Centro Internazionale Studi Containers

Newsletter

April 30th 2019

Link road, rail, sea!

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The content of the C.I.S.Co. Newsletter is also published in the newspaper "Informare" accessible on the Internet site http://www.informare.it

PORTS AND TERMINALS

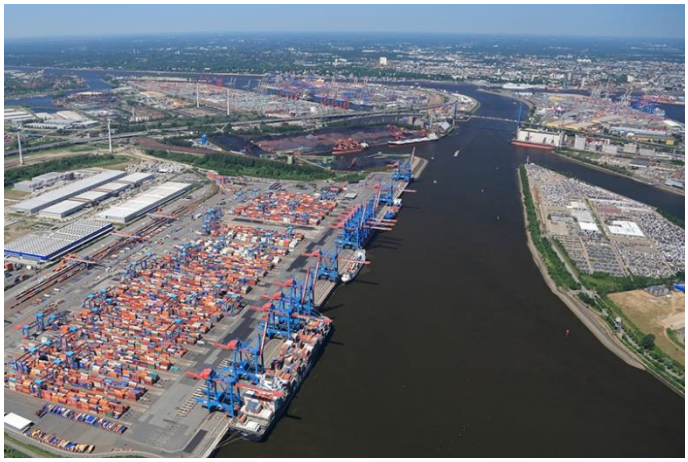
GERMAN SEAPORTS HANDLE 1.7 PERCENT MORE CARGO IN 2018

A total of 304.7 million tons of seaborne goods was handled in German sea ports in 2018, marking an increase of 1.7 percent compared to the previous year, the German Federal Statistical Office (Destatis) announced.

The volume of goods which German seaports received from other ports increased by 2.0 percent.

The shipping of goods from German seaports over the world's oceans increased slightly less strong but still grew by 1.8 percent.

According to Destatis, the number of containers handled at German seaports remained unchanged at around 15.1 million 20-foot equivalent units (TEU) in 2018. China remained the most important trade partner for maritime freight transport with 3.0 million standard units, followed by the United States with 1.4 million TEUs and Russia with 0.7 million TEUs.



"Trade with China contributed the most, with an increase of 5.3 percent to a total of 22.9 million tons," Daniel Hosseus, managing director of the central association of German seaport companies (ZDS), told Xinhua on Monday.

These "positive numbers" would underline the importance of trade between China and Germany, added Hosseus.

"The increase in imports and exports via German seaports is an encouraging sign and shows how important shipping is for the economy," Ralf Nagel, chief executive officer (CEO) of the German Shipowners' Association (VDR), told Xinhua on Monday.

Especially in "times of protectionism and isolation", shipping would need to be a "particularly strong advocate of globalization", emphasized VDR CEO Nagel.

(from: hellenicshippingnews.com, April 17th 2019)

MARITIME TRANSPORT

MORE SEAFARERS BEING ABANDONED ON BOARD THEIR SHIPS

Cases of crew abandonment are not diminishing despite greater global attention being paid to the nasty practice.

Worldwide, 4,866 seafarers on a total of 336 vessels have been recorded as abandoned onboard ship, in records kept by the International Maritime Organisation (IMO) and the International Labour Organisation (ILO) since 2004.

In 2018, 791 sailors on 44 ships were abandoned, while in 2017 a total of 55 instances were reported, according to the IMO/ILO database.

In the previous five years, an average of just 12 to 17 ships a year were abandoned.

As of the end of March, the database has recorded 13 ships where crew have been abandoned this year, suggesting 2019 will be another year with an above average figure of crew abandonment cases.

Some member states at the IMO have recently indicated that they would submit proposals for guidelines on cooperation between flag and port states to resolve abandonment cases to the next session of the IMO's legal committee.

Jasmin Fichte, managing partner at UAE law firm Fichte & Co, has been fighting cases of crew abandonment for years.

Last week her company helped get crew stuck on one disintegrating ship for nearly three years, back onshore and repatriated.

Fichte told Splash UAE salary payment laws onshore could work at sea, creating a blacklist system to stamp out crew abandonment.

"MLC has improved the situation, however, it is still far to easy for shipowners to let down the crew and the IMO needs to react," Fichte said, adding: "In the UAE we need to pay staff salaries via a government instrument to ensure prompt payment.

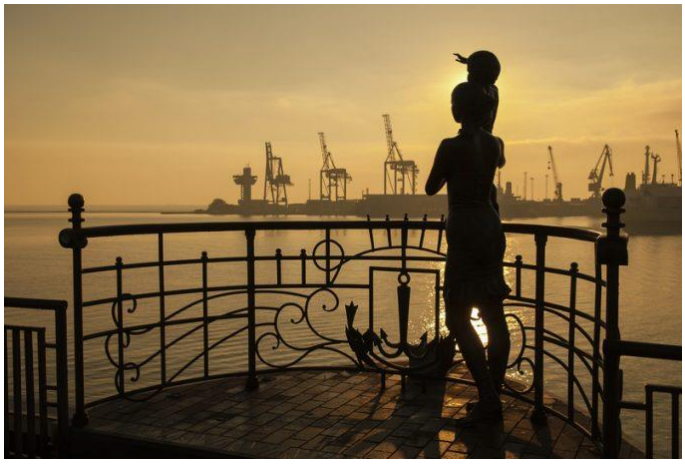
Any breach will lead to an automatic blacklist.

The same should happen to shipowners.

Leaving crew on an abandoned and unseaworthy vessel is criminal and should be treated as such.

And these kind of shipowners should be on a name to shame list so seafarers can check the credentials before signing on."

New guidance has been published recently to assist welfare organisations dealing with incidents of seafarers being abandoned and vessels being arrested or detained.



The booklet, entitled Arrested and Detained Vessels, and Abandoned Seafarers, has been produced by the International Seafarers' Welfare and Assistance Network (ISWAN) in partnership with InterManager, the International Chamber of Shipping (ICS), the International Christian Maritime Association (ICMA) and the International Transport Workers' Federation (ITF).

Arrested and Detained Vessels, and Abandoned Seafarers aims to assist port welfare committee members and welfare agencies in reviewing best practice in these situations.

The new guidance outlines the responsibilities of the authorities and other organisations that might become involved when problems are identified aboard a vessel whilst in port.

