Council Of Intermodal Shipping Consultants

Newsletter

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Link road, rail, sea!

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PORTS AND TERMINALS

ANTWERP OUTLINES NEW CONTAINER LOGISTICS INITIATIVES TO TACKLE CONGESTION

The Port of Antwerp this week highlighted several short-term and long-term container logistics initiatives set to be trialled and implemented as part of a series of measures to streamline activities and reduce congestion at the key north European port.

Following complaints from port users at Antwerp and other north European container ports one year ago, Antwerp Port Authority announced its commitment, together with port stakeholders, "to reduce the mobility pressure on freight transport and personal transport, with temporary, short-term measures in addition to structural, long-term solutions.

One year later, it is the time to take stock," the port operator said this week.

"The ambitions have been set, the projects have been mapped out, and the first results are visible.

Night logistics have been introduced and barge services are being made ever more efficient."

Acknowledging that "freight transport by road is still a headache" to and from the port, Antwerp noted: "Long-term solutions such as the Oosterweel connection bring major disruptions in the form of infrastructure work.

The Port Authority is therefore keen to encourage the port community to make greater use of night logistics, since all the necessary infrastructure is already there.

But this can only be successful if all the parties involved commit themselves to changing their policies.

For this purpose, a Night Logistics Action Plan has been set up and workshops with all the parties involved – shippers, forwarders, shipping companies, terminals, agents, hauliers, etc. – will begin in October," with the Port Authority emphasising its role as "community builder" in this project.

Meanwhile, "in order to deal with the problem of the lack of parking space in the port", a large, modern truck park is being built on the port's 'left bank'.

This will offer space for 370 trucks, with facilities including toilets and showers, wifi, camera surveillance, and vending machines, made energy-neutral, thanks to solar panels.

"There is already a truck park with 200 spaces on the right bank, where the facilities will be expanded and modernised on the model of the left bank," the port added.

"Once planning permission has been obtained, this truck park is expected to be in use by the summer of 2020."

The Port Authority said it was investing €8.3 million in this project.

"In the meantime the problem of unauthorised parking is being tackled, in closer collaboration with the police," it added.

In terms of streamlining container barge transport, the Port Authority highlighted that it had signed a Container Barge Action Plan earlier this year with three main components, namely: scheduling and collaboration, consolidation and digitisation.

"These measures in combination should make container barge transport more efficient, for all partners in the supply chain," the port said.

Various pilot projects will start this autumn.

One pilot project for consolidation of small container volumes is due to start on 5 November.

"As of that date only barges with a minimum of 30 moves per call (loading plus unloading) will be allowed to call directly at the shipping terminals in the port," the port authority said.

Another trial project in the Container Barge Action Plan is 'Central Barge Scheduling', which comes into operation on 1 October.

"There will then be a single, central scheduling unit for barge loading and unloading operations," the port said.

"The schedules drawn up by this unit will be followed by the various container terminals in the port, including PSA, DP World and MPET, with the help of scheduling software and the BTS berth reservation system."

Having a single, central point of contact will also make the scheduling cycle simpler and more efficient, the authority said.

"This in turn will benefit the consolidation project, since there will be closer coordination between the central scheduling unit and the consolidation hubs."

Plans to relieve port congestion also involve increasing the role of rail transport.

"Rail at present only accounts for 7% of transport within the port, a situation that urgently needs to change," the port said.

"In addition to promoting barge transport, the Port Authority aims to put its full support behind rail transport, with the aim of doubling the amount of use made of rail in the next five years."

Responsibility for making this happen has been assumed by Railport, a joint initiative by Antwerp Port Authority, the Left Bank Development Corporation and the industry associations 'Essenscia Flanders' and 'Voka Alfaport'.

"Nils van Vliet was appointed CEO in June this year, and after a period of studies and pilot projects for distributed transport his task will be to introduce practical initiatives for improving and promoting rail transport," the port said.

"In the meantime, constructive discussions have started with Infrabel to develop a new management model for rail infrastructure within the port, in order to make rail transport more flexible and efficient."

Port Authority mobility manager Tom Verlinden commented: "To improve mobility in and around the port, we aim to create a modal shift that brings the share of truck transport down from 55% to 43% by the year 2030.

To help achieve this, we want to double the share of rail transport to 15% and to raise the barge share from 38% to 42%.

At the moment we are already getting 2.1 million trucks off the road annually thanks to barge transport.

That's more than 8,000 trucks per day, which is to say we avoid a continuous line of trucks 120 km long.

Further gains in efficiency can only improve this situation."

Commenting on the initiatives overall, Port Authority CEO Jacques Vandermeiren said: "The current mobility situation is a serious drag on companies in the port.

