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C.I.S.C.O. NEWS

GENOA SHIPPING WEEK: C.I.S.CO. PROMOTES THE "CONTAINER IN THE CITY" PROJECT

In the week from September 14th to 20th 2015 will be held in Genoa at Palazzo San Giorgio, home of the Genoa Port Authorityof Genoa, and at the Aquarium of Genoa, the second edition of the *Genoa Shipping Week*.

At the event *Genoa Shipping Week*, C.I.S.Co. - Council of Intermodal Shipping Consultants - in collaboration with Clickutilityteam will promote the "Container in the city" project.

For further information: info@ciscoconsultant.it

PORTS AND TERMINALS

HIGHER FIRST-QUARTER SEABORNE CARGO THROUGHPUT AT THE PORT OF HAMBURG

The Port of Hamburg handled total throughput of 35.6 million tons (up by 0.1 percent) in the first quarter of 2015.

Bulk cargoes at 11.7 million tons (up by 12.3 percent) and container transport on railways between the port and its hinterland at 602,000 TEU (up by 11.1 percent) were the strongest contributors to throughput growth.

"We can be satisfied overall with the first-quarter trend in seaborne cargo throughput.

Even if a slight 4.9 percent downturn in general cargo throughput at 23.9 million tons slightly dampens our satisfaction, this remains the best-ever first quarter in the port's history," stressed Port of Hamburg Marketing's Executive Board Member Axel Mattern at the marketing association's quarterly press conference.

Throughput of bulk cargoes was up in all the three segments, for suction cargoes by 19.4 percent at 2.7 million tons, grab cargoes by 17.2 percent at 5.5 million tons and liquid cargoes by 1.3 percent at 3.5 million tons.

The trend was especially notable on coal imports that at 1.8 million tons increased by 64.1 percent.

On the export side, the main contribution to this excellent result came from wheat, where volume handled rose by 44.0 percent to 1.62 million tons.

Container throughput for the first three months of the year at 2.3 million TEU (20-ft standard containers) remained below the previous year's strong result, which had been unusually satisfactory, representing an advance of no less than 8.0 percent.

There was a slight, 2.3 percent downturn here.

This was primarily attributable to a fall in container traffic with Russia.

In the first quarter a total of 109,000 TEU were transported between Hamburg and Russian ports on the Baltic.

That represented a 34.8 percent fall by comparison with the same quarter of the previous year.

In Axel Mattern's view, it may be assumed that should sanctions be lifted and a recovery occur in the Russian economy, seaborne foreign trade via Hamburg will climb once again.

His Executive Board colleague Ingo Egloff pointed out that the Port of Hamburg is the leading hub in Northern Europe for container services with the Baltic region and that Port of Hamburg Marketing is devoting increased attention to Baltic markets.

The recent accession of the ports of Gothenburg and Bronka to the marketing association also underlines its excellent links with the region.

Above-average growth in hinterland transport

Container hinterland transport by rail, truck and inland waterway craft made above-average progress and at 1.5 million TEU attained growth of 7.3 percent.

"That we are Europe's leading rail port is no coincidence.

With our intelligent transport schemes, bottlenecks should be avoided in the Port of Hamburg's incoming and outgoing traffic.

This can be achieved, for example, by greater utilization of rail for seaport-hinterland transport," explained Egloff.

In the first three months of 2015 cargoes totalling 11.4 million tons, or an increase of 8.3 percent, were transported on the Hamburg Port Railway network.

At 602,000 TEU, container transport by rail grew by no less than 11.1 percent.

In future, even more efficient use will be made of the port's rail infrastructure.

Neutral, overriding control, or 'Rail Operations Management', will take over coordination of rail services and further optimize operating processes.

Together, terminal operators, the port administration and German rail network – DB Netze – aim to continually increase the quality and efficiency of the Port of Hamburg as a supply chain element.

"Along with the other North German states, in Berlin we shall be urging that seaport-hinterland traffic routes should be properly catered for in the new Federal Transport Infrastructure Plan.

Only a high-performing and intact infrastructure will guarantee incoming and outgoing access for seaports in the interests of the entire national economy.

We are also therefore hoping for a positive decision this year by the Federal Administrative Court in Leipzig on the implementation of the dredging of the navigation channel on the Lower and Outer Elbe," emphasized Egloff.

