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PORTS AND TERMINALS

THE PORT OF HAMBURG IN 2015

Higher bulk cargo throughput and strong growth in rail and inland waterway seaport-hinterland traffic – downturn in container handling. In 2015 seaborne cargo throughput in the Port of Hamburg was 5.4 percent lower at 137.8 million tons.

In Hamburg as a universal port, growth in bulk cargo throughput was maintained in 2015.

In this important handling segment, total volume of 45.5 million tons represented growth of 5.8 percent on the previous year.

In 2015 container handling at 8.8 million TEU (20-ft standard containers) did not reach the previous year's total, falling 9.3 percent and significantly lower.

Senator Frank Horch highlighted the port's great significance for Hamburg, warning against talking it down: "Anybody familiar with the port business will realize that the Port of Hamburg's success cannot be measured solely in TEU.

Its success is composed of many elements.

What makes the Port of Hamburg strong is its character as a universal port.

The Port of Hamburg is actually one of the largest and most varied industrial zones in Germany.

Cargo handling, logistics and industry are closely intermeshed here and mutually cross-fertilizing.

The port consists of the sum of these numerous and multi-facetted activities, something that cannot be described by throughput figures alone.

I most urgently warn you against conjuring up crises.

That harms our port and plays into the hands of our competitors.

For us, economic fluctuations are nothing new – they are part of our business.

Nobody disputes that we are confronted by great challenges. But, together, we shall master them!"

The Port of Hamburg reports around 30 percent local container cargo as well as growing seaport-hinterland container transport by rail, up by 2.8 percent, and by inland waterway vessels, up by 27.5 percent.

As an industrial universal port, it performs an outstanding and indispensable function in supplying the local economy at its location and in the region, along with core markets inland.

Downturn in seaborne container throughput is primarily attributable to lower volumes handled with China, Russia and Poland.

In total, in 2015 something over 800,000 containers (TEU) fewer than in the previous year were handled for these especially important trading partners in container traffic with the Port of Hamburg.

"Among the ports of Northern Europe, the Port of Hamburg has maintained its strong position on container traffic with the Baltic region.

Compared to ports such as Antwerp and Rotterdam, Hamburg reports an around seven percentage points higher proportion of transhipment cargo," explained Axel Mattern, Member of the Port of Hamburg Marketing Executive Board.

"This is one of the reasons that Hamburg is more seriously affected than Antwerp or Rotterdam by weakness in China's foreign trade and Russia's economic problems, for example," added Mattern.

A large share of the cargoes handled in Hamburg for China and Russia is transhipped via Hamburg, and loaded from oceangoing containerships on to feederships.

"Container traffic with China down by 14.4 percent and with Russia by 34.4 percent could not be offset in volume by growth in container traffic with other countries such as Malaysia, India, the United Arab Emirates or Mexico.

Since the statistics for worldwide transhipment traffic feature the waterside transfer from the large container ship to the feeder or vice versa each time this occurs, any transhipment downturn doubly affects port results," explained Mattern.

The fall in seaborne container traffic with Polish ports has also been caused by direct calls by liner container services calling Gdansk direct without transhipment at one of the North Range ports.

"Such direct calls are always one alternative for shipowners to the transhipment traffic on which the majority of them nevertheless serve such hub ports as Hamburg, for example," said Mattern.

Essential for any direct calls are availability of sufficient cargo and ports equipped for handling mega-containerships.

Record volumes in hinterland transport take rail into top slot in modal split

At the joint Port of Hamburg press conference, Jens Meier, Chairman of HPA's Executive Board, emphasized the excellent progress of the port's hinterland services in 2015.

He said that it is particularly gratifying that landside services as a whole had generated growth, and that with volume up by 3.1 percent at 45.8 million tons, rail in particular had achieved its best-ever result.

"Good work pays off.

With the optimization of our processes we have succeeded in positioning rail as the most important mode of transport, ahead of trucking.

That is an outstanding performance in the European context.

The figures show just how much potential resides in the intelligent expansion of infrastructure.

We shall be further enhancing this potential," stressed Meier at the annual press conference.

"With a 45.3 percent share of the Port of Hamburg's modal split, rail displaced trucking, the previous leader, which with 42.7 million tons captured a 42.4 percent share.

That is unique in Europe and shows that environmentally friendly rail plays a leading role in seaport traffic," said Ingo Egloff, Port of Hamburg Marketing Executive Board Member.

In 2015 container traffic by rail also set a fresh record, increasing by 2.8 percent to 2.3 million TEU.

More than 200 freight trains reach or leave the Port of Hamburg every day.

With 1,100 container trains per week, Hamburg leads ports such as Rotterdam or Antwerp by a wide margin.

"Hamburg is the European leader for containers transported by rail, and is the top rail port.

Among ports in northern Europe, Hamburg's share of containers transported by rail is around 50 percent, while Rotterdam's is about 19 percent and Antwerp's roughly eight percent," stressed Egloff.

He also highlighted the fact that initial transport data indicated that in 2015 inland waterway craft achieved a 27.5 percent advance, transporting 130,000 TEU.

