

REPORT OF MEETING

ESCAP/KMI/SPC JOINT WORKSHOP ON MARITIME TRADE AND SHIPPING SERVICES IN THE PACIFIC

Suva, Fiji, 26 September 2008



SPC
Secretariat
of the Pacific
Community

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EXECUTIVE SUMMARY

The Secretariat of the Pacific Community's (SPC) Regional Maritime Programme (RMP) in conjunction with the Economic & Social Commission for Asia and the Pacific (ESCAP) and the Korea Maritime Institute (KMI), organised a regional workshop on Maritime Trade and Shipping Services in the Pacific which was held in Suva, Fiji, on 26 September 2008. The Workshop was attended by 26 participants representing Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu, Secretariat of the Pacific Regional Environment Programme (SPREP), Fiji Ports Corporation Limited (FPCL), Papua New Guinea Ports Corporation Limited (PNGPCL), Pacific Countries Ports Association (PCPA), SPC Biosecurity and Trade Support (BATS) section and SPC HIV section, including resource people from SPC RMP, ESCAP and KMI.

The one day workshop brought together stakeholders from Pacific Island countries and territories (PICTs) to share maritime and shipping information from ports, whereby participants could verify the accuracy of collected data and facilitate better collective understanding of port infrastructure and cargo handling issues in the Pacific. The key topics tabled during the Workshop were: (i) Overview of Global Shipping Market; (ii) Review of the Development of Shipping Service in the Pacific; (iii) Regional Co-operation and Pooling of Resources; (iv) Challenges to Serving Remote Islands; (v) Improving Port Services; and (vi) Consolidated Country Reports.

This workshop provided information from KMI on maritime cargo flows and shipping services in the Pacific region, and the way in which Pacific shipping services were shaped by global developments in the maritime sector.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
TABLE OF CONTENT	4
1. Purpose.....	6
2. Programme and Opening of Seminar.....	6
3. Overview of Global Shipping Market.....	6
4. Review of the Development of Shipping Service in the Pacific	7
5. Regional Co-operation and Pooling of Resources	7
6. Challenges to Serving Remote Islands.....	7
7. Improving Port Services.....	8
8. Consolidated Country Reports	8
9. Group Discussion: Port Infrastructure and Cargo Handling Constraints on Shipping Services- Northern and Southern Pacific.....	8
10. Conclusion/Recommendations and Closing – ESCAP/EPOC.....	8
 Annex 1 UNNESCAP/KMI/SPC Joint Workshop on Maritime Trade & Shipping Services in the Pacific	9
Annex 2 Overview of Global Shipping Market	12
Annex 3 Current Trends in Pacific Shipping	27
Annex 4 Regional Corporation and Pooling of Resources	57
Annex 5 Challenges to Serving Remote Islands	62
Annex 6 Improving Port Services	65
Annex 7 Consolidated Country Reports	71
Annex 8 Workshop on Shipping Information – Northern Pacific Group	99
Annex 9 Port Infrastructure and Cargo Handling Constraint on Shipping Services	100

AGENDA

Time	Agenda	Note
0900~0915	Opening and Introduction to the meeting	ESCAP/EPOC
0915~0945	Overview of global shipping market	KMI
0945~1015	Review of the development of shipping Service in the Pacific	Meyrick and Associates
1015~1040	Coffee Break	
1040~1110	Regional Co-operation and pooling of resources	Captain John Hogan
1110~1130	Challenges to serving remote islands	Captain John Hogan
1130~1200	Improving Port Services	Captain Hakaumotu Fakapelea
1200~1330	Lunch Break	
1330~1400	Consolidated Country Reports	KMI
1400~1530	Group Discussion: Port infrastructure and cargo handling constraints on shipping services	In two groups (Northern Pacific and Southern Pacific)
1530~1600	Coffee Break	
1600~1630	Report on group discussion	Group representative
1630~1700	Conclusion/recommendations and Closing	ESCAP/EPOC

1. Purpose

The maritime trade and shipping services workshop shared maritime and shipping information from ports, whereby participants could verify the accuracy of collected data and to facilitate better collective understanding of port infrastructure and cargo handling issues in the Pacific for ESCAP and KMI.

2. Programme and Opening of Seminar

The seminar was spread over one day – the full programme is summarised on page 5. The key topics covered in the ESCAP/KMI/SPC Joint Workshop were:

- I. Overview of Global Shipping Market
- II. Review of the Development of Shipping Service in the Pacific
- III. Regional Co-operation and Pooling of Resources
- IV. Challenges to Serving Remote Islands
- V. Improving Port Services
- VI. Consolidated Country Reports

The opening remarks were made by ESCAP (attached as Annex 1). ESCAP had done studies in Fiji and PNG but they showed interest in other countries in the Pacific as well. A request was made by KMI and ESCAP for participants to supply their data through SPC-RMP to extend the KMI study.

3. Overview of Global Shipping Market

KMI provided an overview of the global shipping market and the presentation is attached as annex 2. A question was raised on whether under seaborne trade, oil and chemical tankers were the same. This was confirmed in the affirmative. There was a 7.4% increase in 1985 and an increase of 24% in 2006 for world dry cargoes. A query was raised on whether the current state of world economics had been included in the 2015 study. KMI confirmed that it had not been and that they would consider these trends in the next study. The study was done every three years and it was hoped that more Pacific Island Countries (PICs) could expect to be included. With regard to whether the trend would change for container movement, according to KMI, Singapore would continue its dominance for container movement. In addition, a 30% increase in container traffic was expected into and out of China.

4. Review of the Development of Shipping Service in the Pacific

A presentation (attached as annex 3) on the review of the development of shipping service in the Pacific was made by Meyrick and Associates. A question was raised on how old the data used for the study was. The base data was 12 months old and it had not been validated lately.

5. Regional Cooperation and Pooling of Resources

Captain John Hogan of SPC RMP gave a presentation (attached as annex 4) on regional cooperation and pooling of resources. It was stated that Tonga and Fiji had Maritime Policies in place. ESCAP stated that regional cooperation was also one of United Nations ESCAP's missions. A query was raised about the 2006 ports conference discussions on offering a port management educational diploma programme through USP. RMP confirmed that they were still working with USP on this however USP was reluctant to proceed without adequate financial commitment. The German Government were currently looking at providing financial support for the establishment of this programme. It was still feasible and although slow, work was progressing.

6. Challenges to Serving Remote Islands

Captain John Hogan of SPC-RMP delivered another presentation (attached as annex 5) on the challenges to serving remote islands. Discussions included the point that there were a lot of products that could be sourced from within the Pacific; however, it was difficult to get a shipping line to link those countries for trade. Some Pacific countries also wanted to introduce more ports but it was difficult for them to convince the shipping lines to call at these ports. RMP stated that according to some of the studies that had been completed, the shipping companies operating in the Pacific Islands region had started to share trading routes with each other; hence, there was not much competition. There used to be a 6-weekly service into Nauru but now the next service would not be until Christmas this year, which meant that Nauru did not have the same level of service as before. One way to make shipping services work better in the Pacific was to start looking at sourcing cheaper goods from within the region at cheaper freight rates. Palau, FSM and the Marshall Is were provided with good services because they were controlling route access through route licensing and the same could be done for other subregions. Some countries had very small cargo volumes so shipping lines felt that it was not viable or feasible to trade there. ESCAP was concerned about the increase of costs to service small island states with very low volumes of cargo if an additional route was included. RMP clarified that if a feeder service was based in Fiji with exports to Tuvalu, Kiribati and Nauru, it was feasible due to the cheaper freight rates.

Pacific Forum Line had recently pulled out of the Cook Islands and a single shipping line was now operating there but there was no freight rate control due to the monopoly situation. Kiribati Shipping Services Limited (KSSL) was willing to operate a feeder service out of Fiji

if a subregional group of countries could sign a regional shipping services agreement. Including the Cook Islands on this route would make the service viable. Nauru was currently only serviced by Neptune Shipping but only for sourcing goods from Australia and they wanted the option of getting products directly from Fiji due to cheaper associated costs. Nauru had a port and a jetty on opposite sides of the island so as to enable safer ship-to-shore transfer of containers during bad weather. Shipping freight rates had dramatically increased over the past 3-4 years and it was still increasing due to the sharp increases in fuel prices.

7. Improving Port Services

Captain Hakaumotu Fakapelea of SPC-RMP gave a presentation (attached as annex 6) on improving port services. There was a lot of interest in pilotage regulations and licensing in addition to sharing port tariffs among Pacific Island countries.

8. Consolidated Country Reports

KMI gave a presentation (attached as annex 7) on consolidated country reports. With regard to the accuracy of the international container data, ESCAP confirmed that the data was quite correct since the data came directly from port authorities. A point was also made regarding accuracy of information utilised for consultant reports and ESCAP promised to engage RMP for more accurate data in the future. The countries agreed to provide data to SPC and stated that it was the most accurate way of collating regional data and analyses.

9. Group Discussion: Port Infrastructure and Cargo Handling Constraints on Shipping Services Northern and Southern Pacific

Two discussion groups were formed with feedback provided to plenary (attached as annexes 8 and 9). Feedback included RMP's engagement in the conduct of security guard training for Pacific Island countries. Future projects for submission to ESCAP could include improving the state of shipping in the region.

10. Conclusion/Recommendations and Closing – ESCAP/EPOC

ESCAP stated that they were committed to assisting the Pacific and promised to work on the recommendations that were made; however, they would be selective in their choices of what to support. ESCAP regularly conducted container studies and their future studies would include more Pacific States. RMP elaborated on the increased interaction between Pacific ports since RMP assumed secretariat services for PCPA. PCPA subcommittees were currently working with RMP to address tariff setting mechanisms and port worker training standards.

**UNESCAP- KMI- SPC Joint Workshop on Maritime Trade and Shipping
Services in the Pacific**

**26 September 2008
Suva, Fiji**

**Message from Mr. Barry Cable
Director, Transport Division, UNESCAP**

**Distinguished Participants,
Ladies and Gentlemen,**

It is my honour to convey a message from Mr. Barry Cable, Director, Transport Division, UNESCAP, to all the participants of this workshop. I regret that due to unavoidable commitments, Mr. Cable is not able to join us here in person. His message reads as follows, and I quote:

**Distinguished Participants,
Ladies and Gentlemen,**

It gives me great pleasure to welcome all of you to this workshop on maritime trade and shipping services in the Pacific, which marks the revival of ESCAP's dialogue with the maritime transport sector and its stakeholders in the Pacific region.

Nearly a quarter of ESCAP's member States and seven out of nine of its associate members are in the Pacific. The development challenges faced by small and remote island states in the Pacific are very unique, and different from those witnessed in the Asia. The Pacific region has a longstanding maritime tradition, and depends on increasing levels of maritime activity to further its economic growth.

In accordance with the recent commitment made by Ms. Noeleen Heyzer, our Executive Secretary and Under-Secretary General of the United Nations, towards strengthening the voice of the Pacific Island states, and enhancing ESCAP's work programme in this dynamic region, I am very pleased that this workshop will give an impetus to creating new partnerships, and facilitate the exchange of experiences amongst key stakeholders from the maritime shipping and port sector in the Pacific.

ESCAP's representative office based here in Suva, the Pacific Operations Centre (UN–EPOC) is assisting our renewed efforts to facilitate new avenues for South-South cooperation, and strengthening the letter “P” in ESCAP. Your views and valuable inputs will enable us to move forward in our quest to understand the unique challenges faced by Pacific island member countries in securing better access to improve and efficient shipping services, and reducing transport costs whilst increasing access to markets.

**Distinguished Participants,
Ladies and Gentlemen,**

As countries pursue trade-dependent economic growth, the inter-regional and intra-regional trade to/from and within the Asia-Pacific region is growing rapidly, thus placing a great stress on transport interfaces and infrastructure. The Busan Declaration on Transport Development in Asia and the Pacific including Phase I (2007-2011) of the Regional Action Programme (RAP), as adopted by the Ministerial Conference on Transport held in Busan, Republic of Korea, in November 2006, reaffirmed the long-term vision of an international integrated intermodal transport and logistics system in Asia and the Pacific.

While Asia continues to evolve as the growth centre of our time, the Transport Division at ESCAP is keen to extend its work to the Pacific region, and ensure that inclusive and sustainable transport development takes centre stage in the development of national, regional and/or subregional policies. In this context, this workshop will serve as a crucial starting point in our efforts to articulate the needs of the transport sector in the Pacific, and identify potential areas of future collaboration.

During the course of upcoming sessions in today's workshop, you will have an opportunity to take stock of the global shipping market, examine key trends, the growth and inherent constraints in port infrastructure and cargo handling facilities, and share related developments and challenges.

As the leading representatives of the maritime shipping and port sector in the Pacific, I hope you will engage in a fruitful dialogue during this workshop, so that together we can better understand the institutional environment and the unique sectoral challenges faced by member countries. The ensuing sessions will also provide an opportunity to

review existing infrastructural bottlenecks that hinder attempts to improve connectivity and trade linkages, both within and outside the Pacific region.

**Distinguished Participants,
Ladies and Gentlemen,**

The Korea Maritime Institute (KMI) is a leading research think-tank that has assisted the public and private sectors in the collection, analysis and management of industry information and trends at national and/ or regional levels. Recognizing KMI as a regional institute of excellence in the maritime, shipping and ports sector, ESCAP and KMI signed a Memorandum of Understanding (MOU) in 1998. In course of this longstanding and productive relationship, ESCAP and KMI have undertaken several joint projects, including studies on container traffic forecasts based on the Maritime Policy Planning Model (MPPM), which was subsequently upgraded to the Integrated Transport Planning Model (ITPM). Such collaborative joint-studies provide a useful planning context for decisions facing governments, shipping lines and port authorities in the ESCAP region. It is useful to mention that the 2007 update of the container traffic forecast study included Fiji and Papua New Guinea (PNG).

As part of efforts to extend this study to include other Pacific island countries, ESCAP and KMI have initiated a new project to develop a sustainable mechanism to collect and maintain maritime shipping and port data in the Pacific. In this regard, I would like to commend the work undertaken by the Regional Maritime Programme of the Secretariat of the Pacific Community (SPC) to advance the maritime sector, particularly in relation to the establishment of Data and Information Management Systems (DIMS). I would also like to express our deep gratitude to SPC for its gracious cooperation, and active efforts in making this event a reality.

In conclusion, I encourage all of you to participate actively in today's workshop, and hope that these fruitful deliberations will provide useful guidance to the concerted efforts undertaken by ESCAP, KMI and SPC.

I wish you all a pleasant stay in Fiji, and extend my best wishes.

Thank you for your attention.



Maritime Trade and Shipping Services in the Pacific

Overview of Global Shipping Market

Date : 26 September, 2008

Venue : Suva, Fiji



KOREA MARITIME INSTITUTE



Contents

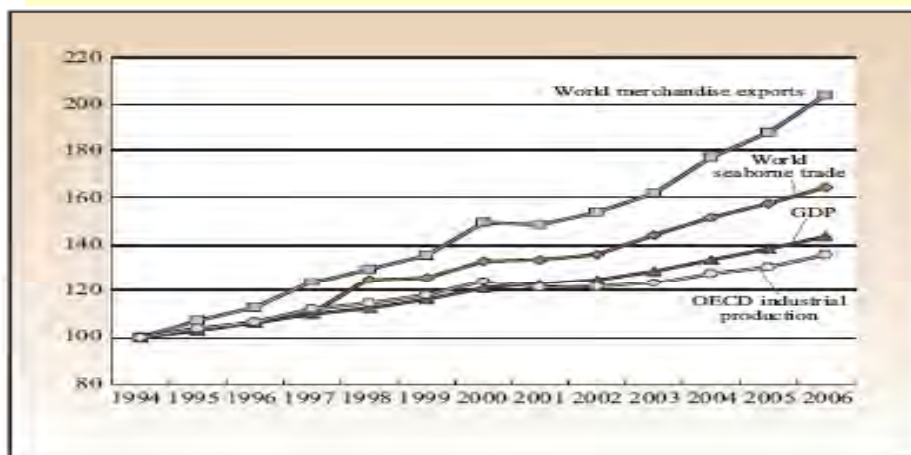


1. World Economy and seaborne trade
2. World container trade
3. Container fleet and shipping lines
4. Freight rate



World economic background

Indices for world economic growth(GDP), OECD industrial production, world merchandise exports(volume) and seaborne trade(volume), 1994-2006
(1994=100)



(Source: Review of Maritime Transport 2007, UNCTAD)



World seaborne trade

Development of international seaborne trade, selected years
(Millions of tons)

Year	Tanker cargo	Dry cargo	Main bulks ^a	Total (all cargoes)
1970	1 442	1 124	448	2 566
1980	1 871	1 833	796	3 704
1990	1 755	2 253	968	4 008
2000	2 163	3 821	1 288	5 983
2006 ^b	2 674	4 742	1 828	7 416

a : Iron ore, grain, coal, bauxite/alumina and phosphate

b : Estimates

(Source: Review of Maritime Transport 2007, UNCTAD)



Sectors of world seaborne trade

World seaborne trade in ton-miles, selected years(1970-2006)
(billions of ton-miles)

Year	Oil			Iron ore	Coal	Grain ^a	Five main dry bulks	Other dry cargoes	World total
	Crude	Products	Crude plus products						
1970	5 597	890	6 487	1 093	481	475	2 049	2 118	10 654
1980	8 385	1 020	9 405	1 613	952	1 087	3 652	3 720	16 777
1990	6 261	1 560	7 821	1 978	1 849	1 073	5 259	4 041	17 121
2000	8 180	2 085	10 265	2 545	2 509	1 244	6 638	6 790	23 693
2001	8 074	2 105	10 179	2 575	2 552	1 322	6 782	6 930	23 891
2002	7 848	2 050	9 898	2 731	2 549	1 241	6 879	7 395	24 172
2003	8 390	2 190	10 580	3 035	2 810	1 273	7 464	7 810	25 854
2004	8 795	2 305	11 100	3 444	2 960	1 350	8 139	8 335	27 574
2005	9 239	2 510	11 749	3 711	3 124	1 385	8 615	8 730	29 094
2006	9 516	2 635	12 151	4 120	3 372	1 436	9 341	9 195	30 686

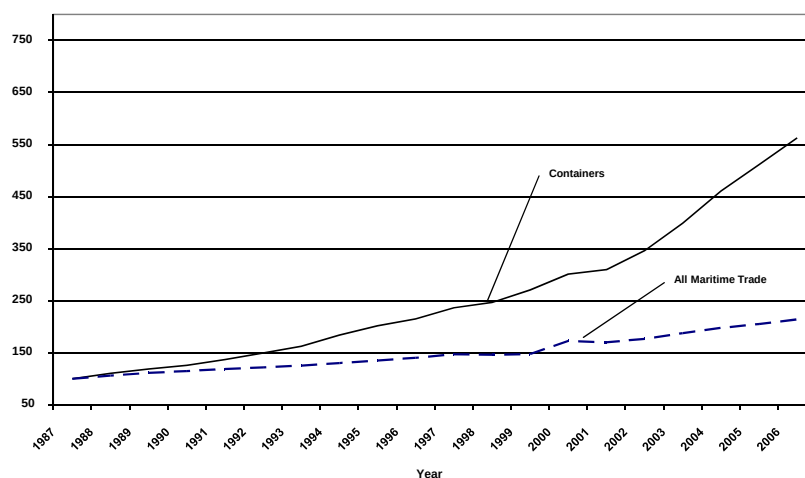
a : Includes wheat, maize, barley, oats, rye, sorghum and soya beans

(Source: Review of Maritime Transport 2007, UNCTAD)



Maritime Trade vs Container Trade

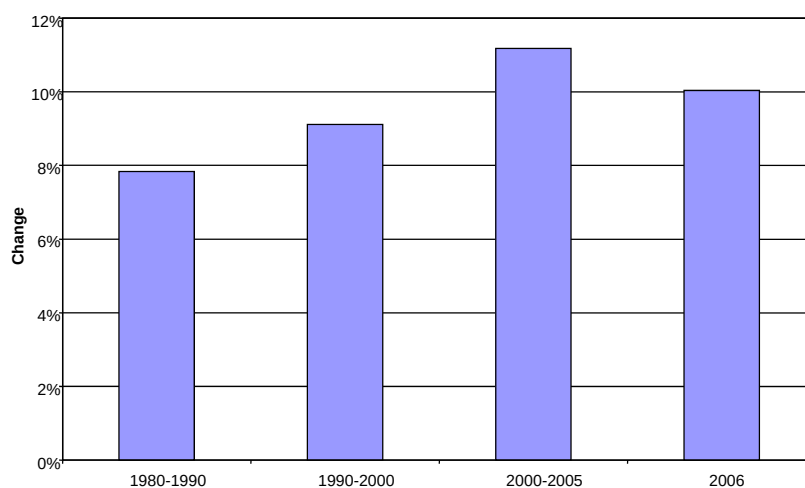
Growth of World Maritime Trade(1987-2006) (INDEX : 1987=100)



(Source: Drewry Shipping Consultants; Fearnleys; UNCTAD 2007)



World Container Trade Growth (1980-2006)

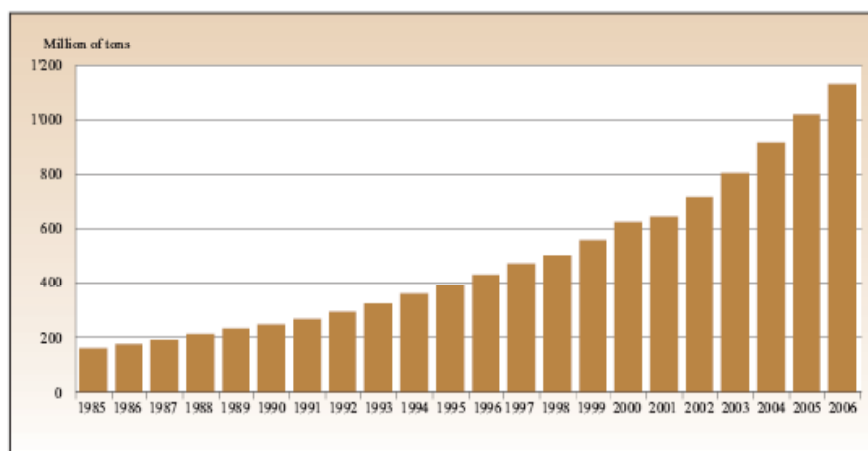


(Source: UNCTAD 2007)

