



Organization of
American States

More rights
for more people



Western Dredging Association

Maritime & Waterways Developments – Challenges & Opportunities

Easter Chapter Annual Meeting

October 25 & 26, 2016
Ft. Lauderdale, Florida



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Inter-American Committee on Ports
#OAS_CIP #OEA_CIP www.portalcip.org



Index

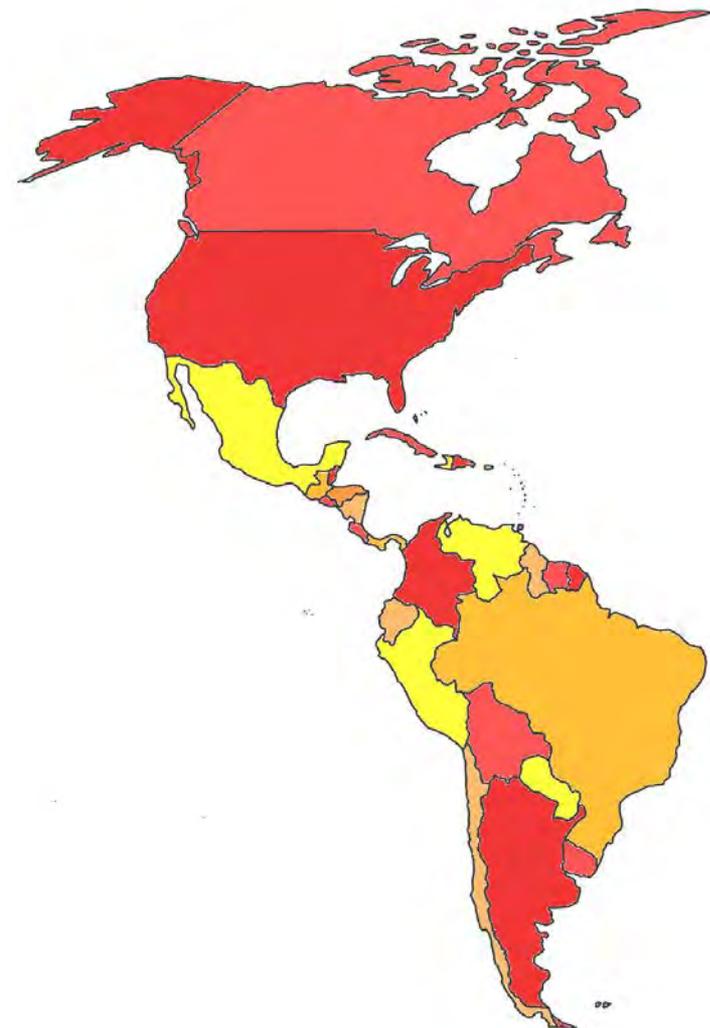
1. About the CIP

2. CIP activities

3. Ports and Waterways

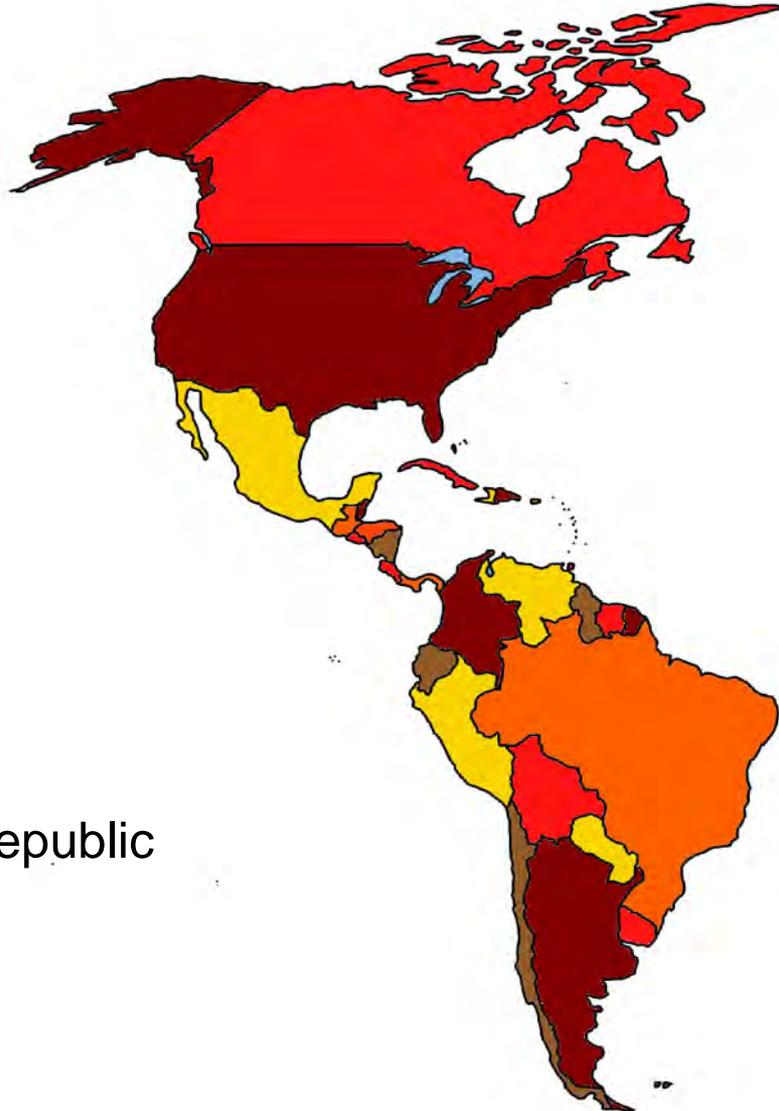
Developments

4. Key Messages



OAS – CIP Member States

1. Antigua and Barbuda
2. Argentina
3. Bahamas
4. Barbados
5. Belize
6. Bolivia
7. Brazil
8. Canada
9. Chile
10. Colombia
11. Costa Rica
12. Dominica
13. Dominican Republic
14. Ecuador
15. El Salvador
16. Grenada
17. Guatemala



18. Guyana
19. Haiti
20. Honduras
21. Jamaica
22. Mexico
23. Nicaragua
24. Panama
25. Paraguay
26. Peru
27. Saint Kitts and Nevis
28. Saint Vincent and the Grenadinas
29. Saint Lucia
30. Suriname
31. Trinidad and Tobago
32. United States
33. Uruguay
34. Venezuela

The Inter-American Committee on Ports (CIP)

The CIP works towards the development of a more competitive, safe and sustainable port sector in the Americas.

1

Permanent Inter-American governmental forum at the highest level to strengthen Inter-American Port dialogue. **10th Meeting of the CIP, Montevideo, Uruguay, July 27-29, 2016**

2

Capacity Building to promote and improve technical and managerial skills of port officials.

3

Technical Assistance, Regional Cooperation and Associate members.

4

Dissemination and promotion of the Americas Ports , and **Active cooperation and collaboration with the private sector.**

CIP Structure

CHAIR: Mexico

VICE CHAIRS: Barbados and Uruguay

**INTER-AMERICAN
COMMITTEE ON PORTS**

SECRETARIAT

EXECUTIVE BOARD (CECIP)

