

ROLE AND FUNCTIONS OF SHIP AGENT- A THEORETICAL ANALYSIS

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Abstract

A shipping agency or shipping agent is the designation for a person or agency responsible for handling shipments and cargo at ports and harbors worldwide on behalf of shipping companies. In some parts of the world, these agents are referred to as port agents or cargo brokers. There are several categories of shipping agents such as: port agents, liner agents and own agencies, each rendering specific services depending on the shipping company they represent.

Shipping agents will quickly and efficiently take care of all the regular routine tasks of a shipping company. They ensure that essential supplies, crew transfers, customs documentation and waste declarations are all arranged with the port authorities without delay. Quite often, they also provide the shipping company with updates and reports on activities at the destination port so that shipping companies have up-to-the minute information available to them at all times while goods are in transit. Succinctly, the term shipping agent refers to the relationship between the principal (in this case the shipping company conveying the goods) and its representative, whereby the principal, expressly or impliedly, authorizes the agent to work under his control and on his behalf.

Introduction

A port agent attends to the owner's and ship's business of husbandry, port services, such as repairs, bunkering, and assists the master with the organization of cargo handling. There are companies specializing in world-wide services, providing coordination between ports, standardized fees and financial reporting. In order to operate effectively, the port agent is required to be fully conversant with the safety, commercial and statutory requirements and regulations applicable to the port and ensure the vessel complies fully, in to ensure that no delays are caused as a result of failure to meet its Obligations. The port agent will also require wide ranging and effective contacts within the regulators, port operators




and service providers in order to ensure that the actions taken, and information provided, are correct and appropriate.

Because of the great diversity of his duties, the shipping agent, within the framework of his responsibilities/competencies, often performs the tasks of other intermediaries such as chartering brokers (or cargo brokers), booking agents, etc. From the foregoing it can be readily seen that there are several categories of shipping agents such as: "port agents", "liner agents" and "own agencies". It is the ship agent who is entrusted with taking care of every need and requirement of the crew like getting local currency, getting the mail, any repairmen in case the ship requires major repairing, refilling the food and water containers and many other such duties.

Also along with the above mentioned duties it is also a shipping agent's responsibility that dues are paid and discharged especially when it comes to customs. The payment of the dues can also extend to those working on the ship on a contract basis and whose contract might have come to end after reaching that particular port. Keeping all these details in mind, a shipping agent cannot allow any scope of neglecting his duty. Ship owners can allow themselves to be free of all the details that are required to be processed each and every time a ship makes a port because of the presence of shipping agents. In the absence of shipping agents, a ship owner will have to be the one to rush from one port to another, across numerous countries trying to solve every problem and fit-in every new up-gradation to the ship.

Thus the career of a shipping agent is quite trendy as it allows him to interact with shipping companies and owners from not just his native country but from all over the world. Since a ship agent is a local person, it enables him to achieve the trust of a ship owner along with the trust of the crew of the ship. This in turn adds to him getting exposure because by this interaction, he will be able to understand and learn what the actual needs of the crew are. This understanding of his clients' necessities and supplying of the same, thus enables a ship agent to gain goodwill and secure more clientele for himself.

Objectives

-  To study the roles of Port Agent
-  To examine the services offered by port agent
-  To analyze the relationship between owner and agent

- ✚ To study the remuneration and payment procedure to an agent
- ✚ To identify the tasks performed by an agent

Review of literature

N. VasukiRao(sep 2010), Cargo volume at the privately run Chennai terminal is expected to get a boost from an additional 940 feet of berth it has received from the public port agency. The additional water frontage will give the private terminal a total of 2,670 feet of berth. Investment during the first five years of the project is estimated at \$100 million. Private terminals are welcome and have speeded up cargo handling," said RamuDeora, president of the All India Shippers Council. "But the cost of moving a container in India is still very high, and the government should also look at this." Deora suggested that the government allow private operators to build large bonded warehouses near their terminals. He also said many ports are still hampered by poor equipment and lack the ability to process customs documents electronically. Raj said Chennai's performance under private management would have been better if the equipment the terminal inherited from the state-owned port hadn't been so poorly maintained.

SachinS. Kamble, Vivek B. Khanapuri and Arun D. Raoot.(oct 2009), In the age of globalization, seaports play a vital role in connecting national supply chains to the global marketplace. Improving port operations has become a priority for many countries. One of the ways to achieve this objective is evaluating the present efficiency as per the parameters laid down for port industry. This paper measures the efficiency of the major Indian seaports using data envelopment analysis on selected input and output variables.

