



PORT OF ADEN

Monthly news letter issued by the planning & Marketing Department - Yemen Gulf of Aden Ports Corporation (PORT OF ADEN) - Issue No. (27) 2009

The Russian Satellite TV Channel that Broadcasts in Arabic and English Visits the Port of Aden

During a visit to the Governorate of Aden to film a half hour documentary on anti-piracy in the Gulf of Aden and to recognize the efforts of the Yemeni government to find solutions to this serious problem, the team of the TV channel Russia Today paid a visit to the Port of Aden. They met Engineer Qahtan Baaudah, General Manager of the technical department, who briefed the team on the departments' work and its services. He then accompanied them on a tour of the harbor. The team was given the opportunity during the tour to board one of the ships that had been attacked by pirates and interview the crew.

Afterwards the team visited the Yemen Coast Guard authority to discuss actions and measures taken by the YCG to control piracy ▲



Preparation Ports Corporation Organisation Structures and Regulations for Yemeni Ports

It is anticipated that agreed Organisation Structures (charts) and Regulations under which the three Yemeni Ports Corporations are managed will be issued in the near future. A special committee on which the three Port Corporations are represented, under the leadership of the Ministry of Transport, are finalising the draft Organisation Structures and Regulations of Ports. This is one of the most important strategic objectives of the Ministry and is part of the administrative and financial reform program initiated by President Ali Abdullah Saleh.

The implementation of these new Regulations are expected to greatly enhance the performance of the ports by removing the restrictions that currently limit productivity and hinder natural interactions within management teams. They are expected to create active and radical changes in the current conditions, methods and management concepts prevailing and to promote improved interaction of economic, social and political factors. They will also provide a suitable environment for the proper management and rational use of available national resources and have the potential and to maximise the efficiency, effectiveness and productivity of the administrative organs. In addition, the concepts will enhance de-centralisation and strengthen sectoral regulation and strategic planning through which the ports will be managed through a group of economic entities and productive administrative units.

The Ministry had previously issued Regulations for the control of port activities which are in line with regulations in force regionally and internationally. In addition, the Ministry is working to complete the Ports Law, which will be the cornerstone of Port Legislation in Yemen ▲

Opening Aden, the City of the Future and Yemen's Gateway to the World

The Economic Investment Conference titled "Aden, Yemen's Gateway to the World" will be held from 11-12 November 2009 and will focus on identifying the most important challenges and obstacles to investment in Aden, together with other objectives that the Conference Organizers intend to deliver and provide access to. These include determining a strategic vision for the development of Aden and the Free Zone.



To coincide with Conference, the Editorial staff at the Marketing Department of the Port of Aden, represented by its General Manager Ms. Fawzia Basaddik, have prepared this special issue which is now in your hands, which is intended to promote the objectives of this important Conference. It is dedicated to supporting the Conference and its goals, plus the vision that will emerge from it, and focuses on the primary concerns of the Yemen Gulf of Aden Ports Corporation and those of its main center, the Port of Aden.

The Corporation will participate in this Conference, represented by Engineer Mohamed Abdulla Mubarak Bin Aifan, Executive Chairman of the Corporation and Chairman of the Board of Directors. Engineer Bin Aifan will review the various development that have taken place in the Port of Aden in recent years, and explain investment opportunities under two main themes. The first is a presentation of services available at the port and the current development of these services and reasons why investors should participate in these, the second is a presentation of investment opportunities defined in the Port Master Plan for the development of the Port and the sites available for such development.

Included in the Corporation's contribution to the Conference will be details of stevedoring services and an explanation of the advantages of the Joint Venture agreement with DP World.

In addition to support for the Conference through publication and participation, the Corporation is also helping to contribute to it in a very practical way by helping through its sponsorship of the event.

