

Journal of Commerce

Deadline looming for IMO's 'single window' datasharing platform



The shipping industry loses billions of dollars annually due to port call inefficiencies, according to Noura Al Dhaheri, CEO of Maqta Gateway in the UAE. Photo credit: John Wreford / Shutterstock.com.

Peter Shaw-Smith, Middle East contributor | Nov 14, 2023, 9:50 AM EST

Whether the shipping industry can meet the Jan. 1 deadline to implement the International Maritime Organization's (IMO's) so-called Maritime Single Window (MSW) will be a major test for the effort to harmonize the documentation shared via container lines, ports and government authorities that underpins international shipping.

Shipping companies engaged in international trade must regularly submit large volumes of information and documents to ports and governmental authorities to comply with regulatory requirements. Information often must be submitted through several different agencies, each with its own specific system and paper forms, according to Lt. Commander Wayne Mykoo, deputy director of maritime affairs and

external relations for the Antigua & Barbuda Department of Marine Services and Merchant Shipping.

Those requirements, together with associated compliance costs, were a burden to both governments and the business community and could be a major barrier to the development of international trade, particularly in developing countries. There are 128 IMO members states onboard with MSW and introducing electronic exchanges between ships and their respective ports. Some 49 IMO states, however, didn't agree to the MSW requirements added to Convention on Facilitation of International Maritime Traffic.

The IMO voted in May 2022 to implement the MSW from the start of 2024 in a bid to accelerate digitalization in shipping.

"It should be noted that, while the IMO doesn't have any established means for enforcing these provisions, states that fail to establish an MSW system will see their port facilitates become uncompetitive, and shipowners can easily use the increased administrative burden of manual clearance to increase their shipping rates that will drive up the cost to traders," Mykoo said.

Port inefficiencies costly

The industry loses billions of dollars annually due to port call inefficiencies, said Noura Al Dhaheri, head of Digital Cluster at AD Ports Group and CEO of Maqta Gateway in the UAE.

"Historically, ports were against sharing information, because information is their competitive advantage, in some sense," she said. "However, from port to port and country to country, it's becoming clear that we need to reduce the amount of waiting that red tape — and the failure to share data — is causing."

Sophisticated optimization of port calls had eluded maritime trade for decades, said Haris Zografakis, a partner at London-based law firm Stephenson Harwood. Obstacles range from those that are port-specific, but also those that are structural.

"Central to both is the lack of standardized, interoperable and secure protocols of communications for the <u>multitude</u> of actors on whom efficient port operations depend," he said.

Zografakis believes it is important to bear in mind that perceived inefficiencies can be desirable, as they represent profit opportunities for some stakeholders. Container lines want to reduce the time it takes to call marine terminals, while terminals want to

make more efficient use of their facilities. Both want to reduce their carbon emission exposure, Zografakis said.

"The introduction of MSW is a big step in that direction, but it's only one step," he said.

Contact Peter Shaw-Smith at petershawsmith@gmail.com.

© 2023 S&P Global. All rights reserved. Reproduction in whole or in part without permission is prohibited.

You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use. For more information on reprints/eprints, please visit https://subscribe.joc.com/mediasolutions/.