There is no silver bullet for the problem of mobility in and around Antwerp.

We are assuming our social responsibility by searching for structural solutions together with the entire port community, both for goods and for personal transport."

(from: lloydsloadinglist.com, September 21st 2018)

MARITIME TRANSPORT

BOX SHIPPING ALLIANCES 'RESTRICTING COMPETITION AND INFLATING PRICING'

Container shipping under the current alliance system is restricting competition, falsely inflating pricing and failing to improve service standards for customers, according to Sean van Dort, the outspoken new chairman of the Global Shippers' Forum (GSF).

"There is no benefit to shippers from the alliance system because it's the same old ships but service standards have fallen," the cargo owners' representative told Lloyd's Loading List.

He said even though the container shipping sector was suffering from structural overcapacity, the alliance system enabled lines to create capacity crunches by withdrawing services, as seen on eastbound transpacific trades this year where rollovers have become common and rates have spiked.

"This is virtually cartel behavior and can lead to price fixing, so these are perilous times for the shipper," he said.

"When governments permit shipping lines to merge and then they 'cartel out' their agency network so three principal businesses are handled by one agency, for example, then there's no competition and the dangers of them 'carteling' and price fixing are very evident."

Under the current regime, he said SMEs were most adversely affected by surcharges and cargo rollovers because they had neither the high volumes nor the resources of big shippers to help negotiate better deals with lines.

"Large volume shippers are protected by long-term contracts – the majority of the big brands in this world have minimum volume commitments with the shipping lines and they are protected," he said.

"It is the small and medium exporter who does not have contracts who gets affected and who has to pay these charges and somehow stay in business."

Van Dort, who is also director of Logistics and Digital Services Integration for MAS Capital and, until recently, chairman of the Sri Lankan Shippers' Council, took the chair of GSF earlier this year.

He succeeded Bob Ballantyne, chief executive of the Freight Management Association of Canada, who had been in the role since GSF's incorporation in 2011.

With reliability levels of container shipping services regularly far lower than shippers would like, and cargo rollovers an ongoing problem, he said there was still relatively little that shippers could do to push for improved service standards.

"The shipping lines have never spoken to associations or shippers to ask how they can improve their services.

They hide behind the forwarder or consolidator and they never engage us," he said.

"GSF believes shipping lines are not transparent in their pricing.

It's the structure of the industry and the pricing mechanisms that's at fault.

We would like market conditions to decide pricing, simple as that.

But lines don't want that."

Improving the interaction of market forces would improve services levels for shippers, believes van Dort.

Critical to this would be the introduction of comparable, transparent, all-in pricing structures in place of the maze of surcharges currently in use and which vary from line to line, trade to trade.

"I would like to achieve all-inclusive rate structures quoted to shippers by container lines in all international trades," he said.

"This way there is no hidden costs at the end of the shipment and we would have pricing transparency."

According to van Dort, the current system means shippers are never able to fully track and account supply chain costs because they are so exposed to new fees and charges being imposed arbitrarily on them by lines.

"Lines don't honour the contracts of carriage they sign up to," he claimed.

"You don't board a bus and get given a ticket from A to B and then when you're alighting get another bill for leaving.

The surcharges, the simple things, these are the problems shippers have with shipping lines.

They are arbitrary charges imposed differently by each line and there is no written explanation.

We don't know why there are bunker surcharges or low-sulphur surcharges.

Shipping lines debit non-contracting parties with costs at destination and we have no control over this."

He finds Bill of Lading charges (BLC), charged by lines on release of the document, particularly galling.

"Why does a shipping line charge a BLC when the BLC is a deed, a proof of receipt, that a transaction has happened between the shipping line and the shipper?

Post-9/11 there came requirements from America and Europe that shipping lines have to declare the shipper, the consignee and the content of the cargo 24 hours before vessel sailing.

But why do they have a charge of $20, $30, $40 fee for that when electronically transferring the information will only cost you a few cents?"

He also told Lloyd's Loading List that the imposition of extra fees such as emergency bunker surcharges were applied without any cross-industry transparency.

He believes that because lines have hedging strategies on fuel, and each of these strategies is different, it then follows that any surcharges introduced to pass on the extra cost of fuel to shippers must also vary because the 'cost' to each line of higher fuel prices depends on the success of their hedging strategy.

"We're looking at legal action about this," he said.

"The shipping lines don't provide any rationale to explain these charges."

He also claimed the assumption by lines that they would be able to pass extra fuel costs on to shippers when the International Maritime Organisation's global cap of 0.5% sulphur content comes into force in 2020 was misplaced.