Natalie Shaw, director employment affairs at ICS, commented: "In cases of abandonment it is often difficult for affected parties to know what needs to be done, who needs to be contacted and how progress can quickly be made to get seafarers returned home in a short time.

It is hoped that if parties involved in supporting affected seafarers follow the advice contained in this document, cases will be able to be resolved much quicker to the benefit of both the affected seafarers and their families."

Dave Heindel, chair of the ITF Seafarers' Section, said at the launch of the booklet earlier this month: "No seafarer should have to go through the experience of abandonment.

Unfortunately, the rate of abandonments around the world remains high and difficulties in resolving these cases persist.

Given the hardship faced by abandoned seafarers, it is crucial that assistance is provided as quickly as possible.

We hope that this guidance will help concerned parties in providing this assistance as we work towards eliminating the scourge of abandonment."

(from: theloadstar.com/splash247.com, April 15th 2019)

RAIL TRANSPORT

FOCUS ON THE DECARBONISATION IMPERATIVE

The Rail Freight Forward initiative and European legislative framework could offer lessons to help railways and decision-makers around the world achieve the climate change targets agreed at the recent COP24 summit in Katowice, believes Jürgen Maier, Head of International Affairs & Projects at BLS AG and BLS Cargo.

Maier is also co-ordinator of the work on 'prioritisation, funding instruments and monitoring of TEN-T parameters' within the Sector Statement Working Group addressing improvements in the European rail freight sector.

Below is a contribution of his hand, published previously in Railway Gazette.

Rail Freight Forward

More than a decade ago, four competing rail freight operators — DBCargo, TX Logistik, SBB Cargo and BLS Cargo — decided to launch a common position paper setting out the need for better framework conditions to support the development of rail freight.

The main problems identified at that time were a lack of customer focus and an unbalanced playing field compared to both rail passenger operations and road transport.

Jump forward to today, and the Rail Freight Forward initiative launched with the dispatch of Noah's Train in December argues that many of the same obstacles are still hindering the effective development of rail freight.

RFF brings together more train operators, as well as shippers and logistics sector representatives as 'sparring partners'.

The scope and ambition of the campaign is much wider.

The ambitious target is that 30 per cent of all international freight traffic in Europe should be moving by rail in 2030, compared to the current average of 16 per cent to 17 per cent.

That the RFF launch was held in Katowice was no coincidence.

It was timed to coincide with the United Nations-led COP24 climate conference, in order to flag up the vital role which rail freight needs to play in contributing to the battle against climate change, and the steps that are needed to bring that about.

Global climate targets

During COP24, the delegates formally adopted the so-called Paris 'rulebook', codifying the targets set out at the COP21 Paris conference in December 2015, where 195 countries agreed the first-ever universal, legally binding global climate deal.

This set a long-term goal of keeping the increase in global average temperatures to less than 2°C above pre-industrial levels, while aiming if possible to limit the increase to below 1·5°C to minimise the impacts of climate change.

As far as Europe is concerned, the EU's 'nationally determined contribution' is to reduce greenhouse gas emissions by at least 40 per cent by 2030 compared to 1990.

All of the key legislation for implementing this target had been adopted by the end of 2018.

However, one outcome from the Katowice talks was a hint that more ambitious climate pledges would be needed before 2020.

Rail freight could be part of the answer, not just in a few countries, but right around the world.

Thanks to rail's better energy efficiency and much lower emissions per tonne-km, modal shift is a key driver in reducing the impact of freight transport, within an increasingly multimodal framework.

Legislative framework

Despite the over-riding imperative, national governments have rarely given much priority to rail freight.

Financial support may be provided in some cases, but fair regulatory and tax treatment between modes, simplifying technical and operational rules or a sustainable financial model for investment seldom appear on the political agenda.

Nevertheless, two key elements of European legislation have helped to set the groundwork for future rail freight growth.

The first of these was Regulation EU913/2010, 'A European Rail Network for Competitive Freight', which came into force in November 2010.

This established a network of trans-European rail freight corridors, attempting to strike a balance between freight and passenger traffic in the provision of capacity and priority in line with market needs and ensuring that freight train punctuality targets could be met.

The regulation called for closer cooperation between infrastructure managers on path allocation, infrastructure development and the deployment of interoperable signalling and train control systems.

The nine (now 11) rail freight corridors agreed by the European Commission and the member state transport ministries were intended to reflect current and future logistics flows.

Each has an Executive Board bringing together the national ministries and infrastructure managers at a strategic decision-making level and a Management Board to deal with operational issues.

Integrating railway undertakings and terminal operators into the corridor management and development process was a further step to promote intermodal thinking.

The EU policy on Trans-European Networks dates back to action plans in 1990, but it was not until 2013 that most of the framework was put in place.

The idea is to support the functioning of the internal market by linking regions and connecting Europe with other parts of the world.

The ultimate aim of this strategy — which covers other sectors beyond transport — is to connect up national infrastructure networks and ensure interoperability by setting common standards and removing technical barriers.

In terms of transport, a truly intermodal approach would ensure that each mode plays to its strengths and the transport network operates in the most economical and environmentally friendly way.

Thus it is important to connect railway corridors with roads, ports and airports, for example.

The EU enlargements of 2004 and 2007 prompted a thorough review of the Trans-European Transport Network, leading to the adoption in 2013 of nine strategic corridors as the TEN-T Core Network.

These would be augmented over time by a wider Comprehensive Network.

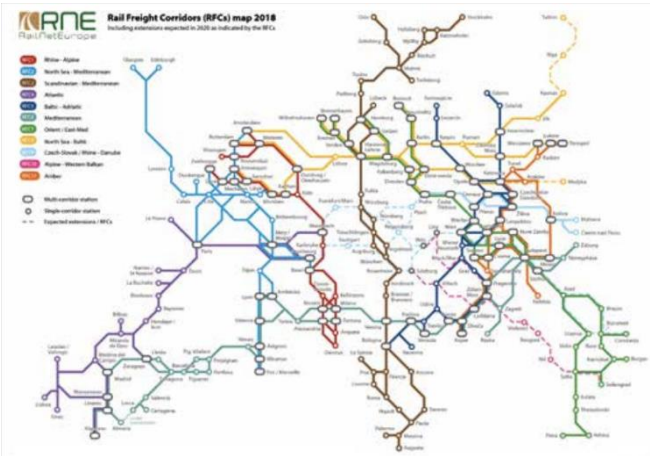
The key parameters for the TEN-T networks include a standard 740 m length for freight trains, a 22·5 tonne axleload and interoperable ETCS.

