

# Seaport productivity

*Seaports are important elements of public infrastructure as they have multiple functions in both domestic and international transportation, trade, and tourism. The APO's "Productivity Management of Public Infrastructure" initiative to identify innovative ideas for productivity improvement in public services brought together 15 senior seaport administrators and policymakers at a study meeting in Yogyakarta, Indonesia, 7–10 December 2004, for the first study meeting in the series on the Productivity of Seaports.*

**T**he chief resource person, Economic Affairs Officer, Transport, Carlos Canamero, United Nations Conference on Trade and Development (UNCTAD), who coordinates UNCTAD's annual *Maritime Review*, first spoke on "Competitive advantage, value additions and present-day potential of seaports." He noted that Asian seaports are progressing rapidly and most have been transformed into modern, highly mechanized terminals. This has led to tremendous increases in capacity, as indicated by rises in total tonnage handled.

Canamero was quick to add that the competitiveness of seaports is not determined only by location and availability of infrastructure. Other important factors are cost leadership and differentiation in services provided. To ensure the overall competitiveness of seaports, Canamero proposed a holistic, multifaceted approach integrating all the critical elements involved in seaport operations: finances; human resources; administrative and regulatory environment; technology; and safety and security.

Two guest speakers, Dr. Siti Malkhamah and Dr. Nizam, of Gajah Mada University, provided overviews of public transportation and seaport administration and management in Indonesia. Based on her research findings, Dr. Malkhamah reported that a number of general problems persist, centering on inefficiency, high costs, and low operating ratios, resulting in a negative cycle influencing service reliability, transfer times, berth waits, and actual journey times. Both speakers concurred that establishing a smooth, integrated system between land and seaborne transportation remained a major challenge for Indonesia.

Confirming the observations by Canamero, participants agreed that their countries' seaports had undergone upgrades. Most now provide multipurpose services, catering to domestic needs and international trade. Many are planning expansions of facilities or newer, bigger terminals to meet increasing demand. Cambodia's Kompong Som/Sihanoukville port, for example, is building an Economic Processing Zone as an addition to the port complex, making it an integrated economic center. Pakistan is building a modern seaport to ease congestion in the port of Karachi.



*(L-R) Canamero, Kirnadi, APO Director for Indonesia, and A.K.P. Mochtan, APO Secretariat, at the opening of the study meeting*

An issue raised at the meeting was how to raise productivity at seaports after improvements in physical facilities and infrastructure. While new infrastructure boosts productivity significantly, as seen on a site visit to Semarang's Tanjung Mas Port that had newly installed four cranes only one week before the study meeting, participants agreed that relying on injections of capital and purchases of technology and machinery may not always prove sufficient. Physical facilities require regular, attentive maintenance. The meeting concurred that productivity improvement initiatives involving administrators, authorities, operators, cargo owners, and laborers are critical to sustain the performance and competitiveness of seaports.

The need for concrete indicators and benchmarks, such as berth productivity, crane productivity, container turnaround times, warehouse productivity, and yard occupancy ratio, for measuring seaport productivity was pointed out. Therefore the APO, UNCTAD, and other seaport experts were requested to develop a practical seaport productivity measurement index for use by all interested parties.

This study meeting series focusing on the productivity management of public infrastructure will continue. In 2005, it will examine utility companies; subsequent topics will include railways and postal services. ☞