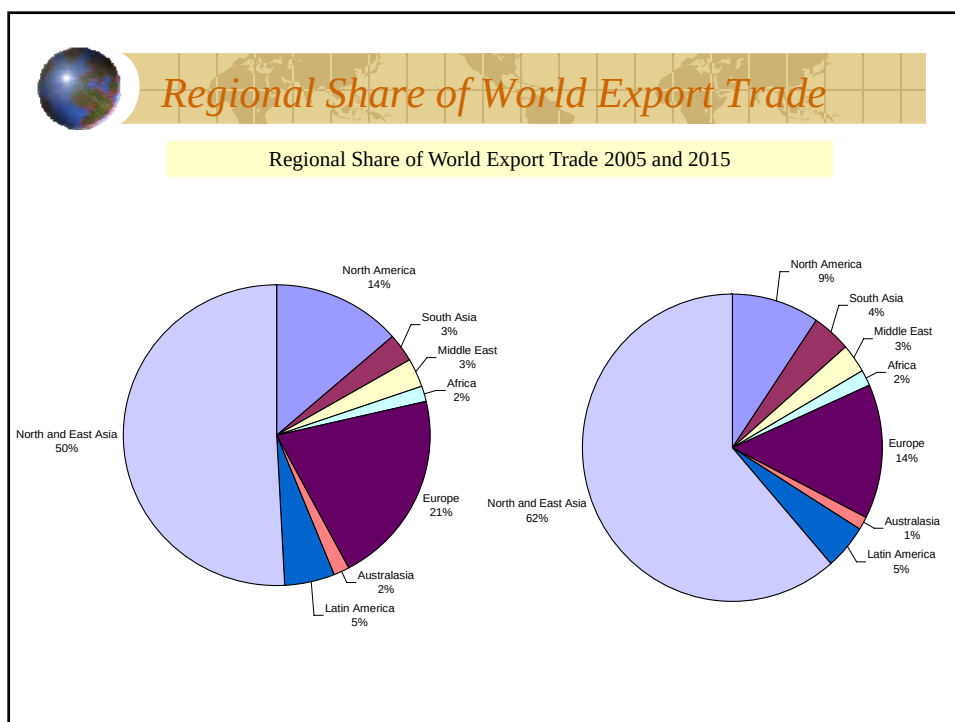
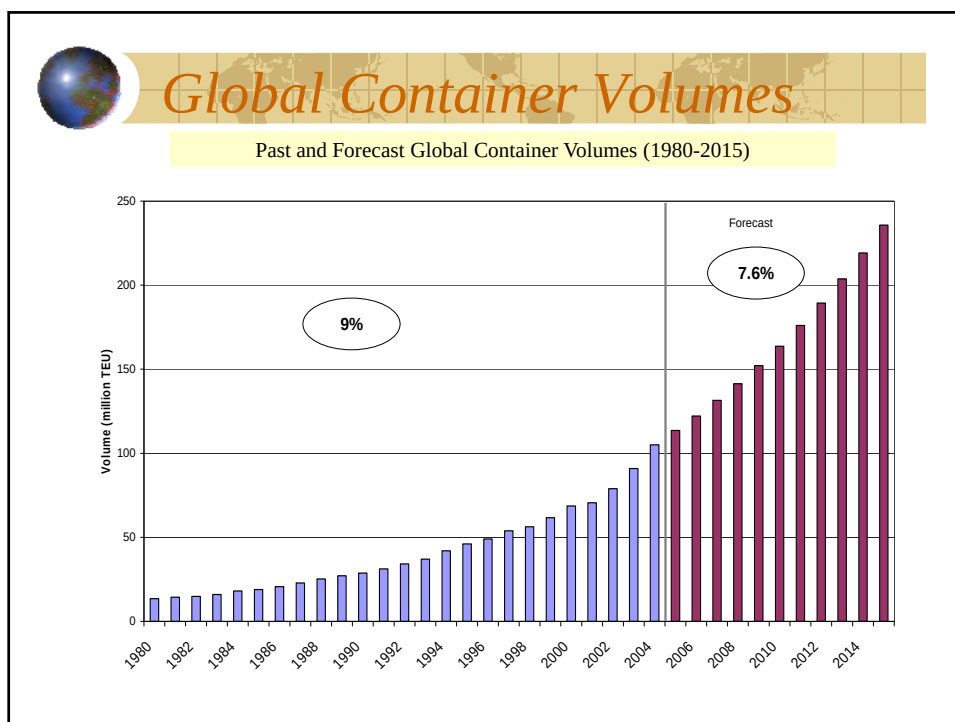


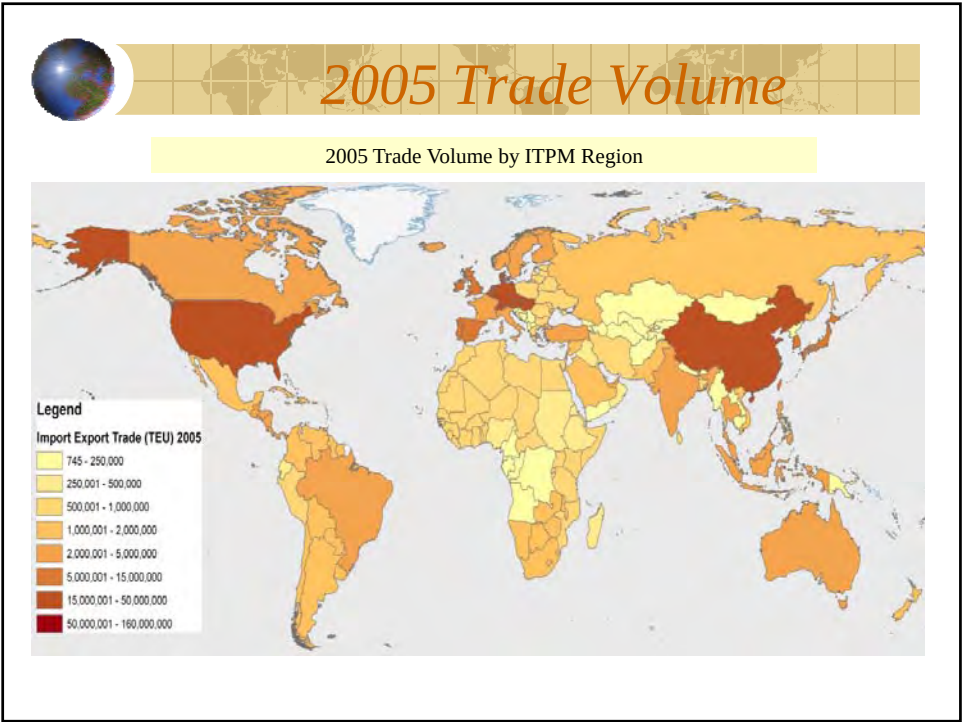
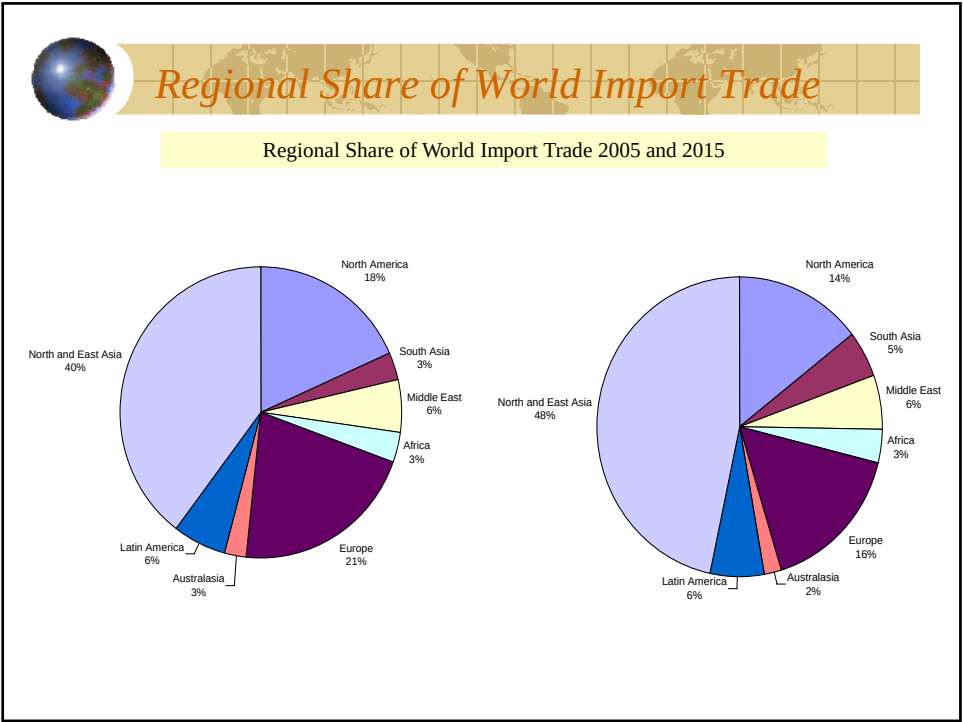
Containerized cargoes

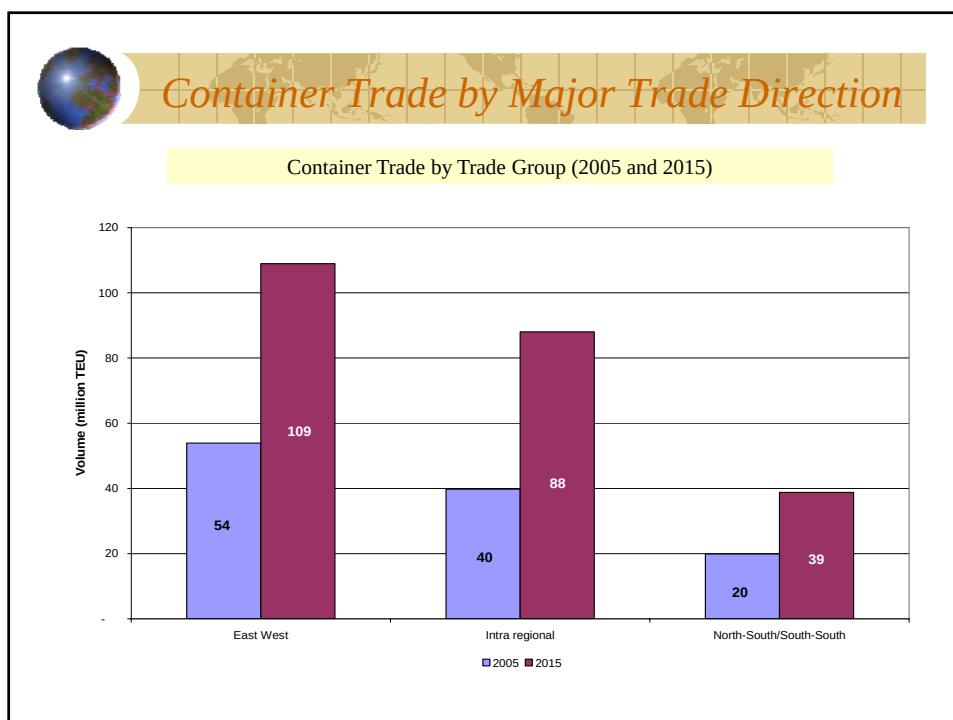
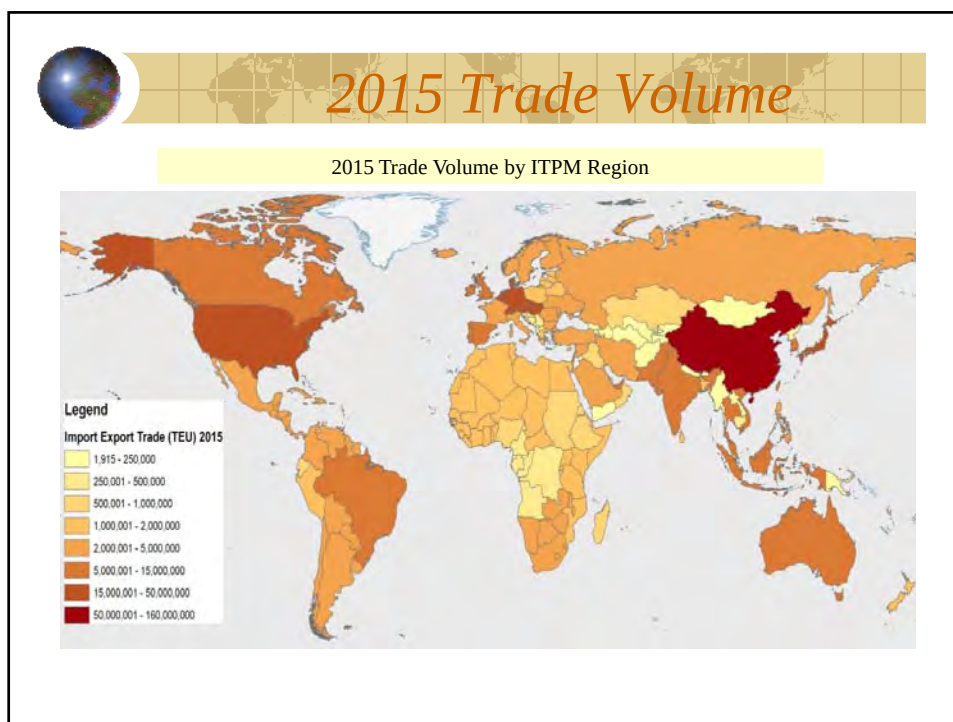
International containerized trade growth, 1985-2006
(Million tons)



(Source: Review of Maritime Transport 2007, UNCTAD)

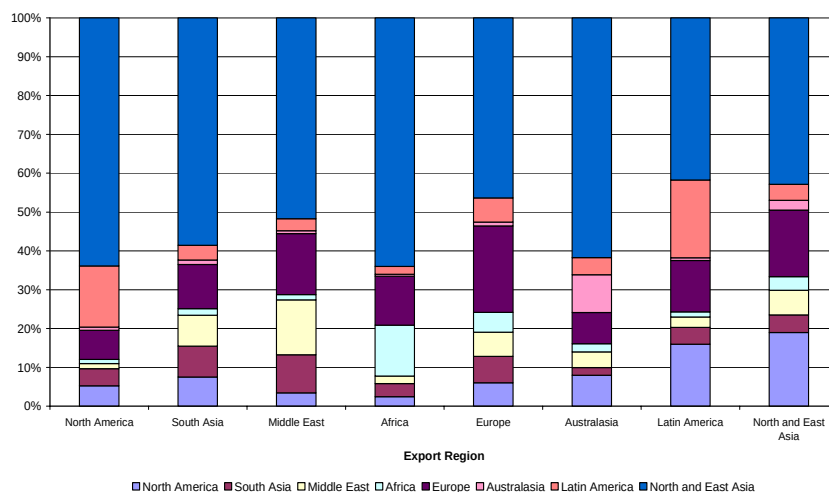




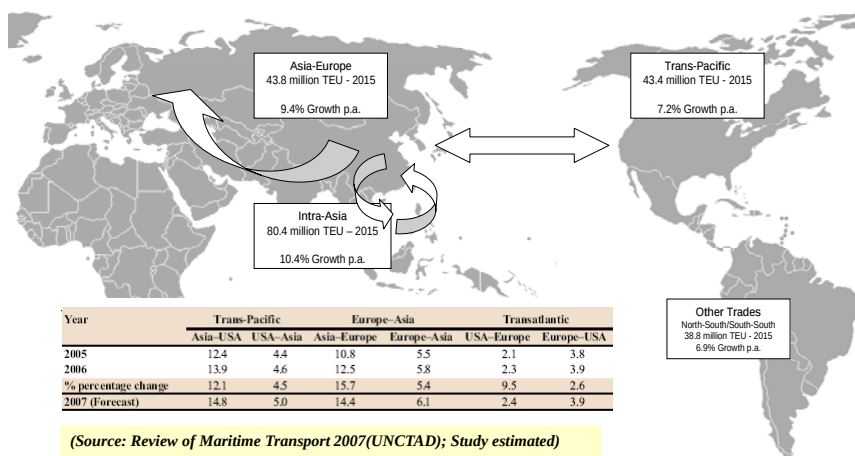




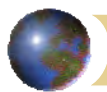
Inter Regional Container Trade - 2015



Trade Lane Growth (2005-2015)

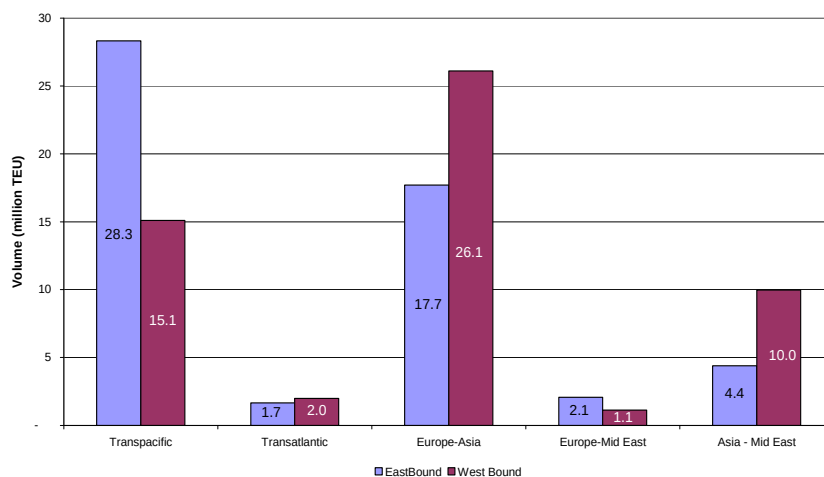


(Source: Review of Maritime Transport 2007(UNCTAD); Study estimated)



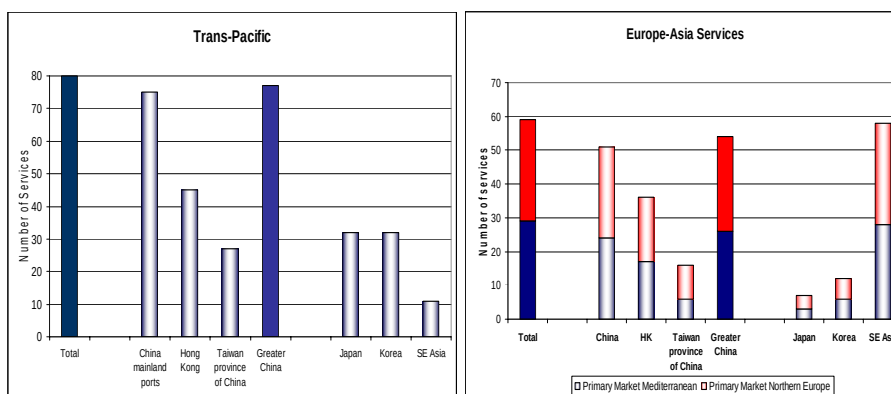
Trade Imbalance

Trade Imbalance on East-West Routes - 2015



Mainland China Routes

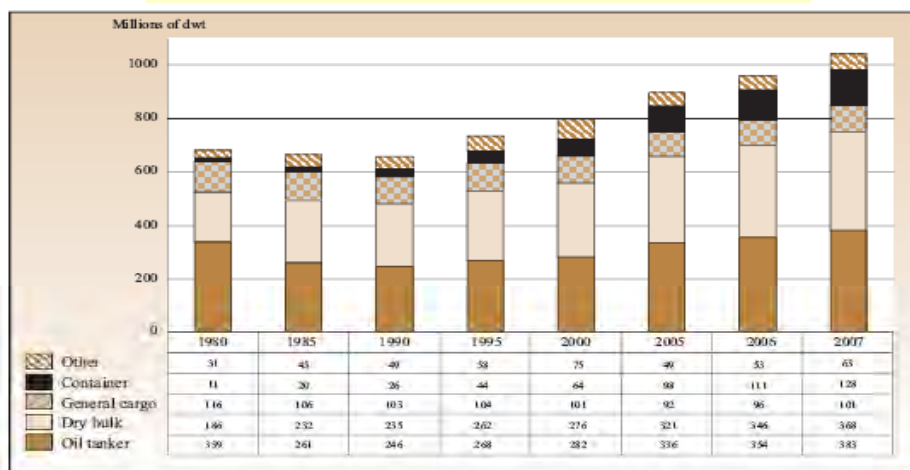
Mainland China calls on the Major East-West Routes





The world fleet

World fleet by principal vessel types, selected years
(Million of dwt)



(Source: Review of Maritime Transport 2007, UNCTAD)



World container fleet

Long-term trends in the cellular containership fleet

World total	1987	1997	2006	2007	Percentage growth 2007/2006
Number of vessels	1 052	1 954	3 494	3 904	11.7
TEU capacity	1 215 215	3 089 682	8 120 465	9 436 377	16.2
Average vessel size	1 155	1 581	2 324	2 417	4.0

(Source: Review of Maritime Transport 2007, UNCTAD)



