

# Callidus News

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## THE FUTURE OF PORTS: NAVIGATING THE LEGAL CHALLENGES

**P**orts serve as key nodes in global trade networks, facilitating the movement of goods across the borders. However, as the world rapidly evolves, the ports too must adapt to meet the challenges and opportunities of the future.

In this article, we will explore the future of shipping ports and delve into the legal implications that accompany the transformative changes in ports.

The future of ports lies in the advancement of technology. The advancements in automation, artificial intelligence and block chain are reshaping the outlook of port operations. Smart ports equipped with new technology can optimize efficiency, enhance security, and reduce environmental impacts. However, these advancements also raise legal questions that must be addressed.

### Port Automation:

Automation has become more prevalent in port operations and legal frameworks must adapt to ensure the protection of worker's rights. The rise of autonomous machinery and robotics may lead to workforce displacement, necessitating the development of comprehensive international labor laws and conventions that address the rights and retraining of affected employees. Additionally, liability concerns arise



THOUGHT  
for the MONTH

If you tell the truth, you  
don't have to remember  
anything

MARK TWAIN





when accidents involve autonomous equipment, requiring clear guidelines to determine the responsibility.

**Blockchain:** Data visibility and communications through block chain technology will create trust in supply chain stakeholders to have confidence in container movement decisions made by the advanced block chain-enabled ports. Block chain technology provides the advantages of maintaining the security of shared data, which will help overcome the barriers that include inaccurate and unreliable data and lack of transparency, trust, and visibility of port activity. Several international ports have committed to delivering a pilot block chain-based platform, including the Port of Antwerp, Port of Rotterdam, Port of Valencia, Associated British Ports (ABP), Port of Abu Dhabi etc.

**Cybersecurity Challenges:** With the increasing reliance on digital infrastructure, ports are vulnerable to cyber threats. Protecting critical data and ensuring the integrity of port operations

becomes paramount. Legal frameworks must address cybersecurity concerns, establishing robust regulations and protocols to safeguard against potential breaches. Collaboration between port authorities, shipping companies, and cybersecurity experts is crucial to mitigate risks effectively.

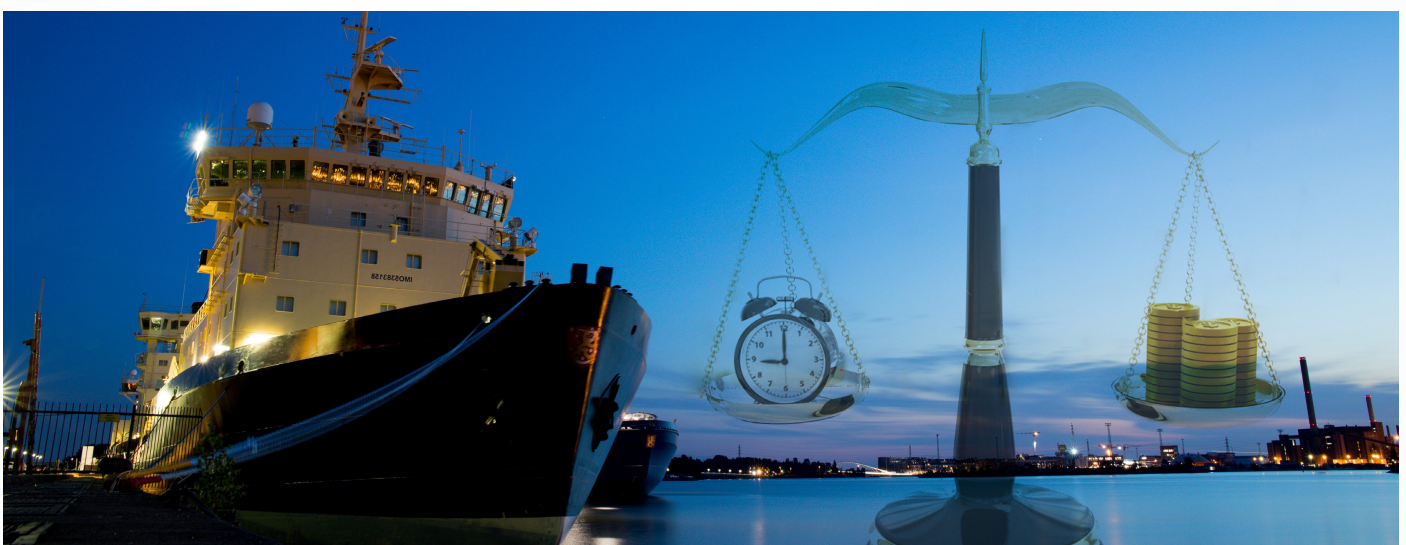
**Ports and Environmental Sustainability:** The future of ports are intrinsically linked to environmental sustainability. With the impacts of global climate change, ports must adopt eco-friendly practices to reduce emissions and minimize the environmental impacts. Legal frameworks should incentivize the use of renewable energy sources, promote sustainable shipping practices, and enforce stringent environmental regulations. Collaboration between port authorities, shipping companies and environmental organizations is vital to achieve these goals.

