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C.I.S.C.O. NEWS

MARINI AUTOTRASPORTI GRU S.A.S. – AN EXCELLENCE IN THE FIELD OF SPECIALIST TRANSPORT

Marini Autotrasporti, based in Sant'Olcese (Genoese inland), operates in the field of road transport since 1982 with special features and highly qualified skills.

The company, whose business was started by the founder Giovanni Maffolini, is now led by his sons Roberto and Ilaria who edited the evolution bringing the company to stand out among the primary activities of the industry.

Quality and competence for Marini Autotrasporti mean estimate and inspection for an accurate analysis of the feasibility of transportation within 48 hours from the request; guarantee of loading, transportation and unloading, assembly, construction and dismantling according to the specifications agreed with the customer.

But also a fleet of vehicles equipped with cranes of the latest generation, able to ensure the transport of a wide type of goods for weights and sizes up to 15 tons, thanks to a team of proven experience and professionalism.

Ductility and flexibility led the Marini Autotrasporti operating in various sectors, from sailing, to 'construction, to the preparation of construction sites, fairs and events, to the transport of platforms and operating machines, industrial moving to follow in every single phase.

For the recent event "Container in Città", for example, Marini has performed all the operations of preparation - and later dismantling – of the pole promotional located in the heart of Genoa, with effective solutions regarding the accessibility and viability of the center historic, with punctuality and precision to guarantee and coordinate the work with other companies related to the project.

A company that for more than 30 years has been investing in quality and innovation and on these values has built its success started from Liguria, and then grew up on national and even international markets emerged today.

PORTS AND TERMINALS

US EAST COAST TERMINALS STILL BENEFITING FROM WEST COAST CONGESTION PROBLEMS

Cargo drift from North America's west coast ports to the east coast has continued ahead of the widened Panama Canal opening next year.

According to Drewry Maritime Research, further migration of Asian imports from west coast ports to terminals on the Atlantic and Gulf coasts can be expected in the lead up to the opening of the expanded Panama Canal, due next April.

The construction of bigger locks on the waterway will enable containerships of up to 13,000 teu to transit the canal – more than doubling the size of ships that can be deployed on Asia-US east coast services and significantly reducing unit costs for carriers.

The consultant said that headhaul flows from Asia to the west coast in the first six months of the year were half a percent down on the same period of 2014, despite the severe congestion at US west coast terminals in the early months of the year due to the ILWU/PMA labour contract dispute.

At the same time, east coast ports achieved an impressive 23.5% year-on-year growth, benefiting from the diversion of cargo due to the dispute and the establishment of a number of new 'opportunist' east coast services by container lines such as Israeli carrier Zim.

In July, west coast imports recorded some growth, albeit less than 1%, while the pace of growth on the east coast slowed to 14%, reported Drewry.

It added that August throughputs had actually seen a reversal of the migration trend, but Drewry attributed this to a blip in peak season traffic which demanded faster transit times, giving the main US gateway ports of Los Angeles and Long Beach “little competition”.

Import volumes at Los Angeles were ahead in August by 3.8% year-on-year, while neighbouring Long Beach posted a 22.8% increase in import cargo during the month.

Overall containerised exports from Asia to North America grew by 5.4% in the first half of the year, assisted by a continued improvement in the US economy and the strength of the US dollar which encouraged its consumers to purchase big ticket items.

Despite the longer transit times and the requirement to use smaller panamax ships for routings via the canal, Asia-North America carriers have been encouraged by the substantial premium on offer for east coast services, which according to Drewry averaged at around $1,800 per 40ft in the first seven months of the year.

However, it noted that the rate differential was eroding and by the end of September the gap had narrowed to about $1,000 per 40ft.

Drewry said that on an annualised basis west coast ports were handling 275,000 teu more Asian imports than they did three years ago, but on the opposite coast, container facilities were enjoying a 1.2m teu volume increase bonanza.

Port statistics confirm this.

Savannah reported a 16.6% increase in import containers between January and August, while imports at the main east coast gateway of New York-New Jersey improved by 12.7% on a year-to-date basis as at July.