"They have already started talking about it," he said.

"The low sulphur content is a bunker issue, but they already have bunker charges and bunker surcharges."

While Europe abolished price-setting conferences in 2008, consortia regulations enabling lines to form alliances and vessel sharing agreements remained exempt from normal competition law.

However, the consortia block exemption is reviewed every five years and, with the next review due in 2020, GSF intends to fight its continuation for a sector that uses it for "anti-competitive practices".

"It should be removed; it should be open to free market policy," said van Dort.

"This is the only industry that has this exemption now; why should they get protection?

We vehemently oppose the extension of this and we will pursue this through our connections in the European Union, through the European Shippers' Council and the Freight Transport Association.

We will protest very strongly about this and get them to remove this protection."

(from: lloydsloadinglist.com, September 13th 2018)

RAIL TRANSPORT

RAIL SECTOR CALLS FOR EU BUDGET THAT ENSURES THE DIGITAL TRANSFORMATION OF TRANSPORT

The Community of European Railway and Infrastructure Companies (CER) welcomes the European Parliament draft report on the new Connecting Europe Facility (CEF) proposal, but would expect it to demand an increased transport budget in line with the investment needs of the European transport sector.

CER is further concerned by the amendments put forward on military mobility.

The current CEF programme for transport generates jobs and growth, contributes to prosperity and cohesion across Europe, and delivers European added-value by focusing on interoperability and investing in border-crossing projects.

These benefits are outlined in the new CER Factsheet "The Connecting Europe Facility (CEF) and its wider benefits", which can be downloaded here:

http://www.cer.be/publications/latest-publications/connecting-europe-facility-cef-and-its-wider-benefits.

Rail's investment priorities continue to be focused on completing the interoperable TEN-T network and supporting the digital transformation of rail operations, including ERTMS on board and on track.

For the latter, the rail sector estimates that at least EUR 15 billion is required from the future EU budget for the period 2021-2027.

In this context CER calls upon policymakers to better reflect the importance of the digital transformation of rail in the new CEF proposal by increasing the CEF transport budget by at least EUR 10 billion, and earmarking a specific budget for actions supporting telematics applications and automation.

CER Executive Director Libor Lochman said: "While we welcome the European Parliament draft report on the Connecting Europe Facility proposal, we feel that in today's age of digital transformation, the reinforced budget for smart technologies as proposed by the Commission is not sufficient.

In the case of rail, an inadequate CEF budget will delay the deployment of ERTMS and will put at risk the creation of a smart, sustainable, efficient, safe and secure transport system in Europe.

We would welcome the European Parliament to take a stronger position on this point."

The European Parliament draft report on the future CEF Regulation furthermore contains several amendments on military mobility.

While CER welcomes the rapporteurs' intention to add more clarity to military mobility, the proposal that any project of common interest financed under the new CEF programme should integrate the military mobility technical requirements at the conception phase is unrealistic and would lead to a cost explosion.

CER asks policymakers to address this issue with urgency.

(from: transportjournal.com/cer.be, September 7th 2018)

ROAD TRANSPORT

AUTONOMOUS TRUCKS 'NOT THE END OF THE ROAD' FOR DRIVERS

Autonomous trucks will not necessarily be "the end of the road" for truck drivers, but may eliminate some of the best and best-paid jobs in the road freight industry, a new study suggests.

The report by University of Pennsylvania sociologist Steve Viscelli, 'Driverless? Autonomous Trucks and the Future of the American Trucker', was conducted on behalf of the Center for Labor Research and Education at the University of California, Berkeley, and Working Partnerships USA, and questioned whether autonomous trucks will mean the end of the road for truck drivers.

The findings below were based on in-depth industry research and extensive interviews with "the full range of stakeholders" including: computer scientists and engineers, Silicon Valley tech companies, venture capitalists, trucking manufacturers, trucking firms, truck drivers, labour advocates and unions, academic experts, and others.

It noted that the $740-billion-a-year US trucking industry is "widely expected to be an early adopter of self-driving technology, with numerous tech companies and major truck makers racing to build autonomous trucks", adding: "This trend has led to dozens of reports and news articles suggesting that automation could effectively eliminate the truck-driving profession."

By forecasting and assessing multiple scenarios for how self-driving trucks could actually be adopted, the report "projects that the real story will be more nuanced but no less concerning", adding: "Autonomous trucks could replace as many as 294,000 long-distance drivers, including some of the best jobs in the industry.

Many other freight-moving jobs will be created in their place, perhaps even more than will be lost, but these new jobs will be local driving and last-mile

delivery jobs that— absent proactive public policy—will likely be misclassified independent contractors and have lower wages and poor working conditions.

