Comotion and consternation – such is how one could describe the effect stirred between shipping agents and their representative associations by a recent judgement passed on 26 November 2007 in open court by the Court of First Instance of the Supreme Court. The judgement put a definitive end to a claim of the insurance company insuring the goods made against the shipping agent in the port of destination for the damage to the goods whilst being transported – defrosting of frozen fish - this damage having been stated during the unloading process. With this judgement, the High Court judged the shipping agent responsible for the damage caused to the goods with this decision comprising legal doctrine. The shipping agent is legally and directly responsible to the holder of the damaged goods independently of the internal relation between representative and represented party – making it clearer, between the shipping agent and the shipping company – and of its occasional or permanent nature.

This doctrine is based on the fact that “there are not sufficient reasons to leave with no effect the tutelage mechanisms of the rights of the owners of the goods that have been damaged”, “whilst no new legal regime that weighs from a normative point of view the different interests at play is introduced” with a clear reference to the Maritime Navigation Law project that sank in the tempestuous parliamentary waters of the legislature during which shipping agents were specifically exonerated of any damage caused to goods that is not their doing.

Setting aside legal observations on the judgement passed, the practical problem resulting from this ruling is the difficulty or ease of transferring to the shipping line the amount of the judgement falling on the shipping agent. From this practical perspective one can observe that the large majority of legal rulings published on this matter refer to losses or breakdowns of goods transported by vessels deployed by general cargo regular shipping lines – very few cases exist of losses or breakdowns for bulk cargo.

The position of shipping agents charged with the transport of bulk cargo on so-called ‘tramp’ vessels is definitely worrying in light of the lack of any stable relationship with the shipping line carrying the goods. It is therefore difficult to transfer to these shipping lines the consequences of a sentence convicting the shipping agent at the port of destination for any loss or breakdown having occurred whilst the goods were being transported. A further circumstance to take into consideration is that the shipping agent at the port of destination is usually designated by the receiver of the goods.

This is not the case for the large majority of shipping agents charged with the liner transport of general cargo where the shipping agent is the “alter ego” of the shipping line carrying the goods or, when different, at least there exists a stable relationship with the latter thereby permitting such a transfer.

Taking the panorama of the port of Valencia one can observe firstly that the large part of the traffic handled consists of general containerised goods. Secondly, of the total of 3,042,665 TEUs handled in 2007, the 10 major shipping agents handled 2,499,688 TEUs – accounting for 82.2% of the total, 2,182,779 TEUs of these, representing 71.7% of the total, were handled by the shipping lines MSC, Maersk, CMA-CGM, China Shipping, COSCO, Evergreen and EMES. Their shipping agents are their own subsidiaries. Their true identity therefore is clear just by reading their name without therefore having to employ the doctrine of the ‘lifting of the veil.’ In such cases any sentence passed to the shipping agent has the same effect as if it were passed on the shipping line. To this data one must add the 196,970 TEUs (6.5% of the total) handled by the shipping lines UASC and Hapag Lloyd. Although their shipping agents for the time being are not subsidiaries of their own they still have stable relationships with these shipping lines, thereby facilitating the transfer of any judgement passed. One can conclude therefore that the consequences in practice of the legal doctrine of the Supreme Court are not as overwhelming as some claim.

All of this holds independently of whether we take the point of view of the shipping agent which until now has been the predominant one or whether we see this matter from the point of view of those with vested interests in the goods. One must always take into account the interests of all parties involved when faced with a conflict of interests. To this effect the sentence re-establishes the economic balance broken by the defective or partial delivery of goods without the need to bear the legal-procedural inconveniences pertaining to any claim against a foreign shipping line. These are after all probably responsible for provoking those with a vested interest in the goods to make a claim against the shipping agent of the vessel as an alternative to obtaining the corresponding compensation.

Apart from the shipping agents and the ‘title-holders of the damaged goods’, the sentence also affects favourably forwarders who are sued by those with a vested interest in the goods. These are contractual carriers in the case of having issued a house bill of lading as well as if they appear in these documents to the effect of the delivery of the goods. In such cases they could exercise their action for losses or breakdowns, this being a real “backwards action” against the shipping agent of the effective carrying vessel that issued the ‘ocean bill of lading’ – all of this with the added advantage of accumulating both proceedings.

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Progress made in the project ‘Logiscont: Improving the logistics of containerised goods in Valenciaport’

The Valenciaport Foundation launched the Logiscont project last October to analyse the transport flows resulting from the terrestrial transport of containers in the Port of Valencia.

The project’s main objective is to define standards for information exchange processes as well as to introduce new technologies in any operation or process identified as having deficiencies. The project’s action lines and goals are two-fold.