(from: theloadstar.co.uk, October 10th 2015)

MARITIME TRANSPORT

SHIP OWNERS ACQUIRED 421 VESSELS OF 30 MILLION DWT DURING SUMMER MONTHS, IN SHIFT TOWARDS SECOND HAND TONNAGE

Ship owners have moved towards second hand tonnage in a more notable way during the summer months.

According to figures compiled by shipbroker Intermodal, sale and purchase activity during the first three quarters of 2015 and more specifically during the summer season has been rather remarkable.

"421 vessels, totaling 30 million dwt, changed hands in the period between June and August 2015, while in the same period last year, 304 vessels, totaling 17.8 million dwt, were sold.

The increase is significant and we generally see a pretty good momentum in the number of sales as well as an increase in sale candidates at the moment", Intermodal said.

According to Mr. John N. Cotzias, SnP Broker, "what is also quite notable is that this year kicked off with heavy scrapping activity.

As a matter of fact, during the first half of 2015 strong demo sales seemed to be laying the groundwork for a record year of scrapping, however signs of a slowdown during Q3, have now considerably lowered expectation for the year's final figure.

739 vessels of 31 million dwt were scrapped during the period Jan-Sep 2015, while 594 of these ships were sold for demo during Jan-Jun 2015.

This clearly shows that activity has slowed down compared to the first half of the year".

Cotzias added that "the heavy scrapping activity that was witnessed in the first six months of 2015 was almost solely attributed to dry bulk vessels that amidst exceptionally poor rates headed for scrap in high volumes.

In the first half of the year, 265 dry bulk vessels (above 20,000dwt) were scrapped, while in the entire of 2014 we count 267 vessels (above 20,000dwt) sent for demo.

The case of 15-yr bulkers being sent for scrap was more than often during both Q1 and Q2, while as rates started finding a more stable foot in the beginning of the summer season, dry bulk owners of older tonnage quickly distanced themselves from the demolition option".

He went on to note that "on the other hand and with regards to the volume of tankers that have been scrapped so far in 2015, we note that this is minimal.

68 tankers were scrapped during the first half of the year and only 10 during the third quarter. The booming daily rates in the sector this year, have after a prolonged period of intense volatility and disappointing performance, provided tanker owners with renewed hope, while lower demolition prices have also deterred owners of tankers above their scrapping age, to hold back a little while longer.

Last year, a total of 669 tankers, totaling 9.9mil dwt were sent for scrap, while this year, in the period Jan-Sep we count 314 tankers of around 2.57 million dwt".

Cotzias said that "average demolition prices offered today are around 300 – 320 $/ton, while last year they were ranging between 400-420usd/ton.

In the case of a VLCC, of about 37,000 tons lightweight, today's demo prices translate to $3-4 million less per ship sold.

Adding to that the fact that VLCC rates have soared to above $ 100,000/day in the past three weeks, there is absolutely no argument for scrapping at the moment.

If freight rates remain around or close to current levels, it will make good sense for all of the 21 VLs built between 1995 and 1996, which have reached or are about to reach their 20th year and 4th SS/DD, to get their 5 year extension.

Overall sentiment remains bullish for the sector, while with Saudi Crude Production expected to stay at levels well above 10 million barrels/day, and the winter season approaching, the arguments for firm demand and negligible scrapping in the following months remain plenty", he concluded.

(from: hellenicshippingnews.com, October 8th 2015)

RAIL TRANSPORT

DB SCHENKER RAIL AND SBB CARGO BOOST TRANSALPINE ROUTES

DB Schenker Rail has commissioned SBB Cargo with transport operations for routing international freight trains via Switzerland for another five years until 2020.

The contract's volume stands at approximately 8,000 freight trains per annum on Switzerland's main transit routes via the Gotthard and Lötschberg lines.

Transalpine transport is of major importance, and this contract extension sees DB Schenker Rail secure a significant competitive advantage in the run-up to the opening of the new Gotthard Base Tunnel in 2016.