Throughout this transformation, public policy will play a fundamental role in determining whether we have a safe, efficient trucking sector with good jobs or whether automation will exacerbate the problems that already pervade some segments of the industry.

Trucking is an extremely competitive sector in which workers often end up absorbing the costs of transitions and inefficiencies."

The report said strong policy leadership was needed "to ensure that the benefits of innovation in the industry are shared broadly between technology companies, trucking companies, drivers, and communities".

The full report can be found here:

http://driverlessreport.org/files/driverless.pdf

(from: lloydsloadinglist.com, September 10th 2018)

INTERMODAL TRANSPORT

INTERMODAL INNOVATION GETS NON-CRANABLE TRAILERS ON TRAINS

IRJ at InnoTrans 2018: An innovative low-cost system for lifting non-cranable lorry trailers onto trains is being showcased in Berlin this week by TX Logistik, the German subsidiary of Italian rail freight operator Mercitalia.

The NiKRASA system enables the transfer non-cranable semitrailers between road and rail within existing standards and infrastructure and without any changes to the wagon, the semitrailer or business processes.

This means existing transhipment facilities can be used without additional investment.

NiKRASA is already in use at terminals in Padborg in Denmark, Bettembourg in Luxembourg, and Verona and Trieste in Italy.

TXLogistik has 100 of the first-generation NiKRASA platforms in use as well as 50 of the 2.275-tonne second-generation version, which is on show at InnoTrans this week mounted on a Sdggmrss (T3000E) twin-unit articulated intermodal wagon built by Tatravagonka Poprad.

The wagon is equipped with PJMtelematics for automatic load, axle box, running gear and location monitoring as well as Lucchini 23.5-tonne axleload wheelsets.

According to Mr Norbert Rekers, TXLogistik regional sales manager for central Europe, handling equipment can be installed in a terminal in three weeks and staff training can be completed in a day.

"There is a weight and length penalty with other more complex systems which means you can lose up to eight trailers per train," Rekers explains.

"That's no good if the last three trailers on the train represent all of your profits.

The question is what the market will accept, and this system is the future for rail haulage of non-cranable trailers."

Rekers says that while TXLogistik works in cooperation with a wagon manufacturer it retains ownership of the NiKRASA design.

Nonetheless, other operators can adopt NiKRASA for their own use.

"There are about 1.4 million cranable semitrailers in Europe, and about 80% could be transferrable," Rekers says.

"If all European rail freight players could collectively attract 100,000 semitrailers a year to rail – only a small part of the market – that would be fantastic.

We are open to doing business with anyone because we should all be looking to bring lorries from road to rail and there should be common approaches to achieving this."

TXLogistik says it has identified freight flows from mainland Europe to the London area as a potential market for the system and has received requests to use NiKRASA through the Channel Tunnel.

(from: railjournal.com, September 18th 2018)

TRANSPORT & ENVIRONMENT

FOSSIL FUELS WILL PEAK IN THE 2020S AS RENEWABLES SUPPLY ALL GROWTH IN ENERGY DEMAND: TRILLIONS OF DOLLARS AT RISK AS ENERGY TRANSITION DISRUPTS ENTIRE SECTORS

Rapid global growth of clean technologies will see fossil fuel demand peak in the 2020s, putting trillions at risk for unsavvy investors oblivious to the speed of the unfolding energy transition, finds a new Carbon Tracker report released today.

Demand for coal, gas and oil is stalling because the cost of renewables and battery storage is falling fast, emerging economies are pursuing clean energy, and governmental policy is being driven by the need to slash emissions, control climate change and reduce air pollution.

Kingsmill Bond, Carbon Tracker New Energy Strategist and author of the report, said: "The 2020s will be the decade of fossil fuel demand peaks, as one bastion after another is stormed and overwhelmed by the rising renewable tide.

This will inevitably lead to trillions of dollars of stranded assets across the corporate sector and hit petro-states that fail to reinvent themselves."

2020 Vision: Why You Should See Peak Fossil Fuels Coming shows that solar and wind will displace all growth in fossil fuels as they continue to expand against a backdrop of falling energy demand.

With global energy demand expected to grow at 1-1.5% and solar and wind at 15-20% a year, fossil fuel demand will peak between 2020 and 2027, most likely 2023.

The impacts of the energy transition will be colossal:

- The fossil fuel sector has invested an estimated $25 trillion in infrastructure and there will be systemic risk to financial markets as they seek to digest vast amounts of stranded assets.

- The transition will directly affect companies that compose up to a quarter of equity indexes and debt markets, hitting banking, capital goods, transport and automotive sectors.