**Logistics,
Innovation and
Competitiveness**

Panama

**Sustainable
Port
Management
and
Environmental
Protection**

Mexico

**Port
Protection
and
Security**

**United
States**

**Public Policy,
Legislation
and
Regulation**

Uruguay

**Tourism,
Island Ports
and
Waterways,
Ship Services
and
Navigation
Safety**

Argentina

**Corporate
Social
Responsibility
and Women in
Ports**

Peru

Associate Members



Puertos del Estado

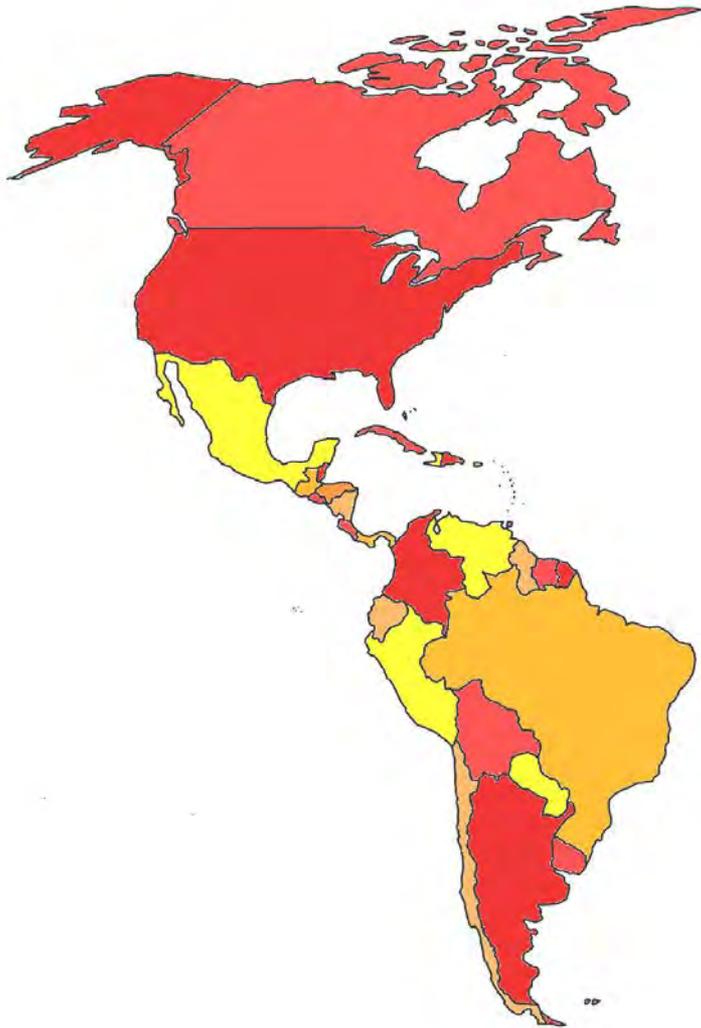


Uruguay
Hub Logístico

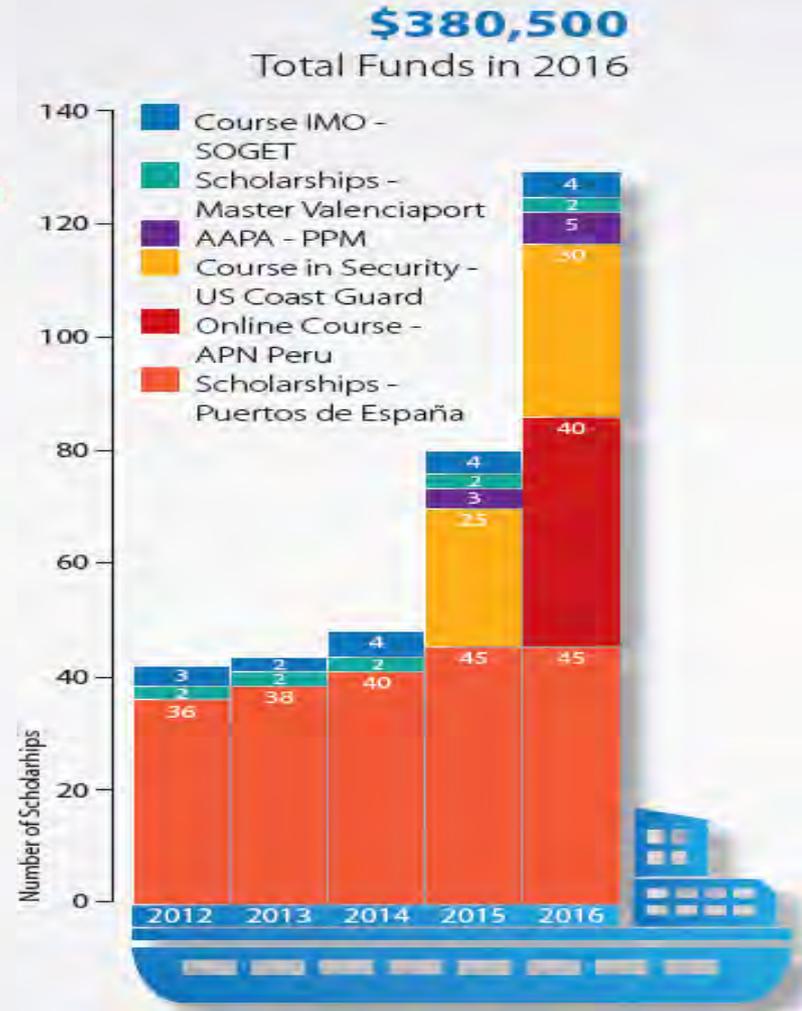


Promoting BlueTech and Blue Jobs®





CIP Activities



The Strengthening and Capacity Building Program the S/CIP offers is entirely funded by cash and in-kind contributions (Specific Funds).

From 2014 to 2016, the number of scholarships **increased from 45 to 126, an increase of 198%**. The funds for the training program **increased by 54%, from \$247,000 to \$380,500**.

Sustainable Development



**SUSTAINABLE
DEVELOPMENT
GOALS**

Member States and Associate Members of the CIP **attach great importance to marine environmental protection**, including:

- waste management,
- energy efficiency and reduction of emissions,
- port and marine disaster mitigation, as well as contingency and emergency response plans.

6 CLEAN WATER
AND SANITATION



The CIP -OAS is committed to address these issues by **raising awareness** and **contributing to increase technical and institutional capacities**.

7 AFFORDABLE AND
CLEAN ENERGY



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



Some of our Activities

1

Maritime Award of the Americas.

2

Safe our seas and Marine Educator's Guide (NAMEPA).

3

Ballast water survey - IMO (Assure Controls).

4

Port Legislation

5

Port Incentive Program for the Reduction of Emissions (RIGHTSHIP)

6

Caribbean Risk Assessment (CRISK)

7

Connecting Ports in the Caribbean – Enhancing Maritime Security

Maritime Award of the Americas

To recognize **successful innovative practices** that demonstrate **excellence**, **innovation** and **sustainability** in the maritime and port sector of OAS Member States.



The CIP Secretariat organized the 1st edition of the Award in 2014 with **North American Marine Environment Protection Association (NAMEPA)**, **Disaster Mitigation** of the Dept. of Sustainable Development of the OAS, the **Tourism Section** and the CSR Program of the OAS **Department of Economic Development**.

Maritime Award of the Americas 2016

Categories:

1. Award for Environmental Waste Management:

(a) Commercial Shipping

(b) Cruise Lines

(c) Ports:

(i) Waste Management

(ii) Environmental Protection

2. Implementation of Safety Standards

3. Sustainable Tourism Port Destination

4. Corporate Social Responsibility in Ports

5. Disaster Mitigation and Management in Ports

6. CSR and Gender Equality



MARITIME AWARD
OF THE AMERICAS

3RD

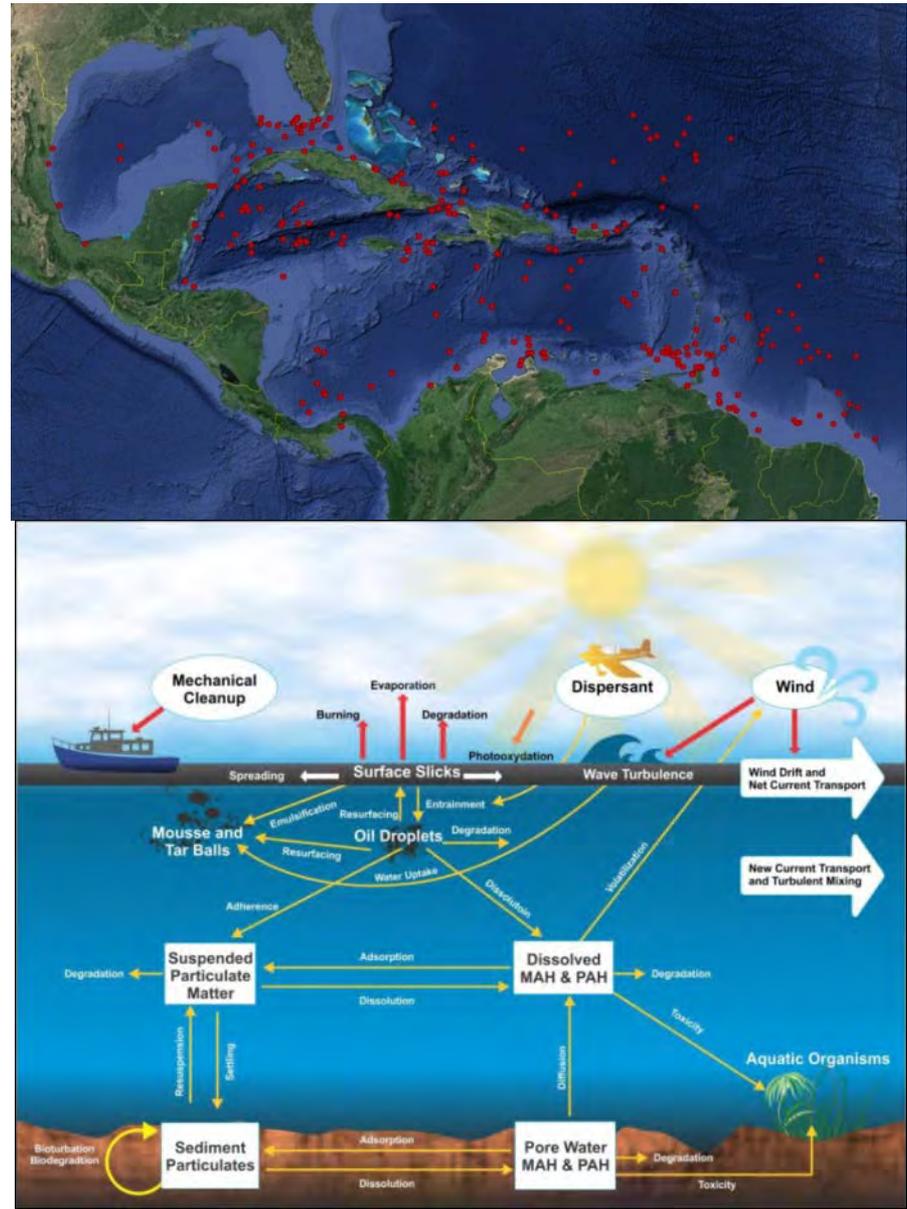
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Caribbean Risk Assessment (CRISK)

- **300 ships** submerged with high risk potential.
- **151,000 to 1.2 million m³** fuel and other hazardous materials.
- Possible leaks put in risk the **tourism economy, valuable ecological resources and fisheries** in the Caribbean.
- **US \$ 53 billion to US \$74 billion** of the tourism economy is in risk



Port Legislation, Other



Model Port Law Guide

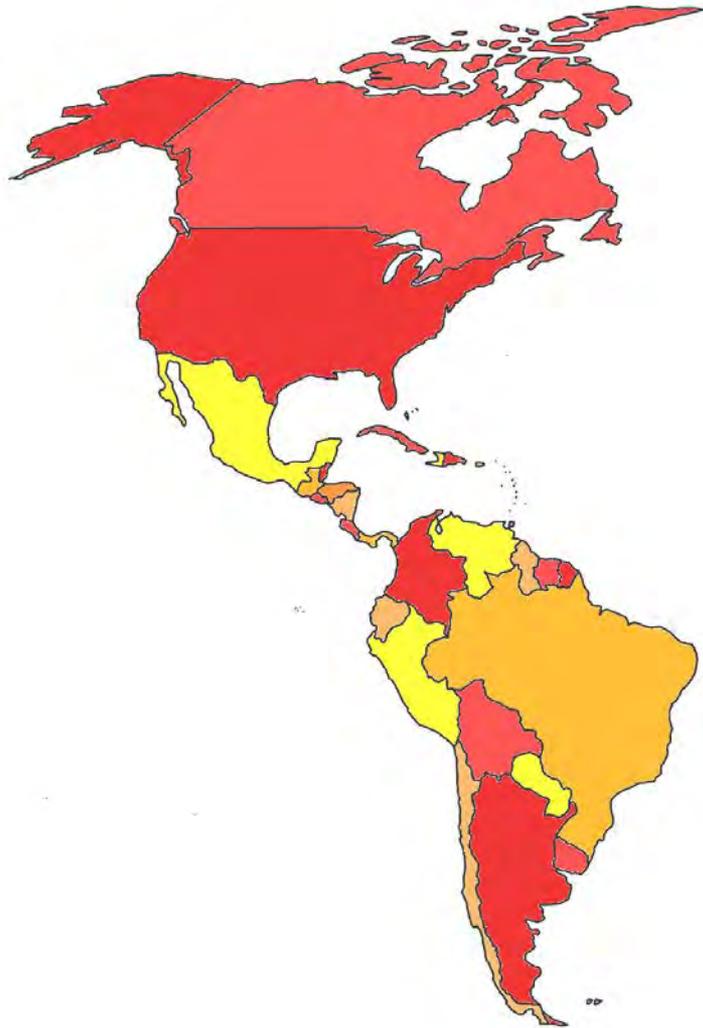
The Model Port Law identifies and describes 29 elements that port legislation should contain. The aim of the **Model Port Law Guide** is to establish the basic laws that the port sector currently requires to ensure legal safeguards and private investment.

Port Services Regulations: Dredging

Caribbean Cooperation Framework

Aiming to bring concrete benefits in the areas of port and maritime security to Member States of the CIP, by **establishing a reliable and safe system of direct communication and by offering internationally recognized training programs.**

