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C.I.S.Co.
Council of Intermodal Shipping Consultants
Via Garibaldi, 4
16124 Genova GE (Italia)
Tel. 010 2518852
Fax 010 2518852
e-mail info@ciscoconsultant.it
www.ciscoconsultant.it

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PORTS AND TERMINALS

SHIPPER BODY SLAMS ROTTERDAM CONGESTION SURCHARGE

The Dutch Shippers' Council, EVO, has criticised plans by leading barge operator Contargo to introduce a congestion surcharge later this month on containers carried to and from the Port of Rotterdam.

EVO's spokesman on maritime affairs, Lodewijk Wisse, told Lloyd's Loading List.com: "Contargo's announcement is a worry to us.

It's a bad sign.

Shippers alone will be picking up the bill.

As a shipping community, we are subject to so many surcharges already and here's another one.

"We should be trying to solve this (congestion issue) through talking, by getting everyone in the supply chain - shipping lines, terminal operators, barge operators, forwarders and shippers - around the table together.

Instead, one party in the supply chain, shippers, are facing a levy for a situation which they are not responsible for."

A spokesman for the Rotterdam Port Authority said congestion was largely due to two factors: strong container traffic growth and delays in two new handling terminals - one operated by APMT and the other by RWG - coming into service at Maasvlakte 2.

"Last year, Rotterdam posted 6% in growth in teus and in the first two months of 2015, the accumulated growth has been 8%.

Add to that Maasvlakte 2 taking longer than expected in becoming operational and you have a situation where handling capacity is stretched," he said.

APMT is currently only handling one ship per week at its new fully-automated terminal at Maasvlakte 2, which will be officially inaugurated at the end of the month.

The other new terminal, run by RWG, is still in its test phase but commercial operations could start in April or May.

Commenting on the introduction of a congestion surcharge, Contargo's co-managing director, Heinrich Kerstgens, said: “We've held many disussions with the Port Authority and terminal operators but with no real result.

So we decided that we had to act now and pass on some of the (extra) cost the congestion is causing, not all - let's make that clear - to our clients,” he added.

“When a barge is waiting three or four extra days in a seaport, it means it can't go back at the right time and pick up containers on the next run.

And you have to hire extra barges and extra shipping capacity is quite expensive.

Normally, a barge would be in a seaport for 36 hours - the time taken to unload containers and re-load them onto the vessel and we establish our budget on that basis which gives you an idea of the extra costs we currently.

“We’ve had to cope with congestion since mid-February and our barges have clocked up waiting times of more than 50, 60, 70 hours - and in one case, on 23 February, 91 hours."

(from: lloydsloadinglist.com, April 1st 2015)

MARITIME TRANSPORT

LOW UTILISATION MEANS POSTPONEMENT FOR APRIL GRIS ON ASIA-EUROPE CONTAINER TRADE

Weekly capacity between Asia and North Europe is expected to increase by 9% this year as carriers continue to deploy their biggest ships on the trade, according to Alphaliner.

This was a strategy, it warned, that would put freight rates "under significant pressure".

This year is set to see another 50 newly built ultra-large container vessels (ULCVs) deployed on the trade –by year-end, 18 of the 21 Asia-North Europe loops will feature ships of 12,000 teu or over, compared with just 14 at the start of the year.

Alphaliner argued that as carriers continued their quest for the lowest unit costs, declining utilisation levels would mean the immediate prospect of restoring freight rates was slim, and it suggested that tomorrow's general rate increase could well be delayed a week.

"Vessel utilisation on the Far East-North Europe route remained weak in March, with load factors of between 70% and 80% reported.

Low utilisation has led carriers to postpone their planned rate increases of $800-1,000 per teu on 1 April 2015 by at least a week," it said.

And yet more capacity is on its way – sources today report that Cosco is in talks with Chinese yards over an order for 11 19,000 teu vessels, following yesterday's confirmation from CMA CGM that it was set to ink an order for three 20,600 teu ULCVs that would be the biggest containerships ever built.

Interestingly, Alphaliner calculated that the cellular race was being led by the newly-formed Ocean Three and the expanded CKYHE alliances, which will both add just over 15% to their capacity this year.

In contrast, the Maersk-MSC 2M partnership will add 7% and the G6 just 1%.

Moreover, Alphaliner said its capacity increase calculations had been adjusted to allow for the actual loading capacity of the 18,000-19,000 teu ships on their headhaul voyages rather than nominal capacity – otherwise, it said, the capacity hike would be even greater.