Container Fleet

Global Container Ship Fleet and Existing Orders – At July 2007

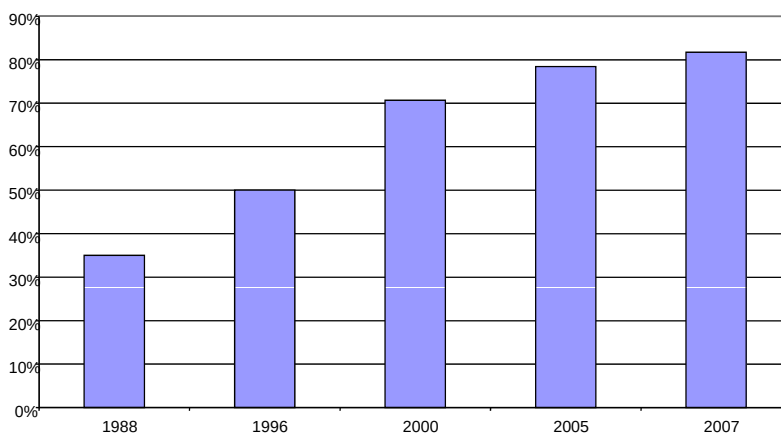
Size Class (TEU)	Existing Fleet		Ordered		Orders/Fleet (TEU)
	No of Ships	'000 TEU	No of Ships	'000 TEU	
< 500	438	136	13	3	2%
500-999	752	549	155	128	23%
1000-1499	611	722	170	202	28%
1500-1999	486	826	120	207	25%
2000-2499	302	692	21	46	7%
2500-2999	348	947	137	362	38%
3000-3999	317	1082	80	273	25%
4000-4999	354	1553	217	944	61%
5000-5999	239	1300	59	310	24%
6000-6999	114	740	121	788	160%
7000-7999	49	360	6	42	12%
8000-8999	93	767	95	798	104%
9000-9999	36	336	38	355	106%
10000+	5	68	77	857	1260%
Total	4144	10077	1309	5315	53%

(Source: Drewry Shipping Consultants 2007)



Share of Top20 Container Lines

Share of Top 20 Liners in Total Global Cellular Capacity (198-2007)



(Source: Containerisation International)



Changes in the Top 10 Lines

Changes in the TOP 10 Lines (1991-2007)

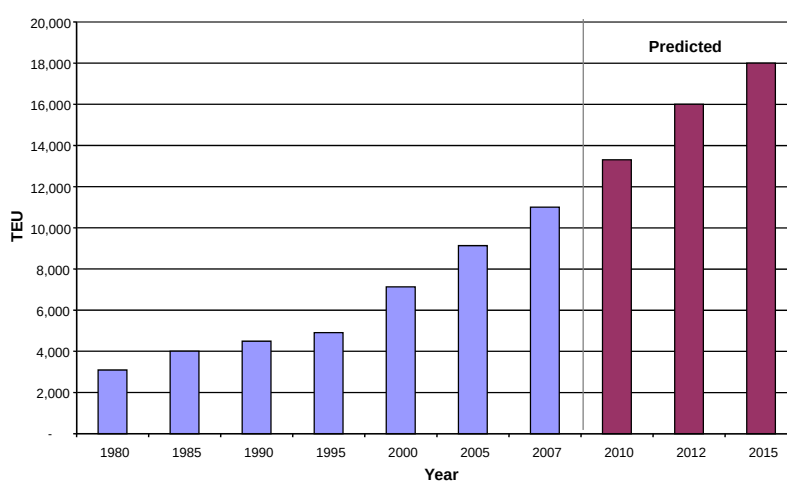
Rank	Carrier	TEU 2007	TEU 1991	Growth Index
1	Maersk	1638898	220,000	7.4
2	MSC	1200668	30,000	40.0
3	CMA CGM SA	694239	66,000	10.5
4	Evergreen	620610	131,000	4.7
5	Hapag-Lloyd AG	491954	57,000	8.6
6	Cosco	426814	97,000	4.4
7	CSCL	418858	0	na
8	APL	399896	100,000	4.0
9	OOCL	351542	na	na
10	NYK	331083	107,000	3.1
	Average	657456	80800	10.4

(Source: American Shipper ; Containerisation International)



Increased in Containership Size

Increase in Containership Size (1980-2015)



(Source: Historical series compiled from Containerisation International, various years)



Design Development of Large Container Vessels

	TEUs	LOA (m)	Beam (m)	Design draught (m)	Berth depth (m)
First Generation (1968)	1,100				
Second Generation (1970-80)	2~3,000	213	27.4	10.8	12.0
Panamax (1980-90)	3~4,500	294	32.0	12.2	12.8~13.0
Post-Panamax (1988-95)	4~5,000	280~305	41.1	12.7	13.5~14.0
Fifth generation (1996-2005)	6,400~ 8,000	300~347	42.9	14.0~14.5	14.8~15.3
Current Development Stage	8,000~ 10,500	320~380	43~47	14.5~15.	15.3~15.8
Ultra Large Container Carriers from 2008;					
	12,500	380~400	58~60	14.5~15.0	15.3~15.8
	14,500	380~400	58.0	15.5	16.3

Source : Ocean Shipping Consultants Ltd.



Comparison of VLCS

Specification of very Large Container Ships

Ship	Malacca-max (project)	Emma Maersk (in operation)
TEU capacity	18,154	11,000
Length (m / feet)	400 / 1,312	397 / 1302
Breadth (m / feet)	60 / 197	56 / 184
Draft (m / feet)	21 / 69	15.5 / 51
Depth (m/ feet)	35 / 115	30 / 98
Deadweight (tonnes)	243,600	156,907
Vessel speed (knots)	25	25.5

(Source: American Shipper, Lloyds-Fairplay)



Forecast Vessel Sizes by Major Container Trades to 2015

TEU capacity	1998	2000	2005	2010	2015
Deep-sea					
Far East-Europe					
Typical Vessel	4,500~5,000	4,500~5,500	5,500~7,000	8,000~9,000	10,500
Largest Vessel	7,500	7,500	9,200	14,500	14,500
Transpacific					
Typical Vessel	4,500~5,000	4,500~5,000	5,500~6,500	7,000	8,500
Largest Vessel	6,250	6,700	8,100	9,000	10,500
North-South					
Typical Vessel	2,000	2,500	3,000	3,000	3,500
Largest Vessel	3,000	3,500	3,500	3,500	4,000
Feeder					
Typical Vessel	400	550	650	700	850
Largest Vessel	850	900	1,000	1,200	1,500

Source : Ocean Shipping Consultants Ltd.



Freight level of containerized services

Freight rates(market averages) per TEU on the three major liner trade routes
(\$ per TEU and percentages change)

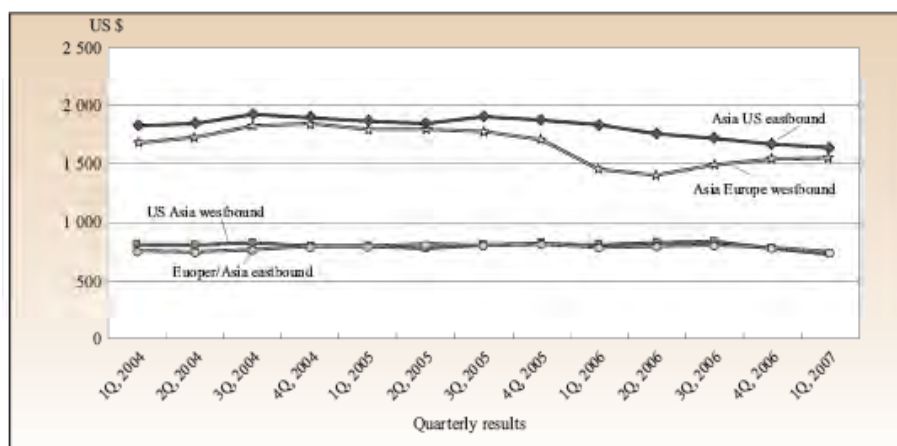
	Trans-Pacific		Europe-Asia		Transatlantic	
	Asia-USA	USA-Asia	Europe-Asia	Asia-Europe	USA-Europe	Europe-USA
2005						
First quarter	1 867	800	801	1 795	886	1 544
Change (%)	-1.5	0.4	0.0	-2.5	-1.1	1.5
Second quarter	1 845	781	821	1 794	906	1 655
Change (%)	-1.2	-2.4	2.5	0.0	2.2	7.2
Third quarter	1 906	815	815	1 778	935	1 725
Change (%)	3.3	4.3	-0.7	-0.9	3.2	4.2
Fourth quarter	1 878	825	825	1 709	1 009	1 815
Change (%)	-1.5	1.2	1.2	-3.9	7.9	5.2
2006						
First quarter	1 836	815	793	1 454	995	1 829
Change (%)	-2.2	-1.2	-3.9	-14.9	-1.4	0.8
Second quarter	1 753	828	804	1 408	1 010	1 829
Change (%)	-4.5	1.6	1.4	-3.2	1.5	0.0
Third quarter	1 715	839	806	1 494	1 041	1 854
Change (%)	-2.2	1.3	0.2	6.1	3.1	1.4
Fourth quarter	1 671	777	792	1 545	1 066	1 762
Change (%)	-2.6	-7.4	-1.7	3.4	2.4	-5.0
2007						
First quarter	1 643	737	755	1 549	1 032	1 692
Change (%)	-1.7	-5.1	-4.7	0.2	-3.2	-4.0
Second quarter	1 675	765	744	1 658	1 067	1 653
Change (%)	1.9	3.8	-1.4	7.0	3.4	-2.3

(Source: Review of Maritime Transport 2007, UNCTAD)



Freight level of containerized services(Asia base)

Freight rates to and from Asia, 2004-2007



(Source: Review of Maritime Transport 2007, UNCTAD)



Thank You/Vinaka!

Current trends in Pacific Shipping

Presentation to:
ESCAP/KMI/SPC Joint Workshop on
Maritime Trade and Shipping Services in the Pacific
Suva 26 September 2008



Current trends in Pacific Shipping



ESCAP/KMI/SPC Joint workshop Objectives:

- To share information on maritime cargo flows and shipping services in the Pacific region
- To understand the issues that face the Pacific Island countries in securing stable, adequate and efficient international shipping services
- This presentation focuses on:

Shipping services in the Pacific region

Current trends in Pacific Shipping



Pacific region shipping in context: A few relevant statistics...

- The Pacific nations through their EEZs cover over 8.5 million square kilometres of ocean
- Their exports and imports flow through more than 25 international ports
- Their trading partners today are truly global; they include Europe, North America, Africa, the Middle East, North and East Asia, South East Asia, and Australasia

3

Current trends in Pacific Shipping



Pacific region shipping in context: A few relevant statistics...

- At the last count, their ports are served regularly by:
 - 8 mainline intercontinental container and break-bulk shipping services
 - 5 major regional shipping operations
 - 4 intra-regional carriers and
 - 2 inter-regional feeder services
- These services operate a wide range of vessel types including:
 - fully cellular container vessels
 - large multi-purpose vessels
 - con-bulkers and
 - ro-ro vessels

4

Current trends in Pacific Shipping



Pacific region shipping in context:

- The region faces a range of special challenges that have influenced the development of the shipping sector:
 - Long distances between ports, nations and island groups
 - Low population and far-flung communities
 - Low volume of freight (and passengers in domestic services)
 - Imbalance between exports and imports
 - Wide variation in port facilities and capabilities

This unique mix and the wide range of shipping options that have evolved is the focus of this presentation.

5

Current trends in Pacific Shipping



Types of International Service

- Containers
 - Bulk
 - Breakbulk
 - Perishable
- Most international trade in the region is carried in containers although there is a significant movement of bulk (dry and liquid) and break bulk. For many countries, export volumes are very low; where they are not, they typically consist largely of bulk cargoes

6

Current trends in Pacific Shipping



Container trades

- The majority of general cargo imports and exports to most Pacific island nations — as elsewhere in the world — are now carried in containerised form.
- The vast majority of containerised cargoes are carried on regular scheduled services operating on (more or less) fixed routes

7

Current trends in Pacific Shipping



Bulk trades

- Can be liquid bulk, including petroleum based products, chemicals and edible oils, and dry bulk including sugar and forestry exports, and imports such as fertiliser and cement
- Other than the inevitable high costs resulting from the remoteness of many Pacific nations, bulk shipping is generally without major problems
- Carried predominantly in vessels owned or chartered by shippers or consignees
- Often loaded or discharged at dedicated facilities

8

Current trends in Pacific Shipping



Break bulk trade

- Generally cargo not suitable for carriage in containers, for example over-dimensional cargo (machinery, structural steel), wheeled units (trucks, buses), and occasional large heavy lift items such as industrial project cargo, cargo handling equipment (cranes, straddle carriers, fork lift trucks etc.)
- Many of the vessels used to carry containers to and from Pacific nations are in fact multi-purpose vessels, capable of carrying break bulk as well as containerised cargoes
- However, some scheduled services — notably the Indotrans and AAL services— are primarily designed to carry non-containerised goods

9

Current trends in Pacific Shipping



Perishable Cargoes

- The main perishable cargo of concern to Pacific nations is seafood processed and packed for export. Much of this cargo is now containerised. However, some is loaded into conventional refrigerated vessels at both common user and dedicated wharves, and by ship to ship transfer by fishing vessels operating in the region under license.

10

Current trends in Pacific Shipping



International container connections

This presentation will focus on the services that provide for container and break-bulk, although some multi purpose vessels will also load some bulk cargo (e.g., copra in bulk)

- The main services link the Pacific to:
 - Asia
 - North America
 - Europe
 - Australia and New Zealand
- and include both liner/semi-liner, and interregional feeder services

The following slides summarise services on the above routes and then detail individual services

11

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International shipping connections:

International connections fall into three main categories:

- **Intercontinental:** Container and break-bulk multi-purpose services to and from Europe, North America, North and East Asia
- **Regional:** Container and break-bulk services within the Asian Pacific region – services between the Pacific nations and SE Asia, Australia and New Zealand and including lesser intra-regional shipping services
- **Inter-regional feeder services** – hubbing of containers particularly into and out of the region

12

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Intercontinental shipping connections: Asia (1)

Service	Participants	Frequency	Service Type/Ship size
Taiwan/Hong Kong /Korea/Japan/ Marshall/Vanuatu/New Caledonia/Fiji/Samoas/Tahiti/Tonga/Solo mon Islands	Kyowa Shipping Co Ltd / Mitsui OSK Lines / NYK- Hinode Line Ltd (Greater Bali Hai)	Twice per month; Four vessels	Ro-ro: 400-900 TEU (plus car deck space for 500 veh.); 8000- 17000 GT
Saudi Arabia/India/Singapore/Malaysia/P NG/Samoas/Tahiti/ North America	Indotrans	Once per month; Four vessels	Multi-purpose: 1200 TEU; 30000 GT
Malaysia/Thailand// Singapore/ New Caledonia/Fiji/ NZ/	Tasman Orient Line (1)	Every 15 days; Three vessels	Multi-purpose: 1250-1350 TEU; approx. 18000 GT
Taiwan/ Hong Kong / Vietnam/Thailand/ Singapore/ New Caledonia / Fiji/ NZ/	Tasman Orient Line (2)	Every 15 days; Four vessels	Multi-purpose: 950-1250 TEU; approx 15000 to 18000 GT

13

Current trends in Pacific Shipping



Intercontinental shipping connections: Asia (2)

Service	Participants	Frequency	Service Type/Ship size
Malaysia//Thailand// Singapore//PNG/Australia	Austral Asia Line BV	Once per month; Four vessels	Multi-purpose: 740-840 TEU; approx 17000 GT
Malaysia// Singapore/ Indonesia/ PNG	Austral Asia Line BV	Every 17 days; Three vessels	Multi-purpose: 650-973 TEU; 6300- 13000 GT
Korea/Japan//FSM	Kyowa Shipping Co Ltd	Twice per month; Two vessels	Ro-ro: 236-300 TEU
China/Korea/Japan/Saipan/ Guam /FSM/Palau	Palau Shipping Company	Every three weeks; Single vessel	Multi-purpose

14

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Intercontinental shipping connections: North America

Service	Participants	Frequency	Service Type/ Vessel Size
Australia/NZ/Fiji/USWC	Hamburg Sud-FANZ- Hapag-Lloyd-Maersk	Weekly; Six vessels	Container: 1700-1750 TEU 18000 GT
USWC/Tahiti/Samoas	Hamburg Sud/Polynesia Line	2 per month; Two vessels	Container: 1100-1200 TEU, 12000 GT

15

Current trends in Pacific Shipping



Intercontinental shipping connections: Europe

Service	Participants	Frequency	Service Type/Ship size
Spain/Germany/UK/Belgium/ France/Tahiti/NZ/Fiji/Vanuatu /PNG/Indonesia/Singapore	Bank Line	Once per month; Four vessels	Multi-purpose: 700 TEU; 18,600 GT

16

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Regional international shipping connections: Australia and New Zealand

- A significant proportion of trade into and out of the Pacific Islands originates in or is destined for Australia or New Zealand
- There are numerous shipping services destined for specific Pacific Island countries, as well as few services that make way-port calls at a number of the key ports in the Pacific Islands
- These services can be categorised into four broad groups:

17

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Regional international shipping connections: Australia and New Zealand

- Services operating between Australia and NZ and other non-Pacific Island countries (Asia, North America or Europe) that call at Pacific Islands ports en route
- Services between Australia and NZ and the Western Pacific, of which PNG is the core market
- Services between Australia and NZ and Eastern Pacific Services, which include calls at the major central and eastern Pacific destinations of Fiji, Tonga and Samoa
- Regional feeder services operated out of an Australian or NZ port but not devoted to the carriage of cargo between Australia and NZ and Pacific Island countries but designed to tranship from Asia or North America over the hub port

18

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Regional international shipping connections: Australia and New Zealand

1. Services between Australasia and PNG

Operator	Frequency	Service Type/ Vessel Size
ANL 'APX Service'	Fixed-day fortnightly; single vessel	Container: 500 TEU; 6400 GT
Chief Container Service (Swire)(1)	Fixed-day weekly; four vessels	Multi-purpose: 981 TEU; 7900 GT
Sofrana Unilines	Every 18 days; two vessels	Multi-purpose: 550-600 TEU
Consort Express Lines	Fixed-day weekly; four vessels	Semi Container: 85-165 TEU
Coral Sea Shipping Lines Pty Ltd	Weekly; single vessel	Ro-ro: 79 TEU

19

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Regional international shipping connections: Australia and New Zealand Services:

2. Australasia and Central/Eastern Pacific

Serving	Operator	Frequency	Service Type
Australia/Fiji/Samoas/Tonga	Reef Shipping / Neptune Shipping Line PDL / PFL	Two sailings per month; two vessels	Multi-Purpose: 600-650 TEU; 7000-7500 GT
NZ/Fiji/Tuvalu	Neptune/PDL	Fortnightly; One vessel	Container: 520 TEU; 4500 GT
NZ/Tonga/Samoas	Reef Shipping, PDL, Sofrana	Every 14 days; One vessel	Multi-purpose: 512 TEU; 4000 GT
NZ/Fiji/Samoas/Tonga	PFL	Fortnightly	Multi-purpose: 61-512 TEU; up to 7600 GT
NZ/Tonga/Tahiti	PDL	21 days	Container: 325 TEU; 4366 GT

20

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Regional international shipping connections:

Inter-regional/hubbing

- In addition to major services, several smaller scale services operate between Australia and NZ and smaller Pacific nations. The services to the smaller Pacific nations use the Australian and NZ ports — particularly Auckland — as a mini-hubs, with cargoes to these destinations from Asia, USA and Europe transhipped on to the service at the hub port
- In addition, there are two more recently introduced services that are specifically designed to provide a transhipment alternative to direct services. These are Matson's Guam-centred transhipment service to FSM and RMI, and Maersk's Auckland-based transhipment service to the South Pacific.

21

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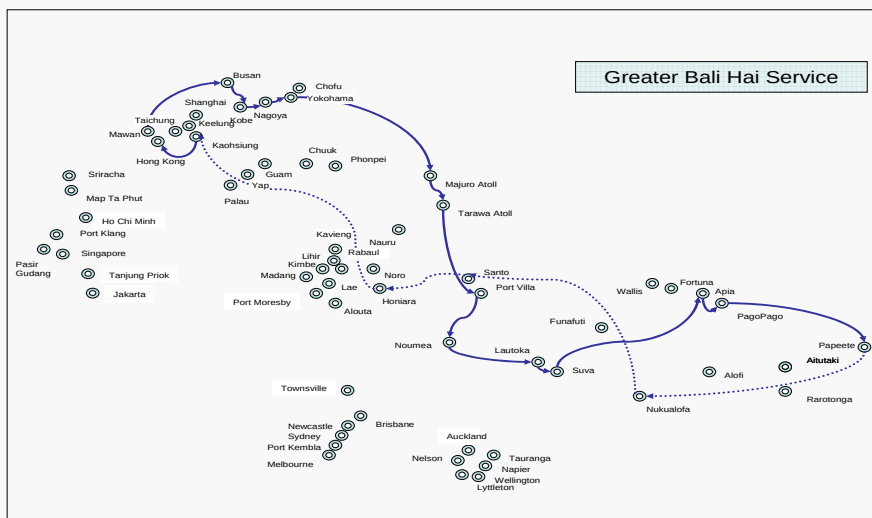


The next set of slides details services in the first category –

- Intercontinental: Container and break-bulk multi-purpose services to and from Europe, North America, North and East Asia
- Greater Bali Hai
- Bank Line
- Indotrans (Swire)
- Kyowa Micronesia
- Tasman Orient
- Palau Shipping
- Hamburg Sud/Maersk/Hapag Lloyd
- Austral Asia Line

22

Pacific shipping services



23

Current trends in Pacific Shipping



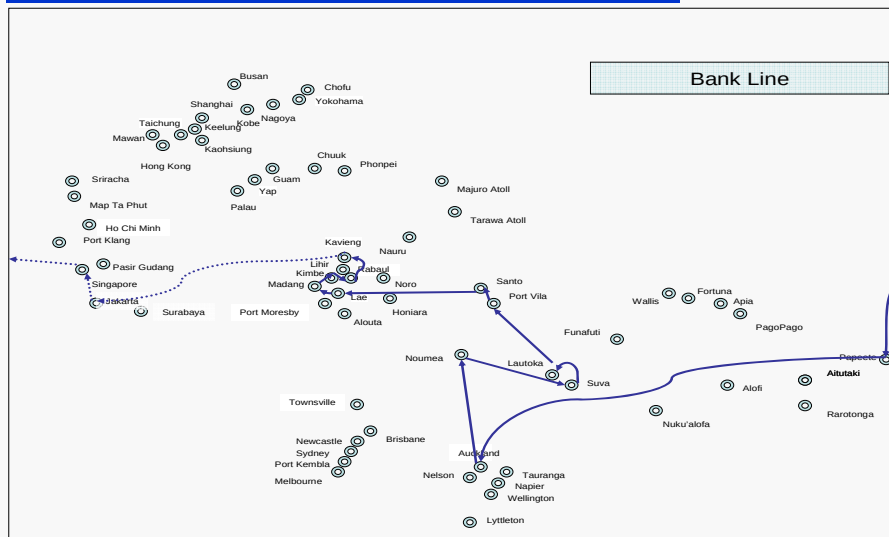
The Greater Bali Hai service links Japan and Korea to the South Pacific Islands.