- Fossil fuel exporting countries will suffer.
  Russia is one of 12 countries where fossil fuel rents account for 10% or more of GDP.

Kingsmill Bond said: "Fossil fuel demand has been growing for 200 years, but is about to enter structural decline.

Entire sectors will struggle to make this transition.

They can expect price declines, greater competition, restructuring, stranded assets and market derating."

Incumbent industries have typically seen demand peak when the challenger was still very small, at around 2%-3% of total sales.

For example, demand for thermal electricity in Europe peaked in 2007 when renewables made up just 3% of total supply.

As demand fell following the financial crisis and renewables grew their market share the industry was forced to write down $150 billion of assets.

Kingsmill Bond said: "We have seen a similar pattern in many energy transitions, from electricity, coal and cars in recent years to horses and gaslights in the past.

Demand for incumbents peaks early, and investors in incumbents lose money early on."

Much of the fossil fuel industry appears blind to this risk.

BP, OPEC, and the IEA do not expect peak fossil fuel demand for another generation or more.

Yet some forecasters such as DNV GL forecast peak fossil fuel demand in the 2020s.

The report finds that the tipping point for fossil fuel demand will come when the challenging technologies of solar and wind make up around 6% of total energy supply and 14% of global electricity supply – far below levels of penetration in many countries in Europe.

It identifies three factors driving the energy transition:

1. Costs of solar PV, wind and battery storage are falling fast and they are now able to compete with fossil fuels without subsidies.
   Costs have fallen at around 20% for each doubling in capacity and this is expected to continue.

   By 2020 renewables will be cheaper than fossil fuels in every major region of the world, according to the International Renewable Energy Agency.

2. Emerging markets are driving growth in energy demand and choosing renewables over fossil fuels.

   They have less fossil fuel legacy infrastructure, rising energy dependency, more pollution and are keen to seize the opportunities renewables have to offer.

   China and India are already choosing solar and wind over fossil fuels.

   China overtook the United States as the largest deployer of solar and wind capacity in 2012 and electric cars in 2016.

   The IEA predicts that 27% of energy-demand growth in the next 25 years will come from India and 19% from China.

3. Governmental policy is supporting these trends.

   "The need to limit carbon emissions, the desire to breathe clean air and the drive for energy independence all mean that global regulatory pressure on the fossil fuel industry will only increase," said Kingsmill Bond.

The report identifies four phases in the energy transition from fossil fuels to renewables: innovation; peaking; rapid change; and endgame.

It shows that each energy demand sector in every country is moving through these stages, led by the electricity sector.

Difficult issues around winter heat, airplane fuel and renewable intermittency will not delay peak fossil fuel demand and are likely to be addressed in the endgame phase when demand is already falling.

Carbon Tracker warns that the first impacts of the energy transition are already being felt, and not just in the European electricity market, with incumbents hit as demand peaks:

- Coal-fired and gas-fired power plants in Europe and parts of the US are already being closed down because they are uneconomic; in the last 12 months, China has halted construction of 100GW of coal power.

- Peabody Energy, the world's largest private sector coal producer, went bankrupt in 2016, two years after global coal demand peaked.
  The industry built capacity for demand from India and other emerging markets that never materialised.

- In 2017 electric vehicles were 3 million out of 800 million cars globally, but 22% of growth in car sales, and are set to provide all growth in car sales in the early 2020s.

  This has spurred most leading car companies to refocus their strategy on electric vehicles and by 2018 they had committed $90 billion.

Kingsmill Bond said: "Investors anticipate, so they will typically react even before companies see peak demand.

This is what happened recently in the coal and European electricity sector transitions.

We believe that investors will start to react faster as the energy transition works its way through the world's capital markets.

As each sector is impacted, it becomes easier for the market to anticipate something similar happening to the next sector."

(from: hellenicshippingnews.com, September 11th 2018)

LAW & REGULATION

BIG DATA ANALYTICS AND AUTONOMOUS VESSELS – WHEN WILL LEGISLATION CATCH UP?

In a survey conducted by Reed Smith in the first half of 2018, industry participants predicted that big data analytics will be one of the most significant drivers of change in the shipping industry over the next five years.

In addition, for the same five-year period, the survey revealed that the shipping industry considers the development of automated processes and functions on board vessels to be the biggest driver of efficiency in shipping.

The collection, analysis and management of huge volumes of unstructured data (i.e., big data), such as data on voyage performance, ship structure, machinery, fuel consumption, traffic, cargo and the weather, are expected to provide valuable insights into the operation of ships, and uncover hidden patterns as well as market trends.

