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PORTS AND TERMINALS

DESPITE CONGESTION FEARS, NORTH EUROPE PORTS WILL SEE THROUGHPUT GROW THIS YEAR

The six major North European ports in the Le Havre-Hamburg range will see a 5.5% increase in volumes this year, according to the latest *Global Port Tracker (GPT)* report.

The report, published by Hackett Associates in conjunction with the Bremen-based Institute of Shipping Economics and Logistics (ISL) forecasts a 4.3% increase in throughput of loaded imports across the ports this year, compared with 2013.

Imports from January to April handled in the Le Havre-Hamburg range increased by 4.9% over 2013, with a predicted full-year total of 14.47m teu, leading to a full-year gain of 5.5% in total teu handled.

Although these numbers include transshipment cargo, empties and intra-Europe shortsea traffic, they are a sign of improving consumer confidence, said Ben Hackett, the founder of the maritime research consultancy.

However, he cautioned that demand still remained "firmly in the hands of the consumer", boosted by low interest rate policies and "solid growth in the UK and Germany".

Written just days after the announcement of the vetoing of the P3 alliance by Chinese regulators, the report suggests that North Europe's terminal operators "must be heaving a sigh of relief" at not having to accommodate 18,000teu ships with load factors of around 95%.

GPT argues that it was "a witches' brew to start with, the coming together of the three most unlikely partners with business cultures at opposite points of a triangle".

It says: "What the Chinese identified was the danger of a cartel that could damage Chinese trade, as well as the financial results of the two state owned carriers, Cosco and China Shipping.

"The logic of P3 was to bring together a well-managed operating pool of ships focused on economies of scale and reduced operating costs.

What China saw was the creation of a means to reduce capacity sufficiently to allow for the increase of freight rates, whilst at the same time operating with rates low enough that they would probably be below the break-even level of most of the competition.”

Notwithstanding the foiled aspirations of the P3 members, port congestion has become a hot topic once again, it adds.



“Terminals are having a difficult time dealing with the big ships in terms of productivity and sufficient space.

In North European ports there is already congestion resulting from the very large interchange of containers from the 16,000teu-plus ships and the difficulty of dealing with transshipment volumes that they generate in ports such as Rotterdam

and Antwerp.”

Indeed, the impact on the operating efficiency of North European ports from the deployment of ultra-large container vessels on the Asia-Europe tradelane was the subject of much debate at the TOC Container Supply Chain event held in London last week.

And with the dust beginning to settle on the P3’s demise, *GPT* suggests that handling growth within the Le Havre-Hamburg range of ports will vary during the remainder of the year, reflecting the “current market war that is taking place between Hamburg, Rotterdam and Antwerp”.

Speaking at a TOC seminar last week, Mr Hackett said volumes would continue to “bounce around”, particularly between the German and Dutch ports, fuelled by discounts offered by port authorities.

Elsewhere, the big loser from the stymieing of the P3 is the much underused JadeWeserPort at Wilhelmshaven which, noted *GPT*, would have been the main beneficiary port of the alliance’s network.

(from: theloadstar.co.uk, July 1st 2014)

MARITIME TRANSPORT

CARRIERS ADD CAPACITY TO CASH IN ON PEAK SEASON, BUT VESSEL CHARTER RATES RALLY

Ocean carriers seem to be throwing every bit of cellular capacity they have in reserve at the peak season this year, as, unlike 2013 when the year began with a profitable first quarter, most container lines have yet to move into the black so far this year.

It is therefore crucial that they post a good third-quarter performance by taking advantage of cargo peaks, which also explains Zim's decision to provide an ad-hoc sailing by its 10,062teu *Zim Tianjin* from China to North Europe next week.



Although the troubled Israeli carrier has officially withdrawn from the Asia-Europe tradelane, it clearly does not want to miss an opportunity to garner some much-needed revenue to bolster its balance sheet.

Alphaliner reports that, on June 30, the idle container fleet comprised just 130 ships – 255,000teu – the lowest level for three years and of which only 18 vessels, equivalent to 47,000teu, were carrier-controlled.