A 4 m loading gauge profile to facilitate intermodal operation will be another parameter in some corridors.

The nine core corridors each have a Coordinator appointed by the European Commission to set priorities and oversee progress.

Another positive step on the horizon is the granting of further powers to the EU Agency for Railways to implement a Single European Railway Area by reducing national requirements and legislation.

The TEN-T policy is backed up by the Connecting Europe Facility, an EU funding instrument devised to facilitate infrastructure projects 'of common interest', such as removing bottlenecks and closing up missing links.



The CEF budget for 2014-20 was 24 billion Euros, and the projected budget for 2021-27 is expected to be more than 33 billion Euros.

Doing the homework

Unfortunately, from the rail freight perspective, these two legislative instruments are not always aligned, and do not address all of the issues.

Achieving meaningful modal shift will depend on putting in place a clear strategy which considers the requirements of all parties and the obstacles to progress.

However, it is important that stakeholders should avoid taking isolated actions to optimise their own business which could risk weakening the railway system overall.

Four are the main groups of rail freight stakeholders and their related priorities and constraints.

Customers need transport at lower cost, and reliable arrival time estimates in order to coordinate deliveries with their other activities.

They also need greater flexibility to handle short-term requests, an area where rail currently loses out to road haulage.

Meanwhile, politicians continue to demand that railways deliver better performance and better financial results to balance the costs and benefits of public support.

Railway undertakings need sufficient high-quality train paths if they are to offer a reliable service to their customers.

They are also looking for rapid implementation of new rules and standards which could help to reduce administrative and operating costs.

And they need the different infrastructure managers to take a harmonised approach in managing construction works and disruption.

Infrastructure managers generally remain dependent on their national governments and national safety authority.

They need to ensure sufficient funding to cover routine operations and maintenance, as well as any investment in extra capacity.

At least, that is the theory.

In reality, we often find that the different parties are arguing with each other over what should be prioritised.

Given the contradictions, it is perhaps not surprising that each group of stakeholders tends to focus on its demands before starting to tackle its own homework.

So the whole sector is losing precious time to convince end customers about the wider environmental and societal benefits of rail freight.

Four framework priorities

Looking ahead, a number of 'extended' framework conditions need to be put in place.

The first of these, without a doubt, is a sustainable financing structure to guarantee reliability, quality and sustainability.

As yet, most countries have not put in place a long-term financing model, which leads to difficult discussions every year about how much money should be allocated for rail.

One possible instrument could be the Swiss model of a Rail Infrastructure Fund (Fig 4) which put in place guaranteed sources of funding to ensure a well-developed railway for the future.

However, money is only part of the challenge.

A successful system needs well-educated, open-minded people to manage and develop the business efficiently.

As is well known, the rail sector faces a huge bulge of retirements and the loss of skills, not just managers and engineers but also operating staff, despite the relentless march of automation.

The labour market is currently unable to cover this demand, partly due to rail's specific requirements but also because the sector suffers from an image problem.

Development of a sustainable rail system can only be achieved through greater cooperation.

All players must collaborate to establish a sound foundation on which to build a competitive business.

Each stakeholder should focus on their customers' requirements, and then work together to prioritise those initiatives which bring the greatest benefits.

The fourth pillar is innovation.

Everyone is talking about how disruptive technologies and digitalisation will transform the transport sector.

Railways have always lived with disruption and innovation, and in their time were disruptive technology themselves.

The big unanswered questions remain about what counts as innovation, and how concrete products can be realised in a realistic timeframe.

How far are such new products compatible with existing technology?

What are the costs, and who should cover them?

A lot of good initiatives are being pursued, but in many cases the level of coordination and common understanding could usefully be improved, as well as focusing on the precise benefits.

The outside world

The rail sector can sometimes seem like a closed system, with a lot of internal discussions between the same few people, who in most cases understand the issues.

But it is important not to forget the need to communicate with the outside world, and especially the wider public as well as politicians.

On the one hand, it is essential to convince them of the environmental, social and economic advantages of rail, and on the other to gain support for much stronger measures to mitigate climate change.

It has become increasingly clear that the rail sector needs strong political backing.

It was heartening that the national transport ministries across Europe signed the so-called 'Rotterdam Declaration' at the TEN-T Days event in June 2016, underlining the necessity of further improvements in rail freight and providing a clear indication that politicians supported both current and new actions.

That ministerial declaration was matched by a 'Sector Declaration', signed by all of the railway associations and RFC management groups.

This was broadly in line with the ministerial declaration, but explained some of the issues in a more detailed way.

A voluntary 'sector statement group', has been meeting over the past two years to discuss the actions mentioned in both declarations and draw up a 'Top 10' list of priorities.

Each of these is led by a coordinator who assembles all the relevant information and launches initiatives on behalf of the rail freight sector.

This work will continue in 2019 and 2020.

The first results were reported at the Rail Freight Day event in Wien last December, alongside the 'Wien Declaration' renewing the ministerial commitment to making rail freight an integral part of the climate change agenda.

The work of the sector statement group has helped to establish the core objectives for the Rail Freight Forward initiative.

Looking beyond Europe

Climate change is not simply a European issue, and the working group has been looking to learn from current initiatives around the world that could help to inform practical actions.

Australia's Inland Rail project offers a 'once-in-a-generation' opportunity to reshape freight movements across that country.

Using a mix of upgraded lines and new connections, it will create a 1700 km north-south corridor between Melbourne and Brisbane, intersecting with the east-west Sydney – Perth corridor near Parkes, to complete the 'spine' of a national high-performance rail freight network.

Meanwhile, India has committed to building a network of dedicated freight railways to provide additional capacity on six of the country's busiest rail corridors.

The country's huge population poses a real challenge in addressing the need to move goods in an efficient and sustainable way.

The 1483 km Western DFC from Mumbai to Delhi and the 1839 km Eastern DFC connecting Punjab and West Bengal have been under construction for some years and the first sections are now starting to open for traffic.

Another major initiative of note has been the growth over the past few years of rail freight on the 11000 km 'Silk Road' route connecting China and Europe, as an increasingly attractive alternative to air or sea freight.

Yet there is more work to be done.

There remains the need to connect other countries in the Asian region as well as China, and here we can note the work of the Un-escap Trans-Asian Railway initiative.

