Newsletter

May 15th 2016

Link road, rail, sea!

Council Of Intermodal Shipping Consultants

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PORTS AND TERMINALS

PORT OF FELIXSTOWE U-TURN ON INSISTENCE ON VGM, BUT WILL CHARGE FOR WEIGHING BOXES

The UK's largest box port, Felixstowe, said yesterday it would allow containers to be delivered to its container terminals without a VGM [verified gross mass] after the new SOLAS amendment becomes law on 1 July – reversing earlier advice to the trade.

However, shippers that do not supply a VGM at least 24 hrs before the nominated vessel's arrival will incur a charge of £77 per container to cover the cost of pulling the box out of the stack and shunting it to and from the port's two weighing stations, situated at opposite ends of the terminal complex.

Speaking at the Institute of Chartered Shipbrokers East Anglia branch VGM seminar in Felixstowe town yesterday, Martin Woor, of port's owner Hutchison Ports, admitted that the company had underestimated demand for a weighing facility at the port.

"We didn't think it would be that great," said Mr Woor, "but as we have got closer to the implementation date, it has become apparent that demand, at least initially, will be high."

He said some customers at the port anticipated that 70-80% of containers arriving by road for export on and after 1 July would not have a VGM.

Future demand for container weighing at ports "remained to be seen", said Mr Woor, adding that he had hoped to have details of the port's revised weighing offer at the seminar, but this had not yet been finalised.

Paul Newman from BIFA, criticised this delay and said his organisation had been "banging on about this for nearly two years".

He added: "Here we are, just a few weeks before kick-off, and we are still waiting to see how it is going to work."

Seminar moderator John Foord, said reports he had seen suggested that there had been a very low take-up from shippers requesting authorisation from the Maritime & Coastguard Agency (MCA) for Method 2 [the separate weighing of cargo and contents and adding the tare weight of the container].

And given the paucity of operating weighbridges around the country, demand at ports for container weighing services would be high.

Andrew McNab, from the UK's largest box haulier, Maritime Transport, said: "In my view, all ports should weigh containers."

He suggested that, in hindsight, the responsibility should have been given to the ports.

He said the haulage industry already faced a lot of challenges and "grey areas" around providing VGMs, which would make "a difficult job harder".

Mr McNab believed it was particularly important to avoid any ancillary weighing, as this could have a big knock-on effect on drivers' hours and job lists.

He praised DP World at Southampton and London Gateway for being the first ports in the UK to offer a "seamless" answer to VGM requirements.

Chris Lewis, managing director of DP World's UK operations, said the company's decision to install "expensive" weighing instrumentation into its straddle carriers at Southampton and cranes at London Gateway had come after extensive discussions with the trade.

While testing the new equipment, DP World had noted some "significant variances" against shippers' declared weights, commented Mr Lewis.

Both Hutchison and DP World said they would either charge the shipper or carrier for administration and weighing charges, with the shipping line being the default. "Disputes would be dealt with on a commercial basis," said Mr Lewis.

Meanwhile, the Maritime and Coastguard Agency says it will enforce the SOLAS regulations with a "light touch" for the first three months after the 1 July implementation.

After that penalties for non-compliance include unlimited fines and up to two years' in prison.

(from: theloadstar.co.uk, May 6th 2016)

MARITIME TRANSPORT

EC CLEARS CMA CGM BID TO BUY APL, BUT IT MUST WITHDRAW CARRIER FROM G6 ALLIANCE

The European Commission's competition directorate has cleared CMA CGM's acquisition of Singapore line APL and its parent company, NOL – with the proviso that it withdraws APL from the G6 alliance.

Competition commissioner Margrethe Vestager said: "Container liner shipping plays a central role in global trade, so competition in this sector is essential for businesses and consumers in the EU.

Today's decision ensures that the takeover will not lead to price increases for the many EU companies using these container shipping services."

The commission said it had studied the effects of the merger on the competitive landscape of some 17 shipping trades connecting Europe with the rest of the world – examining both the enlarged CMA CGM, as well as the market position of the new company, if APL had retained its membership of the G6 Alliance and CMA CGM remained part of the O3 Alliance.

It concluded that the transatlantic and Europe-Middle East trades could have been subject to a distortion of competition.