Every week, a total of some 250 DB Schenker Rail trains use the Swiss sections of central Europe's north-south corridors.

Some trains are operated by the company's own local subsidiary, DB Schenker Rail Schweiz.

Commenting on the occasion of the contract's signing at the northern entrance of the Gotthard Tunnel, Markus Hunkel, Member of the Management Board for Production at DB Schenker Rail, said, "We are delighted to be extending our partnership with SBB Cargo on the Gotthard and Lötschberg lines.

Our cooperation started at the beginning of 2014, and its continuation will boost the strong position of both partners in transalpine services."

Nicolas Perrin, CEO of SBB Cargo, said, "By extending this contract for a further five years, DB Schenker Rail will continue its partnership with SBB Cargo that provides transit connections across the Swiss Alps after the opening of the new Gotthard Base Tunnel.

Our portfolio of services has won us new customers and we have proven that we can continue to be competitive – an important sign."

Not only do SBB Cargo and DB Schenker Rail operate transit traffic together, but they also cooperate in a wide range of other fields.

For example, the two companies have established cross-border import/export transport services in recent years, and in 2015, they inaugurated faster connections (in both directions) between industrial centers in Germany and Switzerland.

Now, palletized consumer goods can be transported from Hamburg to every corner of Switzerland within 48 hours, for example.

(from: transportjournal.com/deutschebahn.com, September 25th 2015)

INTERMODAL TRANSPORT

RAILRUNNER ON TRACK TO ARRIVE TO EUROPE AS INTERMODAL CAPACITY BECOMES STRETCHED

Without a revolution in intermodal technology, Europe will run out of space for inland terminal capacity, according to veteran rail freight executive Gerhard Oswald.

Speaking at last week's Container Trade Europe event in Hamburg, Mr Oswald, founder of intermodal solutions developer Gomultimodal, said that recent and projected growth in container volumes in North European sea ports was putting increasing pressure on the continent's inland rail facilities.

In the southern German market, rail accounts for over 50% of the traffic to and from Germany's seaports.

"There simply is very little space in southern Germany to develop inland terminals, which is why we have to look for new solutions," he said.

While rail transport out of the port of Hamburg, which remains Europe's largest rail port – overall in and out of Hamburg transported by rail are roughly equivalent to those in Bremerhaven, Rotterdam and Antwerp together – have risen incrementally over the past few years, further growth is likely to be taken by road.

Mr Oswald's analysis of traffic between the highly industrialised North Rhine Westphalia region and German maritime gateways showed that of overall traffic of around 450,000 teu in 2011, some 250,000 teu was transported on trucks with rail accounting for around 160,000 teu.

By 2030 annual traffic between North Rhine Westphalia and German gateways is projected to reach 750,000 teu, of which trucking's share will have grown to 450,000 teu and rail to a little over 200,000 teu.

This is likely to come with increased potential for the sort of crippling landside congestion seen around Hamburg's port in recent years, and has energised some major shippers to begin looking at innovative combined modal solutions.

"We need more collaboration between road and rail, Mr Oswald said, highlighting the RailRunner concept, initially developed in North America, which seeks to dispense with traditional rail wagons.

Mr Oswald is developing a pilot RailRunner project, likely to launch in late 2017, with the participation of “an automotive company in southern Germany and a large beverage producer in Northern Europe”.

The bi-modal system has a specially design rail bogie that includes “air suspension, articulated axles, hydraulic damping similar to that used in road transport, disc brakes, forklift pockets and a bogie-integrated ramp, as well as locking and securing system for a fast “drive-on/drive-off” train assembly”.

Effectively, the rail bogies connect two truck trailers and lift them off the ground so they can run on rail tracks.

The absence of rail wagons means that 48 40ft containers can be transported by a 700-metre train rather than the 40 by wagons.

Here’s https://www.youtube.com/watch?v=XUgi4lQKmF8 a YouTube video demonstrating the system.