Four multi-purpose vessels operate on this route to create a service which calls twice a month at:

Port Calls	
Kaohsiung	Hong Kong
Busan	Kobe
Nagoya	Yokohama
Majuro Atoll	Tarawa
Port Vila	Noumea
Lautoka	Suva
Apia	Pago Pago
Papeete	Nuku'alofa
Santo	Honiara
Kaohsiung	

24

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25

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Bank Line

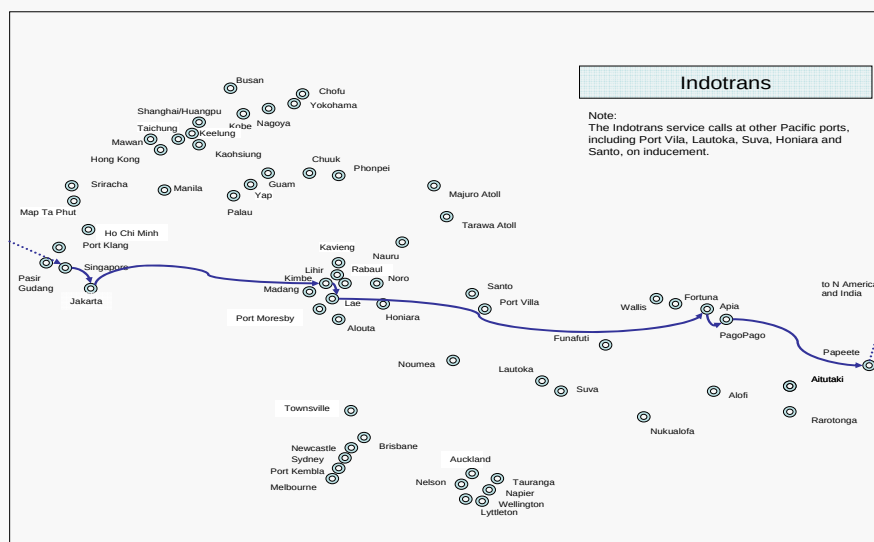
- The Bank Line is an around-the-world service calling at Northern Europe, South East Asia and the South Pacific Islands. The complete journey takes approximately 128 days. A number of the smaller ports in the South Pacific are serviced only when there is a sufficient volume of cargo to be uplifted.

Port Calls

Algeciras	Hamburg
Hull	Antwerp
Dunkirk	Le Havre
Papeete	Auckland
Noumea	Suva
Lautoka	Port Vila
Santo	Lae
Madang	Kimbe
Rabaul	Jakarta
Singapore (PSA)	Algeciras

26

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27

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Indotrans (Swire)

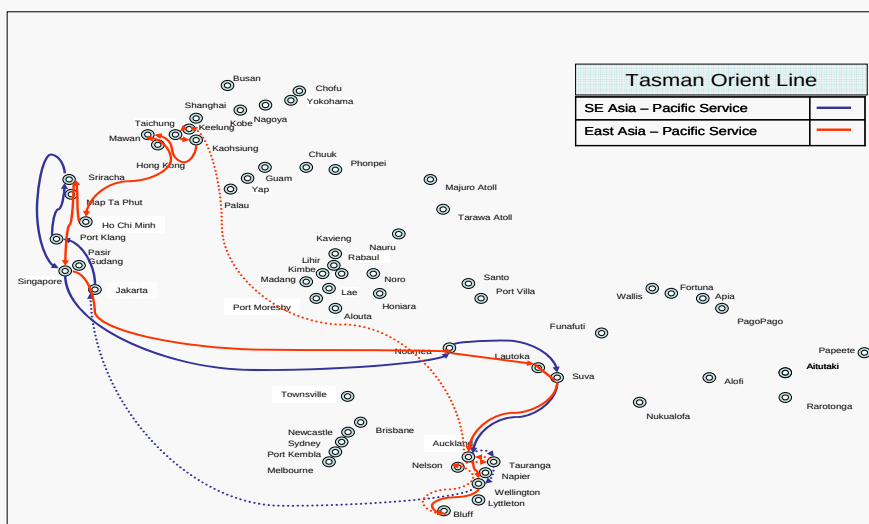
- Indotrans operates four large multi-purpose vessels with a nominal capacity of 1300 TEU to provide a monthly service from India and Saudi Arabia to North America via SE Asia and the Pacific. Of the Pacific calls, only PNG and Samoa are fixed calls on the schedule, but inducement calls are made in Fiji, Vanuatu and Solomon Islands.

Port Calls

Jeddah
Gizan
Mundra
Mumbai
Singapore
Jakarta
Kimbe
Lae
Pago Pago
Apia
Papeete
New Orleans
Houston
Camden
St John

28

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31

Current trends in Pacific Shipping

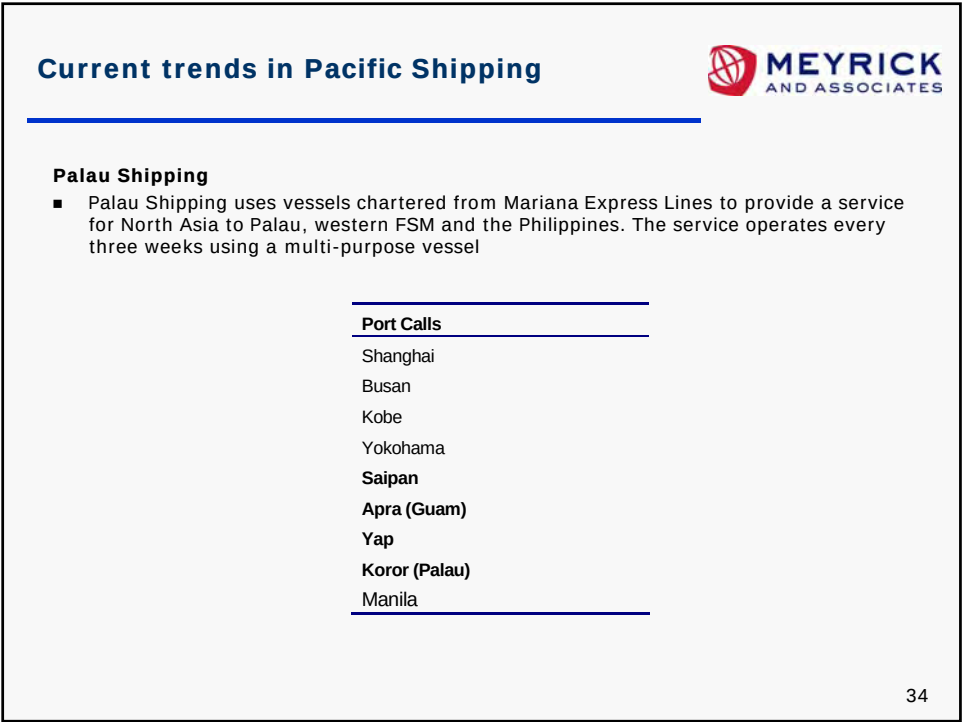
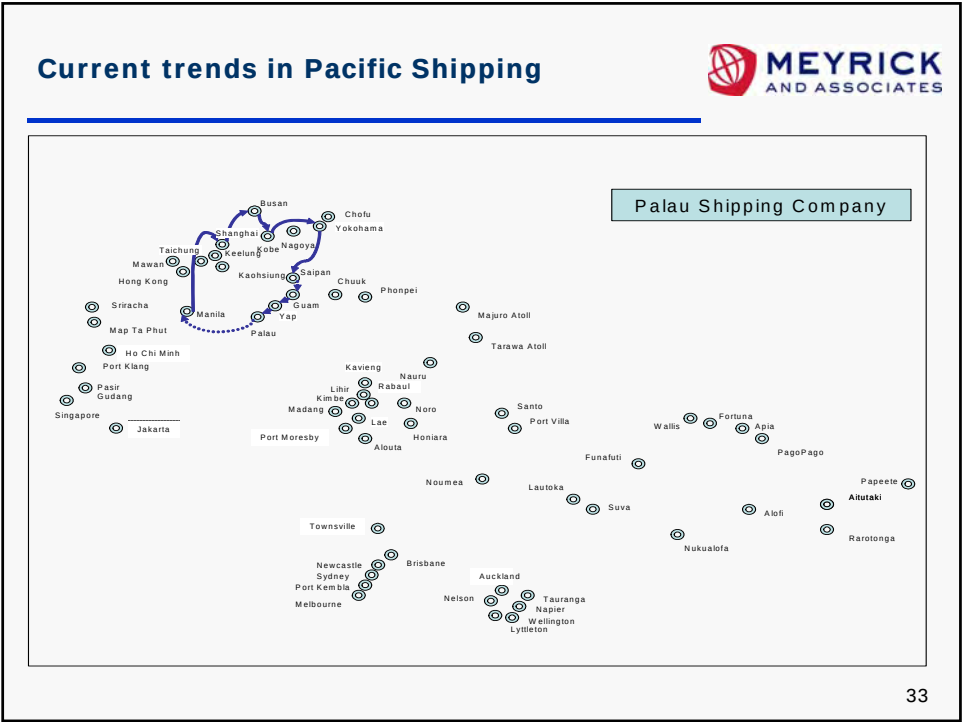


Tasman Orient Line

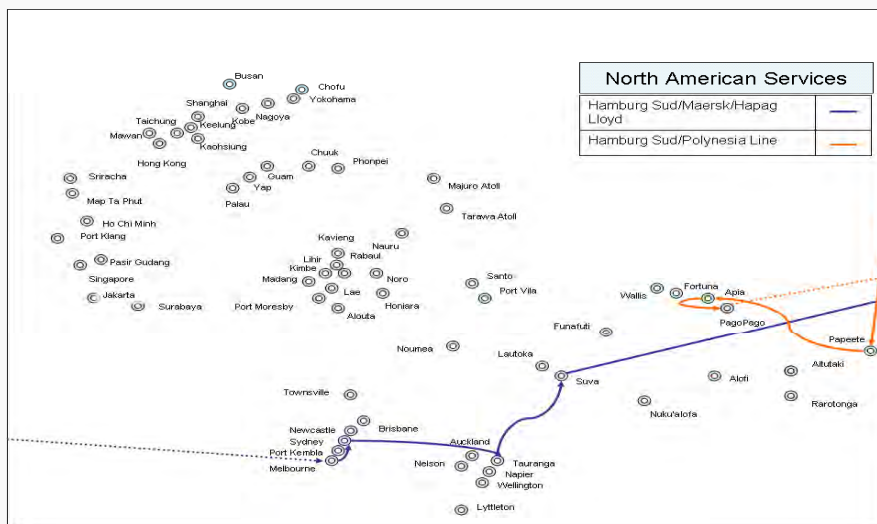
- Tasman Orient Line operates two overlapping services from Asia to Noumea and Fiji, using multi-purpose vessels of 1000-1300 TEU capacity. One of these services focuses primarily on SE Asia, the other on East Asia, but both include calls to the key SE Asian hub of Singapore.
- Each service offers two sailings per month, and proceeds on to NZ after the Pacific calls.

Port Calls	
<i>East Asia Service</i>	<i>SE Asia Service</i>
Keelung	Tanjung Priok
Taichung	Port Klang
Kaohsiung	Sri Racha
Mawan	Singapore
Hong Kong	Noumea
Ho Chi Minh	Suva
Sri Racha	NZ Ports
Singapore	
Noumea	
Lautoka	
Suva	
NZ Ports	

32



Current trends in Pacific Shipping



35

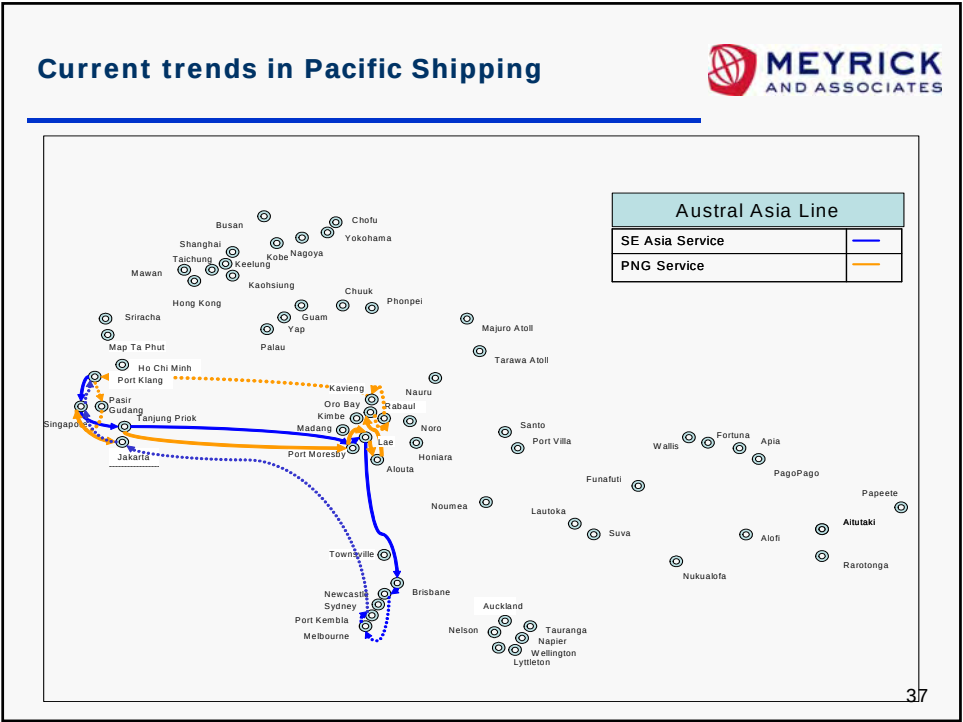
Current trends in Pacific Shipping



- **Hamburg Sud / Maersk / Hapag Lloyd**
- Hamburg Sud, along with Maersk Group and Hapag Lloyd operate weekly service calling at Australia, New Zealand, Fiji and North America using 1,700-1,750 TEU vessels.
- **Hamburg Sud / Polynesia Line**
- Hamburg Sud and Polynesia Line operate a bi-weekly service calling at North America, French Polynesia, Fortuna, Western Samoa and American Samoa using 1,100-1,200 TEU vessels.

Port Calls	
<i>Aus-NZ-Fiji Service</i>	<i>Eastern Pacific Service</i>
Melbourne	Long Beach
Sydney	Oakland
Tauranga	Papeete
Suva	Apia
Ensenada	Pago Pago
Los Angeles	

36



Current trends in Pacific Shipping

Austral Asia Line

- The Austral Asia Line operates two services: the PNG Express Service and South East Asia that call at the PNG ports of Lae and Port Moresby. The multi-purpose vessels which operate on these routes hold between 650 and 973TEU

Port Calls - SE Asia Service	
Port Klang	Singapore (PSA)
Tanjung Priok	Port Moresby
Lae	Brisbane
Newcastle	Melbourne
Port Kembla	Tanjung Priok
Singapore (PSA)	Port Klang
Port Calls – PNG Service	
Pasir Gudang	Singapore
Jakarta	Port Moresby
Lae	Alotau
Oro Bay	Rabaul
Kavieng	Port Klang

38

Current trends in Pacific Shipping

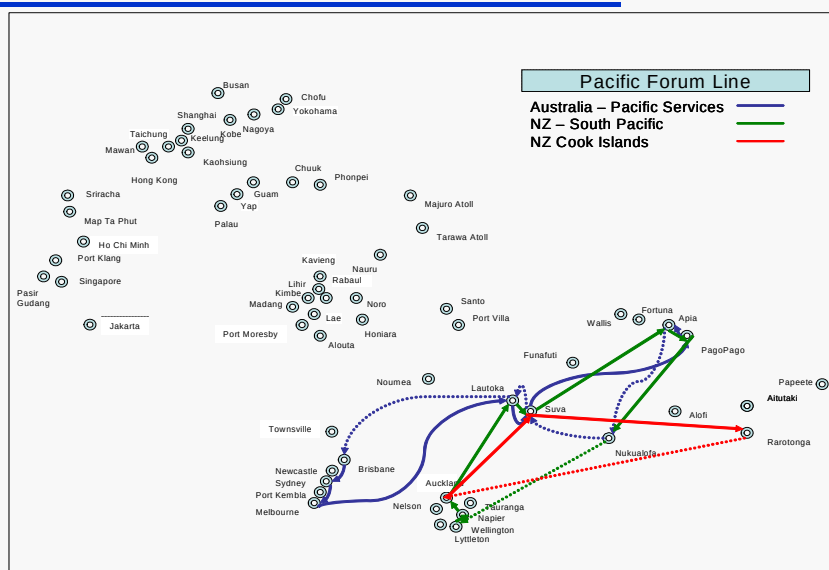


The next set of slides details services in the second category –

- **Regional services:** Container and break-bulk services within the Asian Pacific region – services between the Pacific nations and SE Asia, Australia and New Zealand
- Pacific Forum Line
- Pacific Direct Line
- Chief Container Line
- Neptune Line
- Sofrana Line
- Other Australasian based companies:
 - ANL PNG Line
 - Consort Line
 - Coral Sea
 - Cook Islands Express

39

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40

Current trends in Pacific Shipping

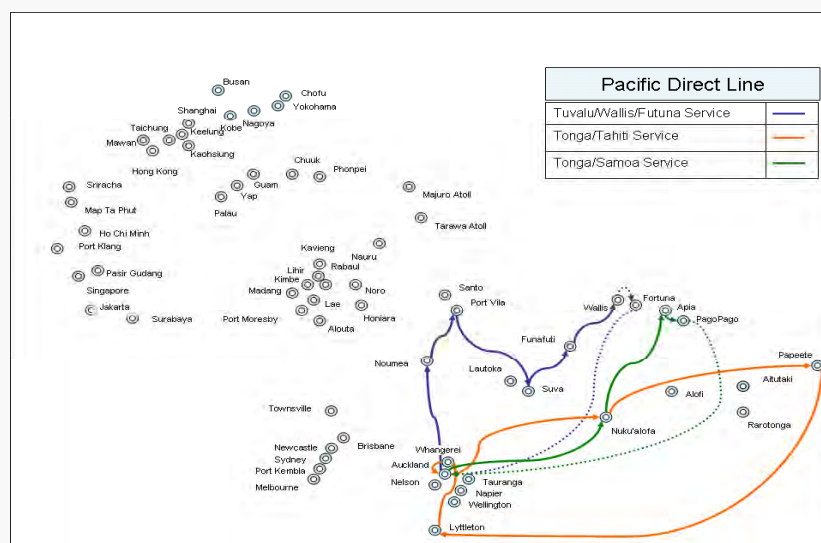


Pacific Forum Line

- Regionally-owned Pacific Forum Line remains a major provider of shipping services to the Pacific nations. The Line operates as a vessel operating carrier in three trades linking Australia and New Zealand to southern and eastern Pacific. In addition it participates as a slot charterer in the trade between Australia and New Zealand and PNG and carries cargo from Asia to Pacific Island countries through connecting carrier agreements.