The first part was presented in the Valencian Company Competitiveness Plan (IMPIVA) in December 2007. The report gathered detailed information related to the role of terrestrial container transport in import/export logistics chains disaggregating information according to the different types of transport services provided. The report paid particular attention to the analysis of physical, information and documentation flows between the different agents involved in terrestrial transport. This allowed the entire port community to know exactly the specific procedures associated to container transport flows (import, export, inspections, etc…) as well as the relevance of each piece of data needed in order to organise and control transport operations.

The second part will take place throughout this year. During this period efforts will be made to develop new functions and also make several improvements to rectify any problems detected when using the valenciaportpcs.net platform for managing the logistics of terrestrial container transport. The ‘Guide to terrestrial transport’ is also to be published on paper in order to disseminate the results of this study.

The methodology employed for the report or transport guide is based on the compilation of information related to the project from different sources and field-work carried out through interviews with key informants (shippers, receivers, freight forwards, shipping agents, maritime terminals, container terminals, container depots, customs, border inspection posts, etc…).

The ICO Foundation, the APV, the University of Valencia and the Valenciaport Foundation collaborate to create a Logistics and International Transport Chair

The official signing ceremony for the agreement regulating the operation of the Logistics and International Transport Chair took place this past 14 March. This initiative is promoted by the ICO Foundation (Official Credit Institute) and the Port Authority of Valencia (APV). Its plan of activities will be developed by the University of Valencia and the Valenciaport Foundation (VF).

The appearing parties were Aurelio Martínez, president of the ICO Foundation, Rafael Aznar, president of the APV, Francisco Tomás, vice-chancellor of the University of Valencia and Rafael del Moral, president of the Valenciaport Foundation.

The objective of the university chair is to carry out a programme of activities incorporating research and training to delve deeper in a better understanding of the implications that freight transport has in terms of competitiveness and sustainability. The chair is also intended to contribute to improving the training of Spanish professionals in the logistics and transport domain.

For the ICO Foundation and the APV this initiative is founded on the growing sensitiveness towards creating imaginative and sound responses to ensure that transport becomes more compatible with environmental demands. At the same time the involvement of the university will guarantee a high level of excellence whilst facilitating the necessary link between the academic research teams and the demands of the institutions.

The creation of the chair constitutes therefore a recognition of the high calibre of the studies on transport and logistics undertaken at the University of Valencia and its Institute of International Economics. In close collaboration with the Valenciaport Foundation it has formed in Valencia a team a strong international dimension in these fields. The ICO Foundation and the APV will each contribute 60,000 Euros to enable the new programme to carry out successfully its activities.

The follow-up committee established in the agreement will consist of María Jesús Sáez, the director of the ICO Foundation, Juan Antonio Delgado, the commercial, strategic and corporate development manager of the APV, Ismael Fernández, representing the Institute of International Economics and Antonio Torregrosa, the director of projects of the Valenciaport Foundation. During the meeting held this past 14 March the committee agreed that the coordination of the chair would be the responsibility of the lecturer Leandro García. To this effect he presented the programme of activities for 2008.

The agreement will be valid on an annual basis and is fully extendable. For the first year three blocks of activities have been set. The first one consists of launching a research programme to evaluate the influence of intermodal infrastructure and logistics services on the competitiveness of Spanish foreign trade. This is particularly important given that being successful in foreign markets is strongly determined by the efficiency of the entire logistics chain. The derived implications of the findings in terms of financial, industrial and transport policy will also be examined.

The central focus and objective of the second block will be to develop a programme of training activities in the transport, logistics and ports domain to support cooperation between the Spanish and Asian-Pacific economic-business frameworks.

The third block will consist of preparing a promotional programme including the presentation of results in academic and technical forums as well as their general dissemination and publication in specialised journals.
The Port Authority of Valencia and Gijón organise jointly with the UNCTAD a port development conference

The TrainForTrade port training programme of the United Nations Conference on Trade and Development (UNCTAD) organised in collaboration with the port authorities of Valencia and Gijón a conference on 26-28 March for the port communities of Spanish-speaking developing countries. The gathering counted on the support of the Spanish Ministry of Industry, Tourism and Commerce.

The objective of this conference, whose organisation counted on the active involvement of the Valenciaport Foundation, was to identify the training and port management needs of Latin American developing countries so as to subsequently fulfil them.

Ports need to be equipped with the necessary tools to adapt to new safety, security and environmental management standards, to changes in information systems as well as to new cargo handling techniques, etc... Other key issues covered during the conference included new commercial and human resource management practices, amongst others.