Nevertheless, the gap between supply and demand on the Asia to North Europe trade is growing – Drewry estimates that cargo volumes will increase by around 4% this year.

This will further weaken the prospects of carriers sustaining general rate increases on the route.

Although Drewry reported last week that carriers had managed to extract very modest contract rate increases from shippers this year, the market appears to be increasingly driven by the spot market and the associated rate indices that track it.

The Shanghai Containerized Freight Index's (SCFI) Shanghai-North Europe leg stood at $586 per teu today, having fallen 53% since January.

(from: theloadstar.co.uk, March 31st 2015)

RAIL TRANSPORT

LYON-TURIN RAIL LINK

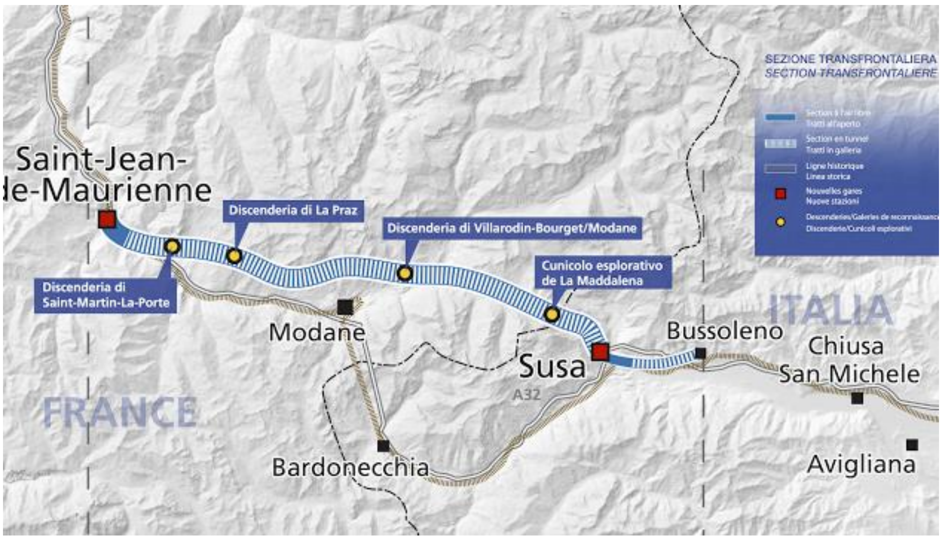
Last month's Franco-Italian bilateral accord has got the "thumbs up" from France's main combined transport association.

GNTC, representing France's combined transport operators, has issued a statement welcoming the bilateral decision of France and Italy finally to proceed with a new 57 km long base tunnel for rail freight to link Lyon and Torino, a "priority" EU infrastructure project since 1994!

After almost 15 years of "stop start" various studies and surveys, the project will be taken forward by a bilateral agency called Tunnel Euralpin Lyon Turin/Tunnel Euralpino Lione Torino (TELT).

This is owned 50% by the French State directly, and 50% by the Italian State through Italian Railways (FS).

Work on a 9 km survey tunnel has already started and work on the main 57 km tunnel between Saint-Jean-de-Maurienne and Susa should begin in 2016 or 2017.



An application for 40% support from the EU has been lodged in Brussels.

The cost is estimated at €3B up to 2020 and completion date is slated for 2029.

Sceptics will point out that "we have been here before."

A high-level bilateral agreement was signed in 2000, but by 2004, the company then charged with developing the link, LTF, announced it would have to be delayed due to a raft of technical and financing problems.

GNTC is confident, however, that this time the agreement will stick and France and Italy will finally have a modern transalpine east-west rail freight link to match the new transalpine north-south links - Lötschberg 2, 37 km (2007), Gotthard 2, 57 km (2016-7) and Brenner 2, 64 km (2025).

The existing freight corridor between Lyon and Turin under the Fréjus tunnel has limited capacity, although it is used by VIIA (formerly known as Lorry-Rail) using the Modalohr system (the first one to be started).

GNTC has also called on the French and Spanish governments to build a new base tunnel under the Pyrenees.

A €5B project for a 42 km tunnel under the Vignamale has been officially included in Franco-Spanish "strategic planning" since 2004.

