

Literature Review on Sea Logistics in the UAE



Introduction

Sea logistics as a branch of general logistics is responsible for the analysis and forecasting of the results the marine transportation industry is expected to bring. Sea logistics is vital for the UAE due to its geographical location. Bordering with two gulfs, the Persian Gulf and the Gulf of Oman, water transport plays an important role in the economy of the country. Studying the UAE's sea industry's particularities is called to help analyze the benefits and expenses it results in and find out the further essential ways of development.

Literature review on sea logistics plays a vital role for both the present and further research of the area since it has not been studied in a full depth size yet, and it needs more profound insight into the problems to find out more benefits it can bring to the economy of the UAE.

It is necessary to define the notion of literature review. General definition states that literature review is a sum of the knowledge on a specific topic represented in the form of a summary of a source providing the analysis, evaluation and implementation of the facts. In terms of sea logistics of

the UAE, literature review on its (possible) contribution to the Emirati economy is called to perform several functions. It summarizes the already found facts and proved ideas and presents a firm basis for the further investigations intended at contributing to uncovering more benefits. Finally, the literature review helps understand the tendencies of the development of sea logistics and shows the possible ways to implement them to achieve the highest results.

Consequently, this paper is aimed at finding out and analyzing how sea logistics can contribute to the UAE's economy and enhance it. This purpose is going to be achieved by the means of analyzing the literature dedicated to the problem. The sources that are going to be used for the investigation are characterized as the most recent and newest (covering the period from 2007 till nowadays). The authors of the publications are mostly specialists in the area in question.

Literature Review

To begin with, different authors define sea logistics and its aims in a different manner. Mangan et al. (2007) have a conviction that the essential task of sea logistics consists in the analysis of the marine transport systems and their contribution to the overall transport development. As a consequence, the authors believe that studying this fact will show how the economy of the UAE is affected. Meanwhile, Jacobs et al. (2007) states that sea logistics, as well as general logistics, have to help plan the further expenses and benefits the UAE is expected



to achieve. Thus, in the authors' point of view, the fact that, in the conditions of the geographical position of the UAE, the sea transport system is one of the most vital ones, which is called to serve as a powerful tool to enrich the budget of the country.

An important role in the research dedicated to sea logistics and marine transportations is given to the problem of how sustainable it is and what benefits it brings to the economy of the UAE. In order to investigate these aspects, the authors researched, first and foremost, the ways marine transportation functions; secondly, they came up with the balance of the expenses and benefits it needs; thirdly, they investigate its overall contribution to the economy of the UAE; fourthly,, they regard the ways the benefits can be, on the one hand, received; and, on the other hand, implied into the economy of the UAE. This point is vital to be considered by the regions of the UAE that are the closest to the Gulf since they have direct access to the ports, harbors, and sea transport.

Thus, Fernandes & Rodrigues (2011) emphasize the necessity of creating the multi-model approach to sea logistics, "the need for... multi-modal hubs is driven by the need to optimize the cost efficiencies of sea freight with that of quicker but expensive air freight" (Fernandes & Rodrigues, 2011, p. 78). In other words, the authors are convinced that it is necessary to regard sea logistics not as a direct line but as a three-dimension model, which is supposed to perform and summarize several tasks at the same time. This model is called to bring a versatile vision of both the external and internal processes of the area. Making a more profound analysis of



the research by Fernandes & Rodrigues (2011), it is possible to come up with a conclusion that this approach is one of the most successful and fruitful since it permits, on the one hand, evaluating the real state of affairs while, on the other hand, it helps to take over the field and control the development of the sea logistics area.

The ideas singled out by Fernandes & Rodrigues (2011) have found their reflection in the research conducted by Sundarakani, Tan, & Over (2012). The research in question states that the multi-model approach to sea logistics is called to perform an outstanding role for enriching the UAE's economy. The authors, however, have a conviction that implementing the multi-model hub is not a complete form of functioning: it is necessary to apply IT technologies, which are currently developing with a magnificent speed. These IT technologies, in the authors' point of view, can simplify the mechanism's functioning and bring new perspectives in its development. Since computers can assist in many questions and challenges, they may serve as a powerful tool in obtaining the necessary data for the sea logistics research and their contribution to the UAE's economy. This approach is certainly valuable for the marine industry and can increase the benefits and enhance UAE's economy in many aspects. The drawback of the former approaches expressed by the author contributes to the further directions of sea logistics.

Oppositely to the mentioned above points of view, Ashai, El Dahshan, Kubba, Talati, & Youssefi, (2007) believe that in order to improve the outcomes of sea logistics, it is vitally necessary to implement various



strategies. One of the directions consists in the education of the employees working in the marine transportation branch as well as in the logistics area. The authors have a conviction that “specialized research and training services have been recognized as the UAE ranking in this category strongly improved” (Ashai, El Dahshan, Kubba, Talati, & Youssefi 2007, p. 8).