It also largely reduces the amount of land required for terminals and there is no requirement for dedicated cargo handling equipment such as reach stackers or gantry cranes.

“A terminal with four 750-metre tracks and space for trucks would cost around €50m, around 20% of what is required for a traditional intermodal terminal,” he added.

(from: theloadstar.co.uk, September 30th 2015)

INDUSTRY

NINE CHINESE YARDS SIGN LNG AGREEMENT

China LNG has signed strategic cooperation agreements with nine shipyards in China covering the financing, manufacturing and retrofitting of LNG-fuelled vessels, as well as the construction of LNG and 'clean diesel' bunker stations in the country.

Through subsidiaries CLNG Finance, China LNG has agreed to provide finance lease services for Jiangsu Dajin Heavy Industries Co, Jiangsu An Shun Shipbuilding Co, Jiangsu Jiangbei Ship Industry Co, Jiangsu Qinfeng Shipbuilding Co, Pizhou City Dongfang Ship Repairing and Building Co, Pizhou City Suhang Shipping Co, Jiangsu Hehai Shiping Co, Wuhu Hongri Shipping Co and Honghua Marine Oil and Gas Equipment (Jiangsu) Co.

In total the financing amounts to RMB4.8 billion (US$754.19 million).

The facilities are to be used for the building of LNG-fuelled vessels or the conversion of diesel vessels to run on LNG.

The companies have committed to building LNG vessels for a competitive price and to an efficient timetable.

The partners have also agreed to join with China LNG in investing in LNG bunker stations at ports along the coast where each company operates.

China LNG will assist with planning and permissions, and will be the preferred partner of fuel supply to these facilities.

All parties will also have access to further funding for the leasing of LNG vessels at favourable rates.

They have also committed more generally to promoting LNG as a clean energy source, and to recommending China LNG to their customers.

The agreements are non-binding and will be in effect for two to three years, with further specific agreements needed for individual projects.

In a statement China LNG said: “The group is committed to promoting the application of LNG - through engaging in the finance leasing business for LNG vehicles, vessels and equipment and investment in natural gas midstream and downstream projects - to relieve the pollution problem in China.”

The initiative marks a major expansion of China LNG’s finance business, which has previously been focused on the country’s market for LNG-fuelled heavy vehicles.

In another important step in the LNG vessel market, the company announced a joint deal with Maifutong International Finance Leasing to provide RMB457.2 million (US$71.79 million) towards the building of 200 LNG-fuelled vessels for LNG Power Shipping Co, which transports construction materials and waste on Shanghai’s inland waterways.

The vessels are to be built by Hongua Offshore.

(from: motorship.com, September 28th 2015)

LOGISTICS

GEFCO BUYS IJS GLOBAL TO BOOST FORWARDING AND GLOBAL CAPABILITIES

Franco-Russian automotive and industrial logistics specialist Gefco has signed an agreement to buy Amsterdam-based international freight forwarder IJS Global from private equity fund Nimbus for an undisclosed sum, in a move aimed to accelerate its logistics diversification and broaden its international capabilities.

Gefco, already one of Europe’s top 10 logistics groups, said the deal would enable it become “a major overseas player” and better serve its international industrial customers in China, the US, and south-east Asia, as well as extending its European network through a greater presence in the UK, the Netherlands, and Germany, and obtaining a foothold in the Australian market.

Founded in 2004, IJS Global currently has around 500 employees, operates in 16 countries and generated turnover of €160 million in 2014, with an operational footprint in 16 countries and with “expertise centres” in the UK, the Netherlands, Australia, China and South-East Asia, as well as in the US.

It operates across various business sectors including pharmaceutics, humanitarian relief, high-tech, oil and gas, aerospace and fashion.

Gefco, which describes itself as “a global player in logistics for manufacturers and the European leader in automotive logistics”, was created in 1949 as a subsidiary of French automotive manufacturer Peugeot, ‘Les Groupages Express de Franche-Comté’, providing express road-based groupage services.