A crucial issue is setting the right priorities for rail freight, which will help to focus the investment.

As with Australia and India, the aim must be to achieve a high level of capacity utilisation while ensuring that rail flows can adapt to current and future market demands.

Four key recommendations

Based on my experience and work on the various corridors, I would like to put forward four recommendations that will — hopefully — help to ensure a strong future for rail freight.

1. Act in a customer-oriented way.

   All players want to push their own agenda, but as a first step they need to reflect how to satisfy the needs of their current and future customers.

2. Collaborate.

   Making efficient use of scarce resources means following a common approach, with continuous collaboration and exchange of knowledge.

   Everybody needs to learn to accept other opinions and compromise.

3. Communicate.

   Everybody inside and outside the rail sector needs to publicise success stories, both small and large.

We must also highlight the obstacles that remain to be addressed, but not be afraid to do so in a self-critical way.

Railway innovation is not just about the glamour of high speed passenger trains or the general drive towards digitalisation.

Rail freight must draw attention to its role as an important priority in tackling climate change, explaining the broader context to the public in a more comprehensible way.

4. Deliver.

   We can talk and analyse endlessly, but success will only start with effective implementation of the promises, demonstrating that we can meet the end customers' needs.

   This would improve the reputation of rail freight and attract additional freight volumes to rail.

   Then, and only then, will we really start to contribute to meeting those climate change objectives.

(from: railfreight.com, April 10th 2019)

ROAD TRANSPORT

EU AGREES FIRST-EVER CO2 TARGETS FOR TRUCKS, DELIVERING A 30% CUT IN FUEL BURNT AND KICK-STARTING ZERO-EMISSION VEHICLES

The European Parliament today voted to cut carbon dioxide emissions from new trucks by 30% by 2030, benefiting truckers with almost €60,000 in fuel savings per vehicle over a five-year period.[1]

MEPs also agreed to reward truckmakers whose electric, hybrid and hydrogen vehicles make up at least 2% of new truck sales with a less stringent CO2 target.

European campaign group Transport & Environment (T&E) says this zero-emission sales incentive will help kick-start the shift away from fossil fuel technology.

T&E welcomes the vote as the new law will reduce climate emissions, make air in cities cleaner and slash fuel bills for businesses.

The new European regulation includes an interim target of a 15% cut in CO2 emissions from new heavy-goods vehicles sold in 2025 compared to 2019 levels.

However, the Brussels-based group warns that the new targets are far from enough to meet the Paris climate goals.

Trucks in Europe already today account for 22% of road transport emissions while making up 2% of the vehicles on the road.

The EU is the last major economy to regulate the fastest growing CO2 source in European road transport.[2]

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[1] Fuel bills account for one third of the operating costs of an average European truck.
European hauliers currently spend on average €32,000 a year per truck on fuel.
The savings for 2025 and 2030 are shown in the Commission's Impact Assessment, table 15.

[2] China, the US and Japan have regulated CO2 emissions from new trucks for years now.

The European Commission expects the activity from heavy goods vehicles to jump by more than 50% in the period 2010-2050.

Stef Cornelis, cleaner trucks manager at T&E, said: "This law is a pivotal moment for the truck industry in Europe.

After 20 years of very little progress in fuel efficiency, and the biggest cartel fines in the industry history, truckmakers have to cut emissions by almost a third over a decade and start supplying zero emission trucks.

But this is just the beginning and the rules will need to be made a lot more ambitious when they are reviewed in 2022."

In a separate development yesterday, the independent National Infrastructure Commission appointed by the UK Treasury recommended the British government ban the sale of new diesel trucks no later than 2040 to achieve zero-emission freight in 2050.

Already today electric trucks can be cheaper to operate than diesel lorries.

T&E urges European truckmakers not to miss this market opportunity and start supplying zero-emission trucks now, instead of waiting until the last minute.

The focus, the campaign group argues, should be on truly zero tailpipe emission technology such as battery electric vehicles and hydrogen fuel cells.

Any climate emission savings from fossil gas trucks are very modest, offering only investment lock-in, instead of a workable path to zero emissions.

The emission reduction targets will be determined according to the emissions levels achieved by the new truck fleet from mid 2019 to mid 2020.

T&E alerts regulators to the obvious temptation for truckmakers to inflate the emissions levels starting this July in order to lower the efforts needed to achieve the clean truck targets during the 2020s.

Stef Cornelis said: "The European automotive industry has a notorious track record of collusion.

EU regulators stand warned.

A door must not be left open for manipulation and cheating in emission reduction targets.

The European Commission should therefore come forward as soon as possible with a rigorous methodology to check and adjust if necessary the baseline values.

Inflating the 2019/2020 emission levels will severely undermine the goal of the regulation, lead to lower fuel savings, compromise emission reductions, and jeopardise even further the achievement of the Paris goals."

All major EU truckmakers engaged in a cartel to fix prices and delay the introduction of clean technology from 1997 to 2011.

Big businesses including IKEA, Unilever, Carrefour and Nestlé, as well as logistics companies and hauliers, had called for the CO2 targets and sales benchmark to help them address their climate responsibilities and make fuel savings.

Trucks now account for around 20% of air pollution in cities such as Berlin and London.[3]

(from: transportenvironment.org, April 18th 2019)

[3] European Commission Impact Assessment, page 7.

INTERMODAL TRANSPORT

KREUZTAL AND KORNWESTHEIM NOW CONNECTED TO VERONA QUADRANTE EUROPA

Kombiverkehr KG, Europe's largest provider of intermodal transport services, is expanding its European network with a new north-south connection.

From the beginning of May 2019, the just recently opened terminal in Kreuztal, in the Siegen-Wittgenstein district, will be connected to the announced direct train link to and from Verona in northern Italy.

At the same time, the company will also be running the multi-group train from the Kornwestheim terminal to Italy in close cooperation with Mercitalia Intermodal.

The destination and starting terminal in Verona is Quadrante Europa.

With this new product, the Frankfurt-based company is expanding its range of services to and from Italy via the Brenner Pass within Europe's largest intermodal network to a total of 148 train departures every week.

Some capacities of the train to and from Kreuztal have already been allocated to a forwarding company specialising in services to and from Italy.

The new train will be offered to all existing and prospective customers of the operator as an open train product, which means it can be used by any logistics company.