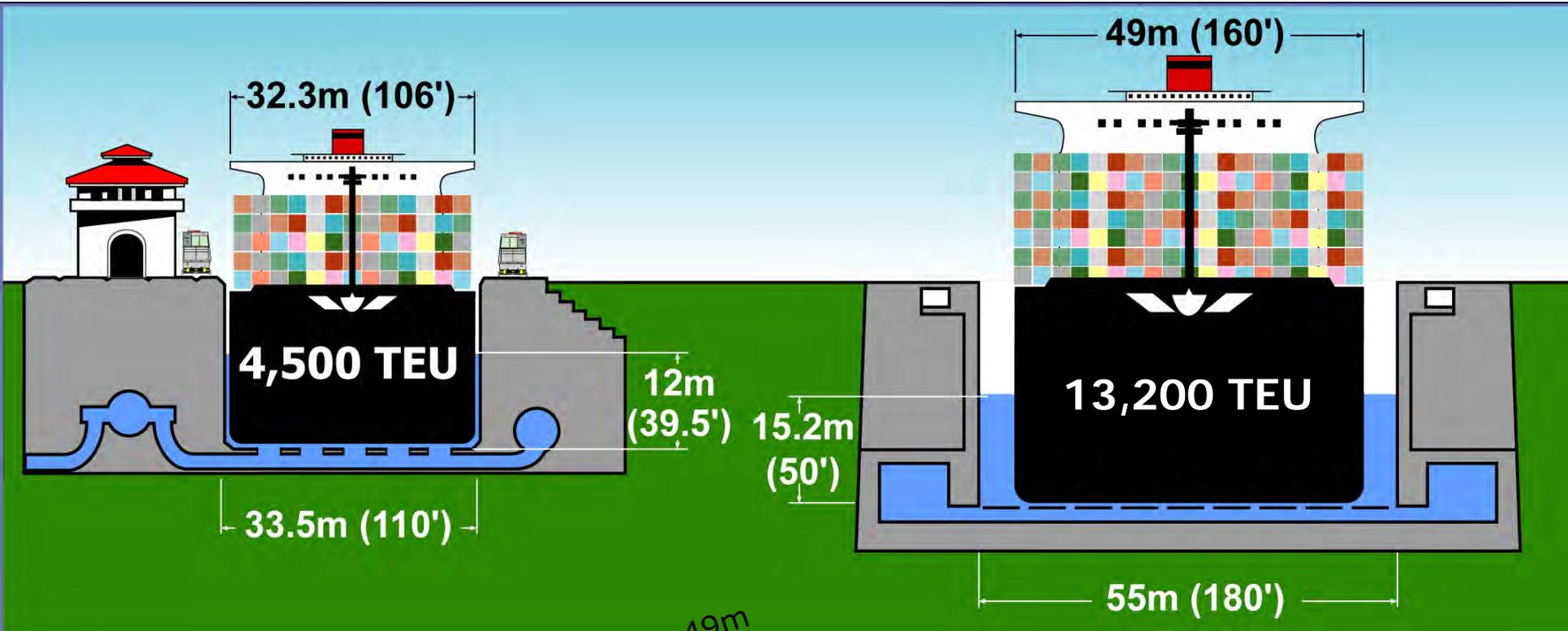




Ports and Waterways Developments

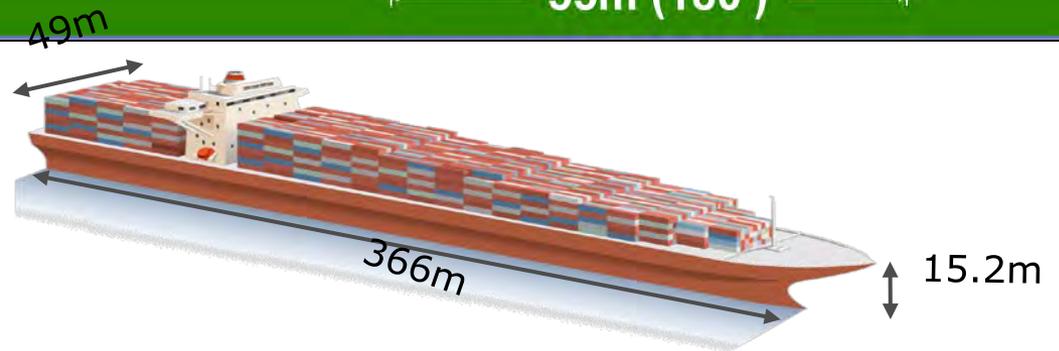
Panama Canal Expansion

However, vessels of 16, 18 and 20 thousand TEUs do not fit

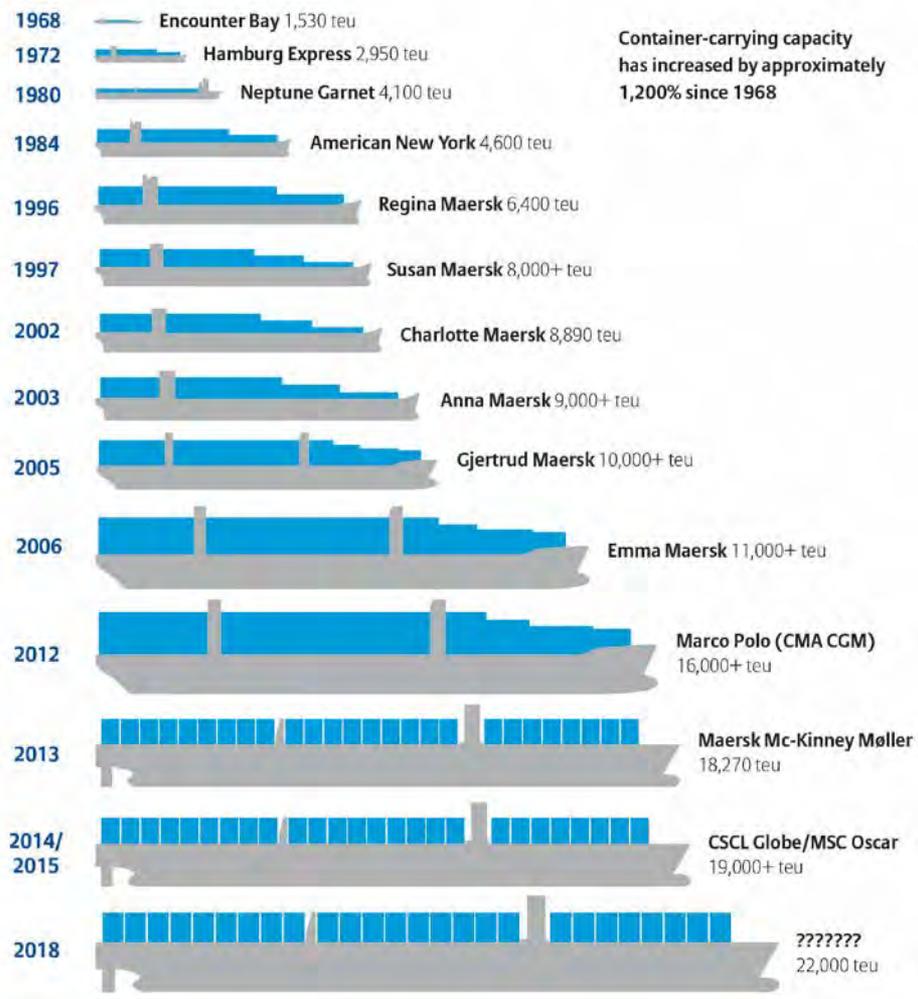


Vessel Design:

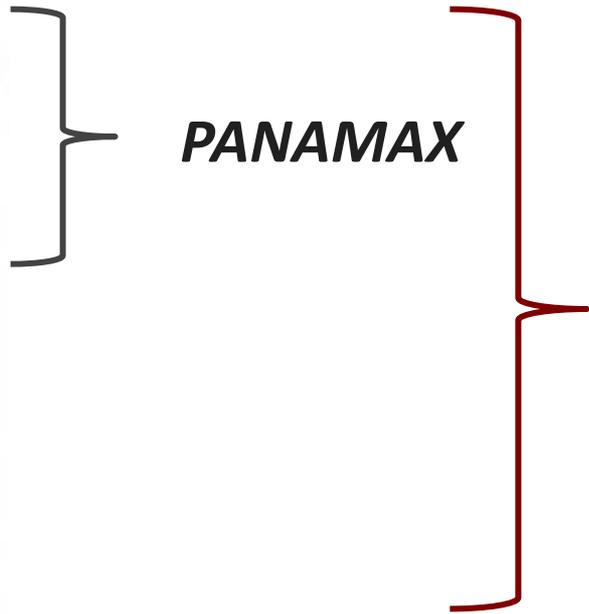
Capacity: 14.000 TEU
Tonnage: 157.000 DWT
Total Longitud: 365.8 mts
Bao: 48.8 mts
Draft: 15.2 mts



50 years of Container Ship Growth



Container-carrying capacity has increased by approximately 1,200% since 1968



 As a consequence, the Canal's throughput capacity will about double, from 300 million PCUMS tons to 600 million PCUMS tons, implying a huge change in transshipment activities.

 Ports will required depths of about 50 feet to receive the larger ships that will transit the canal once expansion is completed.

 Only Freeport in Bahamas and Balboa/Colon in Panama have sufficient depth at this time.

Source: Panama Port Authority; The Economist 2014.

Hanjin Shipping demise

Shipping companies have announced big losses, main reasons:

- 1) Global Financial Crisis**
- 2) Shifting in manufacture**
- 3) Mega vessels**



