Modal alternatives for fruit and vegetable exports to Europe

José Aguirre Matioli, a pioneer exporting oranges and other citrus fruit from the quays of the Port of Valencia, started his first shipments of oranges from the Port of Valencia to Europe in 1870. These oranges were shipped in wooden crates and were destined for the French Port of Marseille. The goods arrived well and proved a big commercial success leading to further shipments. With time new types of packaging were developed and new markets such as the United Kingdom and the Netherlands were penetrated for such exports.

Against this background we can highlight various cases in modern times of shipments of fruit and vegetables to Europe using different intermodal alternatives. Over the past couple of years, for example, the ports of Gandía and Castellón have served to ship by maritime transport citrus products to the Russian Port of Saint Petersburg. In November a new maritime service connecting the Port of Almería and Dunkirk in France with a frequency of two weekly services will be introduced to transport fruit and vegetables. Finally one must also draw attention to the proposal made by two railway companies to launch a new railway service to transport refrigerated goods between Valencia and the UK via the Channel.

Great efforts have been made over the past couple of years both at a national and international level to develop and exploit the full potential of intermodal alternatives for refrigerated products. Despite such initiatives it remains evident that these modes have yet to succeed to produce the desired modal shift. The share of these export and import flows to and from Spain of fruit and vegetables is currently about 18% by road transport and 82% by maritime transport. The high percentage of road transport cost of the final price of such products and the fierce competition in price in the Polish market means that the study of transport alternatives during this peak period is of particular interest. Several companies from the sector have in fact expressed such an interest.

One of the problems for the SSS service to solve is the need to find cargo from Poland to Spain. The majority of Spanish imports from Poland come in liquid or solid bulk form (50% of imports in terms of weight). These are already being imported by sea in tankers or bulkers with the remaining of imports being non-containerised and unrefrigerated goods with a final destination spread out throughout Spain.

Information was gathered through a series of interviews with Spanish exporters and Polish importers on a hypothetical maritime intermodal service that would, in their opinion, be competitive. To change transport mode interviewees said that they would need a cost reduction of 4.7 cents per kg transported (door-to-door). With respect to transit time 60% of interviewees felt that a maritime service with a transit time of over 8 days would be not be a competitive alternative to road transport services in the traffic corridor in question. Finally, almost 50% of interviewees viewed positively that the service under offer have a frequency of two weekly departures during the peak season.

The high demands of Spanish exporters and Polish importers of citrus produce, working with tight cost, transit time and frequency parameters, would mean that the launch of an SSS service adapted to the needs of this sector would be perceived by shipping lines as a high risk project with low profitability. This would be further compounded by the trade imbalance between both countries. The current plunge in price to rent vessels, the relatively reduced price of petrol and the need to improve the price competitiveness of Spanish products in medium quality segments in destination markets provide the perfect conjuncture for negotiations to take place between the various agents involved in the launch of a pilot initiative for the following peak season at the end of 2009 or beginning of 2010. We can only hope that both exporters and importers will take advantage of the current conjuncture and move one step forward in the search for SSS alternatives.
The Valenciaport Foundation has started to work recently on the project Develop-MED. The project is financed by the European Commission through the European MED Programme and its main objective is to improve the competitiveness of the Mediterranean maritime system.

The leader of this project is the region of Marche (Italy). Other participants include the Valenciaport Foundation as well as a group of various research centres and Mediterranean regional agencies such as Ente Autónomo Volturno SRL (Italy), the Hellenic Small Islands Network (Greece), the Larnaca District Development Agency (Cyprus), the Region of Ionian Islands (Greece), AFT (France), Paragone Europe (Malta), the Lazio region (Italy) and the Port de Bar (Montenegro).

The Develop-MED project is due to conclude in June 2011 and will serve to define and reach a consensus on a common development strategy to improve the competitiveness of the Mediterranean maritime system. The strategy will include measures to strengthen its maritime accessibility as well as the role of its ports in intermodal transport systems.

One of the specific objectives of the project is to analyse the positioning of the Mediterranean in the global maritime market. Special emphasis will be given to the different legal and financial frameworks and the effects of such differences on the relative competitiveness of the area. This analysis will lead to the drafting of a common transport policy in the Mediterranean including elements such as the coordinated planning of the transport network, of investments in infrastructure and territorial development.

Progress made in the project “Revision of the National Port Development Plan of Peru”

Last month Leandro García, Arturo Monfort Mulinas and Rafael Sapiña García, all members of the Valenciaport Foundation, travelled to Lima (Peru) to hold various meetings with representatives of the National Port Authority (APN). Progress was made during these meetings on the new list of contents of the Peruvian PNPD (National Port Development Plan) as part of the process to update it.

As part of the same project Juan Esquembre Menor participated in August in various decentralised round-tables in the cities of Arequipa and Iquitos. These sessions served to analyse the contributions of public administrations and of the private sector to the drafting of the PNPD. These round-tables were presided by the admiral Frank Boyle and by the president of the regional government.

Further meetings were planned from 7-11 September with managers of the APN. More round-tables have also been programmed in the Chamber of Commerce of Lima with staff of the APN as well as the port cluster.

Significant progress will be made during September and October concerning the updating of the contents of the National Port Development Plan of Peru.

The Valenciaport Foundation will analyse the transport flows of vehicle components and spare parts to identify flows that may potentially shift to SSS

The IMPIVA has selected the Valenciaport Foundation’s project “Feasibility of using SSS in the development of new markets for the vehicle components and spare parts sector”. The project will be funded through its 2009 Sectorial Competitiveness Plan.