We look forward to seeing very positive results from the Conference, which is expected to benefit from the participation of people with a wide range of expertise, including the Authorities concerned with Port Cities and Free Zone development, international organizations, businessmen from various companies and experts from some of the regional and international organizations that have an interest in Yemen and wish to see the country develop and prosper.

We look forward to meeting you at the Conference.

The Board of Editors

The President of Tuscany Province in Italy visits the Port of Aden during a visit to Aden Governorate

In coordination with the office of the Governor of Aden, represented by the Local Economic Development Department (LEDD), the Port of Aden arranged a visit for the Italian delegation headed by Mr Ricardo Linshini, President of the Italian province of Tuscany, to the Port on Saturday, August 20, 2009. He was received by Mr Mohamed Abdul-Salam Sabra - Deputy Chairman of the Board of Directors, and the general managers of the corporation. He was briefed by the Deputy Chairman on the services and facilities provided by the Port. The Deputy accompanied the delegation during a tour around the Port.

The delegation expressed its appreciation to the Governorate and the leadership of the corporation for the warm reception and hospitality given to them, and its admiration for the facilities available at the Port of Aden ▲

After almost 8-months of outstanding technical works ..

YRSPC completes repairs of the FIGEE crane

On Monday October 5th Yemen Red Sea Ports Corporation (YRSPC) – Hodeidah Port successfully transported the Dutch FIGEE crane from the repair site to its final location on the wharf marking the final stages of the crane repair which lasted about eight months. The Finnish company, Kalmar which carried out the repair work after the crane suffered significant damage when a hatch cover of the vessel for MSC Manila fell on it, has reported that only few days remain to complete the electrical repairs and then the crane can will be available for operation.

The Corporation's management has expressed great satisfaction in the implementation of this important work, which will improve the performance of the port and enhance its competitive ability to service the shipping lines that call at the port. It notes that the activity of the port has witnessed a remarkable rise recently.

Yemen Gulf of Aden Ports Corporation - Port of Aden, in turn congratulates the Port of Hodeidah on this achievement and wished them further development and success ▲



DP World buys majority stake in a Brazilian port

Port operator DP World and Brazilian conglomerate Odebrecht said they have agreed to buy a majority stake in the Embraport port project near Sao Paulo, Brazil. Financial details were not disclosed. Under the terms of the deal, Brazil's Coimex Group will reduce its stake but will remain involved with the project.

Staff Profile:



Name: Saber Abdo Moh'd Al-Sunaid
Date of Birth: 16 August 1970
Marital Status: Married
Position: Manager of Legal Affairs Department

- He won several civil, commercial and criminal cases for the benefit of the corporation
- Participated in several administrative investigations committees
- Succeeded in carrying out all the legal procedures concerning the establishment and registration of Dubai and Aden Company for Port Development (DAPDC) at the Department of Aden Free Zone.
- We wish him luck and success for ever supreme capability in executing the tasks and assignments which require individual special skills and capabilities.

The deal marks DP World's entry into the Brazilian market. The company's existing South American operations include ports in Argentina and Venezuela. The first phase of the Embraport project, located in the city of Santos, is expected to cost \$500 million and open in 2012. It is being designed primarily to ship cargo containers and ethanol.

"This is an unparalleled opportunity to enter Latin America's largest economy and establish a strong position on the east coast," DP World Chief Executive Mohammed Sharaf said. DP World, which is controlled by the government of Dubai, operates 49 cargo terminals across six continents ▲



ADEN SUGAR JETTY

Proposals for construction of a new jetty in the Port of Aden to handle raw sugar imported from South America were put forward by the Aden Sugar Company in April 2007. After extensive discussions, a site was allocated for the jetty in the Aden Free Zone area immediately north of the Aden Container Terminal. The land area will be reclaimed using spoil generated when the channel is dredged. The alignment of the jetty, and the Plant site to the west of the quay, require an approach channel and turning area to be dredged to provide the access to the jetty. In July 2009 a hydrographic survey of the area involved was carried out and the Corporation is currently examining the results of that survey. When completed, the Sugar Plant will have a capacity to refine around 1 million tonnes of raw sugar annually. The jetty will handle ships of around 50,000 tonnes deadweight, and possibly larger. The proposed depth at the jetty, which will be 250 meters long, is 14 meters below chart datum, with 13 meters in the approach channel and turning area.

