

Tank containers in chemical industry

Stefan Schneider April 2013



# Only a short introduction ...





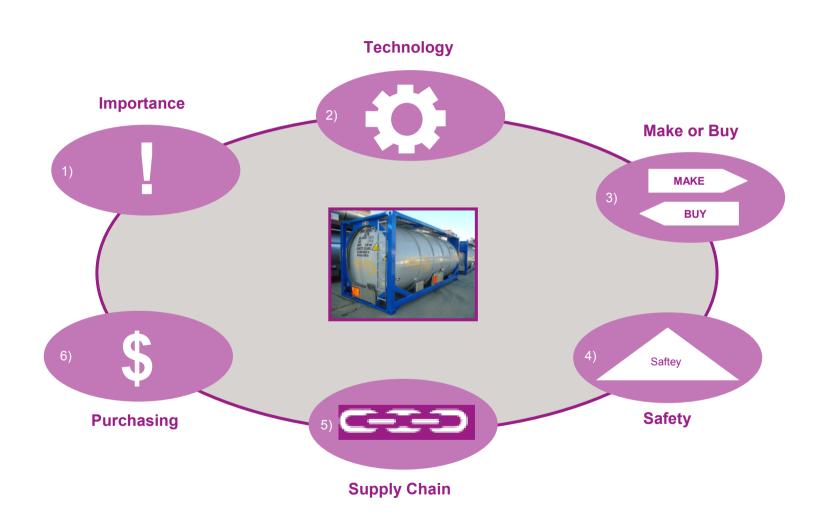


- One of the global leaders in specialty chemicals
- Investments in the energy and real estate sectors
- Ownership structure: RAG-Stiftung (74.99%) and CVC Capital Partners (25.01%)
- Production sites in 24 countries, active in over 100 countries
- Balanced spectrum of business activities and endmarkets
- Market-oriented research and development
- Evonik Services GmbH:
   Head of Procurement Logistics Water & Air
- Coverage the mode of transport:
  - Overseas container (FCL, LCL, TC\*)
- Barge, Parcel, Tank storage
- Airfreight, Courrier / Express / Parcel

<sup>\*</sup> TC = Tankcontainer

# Elements of tank container management





/ shipment size

Packaging

## **Importance**



e.g. 301



e.g. 2001

e.g. 1.000l









**Tankcontainer for DG** 

Flexitank for non-DG







DG = Dangerous Goods

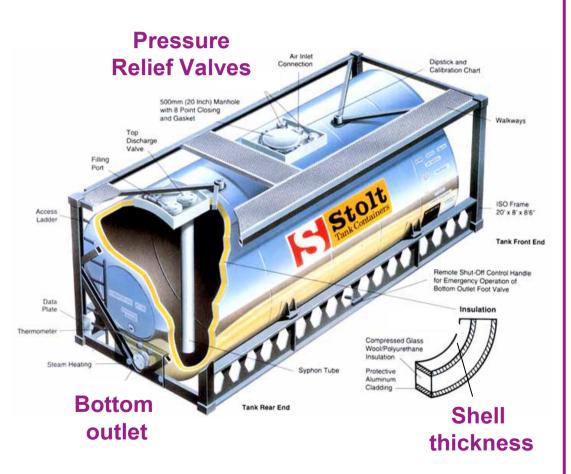
#### Importance of tank containers

- Equipment for liquid chemicals or liquified gas chemicals
- Realization of intermodal solutions for sea, road, rail and waterway transports → sustainability
- Equipment which allows the transport of higher volumes without an additional outer packaging (= bulk)
- Optimization of packaging, handling and transportation costs
- Utilization as storage capacity
- Flexibility



## **Technology**





#### Importance of technology

- The technical configuration of a tank container decides about:
  - transportation safety
  - product quality
  - handling options
- IMO safety requirements:
  - Minimum test pressure
  - Minimum shell thickness
  - Rules towards pressure relief
  - Rules towards bottom opening
- Quality and handling requirements:
- Insulation / Heating
- Temperature control systems
- Material (stainless steel or lined)
- Internal cleaning systems



## Make or Buy



#### Supplier Evonik Market **Strategy** Tank Container Own Fleet **Producer Tank** Container One Way **Operator** Delivery **Tank** Container Leased **Fleet** Leasing

#### **Drivers**

- Investment Policy
- Long term demand (over 6 years)
- Special Requirement
- Short term demand
- High logistics costs
- Spot Market
- Medium term demand (1 to 5 years)
- Standard Equipment
- Investment diluted in running costs



## **Safety**



#### Registration

#### **Equipment**

TC-Operator / shipper

Shipping lines / ports

- Tank container registration (e.g. DWAO)
- Initial inspection certificate
- CSC safety approval plate
- Regular equipment inspections
- Each 2,5 years: leak test and functional check
- Each 5,0 years: hydraulic pressure test
- Security, Safety, Health, Environment & Quality management systems:
- e.g. SQAS, ISO-certifications, CDI-certifications

CDI = Chemical Distribution Institute, SQAS = Safety and Quality Assessment System

- Mixed load-prohibitions / volume restrictions
- Initiatives like:
- SPSN (Sustainable Ports and Shipping Network)
- CINSNET (Cargo Incident Notification System)



## **Supply Chain**











- Technical requirements
- Quality requirements (e.g. pre-loading lists)
- Demand information / lot sizes
- Tankcontainer as flexible storage alternative
- Equipment philosophy (e.g. size, fittings)
- Global imbalance in TC moves → empty positioning
- Global service providers vs niche providers
- Reporting system for supply chain deviations
- Increasing TC demand needs an adjustment of the depot infrastructure
- Need of multifunctional depot's: storage, cleaning, maintenance / repairing
- Inconsistent attitude of ocean carriers towards tank containers because of: heavy weight, dangerous goods share, shippers / operators owned equipment

## **Purchasing**





- <u>"Make" Option 1: Buy:</u> Request for quote from tank container producers
- <u>"Make" Option 2: Rent:</u>
  Request for quote from tank container rental companies
- RFQ basics: Technical requirements / Definition of rental period



Operated / Shipper's owned tank container:
 Realization of global tender approaches

### Thank you for your attention!





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