

KEY PLAYERS IN MARITIME TRANSPORT & THEIR ROLE IN TRADE FACILITATION

The World Trade Organization defines trade facilitation as “the simplification and harmonization of international trade procedures”, with trade procedures defined as the “activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade”.

While there are numerous players involved in maritime transport there are a number of key players worth highlighting, given the pivotal and distinctive role they play in facilitating trade.

These key players are identified below:



LAND

- Ports & Terminals, Ship agents, NVOCC



SEA

- Shipping lines, Ship owners, Shipbuilders, Vessel Crew, Maritime Pilotage Organizations



REGULATORY BODIES

- The International Maritime Organization, The World Trade Organization, The World Customs Organization,

ON LAND

Ports & Terminals

Ports play a significant and inarguably strategic role in a nation’s commercial trading and even its national security.

In Trinidad & Tobago, the major ports are the Port of Port of Spain and Port of Point Lisas. Other secondary ports & terminals include the Port of Chaguaramas, Galeota Point and the Port of Point Fortin and the Port of Brighton.

Generally, a port’s primary function is to accommodate the movement of goods, between land and sea.

Container ports often specialize as gateways, hubs or domestic trade facilitators. Gateway ports provide major access points for large manufacturing or market regions, for example Hong Kong, or Los Angeles, while hub ports act as intermediary locations where containers are transshipped between different segments of the maritime transport chain, for example, Singapore.

The distinctive role that ports play in the transportation process is to ensure that goods are handled efficiently and on a cost-effective basis.

Ship agents

In the simplest terms, the function of the shipping agent is to handle transactions of a ship in each port that it visits or docks. The shipping agent plays the role of representative of the owner of the shipping service and carries out all essential duties such as ensuring that all fees are paid to customs, stores are provided to the vessel and all vessel clearance activities are completed.

Ship agents are usually local, and therefore have the advantage of familiarity with the port at which vessels call and the Customs and other procedures of the port. Some shipping lines prefer to have their own agencies operating in the larger countries or markets. In the smaller markets however, the agency management function tends to be subcontracted. In Trinidad and Tobago, the major shipping lines such as Maersk, MSC and CMA CGM have opted for company-owned agencies, while the smaller lines have tended to outsource the function.

This trend towards local ownership of ship agency by the larger shipping lines underscores the importance of maintaining the delicate balance between control and cost containment.

Non-Vessel Operating Common Carriers

A non-vessel operating common carrier (NVOCC), performs a similar service as a shipping line, such as performing consolidation and containerization functions, arranging the transportation of goods as a carrier, and issuing its own bills of lading (or other equivalent documents). The major difference is that they do not own vessels.

The most significant role played by the NVOCC is that of making possible the transportation of small amounts of goods which they consolidate to fill containers on vessels.

AT SEA

Shipping Lines

The shipping line may well be considered one of the most crucial innovations for the cargo trade.

The shipping line is responsible for the movement of the cargo from port-to-port, organizes each vessel's rotation, and operates on strictly commercial terms.

Some of the more commonly known shipping lines calling at the nation's ports include Crowley, Maersk, Seaboard, Seafreight, Exmar and Intermarine.

The major contribution to facilitating trade is that they have made movement of large volumes of cargo possible at a reasonable cost per unit, versus other modes of transportation.

Ship-owners

A ship-owner is a company that owns or has shares in a ship or fleet of ships. There are 2 types of ship-owners; those that own and operate vessels and those that lease vessels.

The larger shipping lines tend to be owners as well. By virtue of the sheer magnitude and complexity of their operations, it is more cost-effective to be shipowner and operator. However, due to the high cost involved in owning vessels and the volatility of the market, smaller shipping lines tend to lease from independent shipowners.

Shipbuilders

The shipbuilder is responsible for the construction of the sea vessel, which takes place in what is known as a "shipyard".

The role of shipbuilders is demonstrated in the huge investments in infrastructure and research and development is a critical to maritime transport. The trend today is for the construction of larger & larger vessels that are more fuel efficient and environmentally-friendly. The ultimate objective is ensuring that the cost of cargo transportation remains competitive through reduced per-unit costs.

Vessel Crew

A ship is not fit for purpose unless the crew & vessel are fit. Therefore, a vessel is not seaworthy unless manned by a qualified and competent crew. Because of the sophisticated nature of today's vessels, crews need to be more qualified than in the past.

Maritime Pilotage organizations

Maritime Pilots are specialists in ship handling and possess intimate knowledge of the local sea and port/harbor conditions. The pilot does not take command over the vessel when it comes into the local waters, but advises the vessel's master with respect to the conning of the ship. Maritime Pilots application of their specialist skills ensure the safe berthing of vessels at ports.

REGULATORY BODIES

Due to the global nature and inherent complexities involved in maritime transport, its optimal performance necessitates that all countries involved in trade recognize and adhere to a uniform set of standards and harmonized rules, formed by various regulatory bodies.

The International Maritime Organization

One of the entities established to develop the harmonized rules and standards is the International Maritime Organization. A specialized arm of the United Nations, this organization sets the policy framework with respect to safety and security of shipping and the prevention of pollution by ships.

The policy framework is introduced through conventions, the most crucial of which are:

- The International Convention for the Safety of Life at Sea (SOLAS) - this deals with the standards that govern the structural integrity, equipment used and the operation of vessels. Arrangements for ship and port security are also addressed in this convention through the ISPS Code (International Ship & Port Facility Security Code).
- STCW (Standard of Training, Certification and Watchkeeping) - this convention addresses the minimum standards for competency of seafarers.
- The International Convention for the Prevention of Pollution from Ships (MARPOL) - this convention is aimed at avoiding operational and accidental causes of pollution from ships.

These conventions come into force when accepted by individual governments. Non-acceptance could have the potential to be serious encumbrances to trading.

The World Trade Organization (WTO)

Located in Geneva, Switzerland, the World Trade Organization is a global institution that deals with the rules and regulations of international trade. Run by member governments of countries worldwide, the WTO's aim is to

1. Administer trade negotiations between nations.
2. Implement & monitor governments' trade policies.
3. Settle any trade disputes between nations, thus ensuring that trade occurs smoothly and efficiently.

The World Customs Organization

The WCO is an international, intergovernmental agency that deals specifically with customs issues.

Among its main functions, the organization is responsible for:

- The simplification and harmonization of Customs procedures and the development of global standards therein
- Implementation of Anti-counterfeiting and piracy initiatives
- The enhancement of customs enforcement and compliance activities
- Implementation of sustainable global customs capacity building programmes

The real impact of the WCO lies in the adoption, interpretation and implementation of the standards by individual nations.