It expanded into air and sea freight in the 1970s, gradually broadened its logistics capabilities, and expanded internationally since the late 1990s into various markets in Europe, Latin America, Africa, the Middle East, and Asia.

Although Gefco diversified its customer base beyond its parent company and the wider automotive sector, when French auto maker PSA Peugeot-Citroën sold 75% of its logistics subsidiary in late 2012 to JSC Russian Railways (RZD) for €800 million (US$1 billion), it was estimated that around 60% of Gefco's business was for the PSA Peugeot-Citroën group itself.

Gefco said the complementary nature of the IJS and Gefco businesses – in terms of expertise, geographic networks, and customer portfolios – would result in "a broader range of global logistics services dedicated to the optimisation of complex supply chains", that would create value for all of the stakeholders: customers, partners, suppliers and employees, helping to position the company as a "preferred partner of international manufacturers in their search for growth and competitiveness".

Once the acquisition is completed, all of Gefco's freight forwarding ('Overseas') activities will be managed by Sjoerd Van Loon, the current CEO of IJS Global.

Luc Nadal, chairman of the Gefco management board, commented: "The acquisition of IJS Global is fully in line with our development strategy.

This operation will allow Gefco to enhance its position as the preferred partner of international industrial companies."

Gefco added: "IJS Global's network greatly complements that of the Gefco Group's network which includes forty branches.

This acquisition will notably allow Gefco to develop its presence in the world's two primary freight forwarding areas: China and South-East Asia on the one hand, and the USA on the other hand."

Beyond its geographic coverage, Gefco said the acquisition would also enhance the group's logistics and transport services "with the contribution of IJS Global's expertise in intercontinental air and sea freight forwarding.

Ranging from multimodal transport to storage, customs and tax representation, and the management of integrated coordination of increasingly complex supply chains, the combination of the two companies' expertise will expand the range of logistics solutions on offer to international customers."

It said IJS Global's customer portfolio would also broaden Gefco's customer base "and speed up its diversification, while remaining focused on its core logistics activities for manufacturers".

The group added: "This operation is therefore fully aligned with the Gefco Group's external growth strategy; in addition to international development and geographic as well as sector diversification, this strategy aims to create the conditions for ambitious growth by 2020, and strengthen its position as a global logistics player."

Nadal added: "This operation will allow Gefco to enhance its position as the preferred partner of international industrial companies.

Our mission is to bring value to our customers' supply chains while enabling them to achieve greater growth and competitiveness. "

Sjoerd Van Loon, CEO of IJS Global, commented: "We are delighted to join the Gefco Group, a global leader in high value-added logistics.

The networks of both companies are complementary and will significantly contribute to our service offer in all of the world's key markets.

We are looking forward to combining the knowledge and experience of our teams to help us grow. "

He said the strengthening of the combined group's logistics and sector expertise, combined with the global scale of the Gefco Group, represented opportunities for sharing best practice and professional development for both the IJS Global and Gefco teams.

Nadal concluded: "We have all the assets to become a major overseas player for all of our international industrial customers.

I am confident that our teams – both IJS Global and Gefco – will demonstrate how skilled and professional they are in listening to the needs of our customers and meeting their needs."

Present in 150 countries, Gefco is one of Europe's top 10 logistics groups with a turnover of €4.1 billion in 2014 via its 11,500 employees.

With over 350 business locations worldwide, Gefco it has activities in Central Asia, Central and Eastern Europe, the Middle East, East Asia and South America.

(from: lloydsloadinglist.com, September 24th 2015)

LAW & REGULATION

DIESELGATE EXPOSES MEMBER STATE OPPOSITION TO EMISSIONS CURBS

Germany, Austria, Spain, Italy and most Eastern member states are reluctant to adopt stricter rules to limit emissions from diesel vehicles, despite watered down proposals from the European Commission.

Brussels has asked capitals to send a written position by the end of next week.

The Volkswagen emmissions scandal, unveiled by US authorities, has provoked a wave of indignation, raising serious concerns about the control mechanisms in the industry.

But a majority of EU countries are against speeding up the adoption of the new limits for diesel exhaust.