41

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42

Current trends in Pacific Shipping



Pacific Direct Line

- Pacific Direct Line operate three services once every three-four weeks between New Zealand and
- Tuvalu, Wallis and Futuna;
- Tonga and Tahiti; and
- Tonga and Samoa

Port Calls – Wallis/Futuna Service

Auckland	Noumea
Port Vila	Suva
Funafuti	Wallis
Fortuna	Auckland

Port Calls – Tonga and Tahiti

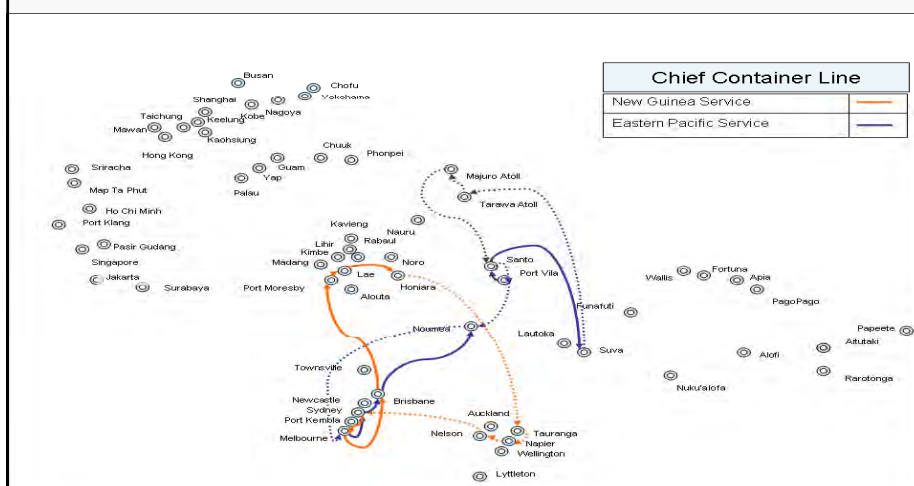
Lyttleton	Whangarei
Auckland	Nuku'alofa
Papeete	Lyttleton

Port Calls – Tonga and Samoa

Auckland	Nuku'alofa
Apia	Pago Pago
Auckland	

43

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44

Current trends in Pacific Shipping



Chief Container Line

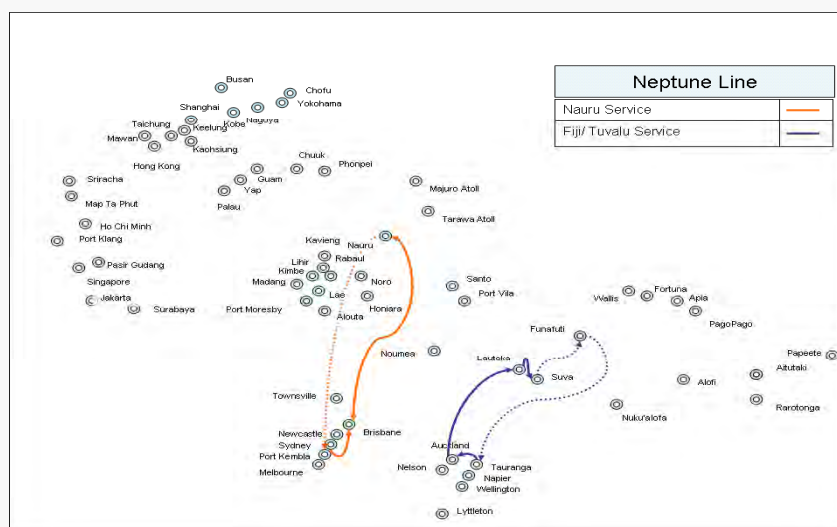
- Chief Container Line operates two services between Australia, New Zealand and: (1) Papua New Guinea and; (2) the East-Pacific.
- The Papua New Guinea service operates every week, whereas the East-Pacific service operates every 33 days

Port Calls —East-Pacific	
Melbourne	Sydney
Brisbane	Noumea
Port Vila	Santo
Suva	Tarawa
Majuro Atoll	Santo
Port Vila	Noumea

Port Calls —New Guinea Service	
Sydney	Melbourne
Brisbane	Port Moresby
Law	Honiara
Tauranga	Napier
Nelson	

45

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46

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Neptune Line

- Neptune Line operates two services every two weeks :
- (1) between Australia and Nauru and
- (2) between New Zealand, Fiji and Tuvalu.

Port Calls —Nauru Service

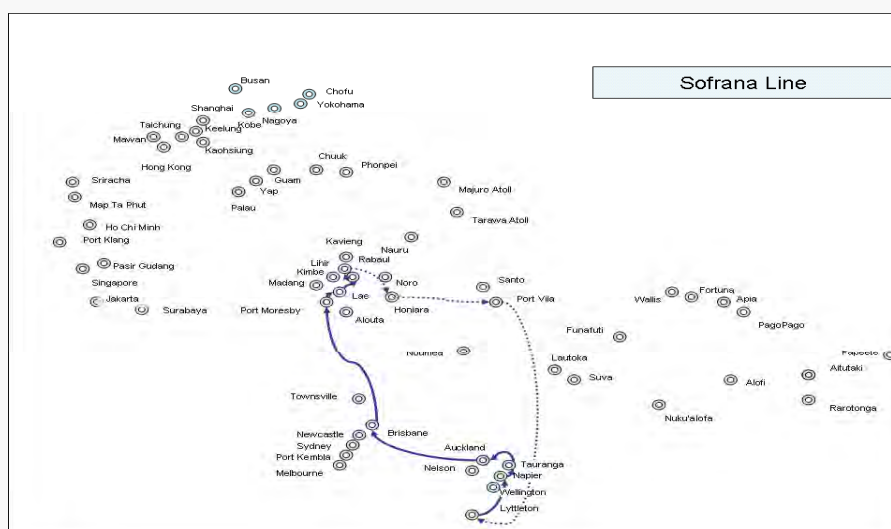
Sydney	Brisbane
Nauru	Sydney

Port Calls —Fiji/Tuvalu Service

Tauranga	Auckland
Lautoka	Suva
Funafuti	Tauranga

47

Current trends in Pacific Shipping



48

Current trends in Pacific Shipping



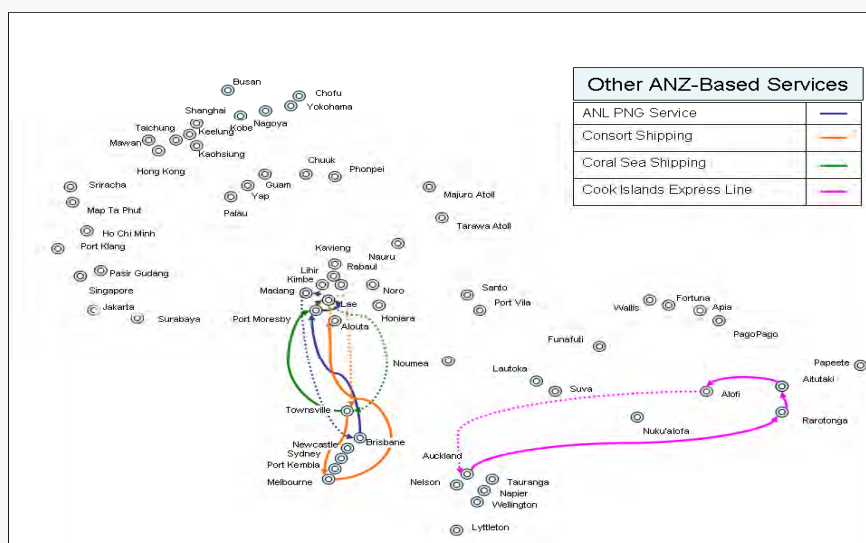
Sofrana Line

- Sofrana line operates a service every 18 days between New Zealand, Australia, Papua New Guinea, Solomon Islands and Vanuatu.

Port Calls	
Lyttleton	Napier
Tauranga	Auckland
Brisbane	Port Moresby
Lae	Rabaul
Lihir	Honiara
Port Vila	Lyttleton

49

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50

Current trends in Pacific Shipping



Other Australian and New Zealand based services

- There are four other Australia and New Zealand services operating within the Pacific Islands. These services typically operate bi-weekly services using small multi-purpose vessels.

ANL Service	
Brisbane	Port Moresby
Lae	Madang
Consort Shipping	
Townsville	Melbourne
Alotau	Lae
Coral Sea Shipping	
Townsville	Port Moresby
Lae	Townsville
Cook Islands Express Line	
Auckland	Rarotonga
Aitutaki	Alofi

51

Current trends in Pacific Shipping

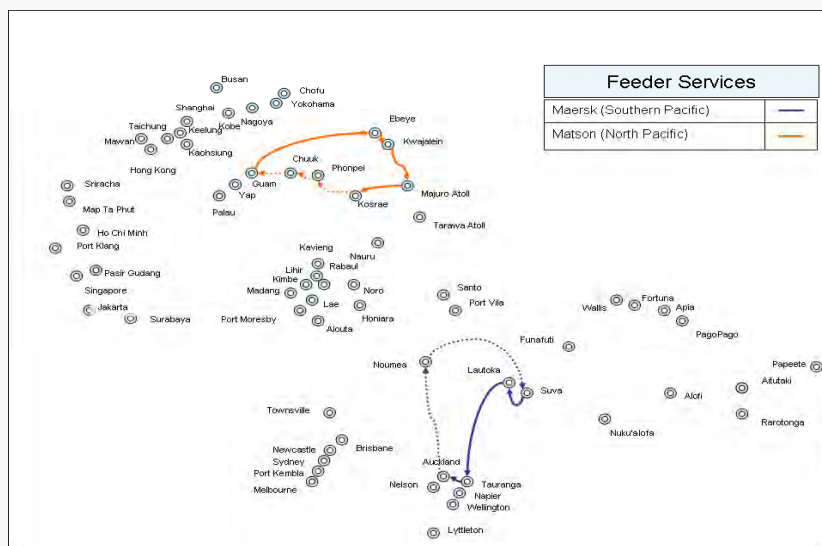


The next set of slides details services in the third category:

- Feeder and intra-regional services: hubbing of containers particularly into and out of the region

52

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53

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Feeder Services

- Maersk Line operates a feeder service between New Zealand, Noumea and Fiji.
- Matson operates a fortnightly feeding service between Marshall Islands and FSM.

Maersk Line	
Suva	Lautoka
Tauranga	Noumea
Matson	
Guam	Ebeye
Kwajalein	Majuro Atoll
Kosrae	Pohnpei
Chu'uk	

54

Current trends in Pacific Shipping



Key points

- Scheduled international shipping services are provided to most Pacific nations, even those with very low volumes of cargo
- On most relevant international routes, there is a high degree of concentration, with only one or two lines or consortia providing shipping services
- However, in most cases there are no regulatory barriers to entry, and the cost barrier to entering the trade are relatively modest. The market is seen as reasonably contestable and...
- ...it therefore seems likely that any significant abuse of monopoly would be transient

55

Current trends in Pacific Shipping



Key points (2)

- Freight rates within the region are relatively high by world standards but economies of scale are important in shipping – regional volumes are generally low. It is not clear that freight rates are any higher than the long voyages and low cargo densities would lead one to expect
- Frequency of service and port coverage are other concerns but it is not clear that this is anything other than a normal commercial response to the low volumes of cargo on offer and the large deviations that would be necessary to add additional ports of call
- Past direct intervention to encourage 'improved' international services has taken two main forms, neither of which has been conspicuously successful:
 - Direct government involvement in service provision
 - Regulation of entry.

56

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Key points (3)

Direct intervention: 1. Direct government involvement in service provision

- Direct government involvement in the provision of shipping services (both international and domestic) has in general been costly, and failed to produce efficient and reliable services
- The Pacific Forum Line (PFL) is a partial exception to this but even so the success of the Line has come only after some painful early lessons were learned. PFL's services are now confined to a relatively small number of Pacific nations, mainly the larger ones, with services to the smaller and more remote locations (for example, Kiribati, Tuvalu) provided by other carriers

57

Current trends in Pacific Shipping



Key points (4)

Direct intervention: 2. Regulation of entry

- Entry to the industry in the region is not generally regulated
- There has been some relatively isolated aggressive regulatory activity but it is not clear that the quality or stability of shipping services offered is greater than it would be in the absence of the regulatory mechanisms
- It would be unwise to recommend further direct intervention (either at the level of individual governments or at the regional level) in the operation of these markets. On the contrary, any restrictions on competition that do exist should be carefully reconsidered.
- In particular it is important that governments refrain from undermining functioning but fragile markets by providing competing services on a non-commercial basis.

58

Current trends in Pacific Shipping



Developing trends

- The development of hub operations: There are signs of an increasing tendency for direct services to be replaced by hubbing over selected local transshipment centres: the most important of these at present are Auckland (for the South Pacific) and Guam (for Micronesia)

59

Current trends in Pacific Shipping



Thank you!

60



SPC
Secretariat
of the Pacific
Community



Regional cooperation and pooling of resources




Capt John Hogan
SPC Regional Maritime Programme
ESCAP/KMI/SPC Joint Workshop on Maritime Trade and
Shipping Services in the Pacific
26 September 2008 Suva, Fiji



SPC
Secretariat
of the Pacific
Community



Secretariat of the Pacific Community

- SPC is an international non-political, technical assistance and research body in the Pacific.
- **Headquarters** is based in New Caledonia (Noumea); a large regional office in Fiji (Suva); a regional office in Federated States of Micronesia (Pohnpei)
- **SPC's vision:** for the region is that of a secure and prosperous Pacific Community, whose people are healthy and manage their resources in an economically, environmentally and socially sustainable way.
- **SPC's mission:** is to help Pacific Island people make and implement informed decisions about their future.
- SPC programmes benefit 22 Pacific Island countries and territories



1947-2007
60
SPC CPS



SPC
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of the Pacific
Community



Regional Maritime Programme (RMP)

 Goal Safe and secure shipping, clean seas and improved social and economic well-being of seafaring communities in the Pacific Islands region  Objectives  Effective national policy and regulatory frameworks and strong maritime institutions  Human resource capacity strengthened  Strong professional networks in the Pacific maritime sector  National, regional and international recognition of Pacific maritime needs and priorities	 Primary focus  build capacity of PICs to meet international safety and security standards in shipping and port sectors  Programme priorities  assist PICs maintain compliance and accreditation with ISPS Code and White List  develop model regulatory requirements for safety and security regimes  further professional maritime peer networks (regional associations)
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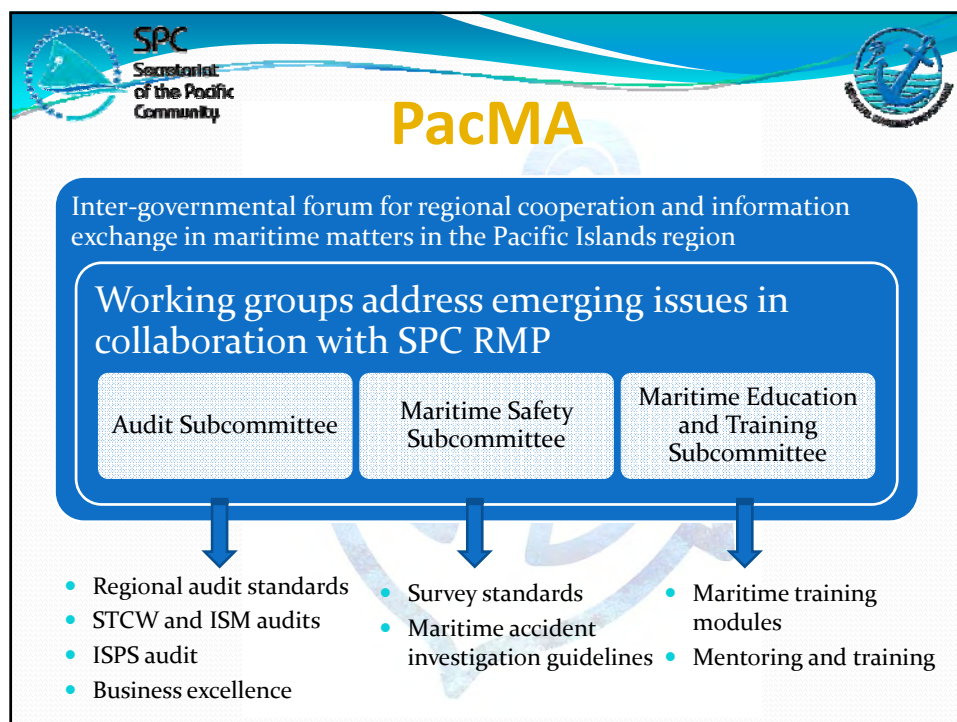
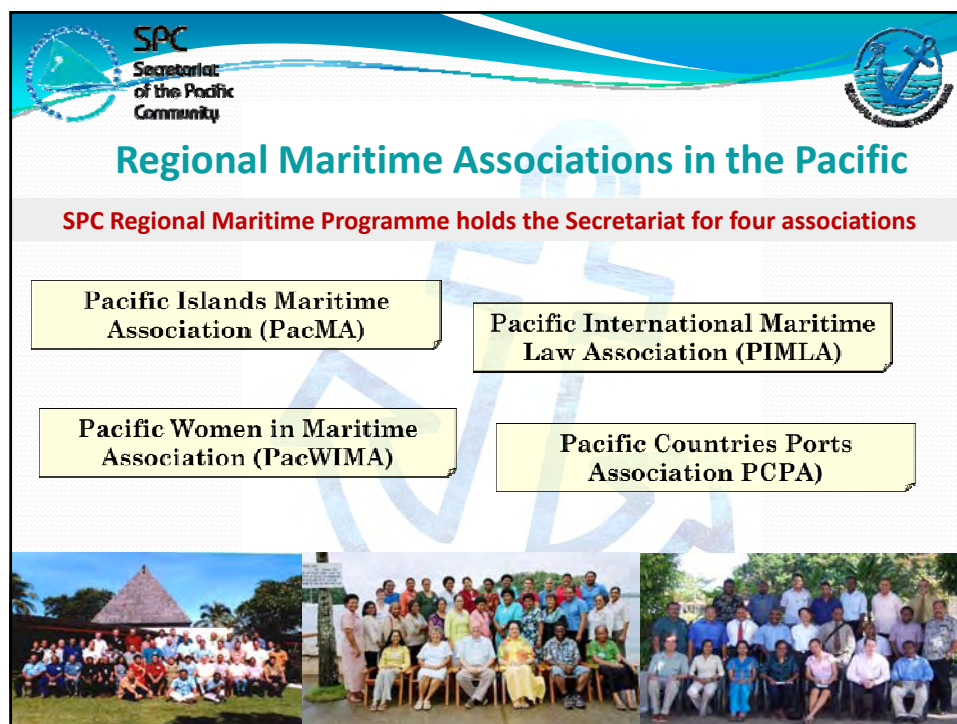


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WHAT WE DO

- Technical assistance to Pacific maritime sector
- Programme work includes:
 - Maritime Law and Legislation;
 - Maritime Policy;
 - Maritime Training;
 - Maritime Security
 - Compliance Monitoring
 - Strengthening national maritime institutions
 - Upgrading maritime training curricula
 - Information and knowledge dissemination
 - Regional integrated maritime database






PIMLA



Principal forum for legal professionals in the Pacific Islands maritime sector to discuss and pursue legal maritime issues of concern to the region
Maritime lawyers from PICs provide free legal advice and assistance to PICs in maritime legislative matters in collaboration with RMP
Undertake review of the Pacific Islands Maritime Laws (PIMLaws) – model legislation and regulations
The extensive training programme offered at IMLI covered a comprehensive area of international maritime law and the beneficiaries from within PICs now collectively comprise a pool of maritime law experts in the region




PacWIMA



Raising the overall profile of Pacific women in the maritime sector



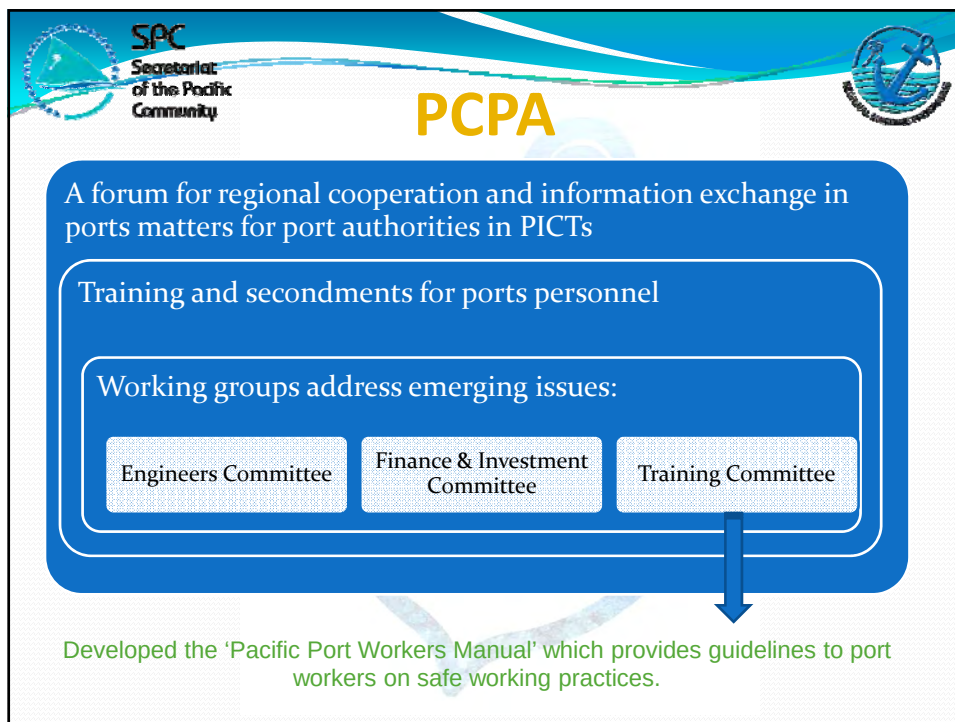
Women involved in the maritime sector share expertise and knowledge in maritime matters



Focus on creating awareness on small boat sea safety, maritime careers, employment opportunities, marine environmental protection and social responsibility



National branches of PacWIMA beginning to emerge



The summary slide features the SPC logo at the top left and a ship image on the right. The title 'Summary' is centered at the top. Below the title, a list of achievements is provided:

- Attachments and mentoring opportunities facilitated by one PIC for other PICs
- Pacific Island maritime professionals skilled in:
 - Auditing
 - Lecturing & examining
 - Surveying
 - Port management
- Support from peer networks
- Sharing of information
- Regional standards including Legislation, MTI curricula , Auditing, Ship Registration and Surveying
- Introduction of Business Excellence into sector

Challenges to serving remote Islands





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SHIPPING SERVICES IN SMALLER ISLAND STATES

- Adequate transport services are critical to growth and development in the Pacific Islands region.
- They provide access for trade and tourism and vital links between island countries and islanders living abroad.

• **The key issues and constraints are well known. They relate to:**

- small populations,
- long distances,
- low load factors,
- seasonal peaks,
- lack of reliability,
- high costs,
- often large (hidden) subsidies to sustain essential but non-economic services,
- limited institutional capacity,
- high levels of government participation ;and
- poor governance.