Both the dredging of the channel plus the expansion and modernization of transport infrastructure are of great importance for Hamburg's future development as Germany's leading port and logistics centre.

Efficient transport links constitute the essential arteries for global foreign trade.

The intelligent interchange and utilization of transport and logistics data, launched in Hamburg with smartPORT, will simplify efficient control of multimodal transport chains.

Improved utilization of the existing transport infrastructure will as a result permit the acceptance and transport of additional cargo volumes.

(from: hellenicshippingnews.com, May 19th 2015)

MARITIME TRANSPORT

BOX CARRIER PROFITS FROM CHEAP OIL WILL 'JUST FUEL FREIGHT RATE WAR' AS DEMAND SAGS

With 13 major ocean carriers having reported their first-quarter results, boosted by a 49% fall in fuel prices and foreign exchange gains from an appreciating US dollar, consultant Alphaliner believes the high profits recorded in the period will only serve to fuel the freight rate war.

Alphaliner calculates that average operating profit margins (OPM) improved significantly in the first three months, compared with the same period of 2014: the industry averaged an OPM of 5%, a great improvement on the negative 1.3% of the year before.

Once again Taiwanese niche carrier Wan Hai outscored Maersk Line – recording an impressive 14% OPM, compared with the Danish line's 11.7% and third-best CMA CGM's 10.1%.

Alphaliner's OPM league table was propped up by Japan's MOL with a negative 1.6% and Singapore-based APL's marginal 0.8%.

The analyst noted that several carriers were able to post their best first-quarter results on record, but argued that the subsequent decline in freight rates, combined with an 11% quarter-on-quarter increase in bunker prices since, meant that carrier earnings were once again coming under pressure.

And this, said Alphaliner, was being exacerbated by weak demand growth, "especially in the key Asia-Europe market, as well as in the South America, Africa and Australia-related trades".

It believes carriers will also be hampered by significant capacity hikes in the three main tradelanes where demand growth has been relatively strong so far this year: Asia-US east coast, and transatlantic and intra-Asia routes.

With a rate war in full swing on the all important Asia-Europe trades, extracting good returns from other routes becomes more important as compensation for periods of marginal or sub-economic voyages on the blue chip route.

Meanwhile, many Asia-North Europe carriers have announced 1 June general rate increases (GRIs) – yet another attempt to propel rates higher before the peak season.

Yesterday, Maersk announced a 1 June increase of $800 per teu on Asia-North Europe and $600 per teu on Asia-Mediterranean.

However, recent history suggests that the life span of these ambitious GRIs is becoming shorter and shorter – the $581 per teu GRI-induced gain on the Shanghai Containerized Freight Index registered on 8 May nearly halved just a week later.

The negative outlook following a good first quarter for ocean carriers has prompted more rumours concerning the underperforming APL, with a number of potential buyers being suggested in the halls of shipping networking events.

Profitable Hong Kong-headquartered carrier OOCL has for some time been the favourite of the speculators, but candidates now being put forward include Maersk.

Maersk Line grew by acquisition to become the world's largest container carrier, but following considerable indigestion caused by its purchase of P&O Nedlloyd in 2005, just six years after its takeover of Sealand, it has shown little interest in any further M&A activity.

In any event, argues Alphaliner, there has been no formal indication that APL is actually up for sale.

Temasek Holdings, the government of Singapore's investment arm and a 67% controlling shareholder of APL parent NOL, would, said Alphaliner, be "unlikely to sell NOL's only remaining asset at a distressed price" – although this is likely to be the only reason interested buyers with deep enough pockets might be tempted to make a bid.

(from: theloadstar.co.uk, May 20th 2015)

RAIL TRANSPORT

STILL IN TIME TO SET TRANSALPINE CONDITIONS RIGHT

An undesirable impact will result from the planned changes to the commercial conditions that are to apply on the Transalpine routes once extensive upgrades to the three main crossings (Lötschberg, Gotthard and Brenner) are all completed - this has been found in a study carried out by TransCare for UIRR (International Union for Road-Rail Combined Transport).

Both countries that manage the important North-South transit routes through the Alps, Switzerland and Austria, have committed significant resources to enhance the rail infrastructure of these crossings with a view to reinforce the attractiveness of railway services:

- the new Lötschberg base-tunnel, complemented by the Simplon tunnel;
- the new Gotthard base-tunnel, complemented by the Ceneri base-tunnel and the 4m corridor on its approach lines, and
- the reconstruction of the Brenner-line in Austria.

