



Legal Issues Regarding The Jamaica Logistics Hub

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- Private Practice, Consultancy, Lecturer

• **Memberships**

- Jamaica Bar Association
- International Maritime Lecturers Association

• **Board Directorships**

- Caribbean Maritime Institute (2012-2016)
- Jamaica Maritime Institute Trust Fund (2013 to present)
- WMUWA Secretariat (2014 to present)
- Women in Maritime Association Caribbean (2015 to present)
- American Caribbean Maritime Foundation (2015 to present)



What is a logistics hub?

- “There is no clean cut definition” (Nam and Song, 2011)
- “The hub of a specific area where all the activities relating to transport, logistics and goods distribution, both for national and international transit, are carried out on a commercial basis, by various operations” (Europlatforms, 2004)
- “A regional cross-docking point, where products from multiple supply sources arrive and are sorted in accordance to the needs of the destination points” (Munoz and River, 2010)

Role of ports in a logistics hub



Transformation from a single cargo-handling facility to a logistics centre, usually begins at the port.

“Ports play a core role in the whole maritime world and are taking up more active roles in supply chains” (Rodrigue and Notteboom, 2005)

Key determinants of a successful logistics hub:

- Port operation efficiency level
- Cargo handling charges
- Reliability
- Port selection preferences of carriers and shippers
- Depth of navigational channel
- Adaptability of the changing market
- Landside accessibility
- Product differentiation
- Government role



Rationale for a logistics hub

- Port of Kingston
- 2002 – 63rd largest container port
- 2008 – busiest port in the C’bean
- 2012 – 6th busiest port in the C’bean
- 2013 – 8th busiest port in the C’bean
- Steady decline

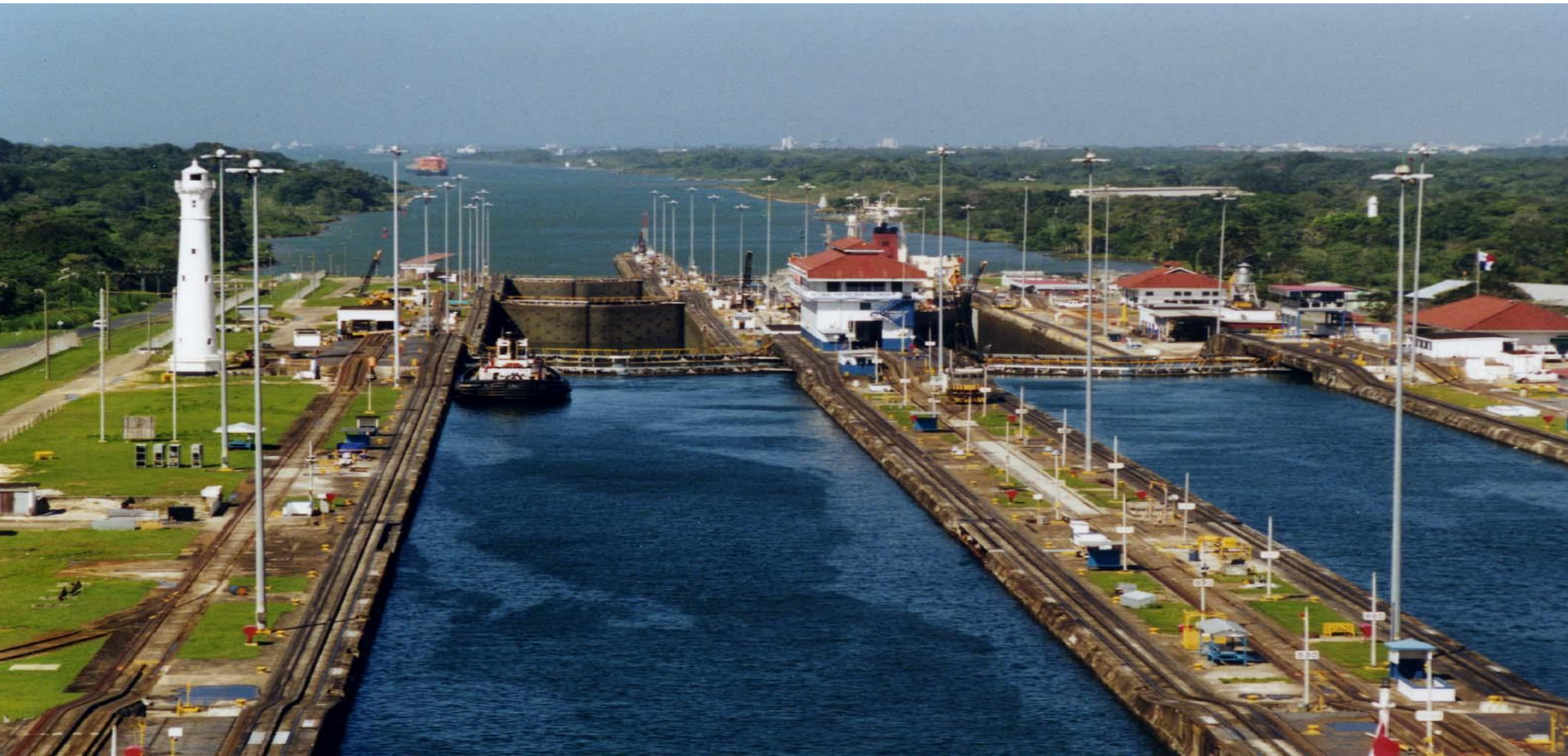
Selected Caribbean and Latin American ports 2013