(from: worldcargonews.com, March 30th 2015)

ROAD TRANSPORT

EUROPEAN PARLIAMENT DIVIDED OVER GERMAN MINIMUM WAGE REGULATION

The European Parliament was divided in a minimum wage debate on Wednesday (25 March) with Transportation Commissioner Violeta Bulc.

MEPs in Brussels discussed whether minimum wage regulations in an EU member state should also apply to foreign truck drivers passing through that country.

Bulc made it clear that national regulations must comply with EU law.

The Commission has not yet concluded its investigation of German measures and their effects, she said.

For this reason, Bulc explained, the Commission cannot yet provide a clear response to the parliamentary question.

But, she said, the Commission would address the question on social standards and working conditions in the transportation sector in its legislative proposals for the "road transport package" planned for 2016.

Germany was the 22nd EU member state to introduce a minimum wage when the regulation took effect on 1 January 2015.

The European Commission is currently investigating Germany's enforcement of the new minimum wage law, including for foreign truck drivers in transit.

Complaints were submitted from several EU member states, claiming a limitation of competitive freedom and excessively high bureaucratic obstacles.

At the end of January, the German government temporarily suspended the minimum wage requirements for truck traffic.

Germany's Labour Minister Andrea Nahles explained the reasoning behind the move after a meeting with her Polish counterpart Władysław Kosiniak-Kamysz in Berlin.

The new arrangement also applies to inspections which have already been started.

"If procedures have already begun, these will be cut short," the Labour Ministry reported.

But the suspension only applies to transit traffic and not to cross-border traffic with a start or destination in Germany.

On 21 January, the Commission initiated an EU pilot procedure to investigate whether applying the minimum wage to transit routes through Germany is compatible with EU law.

The Ministry said the suspension will apply until the EU's inspection has concluded.

On Wednesday many MEPs emphasised the necessity of avoiding social dumping and promoting fair competition among transport companies.

Some of them suggested introducing an EU-wide minimum wage and called on the Commission to make proposals on the protection of social rights and working conditions for drivers.

This should also include a "black list" of companies who disregard the requirements, the MEPs said.

MEPs discuss problems with the measure

Vice Chairman of the Parliament's Committee on Employment, Thomas Mann (EPP), said he was surprised that Bulc did not do anything "meaningful".

“In the plenary, she was not able to make any precise indication over whether German minimum wage rules for foreign truck drivers are compatible with EU law or not,” he stated.

By suspending the minimum wage for purely transit travel, Mann said the German government commensurately reacted to “the sometimes excessive criticism from Eastern Europe”.

“Now the European Commission should work out how to prevent competition distortions, which burden the employer and the mid-sized companies in the transport and logistics sectors,” Mann concluded.

Jutta Steinruck described the discussion over the legality of Germany’s minimum wage law as strange.

“In EU law, truck drivers fall under the provisions of the Posting Directive or the Rome I Regulation,” said the social and employment policy spokesperson from the German Social Democratic Party’s.

“Both rules make it possible for member states to create their own rules on the protection of employees from abroad,” Steinruck commented.

Other MEPs emphasised that the application of national minimum wage laws for transit drivers hinders the free movement of goods.

This would contradict the EU’s internal market laws and subsidiarity principle, because it creates additional costs and bureaucratic obstacles for transport companies from abroad, the MEPs pointed out.

For MEP Gesine Meißner, transport policy spokeswoman for ALDE, the German government has overshot the target with its minimum wage law.

“Our European neighbors are right to be frustrated, because Germany is including international transit, so that it can in part decide the salaries for foreign transport companies – not to mention the added bureaucratic burden.”

EU neighbours reject the German wage law

On Monday (23 March), Polish truck drivers blocked streets protesting at the German border against Germany’s minimum wage.

The freight forwarders accused the German government of breaking EU law.

The chairman of the Association of Television Transport, Jan Buczek said, “we are being crushed by the increase in costs”.

Shipping companies from Austria, Poland and Hungary are taking action against the German minimum wage with a constitutional complaint.

The complaint was submitted to the German Constitutional Court on 11 March.

A ministry spokesperson said the German Labour Ministry will be waiting "calmly" for the Karlsruhe-based court to make a decision.

(from: euractiv.com, March 27th 2015)

INTERMODAL TRANSPORT

COMBI SHOWS ITS ÉLAN

The latest UIC report shows that more than 20M TEU were transported by rail/road combined transport in mainland Europe in 2013.