Moreover, the analyst said that the average size of the laid-up containership had fallen significantly to 1,960teu from 3,300teu at the beginning of the year, reflecting stronger demand for larger ships in the peak season weeks.

In fact, the only ship over 7,500teu currently idled is the 8,600teu newbuild *CSAV Tyndall*, which apart from a voyage charter for Maersk Line repositioning empty containers to Asia, has been surplus to the Chilean carrier's requirements for the past two months and it keeps it at anchor off Hong Kong, paying daily hire to shipowner Zodiac Maritime as part of an eight-year charter.

However, with the current strong peak season demand for big ships, CSAV could yet obtain a three-month re-let to one of its peers to ease some of the financial pain from the expensive long-term charter.

Meanwhile, Alphaliner said Maersk Line and MSC had both been active in the boxship charter market recently, with the former fixing the 2010-built 8,540teu *Seroja Empat* on a sub-let from MISC at \$26,500 per day for 4-6 months – an increase on the \$25,500 per day paid by UASC for the ship on a single Pacific round trip.

Maersk has also taken the 6,612teu *Cap Aguilar* from Hamburg Sud on a sub-let paying \$16,500 per day for a three-month charter with a two-month option – well below the \$22,000 daily hire that the German niche carrier is paying Zodiac Maritime on a 12-month charter.

But there are still plenty of charter bargains awaiting aggressive carriers, as evidenced by MSC fixing the 6,966teu *Adrian Schulte* for a year at \$20,500 per day – previously known as the *APL Tennessee*, the vessel recently ended a five-year charter with Singapore-based APL which paid \$37,250 per day.

Even the much-suffering panamax sector has seen a rates rally, with vessels once again commanding over \$10,000 per day after falling to around \$7,500 earlier in the year.

However, charter rate levels are still some \$20,000 per day lower than their post-recession 2010-early 2011 peak.

(from: the loadstar.co.uk, July 9th 2014)

P3 MORPHS INTO 2M

The world's two largest liner shipping companies, Maersk Line and MSC, have agreed a long term 10-year vessel sharing agreement (VSA) that will cover all of their 21 service strings in the transpacific, transatlantic and Asia/Europe/Asia trades.

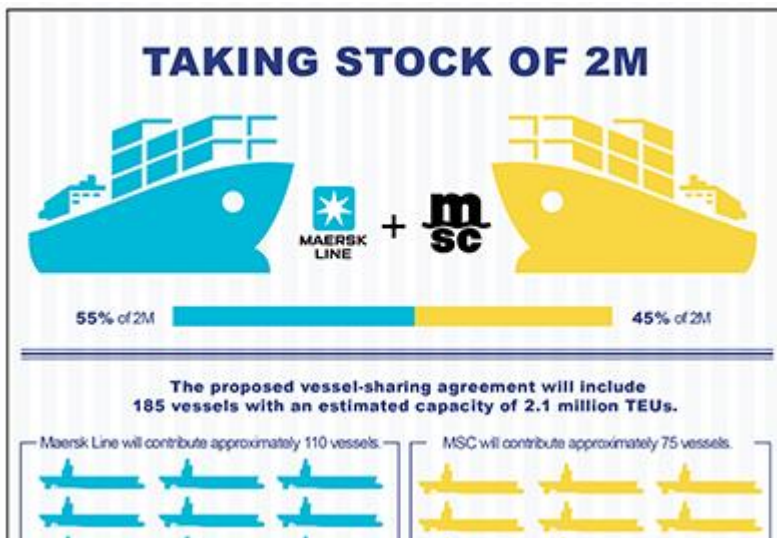
It is hoped that 2M, the name given to the new VSA, will commence operations in early 2015, subject to the necessary regulatory approvals.

It will involve the deployment of 185 ships amassing at least 2.1M TEU.

Maersk will provide 110 of the ships (55%) and MSC 75 units, 1.2M TEU and 0.9M TEU of slot capacity respectively.

The planned 2M is a direct response to Maersk, MSC and CMA CGM abandoning their P3 alliance after it was rejected by China's Ministry of Commerce last month.

This had involved 255 vessels, 29 service strings, over 2.6M TEU of capacity and the establishment of a London-based operations centre with executive responsibilities.



