

EUROMED

Training Seminar on Port Reform

**Malta: Appraisal of Port Reform
A Gap Analysis and Way Forward**

Marseilles, 26-30 September 2005

**Charles V Schembri
Executive Director (Ports)
Malta Maritime Authority
Ministry for Competitiveness and Communications**

Malta: Port Reform – a way forward

- ❖ **Evaluation of current port system**
- ❖ **Port Reform – gap analysis**
- ❖ **Port Reform Action**
- ❖ **EU-MEDA cooperation**

Malta: Port Reform – a way forward

❖ Evaluation of current port system (1)

- ❑ **A Port System:** Two international ports
One Harbour Authority
- ❑ **Shipping:** 30,000 moves p.a.
Malta linked to over 130 ports
- ❑ **Traffic:** 1.5 Million TEUs/Trailers
8 million tons liquid bulk
500, 000 cruise/ferry passengers
- ❑ **Services:** A Comprehensive package:
Ship-repair, ship chandlery and conveyances, bunkering, ship-registration

Malta: Port Reform – a way forward

❖ Evaluation of current port system (2)

- ❑ **Ports:**
 - Natural sheltered deep-drafted ports**
 - Located in the middle of the Med**
 - No diversion to shipping crossing Med**

- ❑ **Port Facilities:**
 - Present Container capacity: 2.5 million TEUs**
 - Targeted capacity: 3 million**
 - A distribution centre**
 - Offshore oil exploration base**
 - General/bulk cargo facilities**
 - 20 gantries, RTGs, mobile cranes**
 - Various Petroleum Terminals**

Malta: Port Reform – a way forward

❖ Evaluation of current port system (3)

- ❑ **Service Providers:**
 - Private Terminal Operators**
 - Private/parastatal port service providers**
 - Terminal Operators directly employ**
 - crane/plant drivers, supervisors**
 - A national pool of “port workers”**
 - An importer/exporter of bulk cargo**
 - may conduct his own operations**
 - A Pilots Co-operative**
 - A mooring corps**
 - A Tug Company with 6 tugs, 2 New 70BP tugs to handle 9000Teu Ships**

Malta: Port Reform – a way forward

❖ Evaluation of current port system (4)

❑ Legal system: Ports open to all shipping

Right of establishment in Malta

Conclusion of Emphyteuta, Leases and

Concessions for a number of years

Sound Financial, Banking, Insurance

services

Highly educated labour force

Legislation is consonant with EU acquis

Legislation based on international best

practices

Malta: Port Reform – a way forward

❖ Evaluation of current port system (5)

❑ **Harbour Authority: Competent Authority re ports**
EU acquis

Regulator of port service providers

The “main manager” of the ports

**Responsible for: port development,
safety of navigation, control of
port operations, promotion of
ports**

A one stop shop

**Represents Ministry at High Level
fora (EU, IMO, ILO)**

Malta: Port Reform – a way forward

❖ Evaluation of current port system (6)

- ❑ **Bodies:**
 - Federation of Industries**
 - Chamber of Commerce,**
 - Employers Association**
 - Association of Shipping Agents, Forwarders etc**
 - Association for Small Businesses**
 - Unions**
 - A Ports Consultative Council**
 - A Port Users Committee**
 - Port-related Labour Committees**

Malta: Port Reform – a way forward

❖ Evaluation of current port system (7)

- ❑ **Critical Issues:**
 - Port hinterland is limited
 - Ports located in inhabited & historical areas
 - Given economies of scale, most service providers enjoy “exclusivity”
 - Relatively high port costs for domestic cargoes
 - Most service providers are subject to law that is cumbersome to implement
 - Hence numerous “ad hoc” arrangements

Malta: Port Reform – a way forward

❖ Port Reform – Gap Analysis

- ❑ Harbour Authority requires clearer powers to enable it manage better ports and enforce service providers' obligations
- ❑ Administrative capacity to be upgraded
- ❑ Limited labour force with marine experience
- ❑ Limited port hinterland
- ❑ Ports to complement each other
- ❑ Better regulation of exclusive service providers
- ❑ Upgrade labour force at all strata through education and training
- ❑ Identify activities that could attract added-value to develop economies of scale
- ❑ Upgrade Research, Development & Innovation Unit

Malta: Port Reform – a way forward

❖ Port Reform – Port Reform Action (1)

- ❑ Conclude Cargo Management Terminal Valletta
- ❑ Enact legislation that gives clearer powers, rights to Harbour Authority
- ❑ Enact basic port labour legislation and transfer conditions of service to Contract Law
- ❑ Conclude Service Agreements with port services that qualify as SGEIs
- ❑ Service providers to establish themselves in legal entities that would conclude service contracts with terminals
- ❑ Introduce authorisations to exclusive service providers subject to strict qualitative criteria, standards and penalties in case of default for a determined number of years
- ❑ Authorise Terminal Operators to employ people of their choice

Malta: Port Reform – a way forward

❖ Port Reform – Port Reform Action (2)

- ❑ Initiation of port development programme
- ❑ Identify areas for additional hinterland; relocation of non-port enterprises
- ❑ Commission VTS by 2006; fully operational by 2007
- ❑ Further training programmes and introduce new programmes, including simulator training for technical/nautical services and VTS Operators/Supervisors
- ❑ Upgrade the Research, Development & Innovation unit in co-operation with Universities and neighbouring states
- ❑ In liaison with terminals and shipping further develop SSS and MOS using Malta as hub & spoke ports

Malta: Port Reform – a way forward

❖ Port Reform – Port Reform Action (3)

- ❑ Valletta Port Development programme depends:
 - on conclusion of Valletta concession
 - on investments available by Harbour Authority
 - Port of Valletta Development Brief

- ❑ Port labour legislative restructuring depends on the on-going dialogue with Unions re:
 - Setting up legal entities
 - Definite durations for authorisations
 - Forfeiture of services that are not required by terminals – meaning loss of earnings

Malta: Port Reform – a way forward

❖ Port Reform – EU-MEDA Cooperation

- ❑ Continuation of present EUROMED transport initiatives
- ❑ Exchange technical visits amongst Meda ports
- ❑ Workshops on specialised subjects with involvement of EU member states and institutes
- ❑ Twinning projects
- ❑ Development of a regional databases for best practices, self-audit and benchmarking
- ❑ Establish roundtables to discuss and solve bottlenecks
- ❑ Establish a MEDA Maritime forum
- ❑ Develop training institutes on a regional basis
- ❑ Include Meda countries in EU projects focussing on research
- ❑ Facilitate training and staging of Meda countries personnel in EU member states

Malta: Port Reform – a way forward

❖ **Much Thanks**

charles.schembri@mma.gov.mt