This figure is presented in 2014 Report on Combined Transport in Europe by the UIC and its Combined Transport Group, which comprises 15 rail freight companies active in intermodal transports in mainland Europe.

The report is provided every two years and the data relate to 2013.

This is the fifth report in the biennial series and was prepared for the UIC by BLS Transportation Consultants GmbH.

The headline figure represents an increase of 9% compared to 2011.

The full report will be published at the Munich Transport Logistic Trade Fair on 5 May, but UIC has already revealed that it reflects on significant changes in the European railway environment, such as implementation of Rail Freight Corridors and prospective changes to Directives 96/53 (truck dimensions and gross weights) and 92/106 (Common Rules for Combined Transport).

Comparing 2013 with the 2005 base year, rail/road combined transport tonnage in Europe has increased by 31% to around 142 Mt in 2013, with the value of Mtkms increasing by 27%.

Growth has been particularly strong since the economic crisis of 2008-09, which saw a sharp fall after several years of steady growth.

In contrast, all rail freight has declined by 3% in Mtkm terms and by 3% in tonnage to around 96 Mt in 2013.

This does not mean that rail freight is "failing" - indeed it has recovered somewhat from 2008-09 - but traditional mainstays such as steam coal and iron ore for steelworks and coking coals for power stations have declined due to continued deindustrialisation in Europe and the switch to alternative energy sources.

Unaccompanied domestic combined transport is the biggest sector, with almost 12M TEU transported in 2013 (+ 8% on 2011).

This sector is mainly concerned with inland distribution of shipping containers.

However, cross-border unaccompanied combined transport grew at a faster rate, 15%.

This reflects both cross-border shipments of shipping containers and the attractiveness of using combi for longer distance intra-European transports.

Intra-European (or "Continental) combi almost always requires longer distances and/or physical barriers to road (cf The Alps) than maritime to compete with trunk road haulage, because it lacks the mass flow ("aggregation") of a ship discharge and usually requires an extra lift.

(from: worldcargonews.com, April 7th 2015)

INDUSTRY

CMA CGM TO ORDER 20,600 TEU TRIO

France’s CMA CGM, the world’s third-largest container shipper, announced on Monday plans to order three giant vessels and said higher volumes and profit last year showed its focus on economies of scale was bearing fruit.

Like market leader Maersk Line, the family-owned firm has been trying to ride out overcapacity and low freight rates by using larger, more efficient ships coupled with vessel-sharing alliances.

CMA CGM was finalising the order of three vessels, each with a capacity for 20,600 20-foot containers, from South Korea’s Hanjin Heavy Industries & Construction Co to deploy on its main Asia-North Europe route from the third quarter of 2017, Vice President Rodolphe Saade told reporters.

He declined to disclose financial details but said the ships, CMA CGM’s biggest ever, would be wholly-owned.

“Currently, our (Asia-North Europe) fleet is equipped with heterogeneous vessels and with these three ships we will have a more standard size for the fleet,” he said on a conference call.

Greater efficiency, supported by new vessels and alliances, helped the group lower its unit costs by 4 percent last year, Saade said, stressing that lower fuel prices only accounted for one third of the cost reduction.

The group recorded an 8.1 percent rise in volumes last year, outperforming market growth of about 5 percent and supporting recording sales of $16.7 billion, he said.

The operating margin rose 1 point to 5.8 percent while group net profit increased 43 percent to $584 million.

CMA CGM expected to continue to outperform global market volume growth that should stay at 5 percent this year, he said, adding the group could beat its own performance from 2014.

“We expect 2015, if the current trend continues, should be better than 2014 both in terms of profits and volumes.”

The group will also take delivery of 16 new vessels this year and a further 11 in 2016 before the arrival of the three giant ships, Saade said.

The group is also looking to benefit from the planned expansion of the Panama Canal and intends to use a container port in the Jamaican capital Kingston as a regional hub.

CMA CGM will next week sign an agreement with the Jamaican authorities after recently winning a 30-year concession to operate the port on the Caribbean Island, Saade said.

(from: gcaptain.com/reuters, March 30th 2015)

LOGISTICS

FEDEX SWOOPS IN €4.4BN TAKEOVER BID FOR TNT EXPRESS TO BOOST EUROPEAN FOOTPRINT

FedEx, in a bid to boost its position in Europe, plans to buy TNT in a €4.4bn deal.

After the European competition authorities rejected a similar €5.2bn offer by UPS two years ago, this time both companies believe the deal will be allowed because FedEx has less presence in the European market.