Legal Challenges in International trade arise in the context of international trade agreements, customs regulations,

and tariffs. The ports must navigate complex legal frameworks to ensure smooth operations and compliance with international trade laws.

The future of ports holds immense promise but also poses legal challenges that must be addressed proactively. The technological advancements, safeguarding cybersecurity, prioritizing environmental sustainability, and navigating the complexities of international trade require robust legal frameworks. Technological advancement will also improve the supply chain operations in the seaports. Collaboration between port authorities, governments, industry stakeholders, and legal experts is crucial to ensure the transition into a future where shipping ports remain an important part of global trade. As the world evolves, shipping ports must adapt, innovate, and navigate the legal implications that accompany these transformative changes, by doing so, they can continue to serve a vital role in commerce, connecting nations and propelling global economic growth ■

## CONTRACT OF CARRIAGE IN UAE MARITIME CODE AND THE INTERNATIONAL REGIME



**A**s we gear ourselves to the new UAE Federal Decree law No. (43) of 2023 which is set to replace the current UAE Federal Decree Law No. (26) of 1981 (UAE Maritime

Code), it becomes necessary to compare the latest code with the current law. While we await the official English translation of the new code to analyse it in detail in our next edition, it seems pertinent

to discuss how the existing code compares with the international maritime law regime. In this article, our aim is to give an overview of the provisions specifically relating to the contract of



carriage in the current UAE Maritime Code and briefly compare them with the related international conventions.

## Contracts of carriage in the UAE:

The UAE has not ratified the Hague Rules, Hague-Visby Rules, and Hamburg Rules, but Articles 256 to 302 of the UAE Maritime Code, which deals with contracts of carriage by sea are loosely modelled on the Hague-Visby Rules and achieve a similar result.

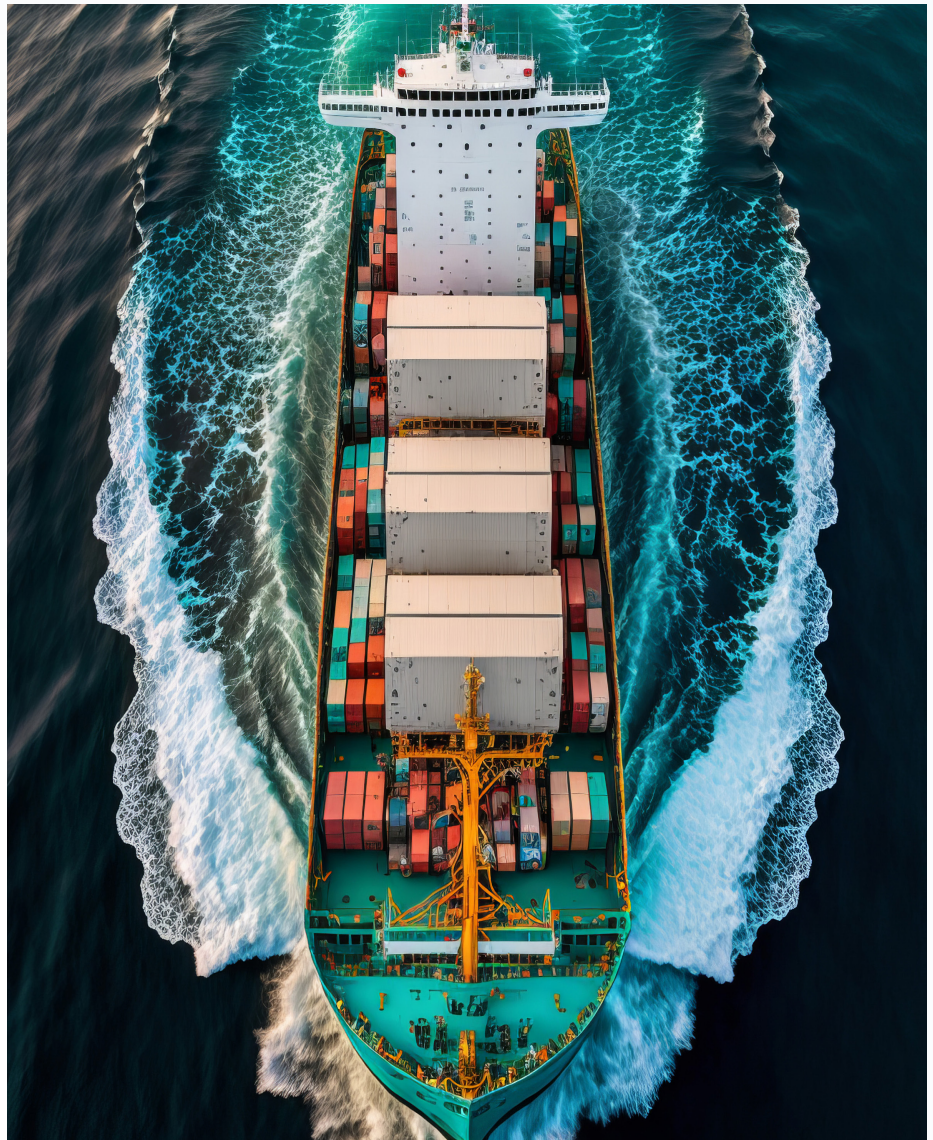
However, there are certain instances where the UAE Maritime code differs from or confirms with the Hague-Visby rules either by the provisions or by the way it is practiced in the UAE courts.