"In order to make the product customer friendly, we have done all we can to deliver a timetable that suits future users as much as possible", explains managing director Robert Breuhahn.

This was far from easy, given the current high usage both of the Verona Quadrante Europa terminal and of the Italian track, but ultimately success was achieved: "On almost all days of the service, late closing times for acceptance and early collection times demonstrate the attractiveness of our new product."

The new trains will start in both directions on the evening of 6 May 2019.

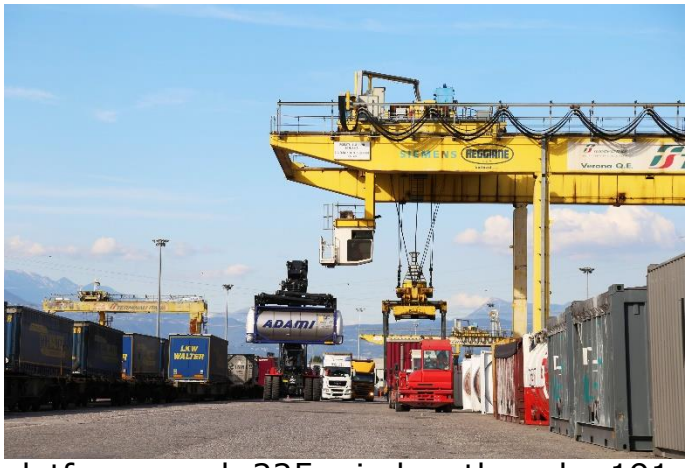
Forwarders and logistics companies can ship their transport units at all departure terminals – both in Kreuztal and Kornwestheim and in Verona – on Mondays, Wednesdays and Fridays.

Semitrailers cannot be transported on the Kornwestheim – Verona v.v. route.

At just 38 hours or thereabouts, the journey time of the new train gives forwarders and transport companies the option of the rapid and also extremely environmentally friendly transport of goods and merchandise between the economic centres of South Westphalia and the greater Stuttgart area and Verona in Venetia.

Hazardous goods can be transported in addition to conventional goods.

The only exceptions are substances of classes 1 and 7 and those on the "Red list" of Mercitalia Rail.



The new container terminal of Kreisbahn Siegen-Wittgenstein was officially opened in the presence of representatives from politics, business and logistics at a ceremony held on the company's grounds in Kreuztal in mid-September 2018.

It has a total surface area of 18,500m², two transshipment platforms each 225m in length and a 191m long siding.

The modern cargo handling systems and seamless connection of road and rail make the facility in Kreuztal one of the most efficient transport hubs in South Westphalia.

The terminal will be operated by Südwestfalen Container-Terminal GmbH (SWCT), a partnership whose shares are split equally between Kreisbahn Siegen-Wittgenstein GmbH and Kombiverkehr KG.

The terminal will begin operations shortly with the launch of the train to and from Verona.

"The Kreuztal terminal is the only location at the southern end of the Rhine-Ruhr region that can be accessed by transport units with a P400 profile without using the Rhine corridor.

Up to 45,000 transport units a year can be shipped round the clock seven days a week thanks to the very latest measures we have taken to reduce noise emissions at the site", emphasises the other managing director, Armin Riedl.

"Given the current background of a continuing rise in trailer shipments in general, and especially in the Rhine-Ruhr region, our stake in the terminal's operating company is of particular relevance for the future design of new intermodal routes for this economic region.

With this shuttle train to and from Verona, we have now laid the foundation for the successful development of the terminal."

From 6 May 2019 there will be a new destination for forwarders wanting to connect the terminals in Kreuztal and Kornwestheim in intermodal services with the economic region of northern Italy: the Verona Quadrante Europa terminal.

(from: kombiverkehr.de, April 17th 2019)

TRANSPORT & ENVIRONMENT

AIR POLLUTION IN SHIPPING: THE FURTHER REDUCTION OF SO2 EMISSIONS 2020

As of January 2020, the International Maritime Organisation (IMO), in line with the International Convention for the Prevention of Pollution from Ships (MARPOL) will set new limits on the sulphur content in fuel oils on board vessels.

Even though ships are known to be some of the largest and most reliable machines on the planet, they emit around 1000 million tonnes of C02 annually and are responsible for approximately 2.5% of global greenhouse gas emissions.

One of the main and most harmful chemical pollutants in this field is Sulphur Dioxide (SO2), which is regularly emitted into the atmosphere as a result of the combustion of fuels containing sulphur.

Between 2007 and 2012, the IMO reported that approximately 11.3 million tonnes of Sulphur dioxide were generated annually by the maritime transport industry.

Sulphur dioxide is a pollutant that contributes to acid deposition, which in turn, can lead to potential changes in soil and water quality.

The subsequent impacts of acid deposition can be significant, including adverse effects on aquatic ecosystems in rivers and lakes and damage to forests, crops and other vegetation.

S02 also contributes to the formation of particulate aerosols in the atmosphere which can be tremendously harmful to human health and which may cause respiratory and cardiovascular complications whilst also reducing one's life expectancy by up to two years.

To date, there has been a limitation of up to 3.50% m/m (mass by mass) sulphur content within fuels on board vessels operating outside the 'Emission Control Areas' (ECA).

By means of comparison, the sulphur content of fuels used in trucks or passenger cars must not exceed 0.001%.

A study conducted in 2016 which explored the impacts on human health from S02 emissions from ships, submitted to the IMO's Marine Environment Protection

Committee (MEPC) by Finland, estimated that by not reducing the S02 limit from ships, the air pollution would contribute to more than 570,000 additional premature deaths worldwide between 2020 and 2025.

As of the 1st of January 2020, the limit of sulphur present in fuel oil used on board ships operating outside designated emission control areas will be reduced to 0.50% m/m from the 3.50% limit previously imposed.

This change will effectively impose an obligation on all ships, irrespective of size, to use fuel oils which are inherently low in sulphur, in order to meet the newly revised IMO standards.

In certain circumstances, a number of exemptions are provided, for instance a) when the safety of the ship is at risk b) when there is a rescue operation underway, or c) if a ship or its equipment is damaged.

Another exemption allows for a ship to conduct trials for the development of ship emission reduction and control technologies and engine design programmes.

This would require a special permit from the respective Flag State of the vessel.

How can ship operators and owners plan ahead for the 0.50% sulphur 2020 limit?

