EDITORIAL

IAME 2007 Annual Conference: ‘Challenges and Trends in Shipping: Markets, Investments and Policies’

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The growth in world trade is now more marked, in relation to the growth in global gross national product, than is usually the case. Since the greater part of exports now is transported by sea, this helps in boosting the demand for shipping services. World merchandise trade continued to increase during the last years, with positive effects in shipping. Almost all shipping markets performed very well and no drastic changes to this positive development are expected. The growth in trade was characterised by specific regional influences, particularly in China and India. The global economy is expected to expand, but much will depend on the rate of industrial development in Asia, the import and export growth in the United States and in Europe, as well as the price of oil. Currently, the international shipping market still remains in a ‘peak phase’, where supply and demand are in a tight balance, and consequently, freight rates are high. In this situation, institutional and government decision-makers, investors, port authorities and shipowners alike should exercise responsible leadership, with the vision to support the industry as a whole.

Key to the above-mentioned trends and developments is the provision of reliable and efficient maritime transport services to safeguard the supply of necessary raw materials and to carry the merchandise to the ever more demanding global markets. A fundamental requirement is that the access to the markets is free, allowing shipping to serve in a truly competitive market. Furthermore, competition is universally accepted as a vital spur to performance, and fostering competition has played an important part in encouraging improved performance. However, it is important to strike an appropriate balance. It is important to recognise that competition is a means to an end; that is, the objective is improved performance, not competition *per se*.

Taking into account the aforementioned, the IAME 2007 Conference focused on the current ‘Challenges and Trends in Shipping: Markets, Investments and Policies’, with emphasis on both theory and practice. The

Conference was organised, for the first time in Greece, under the academic auspices of ALBA Graduate Business School, and featured 36 sessions that provided participants with the opportunity to attend 123 presentations of academic papers. The Conference programme also included two special interest sessions that focused mainly on real-world issues. All sessions integrated the views of academics, practitioners and public policy makers from 34 different countries. Approximately, 430 delegates and guests had the opportunity to participate in the various sessions and functions of the Conference. In addition, senior Government officials and shipping executives were invited as guest speakers in the Conference, and presented their views and positions on the development and progress of the international maritime industry.

The 10 papers of this special issue (including the two prize winners) comprise a good cross-section of maritime research, most relevant to this journal's editorial policy. The few lines below attempt to summarise them.

A New Approach to Port Choice Modelling (Best Paper Award: Palgrave Macmillan)

Considering the current trends in the shipping industry, as well as the port's role as part of the supply chain, port choice modelling becomes more important. The paper suggests a new framework of port choice using ports as an item in a logistics package, since ports are fully integrated in supply chains. Previous research to port choice modelling is based on how a shipper chooses a port in isolation. The paper suggests new key variables to be used (such as accessibility to markets, level of integration in the supply chain, port efficiency, supply chain total cost, etc) in port choice modelling, resulting in quality information on the port choice process and its determinants in the context of supply chains competition. It is straightened that based on discrete choice modelling, both the transport system and the port choice can be handled.

The Effects of Market Differences on the Throughput of Large Container Terminals with Similar Levels of Efficiency (Runner-Up Best Paper Award: BIMCO).

Port performance can also be related to the nature of the market served. The paper argues that comparisons of port efficiency based on aggregate frontier analysis techniques and a single measure of output (eg TEUs per annum) may be misleading. It is suggested that exogenous market differences, such as the proportion of containers of different size, the number of container moves per vessel, and the relative size of the transshipment, among others, should be considered as inputs, so that the results of inter-terminal comparisons are more detailed. Furthermore, the paper identifies the procedures for the selection of outputs and inputs, the model specification, the problems arising, as well as the

factors affecting terminal throughput that research on aggregate analysis of container terminals using frontier techniques should consider.

An Assessment of Long Term UK Port Performance: A Regional Perspective

It is noted that there are still geographic concentrations of ports, while their prosperity is linked not only with their hinterlands but also with the overseas regions *via* the shipping services they offer. The paper then investigates the main trends in selected UK ports during the last decades and determines the most powerful factors related to port performance over time. It is argued that port performance can be related with port location (centrality), hinterland (economic potential) and foreland (road) connectivity. All these factors change over time depending on trading patterns. It concludes that during the last 30 years UK ports' growth is related to the container traffic, as well as to the service quality.