The event was held at the premises of the Port Authority of Valencia (APV) and gathered representatives of the following twelve Latin American countries: Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, the Dominican Republic, Uruguay and Venezuela. Representatives of Ireland and Spain were also present, these two countries being European partners of the programme. The three days of the conference provided participants with the opportunity to present their projects to strengthen capacities in the port domain and debate the various activities needed to bolster the competitiveness of port systems in Latin America.

This conference made it possible to consolidate links between the UNCTAD and the port authorities of Valencia and Gijón with the associated ports. With this network taking shape, having formally started its activities with this gathering, communication between the ports in the region will be facilitated whilst opening the door for them to the TrainForTrade port training programme and courses on modern port management.

The APN of Peru and the Valenciaport Foundation sign a collaboration agreement

Frank Boyle Alvarado, president of the National Port Authority of Peru (APN) and Rafael del Moral Carro, president of the Valenciaport Foundation co-signed this past 27 March a specific collaboration agreement between both entities for a period of four years.

Following the signing of this agreement the Valenciaport Foundation will provide technical assistance and training to Peruvian ports. To do so it will fully make use of the know-how of the Port of Valencia having transformed itself into one of the leading ports of the Mediterranean.

Frank Boyle indicated that Peruvian ports were keen on capitalising on the experience of the Port of Valencia to develop rapidly over the coming years whilst initiating the remodelling and expansion of the Peruvian port system. The Port of El Callao is the principal port of Peru handling 1 million TEUs in 2007 (each one being equivalent to a 20-foot container) and 16 million tonnes of total traffic. Its current objective is to duplicate this figure by calling on the Valenciaport Foundation to help it improve and expand its infrastructure.

Several actions are foreseen as part of this agreement. The first will consist of a trip to Peru this coming May of staff of the Valenciaport Foundation to specify the topics for training and other technical aspects. Other actions will centre on revising Peru’s National Port Development Plan and studying and establishing the bases for the promotion and operation of the Logistics Activities Zone adjacent to the Port of El Callao.

Central American Regional Maritime Cabotage Service

Following several months of discussions a memorandum has been sent to the Salvadorean company Multinaviera del Pacífico, S.A. corresponding to the lines of technical assistance that the Valenciaport Foundation can provide to this private consortium for the establishment of a regional maritime cabotage service between ports of the Pacific façade of Guatemala, El Salvador, Nicaragua, Costa Rica and Panama.

Should this project be carried out, it will represent a pioneering initiative in Central America of great interest to intra-regional trade as well as the foreign trade of the above-mentioned countries.
Seminar on the Spanish Tariff System: Meeting Point between the Valenciaport Foundation and the Las Palmas Ports Foundation

The first seminar on “The Cost Structure of Port Activities: The Spanish Tariff System” took place this past 10-12 March in Casa Africa in Las Palmas de Gran Canaria.

The seminar was organised by the Las Palmas Ports Foundation, Casa Africa and the Government of the Canary Islands and focused on several presentations given on the different port tariff systems and cost management. The seminar was targeted at African managers and its key objective was to stimulate debates and the exchange of knowledge on tariffs whilst converting itself into a prelude for the potential harmonisation of the different tariffs systems currently in force in ports located on the western coast of Africa.

The Valenciaport Foundation was one of the entities invited to actively participate in the encounter. Rafael Sapiña, director of the shipping lines and operators department of the Valenciaport Foundation spoke about “the comparison of the different models of providing services and the tariff structure in the European domain” whilst Ana Rumbeu, director of training of the Valenciaport Foundation, participated in the coordination and development of the sessions, managing them through a participative conference-debate methodology.

The principal conclusions of the seminar included the need for greater transparency with respect to the provision of port services and the need to deepen into management systems as much in terms of quality, the environment, sustainability and safety and security.

Students of the masters programme of the Valenciaport Foundation visit a vessel of MSC

Students of the Masters in Port Management and Intermodal Transport visited on 4 April the vessel DARTFORD of the Mediterranean Shipping Company (MSC) – the second largest shipping line with its base in Valencia.

The visit formed part of the module on Container Maritime Transport given by the lecturer Francisco Lorente – he is the current director of MSC and thus an expert in this field. The students had already been given theoretical lectures on the operation of container vessels. In line with the practical dimension of the masters the students were able through experience to get closer to the reality of such matters. The tour of this 292.15 metres long vessel built in 1992 with a capacity of 4,205 TEUs and a 50,350 gross tonnage (GT) consisted of a visit to the controls room, the engines room and the bridge.

This visit provided an important opportunity for participants of the masters to personally familiarise themselves with a container vessel of a leading company of the sector and complement thereby their theoretical knowledge with their own experience.