UIRR and the entire European Combined Transport sector strongly welcomed these investments as essential to be able to offer competitive road-rail CT rail services.

While the parameters of the planned infrastructure upgrades were well known in advance, the changes to the commercial conditions for accessing these new pieces of infrastructure were only announced recently.

European Rail Freight Corridor 1 (Rhine-Alpine) is the most important axis of European CT, therefore UIRR commissioned a study by renowned logistics consultants, TransCare of Wiesbaden, to prepare a thorough analysis of what will be charged to the users of the upgraded lines in the two countries that operate them.

The results uncovered by the consultants are alarming in the case of Switzerland, where the enhanced operating efficiency offered by the improvements (faster timetable speeds and lower energy consumption) will be more than offset by the foreseen phasing out of CT subsidies and the announced new track access charge regime.

So much so that avoiding these routes by taking a 150km eastward detour through the Brenner line appears to become an attractive and desirable alternative.

Fortunately there remain enough time for the decision-makers in Switzerland to take the results of this study by TransCare into account, which UIRR urges in earnest, and then to implement the necessary adjustments in order to make the new, high performance rail infrastructure also commercially competitive.

This is especially important when comparing to the conditions that the competing trucking industry faces when using the parallel highways and in view of the expressed desire of the population to conduct even more of the Transalpine freight transports on rail.

The study can be found here: http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2015/mediacentre/712.html

(from: uirr.com, May 7th 2015)

ROAD TRANSPORT

BRUSSELS FIGHTS GERMANY OVER MINIMUM WAGE FOR TRUCKERS

The European Commission launched legal action against Germany on Tuesday (19 May), accusing the government of illegally applying the national minimum wage to a number of trucking and haulage companies from Austria, Poland and Hungary.

The EU's powerful regulator objects to the application of a national minimum wage to lorry drivers passing through the country even just for a few hours and the substantial paperwork associated with that.

"Whilst fully supporting the introduction of a minimum wage in Germany, the Commission considers that the application of the Minimum Wage Act to all transport operations which touch German territory restricts the freedom to provide services and the free movement of goods in a disproportionate manner," the executive said in a statement.

Germany introduced a national minimum wage of 8.50 euros an hour on 1 January, even for foreign truck drivers simply passing through to other destinations.

The companies affected in March asked the Commission to examine whether applying the minimum wage in this way is compatible with European law.

The issue was also discussed in the European Parliament after several EU member states complained about a limitation of the free movement of goods and bureaucratic obstacles.

The launch of the case in Brussels is the first step in a procedure that can end with hefty fines for Germany, which has two months to respond.

"The application of German measures to transit and certain international transport operations can in the Commission's view not be justified, as it creates disproportionate administrative barriers which prevent the internal market from functioning properly," it said.

The European Commission said it believed that "more proportionate measures" existed to safeguard these workers while still "allowing for free movement of services and goods".

Germany is the only European country that includes transit workers in the minimum wage.

Berlin argues the policy was needed to stave off wage dumping.

Given the protests from foreign companies, Berlin agreed to a temporary suspension for foreign road haulage companies until the EU's rules on the issue can be clarified.

Germany's new measure required a Polish truck driver who is heading to Spain to be paid at 8.50 euros per hour from the moment the driver crosses the German border, before reverting to the wage paid in the driver's home country on leaving German soil.

The driver's employer also faced administrative paperwork under the measure and a fine if the drivers were not paid accordingly.

(from: euractiv.com, May 20th 2015)

INTERMODAL TRANSPORT

PALLETWAYS DRIVES UP MAJOR GROWTH IN EUROPE

Lichfield-based Palletways, Europe's largest provider of express palletised freight services, has set its sights on dominating the pallet network sector in Europe after announcing a 35% growth in pan-European volumes handled.

Palletways' journey into Europe started in 2002 with its first venture in Italy and the Group has continued to expand ever since.

The network now boasts 12 hubs across 14 European countries including Austria, Belgium, Czech Republic, Denmark, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Republic of Ireland, Slovakia, Spain and the United Kingdom.

Says James Wilson, Group Chief Executive: "Our strategy has been to establish our domestic markets in Europe and then offer services between those countries.

This is where we see significant new business opportunities as borne out by our cross border growth over the last year, which we predict will rise by another 50% in the 12 months ahead."