In total, in 2015 total cargo volume transported by inland water ships was 13.6 percent ahead at 12.4 million tons.

"So Hamburg has displaced Cologne as Germany's second largest inland waterway port.

On inbound and outbound transport of non-time-critical shipments, and of especially heavy and/or high-volume cargoes, the inland waterway vessel occupies an extremely important position in the carrier mix of our universal port, even relieving other carriers, and this needs to be further boosted," said Egloff.

Renewed growth in bulk cargo throughput in 2015

Up by 9.2 percent at 22.3 million tons, grab cargoes dominated in the bulk cargo sector.

It was massive imports of coal, 27.3 percent higher at 7.7 million tons, which ensured growth there.

Besides the steelworks of Northern and Eastern Germany, customers for these include industrial plants and power stations.

Up by 12.4 percent at 9.2 million tons, suction cargo also achieved notable growth.

Ahead by 28.8 percent at 4.2 million tons, higher grain exports contributed to the excellent annual result here.

Down by 2.6 percent at 14 million tons, in 2015 liquid cargo throughput was slightly below the previous year's.

In 2015 throughput of non-containerized general cargoes, for example out-of-gauge plant elements and RoRo cargo, totalled 1.7 million tons, remaining 14.1 percent below the previous year's.

Lower exports of iron and steel hit the export total.

In Ingo Egloff's view, continued growth in the number of calls in Hamburg by ultra-large containerships (ULCS), which increased by 27.6 percent to 647, underlines the urgency of implementing the still awaited adjustment of the navigation channel of the Lower and Outer Elbe.

"We urgently require dredging of the channel so that ultra-large vessels in particular can be more flexibly handled, and transhipment cargo in the Port of Hamburg ensures employment at the terminals," stressed Egloff.

The restrictions currently in force on the Elbe limit use of transport capacities of large ships, and are hampering ships meeting and passing, and hence more flexible traffic flow on the Elbe.

"After dredging of the channel, an ultra-large containership could transport up to 1,800 additional loaded containers (TEU").

In 2015 there was a further increase in the number of extra-large containerships with slot capacity of between 14,000 and 19,000 TEU, calls by these being up by 142 percent at 150.

Form the safety aspect too, dredging of the channel that provides for a meeting box for mega-ships should produce advantages for traffic control on the Elbe.

The Port of Hamburg employs more than 156,000 people in the Hamburg Metropolitan Region.

With gross value added of 20.5 billion euros, it is also of immense importance for the entire German economy.

To keep the universal port on its growth path, in the view of Axel Mattern and Ingo Egloff, in addition to dredging of the channel on the Lower and Outer Elbe, access and dispersal corridors for freight transport by rail, truck and inland waterway craft need to be adapted and expanded.

Given the difficulty of assessing the likely development of foreign trade in the port's core markets, it is hard to make a forecast for 2016.

The Port of Hamburg's marketing organization therefore regards total throughput at the 2015 level as realistic.

(from: hafen-hamburg.de, February 10th 2016)

MARITIME TRANSPORT

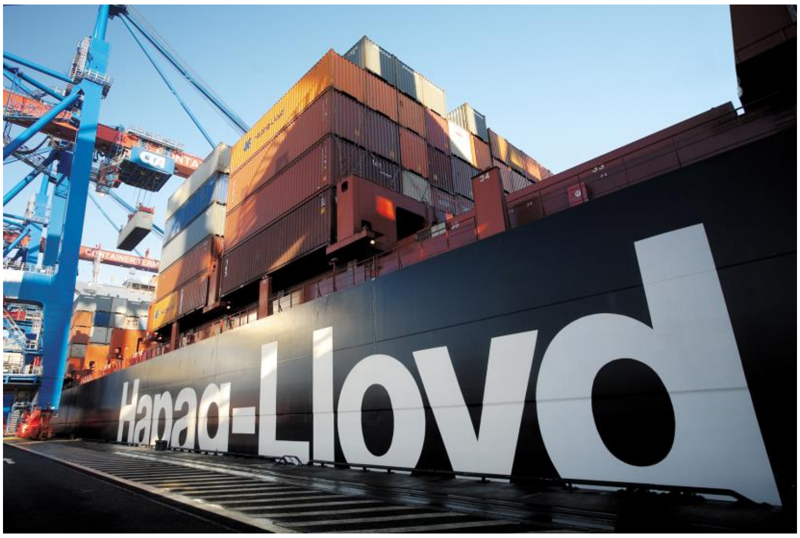
CSAV ACQUISITION SEEMS TO HAVE HELPED HAPAG-LLOYD TURN 2014 LOSSES INTO A PROFIT IN 2015

Hapag-Lloyd yesterday announced a preliminary unaudited EBIT (earnings before interest and tax) of just $20m for the final three months of 2015, suggesting the carrier suffered a net loss in the quarter.

However, in a statement, the company said it had "achieved its earnings target for 2015".