Country	Port	2013 teu	2013 % +/-	2013 teu +/-	2012 teu	2011 teu
Brazil	Santos*	3,400,000	7.2%	228,315	3,171,685	2,985,922
Panama	Balboa	3,063,579	-5.8%	-187,560	3,251,139	3,232,265
Panama	Manzanillo MIT	2,025,904	-1.6%	-33,860	2,059,764	1,899,802
Colombia	Cartagena	1,865,233	-7.9%	-159,488	2,024,721	1,691,341
Peru	Callao	1,855,019	2.1%	37,356	1,817,663	1,616,165
Argentina	Buenos Aires* including Exolgan	1,730,000	4.5%	74,000	1,656,000	1,865,000
Jamaica	Kingston	1,703,949	-8.2%	-151,476	1,855,425	1,756,832
Ecuador	Guayaquil*	1,565,000	8.0%	116,313	1,448,687	1,405,762
Total		163,195,500	4.6%	7,110,670	156,084,830	149,765,330

*Estimated

Source: Port authorities, government ministries, terminal operators

Expansion of the Panama Canal



Panama Canal

- Gateway for global trade networks
- Vital trade access point for the Americas
- “Panama’s new canal locks will reshape the geography of world shipping” (The Economist, Feb 2014)
- The largest ships to squeeze through the existing locks need a water depth of just over 12 metres, and can carry around 4,400 containers. The new locks will accommodate ships which can take almost three times that load and need a draft of over 15 metres.

Evolution of container ships

TEU: twenty-foot equivalent units,
length x width x depth below water in metres



Early container ship (1956-)

500 – 800 TEU, 137x17x9m

Fully Cellular (1970-)

1,000 – 2,500 TEU, 215x20x10m

Panamax (1980-)

3,000 – 3,400 TEU, 250x32x12.5m

Panamax Max (1985-)

3,400 – 4,500 TEU, 290x32x12.5m

Post Panamax (1988-)

4,000 – 5,000 TEU, 285x40x13m

Post Panamax Plus (2000-)

6,000 – 8,000 TEU, 300x43x14.5m

New Panamax (2014-)

12,500 TEU, 366x49x15.2m

Triple E (2013-)