The input variables included - storage facilities, number of berths and number of cargo handling equipments. The two output variables included were average total turnaround time and average output per ship berth day. Six out of 12 ports were identified as efficient ports. Further, an attempt is made to identify various areas for improving the port efficiency based on interviews with port managers from a selected port in India, where the researchers had an opportunity to carry a research project. The interviews were based on a series of qualitative discussions pertaining to the efficiency of ports with the port managers. The study can thus form the baseline on which further adaptation can be made to suit their specific needs.

C. K. Gomathi (jan 2011), This study highlights the performance of Chennai port environment with reference to the port agents. Chennai port comes under the category of development process on the east coast of India as it is considered important port. India has around 7720km of natural peninsular coastline which is strategically located on crucial east-east trade route which linked Europe, Far East and sea ports of India. A view to improving the performance and productivity levels of the container port terminal and brings it on par with the standards of the leading container ports of the neighboring countries through modernization and up gradation to bring mainline vessels. A comparative study of performance of ports during the pre-reform and post reform period of trade has been conducted. According to a study in Chennai port performance of ship development Chennai ranked 2nd best cargo handling next to JNPT, and its operational efficiency high it's performance indicators during the period 1988-89 to 2008-09. The secondary source of data was gathered on performance of Cargo Ship at Chennai Port from 1986-87 to 2008-2009. The analysis reveals that total traffic handled is high when compared to other ports of Tamil Nadu.

N.Anand(Apr. 6, 2013), To offset the revenue loss incurred following the ban on handling dusty cargoes such as coal and iron ore, the Chennai Port Trust has identified five projects with an investment of Rs.935 core. Besides, it will appoint a consultant to see how these berths could be put to efficient use, said its Chairman AtulyaMisra on Friday. After the Madras High Court banned the dusty cargoes in October 2011, the Port lost 15 million tons (MT) of iron ore and coal to neighboring ports worth Rs.50 core. Last year, Chennai port trust handled 3.19 million tons of coal and 1 lakh tones of iron ore.

Today, we can call ourselves a green port, as we are handling 80 per cent of clean cargo. The rest are cars, bulk cargo, break bulk cargo and granite. The coal berth is in good condition and it will be used for some other scheme. Till recently, Jawahar Dock was handling coal and Bharathi Dock, iron ore. Out of the 450 people engaged in iron ore handling section, 280 were deployed to other departments, 80 availed themselves of the Special Voluntary Retirement Scheme and the rest are used for maintaining the facilities.

N.Anand(Feb. 13, 2013),On Sunday, Ennore Port crossed 15 million tones of cargo throughput and thereby crossed the previous record of 14.96 million tones. The port is expected to achieve the MoU target of 16 million tones of cargo for the fiscal 2012-13, said an official release issued on Tuesday.

N.Anand(Jan. 14, 2013),The Chennai Port Trust (ChPT) plans to offer priority berthing facilities for export-oriented vessels in Jawahar Dock to prospective port users for 11 months to facilitate growth of break bulk cargo and dry bulk cargo called the Berth Reservation Scheme (BRS), it provides priority berthing to a vessel on arrival on payment of berth reservation charges. There are six berths in Jawahar Dock, of which three are under active use by the port and one has been privatized. The remaining two are used sparingly.

One of the berths being used by the port is to be given under the BRS. The berth, identified for lease, measures 218.33 meters in length with a draft of 12 meters. It can handle all types of cargo except coal, coke, limestone and iron ore. The prospective bidder will also have access to a transit shed spread over 4,107 square meters. Since April, Chennai port trust handled 6,855 tones of dry bulk cargo through 129 vessels and 2,185 tones of break bulk cargo through 377 vessels.

Christian Caryl(Feb 2009),The Indian port of Chennai (formerly Madras) stood in the path of the wave, and disaster beckoned. The city is both the nation's second largest container terminal and an auto making capital known as India's Detroit. Its destruction would be a huge blow to one of Asia's most vibrant economies. Yet, protected by breakwaters and quirks of natural geography, Chennai got off lightly. A few ships were damaged, and the harbor filled with sand, yet within 24 hours cargo was moving again. Port spokesman VajiravelLoganathan says it will take "one or two months at the most" to restore full operations.

This was the part of the tragedy that didn't happen. Despite the horrible death toll, the economic impact looks to be miraculously low. Giant waves inundated more than 33,000 kilometers of coastline on three continents, according to an estimate by ESRI, a satellite mapping company, yet there are no reports of catastrophic damage to any major port or industrial facility. Economist and natural-disaster expert Paul Freeman notes that, in most places, the waters reached only 100 to 200 meters onto the shore. Though densely populated, the battered coast is home mainly to fishing villages, small hotels and local roads.