Like many of its peers, Hapag-Lloyd struggled in the final months of last year as freight rates on its main east-west and north-south trade routes continued under intense pressure.

Hapag-Lloyd's unaudited accounts show an EBIT for full-year 2015 of $407m, and the final net result will likely represent a considerable improvement on 2014, when it recorded a loss of $737m.



Despite having fully incorporated CSAV's liner business last year, Hapag-Lloyd's revenue was a disappointing $9.8bn, from just over $9bn prior to the integration– further evidence of how the carrier has been squeezed on freight rates, not least in its Latin America sector, which after digesting CSAV is now its biggest trading region.

2015 volumes were up significantly, at 7.4m teu, compared with 5.9m teu the year before, but its average freight rate fell to $1,225 per teu from $1,427.

But the carrier kept its average freight rate higher than that of Maersk Line at $1,100 per teu, and significantly above that of APL, which yesterday reported an average rate for the year of $950 per teu.

In Hapag-Lloyd's nine-month interim report, Q3 EBIT was reported as $90m, giving a modest net profit of $3.5m, so it could well have actually suffered a net loss in the fourth quarter.

At that point, in November, EBIT was recorded as $387m for the nine months, showing a net profit of $176m – the majority of which had been achieved in the first half of the year.

Chief executive Rolf Habben Jansen said at the time that it expected to achieve $400m in synergy savings from the integration of CSAV's container business – more than the $300m originally estimated.

And Hapag-Lloyd has continued with its cost-cutting strategy, reducing head count for the merged businesses to 9,500 from around 12,000.

In December it also stopped the traditional forwarding agents' commission (FAC) to intermediaries in most of its regions.

Meanwhile, investors do not appear to have been overly impressed with Hapag-Lloyd's preliminary results, with its stock on the Frankfurt bourse shedding another 2% this morning, to €15.90.

In November, Hapag-Lloyd raised $300m from a problematic IPO that saw the float price at the lowest end of the offer at €20 per share.

It said at the time that the proceeds would be invested in new vessels and containers.

Hapag-Lloyd's final 2015 group accounts will be published on 23 March.

(from: theloadstar.co.uk, February 24th 2016)

INTERMODAL TRANSPORT

KOMBIVERKEHR CHALKS UP BIGGEST INCREASE IN CONSIGNMENTS FOR FIVE YEARS

Frankfurt-based Kombiverkehr KG, the European market leader in intermodal transport, ended the 2015 financial year with a 5.8% increase in consignments.

Expressed in figures, this means that 978,095 truck consignments (1.96 million TEU) have been shifted from road to rail thanks to Kombiverkehr.

"We responded to rising demand from our customers right at the start of 2015 by offering more products and services, including new trains, higher tonnages and more frequent departures.

We have beaten our own targets for the previous financial year and thus achieved the biggest increase in consignments for five years.

We are confident of exceeding the one-million figure for consignments transported by Kombiverkehr once again in 2016," said Robert Breuhahn, managing director of the Frankfurt-based company.

A number of partnerships also contributed to the expansion of Europe's biggest intermodal network.

The strike action taken by the GDL train drivers' union, which dragged on from early last year until May 2015, and the low price of diesel had serious implications for transport within Germany, where 201,703 truckloads (400,000 TEU) were transported - 1,972 fewer consignments (-1.0%) than in 2014.

"If it were not for these negative external factors, national Combined Transport could certainly have shared in Germany's solid and steady economic growth," said Breuhahn.

The trend in international transport, including the German Baltic Sea ports, was far more positive.

In total, 776,392 containers, swap bodies and semi-trailers (1.56 million TEU) were shifted onto the railway.

With 55,373 more consignments (+7.7%) than 2014, Kombiverkehr thus continued the upward trend of recent years.

By undertaking to transport their consignments on the climate-friendly railway, the customers of Kombiverkehr KG relieved the environment of 1.1 million tonnes of CO2 in 2015.

Breuhahn welcomed this positive outcome: "As one of the most environmentally friendly modes of transport, the railway offers forwarding and logistics companies an opportunity to slash emissions of the greenhouse gas CO2. Within the transport sector, our customers are helping to ensure that the global climate targets agreed in Paris in December 2015 are achieved."

In 2015, Kombiverkehr safely transported 978,095 truck consignments within Europe's biggest intermodal network by environmentally friendly means.

About Kombiverkehr

Founded in 1969, as Europe's number 1 operator in intermodal transport Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co KG develops, organises and markets an international rail network that offers forwarders and transport companies an intelligent combination of the advantages of road, rail and ship.

Kombiverkehr provides over 170 train departures with more than 15,000 connections for the cost-effective, secure and environmentally friendly transport of freight across Europe every night.

The limited partnership is owned by some 230 national and international forwarders and transport companies as well as DB Mobility Logistics AG.

Headquartered in Frankfurt am Main, the company shifted a total of 978,095 million truck consignments (1.96 million TEU) from road to rail in 2015, saving the environment 1.1 million tonnes of harmful carbon dioxide emissions. In 2014 the 142 full-time equivalent staff achieved sales of 434 million euros.