Sugar will be refined and processed, then packaged for consumption in the local market. This will be an effective means of providing import substitution for a key commodity that is in strong demand in Yemen. The investment in the Plant is estimated at around \$100 million. Design work for the jetty was completed in 2008 and Plant equipment is being manufactured. Dredging and jetty construction, anticipated shortly, will allow the project to move forward and further stimulate the Yemeni economy ▲



Major Investment in the Aden Free Zone by the Aden Gulf Company

The Hayel Saeed Anam Group, which is one of the largest commercial houses in Yemen, has been awarded a concession to develop a very large area with the Aden Free Zone that will eventually result in an investment of around US\$ 1 billion in two phases over a period of eight years.



Dr Abduljalil Al-Shudibi, Deputy Chairman of the Aden Free Zone, stated that the Aden Gulf Company, which is part of the Hayel Saeed Anam Group, has been awarded the concession to develop land within Sector J of the Free Zone for Industrial and Warehousing purposes and to provide logistical services for the sector.

He confirmed that the Aden Gulf Company has carried out the initial study regarding the development of Sector J. This is the largest sector within the Aden Free Zone with a total area of 680 hectares. Area J is immediately north of Bandar Tawahi in the Port of Aden.

Development of the first Phase, expected to cost around US\$300 million, has been studied by the British Consulting Company BVI to confirm its financial viability. Further studies are being done at present. It is expected that Phase I, covering 174 Hectares, will become operational between 2010 and 2013.

Phase I will include logistical storage facilities for light industrial use covering 32 hectares, a commercial residential area covering 32 hectares, and a commercial residential area covering 10 hectares. These will contribute to servicing a number of residential, commercial, industrial storage projects.

Phase II will occupy a further area of 348 hectares and is expected to come into service between 2013 and 2018 ▲

Corporation meets with agents and operators to discuss container handling

A meeting was held with Shipping Agents and representatives of Dubai Ports World (DPW), the operators of the Aden Container Terminal, to discuss the situation following the freak storm that hit Aden in September.

DPW confirmed that the high wind that hit Aden very suddenly early in the morning of 01 September 2009 and reached speeds of up to 95 km/hour, had driven No. 1 crane along the quay.

The other four cranes were all in operation and therefore could not be secured to their anchor points. As a result the movement of No. 1 crane along the rails carried all four cranes to the western end of the Terminal.

Fortunately the damage to Nos. 1, 2 and 3 cranes was not too serious and it has

been possible to bring these three cranes back into service quickly. Some other damage to containers and trailer units was sustained in the container yard. Electricity supplies to the city, and to the Ma'alla Terminal in particular, were also affected, but the port was able to get power restored to the Ma'alla Cranes and reefer points shortly after the storm had disrupted them.

The ACT was closed briefly, but brought back into operation after only nine days. During the closure twelve ships were diverted to Djibouti and Jeddah. Because terminals at these ports are also operated by DPW, the ships were offered special rates to minimize costs to the shipowners. This illustrates the advantage to Aden of its joint venture arrangement with a strong regional

operator.

The net result of the incident was less than expected. Up to August 2009 the number of containers handled at the ACT each month averaged 27,500, and in September, in spite of the Terminal being dosed for 9 days, around 28,000 TEUs were worked. The Operators are to be congratulated on achieving this remarkable level of throughput following damage to terminal cranes and other equipment.

Looking ahead, DPW is optimistic that terminal throughput will increase. The terminal is suffering from the lack of RTGs at present because of the lack of maintenance carried out previously. Only five RTGs on average have been available in the terminal in recent months.