Hanjin Shipping demise

1) Lower demand than expected

container ships were ordained when trade was in expansion, before the crisis

2) Expansion of the offer

economies of scale - larger vessels and more efficient

3) Technological Change

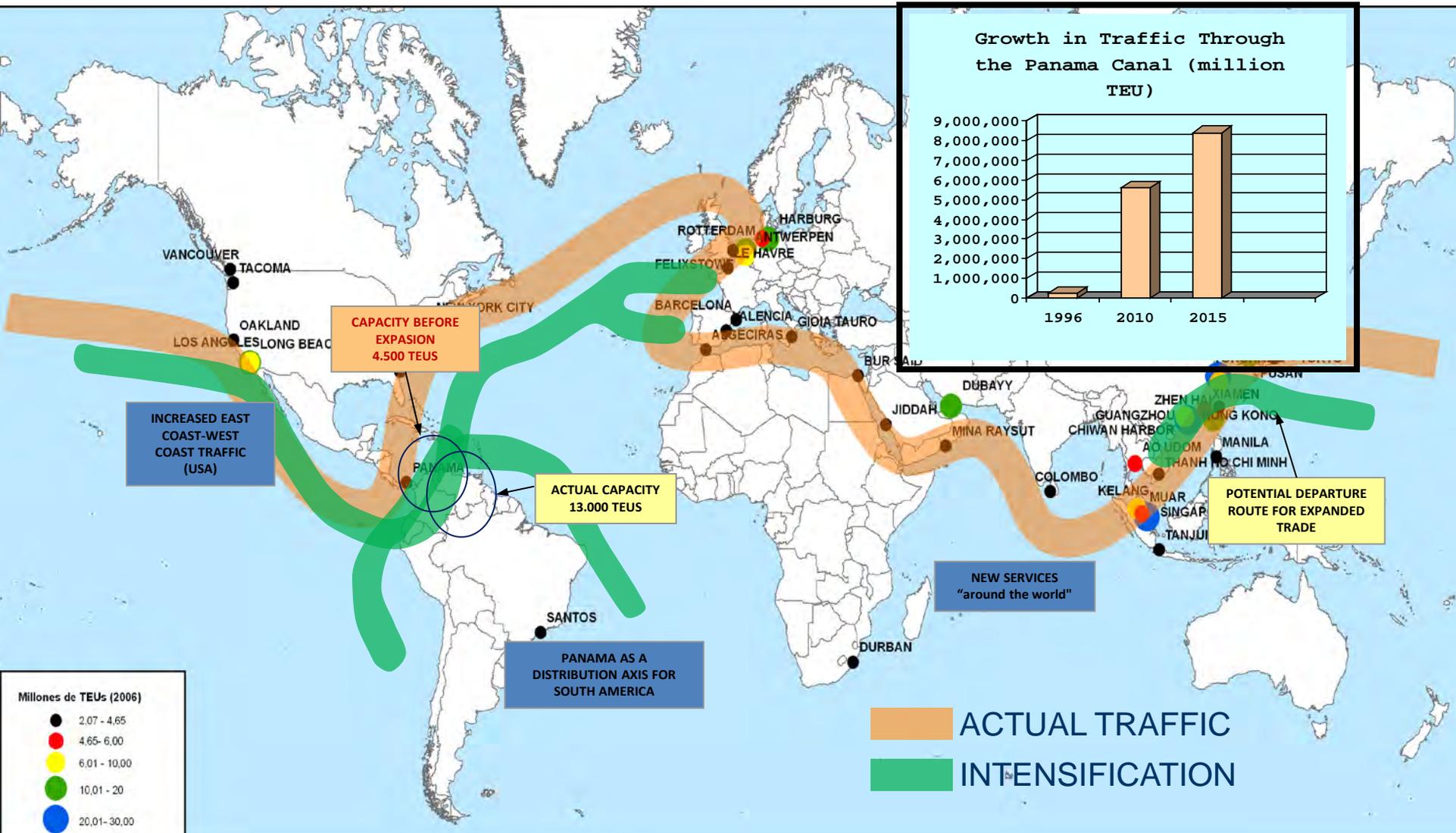
(i) High fixed costs (\$150 million each vessel)

ii) Reduced variable costs (less fuel, communication costs of crew by container)

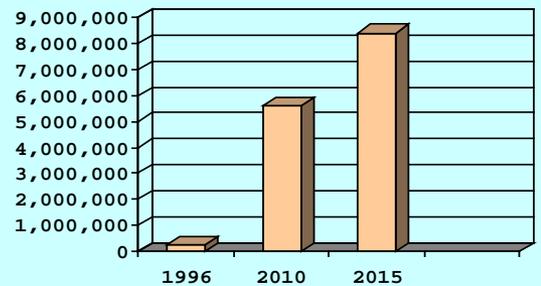
iii) drastic changes in the costs of cargo movement

Panama Canal Expansion

Potential impact on international shipping routes



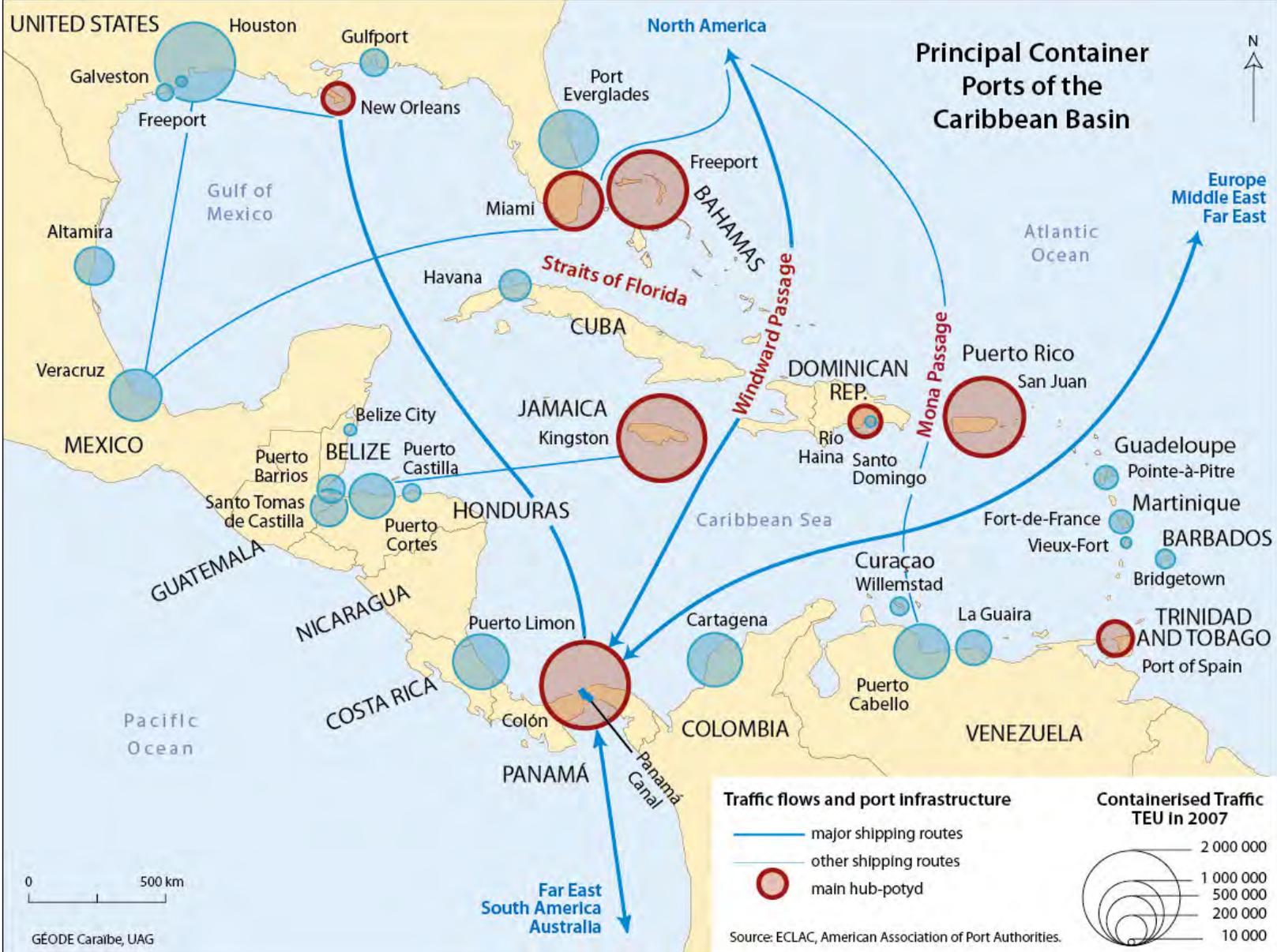
Growth in Traffic Through the Panama Canal (million TEU)



- Millones de TEUs (2006)
- 2.07 - 4.65
 - 4.65 - 6.00
 - 6.01 - 10.00
 - 10.01 - 20
 - 20.01 - 30.00

ACTUAL TRAFFIC
INTENSIFICATION

Principal Container Ports – Caribbean Basin



Port ranking in Latin America-Caribbean

En Millones de TEUs

- #1 Santos: 3.64
- #2 Colon: 3.57
- #3 Balboa: 3.29
- #4 Cartagena: 2.60
- #5 Manzanillo: 2.45



TEU

(unidad de medición estándar, equivalente a un contenedor de 20 pies, o 6,25 metros)

- más de 3 millones de TEU
- entre 2 y 3 millones de TEU
- entre 1 y 2 millones de TEU
- entre 700 mil y 1 millón de TEU