CMA CGM has been excluded from the latest deal, but is believed to be talking with a number of potential partners, including China Shipping Container Lines (CSCL) and UASC.

The French line works with these operators on several strings already, notably in trades between Asia and the Middle East/Red Sea.

Meanwhile both CSCL and UASC are to deploy ships of 18,000 TEU – 19,000 TEU in their Asia/Europe services later this year and are looking for partners to help fill them.

Maersk and MSC said that 2M represented another step in their quest to drive efficiencies from their networks while achieving significant reductions in fuel costs, cutting their carbon footprints and improving service levels for customers.

Maersk Line chief executive Søren Skou, elaborated: "We will continue to provide our customers with competitive and reliable container shipping in the East-West trades at attractive prices.

To do so we have to be innovative and take out cost, while keeping a product that is best in class for our customers in terms of coverage, frequency and reliability.

Our agreement with MSC is a step towards achieving all of these objectives in the east-west trades."

Under 2M, each party will be totally responsible for their own vessel operations, including stowage, voyage planning and port operations, and commercial activities.

The latter includes sales, marketing, pricing and customer service functions.

While the new VSA between Maersk and MSC will feature a joint co-ordination committee that will monitor the network on a daily basis, there will be no 2M operations centre.

"The 2M VSA differs from the earlier proposed P3 alliance in two important ways: first of all, the combined market share is much smaller.

Secondly the cooperation is a pure VSA.

There will be no jointly owned independent entity with executorial powers" Maersk said in a statement.

(from: worldcargonews.com, July 10th 2014)

RAIL TRANSPORT

SHIFT2RAIL JOINS HORIZON 2020 LAUNCH

Following its formal adoption by the European Union's Council of Ministers on June 16, the Shift2Rail Joint Technology Initiative was launched at a conference in Brussels on July 9 alongside six other JTIs under the European Commission's Horizon 2020 research programme.

The conference marked the start of calls for proposals for research to be supported under each JTI.

In his keynote address, outgoing European Commission President Jose Manuel Barroso said that he 'particularly welcomed' the expanded focus on air and rail transport, which account for three of the seven JTIs in Horizon 2020, reflecting transport's role at the heart of Europe's industrial base and in mitigating the effects of climate change.

Currently being co-ordinated by UNIFE on behalf of eight founding members and 130 other organisations across the rail sector, Shift2Rail is intended to create 'a step change in rail technology', which would enhance the capacity of Europe's railways to cope with rising demand, increase the reliability and quality of rail services, and reduce significantly the life-cycle cost of the railway system.



The Shift2Rail programme is focused on five workstreams covering:

- Cost-efficient, reliable, high-capacity trains;
- Advanced traffic management & control systems;
- Cost-efficient, reliable, high-capacity infrastructure;
- IT systems for attractive railway services;
- Technologies for attractive and sustainable European rail freight.

The programme is expected to see around €920m invested over the six years, of which €450m will come from the Horizon 2020 budget, and the remainder from the industrial partners.

Around 40% of the spending is expected to be allocated for the founding members, with 30% for associated companies and academic institutions in consortia, and the remaining 30% reserved for open calls.

According to Dr Josef Doppelbauer, Chief Technology Officer at Bombardier Transportation, Shift2Rail is expected to be 'functionally independent' by the end of the first quarter of 2015.

'Several locations' are being assessed for the headquarters of the Shift2Rail Joint Undertaking, and an Executive Director should be in post by the end of the year.

With UNIFE having co-ordinated the rail industry's involvement, the European Commission is now to launch its own call for membership.

The joint undertaking structure also includes a Regulation & Standardisation Council, which will include input from the European Railway Agency to ensure the Shift2Rail innovations are compatible with broader technical and policy themes.

'We will work to ensure that barriers to innovation are overcome', commented Keir Fitch, Head of Research & Innovative Transport Systems at the European Commission's Directorate-General for Mobility & Transport.

'We expect to get input from potential end users at the outset of each workstream to make sure the results fit in with wider objectives around certification and acceptance.'