In a statement, the pair said there was a "high level of deal certainty" and that they were "confident that anti-trust concerns, if any, can be addressed adequately in a timely fashion".

PostNL, TNT's biggest shareholder, agreed to sell its 14.7% stake and FedEx will pay €8 in cash for every TNT share, a 33% premium over TNT's closing price of €6 in Amsterdam on 2 April.

UPS offered €9.50 a share.

The transaction was unanimously recommended and supported by TNT Express' executive and supervisory boards.

Since the failed UPS bid, TNT has worked hard to restructure its business and invested in its road network in Europe.

The TNT Express hub in Liege will remain a significant operation, while the company's airline operations will be sold, as they must under European airline ownership rules.

ASL Group was ready to take over the airline operations under the UPS deal, and it is expected to remain interested, despite its recent acquisition of Farnair.

ASL was not immediately available for comment.

FedEx has said it would respect existing employment terms at TNT, and retain the brand for an “appropriate period”.

Both operators said they would work together to avoid “significant” redundancies.

Tex Gunning, chief executive of TNT Express, said: “This offer comes at a time of important transformations within TNT Express and we were fully geared to executing our standalone strategy.

But while we did not solicit an acquisition, we truly believe that FedEx’s proposal, both from a financial and a non-financial view, is good news for all stakeholders.”

FedEx chief executive Fred Smith said the deal “allows us to quickly broaden our portfolio of international transportation solutions to take advantage of market trends – especially the continuing growth of global e-commerce”.

Under the terms of the deal, a competitor is allowed to make an offer for TNT within the next eight weeks.

If that offer exceeds the existing bid by 8%, FedEx’s deal will be terminated.

However, both companies seem confident the deal will go ahead – and be completed in the first half of next year.

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

LAW & REGULATION

EU TO BAN OWNERS FROM SCRAPPING SHIPS ON SOUTH ASIAN BEACHES

European, Turkish and Chinese recyclers are set to benefit from strict new EU rules on breaking up old ships, but the practice of dismantling them on beaches in South Asia - at great human and environmental cost - will still be hard to stop.

Of 1,026 ocean-going ships recycled in 2014, 641 were taken apart on beaches in India, Bangladesh and Pakistan, according to figures from the NGO Shipbreaking Platform, which campaigns for an end to the hazardous practice.

Tankers, cruise liners and other old vessels are rammed onto beaches and stripped down by hundreds of unskilled workers using simple tools such as blowtorches.

Chemicals leak into the ocean when the tide comes in.

There is also a human cost: the Tata Institute of Social Sciences in Mumbai estimates that some 470 workers have died in the past 20 years in accidents in Alang-Sosiya, the world's largest stretch of ship-breaking beaches, in Gujarat.

Some 35,000 mostly migrant and unskilled workers operate there.

The new rules aim to stop what Karmenu Vella, European Commissioner for the Environment and Maritime Affairs, called "the shameful practice of European ships being dismantled on beaches".

They will require that EU-registered ships be recycled only at sustainable facilities, and a list of these is expected to be published next year.

It is likely to include yards in China, Turkey, North America and the European Union, but not South Asia.

"The European list will split the market into a safe market and a substandard market," said Patrizia Heidegger of Shipbreaking Platform.

It will be the first large-scale implementation of the International Maritime Organisation's 2009 Hong Kong convention on ship recycling, which until now has only been ratified by three countries -- Congo Republic, France and Norway.

Low standards, high profits

The incentive to part with an old vessel at a South Asian facility is huge.

Rules on disposing of asbestos, for example, are generally more lax, meaning the profits for breaking up a ship are higher.

Depending on raw-material prices, ship owners can make up to $500 per tonne of steel from an Indian yard, compared with $300 in China and just $150 in Europe.

To counter this, the European Commission is looking at ways to reward ship owners for recycling at approved facilities, although details are still to be decided.

Indian shipyard owners see the new rules as a ploy to fill empty yards in Europe.

Fewer than 4 percent of all retired ocean-going ships passed through European facilities in 2014.

Haiderali G. Meghani, director of International Steel Corporation, a large ship recycling firm based in Alang, said concerns about poor safety and environmental standards in India were misplaced.

"We are almost near to European standards," he said.

The European rules have one big loophole: owners can change a ship's flag or sell it on to a third party outside Europe, who can then scrap it at a non-approved facility.