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Addressing SIS issues through **TRAINING**

- **Commercial ship management workshop**

RMP organises workshops on simulation training using the Asia Pacific Maritime Institute's (APMI) STRATSHIP software programme. The simulation programme presents realistic trading and scheduling scenarios, enabling participants to gain experience in making strategic decisions to maximise profits in a risk-free environment.
- **Participation of SIS personnel in other RMP events**

From August 2007 to July 2008, a total of 123 SIS personnel were trained or participated in various maritime meetings, secondments, courses, seminars and workshops facilitated by SPC RMP.





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Addressing SIS issues through **ASSISTANCE**

- **Assistance to SIS maritime administrations**

 - Maritime legislation and regulations drafting and amendments
 - Quality systems and procedures development
 - Mentoring programmes
- **Provision of shipping company management advice**

 - Advice and support to the Pacific Forum Line Review team 2008
 - Advice to shipping companies on safety and security standards
- **Introduction of Business Excellence framework**

 - Assisting administrations prepare for BE audits – to be started end of 2008
- **Introduction of Maritime Achiever Awards in 2009**
- **Feeder Services Studies**

 - Two studies completed to date – third one in progress
- **Commodity Studies**

 - In progress

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Proposed dedicated SIS Ship Management Unit

- Once adequate funding is obtained, RMP could expand their advisory services to SIS shipping companies with the establishment of a dedicated SIS Ship Management Unit within RMP.
- The provision of high quality shipping company management and operational advice to SIS would promote more efficient shipping services, particularly on domestic routes.
- Effective use of professional expertise is necessary to improve the ability of key personnel in the shipping sector to manage services and make viable commercial decisions.

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Thank you







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2. OUTLINE



- Introduction
- Role of Port Services
- Common Port Services Issues
 - Ship arriving to Port
 - Working of Cargo
 - Storage of Cargo
- Improving Port Services Issues
- Consolidated Purchasing for Region to Utilise
- Summary



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3. Introduction

To strengthen our weaknesses; will be measured by our improvement.

To improve our port services we have to identify the issues on

- ship arrival time and date
- berthing of ship
- working of cargo
- Improvements to above issues
- RMP data for consolidated purchasing (manufacturer, supplier etc)



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4. Role of Port Services

- To Provide efficient service to all ships arriving at our ports
 - Public received their cargoes (safe and secure)
 - Quick turn around, fast clearance
 - Safe storage/transiting/loading
 - Abide with all regulations
 - Advertise your ports
 - Goods arrive to customers in satisfactory condition



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5. Common Port Services Issues

- Ships arriving
 - Shipping agents- ETA of ships, delays
 - Late cargo manifest
 - Availability of licence for pilots
 - Navigation Aids – maintenance of nav aids
 - Communication - fail to communicate with ships, out of date equipment
 - Pilot boats, Tug boats – unseaworthy, unavailability



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- Common port services issues

- Berthing
 - Type of ships
 - Delayed berthing – shortage of berth
 - Depth of berth - in old existing wharf
 - Fenders – no maintenance (larger ships)
 - Linesmen - injuries, numbers
 - Ship's clearing party- time, more than 4 government department



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- Common Port Services issues

- Working of cargo
 - One stevedore company - more than two ships
 - Number of machinery, type of forklifts, cranes
 - Cargo handling equipment-type,(40ft)certified and maintained
 - Spares - no local dealers, overseas
 - Operators - untrained and unqualified
 - Deck of the wharf - flooded, potholes, mud.



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- Common Port Services issues

- Storage of cargo
 - Machinery/equipment/areas – vehicle - tier height
 - Communication
 - Deck surfaces-marking of bays
 - Container clearing
- Clearing of cargoes - document is done manually, guess
 - Departments in different locations



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6. Improving Port services

- Good relationship with port users
- Preplanning – maintenance of infrastructure
- Upgrade of communication equipment
- Planning to replace machinery, stock spare parts
- Risk assessment of all ships
- Upgrade and maintained deck of wharf, claims
- Computerise, one-stop shop for clearance of cargo
- Training of staff in very important, safety and specialised machinery
- Port hygiene



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7. Regional Pooling of Information

- SPC/RMP starts sourcing and gathering information from overseas and PIC's ports as follows
- RMPs consolidated purchasing lists
 - Items , price, make, model, size, manufacturer and country
 - Machinery, cargo handling, tugs and pilot boats
 - Forklift-spare parts, tyres and cranes
 - others
- To be used bulk orders, cheaper price
- Port services tariff mechanism

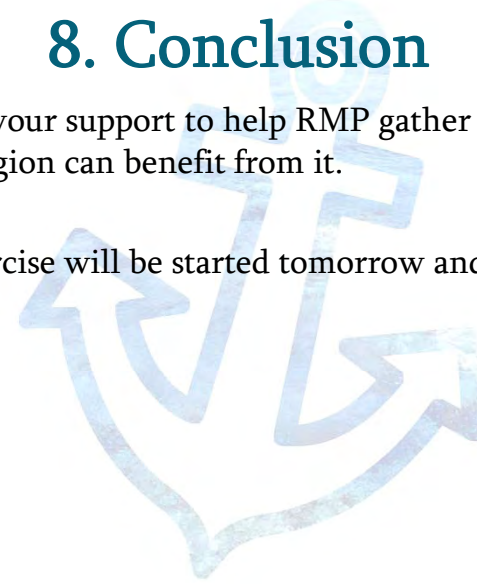


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8. Conclusion

- Seeking your support to help RMP gather information so the region can benefit from it.
- This exercise will be started tomorrow and onwards





Maritime Trade and Shipping Services in the Pacific

Consolidated Country Reports

Date : 26 September, 2008

Venue : Suva, Fiji



KOREA MARITIME INSTITUTE



Contents



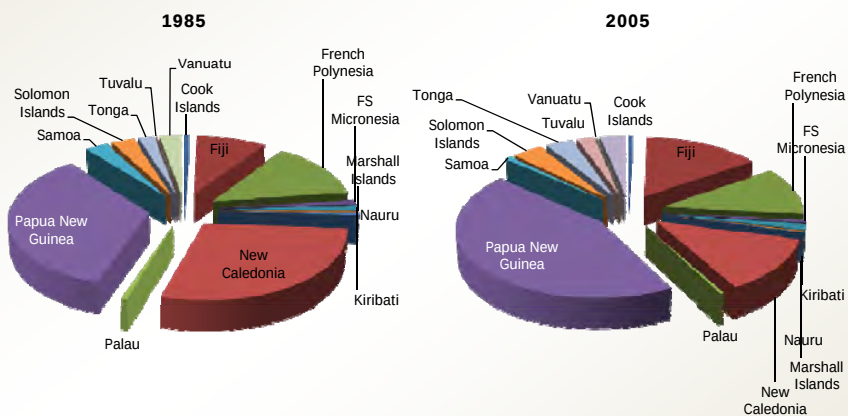
1. Regional Economies
2. Trade Patterns
3. Liner shipping Services
4. Container Volumes
5. Freight Rates
6. Port Tariffs





1. Regional Economies

A. Real GDP of Pacific Islands



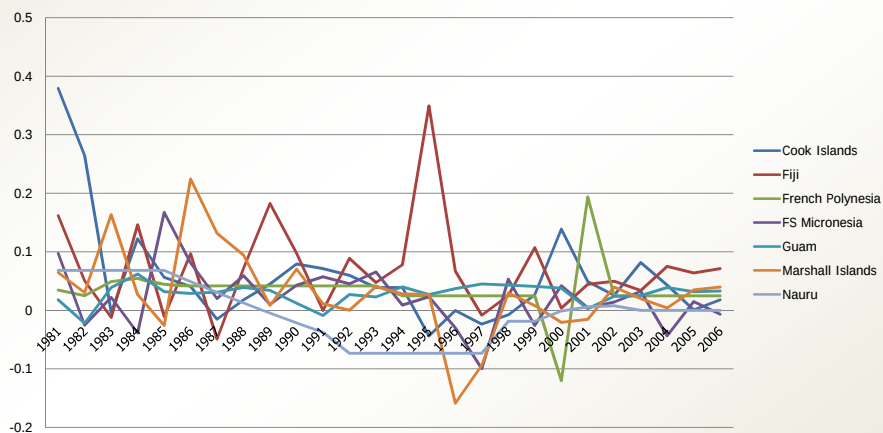
Source: IMF(www.imf.org)



1. Regional Economies

B. GDP Growth Rates

GDP Growth Rate



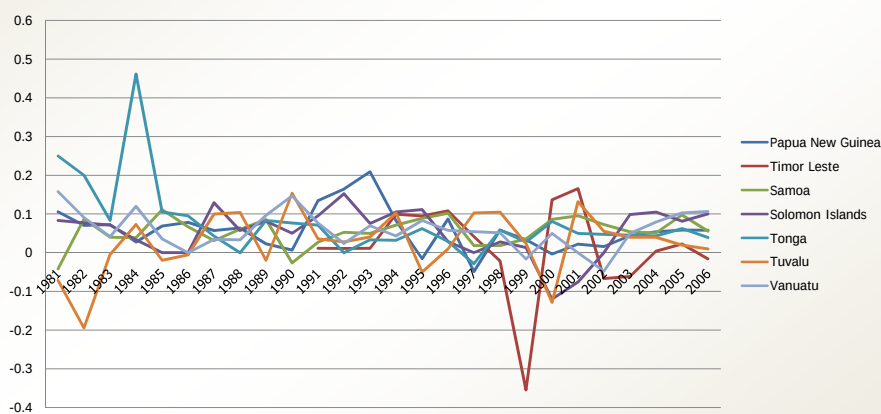
Source: IMF(www.imf.org)



1. Regional Economies

B. GDP Growth Rates(continued)

GDP Growth Rate



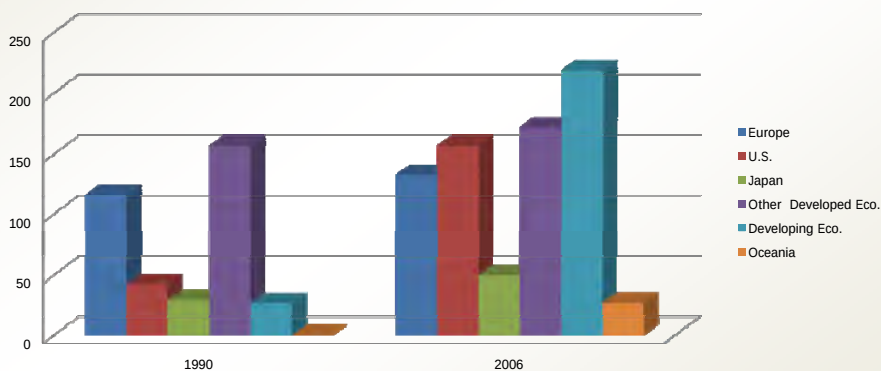
Source: IMF(www.imf.org)



2. Trade Patterns

A. Fiji

Exports



Millions of dollars

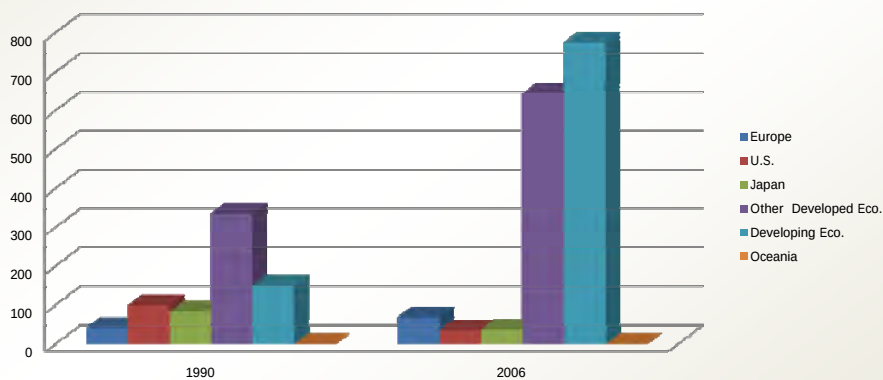
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

A. Fiji(continued)

Imports



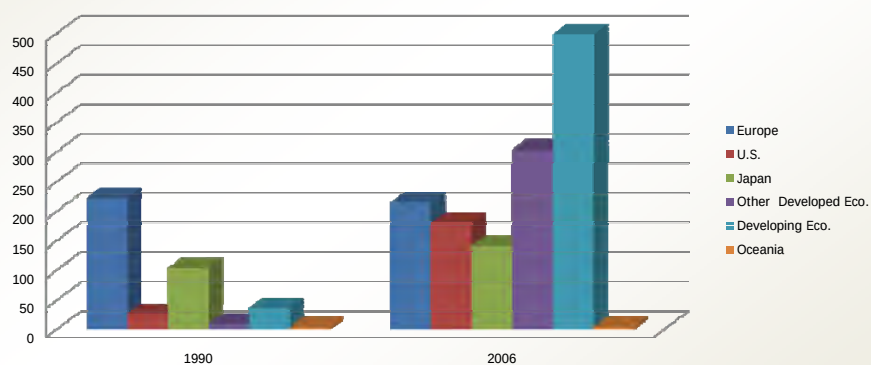
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

B. New Caledonia

Exports



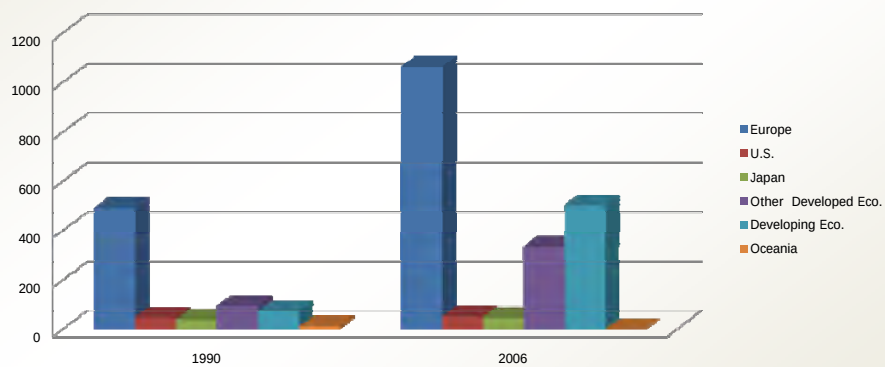
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

B. New Caledonia(continued)

Imports



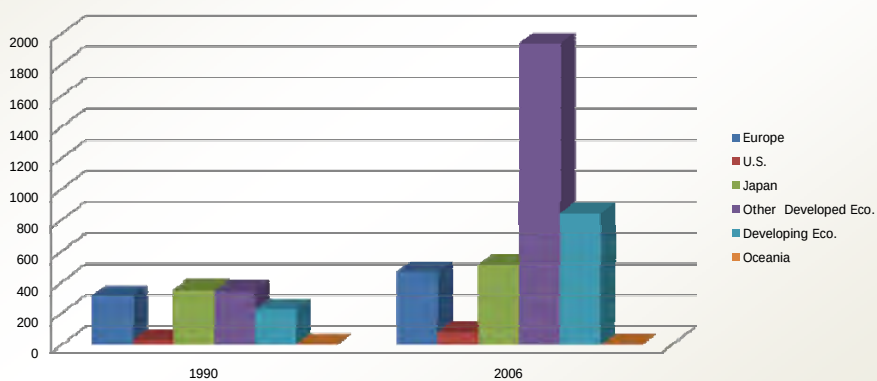
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

C. Papua New Guinea

Exports



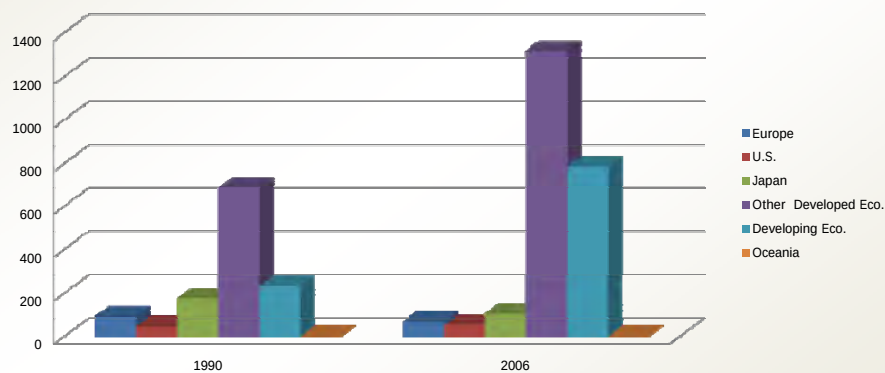
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

C. Papua New Guinea(continued)

Imports



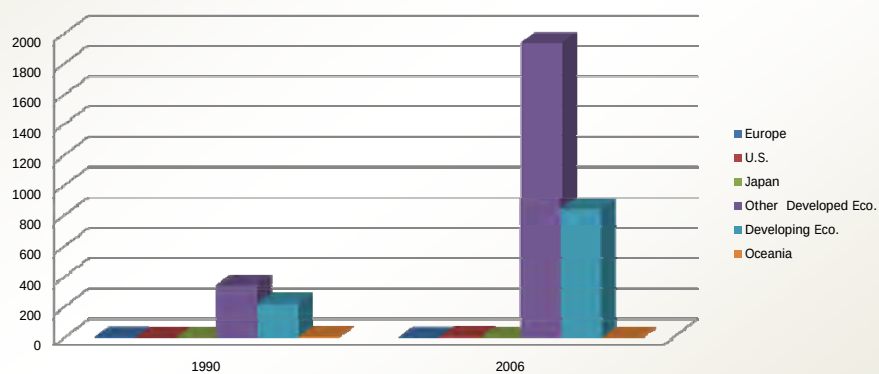
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

D. Samoa

Exports



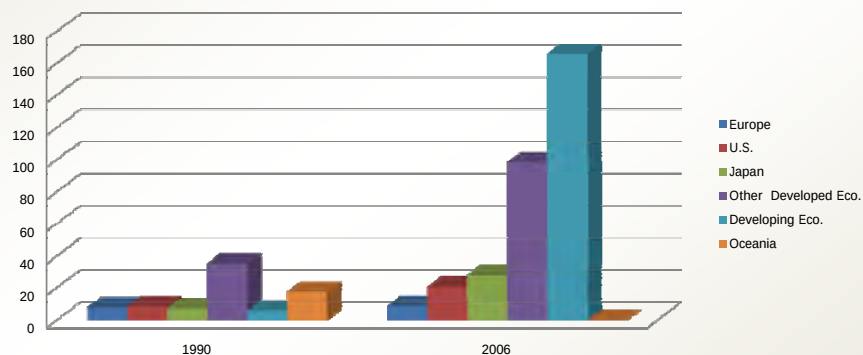
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

D. Samoa(continued)

Imports



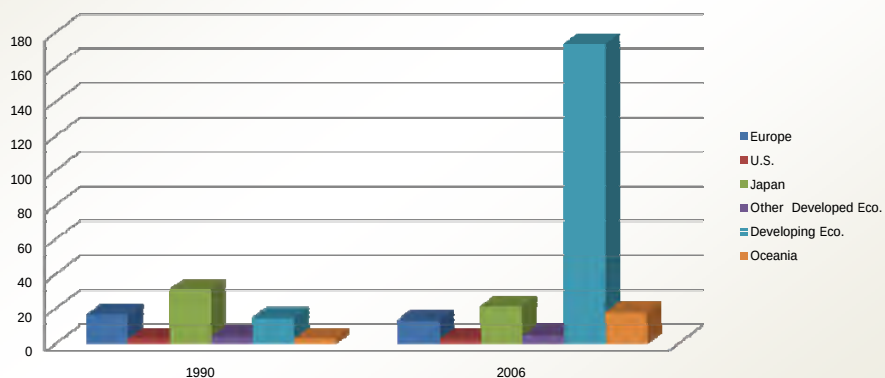
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

E. Solomon Islands

Exports



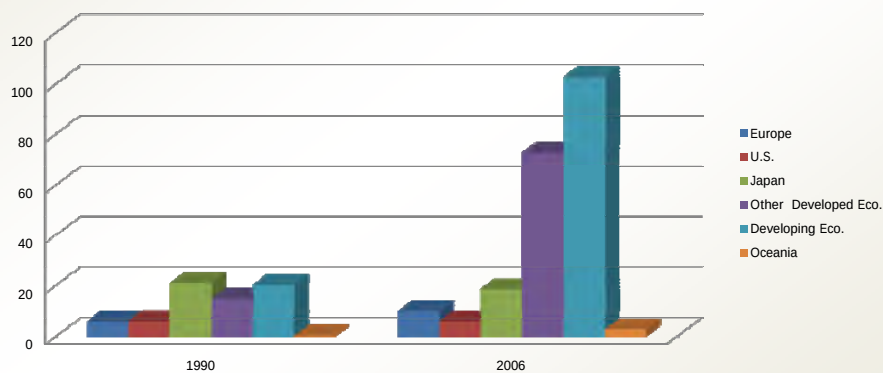
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

E. Solomon Islands(continued)

Imports



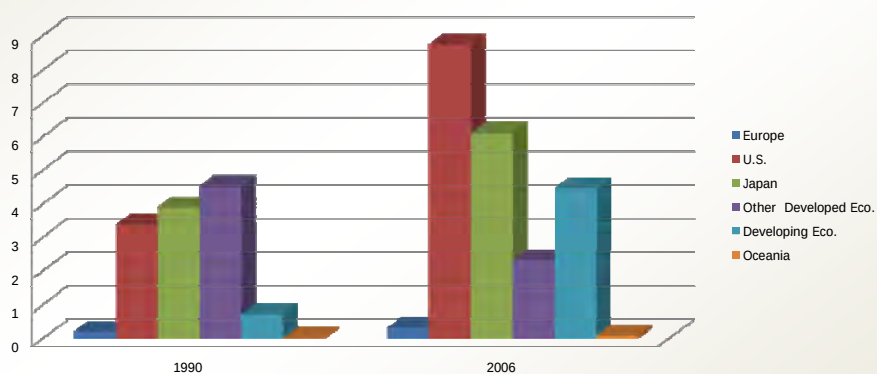
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