"Unlike most of our competitors who have gone down the route of sub-contracting pan-European services, we have focused on developing our own infrastructure over the last decade.

We were confident that we could mirror our success across Europe, particularly as express palletised freight networks were a niche opportunity, and that's what we've done.

We now offer an extremely efficient logistics solution, providing both cost and service benefits."

Key to the expansion and success of the Group's operations across Europe has been its investment in IT to provide a value-rich service for customers.

This started with the development of a bespoke pan-European IT platform that enabled deliveries between its different networks in Europe and has continued with the recent introduction of our digital information hub, a tool designed to greatly enhance operational efficiencies and the customer experience by optimising the use of live data."

Other recent key developments driving growth include: offering services to Austria; the creation of a centralised customer service in Madrid; increasing the frequency of line hauls through the introduction of daily services between several hubs including London and Nijmegen, London and Paris, Paris and Madrid; and investment in domestic networks such as a new hub in Milan.

Rachael Alpha, Managing Director at Palletways Europe GmBH, added: "These are very exciting times for the Group.

Our European expansion continues to present significant competitive advantage as we can collect all of our customer's freight on one vehicle and deliver to 14 countries across Europe.

Last year we invested some €1.4m which helped achieve a record year for cross border volumes and we look forward to building on this growth significantly during 2015."

The Group is now looking to extend its services into Switzerland and six Eastern European countries, as well as completing a new increased capacity hub in Germany.

(from: transportjournal.com, May 26th 2015)

INDUSTRY

RECORD DEMOLITION ACTIVITY BODES WELL FOR SHIPPING'S RECOVERY

The oversupply of tonnage has long been touted as one the main "culprits" behind the demise of the shipping freight markets, a trend evident across most segments of the market over the years.

At the current period, it's the dry bulk market which has been suffering the most.

As such, any news regarding an alleviating of tonnage supply can only be seen as a positive development for the long-term sustainability of the market.

As such, with the dry bulk market having shown signs of oversupply of tonnage since the latter stages of 2014, all eyes have been focused on the development of the active/in service fleet as well as the rate of new contracting, newbuilding deliveries and scrapping.

In its latest weekly report, shipbroker Allied Shipbroking noted that "having gone through the first four months of the year, one can say that these figures haven't disappointed up to yet, despite the limited impact having been seen as to the course of the freight market.

But let's actual compare the additions and removals made to the fleet (vessels over 10,000dwt) during the first fourth months of the year".

According to Allied's George Lazaridis, Head of Market Research & Asset Valuations, "new contracting has been limited down to a small trickle with only 87 units have been added to the orderbook over the past 4 months (this is equivalent to 6.15 million dwt) and to put these figures into further perspective, the respective figures for the first 4 months of 2014 and 2013 were 410 vessels (35.17 million dwt) and 233 vessel (19.6 million dwt).

This is a significant drop and one that, as all shows, will likely continue to remain close to these new limited levels for the remainder of 2015".

Lazaridis added that "as new contracting is only relative to the future growth of

the fleet, we most look at a metric that is more influential to the fleet growth that is currently occurring.

Deliveries of newbuildings is such a metric and as all has seen has also been on the downward slide.

However things haven't been as exciting here, as the current slowdown is only a small percentage compared to previous figures of the same 4 months.

To be more specific, in 2015 we had 241 vessels delivered (equal to 18.94 million dwt) were as in 2014 and 2013 we had 248 (19.97 million dwt) and 311 (25.89 million dwt) respectively.

The main point to keep here is that as most of these deliveries were already close to their completion date when the real problems started to emerge in the freight market, it is unlikely that much could have been to halt them from entering active service beyond just small delays.

As such the most prevalent decreases in vessel deliveries have yet to be seen and will likely take place closer to the end of the year".

As such, "the next most influential and one that has a more imminent reaction to fluctuations in the freight market is scrapping and here is where we have seen the most impressive change compared to previous years.

Overage units have been offloaded to the breakers at record volumes.

During the first 4 months we witnessed 177 vessels (13.27 million dwt) being sold for demolition while during the same periods in 2014 and 2013 we witnessed 77 vessels (4.28 million dwt) and 156 (8.6 million dwt) respectively".

According to Allied's analyst, "adding all this together still leaves a total dry bulk fleet that is still growing albeit at a significantly slower pace.