But ship owners are likely to face harsh criticism if they resort to such practices under the new regime.

European shipping groups such as Denmark's Maersk and Germany's Hapag-Lloyd have already adopted policies to recycle only at facilities that meet international environmental standards.

At the Galloo ship recycling yard in Ghent, Belgium - the largest in Europe - the volume of ships recycled has more than quadrupled over the past 10 years to about 35,000 tonnes of steel per year.

It employs only about 30 staff, with most of the heavy work done by machines.

European groups such as Maersk and French geoscience company CGG have sent ships to be recycled there.

"Large companies have started to come here," said Peter Wyntin, head of recycling.

"They just can't afford the bad press any more of dismantling ships on some beach."

(from: reuters.com, March 31st 2015)

PROGRESS & TECHNOLOGY

WIND TECHNOLOGY COULD GIVE SHIPPING LINES 'DOUBLE-DIGIT FUEL SAVINGS'

With the recent drastic decline in oil prices, demand for new ship propulsion technologies would appear to be on the wane, but a new report from UK ship classification society Lloyd's Register has concluded that operators could still see significant cost savings within relatively short payback periods, if a number of barriers can be overcome.

"Wind-assisted propulsion is one of the few technologies potentially offering double-digit fuel savings today," the report said, adding: "Lloyd's Register is committed to working closely with technology providers and stakeholders across the supply chain, to overcome these challenges and make wind-assisted propulsion a reality."

The report, authored by LR staff, with a contribution from Lloyd's List technical editor Craig Eason, examined the four main types of wind-assisted propulsion technology that can be, and in some experimental cases have been, applied to commercial shipping: wingsails, similar to aircraft wings, which are deployed as single foils or multiple foils attached to a single base; square rig sail systems on freestanding, rotating spars carrying canvas sails, which look similar to the square-riggers of the clipper ships in the age of sail; towing kites connected to a control pod at the forecastle and deployed at high altitude on the open ocean; and Flettner rotors, cylindrical structures mounted on the decks which generate forward thrust.

It found that the economic payback time on each technology varied according to the type of ship it was on; the route the vessel operates; and what ports are called at; as well as, of course, how high oil prices are.

In each case it looked at differing amounts of how much the wind system would assist the overall propulsion of the vessel, expressed as a percentage of fuel savings.

In short, wingsails offer a 10-40% fuel saving; square rigs up to a 50% saving; while sky sails and Flettner rotors both offer 10-35% savings – in all four cases there are existing examples where the technologies have been applied to commercial shipping, although in most cases they are in the bulk and tanker shipping sectors.

Container vessels represent a peculiar difficulty to many wind propulsion techniques because they tend to be deck or mast mounted, and there is a high risk of collision with quay cranes – however, some Japanese lines have experimented with the sky sail technology.

However, the potential paybacks can be impressive.

Envisaging a future in which oil is $1,000 per tonne, the LR team calculates that a vessel which is seeing a 30% fuel saving and burning 30 tonnes of fuel a day, assuming it is at sea for 200 days per year, will have its investment paid back within six months.

Even at $600 per tonne, that payback period would be just under a year.

Gavin Allwright, secretary general of the International Wind Shipping Association (IWSA), welcomed the report, and told The Loadstar: "Our membership was really happy that an independent evaluation of wind propulsion in commercial shipping has finally been conducted, and we found ourselves agreeing with the barriers that are preventing wider adoption."

The report summarised seven main barriers:

- the structure of the shipping industry, in particular the relationship between owners and charterers;

- the fear of failure; the lack of working examples;

- the capital requirements of development;

- the lack of technology transfer ("for example, advancements of Formula One racing cars have led to significant advances in ordinary family cars; this development has not occurred in a similar magnitude in commercial shipping");

- and operational and technical challenges.

Mr Allwright added: "The number one barrier that we see is a lack of demonstration vessels on the water proving the technology and challenging the problem of perception that the report outlines.

That then ties in with the problem of cost – most senior industry figures would need three points of reference before making a major investment."

But he said there were five to six projects with IWSA members that are "on the edge" in terms of being up and running within the next year 12-24 months.

