

World Ports Summit, 11-12 March 2008

APEC Port Services Network

Mr. Y. K. LEE, Assistant Director/Marine Department

Mr. Chairman, distinguished guests, ladies and gentlemen,

I am delighted to have the opportunity to attend this summit on behalf of the Marine Department of the Hong Kong Special Administrative Region of the People's Republic of China. I would like to share with you the latest position on the establishment of the "Port Services Network" under the auspices of the Asia-Pacific Economic Cooperation (APEC). I would also like to propose that this Summit should indicate encouragement and support for the further development of the APEC Port Services Network.

2. In the past decade, the Asia Pacific Region, just like regions elsewhere, saw an economic boom in ocean shipping. This economic boom is evidenced by the fact that more cargoes are shipped in the region. In 2007, the container throughput in Singapore increased by 12.7% to 27.94 million TEUs, in Shanghai 20.4% to 26.15 million TEUs, and in the Pearl River Delta 12.3% to 54.59 million TEUs. These figures show the tremendous growth in port activities in the region. As ports are playing an indispensable role in ocean shipping, cooperation among ports and related sectors has become increasingly

necessary.

3. Against this background, China proposed the establishment of APEC Port Services Network (APSN). The initiative, first of its kind, is a holistic approach, aiming at integrating various sectors in the shipping industry to facilitate cargo transportation, enhance exchanges and cooperation among ports and related sectors.

Background

4. At the 14th APEC Economic Leaders' Meeting held in Vietnam in November 2006, President Hu Jintao of China first proposed the establishment of the APEC Port Services network (APSN) for APEC member economies. The initiative was unanimously endorsed by the leaders at the meeting.

5. The proposal was consolidated at the 5th APEC Transportation Ministerial Meeting held in Australia in March 2007. According to the Joint Ministerial Statement (adopted by the meeting):

“We recognize that Leaders endorsed the initiative to establish an APSN. This will stimulate trade and investment in the region by integrating various sectors in shipping business, facilitate convenient and secure freight transportation, enhance exchanges and cooperation among ports and related sectors and promote their

development, improve efficiency and security of logistics systems. We request the Transportation Working Group (TPT-WC) to assist in establishing the APSN in a timely manner”. The Statement also supported holding a symposium as the first step in establishing the APSN.

6. In the light of the support of the meeting, a symposium on the APSN was held in Ningbo, China in June 2007 under the auspices of the Ministry of Communications of China. The Symposium, proposed by China, was co-sponsored by Australia, Canada and Hong Kong. The Symposium was attended by 17 APEC member economies. Other participants included representatives from shipping, logistics, manufacturing industries, port authorities and port related industries. Some experts and scholars from research and academic institutions also attended the Symposium. At the Symposium, it was pointed out that in the face of new challenges there would be a need to establish a mechanism to consolidate resources, improve efficiency and address development issues in the growth of the port industry and related sectors in the APEC region. At the Symposium, participants discussed in detail the significance, operational mechanism, functions and sustainable development of the APSN.

7. The APEC Transportation Working Group meeting held later in July

supported the report on the APSN Symposium submitted by China, and encouraged the establishment of the APSN office in Beijing as soon as possible.

APSN Office opened in Beijing

8. Then, on 28 January 2008, in Beijing, China, the APSN office was established. The APSN website (<http://www.apecpsn.org>) was also launched on the same day.

9. The APSN Office is expected to carry out secretarial work of the APSN, and to initially function as an executive body of the APSN.

Constitution of the APEC APSN

10. The first task of the office is to develop the APSN Constitution for the endorsement of the APEC Transportation Working Group, recruit members, organize meetings and trainings till the time the APSN Secretariat is officially set up. At the next session of the Marine Experts Group of the APEC Transportation Working Group scheduled for next month in Manila, Philippines, China will provide a progress report on the development of the PSN. Further program on the initiative can be obtained by visiting the website www.apecpsn.org.

Major Functions of the APSN

11. The major functions of the APSN are as follows –
- to facilitate exchange of information through the establishment of an APSN website and other publications.
 - to increase efficiency of maritime transportation by promoting port networking, capacity-building, technology transfer and management know how.
 - to carry out studies in areas of common interest in cooperation between ports and related industries in the APEC region, and to provide findings to the APEC Transportation Working Group and the Transportation Ministerial Meeting.
 - to encourage trade and investment in the APEC region through activities such as exhibitions, trade fairs and promotion activities for port and shipping industries.

Operation of the APSN

12. The transport authority of each APEC member economy may designate one permanent institution or agency as the focal point for routine work. Based on the principle of openness, convenience and cooperation, any operational institution involved in port, shipping, logistics, trade, manufacturing and financial industries may also participate in APSN, and have access to the resources of APSN and its exchange and training programmes. All member organizations will operate in accordance with the operating framework of APSN.

WORLD PORTS SUMMIT

11-12 MARCH, 2008

HONG KONG



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**14th APEC Economic Leaders'
Meeting proposed and endorsed the
APSN initiative**

November 2006 (Vietnam)

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5th APEC Transportation

Ministerial Meeting consolidated

the APSN initiative

March 2007 (Australia)

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Symposium on the APEC
Port Services Network
June 2007 (Ningbo, China)

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APEC Transportation
Working Group Meeting

July 2007

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APSN Office Opened
in Beijing

28 January 2008

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Major Functions of the APSN

**(i) facilitate exchange of
information**

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Major Functions of the APSN

**(ii) increase efficiency of
maritime transportation**

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Major Functions of the APSN

**(iii) carry out studies in
areas of common interest**

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Major Functions of the APSN

**(iv) encourage trade and
investment in APEC region**

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THANK YOU !