At the same time it is important to note that all this has not be on an equal basis throughout all size segments, with segments such as Handysize and Capes seeing a negative growth during 2015.

But the key thing is that we will still need to slow things down further in order to properly equalize with the slowdown in trade growth and reach a balance between demand and supply of tonnage quicker.

As we move forward, and with the limited number of overage units being left within the fleet, it will be the reshuffling of the orderbook that will start to take primary role in allowing the fleet to properly reflect the demands and needs of the market and in order to set things in line with this we will also start to see further reshuffling and consolidation of the shipbuilding industry as a whole", he concluded.

(from: hellenicshippingnews.com, May 14th 2015)

LOGISTICS

THIRD PARTY LOGISTICS – THE BENEFITS AND CHALLENGES

Third party logistics (3PL) the outsourcing of logistics and supply chain operations, is now a massive worldwide business, with an annual turnover estimated as approaching $750bn.

This is a sector with major well established companies, such as Unipart Logistics, DHL, Clipper and Ceva, with real expertise and a proven ability to reduce costs and improve levels of service.

The sector continues to grow, with the obvious reason around this being the growth of e-commerce – however, there are other reasons.

A number of companies who off-shored their manufacturing are now re-shoring back to the UK, but outsourcing their logistics operations when they do, rather than establishing their own.

The growth of omni-channel distribution is also a factor.

Many companies expanding their business model to include retail store and direct customer fulfillment are finding such a dual operating model challenging, so often turn to 3PL providers to facilitate this part of the equation.

Return to sender

A key part of today's e-commence market is returns.

It's vital to have an efficient delivery service, but equally as important to customers is an effective returns operation – and of course it's important to suppliers to get products repacked and back on the shelves.

Recent research conducted by CollectPlus showed that online shoppers estimated they would return nearly a third (31%) of their purchases, with 39% of those surveyed saying they have returned items bought online in 2014.

Although retailers have significantly improved their returns processes in recent years, the overall convenience of the service remains behind customers' expectations, with 27% saying they are deterred from ordering something online because they don't want the trouble of returning it if it isn't right.

But 3PL providers are about so much more than delivery and returns.

Companies such as Unipart Logistics can manage the whole supply chain and logistics operation from top to bottom.

Such companies offer supply chain design, warehouse and facility design, forecasting and demand planning (to help meet the huge peaks and troughs caused by events such as Black Friday and Cyber Monday), and materials management to ensure optimum stock control.

Bernard Molloy, Global Industrial Logistics Director, Unipart Logistics, which will be exhibiting at IMHX 2016 said: "We design, operate and optimise complex supply chains for clients across a wide range of sectors on a local and global basis.

Our understanding of complex supply chains means we can design and deliver resilient solutions created to meet specific needs that deliver exactly what the customer needs, while ensuring they retain strategic control."

Mind the gap...

An increasingly important part of delivering these kind of total 'joined up' logistics and supply chain solutions is the use of IT.

However researchers have identified the 'IT gap' – the gap between expectations around the IT abilities of 3PL providers and the actual satisfaction of users.

In the 2014 Third Party Logistics Study 98% of the users of 3PL services said that IT capabilities are a necessary element of 3PL expertise.

However only 55% of the same users when questioned said they were actually satisfied with their providers' expertise.

In response to the growing importance of IT in logistics IMHX 2016 will feature a dedicated Supply Chain IT Village where providers will be on hand to help visitors meet these challenges – and discover the latest e-commerce solutions.

Getting the best from 3pl

On the broader 3PL front there will also be United Kingdom Warehousing Association (UKWA) third party logistics Pavilion.

Peter Ward, UKWA CEO comments: "With over 650 member companies, UKWA is the leading trade association dedicated to the third party logistics sector.

Our Pavilion will showcase the products and services offered by our members and how the thousands of visitors can get the best from 3PL."

Of course there can be issues around 3PL, it isn't always the solution to every problem.

There can be concerns over the expertise of some 3PL providers, and of loss of direct control of deliveries – and of course when choosing to outsource logistics operations there is the issue of the transfer of existing staff.

However 3PL remains a cost effective option for many.

Users of 3PL services questioned in the Third Party Logistics Study reported an average reduction in their logistics cost of 11% and an average reduction in their fixed logistics costs of 23% – which are savings well worth having.