(from: transportjournal.com/kombiverkehr.com, February 18th 2016)

TRANSPORT & ENVIRONMENT

SUSTAINABLE SHIPPING INITIATIVE URGES INDUSTRY TO EMBRACE GREEN POLICIES AND CLEAN TECHNOLOGIES

A group of leading shipping operators is today calling on the wider industry to embrace new finance models to fund clean tech upgrades and back calls for a new international framework for tackling shipping emissions.

The Sustainable Shipping Initiative (SSI), which represents 17 firms from across the shipping sector including Bunge, Cargill, Maersk Line, ABN AMRO, Lloyd's Register, and AkzoNobel, today published its annual progress report, detailing its work to accelerate the roll out of clean technologies, promote sustainable ship recycling practices, and make the shipping industry a more attractive employer.

The progress report is intended to act as a forerunner for the group's new roadmap for delivering rapid improvements in shipping operator's environmental performance through to 2040, which is due to be published before the end of March.

Specifically, the group revealed plans to establish by 2018 a "cost-efficient way" for SSI members to support Ship Recycling Facilities (SRFs) in achieving "minimum safe, environmentally and socially responsible requirements" and complying with the International Maritime Organisation's (IMO) Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC), which has been internationally agreed, but not yet ratified sufficiently to enter into force globally.

It also urged more shipping owners, operators and owners to take advantage of the SSI's recently launched Save as you Sail (SAYS) finance scheme, which aims to ensure owners and charterers share the benefits that come with efficiency upgrades.

"SAYS includes a financial model that owners, charterers and financiers can use to model returns on investment and profits from more efficient vessels; and a set of legal considerations needed to enable third-party financing of the retrofit costs in the short-term time charter market," the SSI explained on its website.

Alastair Fischbacher, chief executive of the SSI, urged more firms operating in the shipping industry to join the group.

"There is no room for complacency, and we must be under no illusion of the significant challenges that lie ahead," he said.

"But we have shown that when organisations within the industry come together to make a difference and drive more sustainable behaviours great things can be achieved.

We will continue with this mission, and welcome organisations from all elements of the shipping supply chain to join with us and work to deliver a sustainable industry."

In related news, environmental NGO Carbon War Room today announced it was launching a new Shipping Efficiency Advisory Board to support its efforts to deliver an efficiency labelling system for ships.

The new board includes Jan Dieleman, incoming president of ocean transportation at Cargill; Henrik Overgaard Madsen, former chief executive of certification giant DNV; Mark Cameron, chairman of the International Parcel Tanker Association (IPTA) and COO of Ardmore Shipping Corporation; Juha Heikinheimo, president of maritime software specialist NAPA; Mark Clintworth, head of shipping for the European Investment Bank; and Dr Tristan Smith, director of the Research Council UK-funded project Shipping in Changing Climates, and reader in energy and transport at the UCL Energy Institute.

"We are thrilled to have gathered a group with so much knowledge and experience in shipping," said Galen Hon, manager of shipping operation at Carbon War Room.

"Following UNFCCC in Paris, the industry has an obligation to find new and innovative ways to reduce carbon while remaining competitive.

With expertise spanning finance, ship operation, classification, data analysis, technology, and software, these individuals are perfectly positioned to identify and evaluate opportunities for innovation and growth."

(from: businessgreen.com, February 24th 2016)

INDUSTRY

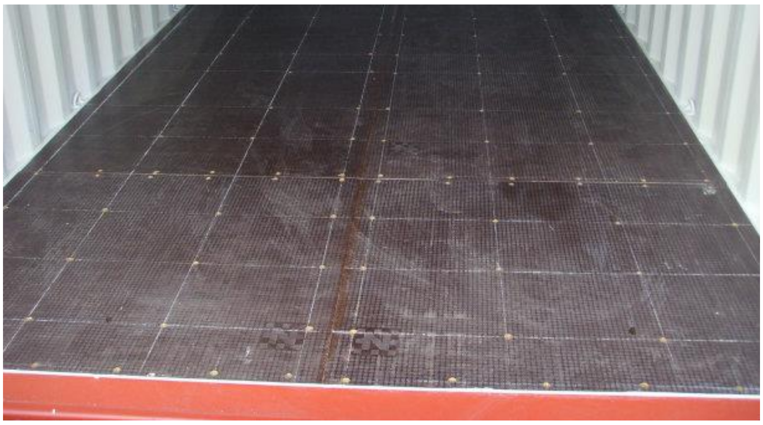
COA "2016 ALTERNATIVE FLOOR MATERIALS" REPORT PUBLISHED

The COA's latest "Report on Alternative Materials for Container Floorboards" has been published and is available for COA Members to download from the COA website.

The report confirms that 2015 proved to be another challenging year for the container industry.

The volume of dry container production in the first half was similar to that of the first half of 2014 - but with leasing companies experiencing reduced demand, stocks of new containers awaiting lease-out built up in the factories, so that the second half of 2015 saw a big drop in production.