The European Commission considers its proposal "bold and realistic", saying it takes into account the impact of the new thresholds on the industry, and the owners of old vehicles.

Still, some national governments will find it "hard" to accept the proposal, officials admit.

Countries with an important automotive sector are opposed to the new rules.

This group includes Germany, Austria, Spain, Italy and the Eastern countries, except Poland.

France has not joined the critics, while the Nordic states and the Netherlands also support the Commission.

According to the EU executive's proposal, car makers will have to start measuring Nitrogen Oxide (NOx) levels on the road in parallel with laboratory tests, which were cheated by Volkswagen engineers.

As with laboratory tests, the limit will be 80 mg/km.

However, scientists estimate that emission levels can increase by 400% when a vehicle is tested on the road.

These tests will become mandatory for all new vehicles as of September 2017.

But contrary to an initial proposal made in 2012, the Commission now plans to grant a 60% margin over the 80 mg/km over a period of two years (until September 2019) to facilitate the implementation of the new rules.

This is because the EU executive believes that one in ten vehicles will fail the test, and therefore won't be able to circulate under the new regulation.

The Commission insists that its new proposal has “no relation” with Dieselgate, as the new set of limits were drafted before the scandal broke.

However, EU officials admit that the new limits were proposed after the fraud was unveiled.

But member states don't want the executive to stop there.

The group of critics wants to extend the phase-in period and obtain an additional margin of up to 330%.

As some national governments have not spoken out, the Commission has requested a written position from the capitals by the end of next week (16 October).

The EU executive is fighting to gain support among the skeptics to reach a qualified majority in the Technical Committee for Motor Vehicles, made up of national experts.

However, the executive does not want to continue the discussions in the next meeting, expected to take place by the end of October, and appears ready to force a vote.

If there is not enough support, the dossier will leave the obscure comittee process to be discussed by national ministers in the Council.

According to EU officials, this will help to expose member states' positions, and make the debate more transparent.

(from: euractiv.com, October 9th 2015)

PROGRESS & TECHNOLOGY

CONTAINER SHIPPING LINES COOPERATE ON DANGEROUS GOODS FREIGHT TRACING SYSTEM

German container line Hapag-Lloyd, and Danish shipping giant Maersk Line, have agreed to cooperate in improving the safety of dangerous goods the shipping companies carry, following a meeting held in Hamburg earlier this week, during which Maersk Line showed interest in implementing a freight tracing system, similar to Hapag-Lloyd's watchdog programme, into its business processes.

Dangerous goods that are declared imprecisely, incorrectly or not at all have the potential to pose a major risk to crews, ships, the environment and other cargo on board.

The watchdog programme, together with the Hapag-Lloyd FIS (Freight Information System), continuously examines cargo data to identify anything conspicuous and features a database of more than 6,000 keywords that are constantly being added to and refined.

Soren Toft, Chief Operating Officer of Maersk Line, said: "By implementing a system similar to Hapag-Lloyd's watchdog programme, we will be able to increase safety on board of our 600 vessels and at the terminals we call.

We will also improve our risk profile and in the same time we will be sending a strong message to the shippers, who put safety at risk."

Hapag-Lloyd says that last year it discovered 2,620 cases of incorrectly declared dangerous goods that were prevented from being shipped.

Dangerous goods experts at Hapag-Lloyd investigated over 162,000 suspicious cases which were recorded using a newly developed watchdog software.

Anthony J. Firmin, Chief Operating Officer of Hapag-Lloyd, commented: "Experience, know-how and secure processes are crucial for a safe transport of dangerous goods.

We are very happy that we were approached by other shipping lines to learn more about our watchdog program.

The cooperation with Maersk Line is a very important step forward for increased safety and security of our entire industry."

Besides the obvious risk of a serious accident posed by them carriage of undeclared dangerous and prohibited goods has always been a problem for the shipping lines, often resulting in their prosecution or severe delays to vessels whilst the matter is resolved, the recent Höegh Autoliners incident being a case in point.