(from: railwaygazette.com, July 10th 2014)

ROAD TRANSPORT

RUSSIA'S REFUSAL TO ACCEPT TIR CARNET WILL COST THE COUNTRY BILLIONS, SAY HAULIERS

Russia's non-acceptance of the TIR carnet system could cost the country's shippers around \$2.2bn in extra costs, according to a study produced on behalf of the International Road Haulage Union.

The IRU has been campaigning for the Russian government to reverse its decision – although it is one that is has yet to fully implement.

The country's Federal Customs Service (FCS) decided last year to stop accepting hauliers' TIR carnets – the UN-recognised scheme for road haulage movements across international borders and customs regimes which eliminates the need for customs agencies in intermediate countries to inspect vehicles and goods on which duties and taxes are guaranteed to have been paid.

The carnet is the TIR document distributed by the International Road Transport Union (IRU), itself authorised by the UN, which acts as proof that the shipment is registered under the TIR programme.

Russia's decision makes it the first major market to unilaterally withdraw from the scheme, a move which was judged to be "inconsistent with reality", by a Moscow arbitration court earlier this year.

The FCS claimed there had been "repeated cases of non-delivery of goods that are transported with the use of TIR Carnet and the non-fulfilment of the ASMAP [the Association of International Road Transport Carriers, effectively the IRU's Russian branch] liability on customs duties payment", and now requires additional Russian national guarantee once shipments had entered Russia.

FCS further claimed that ASMAP owed it around Rb20bn (\$580m) in unpaid taxes, a claim the court described as "defamatory".

The FCS was due to stop accepting the TIR carnets this week.

However, at the last minute it extended its acceptance of the scheme until the end of November, when it is expected that its brinkmanship will resume.

In response, the IRU's TIR executive board said: "While the board took note of the decision by FCS, it reiterated, with regret, that FCS continues to implement measures that contradict the provisions of the TIR Convention and which have grave consequences for international transport and trade as a whole."



The IRU has constantly protested against the ban, claiming that its ultimate victim would be the Russian consumer – that "the direct cost associated with the new system is equivalent to an additional tariff of 0.6% to 1.4% for road transport entering Russia".

A study by consultant Copenhagen Economics concluded that, with indirect costs added, the total extra bill could come to as much as \$3.7bn.

"In addition to direct costs, the new system also entails significant indirect costs.

The uncertainty inherent in the system has led to an increased administrative burden of as much as 25%," the IRU said.

"Furthermore, since the national guarantee, in contrast to the TIR system, does not provide any actual guarantee for the transport operators, there is an increased financial risk for the operators who risk economic losses or even bankruptcy," it added.

(from: theloadstar.co.uk, July 7th 2014)

INTERMODAL TRANSPORT

EUROTUNNEL GIVEN SIX MONTHS TO STOP CHANNEL FERRY SERVICE

Britain's competition regulator has told Groupe Eurotunnel, the operator of the undersea rail link between Britain and France, it will have to stop operating its separate cross-channel ferry service in the next six months and find a buyer for the ships, confirming a decision it made in May.

Eurotunnel immediately said it would appeal against what it called an "absurd" decision that it said would mean higher prices for consumers and put 600 people out of work.

French transport minister Frederic Cuvillier said on Friday that his government would do all it could to "find a solution allowing the ships to continue operating and to preserve jobs," noting that 533 jobs were at risk in France and 71 in Britain.

Groupe Eurotunnel started to operate services on the Dover-Calais crossing in 2012 under the MyFerryLink brand when it acquired three ferries from the now-defunct SeaFrance service owned by French railways operator SNCF.

"Eurotunnel will be given six months to stop running services from the date of an order to that effect.



It could also find another owner for the MyFerryLink business if that made MyFerryLink completely independent of Eurotunnel," Britain's Competition and Markets Authority (CMA) said.

The regulator repeated its previous reasoning that with two of the operators on the ferry route running at a loss the current level of competition was not sustainable and could lead to the exit of a competitor.

As well as Eurotunnel, which operates its vessels under the MyFerryLink brand, Danish ferry operator DFDS and Britain's P&O Ferries also runs services on the Dover-Calais crossing, competing against the rail link for freight and passengers.

DFDS has said it is losing between 8 and 10 million Danish crowns (\$1.47-1.84 million) a month as a result of MyFerryLink.