The analysis of big data will also allow the prediction of likely outcomes in certain voyages.

In addition, it is likely to reduce costs, as the industry will be able to identify more efficient ways of doing business; it will allow decisions to be made more quickly; and it will make shipping safer by reducing risks.

Big analytics will also encourage the development of automated procedures and advanced technologies such as Maritime Autonomous Surface Ships (MASS).

The Yara Birkeland, scheduled to enter into operation in Norway by 2020, will be the first fully autonomous commercial vessel, while MASS that are able to trade internationally are expected to be introduced by 2035.

The pressing question at the moment, and one of the greatest challenges in the industry as highlighted by our survey, is whether the required international legal framework will be in place quickly enough to allow the rapid adoption and

widespread operation of advanced technologies such as MASS for international trade as opposed to cabotage.

Existing international conventions (such as those on Safety of Life at Sea (SOLAS), on Prevention of Pollution from Ships, and on Standards of Training, Certification and Watchkeeping for Seafarers) and regulations (such as the International Regulations for Preventing Collisions at Sea) were not drafted with unmanned ships and advanced technologies in mind.

The IMO, with the assistance of the Comité Maritime International, is taking steps to identify issues arising from the existing legal regime.

The IMO's regulatory scoping exercise to identify issues arising from the conventions, is scheduled to be completed by 2020.

Following the completion of the exercise, a decision will likely need to be made on whether the existing conventions or regulations need to be clarified or amended, or whether new conventions or regulations that deal with MASS and advanced technologies need to be brought into force.

Whereas clarifying and amending existing conventions can be done relatively quickly, enforcing new conventions is a time-consuming procedure that can take years or even decades to be completed.

This is mainly due to the specific steps that need to be fulfilled by countries, such as receiving parliamentary approval before proceeding with ratification.

Additional delays are likely to arise where countries with conflicting interests (for example, a high number of seafarers) might be reluctant to ratify conventions that allow the international operation of MASS and the adoption of technological advances.

Big data analytics and the operation of MASS are expected to make shipping safer, more efficient and more environmentally friendly, and our survey shows that the industry is willing to consider adopting innovative technologies.

However, these technologies may initially operate on a small scale until the international legislation is in place to allow their widespread adoption.

(from: hellenicshippingnews.com, September 22nd 2018)

PROGRESS & TECHNOLOGY

THREE CONSIDERATIONS FOR SMART PORT COLLABORATION

Ports that want to become 'smart' need to use technologies that automatically adapt to changing situations.

However, for that to happen, there has to be a change in attitude when it comes to collaboration, which is dependent on key players — who may be in competition with one another — agreeing on methods of creating more visibility throughout the supply chain.

Here are three arguments from authors' of technical papers in Edition 78 of the Port Technology Journal that show how and why the attitude to such practices may be changing.

1. Digital Tools for Next Generation Workers: Adam Yaron, CEO, FAST Applications

The next generation of people entering the profession have the expertise to use the latest online platforms and tools, which focus on process and managing costs and look to automate and streamline processes, build intermodal relationships, improve customer satisfaction, and maximize opportunities for cost savings.

A digital freight forwarder must offer a range of digital services to the 21st-century customers.

The next step is to create a social supply chain management where strong alliances can be created by networking and sharing data with freight partners online (agents, customers, suppliers, carriers, etc.), which in turn creates a stronger bond and connection to compete as a group.

2. Port Community Connectivity: Chris Collins, Chief Operating Officer, Containerchain

Major port centres including Antwerp, Hamburg, Los Angeles, Long Beach, Rotterdam, Singapore and others, plus shipping line and global terminal operators looking to get more embedded in the supply chain 'beyond the gate', are embarking on digital initiatives to capture, harvest, pool and share more data in more collaborative, real-time ways, with maritime and landside logistics stakeholders.

Singapore has recently provided two significant examples of this strategic direction under its National Trade Platform – with plans to connect over 10,000 of its existing registered users to a single independent Transport Integrated Platform (TRIP) that has already connected a large majority of the landside containerized supply chain, and in doing so, delivered significant operational and economic benefits to its stakeholders.

Balancing out platform competition and collaboration, international and localized solutions, closed and open offerings and free market choice against regulatory oversight is a very difficult challenge, but not one that can be avoided if we all want to reap the benefits of digital collaboration.

3. Working as One: Derek Kober, VP Marketing, Navis

The first step to tackle the fundamental lack of visibility in the industry and achieve joint success among key stakeholders is the broader sharing of critical shipment information across the supply chain.