18,000 TEU, 400x59x15.5m

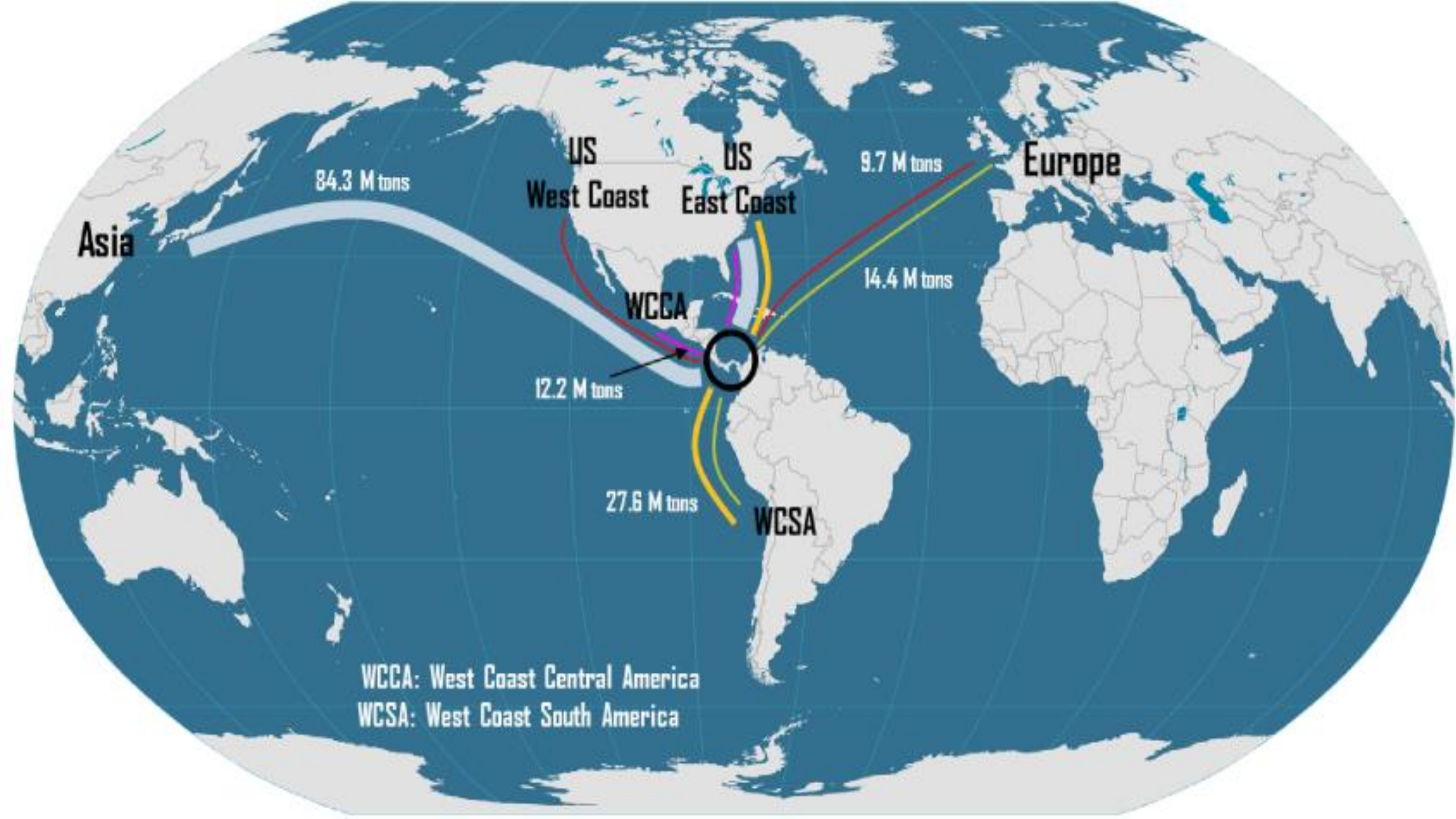
Nicaragua Canal

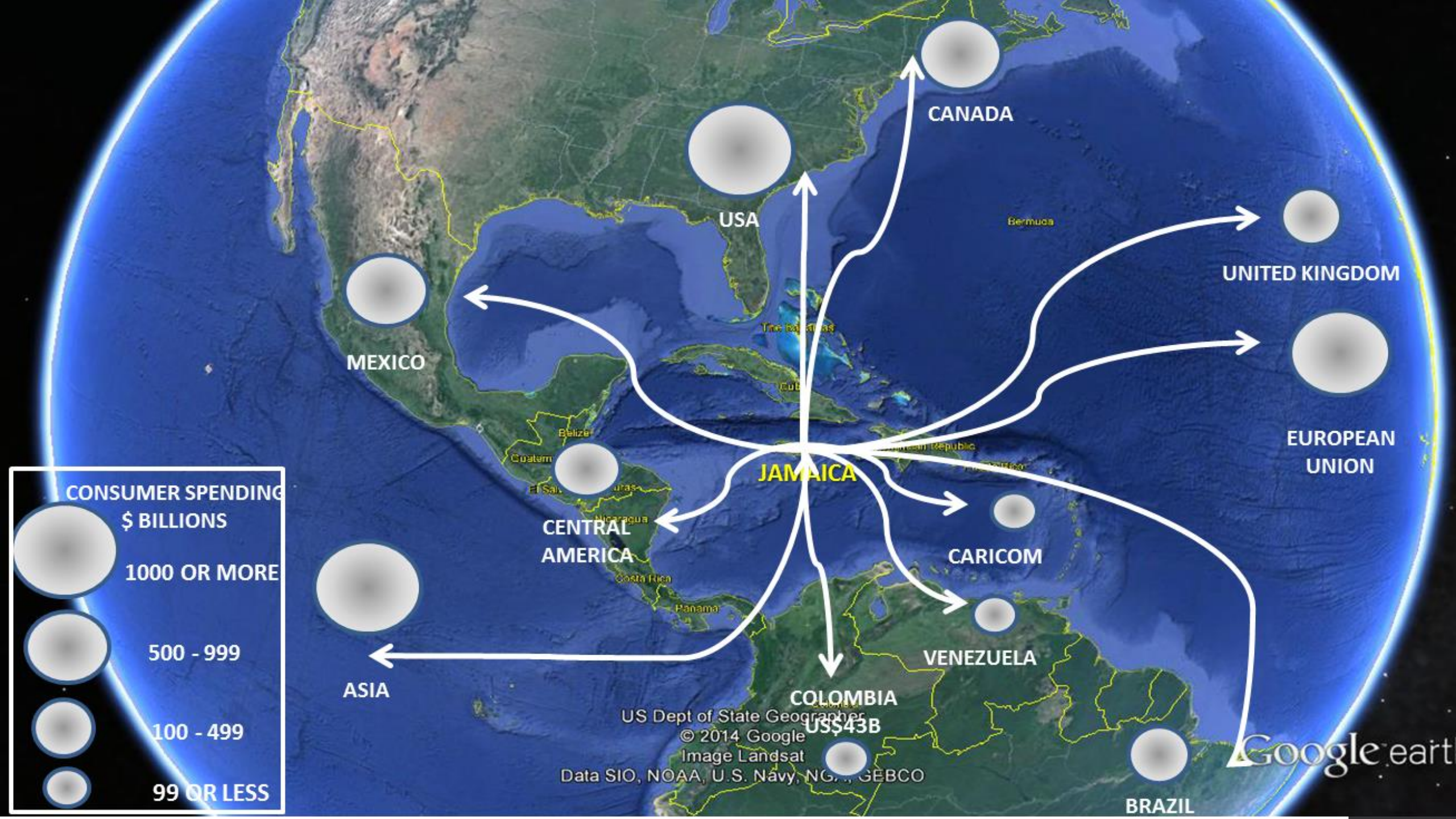


Jamaica's strategic location

- Located in the centre of the Caribbean Sea
- Close proximity to Panama Canal and the major ports of North America, South America and the Caribbean
- Seventh largest natural harbour (approx 10 miles long, 2 miles wide)
- Located at the intersection of two major intermodal trade routes







Jamaica Logistics Hub Initiative



JAMAICA LOGISTICS

Jamaica's Proposed Transformation

- Announced on the 14th May 2013 by the then Minister of Industry, Investment and Commerce of Jamaica, Anthony Hylton
- Growth strategy to position Jamaica as a fourth node in the global logistics hub network to complement Singapore, Dubai and Rotterdam
- Key elements:
 - Expansion of the Port of Kingston to receive post-Panamax ships
 - Construction of a dry dock at Jackson Bay in Clarendon
 - Installation of bunkering facilities at Cow Bay, St. Thomas
 - Construction of a cargo, maintenance, repair and operations facility at Vernamfield
