

The impact of port and trade security initiatives on maritime supply-chain management

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The fundamental objective of the Container Security Initiative (CSI) is to engage both so-called 'mega-ports' (ports sending the highest volume of ocean going container traffic into the US) and the national governments where these ports are located in a way that will facilitate the pre-screening of outbound containers destined to the US. The emerging issue of security as a key factor in global supply chains can be perceived as inconsistent with the objective of facilitating international trade (Dulbecco and Laporte, 2003). However, this perception does not stand up to analysis. Security is an evident part of the mainstream supply-chain paradigm while security can also become a driver for trade facilitation. The purpose of this paper is therefore to discuss the impact of the US CSI on maritime supply chains. The first section will mostly be related to the issue of security and supply chains while the second section will investigate CSI and its impact while exploring some of the financing implications of the security initiative.

1. Introduction

The key role of an integrated logistics system is to assist in the production, consumption and distribution, or the 'supply chain', of goods and services. This means that goods must be produced and delivered to the market (or customer) in the right quantity, required quality—without defect—and at a competitive price. Integrated and seamless logistics can play an important role in facilitating global supply-chain processes.

It is therefore important that the movement of goods can be made by combining several modes of transport from one point or port of origin via one or more interface points to a final point or port where one carrier or many carriers jointly organize the whole transport process. Integrated transport is an efficient transport system that provides the physical operation to be carried out within the environment of simple streamlined documentation, efficient management with effective control, a single liability system and provides a service which is totally reliable, predictable, and fully meeting the needs of the customer.

However, the efficient operation of transport modes and nodal points are dependent on reduced barriers, institutions and simplified legal regime in order to effectively implement integrated logistics operations. It is viewed that trade is not possible without transport; therefore support for integrated transport will facilitate national and international trade by ensuring an uninterrupted and smooth flow of cargo and giving better control over the supply chain.

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