The Marine Environment Protection Committee (MEPC) has approved guidance on ship implementation planning in order to assist ship operators and ship owners to plan ahead for the 0.50% sulphur restriction in 2020.

The ship implementation planning guidance includes sections on:

- risk assessment and mitigation plans (impact of new fuels);
- fuel oil system modifications and tank cleaning (if needed);
- fuel oil capacity and segregation capability;
- procurement of compliant fuel;
- fuel oil changeover plan (conventional residual fuel oils to 0.50% sulphur compliant fuel oil); and
- documentation and reporting.

How is the IMO going to assure that such sulphur limits are being followed?

Monitoring, compliance and enforcement of the new limit falls to governments and national authorities of Member States that are Parties to MARPOL.

Flag States and port States have rights and responsibilities to enforce such compliance.

The IMO is working with Member States as well as the industry (including the shipping industry and the bunker supply and refining industry) to identify and mitigate transitional issues so that vessels may meet the new requirements, including developing guidance, developing standardised formats for reporting fuel oil non-availability if a ship cannot obtain compliant fuel oil and considering verification and control issues.

What controls will there be once the new global limit takes effect?

Vessels taking on fuel oil for use on board must obtain a bunker delivery note, which states the sulphur content of the fuel oil supplied.

Vessels must also be issued with an International Air Pollution Prevention (IAPP) Certificate by their Flag State.

This certificate includes a section stating that the ship uses fuel oil with a sulphur content that does not exceed the applicable limit value as documented by bunker delivery notes or uses an approved equivalent arrangement.

If the legal limits are not adhered to, sanctions may be imposed however it is up to the individual State Party to set its own sanctioning and fine mechanism.

Therefore, the regulatory restriction on the limits of sulphur in fuels used to operate vessels will definitely contribute to a cleaner environment and a substantial improvement to one's well-being.

(from: hellenicshippingnews.com, April 23rd 2019)

LAW & REGULATION

CARRIERS SHUDDER AT FRENCH SPEED LIMIT PROPOSAL FOR CONTAINERSHIPS

Container lines have objected to French calls for the IMO impose mandatory speed limits for ships.

The French proposals, submitted at the end of last month and seen by The Loadstar, call for a two-step approach of short-term measures to cut GHG emissions in shipping.

They include regulating ship speeds on a sector by sector basis, followed by the adoption of globally applicable annual emissions caps based on each ship's output.

It is understood that Maersk has objected to the proposals, while a spokesman for Hapag-Lloyd told The Loadstar additional speed reductions "would not be a good solution".

He said: "All container shipping lines voluntarily reduced speed a few years ago, leading to significant reductions in fuel burn, which slowed down the speed of the entire supply chain.

We have invested many millions to technologically optimise ships accordingly, and we believe additional speed reductions are not in the interest of our customers.

[These measures] would have a significant effect on efficiency and supply chain speed, and we would additionally need to invest again into optimising ships for lower speed."

Data seen by The Loadstar shows that container carriers made marked improvements in cutting speed from 2008 in an era of self-regulation.

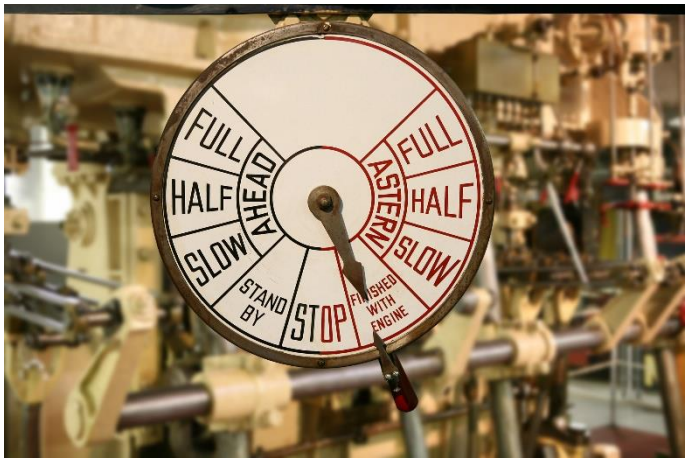
However, ships above 12,000 teu appear to have started speeding up in 2014, and one source claimed ships of all sizes across the global fleet had increased speed in the past year.

But Hapag-Lloyd's spokesman said: "I would like to see the data; the fact is, ships have slowed down and shipping companies have invested millions to change ships accordingly.

We should rather like to see penalisation of those companies which are not using compliant fuel and hence contribute to environmental damage."

The German shipping giant has exceeded legal requirements on emissions and is expecting to spend a further $1bn next year to comply with the new fuel regulations.

As a whole, the industry is expecting to pay an additional $60bn annually following the implementation of the low-sulphur cap and one source said: "Carriers have no interest in speeding up as it is uneconomical, the cost element alone would cripple them.



So, for an industry already operating on slim margins, telling it to slow-speed is like teaching a grandmother to suck eggs."

Indeed, the 2M Alliance has announced that transit times on China-Felixstowe services would be increased from 39 to 45 days, and Maersk says it intends to be carbon-free by 2050, far beyond the 50% deduction the IMO is targeting.

In its proposals, the French specified that the plan "cannot apply to all ship type categories indifferently; in this respect, four large sets of ships can be distinguished based on the recent experience of slow-steaming".

Among the four groups listed were ships that had not only reduced their speeds but continued to operate at lower speeds, with it specifying "containerships".

"Since the function linking the ship's speed and the emission level is not linear, a further speed reduction would hardly lead to any further significant emission reduction," it said.

"For those ships, France recommends to further consider the revision of the phase 3 of the EEDI standards."

Maersk's head of fleet technology, Ole Graa Jakobsen, told The Loadstar general speed limits did not solve the challenge of creating more energy-efficient solutions in the global fleet.

He said contrary to popular belief, speed limits reduced the incentive to invest in energy-efficient ships by limiting their economic benefits.

"We believe legislation should focus on methods for speed optimisation, encouraging design of efficient new ships and investments in existing energy-efficient ships," said Mr Jakobsen.

"This would accelerate the phasing-out of inefficient ships by ensuring that they remain uneconomical to operate.

Regulating emissions or power for an individual vessel offers a more fair and effective way to CO2 reductions."

Mr Jakobsen's proposals echo those called for by the Danish government, which is seeking introduction of operational efficiency metrics as opposed to speed reductions.