"Today's final report from the CMA is good news for DFDS and our 1,300 employees providing ferry services on the English Channel ... We hope the decision will be implemented as swiftly as possible," Niels Smedegaard, CEO of DFDS said in a statement.

Eurotunnel said in a statement that by removing one competitor from the market, CMA was creating a "de facto monopoly", which would lead to higher prices for consumers and lower revenue for the ports of Dover and Calais.

"The decision by CMA is a denial of the reality of the situation.

It penalises the consumer and puts 600 people out of work without any real justification," Eurotunnel's chief executive Jacques Gounon said.

The French transport ministry said there was room for three operators, adding: "It is a paradox that in the name of fair competition the British authority eliminates one of the operators."

Shares in Eurotunnel were up 1.5 percent at 9.78 euros by 0952 GMT after French broker Oddo raised its rating to "buy" from "neutral" and its target price to 11.2 euros from 9 euros, saying the CMA decision would cut costs for Eurotunnel.

Eurotunnel posted earnings before interest, tax, depreciation and amortisation (EBITDA) of 449 million euros last year, which included a 22 million-euro loss at MyFerryLink.

Group operating costs totalled 643 million euros, a rise of 86 million euros with 76 million euros attributed to MyFerryLink.

(from: theloadstar.co.uk/uk.reuters.com, June 27th 2014)

INLAND RIVER TRANSPORT

ECT UNDER FIRE FROM BARGE OPERATORS

Dutch inland barge container carriers have criticised ECT for its dispatch performance, claiming that delays of up to five days have been experienced.

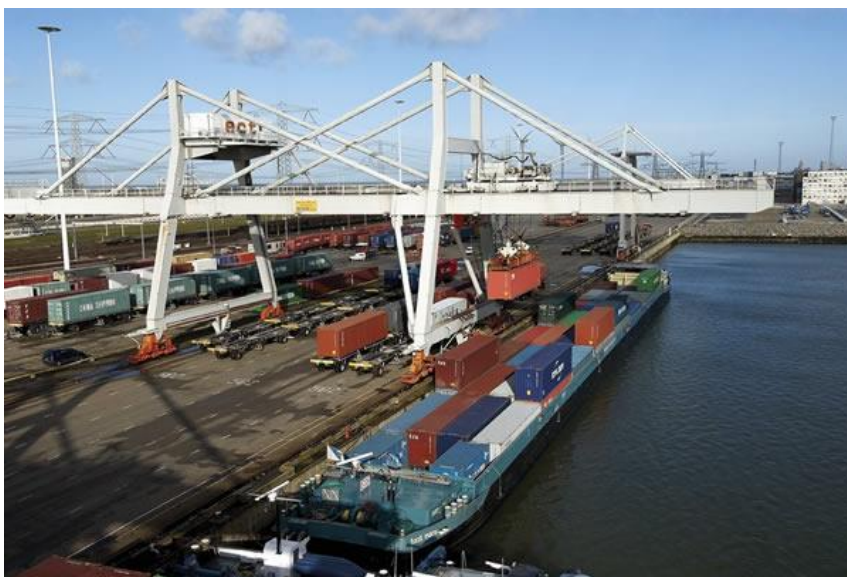
"Whereas ECT previously suggested that the delays would be over by late June or early July, the situation has on the contrary only worsened dramatically", stated CBRB, Holland's major inland shipping branch organisation, representing the larger inland shipping companies.

"We fear that the current situation will last through the summer."

Whereas the initial reports featured delays at the south side of the Maasvlakte Delta Peninsula – ECT's DDW and DDE terminals - Euromax is also now included in the barge operators' complaints.

CBRB says that barge delays exceeding 48 hours have been no exception since early June.

ECT has thus far declared that the delays are caused by many deepsea vessels arriving way out of window, in addition to significant volume growth.



Furthermore five new 24-row ship-to-shore gantry cranes are being installed at the Delta Peninsula's south side, on the Amazone Dock, whilst ECT's the two adjacent terminals there (DDE and DDW are being amalgamated).

CBRB in response counters that there's nothing new in this.