Work is continuing to increase availability of the old RTGs, but more significantly the Dubai and Aden Port Development Company (DAPDC) has decided to purchase 12 new RTGs. These are due to be delivered by March 2010. These new RTGs, together with three of the best of the old RTGs, will be more than enough to support the yard operations to back up the four cranes that should be in service in early 2010 when No. 4 crane has been repaired. No. 1 Crane has been successfully proof tested to 40 tonnes



and is gradually being brought back to service after being out of use for almost two years. A new crane to replace the damaged No. 5 crane will be required.

Agents expressed satisfaction with the rate of discharge of containers achieved at the ACT, but are concerned at the poor loading rate due to the low number of RTGs in service at present. DPW explained that the additional 8 hectares of paved area has been completed and is already in use for container stacking, which helps their operation. The light posts for the additional area will be installed shortly.

DAPDC looks forward to attracting new customers to the terminal in 2010 as the new equipment is delivered and as the world economy recovers, which is expected to generate higher transshipment volumes for the ACT. ▲

While 12 Pirates are under trial in Aden

Somali Pirates attack French Military Vessel

Five Somali pirates have been captured after firing on a French naval vessel by mistake, apparently thinking it was a cargo ship, the BBC reports.

French military spokesman Admiral Christophe Prazuck says the pirates attacked at night about 300 miles off the Somalia coast.

Admiral Prazuck added that the pirates seemed to be surprised that the navy ship fought back, and once they realized they were facing a ship that was responding and was heading towards them, they stopped shooting and attempted to flee.

It is worth mentioning that Somali pirate's trial accused of piracy and kidnapping is underway in Aden Court in Aden. They had been arrested by the Indian frigate late last year and the number of the accused pirates is twelve.



Hong Kong port container throughput up to 1.94 million TEUs in August

Container throughput at Hong Kong port last month showed a significant improvement for the first time since the start of the financial crisis, but analysts questioned whether the recovery was sustainable. The world's third-busiest container port handled 1.94 million TEUs last month, the highest monthly throughput since October last year, the South China Morning Post reported.

It represented a 0.3 percent increase on July, while the year-on-year drop of 10.7 percent was the narrowest of the past nine months. The year-on-year decline in Shenzhen's container throughput was 11 percent in August, a substantial improvement on the 20.4 percent decline for the first eight months of the year.

Throughput at Guangzhou rose 26 percent year on year, a turnaround from the 7.5 percent decline for the first eight months. Hong Kong and Shenzhen are the two main ports serving the Pearl River Delta, dubbed the "world's factory" for shipping much of the mainland's exports to its main markets of the United States and Europe. ▲



Yemen LNG due to Start Production Shortly

On 04 October 2009 the Chief Executive of Yemen LNG, Joel Fort, stated that the company would start production at the new Liquefied Gas Plant at Balhaf, in the Gulf of Aden, within a few weeks. There has been some delay to the project, which was originally due to start production in August 2008, but problems with leakages from valves and minor technical difficulties put the project start-up back to late 2009.

Joel Fort said "We are in the start-up phase, we are working hard and we will see the start of production in the coming weeks".

It is expected that the Yemen LNG Project, which is led by the French company Total, will contribute to economic growth in the country and help the Yemeni economy to achieve a growth rate of around 8% in the coming years.

Among the other investors in the project are the Hunt Oil Company with a share of 17.2% and the Yemen Gas Company with a share of 16.7%.

The production capacity of the project is 6.7 million tonnes of LNG for export annually. According to a statistical report of the British company BP, Yemen's proven reserves of natural gas were 17.3 trillion cubic feet at the end of 2008.



Investment in the project for the liquefaction of natural gas and its export from the Balhaf Terminal has reached \$ 4.1 billion. It is the largest industrial project in Yemen, which currently produces about 330 thousand barrels of crude oil per day. ▲