In other words, the UAE has shown that the educational aims are always followed with the aim of providing the area with the necessary number of employees and researchers. The task for the contemporary government of the UAE, as well as for the field of sea logistics, consists in providing new staff. It means that the most recent findings in the field have to be analyzed more profoundly, and the specialists should be expected to identify the directions for further development. This approach is indeed necessary for evolving the industry. This, in its turn, will contribute to the country’s economic development. As a consequence, the education of the specialists in sea logistics is an essential approach to be implemented to increase and improve the quality of the sea logistics functioning and its outcomes.

The idea of education is totally supported by Raguraman & Chan (2014), who state that the roots of good quality of work are generally based on the quality of specialists’ education. In addition to this, Raguraman & Chan (2014) believe that sea logistics is vital for UAE’s economy since the geographical position of the country permits developing numerous ports and the transportation. In the authors’ point of view, sea transportation as



a key element of sea logistics has a dual meaning. On the one hand, it is an international point of collaboration and helps establish the international linkage between the countries. On the other hand, sea transportation follows an internal, i.e. national aim, consisting in transporting nationally important cargos. As it is well known, Saudi Arabia is a country which is magnificently rich in oil. The domestic means of oil transportation are called to save up money on the national scale. As a consequence, the economy of the country experiences the shortage of expenses, i.e. a positive result of the marine transportation industry, its income.

The idea of developing sea infrastructure, in Bookbinder's point of view (2013), is called to enrich the country's main business – oil industry and prevent it from the unnecessary extra expenses. Similarly to Raguraman & Chan (2014), Bookbinder's (2013) investigation is centered on finding out the ways sea logistics can enhance and enrich the economy of the country. Comparing different countries' approaches to logistics and the ways the goods and cargos are transported, the author concludes that UAE's sea logistics is one of the most outstanding in the world in spite of the fact its approaches are not researched in a full-size way. Hence, the author proposes to unite several ways of increasing the results and productivity of sea logistics, on the one hand, and, on the other hand, marine transportation.

Majdalani et al. (2007), Thorpe & Mitra (2011), and Forte & Grimaldi (2013) all have the conviction that logistics of sea transport has to concentrate

on several aspects, which are inarguable ways to contribute to the UAE's economy. Thus, as a consequence, the first aspect is the income gained from the costs of the transportation. Here, it is vital to analyze the bonds of the international arena: the more international relations on transporting are established, the more income the Saudi Arabia's economy experiences. The second aspect is transporting of the goods, which is used for the country's interests. The private and state institutions are the main clients of the process and tend to contribute to a great extent to the prosperity of the industry. The third aspect is the international trade of the most innovative transport devices.

This approach is called to contribute to the multi-model hub proposed by Sundarakani et al. (2012). As a consequence, it is possible to conclude that the more versatile vision of the industry, the more economic income is being noticed. In addition, the multi-model approach has already become mainstream. It incorporates a complex mixture of various approaches and bodies that take over the functioning process of sea logistics and its contribution to the economy of the UAE. Furthermore, the government has to consider this approach in the more precise and profound way to provide the necessary financing and to contribute to the industry development. As a consequence, the development of marine transportation will contribute to the development of sea logistics. The last one is supposed to make a contribution to the UAE's economy in full size.

Jacobs & Hall (2007) in their research represent one of the most important aspects that sea logistics concerns, the ports and their

appliance for the needs of the UAE's economy. The research conducted by the scholars was concentrated on the assumption that ports' amount in the UAE has to be increased manifold since it permits receiving more benefits. In addition, the authors believe that it will contribute to the employment rate. In other words, the UAE is generally acknowledged as the country with the least amount of native employees and workers. Despite this fact, the more workers work for the country, the more income they bring. By critical evaluation of the research, it is possible to come up with the conclusion that the outcomes of the investigation in question have to be included in the sea logistics reports as the further directions of the development section.

This idea is widely supported by Karthikeyan (2014), who believes that one of the most essential and strategically important directions has to be centered on the idea of educating, attracting and praising the new employees who would contribute to the area of the sea logistics, which, in its turn, is expected to contribute and enhance the economy of the UAE. In other words, Karthikeyan (2014) summarizes the ideas singled out above and analyzes them.

Thus, according to *The Report: Ras Al Khaimah 2013* (2013), the implementation of multi-model approach and widely used transport services, as well as the appearance of the new ports in the UAE, have contributed to the economy of the UAE, in general. Finally, in accordance with the research analyzed in the paper, sea logistics significantly contributes to the economy of the UAE and helps sustain it. Being one of



the most important areas in the country's economic and business activity, sea logistics plays a role of the controlling and analyzing tool.