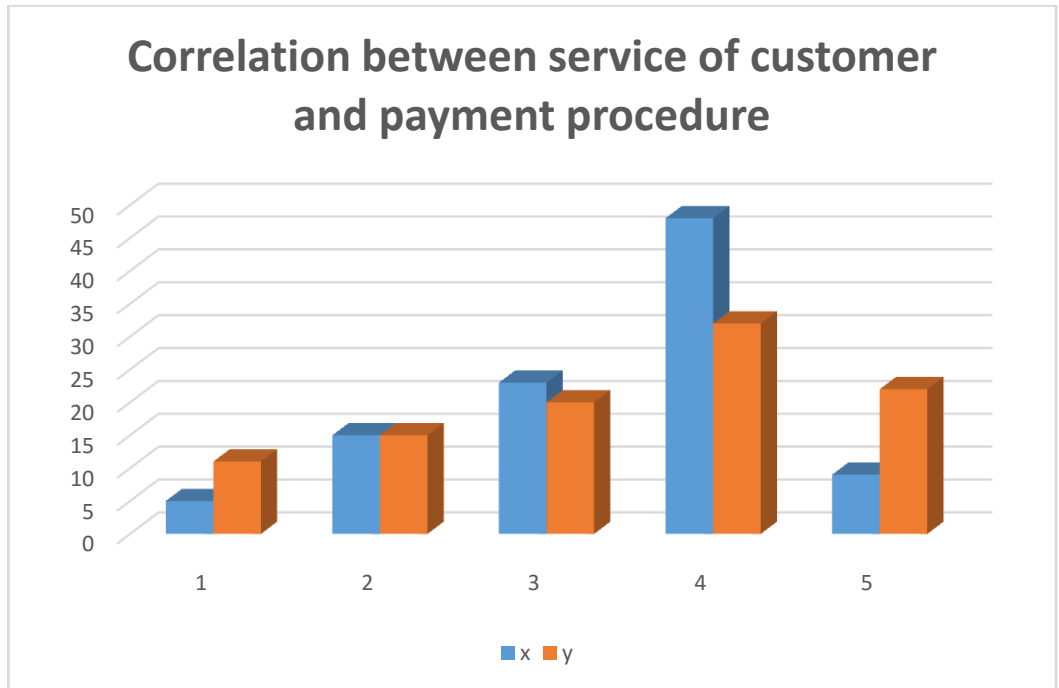
N.Anand(Oct. 13, 2010):CHENNAI: The new terminal will change the face of the port. The earlier proposal of 'dirty' cargo (coal and minerals) being shifted to the Ennore port will be taken up again.

With the proposal to begin construction of the elevated highway in process now - connecting the port, touching all National Highways and terminating on the outskirts of the city - cargo vehicles will have unhindered access to the port round-the-clock. Both the elevated highway and the new container port would be completed around the same time. The project would be developed under the Public Private Partnership mode and implemented on the Design, Build, Finance, Operate and Transfer basis.

DATA ANALYSIS

Correlation between service of customer and payment procedure

X (Service of customer)	Y (Payment Procedure)
5	11
15	15
23	20
48	32
9	22



X	Y	XY	X ²	Y ²
5	11	55	25	121
15	15	225	225	225
23	20	460	529	400
48	32	1536	2304	1024
9	22	198	81	484
ΣX = 100	ΣY = 100	ΣXY = 2474	ΣX² = 3164	ΣY² = 2254

$$r = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}$$

$$= \frac{(5 * 2474) - (100 * 100)}{\sqrt{(5 * 3164) - 100^2} \sqrt{(5 * 2254) - 100^2}}$$

$$= \frac{(12370 - 10000)}{(\sqrt{5830} \sqrt{1270})}$$

$$= \frac{2370}{(76.35)(35.63)}$$

$$r = 0.871$$

Findings and suggestions

- The agents play the vital role between the port and the shippers.
- The agents help the shippers to do the documentation, transport and other services.
- The latest development is Door To Door service.
- The agents handle the overall logistics process flow and the supply chain.
- These agents also provide logistical solutions to the cost, transport etc.
- The agents help the shipper to keep track of the moments and arrange for additional facility.
- There are various types of agents who perform different type of role in the port.

Conclusion

From the above information, it can be concluded that the agents who play different role in the port have a major share of contribution towards the port. They help in clearing the goods, transporting it to ICD/CFS, warehousing etc. They also help in the smooth running of the port agency. These agents also bring business to the port and create a win – win situation to both the players. They work with coordination with other departments of the port in the smooth running of the documentation, customs etc. They also have a link up with the port for better growth and development and to sustain the market competition.

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