To begin with, Article III of the Hague-Visby Rules deals with the liability of the carrier with respect to the seaworthiness of the vessel and the carrier's extent of liability with regard to the issuance of the Bill of Lading and the contents thereof. In this regard, the articles in UAE Maritime Code from Articles 258 to 272 almost completely correspond with the provisions of Article III of Hague-Visby rules.

When it comes to differences, one major contrast that can be noted is that, unlike Article III (5) of the Hague-Visby Rules, under the UAE Maritime Code, the shipper does not guarantee the accuracy of the contents of the bill of lading, but merely states that the shipper is responsible to the carrier for any inaccuracies in the information provided. Arguably this shifts the burden of proof from the shipper to the carrier.

With regard to the identification of the carrier, the UAE Maritime Code offers limited guidance except for stating that the carrier is the party who uses the vessel on his or her own capacity as owner or charterer. It can be noted that the UAE Courts have shown inclination in recognizing a party as a carrier if they have been identified as such on the bill of lading, even if it was signed by an agent on their behalf.

Also, Article 263(2) of the UAE Maritime Code provides for the charter party term's incorporation in the bill of lading by way of express reference. However, in practice, the UAE courts usually finds the holder of the bill of



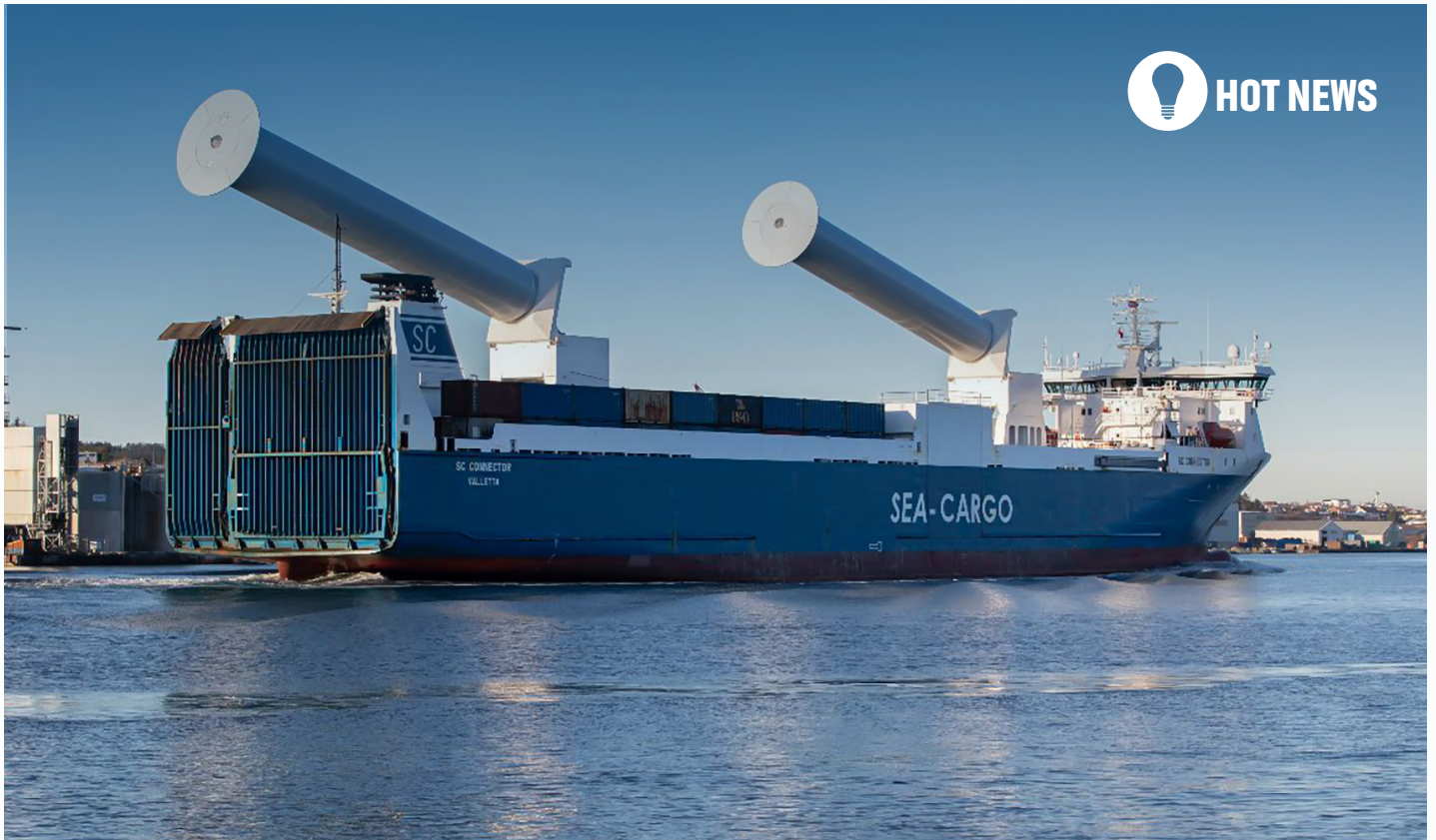
lading bound by the charter party terms only if they had insufficient knowledge terms and hence a party seeking to incorporate a law and jurisdiction clause into the bill of lading by express reference thereto may therefore fail. Similarly, the UAE courts frequently disregard terms on the reverse of the bill of lading for the same reason, that the holder of the bill of lading had insufficient knowledge of the terms.

Further, the UAE has ratified the Convention on Limitation of Liability for Maritime Claims (LLMC Convention), 1976 without reservations. Therefore, in theory, liability for maritime claims can be limited in the UAE. However, in practice, this may not always be straightforward. For example, there does not appear to be any UAE judgment upholding limits of liability under the LLMC Convention. This may be because of the fact that