As a result, the total production of dry freight containers for the year was 2,520,430TEU (compared to 3,135,860TEU in 2014).



Bamboo remains the only volume alternative to tropical hardwood plywood.

Bamboo floor production increased by 43% in 2015 compared to 2014, leading to bamboo floors taking 58% overall market share of the production of dry boxes, a big step up from the market share of 33% held in 2014.

It is estimated that some 1,442,000 TEU of the 2.5 million TEU produced last year were manufactured with bamboo floors.

The Report continues: "Whilst the market is still open to the use of alternative materials to tropical hardwood plywood for container floors, it is clear that bamboo, in all its forms, is currently the alternative material of choice.

Bamboo apparently offers the best compromise of strength, price and quality at the moment and given the price pressures that remain on the container industry, we expect that the market share of bamboo floors will increase again in 2016."

As for other alternatives, such as steel, steel/plastic and the composite OSB hybrid, the Report forecasts that there will be still some production - but volumes will be limited until it becomes clear whether sufficient buyers will order enough of these materials to justify volume production.

New alternative materials may still emerge but the current market with low production volumes and sustained pressure on pricing does not offer an attractive environment for newcomers with new ideas.

To download the Report, click on:

http://www.containerownersassociation.org/index.php/container-projects/alternative-flooring

(from: containerownersassociation.org, COA February 2016 Members Newsletter)

LOGISTICS

SPECULATION CONTINUES OVER MAJOR LOGISTICS ACQUISITIONS

Deutsche Post DHL (DPDHL) may have "unequivocally" dismissed recent reports that the group is exploring the possible sale of its underperforming forwarding and freight operation, DHL Global Forwarding, Freight, but rumours continue to circulate about impending merger and acquisition activity in the highly fragmented global forwarding and logistics industry.

Some attention has now turned to whether there is any substance to unconfirmed speculation in a media report that another potential mega deal – Kuehne + Nagel (K+N) acquiring all or part of CEVA Logistics – is in the offing.

Owned by private equity firm Apollo since 2006, analysts say CEVA has not yielded the kind of returns that investment managers have come to expect.

This has fuelled rumours that Apollo is planning an imminent exit route to cut its losses.

CEVA Logistics told Lloyd's Loading List there was "no substance" to the report in The Loadstar that its owner, Apollo, was in talks with K+N over a possible sale of the logistics group, while for its part, K+N said: "As a matter of principal, we do not comment on rumours."

In an interview with Lloyd's Loading List to discuss consolidation and merger and acquisition (M&A) activity in the sector, Rob Riddleston, who heads Barclays Corporate Banking's Transport & Logistics team, said: "CEVA is a very good business, a very large business, but of course it has been saddled with huge amounts of debt.

Apollo have been looking for a way out (of CEVA) for the past five or six years, really.

There were rumours that they were going to float, but I don't think that was ever going to be the case.

K+N have no real debt at all if you look at their accounts.

They have the financial firepower for a major acquisition."

But Riddleston explained that the Swiss forwarding and logistics giant had been relatively conservative in the past with regard to M&A activity, although he noted that a potential deal "could be interesting".

He added: "K+N have tended to go for national players when it comes to acquisitions and grown that way rather than through a mega merger.

It doesn't mean to say they won't do that; just that they haven't done it in the past."

He added: "The two companies are both top ten global operators.

CEVA has got a strong contract logistics profile whereas K+N have more of a focus on air and ocean freight forwarding.

It could be a good fit, perhaps but there would be plenty of overlap in various parts of the business and geographies.

Riddleston pointed out that as a private equity firm, Apollo would need to dispose of CEVA at some point.

"It's a case of this happening at the right time and at the right price.

Fundamentally, it (CEVA) is a good business, but it's just that there is so much debt hanging around its neck."

Commenting on consolidation and M&A activity in freight transport and logistics generally, Riddleston said it was now a well-established feature of the sector.

"The only thing I'm surprised with is that things haven't happened a bit more quickly than they have.

I think consolidation for many players, certainly medium-size players, is required.

You've either got to be niche or certainly continental, but not necessarily global.

You have to have a certain size to provide what customers want and compete in a cost-effective manner.

I think the consolidation process will continue in the coming years."

He added that there would continue to be a place for small niche players who specialised in a particular vertical or geographical area.

"It's not just going to be the global operators."

(from: lloydsloadinglist.com, February 25th 2016)

LAW & REGULATION

US EXPORTERS' SPECIOUS ARGUMENT FOR DELAYING CONTAINER WEIGHT REGULATIONS

For over 20 years, shippers have been legally obliged to declare the correct weight of the containers they have contracted shipping lines to carry – the fact that many routinely have not really ought to be a question of law enforcement.

After all, transgressors are hiding in plain sight; all the details are on the bills of lading and if there was accident with a container where the weight had been misdeclared, it ought to be relatively simply to find and prosecute those that caused it.

Whether a further piece of legislation is needed to enforce the enforcement ought to be a moot point; except it isn't, because the verified gross mass (VGM) amendment to Safety of Life at Sea (SOLAS) regulations on containers will enter force on 1 July, and yes, will add another layer of regulation to the industry.