(from: handyshippingguide.com, October 2nd 2015)

STUDIES & RESEARCH

CARRIERS WARNED: NO LET-UP IN CONTAINER SHIPPING OVERCAPACITY FOR THREE YEARS

Anyone hoping for an end to the overcapacity crisis gripping container shipping is likely to be disappointed… for at least three years.

According to analysis by Drewry Maritime Research released this morning, "slowing global trade and a bloated orderbook of large vessel capacity mean that container shipping is set for another three years of overcapacity and financial pain".

Sluggish trade volumes in recent months have forced Drewry to reassess its growth forecasts for the year, and it has almost halved its estimates to just 2.2% global growth in container traffic this year.

And it has additionally revised 2016 and 2017 downwards.

More than 1.5m teu of capacity was due to be delivered over the course of this year, representing growth of 7.7%, and a further1.3m teu in 2016, exacerbating a demand-supply imbalance that is set to reach an all-time low.

Drewry said its Global Supply/Demand Index, which measures the relative balance of vessel capacity and cargo demand (where 100 equals equilibrium), had fallen to 91 in 2015 – "its lowest level since the recession-ravaged year of 2009" – and predicted it would decline further next year.

"[The] Global Supply/Demand Index will fall to its lowest level on record over the next few years, indicating that the overhang of excess capacity will be even greater than that experienced in 2009," the company said today.

The findings are in its quarterly Container Forecaster report, and author Neil Dekker said: "The container shipping industry is in the midst of an overcapacity crisis which will worsen next year.

How carriers and tramp owners address the overcapacity situation will influence the duration of the crisis.

Shipping lines will need to idle a much larger portion of the fleet than they have hitherto been prepared to do.

Otherwise, short of an unexpected recovery in traffic volumes, container shipping is set for several years of overcapacity and mounting financial losses."

The only thing that has so far saved many carriers from reporting heavy losses has been the steep decline in bunker costs.

"They cannot continue to rely on this unexpected gift to maintain profitability," Mr Dekker added.

(from: theloadstar.co.uk, October 8th 2015)

CONFERENCES

CONTAINERSHIP WIDENING BRINGS NEW ERA FOR SHIPOWNERS AND NEW HOPE FOR PANAMAXES

The second panamax containership to undergo innovative "widening" conversion is set to return to the water next month, with predictions that scores of other such vessels could follow.

At last week's Container Trade Europe conference in Hamburg, organised by the JOC, Lutz Weber, chief financial officer of German non-operating shipowner Reederei NSB, said he believed demand for the work could be in the region of 25-30 vessels, "depending on the company".

"The widening concept lifts the economic value of the vessel because it enables it to serve other trades – although, having said that, the widening only makes sense for vessels which have at least more than 10 years left to trade," he said.

As previously reported by The Loadstar, the MSC Geneva, the first vessel to undergo the process, was relaunched at the beginning of July, with its capacity increased by 30%, from 4,800 teu to 6,300 teu.

According to vesselsvalue.com data, after the $10m project was complete, the market value of the ship increased from $18m to $35m.

Reederei NSB has two more vessels undergoing similar conversion at China's Huarun Dadong Shipyard, the 4,800 teu MSC Carouge and 4,860 teu Buxhai.

Making vessels wider is likely to be one of the last few opportunities for an entire class of containerships, the panamax, which is expected to disappear from container trades over the next few years once the Panama Canal expansion project is completed.

Jan Tiedemann, senior analyst at Alphaliner, said many of the hundreds of panamax vessels currently operating were unlikely to find future employment.

"2010 was the year in which the last panamax vessel was delivered and, as a vessel class, it won't play a major role in the future – although vessel values might continue at a slight premium over their scrap value if some investors see an asset play with them," he said.

The technical inefficiencies of panamax vessels were also likely to be highlighted by the trend towards "beamier" ships, Mr Weber added.

"Panamax vessels carry a lot of ballast water because they are of very narrow construction, to fit through the present canal, and need extra stability.