For more information about IMHX 2016, taking place at Birmingham's NEC, 13th-16th September and featuring over 400 exhibitors, visit www.imhx.biz.

(from: shdlogistics.com, May 21st 2015)

LAW & REGULATION

EU SHORT SEA SHIPPING PLEA

A number of European organisations are calling on the European Commission and Member States to ensure they exploit the full potential of short sea shipping as laid out in the Athens Declaration.

In an open letter addressed to the Commission, FEPORT together with CLECAT, ECASBA, ECSA, ECS, ESN, ESPO, Interferry and World Shipping has highlighted short sea shipping as a sustainable form of intra-European transport and a solution to traffic congestion.

"Unfortunately, the sector has been unable to achieve its full potential due to a lack of investment and the need to comply with considerably greater and more onerous regulatory and administrative burdens than its competitors moving cargo by road or rail," the parties stated in the letter.

In addition, the parties highlighted the need for "effective policies" to be put in place and implemented to "allow all shipowners, ports and terminal operators carrying and handling Europe's external and internal trade to easily access funding to boost efficiency and reduce emissions, to modernise ports, including their infrastructure as well as equipment on terminals, and improve the connection of the maritime leg to the rest of the logistics chain".

The parties also say the vocal and welcome support by DG-MOVE for the European network of short sea promotion centres also needs to be backed up with effective financial support to enable them to fully develop their capabilities and promote the mode in the most effective way possible.

> Reducing regulatory and administrative "burdens" would bring significant benefits to the sector, say the parties, but continued adherence to "outdated policies" has "prevented advances".

FEPORT, CLECAT, ECASBA, ECSA, ECS, ESN, ESPO, Interferry and World Shipping are now calling on all Member States and the Commissions to collaborate on a "forward-looking approach".

Elsewhere, the parties say a number of EU Member States will now have implemented their maritime single windows on 1 June 2015 as required by the Reporting Formalities Directive.

They says this lack of uniform standards and harmonisation of data requirements for reporting will "adversely impact effective Europe-wide data exchange".

In addition, the importance of the Connecting Europe Facility (CEF) to fund projects along the Trans-European Transport Networks (TEN-T) has been highlighted.

The parties says they hope the letter will encourage the Commission and Member States to work together so the maritime sector can achieves the outcomes envisaged in the Athens Declaration and provide the levels of service and environmental sustainability which Europe and its citizens expect.

The letter follows the Mid-Term Review of Maritime Transport Policy to 2018 discussed at European Shipping Week.

(from: greenport.com, May 14th 2015)

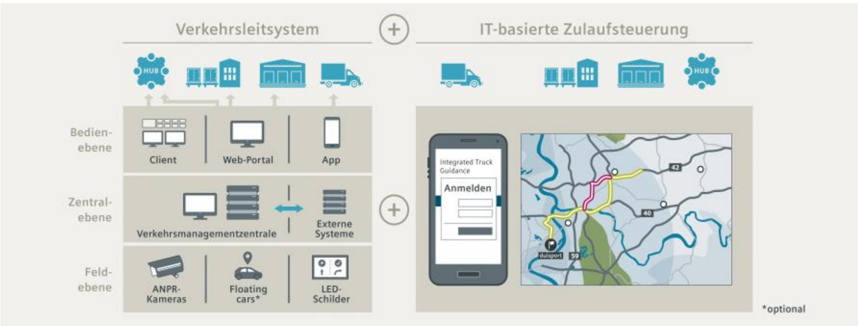
SIEMENS AND DUISPORT ENTER INTO STRATEGIC COOPERATION FOR THE DEVELOPMENT OF NEW TRUCK TRAFFIC MANAGEMENT SYSTEMS FOR SEA AND INLAND PORTS

With North Rhine-Westphalia Minister of Transport Michael Groschek in attendance, Siemens and Duisburger Hafen AG (duisport) signed a strategic cooperation agreement today.

The purpose of this cooperation is the joint development of innovative concepts for optimizing traffic in multimodal transportation hubs.

A first objective is the gradual introduction of this intelligent flow control system as a pilot project at the Port of Duisburg.

As part of this process, the system will record truck data, render this information anonymous, bundle the information with regional real-time traffic data such as travel times, traffic situations and disruptions, and forward them to mobile devices and LED traffic information boards.



In this way, incoming truck drivers already have access to all of the important traffic information that is required for coordinated and rapid travel to the next free loading area or terminal.