F. Tonga

Exports



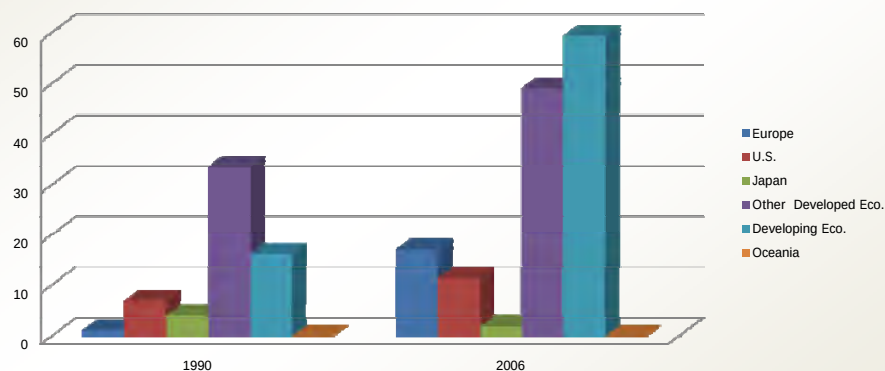
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

F. Tonga(continued)

Imports



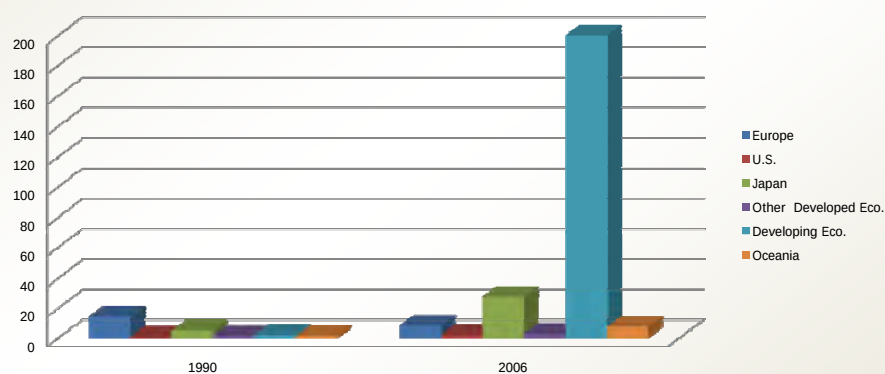
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

G. Vanuatu

Exports



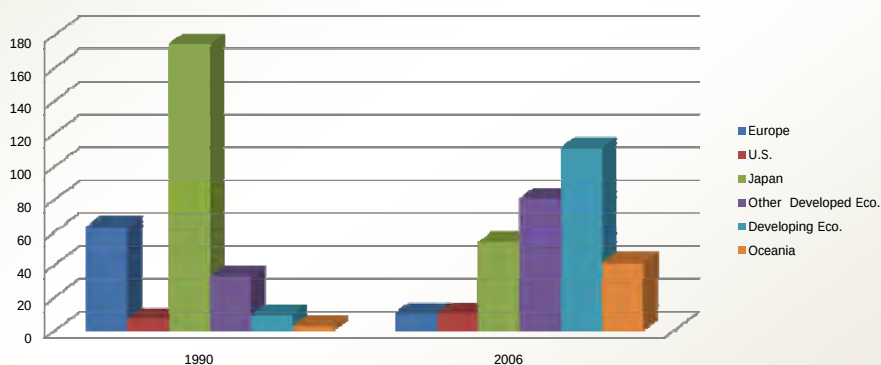
Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



2. Trade Patterns

G. Vanuatu(continued)

Imports



Millions of dollars
Source: UNCTAD Handbook of Statistics 2008



3. Liner Shipping Services

	Port	Co. providing services	No. of Routes	No. of Vessels
American Samoa	Pago Pago	8	5	5
	Total	8	5	5
Fiji	Latuoka	8	5	5
	Suva	7	9	10
	Total	10	9	11
Guam	Apra	8	5	15
	Total	8	5	15
French Polynesia	Papeete	6	6	12
	Total	6	6	12
New Caledonia	Noumea	6	6	9
	Total	6	6	9

Source: Containerisation International(www.ci-online.co.uk)



3. Liner Shipping Services

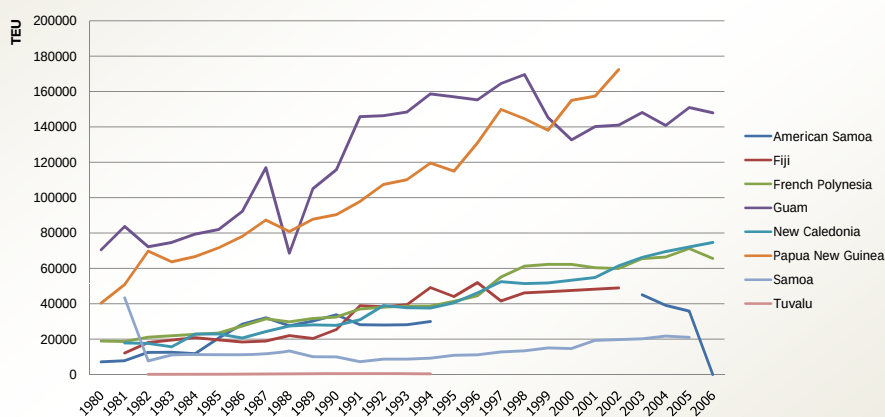
	Port	Co. providing services	No. of Routes	No. of Vessels
Papua New Guinea	Alotau	2	2	2
	Kavieng	2	2	2
	Kimbe	2	5	18
	Lae	5	10	14
	Madang	3	5	10
	Oro Bay	2	2	2
	Port Moresby	5	10	15
	Rabaul	5	6	15
	Total	9	17	35
Samoa	Apia	9	6	7
	Total	9	6	7
Tuvalu	Funafuti	4	2	2
	Total	4	2	2
Vanuatu	Port Vila	7	5	16
	Santo	4	4	14
	Total	7	6	17

Source: Containerisation International(www.ci-online.co.uk)



4. Container Volumes

A. Total Volumes

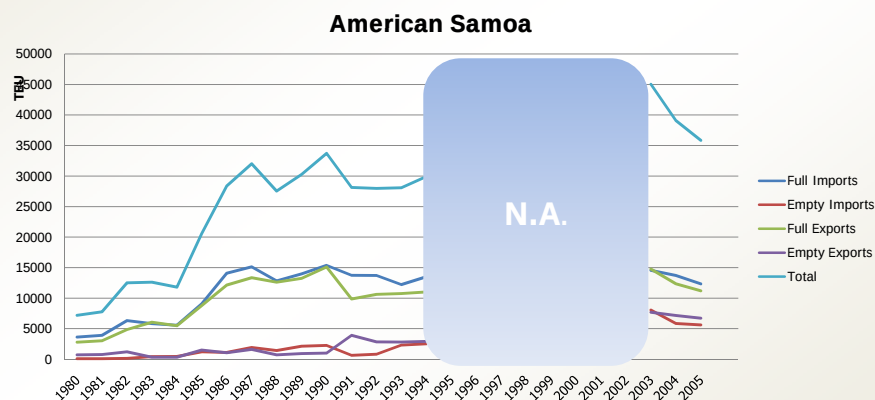


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

B. American Samoa

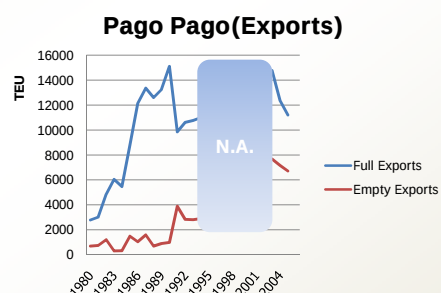
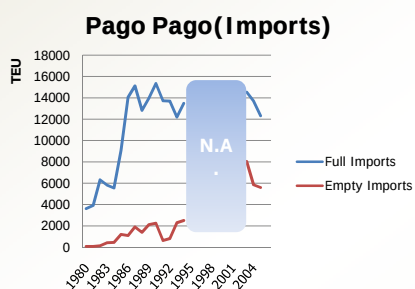


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

B. American Samoa(Continued)

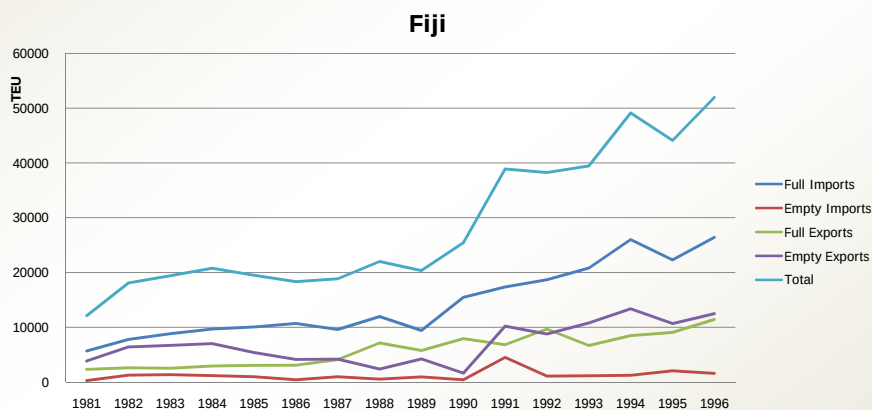


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

C. Fiji

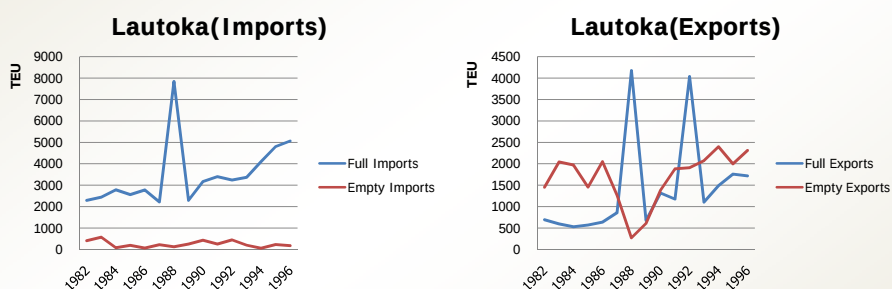


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

C. Fiji(Continued)



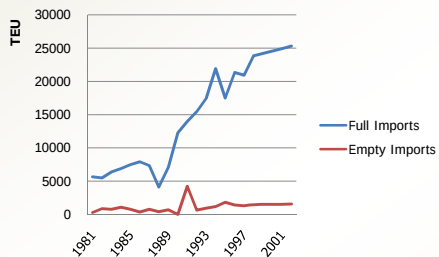
Source: Containerisation International Yearbook 1981~2008



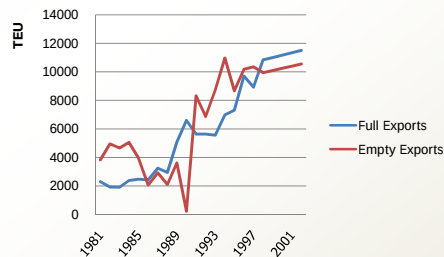
4. Container Volumes

C. Fiji(Continued)

Suva(Imports)



Suva(Exports)



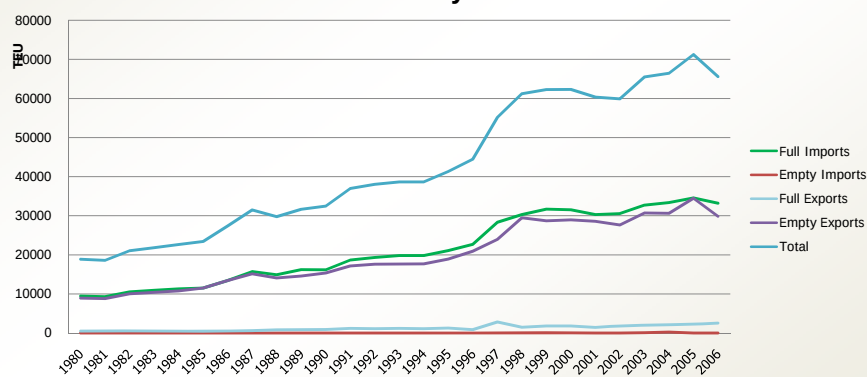
Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

D. French Polynesia

French Polynesia



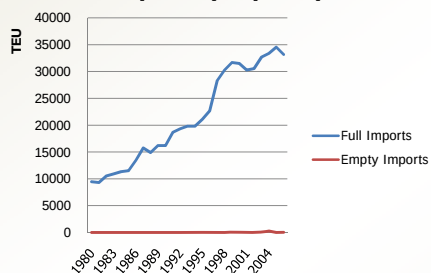
Source: Containerisation International Yearbook 1981~2008



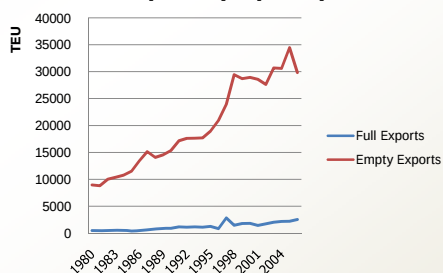
4. Container Volumes

D. French Polynesia(Continued)

Papeete(Imports)



Papeete(Exports)



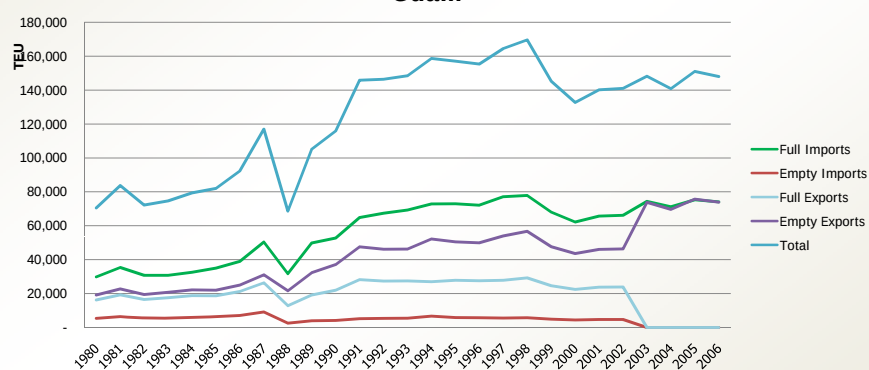
Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

E. Guam

Guam

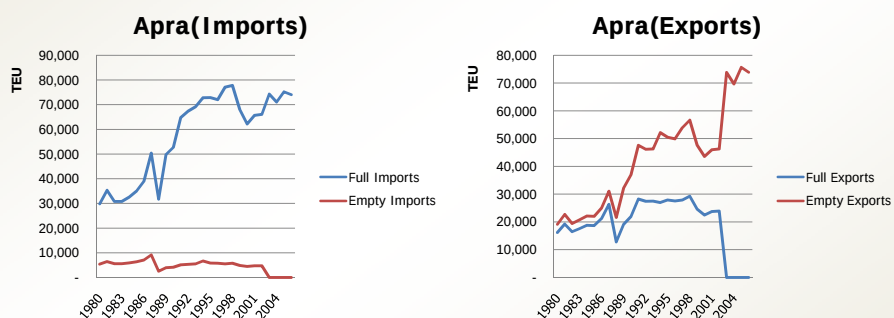


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

E. Guam(Continued)

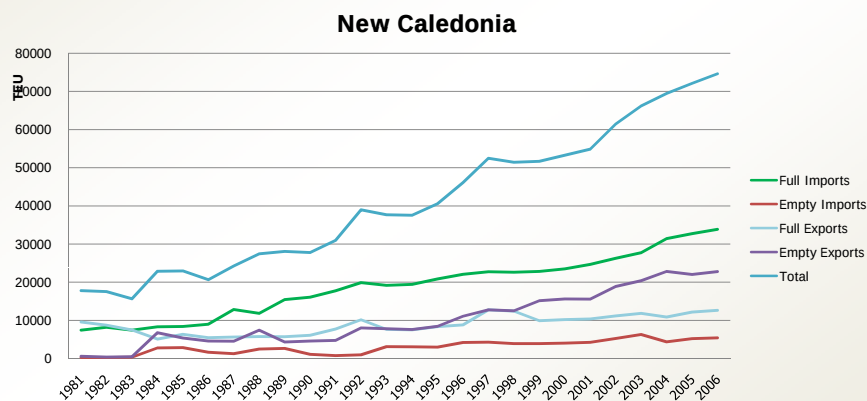


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

F. New Caledonia

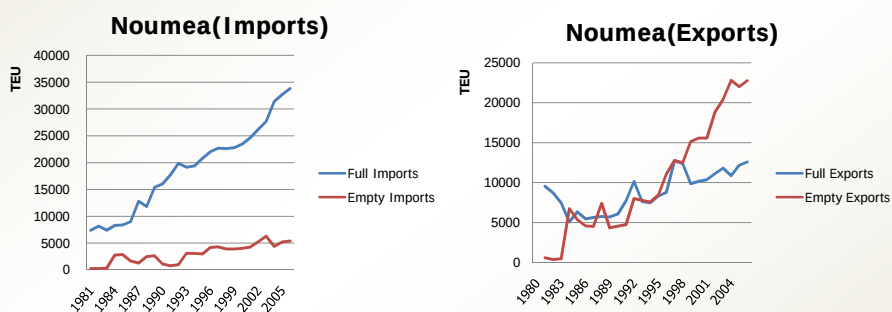


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

F. New Caledonia(Continued)

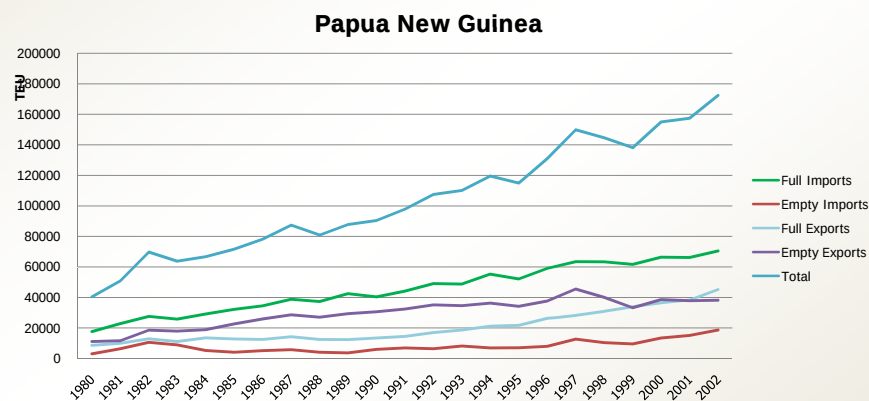


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

G. Papua New Guinea



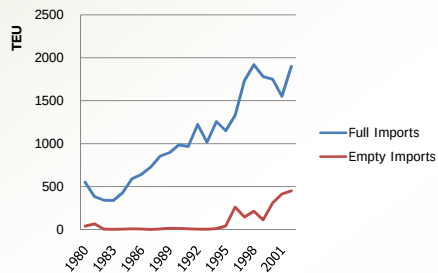
Source: Containerisation International Yearbook 1981~2008



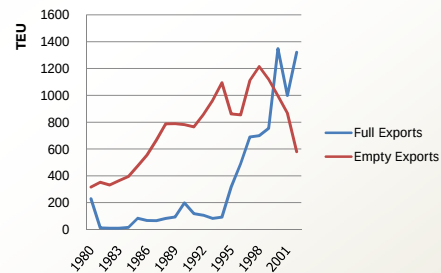
4. Container Volumes

G. Papua New Guinea(Continued)

Alotau(Imports)



Alotau(Exports)



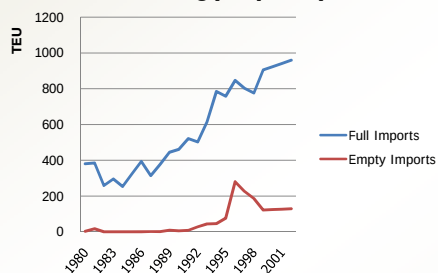
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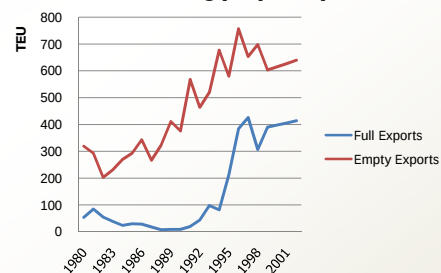
4. Container Volumes

G. Papua New Guinea(Continued)

Kavieng(Imports)



Kavieng(Exports)



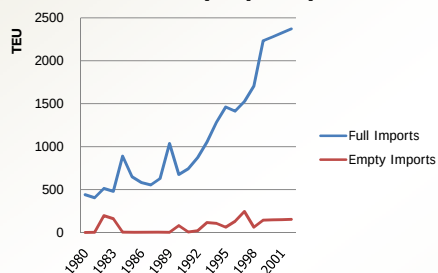
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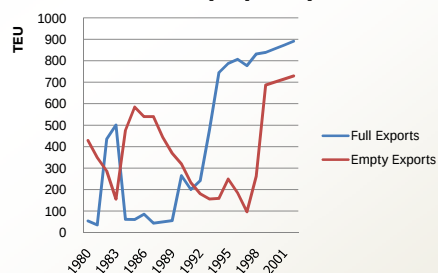
4. Container Volumes

G. Papua New Guinea(Continued)

Kimbe(Imports)



Kimbe(Exports)