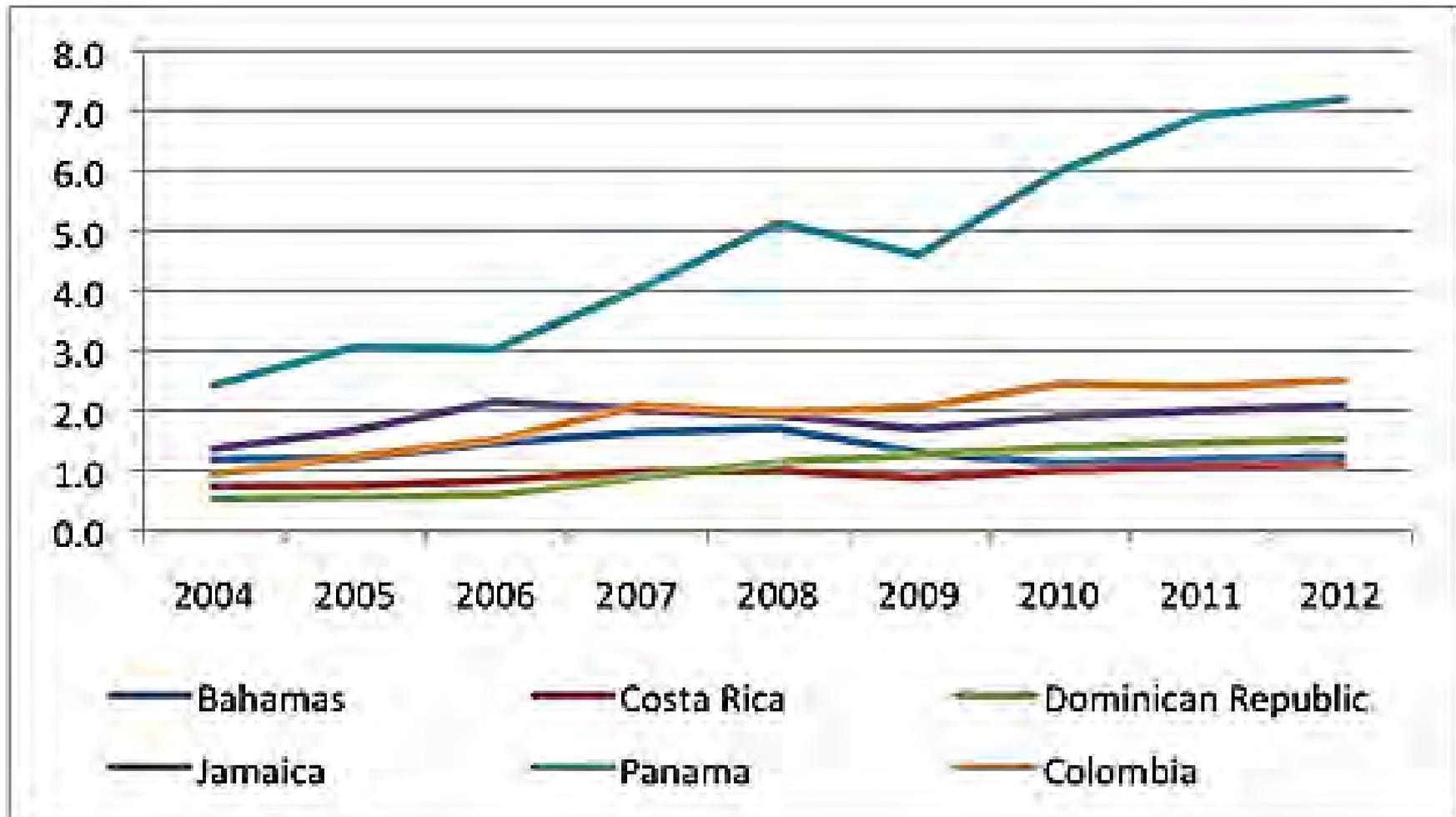


World Container Ports Ranking

TOP 50 WORLD CONTAINER PORTS

Rank	Port	Volume 2014 (Million TEU)	Volume 2013 (Million TEU)	Rank	Port	Volume 2014 (Million TEU)	Volume 2013 (Million TEU)
1	Shanghai, China	35.29	33.62	26	New York-New Jersey, U.S.A.	5.77	5.47
2	Singapore	33.87	32.6	27	Yingkou, China	5.77	5.30
3	Shenzhen, China	24.03	23.28	28	Hanshin Ports, Japan	5.32	5.32
4	Hong Kong, S.A.R., China	22.23	22.35	29	Lianyungun, China	5.01	5.49
5	Ningbo-Zhoushan, China	19.45	17.33	30	Columbo, Sri Lanka	4.91	4.31
6	Busan, South Korea	18.65	17.69	31	Algerciras Bay, Spain	4.56	4.50
7	Qingdao, China	16.62	15.52	32	Jawaharlal Nehru, India	4.45	4.12
8	Guangzhou Harbor, China	16.16	15.31	33	Suzhou, China	4.45	5.31
9	Jebel Ali, Dubai, United Arab Emirates	15.25	13.64	34	Valencia, Spain	4.44	4.33
10	Tianjin, China	14.05	13.01	35	Jeddah, Saudi Arabia	4.2	4.56
11	Rotterdam, Netherlands	12.3	11.62	36	Sharjah, United Arab Emirates	4.12	4.12
12	Port Klang, Malaysia	10.95	10.35	37	Felixstowe, U.K.	4	3.74
13	Kaohsiung, Taiwan, China	10.59	9.94	38	Santos, Brazil	3.68	3.45
14	Dalian, China	10.13	10.86	39	Manila, Philippines	3.65	3.77
15	Hamburg, Germany	9.73	9.30	40	Piraeus, Greece	3.59	3.16
16	Antwerp, Belgium	8.98	8.59	41	Port Said East, Egypt	3.5	3.12
17	Xiamen, China	8.57	8.01	42	Balboa, Panama	3.47	3.19
18	Tanjung Pelepas, Malaysia	8.5	7.63	43	Haiphong, Vietnam	3.45	3.02
19	Los Angeles, U.S.A.	8.33	7.87	44	Seattle-Tacoma NW Seaport, U.S.A.	3.43	3.46
20	Keihin Ports, Japan	7.85	7.81	45	Ambarli, Turkey	3.38	3.38
21	Long Beach, U.S.A.	6.82	6.73	46	Georgia Ports, U.S.A.	3.35	3.03
22	Laem Chabang, Thailand	6.58	6.04	47	Colon, Panama	3.29	3.36
23	Tanjung Priok, Jakarta, Indonesia	6.4	6.59	48	Tanjung Perak, Surabaya, Indonesia	3.13	3.02
24	Ho Chi Minh, Vietnam	6.39	5.96	49	Tanger Med, Morocco	3.08	2.56
25	Bremen/Bremerhaven, Germany	5.78	5.84	50	Salalah, Oman	3.03	3.34

Evolution of Transshipment



Source: World Bank Indicators.

Bahamas port expansion

- **US\$250 million** expansion Freeport Container Port.
- Quay length expansion to 1,536 meters
- Yard area of 63 hectares
- Depth of 15.5 meters (50.8 feet),
- 9 post-panamax cranes and one super post-panamax quay crane. (Boost annual handling of 1 million containers)



Jamaica Regional Logistic Hub

- Jamaica is investing **US\$660 million**
- China will invest US\$1.5 billion
- Caribbean hub linking the US East Coast, the Gulf of Mexico, the Caribbean and northern Brazil to handle the new traffic in post-panamax vessels
- 18 gantry cranes and 60 straddle carriers and will have an annual capacity of 3.6 million TEU



Brazil: New logistic policy

Institutional reform

Reducing logistics costs

→ Improve competitiveness

US \$7.2 billions investment

→ **US \$2.5 billions** in port infrastructure



Mexico: Global Infrastructure program

Inversiones en Proyectos de modernización:
TOTAL aprox. USD \$ 5,000 millones (\$5 Billion)



FUTURE OF NICARAGUA CANAL IN DOUBT

Investment: **\$50 billion ??????**

Chinese telecom tycoon, **Wang Jing**

Time: 2016-2020

172 miles length /
754-1706 feet wide
up to 98 feet depth

Dredging: **5,5 billion m³**. (10 times Panamá Canal -100 years)