"The commission found that the merger, as initially notified, would have created new links between previously unconnected consortia in the O3 and G6 alliances.

The commission had concerns that these potential new links would have resulted in anti-competitive effects on two trade routes: between Northern Europe and North America, and between Northern Europe and the Middle East.

On these routes, competition from liner shippers [carriers] who have no connection with the merged entity or its alliance partners would have been insufficient.

As a result, the transaction could have enabled the merged entity, through the consortia that the two companies belong to, to influence capacity and therefore prices to the detriment of shippers and consumers for a very large part of those markets," the commission said in a statement today.

It further revealed that CMA CGM had offered to pull APL out of the G6 to see the deal through.

"Although NOL will continue to operate for G6 until 31 March 2017, to guarantee an orderly exit, the commitments foresee that a trustee will ensure that no anti-competitive information is shared between the alliance and the merged entity during that remaining period.

This will eliminate the potential additional links between previously unrelated consortia that the merger would have created on the two routes," the EC said.

The point has been made rather moot by the recent announcement that CMA CGM is to create a new alliance with Evergreen, COSCO-China Shipping and OOCL when the current alliance structure breaks up at the end of the first quarter next year – an arrangement APL will be part of if CMA CGM's acquisition completes.

The EC added that the merger would also see some consolidation in the respective lines' terminal operating divisions, although the combined market share of their terminals would have little effect on the market.

(from: theloadstar.co.uk, April 29th 2016)

RAIL TRANSPORT

KIRUNA WAGON DEVELOPS DRY-BULK RAIL FREIGHT CONCEPT

In the current phase of the EU-funded HERMES project, Kiruna Wagon is constructing a demonstrator wagon and unloading station for Iberpotash's salt transports in Spanish Catalonia.

The objective of the project is to bring European rail freight to an unprecedented level of reliability, flexibility and productivity.

While rail freight transport has the advantage of being comparatively environmentally friendly, rail has lost much of the freight business to road transport due to its lack of flexibility.

Other disadvantages associated with rail freight is the large costs involved in purchasing and operating freight wagons, and since rail transports can rarely be carried out door to door, one must also consider the cost, time and risk of transhipping.

While railway wagons have a long service life, normally 30 years, few companies can predict their transport needs more than ten years in the future.

Since the acquisition of wagons involves a very high economic risk, it is only logical that the design emphasis lies on versatility rather than on specialisation.

As a result, freight wagons are rarely optimal for their usage.

When it comes to special cargo, rail transport is often not even considered due to the lack of suitable wagons.

Modular design and its advantages

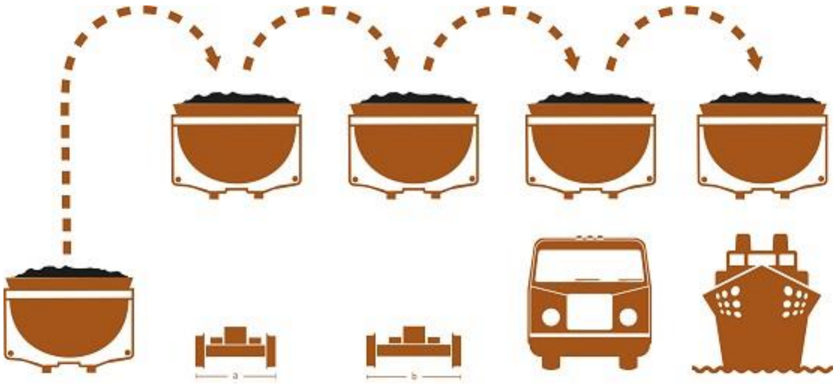
A key to increasing the accessibility and attractiveness of rail transport against road transport is to develop smarter and more flexible freight wagons that allow a diversification of carried goods and that can be altered to function optimally in different conditions.

Based on the ideas of Kiruna Wagon's patent pending modular logistics system, the wagon developed in the HERMES project is using a standard chassis together with different, tailor made load carriers that can easily be exchanged, depending on the type of cargo to be transported.

The load carriers are designed for smooth transhipping between rail chassis made for different track gauges, and from trains to road trucks and ships, see the figure below.

Loaded and unloaded load carriers can also be stored on the ground, while waiting to be shipped.