 - Development of an economic zone at Caymanas



SANGSTER INTERNATIONAL AIRPORT

TINSON PEN AERODROME

NORMAN MANLEY INTERNATIONAL AIRPORT

VERNAMFIELD AIR-CARGO FACILITY

AVIATION COLLEGE

MAINTAINANCE, REPAIR & OVERHAUL FACILITY

MONTEGO BAY FREEZONE

BONDED WAREHOUSES

GARMEX FREEZONE

JAMAICA INTERNATIONAL FREEZONE

AIR-CARGO FREEZONE



CAYMANAS ECONOMIC ZONE

KINGSTON FREEZONE

BULK-GRAIN STORAGE

PETROLEUM STORAGE

HIGHWAY LINK

RAIL UPGRADE



PORT OF MONTEGO BAY

KINGSTON CONTAINER TERMINAL

KINGSTON WHARVES

COMMODITY PORT

LNG STORAGE

SHIP REPAIR FACILITIES

DRY DOCK FACILITY

Opportunities offered by the JLH Initiative

- Maritime and air cargo logistics hubs
- Strategic storage, handling and processing points for bulk commodities
- Expansive special economic zones facilitating assembly, warehousing, sorting, distribution and other value-added services
- Aviation-related maintenance, repair and overhaul and ship repair and dry docking
- Robust digital network to support global chain



