleet, the ages of ships range up to 20 years, and a few are still over 20 years old. Currently 14 of these vessels detained due to various failures to meeting the safety standards.

## 3. Shipping service Network and Ship Calls

### **Domestic Shipping Services**

For the areas of operations, more shipping routes for servicing the outer islands are concentrated within the central provinces diminishing towards some of the Southern and Northern islands. More frequent and reliable shipping services are provided to the central provinces. The most northern and southern islands experience infrequent and irregular shipping services that is having unreliable shipping services. An experience of more number of ship calls is within the central provinces of Vanuatu, with Port Vila and Luganville being the highest. Refer to Annex 1 Frequency of shipping services.

TAFEA province outer islands and TORBA province do experience higher cargo freight rates as well as passenger fares. These rates depend very much on where the cargo is loaded and where to be offloaded. The same applies to travelling passengers.

## 4. Number of Passengers, Cargo tonnages, commodities handled, & TEUs loaded and unloaded

The domestic ships fleet supports shipping of products from the outer islands to the two

international ports of Vanuatu, Luganville and Port Vila. Most of the products transported are, copra cocoa, cattle, kava and other root crops. Some of these products are sold in the local market while some undergo processes for export. The exports are shipped to external destination via international trading or container ships. The domestic fleet also provides ease of shipment of imported goods and materials to the outer-islands.

The total number of passengers and tonnages of goods loaded and offloaded cannot be determined. This is due to ships servicing the islands not having or providing data of cargo and passengers travelling between islands. However, some estimates for the domestic and international shipping are provided below. These are mainly for Port Vila and Luganville.

**Table 2: Port of Luganville**

<b>Domestic Ships Fleet</b>			
<b>No</b>	<b>Activity</b>	<b>Estimated Total per Month</b>	<b>Estimated Total per year</b>
1	Ships call in /week	N/A	780
2	Cargo	N/A	45,000 Tons
3	Passenger /week	N/A	5,200
<b>International Ships</b>			
<b>No</b>	<b>Activity</b>	<b>Estimated Total per Month</b>	<b>Estimated Total per year</b>
1	International Ships Call	N/A	95
2	Offloaded Containers (TEU)	N/A	800
3	Loaded Containers (TEU)	N/A	1000
4	Empty Containers	N/A	1,200

**Table 3: Port Vila**

<b>Domestic Ships Fleet</b>			
<b>No</b>	<b>Activity</b>	<b>Average Number Per Month</b>	<b>Total Number Per Year</b>
1	Ships Call in	17	202
2	Passengers Disembarking	879	10,535
3	Cargo offloaded	N/A	N/A
<b>International Ships Call in Port Vila</b>			
<b>No</b>	<b>Activity</b>	<b>Estimated Total Number Per Month</b>	<b>Estimated Total Number per year</b>
1	Ship Calls/month	17	200
2	Imported Cargo/month	7,000 Tons	80,000
3	Offloaded Containers (TEU)	12,000 TEUs	288,000 TEUs
4	Passenger Inward/Month	12,000	144,000

Note that the International ships call into Luganville and Port Vila also include tourist boats

## **5. Challenges and Opportunities of shipping services**

### **Domestic – Inter-island shipping**

Vanuatu does face a lot of challenges for its Inerter-island shipping. Some of the challenges are as follows:

1. Maritime and shipping legislations which are not updated
2. Ships safety standards, which needs operators to take up responsibilities for maintaining and keeping the safety standards
3. Having shipping support infrastructures on outer islands for safe landing and loading of cargo, products or passengers. This includes wharves or jetties,

warehouses, water supply, electricity for lighting, and good hinterland road access

4. Cargo and passenger data
5. Safety loading limits monitoring, ships on route between islands
6. Shipping services to some islands or areas with uneconomical routes, and areas with unsafe anchorages or landings though products to economic potential exists
7. Safe slipway for the hull and major ship maintenance for proper surveys to be carried out by the authorities
8. Land issues for the shipping support infrastructures
9. Updated charts by having a hydrographic survey of Vanuatu
10. Removal of ship wrecks in ports and on outer islands
11. Shipping lane and traffic congestion within the port hubs (Luganville and Port Vila)
12. Navigational aids such as light houses, beacons or cardinal marks provision
13. Search and rescue (SAR), being an expensive operation



Figure 2.0 Domestic Ships jetty (outer-island)



Figure 3.0 Offloading and loading (outer-island wharf)

### **International shipping**

For the international shipping, some challenges were also being experienced and below are some.

1. Wharf congestion, where international container ships have to anchor out while tourist boats come along side or container ships have to wait for their turn.
2. Limited land areas to built new wharves to accommodate international trading ships. Having limited land area, the implementation of ISPS code may be affected
3. Hinterland road congestion
4. Port State Control implementation due to having the maritime Act under another Government Ministry

Above are some of the challenges being experienced and some of these issues are difficult to resolve. However, this does give the opportunity to consider and move forward with possible solutions.

## **6. Government Support and Other interventions ( franchise, route, licensing, subsidies, commissions & other interventions)**

### **Inter-island Shipping**

With the challenges experienced in the inter-island shipping, Vanuatu Government has taken some initiatives to address these conditions. An inter-island shipping studies has been engaged as a project and with the provided report, further approaches of development were engaged. The inter-island shipping project is now in its early implementation phase. The project covers the following activities:

1. Maritime and Shipping legislation review and update
2. Supporting domestic ships infrastructures constructions (wharves, jetties and warehouses)
3. Shipping support scheme, subsidy provided for uneconomical shipping routes
4. Review of Department of Ports and Marine structure and
5. Establishing the Vanuatu Maritime Safety Administration

### **International Shipping**

For the international shipping infrastructure, Vanuatu Government has completed the upgrading of the Port Vila international wharf in 2010 and 2011. With the congestion of international ships berthing at the Port Vila international wharf, progress of constructing a new international wharf is now in its early phases of development and implementation. In addition, the Luganville international wharf is also under consideration for upgrading, but may take some time before the actual implementation phase commencement.