In Navis' report, surveyed executives echoed this sentiment, reporting the following:

- Agree on the need for stakeholders to operate with a common set of data (97% important; 85% very important)

- Believe the adoption of new technologies is crucial to enabling real-time collaboration (98% important; over 50% very important)

- Believe they will see substantial improvement in operational performance once real-time collaboration is achieved (one-third predict gains over 75%; over half expect gains of at least 50%)

Both voice and data communications are vital to the future of smart port operations.

Automation, collaboration and safety at ports and terminals are all dependent on digital, connected systems that allow mission-critical practices.

(from: porttechnology.org, September 25th 2018)

STUDIES & RESEARCH

NEW REPORT DETAILS CABOTAGE LAWS FROM AROUND THE WORLD

Approximately 80% coastal member states of the United Nations have some form of cabotage laws governing foreign maritime activity in their domestic coastal trades, according to an independent analysis conducted by the Seafarers' Rights International (SRI), a leading international research center on maritime and seafarers' law.

The key finding was part of a new report published Tuesday by SRI that explores the nature and extent of cabotage laws around the world.

The study, which was commissioned by the International Transport Workers' Federation (ITF), provides the first independent analysis of maritime cabotage laws since 1992.

The report published today, titled Cabotage Laws of the World:

(http://ftp.elabor8.co.uk/sri/cabotage/flipbook/mobile/index.html

has identified for the first time ninety-one member states of the United Nations that have cabotage laws restricting foreign activity in their domestic coastal trades.

It also describes the history of maritime cabotage and traces a number of early rudimentary legal principles, as well as sets out examples of the many different definitions of cabotage that exist today at the national, regional and international levels.

The report also highlights examples of the restrictions of foreign activity and waivers in domestic coastal trades.

"For many people maritime cabotage, or coasting, coastwise or coastal trade as it is sometimes referred to, is understood, if at all, only vaguely," said Deirdre Fitzpatrick, Executive Director of SRI.

"This is not surprising since so little is published on the subject.

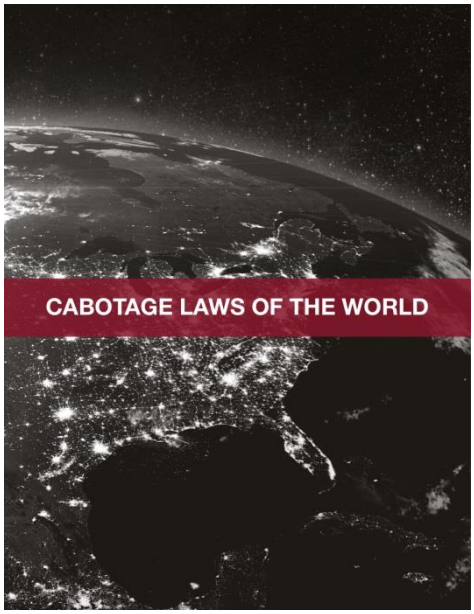
This was a complex project, given language and cultural barriers and difficulties in statutory interpretations.

But the subject is important.

It affects a very wide range of trades, services and activities around the world, and with significant social and economic consequences.

Policy makers especially need to know more about the subject."

The ITF and its affiliates have been campaigning globally to underline the importance of national cabotage laws and the value of having domestic jobs in national waters, as well as domestic employment conditions for foreign seafarers in cases where national seafarers are not available.



The workers union group welcomed the publishing of the report, calling it a ground-breaking analysis of maritime cabotage laws around the world.

"The lack of accurate facts on cabotage laws around the world has been an impediment for policymakers considering implementing cabotage laws.

This report represents a circuit breaker, providing policymakers with the relevant facts for proper decision-making," commented ITF Seafarers' Section Chair, David Heindel.

"The SRI report debunks the myth that cabotage is an exception, not the rule.

Laws governing maritime activity are widespread, currently existing in 91 countries covering 80% of the world's coastlines of UN Maritime States," Heindel added.

According to the report, cabotage laws are commonplace and geared towards protecting local shipping industries, ensuring the retention of skilled maritime workers and preservation of maritime knowledge and technology, promoting safety and bolstering national security.

The key findings from the report include:

- Cabotage is "widespread" - 91 member states and eighty percent of the world's coastlines of UN maritime states have cabotage laws

- Cabotage policy objectives are diverse and designed to: maintain national security, promote fair competition, develop human capacity, create jobs, promote ship ownership, increase safety and security of ships in port,

enhance marine environmental protection and preserve maritime knowledge and technology

- Cabotage exists in every region of the world, and in a diversity of political, economical and legal systems

- Cabotage laws have endured in some countries for centuries

James Given, Chair of the ITF Cabotage Task Force commented: "The benefits of cabotage laws are self-evident.