Specific Projects

- Kingston Harbour Channel Upgrade
 - Dredging exercise to expand the harbour from 14 metres or 46 feet deep to 17 metres or 56 feet deep

- Privatization of Kingston Container Terminal
 - Owned by the Port Authority of Jamaica but managed by the KCT Services Limited
 - To be managed by a Terminal Operator, while the PAJ will receive a concession fee from the said TO
 - TO responsible for capital expenditure for the superstructure and equipment, working capital, spare parts investment and managing the port operations in a profitable manner

- Establishment of Special Economic Zones
 - Jamaica currently has 4 free zones: Kingston Free Zone, Montego Bay Free Zone, Garmex Free Zone and Cazoumar Free Zone
- World Trade Organization directive – elimination of free zones by 31st December, 2015
- Caymanas Economic Zone – development of 10,000 acres of land for commercial, residential, and recreational purposes, etc.

CAYMANAS ECONOMIC ZONE





Selected legal issues



Trafficking

- *“It’s not just Jamaica that’s on alert. The central Caribbean as a whole seems to be coming back in favour with transnational drug cartels, with authorities reporting sharp increases in cocaine seizures and scrambling resources to contain apparent surge.”* (Gordts, 2013)
- Long standing issue for Caribbean states
- Generally transported on boats and other vessels by sea
- Addressed by a number of international and local legislation

Trafficking cont'd

- United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
- Dangerous Drugs Act of Jamaica
- Maritime Drug Trafficking (Suppression) Act
- Shiprider Agreement



UNITED STATES

ATLANTIC OCEAN

500 km

Gulf of Mexico

THE BAHAMAS

Freeport

CUBA

DOMINICAN REPUBLIC

Puerto Rico (to US)

ANTIGUA & BARBUDA

Guadeloupe (to France)

JAMAICA

HAITI

Caucedo

DOMINICA

Martinique (to France)

MEXICO

BELIZE

Kingston

ST KITTS & NEVIS

ST LUCIA

GUATEMALA

HONDURAS

ST VINCENT & THE GRENADINES

BARBADOS

EL SALVADOR

NICARAGUA

Aruba

Curaçao

GRENADA

COSTA RICA

PANAMA

Caribbean Sea

VENEZUELA

Port of Spain

TRINIDAD & TOBAGO

FRENCH GUIANA (to FRANCE)

COLOMBIA

GUYANA

SURINAME

BRAZIL

MOCA arrests 4 in MoBay during major drug find

Thursday, September 10, 2015 | 12:42 PM [7 Comments](#)

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Drug Bust At Sea - Almost \$1b Worth Of Cocaine Seized By JDF/JCF Team

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Published: Sunday | April 17, 2016 | 12:17 AM | Arthur Hall



Jermaine Barnaby
Members of the Police Narcotics Division spent most of yesterday processing the 36 bales of seized cocaine at their headquarters in the Corporate Area.

Oil Pollution from Ships

- *“Pollution from mega cruise liners continue to be a major challenge for many local cruise tourism destinations.”* (Schmidt, 2000)
- Major transshipment country
- Cruise tourism destination
- Sea – major source of monetary gain – local boat trips and visits to cays, fishing, etc.

Existing laws

- Local legislation exist to address various types of pollution – largely addressed under the Shipping Act of Jamaica
- No legislation addressing oil pollution from ships –
- Draft Bill introduced in 1997 – not yet passed

How will this be addressed?



Carriage of Goods

- Central to operations of logistics hub
- Changing atmosphere – changing laws
- International Convention for the Unification of Certain Rules Relating to Bills of Lading 1924 (“Hague Rules”)

- Hague-Visby Rules – not a party
- Hamburg Rules – not a party
- Rotterdam Rules - not a party



Carriage of Goods cont'd

- Local Laws
 - Carriage of Goods Act
 - Bill of Lading Act
 - Cargo Preference Act
- Does not address modern practices such as the use of the electronic bills of lading, multiple modes of transport, as well as the attribution of liability in the global supply chain.

Maritime Labour

- Maritime training institution in the Caribbean – Caribbean Maritime Institute
- Maritime Labour Convention – Seafarers' Bill of Rights
- Jamaica not yet party



Access to Speedy Justice

- Five tiered court system
- Over-subscribed- led to great delays
- Over 400,000 cases in backlog – 2013
- 2016 - new initiatives introduced to address the backlog
- Alternative dispute resolution
- No established maritime arbitration
- Law-making process



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