Opponents argue it is needless – and while there are good grounds for that argument, they are trying to close a stable door years after the horse has bolted.

One of the largest US shipper bodies, the Agriculture Transportation Coalition (AgTC), recently called on regulatory body the US Coast Guard to delay implementation in the US for another year, because – to overly simplify a nine-page position paper that you can find here http://agtrans.org/wp-content/uploads/2016/02/AgTC-SOLAS-position-paper.pdf – its members weren't aware of it, and now that they are, the implications appear unpalatable.

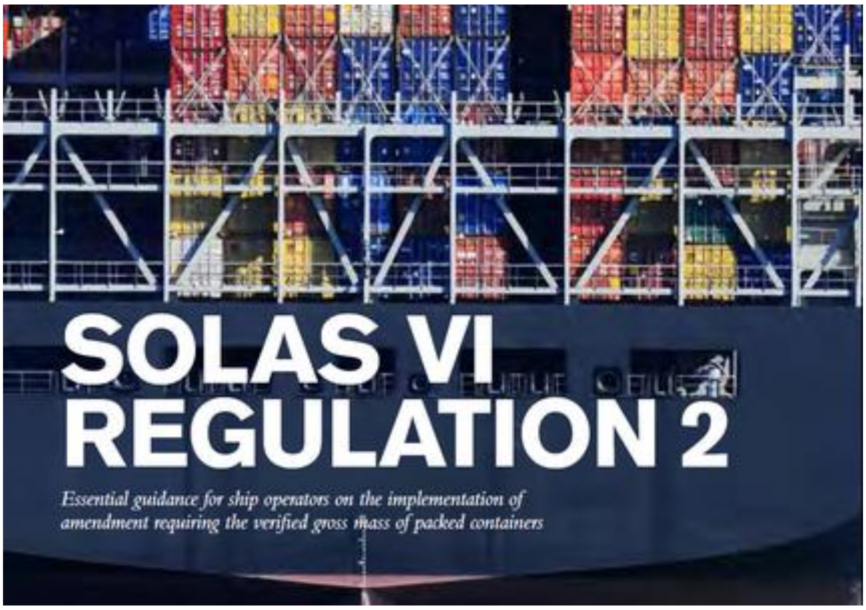
There are number of points which, in our opinion, the AgTC appears to be flatly wrong – many of which are summarised by this rebuttal from the World Shipping Council: Comments on AgTC Position Paper for Release (http://theloadstar.co.uk/wp-content/uploads/Comments-on-AgTC-Position-Paper-for-Release-2.pdf).

To suggest that the shipping industry was not consulted on the SOLAS amendment is more than faintly insulting to scores of people from all sides of the shipping industry – carriers, terminals, forwarders and shippers – who spent years helping shape the legislation.

The apparently invisible law-making procedure took what seemed like an eon, and was extensively covered in the international trade press.

This correspondent and at least another five or six journalists have written tens of thousands (possibly hundreds of thousands by freelancers paid by the word to fill blank pages) over the course of several years, as we charted its progress: from a series of incidents of overweight containers identified as the cause of a score or more of maritime accidents; through formation of a working group at the IMO; the detailed negotiations over the working and scope of the legislation; the subsequent vote at the IMO; and ratification by member states, including the US.

And that final piece of the jigsaw occurred over two years ago, and since then there have been a series of conferences, seminars and working groups, white papers, articles and analyses produced and disseminated… and to even the most casual observer – and let's face it, there aren't many of those – it was evident that there would be issues with its implementation.



There are a lot of holes, an abundance of "what ifs…" and they will take time to iron out once it becomes part of normal working practices.

And yes, there will be glitches in supply chains.

Are we really to believe that what bills itself as the largest exporters' lobby group in the world's largest economy didn't know that such a fundamental piece of regulation was on its way? Personally, that stretches disbelief to new dimensions.

It might well be that being in such close proximity to the IMO – The Loadstar's office is two and a half miles from its HQ – means we are more aware of its machinations, but that's not much of an excuse in today's interconnected world.

Anyway, I know scores or companies and industry groups in the UK, Europe and across North America which are very well-acquainted with the legislation (if not entirely certain of the how global supply chains will look post-implementation, but then who is?).

As British International Freight Association director general Robert Keen said at recent seminar: “It’s here, it’s law and we’ve just got to get on with it.”

But what if they/we/ don’t/can’t?

Surely the implications of the US unilaterally reversing its ratification – which is effectively what the AgTC intends with its call for to delay implementation – are actually more serious than actual implementation?