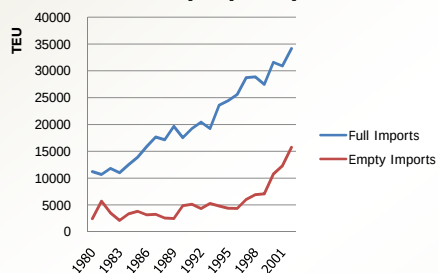
Source: Containerisation International Yearbook 1981~2008



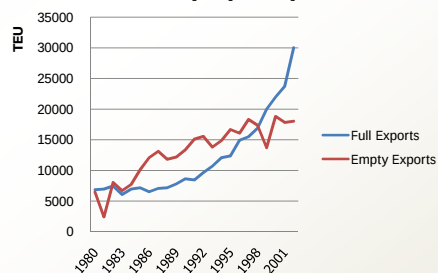
4. Container Volumes

G. Papua New Guinea(Continued)

Lae(Imports)



Lae(Exports)



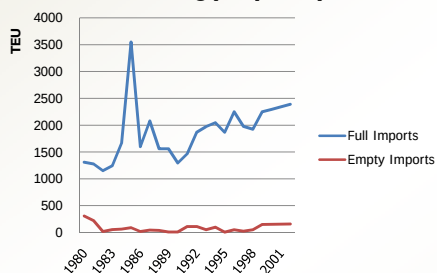
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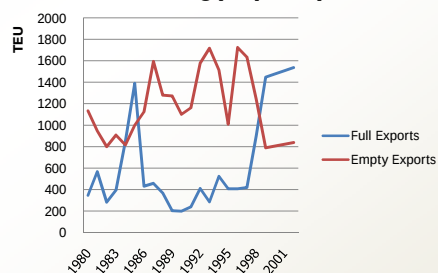
4. Container Volumes

G. Papua New Guinea(Continued)

Madang(Imports)



Madang(Exports)



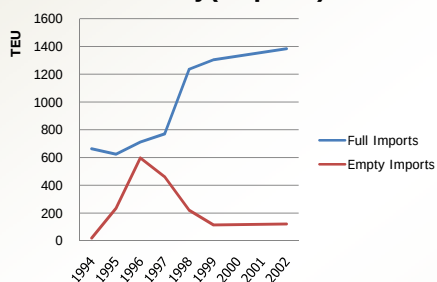
Source: Containerisation International Yearbook 1981~2008



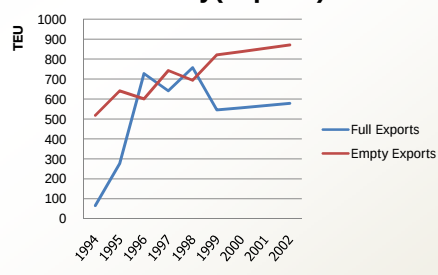
4. Container Volumes

G. Papua New Guinea(Continued)

Oro Bay(Imports)



Oro Bay(Exports)



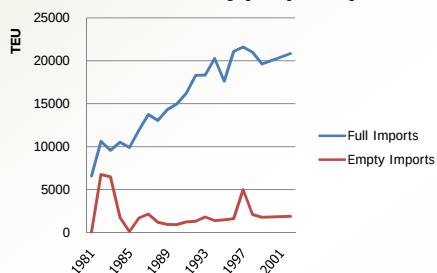
Source: Containerisation International Yearbook 1981~2008



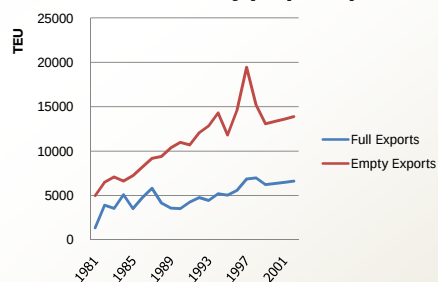
4. Container Volumes

G. Papua New Guinea(Continued)

Port Moresby(Imports)



Port Moresby(Exports)



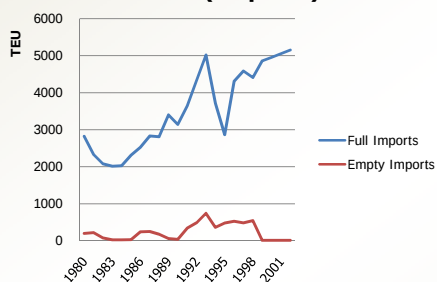
Source: Containerisation International Yearbook 1981~2008



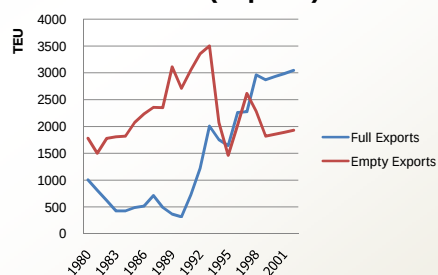
4. Container Volumes

G. Papua New Guinea(Continued)

Rabaul(Imports)



Rabaul(Exports)



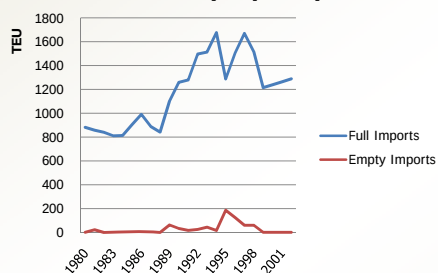
Source: Containerisation International Yearbook 1981~2008



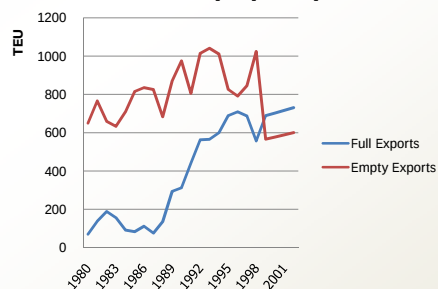
4. Container Volumes

G. Papua New Guinea(Continued)

Wewak(Imports)



Wewak(Exports)



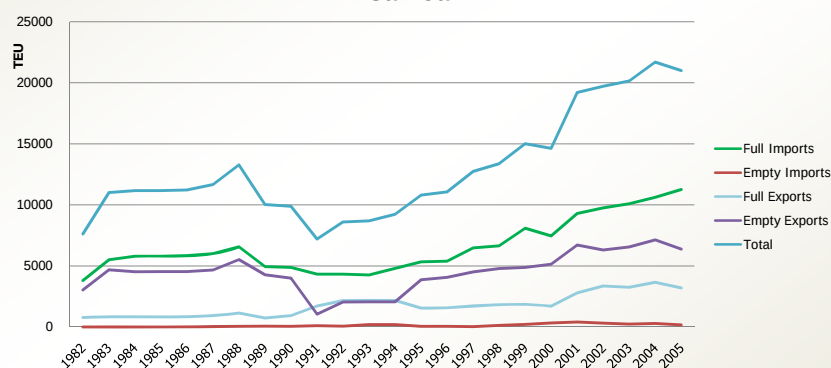
Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

H. Samoa

Samoa



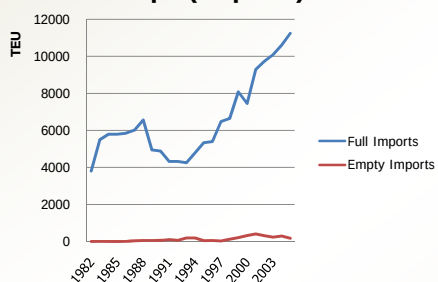
Source: Containerisation International Yearbook 1981~2008



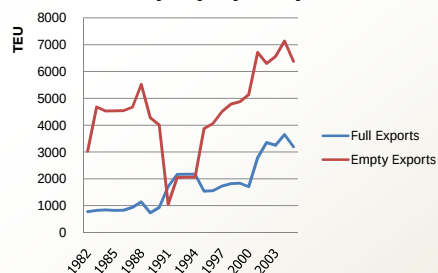
4. Container Volumes

H. Samoa(Continued)

Apia(Imports)



Apia(Exports)



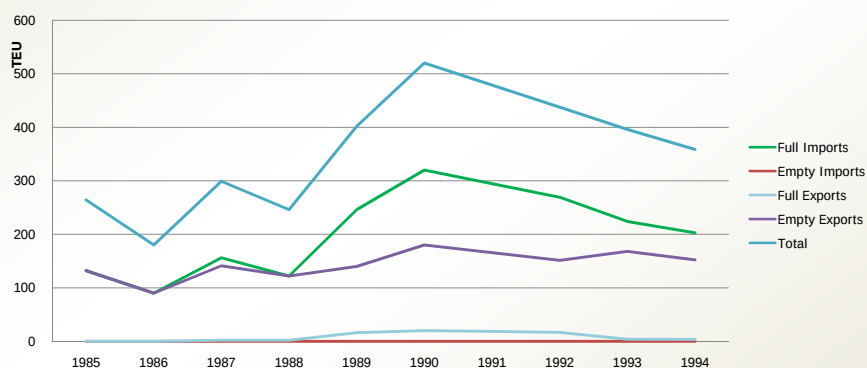
Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

I. Tuvalu

Tuvalu

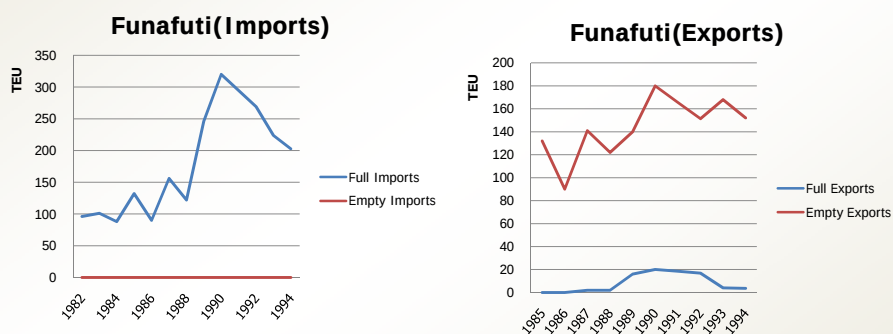


Source: Containerisation International Yearbook 1981~2008



4. Container Volumes

I. Tuvalu(Continued)



Source: Containerisation International Yearbook 1981~2008



5. Freight Rates

Route	Commodity	Base Rate(\$)	Surcharges
Austrailia-Fiji Islands	General Cargo	1,185	
Austrailia-Nauru	General Cargo	3,081	CABAF=27.59% of base freight rate
Austrailia-Samoa	General Cargo	2,212~2,370	CABAF=26% of base freight rate
Austrailia-Kiribati(Tarawa)	Flour, Salt, Suga, Rice	2,074	Export PSC=\$0.60+GST, Dock Fee=\$23.70 per bill of lading
Austrailia-Kiribati(Tarawa)	Beverages, Beer	2,528	CAF=7.16%, BAF=\$235, Export PSC=\$59.30, Dock Fee=\$23.70 per bill of lading
Austrailia-Kiribati(Tarawa)	Reefer	3,555	CAF=7.16%, Export PSC=\$59.30, Dock Fee=\$23.70 per bill of lading
Austrailia-PNG	General Cargo	1,738~2,133	BAF=\$234.60, CAF=&.16% CABF=26% of Base rate CABAF=34.15% of base rate CABAF=34.15% of base rate
Austrailia-Tonga	General Cargo	1,975~2,212	
NZ-Samoa	General Cargo	1,750~1,820	
NZ-Tonga	General Cargo	1,750	

BAF=bunker adjustment factor, CAF=currency adjustment, CABAF=currency and bunker adjustment factor,

GST=goods and services tax, NZ=New Zealand, PNG=Papua New Guinea, PSC=port service charges,

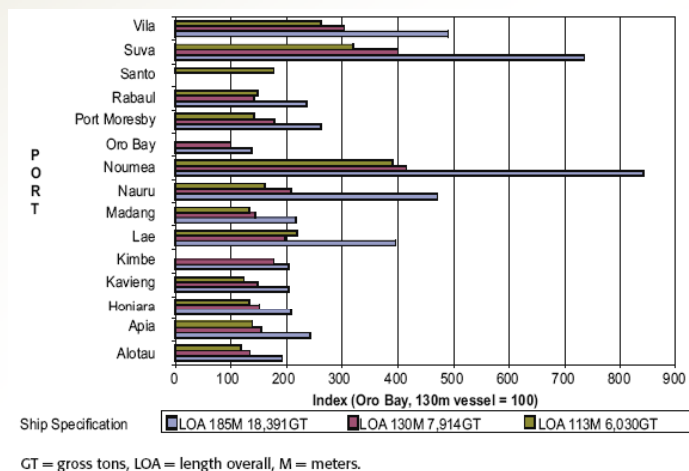
TEU=20-foot equivalent unit, THC=terminal handling charges.

Source: Oceanic Voyages in the Pacific(ADB)



6. Port Tariffs

A. Comparative Port Tariff Charges Apr, 2003

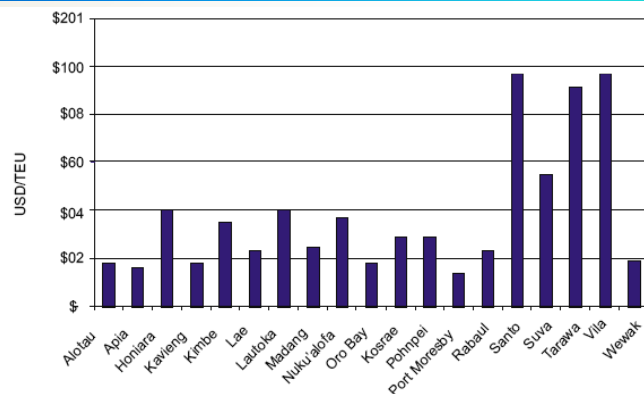


Source: Oceanic Voyages in the Pacific(ADB)



6. Port Tariffs

B. Comparison of Stevedoring Charges in Pacific Island Countries



TEU = 20-foot equivalent unit, USD = United States dollar.

Source: Oceanic Voyages in the Pacific(ADB)



Appendix

Profile of Pacific Island Countries

Country	Pop. (2006)	Land Area	Populated Islands /No. of Islands	Maritime Area /EEZ (million sq. km)	GDP per Capita(\$)	2005 Imports (\$ million)	2005 Exports (\$ million)	Main Trading Partners	Main Ports
Cook Islands	21388	237	15	2.00	9100	81	5	Australia, New Zealand, Fiji, U.S., Japan	Avatiu
Fiji	840000	18300	100/332	1.30	5900	1462 (cif)	720 (fob)	Singapore, U.S., Australia, U.K., New Zealand, Samoa	Labasa, Lautoka, Levuka, Savusavu Bay, Suva
Kiribati	105432	811	23/33	3.50	1900 (2004)	62 (cif)	17 (fob)	Australia, Fiji, Japan, New Zealand, U.S., Belgium, Samoa, Malaysia, Taipei, China, Denmark	Betio
Marshall Islands	60422	181	21/1152	2.00	2900	55 (fob-2000)	9 (fob-2000)	U.S., Japan, Australia, New Zealand, Singapore, Fiji, China, Philippines	Majuro Atoll
FSM	108004	702	7/607	2.60	2300	133 (fob-2004)	14 (fob-2004)	U.S., Japan, Guam, Hong Kong	Chu'uk, Phonpei, Yap
Nauru	13287	21	1/1	0.32	5000	20 (cif)	0.06 (fob)	S. Korea, Australia, U.S., Germany, S. Africa, Canada	Nauru
Palau	20579	458	9/300	0.63	7600	108 (fob-2004)	6 (fob-2004)	U.S., Singapore, Japan, S. Korea	Koror
Papua New Guinea	462,243	-/600		1.60	2600	1651 (fob)	2833 (fob)	Australia, Japan, Singapore, China, Malaysia	Alotau, Kavieng, Kieta, Kimbe, Lae, Lorengau, Madang, Oro Bay, Port Moresby, Rabaul, Wewak

cif: cost, insurance and Freight, EEZ: Exclusive Economic Zone, fob: Freight on board, FSM: Federated States of Micronesia, GDP: gross domestic product
sq. km: Square kilometer

Source: Oceanic Voyages in the Pacific(ADB)



Appendix

Profile of Pacific Island Countries(continued)

Country	Pop. (2006)	Land Area	Populated Islands /No. of Islands	Maritime Area /EEZ (million sq. km)	GDP per Capita(\$)	2005 Imports (\$ million)	2005 Exports (\$ million)	Main Trading Partners	Main Ports
Samoa	180900	2820	10/10	0.10	1832	285 (fob-2004)	94 (fob-2004)	Australia, New Zealand, U.S., Japan, Fiji, China, American Samoa	Apia
Solomon Islands	520000	27556	347/992	1.30	600	159 (fob-2004)	171 (fob-2004)	China, S. Korea, Thailand, Australia, Singapore, Fiji, Papua New Guinea	Aola Bay, Dakolae Anchorage, Gizo, Honiari, Noro, Tulagi, Viru Harbour, Yandina
Timor-Leste	15007		2/2	N.A.	800	202 (2004)	10	Indonesia, Australia, Singapore, Japan	Dili
Tonga	101800	600	N.A.	0.68	2200	122 (fob-2004)	34 (fob-2004)	New Zealand, Fiji, Australia, Japan, U.S.	Nukualofa
Tuvalu	11810	26	N.A.	0.90	1600 (2002)	9 (cif-2004)	1 (fob-2004)	Fiji, Japan, China, Australia, New Zealand, Germany, Italy	Funafuti
Vanuatu	213300	12200	65/83	0.68	1530 (2005)	117 (cif-2004)	34 (fob-2004)	Australia, Japan, Singapore, Poland, New Zealand, Fiji, Thailand, India, Turkey	Port Vila, Santo

cif: cost, insurance and Freight, EEZ: Exclusive Economic Zone, fob: Freight on board, FSM: Federated States of Micronesia, GDP: gross domestic product
sq. km: Square kilometer

Source: Oceanic Voyages in the Pacific(ADB)



Thank You/Vinaka!

ESCAP KMI SPC

WORKSHOP ON SHIPPING
INFORMATION
SUVA, FIJI – 26 SEPT 08
NORTHERN PACIFIC GROUP

CURRENT SITUATION & PROSPECTS FOR MARITIME CONTAINER TRADE

- Increasing in volume
- Constraints in infrastructure
 - Physical
 - Built Infrastructure
- Constraints in Equipment Type and size
- More Security in containerized cargo
- Ease of handling
- Constraints in trained personnel

PORT SERVICES TO SERVE THE REGIONAL TRADE

- Improved port infrastructure
- Improved/enhanced Port Operational Equipment
- Consider improved/more suitable location for the facilities
- One-stop-shop for FAL Convention Compliance
- Appropriately/Adequately Trained personnel
- Hydrographic information and equipment for safe navigation

ISSUES & CHALLENGES

- Lack of information on the environment
- New restrictive regulation
 - ISPS
 - Oil Spill Contingency Plan
 - Other MARPOL related Conventions (Part 5)
- Quarantine related Issues
- OHS (Operation Health and Safety - fumigation)
- Contrabands (explosive, counterfeit, drugs etc.)
- Illegal Activities (stowaways, human trafficking)
- Standard Operation Procedures (SOP)

WAY FORWARD

- Lack of information on the environment
- New restrictive regulation
 - ISPS
 - Oil Spill Contingency Plan
 - Other MARPOL related Conventions (Part 5)
- Quarantine related Issues
- OHS (Operation Health and Safety - fumigation)
- Contrabands (explosive, counterfeit, drugs etc.)
- Illegal Activities (stowaways, human trafficking)
- Standard Operation Procedures (SOP)
- Call for EIA on future infrastructural development
- Seek to comply with emerging convections and regulations
- Seek to train personnel for best practices
- Increase Security at the ports and port faculties
- Standardize operation procedures throughout the pacific Ports

SUGGESTIONS AND RECOMMENDATIONS

- Call for EIA on future infrastructural development
- Seek to comply with emerging convections and regulations
- Seek to train personnel for best practices
- Increase Security at the ports and port faculties
- Standardize operation procedures throughout the pacific Ports



**ESCAP/KMI/SPC Joint Workshop on Maritime
Trade and Shipping Services in the Pacific**

Answers from Group Discussion

**Port Infrastructure and Cargo Handling
Constraints on Shipping Services**

South pacific Import and Export container capacity

❑ Container growth / import and export

- ❖ **Cook ISLANDS – 5 % CONTAINER GROWTH**
- ❖ **Tonga – 8 % growth growth**
- ❖ **Tuvalu – 2 % growth growth**
- ❖ **PNG – 30 – 40 % growth in container**
- ❖ **Samoa – container 5 % growth per year**
- ❖ **Solomon – 5 % growth per year**
- ❖ **Fiji – 10-15 % growth per year (Fiji water)**

Port Service Issues

- Infrastructure – old, under-maintained, insufficient size to handle larger ships, in need of upgrading
- Equipment – outdated, prohibitive cost of replacement, inadequate ability of spares, training components of commissioned machines inadequate and sourcing/procurement problems
- Pilotage – boats old and inadequate, training of pilots on simulators, infrastructure, regulations and licencing
- Security – ISPS and local (pilferage with stevedores and agents), lack of training

□ Challenges

- Addressing issues and get port efficiency in line with benchmark
- Attracting and retaining competent, skilled and well-trained staff

□ Way Forward

- Strengthen PCPA (regional maritime association) with SPC support to foster networking among members
- Sharing data collated at SPC on port issues
- Source funding from donors to implement regional solutions with regional expertise
- SPC to keep ports updated with new developments and cutting edge technology

Suggestions & Recommendations

- ❑ Funding proposals for regional projects
- ❑ Individual ports to implement business excellence (benchmark)
- ❑ SPC to continue assessing availability of data and analysis of regional information to reflect back to ports
- ❑ Regional workshop for board members to understand port operations better



Th@nk you

❑ South Pacific

❖ Cook Islands, Fiji(1), Papua New Guinea(2), Samoa(1), Solomon Islands(2), Tonga, Tuvalu