The Valenciaport Foundation will collaborate with the Technological Institute for Packaging, Transport and Logistics (ITENE). The objective of this project is to analyse the trade flows of vehicle components and spare parts with their origin or destination in the Valencian region and identify those flows entirely transported by road that could be shifted to short-sea shipping (SSS).

Some of the expected results of this project, ending in January 2010, include the study of the characteristics of transport flows of vehicle components and spare parts, the determination of the SSS potential for the corridors under study and an evaluation of the impact that the modal shift would have in terms of the reduction of social and environmental externalities generated by the transport system.
The Valenciaport Foundation attends the meeting of the sub-committees of the CTQI in Valencia

The CTQI is the first quality management system for container terminals (CTs) designed to standardise as much as possible their management and production indicators. The system identifies external and internal factors that differentiate CTs and establishes a certification mechanism for them to be benchmarked. CTs will obtain certification if they pass a global minimum threshold.

Anyone familiar with CTs knows that it is almost impossible to include all the possible benchmarking aspects and factors that influence the quality of terminal services. The CTQI started by not considering the following issues: labour, environmental (temporarily identified as a process to be certified by other standards that can be perfectly tackled from a strategic, tactical and operational perspective in the future), information technologies (IT), mechanical equipment used (the two last factors slightly touched on the original version of the system but were not analysed thoroughly in all their possibilities or influencing ways on final quality), etc...

After the TOC Bremen, where the Management Committee (MC) of the CTQI met (a committee where Rafael Sapiña and Arturo Monfort, both members of the Valenciaport Foundation, actively participate) two new committees depending on the MC were created. Both committees were set up previously and a joint meeting took place in Valencia in August to profit from the media coverage of the Formula 1.

This meeting lasted for a whole day and several presentations, used to gather the opinions and contributions of all the initial members, were given. At the end of all the interventions, there was consensus that the issues to be tackled by such a multidisciplinary group regarding the fields of equipment and information technologies of CTs need to be chosen carefully in order for these issues to be seen as part of the own structure and modus operandi of the CTQI. A list of the first issues that will be dealt with in both sub-committees will be made public soon.

The ICO - APV Research and Training Programme brings China closer to the Port of Valencia

The Valenciaport Foundation delivered the course “The role of ports in foreign trade” on 6-17 July in Beijing (China).

This course has been offered as part of the Research and Training Programme on Logistics and Transport sponsored by the ICO Foundation and the Port Authority of Valencia (APV). The University of Valencia coordinates the numerous activities of this programme. It is assisted by the Valenciaport Foundation that, as a specialised centre in research and training in logistics and transport, contributes with its knowledge on the Chinese economy and in particular on the maritime transport sector.

The objective of the course was to train a group of Spanish and Chinese young individuals in the field of transport and logistics to facilitate their entry to the labour market. The overall goal of the course is to create a knowledge and personal relations network promoting trade between both countries. The group of Spanish students was selected from the pool of interns of the Asia-Pacific Programme of the ICO Foundation. The Chinese students were selected between the country’s university students with a high level in the Spanish language.

The course lasted two weeks (50 lecture hours). Several modules were delivered including: Foreign Trade, Maritime Transport: Key agents in the port industry and document flows; Ports: Management and infrastructure and business management in the Chinese labour market.

The course combined theory and practice and it took place in the classrooms of the Cervantes Institute in Beijing. Sonia Iborra Gomez, R&D&I Project Manager of the Department on Port and Logistics Community of the Valenciaport Foundation, were the lecturers of this course. Finally, Francisco Soler, a partner and the director of Garrigues in Shanghai, contributed to the course explaining the different options to invest in China. At the end of the course the students received a certificate of attendance.

This initiative, one of the most relevant within the strong collaboration between the Valenciaport Foundation and the Institute of International Economics of the University of Valencia, strengthens the role of the Valenciaport Foundation as a sponsor of activities aimed at the logistics cluster of Valenciaport. The initiative deals with the latter’s need to train top professionals (in this case specialists in ports with high-level knowledge of Chinese language, culture and economics) who can contribute to positioning the Port of Valencia as a reference in the Mediterranean.
3rd Innovation in the Port Cluster Workshops

The 3rd “Innovation in the Port Cluster Workshops: Ports: Borders of Creativity and Innovation” will take place on 17-18 September in Santander.

The workshops, organised by the Port Authority of Santander, the Spanish State Ports Agency and the Valenciaport Foundation, will take place in the Palacio de la Magdalena.

Numerous sessions have been programmed during which topics such as innovation cultures, innovative initiatives of Spanish port authorities as well as innovation strategies will be discussed. The workshops are taking place during the same year chosen by the European Commission to promote creativity and innovation amongst its Member States. Efforts are being made therefore to analyse and delve deeper in the ‘border’ analogy by examining the different theoretical, practical and operational aspects of these competences. These are essential to improve the productivity and competitiveness of all business initiatives.

Intermodal 2009 - the logistics sector this year in Feria Valencia

The 34th session of Intermodal, the international trade fair of the container sector, will be held this coming 3-5 November in Feria Valencia. The fair will bring together all key players working in the logistics chain, manufacturers as well as industrial suppliers and ocean carriers.

The fair serves as a medium for professionals to analyse and debate as well as to familiarise themselves with the perspectives of the logistics industry. Leading speakers will come from all over the world to participate in this event with the objective of analysing and discussing the evolution of industrial logistics.

The Valenciaport Foundation plans on participating with a stand of its own at the trade show. It will also help raise awareness and disseminate information on the event.

Ana Rumbeu during her presentation at the congress "Navegar"