(from: theloadstar.co.uk, February 12th 2016)

PROGRESS & TECHNOLOGY

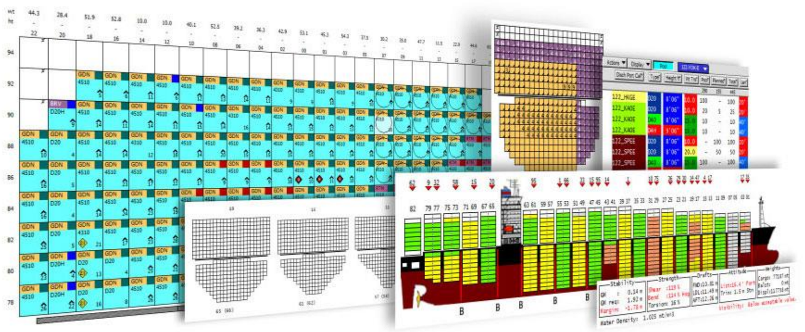
HAPAG LLOYD TO TEST XVELA

With Cargotec in the process of acquiring the CAPSTAN stowage planning software used by Hapag-Lloyd, Cargotec company XVELA has signed up the German carrier to a pilot project .

Hapag-Lloyd has announced it has signed a cooperation agreement with XVELA's Oakland based "partner company" - assumed to be Navis - to pilot test the new XVELA platform.

XVELA is an idea that came out of Navis, and part of its cloud-based platform includeds a newer and more up to date version of PowerStow, Navis' vessel stowage application.

However, Cargotec is in the process of acquiring both the StowMan and CAPSTAN stowage planning applications as part of its acquisition of Interschalt Marine (announced in January but not yet completed).



Interschalt claims to have a combined market share of 25% of the stowage planning software market through its StowMan and StowMan[S] applications.

It has a stronger presence with vessel-based loading computers in the container ship segment, with its loading computer Seacos MACS3 having an approximate 65% market share.

In December 2015 Interschalt acquired another German company, Müller+Blanck, which developed the stowage planning software "CAPSTAN" as well as the onboard interface "OBI", both of which are used by Hapag-Lloyd and Hamburg Süd, among others.

It is not known whether XVELA will continue to develop PowerStow in light of these acquisitions.

When XVELA was announced VP and CCO Christopher Mazza CEO said it would be able to integrate with different stowage planning applications, if required.

In a statement Hapag-Lloyd said making real time stowage-planning and cargo data from ships available to terminals will benefit both lines and terminals.

"In this way, the shipping company will be able to see the progress of loading and unloading operations on an ongoing basis and can deploy its ships more efficiently.

For terminals, on the other hand, there will be continual transparency regarding the state of stowage planning for an expected ship, which will allow them to allot equipment and staff in a timely and reliable fashion.

The aim is to reduce unexpected changes at short notice in the coastal schedule as well as unnecessary waiting times for both sides".

Shipping lines and terminals typically exchange EDI files in advance of a vessel call, but Hapag-Lloyd emphasised the benefits of greater information sharing.

"The more transparency there is throughout the transport chain, the more efficiently everyone involved can make plans for and employ their assets and resources.

We anticipate that this new software will give us important operative advantages.

Cloud-based solutions such as XVELA can provide us with real-time data, making it possible for us to considerably improve the exchange of information with terminals," said Jörn Springer, head of Hapag-Lloyd's Fleet Support Centre.

"So we're excited about the pilot test and the advantages it can open up to us."

(from: worldcargonews.com, February 17th 2016)

STUDIES & RESEARCH

CANALS FEEL THE RIPPLES OF THE CONTAINER SHIPPING CRISIS AS VESSELS GO THE LONG WAY ROUND

Panama and Suez canals could be the next institutions to be affected by the ongoing crisis in the container shipping industry, according to new analysis from Africa ports analyst and monitoring service portoverview.com.

The twin factors of cellular overcapacity and rock-bottom bunker costs have, over the past year, led carriers to divert multiple sailings away from the world's two principal trade arteries and reroute vessels around the southern African cape.

Its six-month report for the second half of 2015 quoted analysis from SeaIntel (portoverview.com co-owner), which showed that since the end of October 2015, 115 vessels deployed on Asia-USEC and Asia-North Europe services have made the back-haul trip to Asia by sailing round the Cape of Good Hope rather than through the canals despite using them on the headhaul legs.

Three of these vessels were deployed on Asia-North Europe services, while the remaining 112 were returning to Asia from the US east coast.

"Normally, 78 of those voyages would have gone through the Suez Canal, and as 53 of the voyages were in 2015, it would have meant that the number of container vessel passing the Suez Canal in 2015 would 'only' have decreased by 1.9% year-on-year, instead of the reported 2.8%.

The other 37 vessels would normally have passed through the Panama Canal," portoverview.com said.

"SeaIntel concludes that both the canals face a significant challenge in the current low bunker price, as it means that for many services it is cheaper to sail south of Africa on the backhaul than to use the canal routings," it added.

“The canals have a particular disadvantage in regard to the USEC-Asia services, where it is currently economically viable for 14 out of 22 services to sail south of Africa on the backhaul, and it would probably be viable for almost all of them if intermediate port calls were dropped.”

It is even viable for sailings from North Europe to Asia to route via South Africa, “if the intermediate calls were dropped or switched to other services”, it said.