There are also other international declared ports on the outer islands of Vanuatu but only small cargo vessels or foreign registered yachts could enter these ports and off loaded, load cargo or be cleared by concern border control authorities. The Port State Control (PSC) Officers do have difficulties in enforcing the activity due to its Act or legislation being under another government Ministry while the structure is being under another government Ministry. However, an attempt is now being made to transfer the Act or legislation to the Ministry which administers the maritime and shipping operations.

### **Other addressed Issues**

Other concern addressed issues for the shipping industry development by the Vanuatu Government are the:

### **1. Hydrographic surveying**

Vanuatu Government is now in its early stages of initiating the hydrographic surveying of its coastal waters and ports. Vanuatu has recently joined the South West Pacific Hydrographic Commission (SWPHC) which is part of the International Hydrographic Organization (IHO). Since hydrographic surveying is an expensive exercise, it will take some time before the task is actually carried out or implemented.

However, there are some update charting data or information which were received from various regional surveying or charting agencies which are to be used to upgrade the current charts or electronic charts, while arrangements are underway for an update hydrographic survey

### **2. Safe Slipway**

Currently, there is a slipway in country but it is not that safe and most of the domestic operating vessels have to go to the Solomon Islands, Fiji or New Caledonia for slipping. The issue has been raised and now in its early stages of development.

### **3. Ship Wreck removals**

Ship wreck removal in ports and on outer islands is a problem which has been faced over the past till now. Though it is the responsibility of the ship owner to remove his/her ship, as provided under the legislations, law enforcement officers do have a lot of difficulties in getting vessel owners to carry out the task.

The government did assist in salvage of fuel or oils from wrecks, but for the whole vessel removal, it cannot meet the costs involve. Other alternate ways have been considered and will be engaged in future and that may include agreements between salvage companies, ship owners and the government. Vessel owner's property could be use as a guarantee to meet the expense of the wreck removal.

### **4. Safe Loading Limits on Outer-islands**

There is no guarantee of safe loading limits of passenger and cargo on the outer islands when domestic ships engaged in the inter-island trades. No data provided by the ships crews or officers. Most inspections were only carried out in Port Vila and Luganville. However, the cargo and passenger data are not that easy to get from the ship operators or ships officers due to the difficulties of tonnage estimates or outer islands passenger transportation.

The government may take necessary steps and address the issue through various means, such having a legislation covering this, ships officers compulsory reports, or engaging locals at various points to monitor the activity.

### **5. Ships Safety Standards**

Vanuatu ships Licensing and Safety enforcement section which is under the Department of Ports and Marine has been engaged in the attempting to improve the

domestic ships safety standards. Various stages of related activities were introduced and implemented and that includes:

- a. Maintenance of the ships
- b. Hull of vessels inspections when ships go to slip
- c. Having certified crews on board ships
- d. Importing of vessels of less than 15 years and
- e. Insuring of vessels hull, cargo and passengers

The main challenge is the operators or ship owners being reluctant to comply with safety standards. Ships husbandry or maintenance were also the major issue. However, these standards are slowly improving. Figure 3 shows the life cycle approach for regulating the maritime and shipping in Vanuatu.

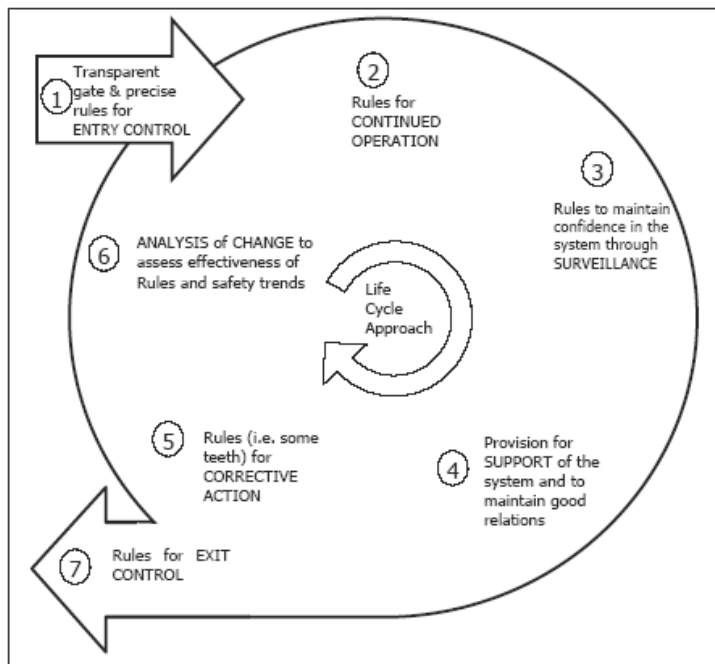


Figure 3 Life Cycle Approach of Regulating Maritime and shipping

## Conclusion

A lot of challenges had been faced within both the domestic and international maritime and shipping sectors development. Some of the inter-islands and international shipping issues faced were resolved over a short period and others may take longer. With the corporate working relationship between the Department of Ports and Marine and other shipping concern agencies, some progress has been made with positive results.

# Annex: 1 Frequency of Shipping Services