Measuring Container Port Accessibility: An Application of the Principal Eigenvector Method (PEM)

Another important aspect of port competitiveness is port accessibility, defining the functional roles of ports in the world network. The paper suggests that the Principal Eigenvector Method is a more suitable method for measuring port accessibility, providing a better understanding of the current structure of the global liner shipping network (with the identification of significant geographical subsystems), as well as the status of inter-port competition. The results of the paper may also serve as a key to understand the main principles of both port policies and strategies.

Container Assignment and Yard Crane Deployment in a Container Terminal: A Case Study

The paper attempts to develop a unified optimisation model for the combined problem of assigning containers and deploying yard cranes. Through the model used, the paper suggests the variables, constraints, assumptions and input data that should be considered, in order that minimisation of both storage and handling cost to be achieved. Moreover, the paper applies the proposed model in the Port of Felixstowe. It concludes by providing useful information for better utilising terminal resources (yard cranes) and for better loading processes.

Coordination in Hinterland Transport Chains: A Major Challenge for the Seaport Community

Effective hinterland transport chains are linked to the coordination of all actors involved (shipping lines, terminal operating companies, forwarders, transport providers, managers, port authorities, etc). The paper identifies coordination

problems in hinterland chains and suggests possible solutions (like the introduction of incentives, creation of inter-firm alliances, organisation scope, and collective action) through an empirical application in the port of Rotterdam. Furthermore, the paper advances the present body of knowledge, concerning coordination in hinterland chains, which is in fact limited despite the fact that hinterland access is an important issue in port performance.

Liner Shipping Connectivity and Port Infrastructure as Determinants of Freight Rates in the Caribbean

The role of ports differs depending on their geographical position and on their scale of hinterlands. Furthermore, the structure of liner services, as well as port infrastructure endowment may affect liner shipping rates. The paper analyses the relationship among these factors and presents certain variables that have a statistically significant impact on liner shipping freight rates in the Caribbean. These variables are considered to be transshipment *versus* direct services, the number of competing carriers, liner connectivity, transit time and port infrastructure endowment. Carriers, port authorities, policy makers and everyone involved in the shipping trade should not only consider distance as the main determinant of transport costs, but also the suggested factors.

Containerization, Box Logistics and Global Supply Chains: The Integration of Ports and Liner Shipping Networks

The emergence of global supply chains has not only affected the role of ports but also had a tremendous impact on containerisation. The paper analyses the mounting pressure on box logistics in light of global supply chains. It straightens the rising importance of multi-port gateway regions as a model serving global supply chains. The paper suggests that new port hierarchies (continental, regional and local level) and a multiplication in the number of ports engaged in containerisation will appear. It is also suggested that flexibility in routing options can be ensured by the co-existence of different network types on the same trade route, while sufficient terminal capacity, derived by the existence of multi-port gateway regions, can offer quality service to global supply chains.

An Analysis into Speed and Schedule Stability for Container Liner Services

It is known that the rate at which vessels are loaded and unloaded has a bearing on turnaround time and on the required size of the fleet. The paper suggests that the loading rate also has a bearing on vessel turnaround time, as well as on schedule stability, that may affect the frequency of the services operated. The paper shows that the loading rate should be at least twice the rate of containers to be loaded at the terminal. Analytical expressions are derived for the arrival

headways variance at the second and third ports of call. The schedule stability depends on the performance of the quay crane that determines the speed of both loading and unloading.

EU Shipping Taxation: The Comparative Position of Greek Shipping

The paper straightens the importance of the tax system in the structure and evolution of the shipping industry. The paper proceeds in comparing recent changes in the tonnage tax system in both EU traditional flags (Greek, Dutch, and British) and open registries (Panama, Liberia), indicating that Panama is the most favourable regime in terms of minimising tonnage tax payments, while the position of Greece is generally towards the middle of the relevant rankings. The paper suggests that apart from the tax regimes, there are other factors (eg manning regulations) that may determine the expansion of a fleet, offering a competitive advantage in preference to the third-party flags.

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