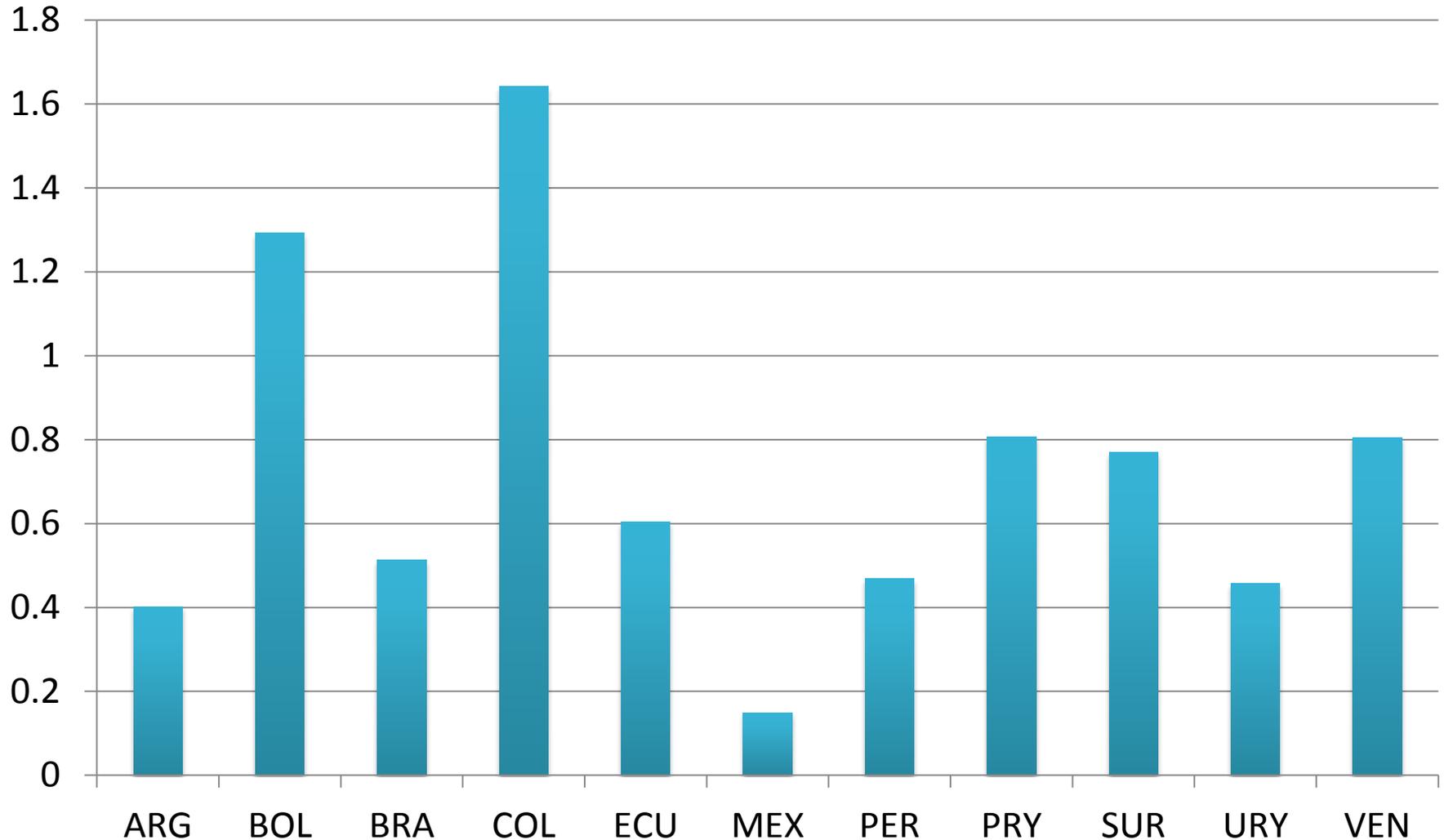


US\$ 400 million investment in a new terminal at Bilwi, Puerto Cabezas –Caribbean and **US\$ 224 million** in ports of Salvador Allende and San Juan del Sur dredging the port of Bluefields

Density of waterways in LAC

South America: waterways network density (*km/100km²*)

Source: Unit of Infrastructure Services, ECLAC 2015.

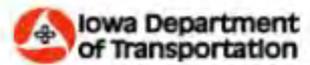


Colombia – Inland ports and waterways



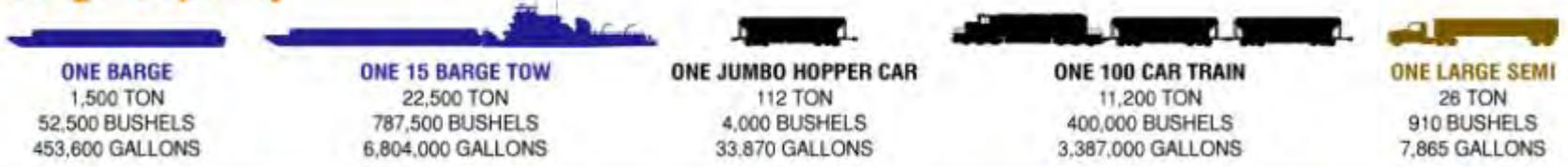
Modal Transport Capacity

Compare...



Source: Iowa Department of Transportation | 800 Lincoln Way | Ames, IA 50010 | 515.239-1520

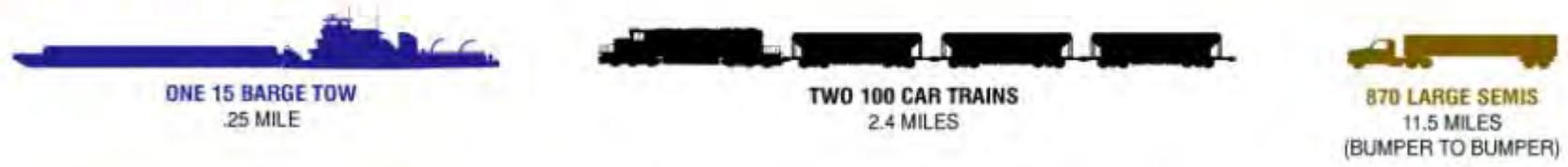
Cargo Capacity



Equivalent Units



Equivalent Lengths



Argentina – Cost of transport by river per tonne

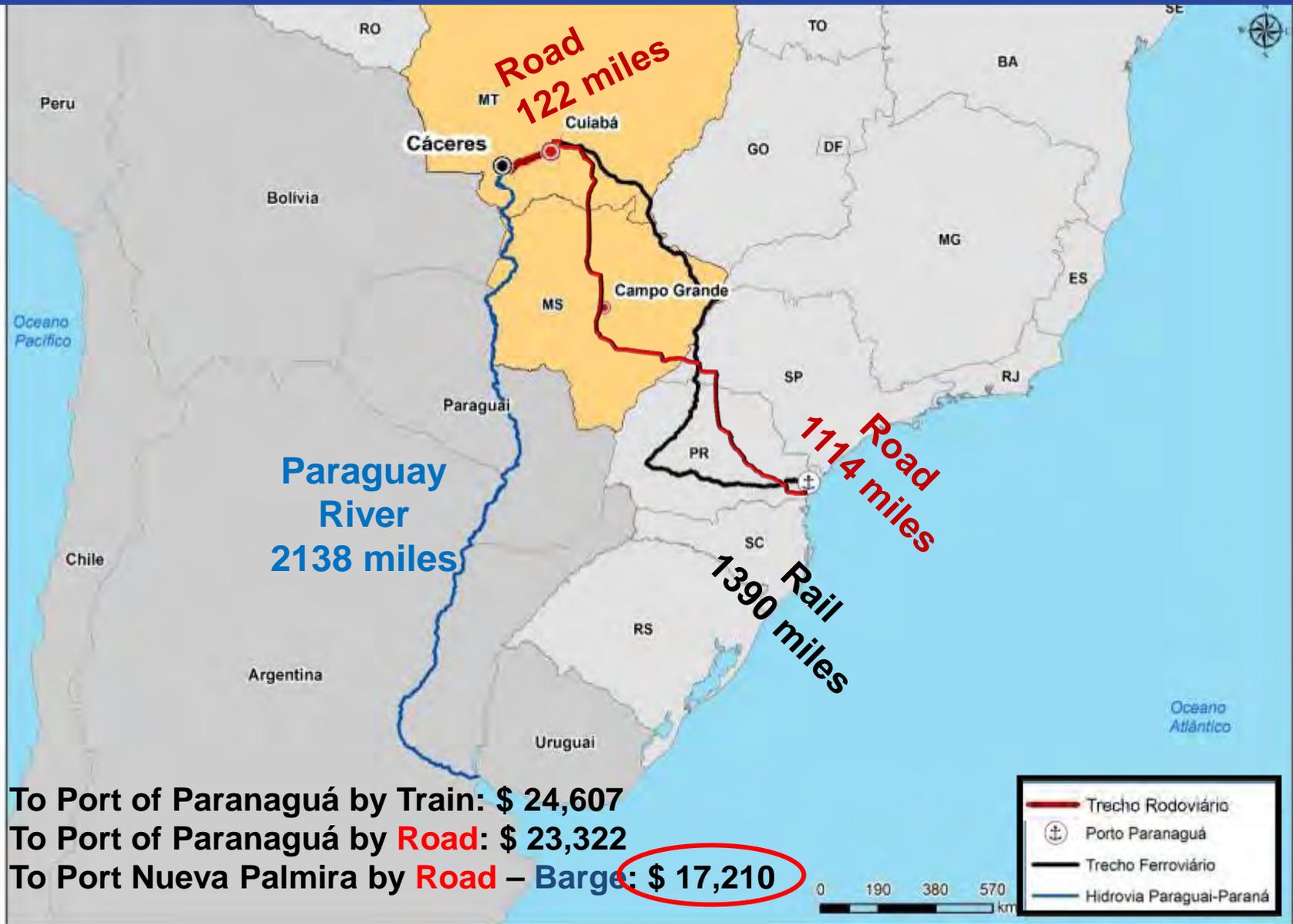


In spite of:

- Lack of maintenance dredging
- Lack of waterway buoys – 24 hours use

Source: FONPLATA

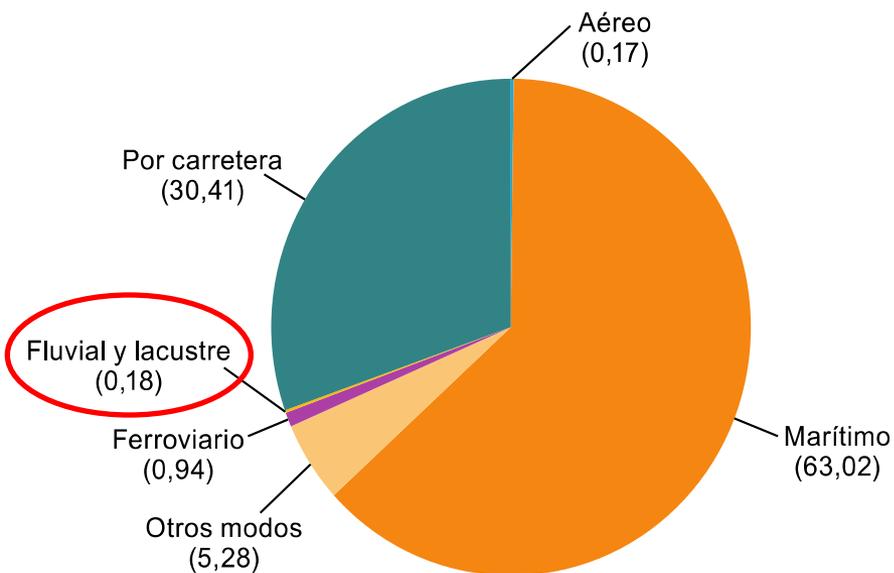
Cost of Cargo per Tonne/Mile – from Cuiabá, Brazil to ports in the region



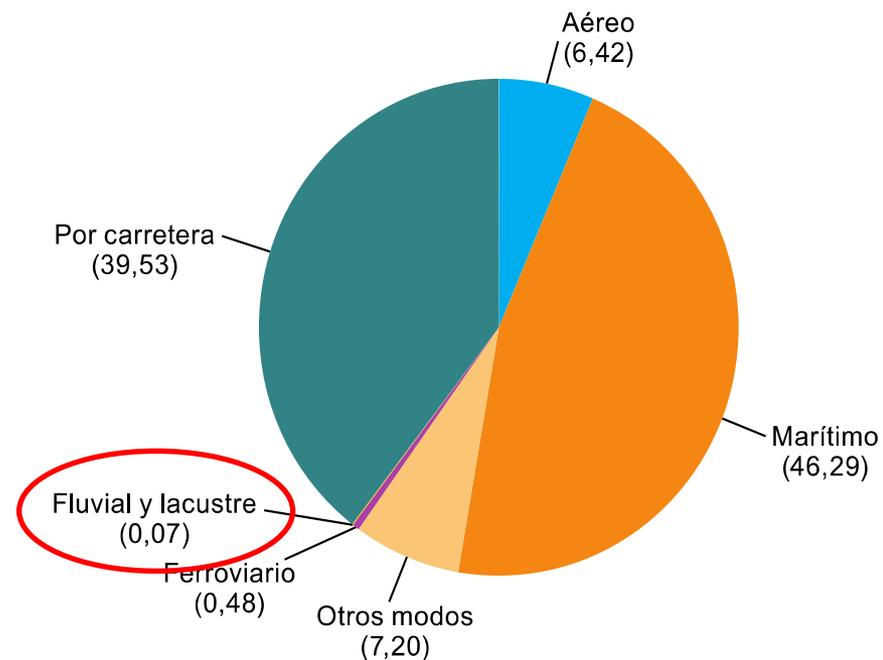
Waterways Competitive advantages underutilized

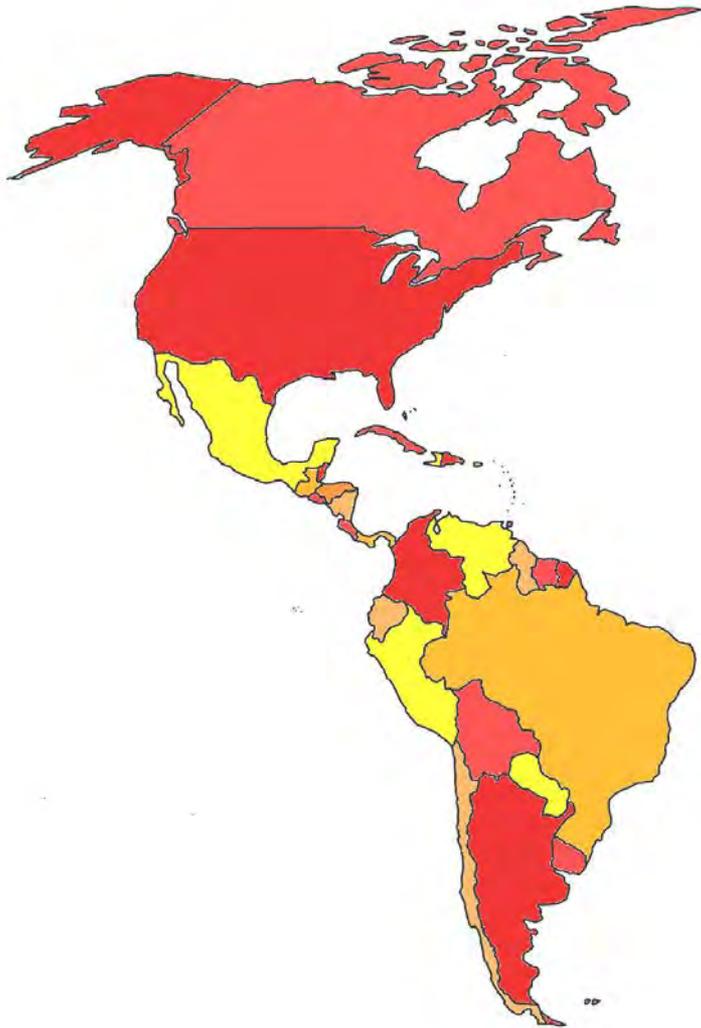
DISTRIBUCIÓN MODAL DEL COMERCIO INTRARREGIONAL POR VOLUMEN Y VALOR, 2013 (En porcentajes)

A. Volumen del comercio



B. Valor del comercio





Final Considerations

Final Considerations

- **Global trends (increase in trade, bigger ships, Panama Canal Expansion) will have an impact on competitiveness but also on the environment**
- **Improvements in the infrastructure necessary and imminent in LAC to remain competitive globally.**
 - **Public-private coordination**
 - **Regulatory frameworks**
 - **Transformation of the port authorities**
 - **Vision of long-term**
 - **Cooperation between countries**
 - **Environmentally sustainable/contingency plans to mitigate the impact**
- **The private sector is the primary catalyst for change. It is important to emphasize the public-private partnerships, where the private sector is the leader on innovation and competitiveness**
- **Integrated management of infrastructure, transport and logistic**
- **The CIP promotes this dialogue and creates a hemispheric relevant community of practice.**

Thank You!

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Inter-American Committee on Ports



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