local courts are reluctant to uphold the terms of the Convention. For instance, the Dubai Court of Cassation overruled a Court of Appeal judgment that ignored the limits under the LLMC Convention. This seems indicative of a willingness at the highest levels of the judiciary to implement the LLMC Convention. Hence, although the right to limit under the Convention is likely to be upheld, there remains some uncertainty in this respect.

Thereby, even though we can see that the existing Maritime Regime is based on the Hague-Visby rules with respect to the provisions of the contract of carriage and on the LLMC Convention, there still remain certain ambiguities in the way the UAE Courts have interpreted it. It is hoped that the new code shall address these ambiguities and make the law in line with the modern requirements of this very dynamic industry ■





# WIND POWER AND WEATHER ROUTING COULD CUT SHIPS' EMISSIONS BY A THIRD

In the vast expanse of the world's oceans, a transformation is underway. The international shipping sector, made up of thousands of massive cargo ships laden with many of the goods we buy, emits carbon dioxide roughly equivalent to the entire country of Germany. Our research emphasises the need for immediate action. Reducing shipping emissions by 34% by 2030 is necessary to stay on course with the Paris Agreement's 1.5°C goal. But with low-carbon fuel pipelines unlikely to be available at the necessary scale until at least the 2030s, how can the industry meet its short-term target? Enter a new solution with ancient origins: sails. Not

the billowing canvases of centuries past but high-tech systems capable of harnessing renewable wind energy to supplement the propulsion from a ship's engine. A number of advanced sail designs are gaining the attention of shipping firms. Two contenders include Flettner rotors, cylinders that spin to generate propulsion, and "wingsails", which resemble aeroplane wings and are derived from designs used in yacht racing. Wind propulsion allows ships to use less fuel and so emit less greenhouse gas. However, in our new paper, we found that the real opportunity to slash emissions from shipping this decade lies in combining sails with optimal routes plotted by satellite navigation systems

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