In another step, the Duisburg pilot project will be expanded to other transport carriers such as trains and inland water vessels in conjunction with resident customers.

All of the parties involved believe that the Integrated Truck Guidance system offers a very good basis for optimizing and harmonizing multimodal transport carriers for the hub of the future.

In addition, the integration of IT systems will also be pursued in order to guarantee timely communication between the various stakeholders and improve general traffic flows, both into the hinterland and in the direction of the sea ports.

"Where, if not here at the Port of Duisburg, would it make sense to implement modern traffic management to accelerate intermodal connections between the various transport carriers.

When, if not right now at the threshold to the age of automated transport.

Who, if not the market leaders in logistics and traffic management; they are the ideal stakeholders for this project.

I wish you all the best with your project," says North Rhine-Westphalia Minister of Transport Michael Groschek.

"The strategic cooperation with Siemens provides us with an opportunity to optimize the efficiency of traffic flows at logistics hubs.

This constitutes an important approach towards eliminating future bottlenecks, and also creates new capacities.

With our combined technical and logistics know-how, we will be able to increase the efficiency of any logistics hub in the world in the long term," emphasizes Erich Staake, Chief Executive Officer of Duisburger Hafen AG.

"The new cooperation between duisport and Siemens offers impressive proof of how state-of-the-art automation and digitization can contribute to increased efficiency in mobility and logistics," adds Dr. Jochen Eickholt, CEO Division Mobility at Siemens.

Siemens and duisport have already been collaborating in the area of traffic flow optimization since 2012.

The new cooperation was preceded by the joint development of an integrated logistics and infrastructure concept for the "Sao Paulo-Santos Logistics Corridor", which combines the port city of Santos with the high plateau Serra do Mar and the mega-city of São Paulo.

(from: duisport.de, May 4th 2015)

STUDIES & RESEARCH

ROAD TO HIGHER BOX SHIPPING RATES LONG AND BUMPY AS OVERCAPACITY INCREASES

According to the latest shipping market review from Danish Ship Finance, “massive oversupply” in the container sector will plague the industry for another two years.

After that, things “might improve” – subject to a return of a supply-demand equilibrium – but the road to higher rates is expected to be “long and bumpy”.

The report is critical of an industry that “continues to plan for the future as if past patterns still apply”, and argues that the global shift in manufacturing to lower-cost countries that was responsible for past trade expansions – and due to a sequence of events including China’s membership of the WTO in 2001 – is unlikely to be repeated.

The manufacturing shift away from advanced economies is “now losing steam” say the authors, noting that the level of global containerisation “seems to have plateaued” and that view significant additional jumps are “unlikely”.

Indeed, a perfect storm is brewing from a bulging cellular orderbook that has 1.9m teu scheduled for delivery this year – which, after scrapping adjustments, is calculated to increase global container fleet capacity by around 10%.

At the same time, market growth predictions have been downgraded.

Maersk admitted in its first-quarter results last week that it expected growth to be “at the low end of the 3-5% range”.

However, Danish Ship Finance says the supply-demand gap could narrow by around 3% if carriers and tonnage operators are able to defer some scheduled deliveries a year, a tactic they have used in the past.

Half of the tonnage orderbook is for ultra-large container vessels of 14,000 teu and above, as ocean carriers continue their policy of reducing unit costs by upscaling ships to compensate for stubbornly low freight rates.

But these bigger ships need to be sufficiently utilised for the economics to work, and the flaw in the carrier strategy comes when the container alliances are unable to fill their ULCVs.

Thus, other than blank a voyage, carriers are forced to buy cargo on spot markets to improve their allocation levels, often at the expense of fellow members of their alliance, thereby perpetuating the vicious cycle of rate erosion.

Moreover, the spot market is gaining in influence, with anecdotal reports from China suggesting that shippers are walking away from annual contracts in favour of cheaper deals on offer that have been marked down in line with the substantial spot market falls since the beginning of the year.

Danish Ship Finance expects fleet utilisation levels to fall to around 79% in 2015 and 2016, which does not bode well for the voyage calculation aspiration of carriers, but is perhaps a reality that they must start getting used to.

(from: theloadstar.co.uk, May 18th 2015)

ON THE CALENDAR

- 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
- 14-20 Sep Genoa Shipping Week, Genova, Italy
- 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.