Wider ships need less ballast water, which means burning less fuel.

"Whether panamax vessels will disappear I'm not sure, there might be some specialist logistics chains that some vessels will continue to serve.

The vessel-widening project was part of a corporate overhaul strategy NSB initiated in response to the KG crisis that swept through the German shipowning and finance communities in the wake of the financial meltdown and subsequent downturn in shipping.

Large numbers of single-ship companies, financed by the KG system, which famously often used pension funds of the country's dentists, fell into administration as demand for container shipping declined by 10% in a single year and vessels were returned by charterers.

Unable to find further employment they were sold as distressed assets and the crisis posed an existential threat to Germany's place in container shipping.

"There was a certain view that we [Germany] weren't known for transparency under the KG system, and the only way we could tackle that was by becoming extremely transparent," Mr Weber said, adding that this also meant the company beginning to invest some of its own funds into vessels.

"We are setting up a corporate balance sheet because simply speculating with other people's money is over – you have to have skin in the game," he said.

Reederei NSB also initiated a detailed bunker consumption-monitoring system on its fleet of 65 vessels, which allowed it refute claims by one of its largest customers that it was needlessly burning fuel.

"A couple of years ago, MSC had some doubt about the bunker consumption of vessels it was chartering and sent out invoices to the owners in Hamburg claiming that it was overpaying on bunkers.

But because of the monitoring system, we were able to waive these.

"It sounds rather crazy, but while logistics providers have been monitoring fuel consumption for decades on their trucks, for vessels this is a new thing," he said.

(from: theloadstar.co.uk, October 1st 2015)

ON THE CALENDAR

13-15 Oct	TPM Asia Conference Shenzhen, China
13-15 Oct	TOC Americas Panama City, Panama
14-16 Oct	8th International Conference on Maritime Law Dalian, China
16-21 Oct	PIANC-COPEDEC IX 2016 Rio de Janeiro, Brazil
19-22 Oct	Dredging 2015 Savannah, Georgia, U.S.A
19-23 Oct	Course on Safety Management in the Port Singapore
19-30 Oct	Strategic Port Pricing & Commercial Billings Management London, U.K.
20-21 Oct	Harbours 360 Conference - New Horizons for European Ports Antwerp, Belgium
21-22 Oct	5th Port Development & Connectivity Asia Singapore
22-23 Oct	IADC Conference Hong Kong, China
25-28 Oct	Breakbulk Middle East Conference & Exhibition Abu Dhabi, U.A.E.
26-28 Oct	6th Global Free Trade & Special Economic Zones Summit Dubai, UAE
26-29 Oct	5th WCO Technology & Innovation Forum Rotterdam, the Netherlands
26-30 Oct	Seminar on Dredging and Reclamation (Indonesia) Jakarta, Indonesia
27-29 Oct	Global Trade Development Week Dubai, U.A.E.
29-30 Oct	13th Intermodal Africa 2015 Lusaka, Zambia
2-3 Nov	Terminal Automation London, UK

2-4 Nov	AAPA Annual Convention Miami, FL, U.S.A.
4 Nov	Container Terminal Management Seminar 2015 Amsterdam, Netherlands
4-5 Nov	Regional Governments Infrastructure Priorities – Indonesia Infrastructure Week 2015 Jakarta, Indonesia
11-12 Nov 7th	Arctic Shipping Summit 2015 London, U.K.
17-19 Nov	Intermodal Europe Hamburg, Germany
22-26 Nov	PMAESA Conference 2015 Dar Es Salaam, Tanzania
25-26 Nov	14th Intermodal Africa 2015 Lagos, Nigeria
29-30 Nov	Ship Finance & Trade Conference Abu Dhabi, UAE
23 Nov-4 Dec	Seminar on Tasks and Responsibilities of Forwarders, Agencies and Shipping Lines Antwerp, Belgium
30 Nov-3 Dec	AAPA Chile 2015 Arica, Chile
2- 3 Dec	2nd Africa Ports & Railway Summit Dar es Salaam, Tanzania
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.