(from: theloadstar.co.uk, April 4th 2015)

STUDIES & RESEARCH

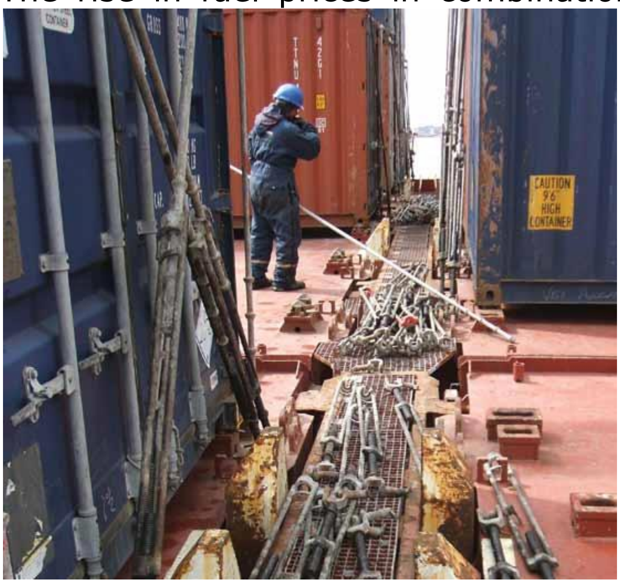
SLOW STEAMING "CAN DAMAGE CONTAINERS" - BMT

Fuel saving measures can have a negative effect on the lashing forces on the containers, according to Maritime London member BMT Surveys.

The company's risk & quality manager and marine surveyor, Olivier van der Kruijs, bases this warning on audits on more than 100 container vessels last year.

He says that the latest generation of container ships have been designed not only to increase capacity but also to improve energy efficiency and environmental performance.

The rise in fuel prices in combination with a continuing pressure on freight rates has forced ship owners and operators to look closely at the amount of fuel being used.



This has resulted in economical steaming and other fuel efficiency measures.

According to BMT, fuel efficiency monitoring can be achieved by a number of ways; for example, by using computer and communication software which monitors and analyses the ship's performance and operational parameters in real time.

The results of these analyses may then suggest, for example to change speed, trim and draft.

The optimal trim, varies with speed, displacement, weather and underwater hull shape and can be a significant factor in saving fuel.

One study suggested that fuel consumption could be reduced by as much as 5% using this technology.

However, as an unwanted side effect, this fuel saving method may increase the calculated dynamic forces to the containers and lashings, possibly exceeding maximum permissible levels.

BMT carries out regular inspections of container ships, with a point of attention during these surveys being the requirement to review the lashing computer data and establish if there is a situation on board whereby container lashing forces are exceeded.

Usually, for the preparation of a stowage plan, stability and lashing forces are calculated.

These calculations take into account the usual changes to stability as a consequence of expected fuel consumption or changes to the ballast water quantity, whilst sailing.

It has become apparent that during the voyage, the ship is sometimes instructed by the owners (or the charterers) to make adjustments to improve fuel efficiency.

BMT cautions: "These (unplanned) adjustments of draught and trim increased the GM (metacentric height) on various occasions and, as a result, also the dynamic forces acting on the containers and lashings.

This could lead to a situation whereby the ship left port with the calculated lashing forces being within design limits, but exceeding the limits at a later stage when the trim adjustments were made.

For vessels enjoying a voyage with good weather, exceeding the designated maximum lashing forces is unlikely to result in any damaged cargo.

However, if the ship was to encounter its "design motions criteria", damage to the container stacks and cargo could occur, thus as an indirect result of saving fuel."

(from: marinelink.com, March 25th 2015)

REEFER

THE CHILL FACTOR: MEETING THE CHALLENGES

The cold chain faces many interrelated challenges that span equipment and technology, regulation, rapid expansion, logistics costs and rate pressures in a volatile economic and financial climate.

Recently, Sonoco ThermoSafe, a global provider of temperature assurance packaging, put some perspective on those issues in a survey, "Assessing the Future of the Cold Chain Industry."

The survey was conducted over five months last year and highlights the trends that "significantly impact the cold chain industry – including environmental trends, logistics and products and services."

The survey's 165 respondents spanned more than 20 countries and five continents.

Russell Grissett, vice president and general manager of Sonoco ThermoSafe, said the survey revealed two key takeaways:

- Due to multiple drivers, including environmental concerns and the need to improve supply chain efficiencies, customers are increasingly reusing passive packaging systems.

- The industry will see a stronger influence of regulations globally, while at the same time pharmaceutical companies continue to outsource non-core activities, both of which will have a dramatic impact over the next five years.