“Currently, the carriers are only using the south of Africa routing on the backhaul legs and retaining the transit time, but considering the financial situation of most carriers, and keeping in mind the relative ‘ease’ with which the carriers implemented both slow-steaming and super slow-steaming, going south of Africa on the head-haul is going to look very alluring for some carriers, if indeed they can re-route the cargo from the intermediate port calls.”

There is a further, compelling, reason for carriers to route via South Africa: in addition to avoiding canal transit fees, the elongated sailing route, which adds another week to transit times, could potentially “soak up” between 60-80 vessels, of which half would be ultra-large container vessels, and take out some of the industry overcapacity which is causing freight rate volatility.

(from: theloadstar.co.uk, February 22nd 2016)

REEFER

SMARTER REEFER BOXES MEAN SHIPPING LINES CAN WOO MORE PERISHABLE CARGO FROM AIRFREIGHT

Shipping lines are embarking on a reefer box buying spree to keep up with rising demand for refrigerated transport.

Maersk Line, Hamburg Süd and Hapag-Lloyd, among others, are investing heavily in new reefers with cutting-edge atmosphere control and monitoring systems.

This is allowing new cargo categories to be transported via ocean freight for the first time, with more perishable products now able to stay fresh over extended distances.

In 2015, Maersk Line added 30,000 new containers from factories in China and Chile to its reefer fleet.

The new reefers are capable performing the cold treatment process required for transporting grapes and citrus products, as well as ambient loading, and the ability to freeze commodities inside the container, a practice used for transporting cheese and tuna.

Henrik Lindhardt, head of reefer research and support at Maersk Line said: "We are committed to constantly finding improved and sustainable ways to match our customers' expectations.

For example, commodities such as berries and flowers which used to be airfreighted require new and innovative technologies when transported by sea."

Maersk Line rivals Hamburg Süd and Hapag-Lloyd have invested in the latest reefers manufactured by Carrier Transicold.

In September, Hamburg Süd purchased 400 containers equipped with Carrier's XtendFRESH atmosphere control system, which helps to slow ripening and preserve produce quality by removing ethylene and managing oxygen and carbon dioxide levels.

Martin Schoeler, Hamburg Süd's senior manager for logistics technology, said the reefers would serve avocado exporters shipping from west coast South America to Asia, North America and Europe.

This month, Hapag-Lloyd announced it had enhanced its fleet with 3,000 new reefers from Carrier.

The shipping line said investing in controlled-atmosphere technology was crucial to maintaining produce quality (such as with bananas and mangoes), as changing shipping patterns are bringing longer transit times.

"Now being deployed in support of the South America harvest season, the new containers improve our capabilities with sensitive fruits and vegetables by helping to assure optimal produce quality for our customers," said Niklas Ohling, head of container steering at Hapag-Lloyd.

Shipping lines will continue to buy or lease expensive new reefer boxes so long as shipping demand remains robust. Reefer freight rates have generally performed better than dry cargo in recent years, and with a growing global market of perishable trades, reefer shipping is one of the few bright spots for container carriers blighted by overcapacity and dwindling volumes.

According to Dynamar, whose recent analysis confirmed the overwhelming trend towards the use of reefer containers over conventional reefer ships for seaborne perishables, 2015 reefer box production is estimated to have reached 175,000 units, with 40ft high-cubes accounting for more than 90% of orders.

"We think it all fits with the estimated 4-5% annual growth of perishable cargo, along with the expected further fragmentation of order sizes, for developing countries in particular," said Dirk Visser, Dynamar's senior shipping consultant.

"Also, the refrigerated carriage of other goods, such as chemicals, medicines and pharmaceuticals, is continuously on the increase, for which the competition from the conventional segment is diminishing."

Dynamar's analysis shows that other known reefer orders by container carriers in 2015 include those from Zim (1,900 40' high cube reefers, due to be deployed in 2016); UASC (5,500 units); and NYK Line (5,500 units).

(from: theloadstar.co.uk, February 18th 2016)

ON THE CALENDAR

2016

- 29 Feb - 2 Mar ICHCA International Conference 2016
- 13-15 Mar International Maritime Transport and Logistics Conference "Toward Smart Ports"
- 22-23 Mar 8th International Conference & Exhibition USA 2016
- 7-8 Apr 15th Intermodal Africa 2016
- 24 -29 Apr 28th Annual Port State Control Course
- 27-28 Apr 4th MED Ports 2016
- 19-20 May International Conference on Short-Sea Shipping: Myth or Future of Regional Transport
- 26-27 May 5th Black Sea Ports & Shipping 2016
- 30 May – 2 Jun 10th International Harbour Master Association Congress
- 14-16 Jun TOC Europe
- 27 Jun – 1 Jul 38th PMAWCA Council and 11th PAPC Conference
- 14-15 Jul 14th ASEAN Ports & Shipping 2016
- 22-23 Sep 11th Southern Asia Ports, Logistics & Shipping 2016
- 26-27 Oct 12th Trans Middle East 2016
- 17-18 Nov 16th Intermodal Africa 2016

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