Linking Single Windows to Port Community Systems: The Valenciaport Case

Carolina Navarro
cnavarro@fundacion.valenciaport.com
Objetives of the presentation

- Short introduction: Valenciaport
- Challenges for ports and the role of ICT systems
- What is a PCS? Difference with SW?
- Valenciaport case study: Valenciaportpcs.net:
  - Need to manage complexity
  - Towards a port connected to the world
  - Adding value
- Some recommendations
The Port of Valencia….

“Welcome to Valenciaport”
The Port Authority of Valencia (PAV), which trades under the name of VALENCIAPORT, is the public body responsible for running and managing three state-owned ports along an 80km stretch of the Mediterranean coast in Eastern Spain: Valencia, Sagunto and Gandía.
The Port Authority of Valencia and the Spanish Port System

Puertos del Estado

Public Entity in charge of the implementation of the Central Government’s general Port Policies and of the coordination and control of the efficiency of the Spanish Port System

valenciaport

Autoridad Portuaria de Valencia

Public Entity with legal responsibility and ownership of its own assets

Manages its functional and administrative interests autonomously
Our three port at a glance

<table>
<thead>
<tr>
<th>Port</th>
<th>Tons</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagunto</td>
<td>7,33 Mio.</td>
<td>35,442</td>
</tr>
<tr>
<td>Valencia</td>
<td>59,53 Mio.</td>
<td>4,4 Mio.</td>
</tr>
<tr>
<td>Gandia</td>
<td>0,32 Mio.</td>
<td>3,837</td>
</tr>
</tbody>
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Valenciaport: 67 Mio Tons; 4,44 Mio TEU
Traffic throughput PAV, tons/type of presentation

The container our main traffic

74%
Traffic throughput PAV, TEUs/type of operation

Gate/transhipment port (Mixed hub concept)
Container Traffic by Geographical Areas (TEUs)

Port of Valencia container traffic by geographical area in 2013 (Import/Export/Transhipment)
“Challenges for ports”
Challenges for ports

Maritime transportation is undergoing more change in recent years than it has in the past hundreds of years.

- **Growth**
- **Security**
- **Consolidation**
- **Efficiency**
Maritime transportation is undergoing more change in recent years than it has in the past hundreds of years.

**Growth**

Export trade is growing twice as fast as GDP mainly due to industrial off-shoring.

**Security**

Assuring container security is the most important issue facing maritime transportation. Few players have been willing to pay for it.

**Consolidation**

Maritime transportation is clearly in a consolidation phase as companies combine to extract greater utilization from fixed assets.

**Port Challenges**

Modern logistics chain demands efficiency at each step of the process; ports are no longer isolated elements.

**Efficiency**

Leading ports have also reacted to these challenges by investing in technology...
Port Community Systems

“The need to manage complexity”
Each TEU movement requires multiple communications among members of the port community, thus creating a complex information web.

The diversity of actors around a port requires the harmonization of procedures for organizing and standardizing operations in the logistics chain.
All the Port Community at the same Virtual Table
What is a port community system (PCS)?

A PCS is an electronic platform that connects the multiple systems operated by a variety of organisations and make up a seaport or airport community. It is shared in the sense that it is set up, organised and used by firms in the same sector – in this case, a port community.

Is a PCS a software product?

No, a PCS is a value added service offered by an operator to participants in the port community with the following characteristics:

- It shall be neutral and open to the entire port community, enabling secure exchange and an intelligent use of information between public and private actors in order to improve the competitive position of maritime and air port communities it serves;
- It shall optimize, manage and automate logistics and port processes efficiently based on the unique provision of data and linking logistics and transport chains.
The huge diversity of management systems needs to achieve a connectivity at enterprise, inter-company and inter-government levels.

PCS deliver Business to Government (B2G) and Business to Business (B2B) messages and in some cases Government to Government (G2G).
What is a Single Window?

**Government Service to Lodge Standardised Information and Documents through a Single Entry Point.**

**Governance Philosophy and Management to Improve the control and security, and facilitate at the same time international trade.**

Are PCS and SW the same concept?
The directive 2010/65/EU aims to **simplify and harmonise** the administrative procedures applied to **maritime transport** by establishing a **standard electronic transmission** of information and by rationalising **reporting formalities for ships arriving in and ships departing from** European Union (EU) ports.
Port Community Systems

“Towards a port connected to the World”
valenciaportpcs.net provides complete coverage of land, port and sea.
valenciaportpcs.net is the result of a large process that aimed the improvement of port community productivity through IT.
Developing a PCS from scratch is a high risk long-term project that typically takes 10 to 15 years and costs tens of millions.

**Stages of evolution of a Port Community System**

| Stage 1: The isolated port | Stage 2: The connected port | Stage 3: The port community | Stage 4: A port community connected to the world |

**Associated risks from developing a PCS from scratch**

- Cost overruns
- Project delays
- Lack of acceptance in Port Community

Value for the agents operating in the port

10-15 years
A project such as valenciaportpcs.net requires the involvement and support of the whole PC... assuming the following roles

Port Community Involvement...

Port authorities can play a major role by leading the creation of the port infoestructures for their PCS
Adding Value
Saving Money
> 190,000 daily messages

- 233 logistics operators
- 28 shipping companies
- 71 maritime agents
- 28 empty container depots
- 296 road transport companies
- 3 container terminals
- 2 ro-ro terminals
- 5 railway operators

99% of valenciaport traffic use at least one of the PCS services
Efficiencies and benefits

• Checking a list of 5000 movements took 4 hours before having this tool.
• Now only 3 minutes.
• Time required to verify the transshipped containers of a vessel has been reduced by ten times both for the shipping agencies and the customs’ police.
Building a PCS

Some recommendations
How to develop a Port Community System
The Twelve Actions

1. Create a Common Understanding of a Port Community System
2. Why choose to have a Port Community System?
3. How to start developing a PCS - the Community
4. Ambassadors
5. Communication
6. Identification of Core Business Processes to be Addressed
7. Customs Integration
8. Legal Framework
9. PCS Organisation
10. Development Groups
11. Use Existing Knowledge of Port Community Systems
12. Long-term Operation

Source: IPCSA
<table>
<thead>
<tr>
<th>Long-term</th>
<th>Short-term</th>
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<tr>
<td>• Build the community</td>
<td>• Objective/reason</td>
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<tr>
<td>• Seek alliances with power players (Customs is key)</td>
<td>• Each port is different (there are not universal solutions)</td>
</tr>
<tr>
<td>• Put emphasis on importers and exporters</td>
<td>• As-is analysis (business relational model)</td>
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<tr>
<td>• Build a governance consortium</td>
<td>• Set a benchmark point</td>
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<tr>
<td>• Foster relationships with incumbent IT providers</td>
<td>• Create working, development groups</td>
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<tr>
<td>• Explore extended benefits</td>
<td>• Start with case studies</td>
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<tr>
<td>• Develop cloud and/or web-based applications</td>
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<td>• Set an ambitious vision</td>
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REGIONAL POLICY DIALOGUE- TRADE AND INTEGRATION NETWORK
Designing and Implementing Single Windows in the Caribbean: Good Practices and International Standards

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Thanks for your attention!

Carolina Navarro
cnavarro@fundación.valenciaport.com