One environmental source said this played into Maersk's hands as it already had the most efficient ships, the benefit of which would be lost through speed reduction measures.

"It feels if everyone went slower it would level the playing field between them and their less efficient rivals," continued the source.

"Is the speed reduction proposal a big deal?

Yes, it is probably the cheapest (cost-saving) way to cut CO2 promptly.

Global warming is already impacting container shipping through more extreme and frequent weather events.

According to the UK's Ministry of Defence, if global warming gets out of control we are likely to see regular flooding of cities, mass crop failure, disruption of shipping routes and key choke-points such as the Panama Canal and migration on a scale of millions, in which case container shipping as a business would no longer exist in its current form anyway."

(from: theloadstar.com, April 12th 2019)

STUDIES & RESEARCH

FORWARDERS REPORT RISING DEMAND FOR EX-CHINA BOX SLOTS

Forwarders report rising demand for container slots out of China with one source predicting ocean freight rates could continue to make gains on the Asia-Europe trade through May if carriers continue to ration capacity.

Spot freight rates on the Shanghai-Rotterdam trade rose 2% last week and are now 14% higher than a year earlier, according to the latest World Container Index as assessed by Drewry.

Although container shipping analysts contacted by Lloyd's Loading List are hesitant to read too much into last week's gains at this early stage, they agree there is a sizeable amount of data now available hinting that demand fundamentals on the trade could be improving.

As reported in Lloyd's Loading List, Chinese export activity reawakened in March while forward manufacturing export order indicators are also strong.

And, earlier today, China released a slew of positive official economic data.

These revealed that GDP expanded by 6.4% in the first quarter, a higher rate than most analysts forecast.

Industrial production also jumped 8.5% year-on-year in March - the fastest growth since July 2014 – and fixed asset investment and retail sales surged.

Flexport now expects carriers to try to implement 1 May General Rate Increases as demand for slots increases.

"We are seeing record weeks - an indication that the market is recovering and a similar scenario to the demand recovery on the Asia-Europe trade lane observed during the same period last year," said Martin Holst-Mikkelsen, Director Ocean Freight at Flexport.

Container shipping analyst MSI warned earlier this month that market balances on the Asia-Europe headhaul trade would remain challenging for lines unless they blanked sailings aggressively.

And, according to Holst-Mikkelsen, that is exactly what some are now doing.

"We're seeing carriers balance their capacity through a larger number of blank sailings," he said.

"This partly offsets new capacity induced on the trade lane and helps put a floor under overall market rates.

We expect rates to recover further into May as demand recovers fully and a number of vessels dock for scrubber installation as IMO 2020 draws closer."

MSI's analysis concluded that westbound capacity over June-August on the Asia-Europe trade would total around 5.2 million TEU, and demand would have to grow by 5% if the container shipping industry was to achieve an aggregate load factor of 85%.

According to one leading digital forwarder, there are now multiple indicators to suggest that demand on the trade could increase in the months ahead.

Iván Tintoré, CEO and co-founder of digital forwarder iContainers, told Lloyd's Loading List that the short-term bump in ocean freight rates on the China-Europe lane and signs of improved Chinese export activity were supported by long-term fundamentals.

"We expect to see further augmentation of China-EU demand and searches," he said.

"The EU is China's largest trading partner while China is the EU's second-largest trading partner, after the US.

Following China's economic growth and middle-class expansion, we've been seeing a consequential increase in both imports - +27.4% - and exports - +30.5% - between China and the EU in the last five years.

Another important factor is the e-commerce development bringing forward hundreds of new and smaller businesses in both China and the EU.

As a result, trading companies no longer depend on major local distributors and now can procure smaller volumes directly from suppliers abroad."

On a regional level, he said Asian Pacific countries - particularly China - were also now driving global online sales.

"Chinese e-commerce sales grew more than 30% in Q1 of 2019 to reach $1.989 trillion," he said.

"But at the same time, China's internet penetration is still at a low 55%, since most of its population is located rurally.

This reveals huge growth potential for China's e-commerce giants that will open doors to new money for Chinese suppliers and retailers – increasing their foreign investments and expansion into the European market.

This e-sales expansion preconditions the need for shipping solutions."

He also said that new technologies were now transforming shipping, providing independent players with instant and competitive logistics solutions via, for example, Alibaba Logistics.

"A look at our internal data at iContainers comparing the months of March 2018 and March 2019 shows a 30% increase in searches by Chinese companies and a 17% increase in searches with origins in China and destinations in major EU ports," he added.

(from: lloydsloadinglist.com, April 17th 2019)

INFORMATION TECHNOLOGY

NEW CONTAINER LINE ASSOCIATION TO TACKLE DIGITAL STANDARDIZATION IN SHIPPING

Some of the world's top container shipping line are banding together to form an association seeking to drive new digital technology standards to boost efficiency for shipping lines and customers.

The Digital Container Shipping Association (DCSA) was officially launched in Amsterdam on April 10th after gaining regulatory approval from the U.S. Federal Maritime Commission (FMC) last month.

Partners include MSC, A.P. Moller – Maersk, Hapag-Lloyd and Ocean Network Express, with more expected to join in the future.

The plan to create a neutral, non-profit association for ocean carriers was first announced in November 2018.

The association, which focuses on driving standardization, digitalization and interoperability in container shipping, is now starting operations with a leadership team made up of senior industry figures, including Maersk's Thomas Bagge, as CEO.

"For the first time in twenty years, the container shipping industry has come together with a common goal to move the industry into the digital era.

With the regulatory approval in place, we look forward for the association to take up work and to begin to collaborate with multiple stakeholders from the entire value chain," says André Simha, Chief Information Officer of MSC Mediterranean Shipping Company and Chairman of the Supervisory Board of DCSA.

One of the association's first projects will be to focus on digital standards to tackle the lack of a common foundation for technical interfaces and data.

The association is also creating an industry blueprint for processes, which will be another significant part of the future of shipping.

The work undertaken will be for the benefit of the entire industry, as all standards will be openly published and available free of charge to interested external parties, the partners said in a statement.

Neutral headquarters in Amsterdam

The location of the association's headquarters in Amsterdam, which is seen not favoring anyone one shipping company in the group.

At the same time, the association claims, is that it provides proximity to shipping infrastructure and ease of access, as well as an attractive location for talented employees.