For countries that depend on the sea for their trade, cabotage safeguards their own strategic interests as maritime nations, bringing added economic value whilst also protecting national security and the environment.

Cabotage provides jobs for a country's seafarers and also safeguards foreign seafarers against exploitation posed by the liberalisation in the global shipping industry, preventing a race to the bottom.

Without strong cabotage rules, local workers often have to compete with cheap, exploited foreign labour on Flag of Convenience vessels, the owners of which usually pay sub-standard wages and flout safety laws," Given said.

In the United States, cabotage laws that govern the transportation of goods and people between domestic ports are commonly referred to as the "Jones Act," an essential maritime law that requires movements of goods and people be on vessels that are U.S.-flagged, U.S.-crewed, U.S.-built and U.S.-owned.

This comprehensive study of UN members' maritime policies and cabotage requirements can further inform policymaking in a fact-based manner.

"The United States is, and always has been, a maritime nation.

From the very founding of our country, the American maritime industry has served a critical role in maintaining our national, homeland and economic security," said Matt Woodruff, Chairman of the American Maritime Partnership.

"For policymakers that work to promote a strong and vibrant economy and national security leaders charged with protecting the U.S. security posture, this comprehensive study reinforces the importance of cabotage laws – like the Jones Act - and the historical legislative actions taken to support maritime industries across the globe, including in nations like Russia, China and South Korea."

(from: gcaptain.com, September 25th 2018)

REEFER

WHY EUROPEAN CONTAINER LINES ARE WINNING THE REEFER MARKET SHARE BATTLE

Asian container lines will have to adjust their management structures if they want to keep up with their European peers in the field of box reefer shipping.

According to new analysis from Drewry Maritime Research, Asian lines have fallen behind the three leading European operators, Maersk, MSC and CMA CGM, in one of the few areas of unitised shipping that has shown continuous growth in recent years.

"Asian shipping lines will need to make something of a mentality shift if they want to take full advantage of a segment of the container shipping market that is far outpacing dry cargo," it said.

It noted that the only Asian carrier that had kept pace with the Europeans in terms of reefer container investment was OOCL.

Since its acquisition by Cosco, the Chinese carrier had managed fourth place in terms of reefer capacity, overtaking Hapag-Lloyd.

The most recent effort to rectify the gap was the recent order for 14,000 reefer units by ONE, the merged box businesses of K Line, MOL and NYK.

However, it was the additional announcement that ONE was creating a Global Reefer Business Planning Team (GRBP), based in Singapore, to work closely with regional reefer steering desks, that could have the most impact, Drewry said.

"The management of reefer box fleets needs to be more centrally configured within a carrier's organisation, and the European lines have better appreciated this.

Managing reefers is a specialist function and some staff in European companies will remain in that role for many years, possibly for the whole of their careers.

Within Asian shipping companies, staffs working a reefer desk are invariably rotated every three or four years, which inhibits adequate accumulation of all the in-depth knowledge (both operationally and commercially) and can compromise effective continuity of management," Drewry said.

All liner companies have traditionally separated divisional management by trade route and set its reefer capacity according to the needs of that route – but this has meant that lines which do not have more holistic understanding of global reefer movements have missed out on opportunities to maximise their unit's earning power.

"Managing a reefer box fleet is very much akin to running a fleet of specialist reefer trampers – you move the box on to the next market opportunity, wherever that may be in the world.

That is very alien to the mentality of a traditional liner shipping company." said Drewry.

"But like any other asset, it is imperative to ensure that a reefer box is at sea with a full revenue-earning load for as many days of the year as possible."

It added that this could only be achieved with an annual business plan that worked out "how best to utilise the fleet and move it around the world to cover the various seasonal markets".

"Lead times in the fish industry when the trawlers come in can be very tight, for example.

It cannot always be left to someone who is primarily involved in managing the dry cargo markets.

However, all this local knowledge needs to be processed and managed by a central desk so that the company has a streamlined, well-motivated reefer management unit," Drewry explained.

(from: theloadstar.co.uk, September 11th 2018)

ON THE CALENDAR

- 24/10/2018 – 25/10/2018 Aqaba 15th Trans Middle East 2018
- 28/11/2018 – 29/11/2018 Accra 20th Intermodal Africa 2018
- 30/01/2019 – 31/01/2019 Kuwait City 16th Trans Middle East 2019
- 20/02/2019 – 21/02/2019 Manila 10th Philippine Ports and Shipping 2019
- 20/03/2019 – 21/03/2019 Mombasa 21st Intermodal Africa 2019

The Secretariat of C.I.S.Co. is able to communicate detailed information on the programs of all the events and how to participate.