"A considerable number of deep sea vessels always tends to arrive out of window, while repair or technical breakdown regularly curb a portion of the available capacity.

The true cause of the current delays remains unclear.

"ECT supposedly is taking various measures to improve the current situation, but no insight in these measures is offered.

It is, for instance, unclear whether all available quayside cranes can actually be manned, or to what extent productivity has been reduced and in what way it will be recovered."

CBRB added that barge operators face very high costs for chartering extra ships and to drop off containers elsewhere in order for them to be trucked to and from ECT.

These costs are particularly high, as ECT's internal truck lane cannot be used for this purpose and consequently have to travel by public road.

The bottom line is that barge operators lack leverage with ECT as, technically, they are not ECT's customers.

Deepsea and feeder carriers are, but barge operators are not billed by ECT as the loading/unloading of barges is incorporated in the handling contract with the shipping line.

Sidestepping CBRT's complaints, an ECT spokesman reiterated that increasingly more deep sea vessels have been arriving out of window.

"Furthermore the summer peak effect is aggravated by the ongoing increase in scale," in terms of ship sizes and average call sizes.

However, last week, ECT's CEO Jan Westerhoud linked the current congestion to the court case now going between ECT and Rotterdam port authority (HBR).

He said that ECT is not recruiting new dockers as it fears that it will need to dismiss dockers among its 2200 strong workforce instead, owing to the additional competition from Maasvlakte II newcomers APMT and RWG.

As regards the court case, Westerhoud told Dutch trade publication *Nieuwsblad Transport* that the company has increased its claim for damages to €1.3B.

(from: worldcargonews.com, July 7th 2014)

TRANSPORT & ENVIRONMENT

SHIPPING LINES BEING PUSHED TOWARDS LNG BY LOOMING LOW-SULPHUR EMISSIONS RULES

With the notable exception of those from UASC, recent orders for newbuild ultra-large containerships have not been specified as being dual-fuelled to run on cheaper LNG as well as traditional heavy fuel oil (HFO) – until now.

The reasons have traditionally been the extra cost at construction, the loss of slots taken up by LNG tanks and, crucially, the availability of the gas on major tradelanes.

However, several ports are pushing ahead with plans to build LNG bunker facilities, easing this concern and putting the much cheaper and more environmentally friendly fuel at the top of the options list for ocean carriers continually striving to achieve unit cost reductions.

In a classic chicken-and-egg scenario, bunkering ports have been reluctant to invest in the infrastructure and compliance requirements for an LNG hub without the guarantee of demand.



Now, the significant cost implications of the January

2015 low-sulphur content regulations in the emission control areas (ECAs) of Europe and the US seems to be a new driver towards the use of LNG.

The gas is currently around 20% cheaper than HFO, but costs 50% less than the LSMGO (low-sulphur marine gas oil) that will be required to be burned by ships transiting ECAs next year.

Yesterday, Europe's largest container port, Rotterdam, said it had passed an amendment to local by-laws to enable ship-to-ship bunkering of LNG at designated locations; which effectively means that, in most cases, ships can bunker the gas during the transfer of cargo.

Easing concerns on the reliability of LNG supply is key to forward planning for carriers, and a *Lloyd's Register* report in April surveyed 22 major ports

worldwide to find 86% thought it likely that there would be demand for LNG from deepsea ships within the next decade.

Moreover, 76% believed that LNG bunkering operations would commence at their port within five years.

There is also a big opportunity for way ports to provide gas bunkering facilities – a good example is the transshipment hub port under construction at Granadilla, in the south of Tenerife.

At the recent TOC Container Supply Chain event in London, Ports of Tenerife commercial director Airam Diaz Pastor confirmed that this new deepwater port – expected to be operational next year – would not only provide transshipment options for West African cargo, but would also be a major LNG bunkering hub.

Accepting that hybrid LNG ships will be greener and less expensive to operate, containership owners will still want to know the time it will take to cover the additional construction costs.

In 2011, classification society Germanischer Lloyd, in conjunction with marine engine manufacturer MAN, looked into the payback time for respective sizes of containerships compared to the length of time spent in ECA areas.