"DCSA is working for the benefit of the entire container shipping industry, so it was important for us that the headquarters is located on neutral grounds, with no specific stakeholders or companies being favoured," says Simha.

DCSA is also in discussions with multiple other container shipping lines around the world who are interested in joining.

Preparations for two more companies to join are already in process, the partners said.

(from: gcaptain.com, April 16th 2019)

SAFETY & SECURITY

CAMPAIGN FOR GREATER CONTAINER SAFETY MUST FOCUS FIRST ON DANGEROUS GOODS

The recent reports of container ship fires has once more focussed those in the container supply chain on safety issues related to the incorrect processing of dangerous goods.

The nascent Cargo Integrity campaign initiated by the international transport and logistics insurer, TT Club has as a consequence gained renewed impetus.

The recent fire aboard 'Yantian Express', details of the final judgment on the 'MSC Flaminia' explosion in July 2012, and the ongoing investigation of the 'Maersk Honan' fire are currently making headline news.

Then recently news came in of 'Grande America' sustaining a container fire in the Bay of Biscay and subsequently sinking.

These perilous incidents not only frequently cost lives, millions of dollars in cargo losses and ship damage, but also significant delays in cargo supply chains amounting to major disruption across numerous industries in these 'just-in-time' days.

Yet these incidents are merely the tip of a failing safety iceberg.

Taking the maritime segment of global supply chain, it is estimated that a major container ship fire at sea occurs on average every 60 days, albeit that there have already been four major cargo-related fire incidents in 2019.

Furthermore TT Club's records indicate that across the intermodal spectrum as a whole, 66% of incidents related to cargo damage can be attributed to poor practice in the overall packing process; that is not just in securing but also in cargo identification, declaration, documentation and effective data transfer.

The calculated cost of these claims in the Marine Aviation & Transport (MAT) insurance sector is in excess of USD 500 million a year.

All types of cargo can be mishandled, however wrongly classified, labelled, packed or simply inaccurately identified dangerous commodities bring the greatest potential risk of disaster.

Estimating the degree of failure to comply with best practices in this regard is not straightforward.

ICHCA International, the cargo handling operatives association has calculated that of the 60 million packed containers moved each year, 10% or six million are declared as DG.

Information from published government inspections (which are invariably biased towards declared DG loads) suggests that 20% of these are poorly packed or incorrectly identified.

This translates into 1.3 million potentially unstable DG containers traveling around the world each year.

Peregrine Storrs-Fox, TT Club's Risk Management Director emphasises that this scale of risk is elevated when undeclared or misdeclared DG consignments are considered.

"In these cases an estimate of volumes is more obscure.

An indication has been given through the work of one container carrier, Hapag-Lloyd, developing a profiling algorithm to search its booking system for potential misdeclaration of commodities.

Results from Cargo Patrol, when extrapolated to the carryings of all the lines, concludes a reasonable estimate in excess of 150,000 volatile containers in the supply chain each year."

(from: bulk-distributor.com, April 9th 2019)

ON THE CALENDAR

- 29-30/04/19 Lagos West African Ports and Rail Evolution Forum 2019
- 07-10/05/19 Kusadasi 54th MedCruise General Assembly
- 07-08/05719 Vilnius CEE Small-Scale LNG Forum 2019
- 07-09/05/19 Anversa ANTWERP XL: connecting the breakbulk cargo community
- 10-10/05/19 Shanghai 4th Annual International Shipping Forum – China
- 14-14/05/19 Tokyo Japan Maritime Forum
- 15-16/05/19 Napoli The Small Scale LNG Use. Euro-Mediterranean Conference & Expo
- 21-23/05/19 Brema Breakbulk Europe 2019
- 22-24/05/19 Shanghai Intermodal Asia 2019
- 23-24/05/19 Sorrento ECG Spring Congress & General Assembly
- 23-25/05/19 Pilos Wista MED 2019
- 28-29/05/19 Atene Posidonia Sea Tourism Forum
- 29-30/05/19 Atene International Green Shipping and Technology Summit 2019
- 29-30/05/19 Sevastopol SIMBF 2019 - International Maritime Business Forum & Exhibition
- 30-31/05/19 Ancona Adriatic Sea Forum
- 04-07/06/19 Oslo Nor-Shipping 2019
- 04-07/06/19 Monaco B. Transport Logistic 2019
- 05-06/06/19 Lisbona DELIVER, the European Rendezvous for E-Logistics
- 14-14/06/19 Collecchio Logisticamente Out
- 20-21/06/19 Pireo 7th Global Symposium of Maritime Executives PIREAS 2019

- 24-30/06/19 Genova Genoa Shipping Week
- 25-26/06/19 Dar Es Salaam 3rd Edition of the African Ports Expansion Summit
- 28-28/06/19 Genova Shipbrokers and Shipagents Dinner 2019
- 28-30/08/19 Jakarta Inamarine 2019
- 10-10/09/19 Londra 12th Annual Shipping & Marine Services Forum
- 11-13/09/19 Amburgo Seatrade Europe Cruise & River Cruise Convention
- 11-13/09/19 Amburgo MARINE INTERIORS Cruise & Ferry Global Expo
- 19-24/09/19 Genova 59° Salone Nautico
- 23-25/09/19 Doha Ports & Maritime Evolution, Rail & Logistics Evolution, Road & Logistics Evolution Qatar Assembly & Expo
- 23-24/09/19 Roma AIIT 2nd International Congress on transport infrastructure and systems in a changing world
- 03-05/10/19 Piacenza GIS 2019 - Giornate italiane del sollevamento dei trasporti eccezionali
- 06-09/10/19 Limassol 16th "Maritime Cyprus 2019" Conference
- 15-18/10/19 Oslo 15th GreenPort Congress and Cruise 2019
- 15-15/10/19 New York 11th Annual New York Maritime Forum
- 21-21/10/19 Atlantis The Maritime Standard Awards 2019
- 22-22/10/19 Atlantis The Maritime Standard Tanker Conference 2019
- 23-23/10/19 Parma Logisticamente On Food
- 06-06/11/19 Abu Dhabi The Maritime Standard Ship Finance and Trade Conference 2019
- 27-28/11/19 Madrid International Cruise Summit 2019
- 03-05/12/19 Pordenone Navaltech 2019 - Marine Technologies Expo
- 04-05/12/19 Barcellona Cruise Ship Interiors Expo

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