



**MEETING OF THE SEA USERS' GROUP
HELD AT WFP SHIPPING SERVICE OFFICE
JL.JEND. SUDIRMAN No.: 15, GEUCEU – BANDA ACEH
ON 4 AUGUST AT 11:00 HRS**

In Attendance:

Name	Organisation	E-Mail Address	Telephone
Jens Baekholm	WFPSS	jens.baekholm@wfp.org	
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John Brady	BRR	Mariposa.john@gmail.com	0812 6991098
Nina Brekkli	IFRC	Nina.brekli@ifrc.org	0811827492
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Andrew Harper	UNORC	harpera@un.org	-
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John Kalhoj	IFRC	John.kalhoj@ifrc.org	08121049633
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Nina Bribbli	IFRC	Nina.bribbli@ifrc.org	0811827492





ITEM 1: Opening welcome and adoption of previous minutes

- Jens Baekholm (JBA) opened the meeting and welcomed the larger attendance at the meeting.
- Adoption of minutes from 14 July meeting was carried on basis of no objection.
- Meeting venue – WFPSS is the preferred location at this stage. (JB)

ITEM 2: Overview of ships on Charter:

- Ian Figgins (IF) provided the following ship position/scheduling update:

Vessel	Last Call	ATD - Last Call	Activity	Next Call	ETA Next	Final Destination	ETA Final
Labitra Hanny	Ulee Lheue	8/2/2006 19:45	En Route	Gn. Sitoli	8/5/2006 8:00	Gn. Sitoli	8/5/2006 8:00
Labitra Nakita	Calang		Berthing	TBA		TBA	
Labitra Adinda	Ulee Lheue		Berthing	TBA		TBA	
Sumber Power	Sinabang		Discharging	TBA		TBA	
Daily Express I	Sinabang	7/31/2006 10:00	En Route	Belawan	8/4/2006 12:00	Belawan	8/4/2006 12:00
Niaga jaya 12	Ulee Lheue		Berthing	TBA		TBA	
Bintang Samudera I	Belawan		Anchored	TBA		TBA	

Vessel	Last Call	ATD - Last Call	Activity	Next Call	ETA Next	Final Destination	ETA Final
Prima Samudra	Tanjung Priok	8/1/2006 12:30	En Route	Gn. Sitoli	8/4/2006 20:00	Gn. Sitoli	8/4/2006 20:00
Sri Bahari	Samarinda		Anchored	Pontianak	8/6/2006 8:00	Gn. Sitoli	8/11/2006 8:00
Bunga Sejati	Gn. Sitoli	8/3/2006 16:30	En Route	Pontianak	8/9/2006 16:30	Pontianak	8/9/2006 16:30

- Zhen-Zhen Huang provided updated cargo movement figures to end of July.
 - Total cargo moved 65347MT / 213352m3
 - Noted increase in volumes and tonnages over the last month: tonnage almost doubled in July compared to June: indicating a surge in high density construction materials.
 - Statistics on cargo moved by Agency and destination were tabled.
- JBA commented on the current low level of booking for the coming month and hence plans to return vessels to owners
 - Fleet reduction will mean: WFPSS will retain 2 x small LCTs, 2 x large LCTs and one coaster.





- Main reasons for reduction were unrealised cargo movement request (CMR) from BRR and a reduction in cargo tonnage and volume particularly on the UNHCR CMR for timber.
 - JBA informed the meeting that the lead time to remobilise extra vessels (if and when needed) is two to three weeks (if available). The LCTs are in high demand in the region for the trade of commodities hence the charter costs are too high to retain unutilised ships.

ITEM 3 Cost Recovery / Tariffs

- JBA reiterated that the introduction of tariffs was at the behest of BRR and the MDF to commercialise the routes and that further MDF funding is contingent upon cost recovery being introduced.
 - Cost recovery is based on expenses (vessels and fuel) plus 20% for operational WFPSS costs incurred (staffing at the loading and discharge points (for example): the totals may seem high but are in fact quite reasonable for equivalent commercial alternatives.
 - While some small savings may be achieved by utilising road – users need to be wary of the imminent deterioration of the road network and the impact that each truck has on the road/bridge network.
- Other conditions for future funding of the WFPSS included:
 - Transfer routes to local shipping companies (using local suppliers and stimulating the local economy)
 - Provide space for the secondary contractors' requirements for cargo movement
- JBA commented that WFPSS would like to continue a FOC service but funding was simply not available to do such.
 - WFPSS anticipates that bookings will rise again in the coming month after actors have investigated alternatives and realise that the WFPSS tariffs are realistic in the current transportation market.

ITEM 4: Sibolga – Gunung Sitoli Ferry Closure

- The BRR has requested that the WFPSS cease operating this route. The GoI ferries are plying this route (reliability is a question mark). There are other commercial actors in the area. (JBA) The routes may or may not be viable for a commercial operator.
- Zhen Zhen Huang provided cargo movement statistics for the Gunung Sitoli to Sibolga Route and the figures indicate approximately 90% of the cargo on the route has been RORO.
 - JBA commented on the uneconomical nature of RORO compared to break bulk in Belawan as a better alternative.
- Comment from the floor (IFRC?) – investigations to charter in Singapore had indicated a daily rate of approximately USD 5000 (plus mobilisation / demobilisation charges).
 - Barges are cheaper – have these been investigated.





- Response from BRCS that bad experiences with beaching of barges had been experienced. Double handling of cargo and transferring at anchor to smaller vessels is inefficient and wasteful (losses incurred in spillage).
- JBA commented that WFPSS can provide barges if required, but subject to feasible on-load, offload, access to the landing points etc. Grab cranes are an option for offloading sand (for example). Francois Demeulder (FD) commented on the suitability of smaller than 5000MT barges for the coastal operating conditions. (ex. Singapore)
 - Discussion ensued regarding these issues and different locations in the affected area. Open to future interest and demand from user.

ITEM 5: AOB

- Question from the floor: Cargo movement tariffs– USD? Paid in USD ?
 - Answered by JBA – Yes, into a Special WFPSS Citibank account in Medan. Billing procedures will be circulated shortly.
- Discussion about individual agency chartering of vessels - difficulties previously with quality of vessels and the reliability of the vessels available locally and the associated berthing, utilization rates, port charges etc).
- IFRC and BRCS reminded the meeting of their plans for a huge reconstruction effort in the coming months and their requirement for major tonnage movements.
- John Brady (JB) commented on the local Nias road access and the lack of vehicles on the island. He suggested break bulk out of Belawan would be a far more cost effective transport option on the Nias route rather than the RORO through the Sibolga ferry connection.
- Dylan Shaw (DS) reported on a recent LCA conducted in Nias: ports, bridges, roads, and culverts. (A total of 600km roads travelled and 350 GPS points were taken). Report to be on the web shortly. www.wfpss.org
 - The UNHCR warehouse in Nias may be transferred to the WFPSS which will enable WFPSS to provide transit storage in Nias.
 - The Nias island southern access port of Teluk Dalam is unsafe and unusable.
- Morten Christensen (MC) reported that Sinabang port is experiencing some congestion, largely caused by the failure of consignees to clear cargo from the port area after discharge. JB commented that it is UNOFFICIAL BRR policy that 24 hours is the maximum clearance time. He asked for all to be conscious of the shared responsibility to ensure such congestion does not occur.

Meeting Closed 12pm

The next user group meeting will be held at 1100 hrs on 11 August 2006.





Shipping Service

