

GLOBAL TRENDS IN MULTIMODAL TRANSPORTATION

*Legal Status of Intermodal Logistics
and facing challenges in the global
supply chain*

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International Trade

* **FLAG FOLLOWS TRADE**

- Expansion of International Trade - the growth in international trade is reflected in similar and sometimes higher growth in the demand for international transport services
- Containerization

Multimodal Transportation

- *“the chain that interconnects different links or modes of transport – air, sea and land”
- *Multimodal transport systems have become the backbone of international trade - with the objective of reducing overall transport and handling costs within the supply chain while responding to the demand for just-in-time door-to-door cargo services.

Intermodal Transportation

- * Globalization/Liberalization/Regionalization
- * Operational control over transport chain and emergence of new transportation and practices
- * Partnerships/Alliances
- * Shipping Lines as Owners/Operators of Terminals

Intermodal Transportation (Cont'd)

- * “The transportation of freight in an intermodal container or vehicle, using multiple modes of transportation (rail, ship, and truck), without any handling of the freight itself when changing modes”

Supply Chain Management

- * The concept of supply chain management is often view as an extension of logistics or the same as logistics or as an all-encompassing approach to business integration.

Supply Chain Management (Cont'd)

- * Operational Control over efficiency and transport chain
- * Operational control to gain efficiency of transport chain
- * Emergence of new patterns and practices

Intermodal Logistics

- * Four (4) major trends are driving demand for intermodal logistics: (1) economic globalization, (2) integrated supply chain management (3) agile manufacturing and business practices; and (4) speed-to-market product delivery

Challenges in the Global Supply Chain

INFRASTRUCTURE SUPPORT

Roads and highway network ;

New Ports infrastructure and facilities;

Airports ; Rails;

logistics services;

Dredging

Challenges in the Global Supply Chain (Cont'd)

TECHNOLOGY & IT INFRASTRUCTURE

“Basic enabler for information sharing and integrating transportation in Supply Chain Management”

APS- Advance Planning and Scheduling Systems

TOS – Terminal Operating Systems

PCS – Port Community System

Challenges in the Global Supply Chain (Cont'd)

OUTSOURCING

**Business Process Outsourcing (BPO);
Knowledge Process Outsourcing (KPO)**

- Outsource non-core or low value-added functions;**
- Decrease in number of manufacturing locations**

Challenges in the Global Supply Chain (Cont'd)

LEGAL

“No (uniform) regime governing the modern modes of transportation and related services”

- ◆ International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading (Hague Rules, 1924) ;
- ◆ Hague Visby Rules, 1968) ;
- ◆ Hamburg Rules (1978)

Challenges in the Global Supply Chain (Cont'd)

(STILLBORN)

- ◆The UN Convention on International Multimodal Transport of Goods (1980).
- ◆The UN Convention on contracts for the International Carriage of Goods wholly or partly by Sea (the Rotterdam Rules) 2009

ENVIRONMENTAL CHALLENGES

- * As transportation and logistics systems continue to integrate, their impacts on the physical environment (air, water and land resources) will become more complex.
- * Regulatory compliance vs. proactive environmental management

THE CASE OF THE ARCHIPELAGIC STATE OF JAMAICA

For Jamaica to effectively compete in this international trading environment, a multimodal transportation network is both a requirement and a strategic necessity.

- *Highway Network

- *Two (2) international airports

- *World Class Transshipment Hub – Kingston Container Terminal

THE CASE OF THE ARCHIPELAGIC STATE OF JAMAICA (Cont'd)

- * Privatization of KCT
- * Dredging of the channel to accommodate Super Post Panamax Vessels.
- * Integrated IT Infrastructure (Port Community System & ASYCUDA)

THE CASE OF THE ARCHIPELAGIC STATE OF JAMAICA (Cont'd)

- * Logistics Services and Port Centric Logistics
e.g. Goat Island

Business Process Outsourcing (BPO) & Knowledge
Process Outsourcing (KPO)

Bunkering

THE CASE OF THE ARCHIPELAGIC STATE OF JAMAICA (Cont'd)

LEGAL FRAMEWORK

- ◆ Hague Rules
- ◆ Free Zone Act/Special Economic Zone Act

THE CASE OF THE ARCHIPELAGIC STATE OF JAMAICA (Cont'd)

ENVIRONMENTAL COMPLIANCE

- *Special Area under MARPOL Convention
- *Internationally recognized environmentally protected areas
- *NGOs and legal challenge
- *Sustainable development

CONCLUSION

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