According to this data, a 2,500teu ship operating 60% in ECA zones could cover the extra cost in as little as 12 months, while a 14,000teu vessel typically operating only 10% in the restricted areas could take up to three years to provide a return on investment.

(from: theloadstar.co.uk, July 3rd 2014)

LAW & REGULATION

EC LAUNCHES IN-DEPTH PROBE INTO 'STATE AID' TAX EXEMPTIONS AT FIVE DUTCH PORTS

The European Commission has opened an in-depth investigation into corporate tax exemptions received by five major Dutch ports which may contravene state aid rules, and warned that the investigation could spread to other countries.

In May 2013, the EC's competition authorities asked the Netherlands to abolish exemptions from corporate tax granted to public undertakings, which include the port of Rotterdam, Maastricht Airport and Bank of Industry LIOF, which, it argued, competed directly with private companies both domestically and in the EU and distorted the market.

The order followed a series of complaints against the exemptions.

In response, the Netherlands issued new plans to end exemptions for some public bodies, but explicitly ruled out lifting them for the ports of Rotterdam, Amsterdam, Moerdijk, Zeeland and Groningen.



In a statement today, the EC said: "Given that the Dutch authorities have not fully accepted the measures proposed by the commission to ensure compliance with the state aid rules, the commission has now opened an in-depth investigation.

"Cross-border competition plays an important role in the ports sector and the commission is committed to ensuring a level playing field in this important economic sector."

The commission followed its May 2013 position with a survey of corporate taxes for ports in all member states and added today that France, Belgium and Germany could all also be in contravention of state aid rules.

"The commission has found indications of sectorial tax exemptions for ports or of other sectorial advantages such as reduced tax rates," it said.

“In certain member states, ports are not subject to corporate tax but to an alternative tax regime that might be more favourable.

In other member states, ports do not actually pay any corporate taxes because they are loss-making.

This raises questions about whether the public financing of those ports, for example the recurrent compensation of their losses, respects EU state aid rules.”

It added that French and Belgian ports could “benefit from unjustified corporate tax advantages”, and while the commission has established that German ports pay corporate tax, it has also “asked for further information regarding certain ports to ensure they do not receive undue competitive advantages”.

EC competition policy vice-president Joaquín Almunia said: “Fair competition is crucial for all market players.

The commission therefore needs to verify that public companies, including port operators, in the Netherlands are not given more favourable tax treatment than their private competitors.

“Furthermore, there should be a level-playing field between ports in the EU, so it is important to make sure that state aid rules are being complied with in all member states.”

(from: theloadstar.co.uk, July 10th 2014)

STUDIES & RESEARCH

HOW MANY SHIPPING CONTAINERS ARE REALLY LOST AT SEA?

From severe weather and rough seas to catastrophic events such ship groundings and collisions, each year a number of shipping containers are lost overboard from ships.

But just how many containers are lost each year at sea?

That's a tough question to answer and one that is frequently asked.

A quick Google search will point you to a number of unsubstantiated figures ranging from a couple of hundred up to 10,000 per year.

But how many is it, really?

One report that has been widely accepted as the best estimate came in 2011



when the World Shipping Council polled its member companies, representing 90% of the world's containership capacity, for the years 2008, 2009 and 2010 in an attempt to answer the question.

Now, the World Shipping Council has once again surveyed its members for a 2014 updated report that includes figures from the last three years.

Here's what was found:

Containers Lost – 2008 to 2013

For the combined six year period from 2008 to 2013, the WSC estimates that there were 546 containers lost on average each year, not counting for catastrophic events.

Counting for catastrophic events, an average of 1,679 containers were lost each year over the six years.

Losses are Increasing

Based on the 2011 survey results, the World Shipping Council estimated that on average there were approximately 350 containers lost at sea each year during the 2008-2010 time frame, not counting for catastrophic events.

When counting the catastrophic losses, an average annual total loss per year of approximately 675 containers was estimated for this three year period.

Based on 2014's survey results, the WSV estimates that there were approximately 733 containers lost at sea on average for the years 2011, 2012 and 2013, not including catastrophic events.

Including catastrophic losses, for these years the average annual loss was approximately 2,683 containers, an uptick of 297% from the previous three years.