Sonoco found that the current logistics spend for temperature-sensitive healthcare products is approximately $8.4 billion worldwide and increasing, or about 13 percent of the overall pharmaceutical logistics market.

Approximately $5.6 billion is spent on transportation, while another $2.8 billion is allocated to specialized packaging and monitoring devices.

Regarding passive packaging, Sonoco's respondents "overwhelmingly agreed the three most important factors in need of improvement are package efficiency, total cost of ownership for delivery of drugs to their destinations, and price," according to the survey results.

Of the 30 percent of applicable respondents who confirmed they use active systems, price and the availability of active containers in locations when and where they were needed "received the most criticism."

Speaking of reefer containers and ships, Dynamar's reefer market report for 2014, issued late last year, noted a continuing and somewhat disturbing trend for reefer ship operators.

The report said that for the first time, ocean transport of fresh produce exceeded 100 million tons in 2014, increasing to an estimated 101.1 million tons in conventional reefer ships and reefer containers.

This accounted for 2.7 percent of the total seaborne trade for dry cargo.

But nearly 74 percent of total fresh produce volumes were transported in containers, compared to 52 percent 10 years ago and 62 percent in 2009.

The size of the reefer container fleet reached 2.45 million TEUs in 2014—an increase of 6.5 percent year-on-year—while conventional reefer ship capacity will decline by more than 60 percent to about 140 vessels by 2025, according to the Dynamar analysis.

The vast majority of the reefer container fleet comprises 40-foot high cube units, for which 1.9 million (up 5 percent since 2013) on-board plugs are available.

The current conventional reefer ship order book has only one unit, an approximately 200,000-cubic-foot vessel for Toei Reefer Line of Japan, scheduled for delivery in August.

It will be the first reefer ship delivery since in October 2011.

So it’s not a stretch to say that the box is taking over.

Meanwhile, a report from the International Association of Refrigerated Warehouses, a core partner of the Global Cold Chain Alliance, says the total capacity of refrigerated warehouses was estimated at 552 million cubic meters worldwide in 2014, an increase of 92 million cubic meters (20 percent) over 2012.

Corey Rosenbusch, president and CEO of GCCA, noted that India now surpasses the U.S. in total cold storage capacity, with 131 million cubic meters of space compared to 115 million cubic meters for the U.S.

With 76 million cubic meters of capacity, China now ranks third.

Capacity in 13 countries has grown faster than 10 percent annually since the financial crisis of 2008.

Countries leading the growth rates since 2008 are Turkey, India, Peru, and China.

(from: cargobusinessnews.com, April 13th 2015)

ON THE CALENDAR

- 21-22 Apr TOC Asia Singapore
- 21-22 Apr Port & Terminal Technology Conference & Exhibition Miami, USA
- 21-22 Apr 7th International Conference & Exhibition on Port & Terminal Technology Miami, Florida, USA
- 21-23 Apr Sea Asia Singapore
- 21-24Apr 9th International Chemical and Oil Pollution Conference and Exhibition (ICOPCE 2015) Singapore
- 28-29 Apr Inland Waterways & Shipping Conference Rotterdam, the Netherlands
- 5-8 May Transport Logistics, Munich
- 6-7 May 11th Trans Middle East 2015 Doha, Qatar
- 21-22 May ESPO Conference 2015 Athens, Greece
- 28-29 May 4th Black Sea Ports & Shipping 2015 Istanbul, Turkey
- 6-9 Jun 3rd International Marine Exhibition of Iran Tehran, Iran
- 7-9 Jun CMI Colloquium Istanbul, Turkey
- 9-11 Jun TOC Europe in Rotterdam Rotterdam, Netherlands
- 24-25 Jun 13th ASEAN Ports and Shipping 2015 Jakarta, Indonesia
- 24-27 Jun ECONSHIP 2015 Chios, Greece
- 7-11 Sep PIANC-SMART RIVERS 2015 Buenos Aires, Argentina
- 17-18 Sep 10th Southern Asia Ports, Logistics & Shipping 2015 Mumbai, India
- 22-25 Sep NEVA 2015 St. Petersburg, Russia
- 26-28 Oct 6th Global Free Trade & Special Economic Zones Summit Dubai, UAE
- 29-30 Oct 13th Intermodal Africa 2015 Lusaka, Zambia

- 25-26 Nov 14th Intermodal Africa 2015 Lagos, Nigeria
- 8-9 Dec TOC Middle East in Dubai Dubai, UAE

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