Rare Catastrophic Events

The WSC report notes that the large number seen for the years 2011 through 2013 are the result of two rare catastrophic events: the 2013 sinking of the MOL Comfort in the Indian Ocean and the 2011 MV Rena grounding off New Zealand.

The report shows that the loss from the MOL Comfort alone resulted in the loss of all 4,293 containers (Comfort is considered the worst containership loss in history).

The MV Rena, meanwhile, lost roughly 900 containers overboard when it grounded and broke up on a reef just off the coast of New Zealand in 2011 and into 2012.

Hence the uptick.

The Bigger Picture

Now, all this may seem like a lot, but it's a far cry from the 10,000 figure that is widely circulated, a figure that the WSC called in its report "unsupported and grossly inaccurate".

Also, when you consider that in 2013 the international liner shipping industry carried approximately 120 million containers packed with an estimated \$4 trillion worth of cargo, the numbers don't seem so bad.

Still, any loss of a container at sea is a loss that carriers seek to prevent.

After all, containers lost at sea pose a number of dangers from environmental hazards to the safety of navigation, not to mention the economic loss of any cargo and potential recovery (just see Svendborg Maersk).

"Every container loss is one the industry would like to avoid.

The updated report not only provides more accurate and up-to-date data on the issue, but also identifies those initiatives the industry is supporting to increase container safety and reduce such losses.

While nobody can eliminate the challenges of bad weather or the risk of vessel casualties at sea, care and cooperation amongst all those who pack, handle, weigh, stow and secure containers is needed to improve safety " said Chris Koch, WSC President and CEO.

To help get this number as close to zero as possible, the industry has been actively supporting a number of efforts to enhance container safety and reduce loss.

They can be read about in the WSC's full report along with the methodology used here: Survey Results for Containers Lost At Sea – 2014 Update at: [http://www.worldshipping.org/industry-issues/safety/Containers Lost at Sea - 2014 Update Final for Dist.pdf](http://www.worldshipping.org/industry-issues/safety/Containers%20Lost%20at%20Sea%20-%202014%20Update%20Final%20for%20Dist.pdf)

(from: theloadstar.co.uk/gcaptain.com, June 30th 2014)

ON THE CALENDAR

- [Cool Logistics Global](#)
Rotterdam, The Netherlands
30 September - 2 October 2014
- [3rd Black Sea Ports and Shipping 2014](#)
Istanbul Marriott Hotel Asia, Istanbul, Turkey
Wednesday 03 and Thursday 04 September 2014
- [12th Intermodal Africa South 2014](#)
International Convention Centre Durban, South Africa
Thursday 23 and Friday 24 October 2014
- [Intermodal Europe 2014](#)
AHOY, Rotterdam, The Netherlands
11-13 November 2014
- [9th Southern Asia Ports, Logistics and Shipping 2014](#)
ITC Grand Chola Chennai, India
Thursday 27 and Friday 28 November 2014
- [9th Indian Ocean Ports and Logistics 2015](#)
Maputo, Mozambique
Thursday 22 and Friday 23 January 2015
- [8th Philippine Ports and Shipping 2015](#)
Manila, The Philippines
Thursday 12 and Friday 13 February 2015
- [13th Intermodal Africa North 2015](#)
Lagos Oriental Hotel, Lagos, Nigeria
Thursday 26 and Friday 27 March 2015
- [11th Trans Middle East 2015](#)
Kuwait
Wednesday 29 and Thursday 30 April 2015
- [4th Black Sea Ports & Shipping 2015](#)
Constanta, Romania
Thursday 28 and Friday 29 May 2015
- [13th ASEAN Ports and Shipping 2015](#)
JW Marriott, Jakarta, Indonesia
Wednesday 24 and Thursday 25 June 2015
- [10th Southern Asia Ports, Logistics & Shipping 2015](#)
Mumbai, India
Thursday 17 and Friday 18 September 2015

- [13th Intermodal Africa South 2015](#)
Mulungushi International Conference Centre, Lusaka, Zambia
Thursday 29 and Friday 30 October 2015
- [3rd MED Ports 2015](#)
Civitavecchia (Rome), Italy
Thursday 26 and Friday 27 November 2015

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