The full integration of rail freight wagons in seamless and effective door-to-door operations are measures that would increase the efficiency and competitiveness of rail freight considerably.



Dust prevention and effective unloading

In the HERMES project the focus lies on rail transport of dry bulk materials, more specifically the salt commodities of Iberpotash – ICL Iberia in Spain.

An important challenge for the design team is to identify solutions that will reduce dust emissions, especially during the discharge process.

Most dry bulk commodities are prone to dust pollution and spillage, and this can have a range of negative implications for both the operator and the owner, both in terms of safety and environmental hazards, and also in direct economic losses.

The demonstrator wagon that is being developed is modelled on Kiruna Wagon's roofed Side Dumper wagon, which has side doors for effective unloading and effective seals that prevent the goods from leaking out or being exposed to rain or snow.

Because salt commodities have a low density, an important design criteria is to achieve the largest possible body volume per metre wagon.

Also in this respect is Kiruna Wagon's Side Dumper, with its rectangular cross section, a superior option.

A rotary car dumper has the same beneficial square cross section, but this type of wagon requires a costly unloading station to turn the wagons upside down.

The Side Dumper Unloading Station is, in contrast, a very simple and low cost solution.

Combining industrial expertise with research capabilities

In order to develop a novel system for rail freight that meets the needs of the industry in terms of productivity, competiveness, effective operability, maintenance and costs, while at the same time being climate and environmentally friendly, the HERMES project is combining industrial expertise with advanced research capabilities.

Nine partners from four countries are involved in the project, which is divided in nine work packages that are carried out in accordance with a well-structured work plan that aids in the completion of the project deliverables and milestones.

Bengt Bolsöy, Technical Manager at Kiruna Wagon, commented on the project: “To fulfil our task of really taking a leap in sustainable bulk logistics, we are cooperating down to the smallest details of the wagon and the system.

All partners in the HERMES project contribute with state of the art solutions and we are convinced that we will contribute to making Europe more competitive as well as more sustainable.”

In the next step of the project, Kiruna Wagon’s demonstrator wagon and unloading station will be tested in Catalonia in Spain.

(from: railwayjournal.com/kirunawagon.com, May 4th 2016)

TRANSPORT & ENVIRONMENT

GREEN TRANSPORT TARGET WILL BE SCRAPPED POST-2020, EU CONFIRMS

EU laws requiring member states to use "at least 10%" renewable energy in transport will be scrapped after 2020, the European Commission confirmed, hoping to set aside a protracted controversy surrounding the environmental damage caused by biofuels.

The European Commission will table a revision of the Renewable Energy Directive at the end of 2016, aiming to further push renewable sources like wind and solar across the European Union.

On transport, "we will look specifically at the challenges and opportunities of renewable fuels including biofuels", said Marie C. Donnelly, Director for Renewables at the European Commission.

The current directive, adopted in 2008, requires each EU member state to have "at least 10%" renewable energy used in transport by 2020 – including from biofuels and other sources like green electricity.

This has drawn criticism in Britain, where reaching the 10% target will require doubling current biofuel supply, adding a further penny per litre on pump prices, according to a leaked memo by the Department for Transport.

But the 10% target will be dropped in the new directive, Donnelly told a breakfast seminar organised at the European Parliament on Tuesday (3 May).

"What's not going to be in the text is a target for the transport sector," she said, confirming a decision by EU leaders in October 2014 to have only one target for renewable energies across the 28 EU member states that "will not be translated into nationally binding targets".

"The continuation of the sub-target for the transport sector is something that has not been accepted and will not be continued in our proposal at the end of this year," she told the event, organised by Kaidi, a Finnish firm producing biodiesel from wood-based biomass.

Cap on food-based biofuels

First generation biofuels – those derived from food crops – have been at the centre of an intense controversy regarding their effects on the environment, with scientists warning they contribute to deforestation and food scarcity.

A recent study for the Commission found the indirect land use change of biofuels to be bigger than previously thought, leading environmentalists to warn they are more polluting than fossil fuels, a claim strongly refuted by the industry.

Hoping to end the controversy, EU legislators passed a separate directive last year to reduce the indirect land use change of biofuels.

The new law limits to 7% the use of harmful biofuels which compete with crops grown on agricultural land, while allowing member states to set lower national limits.

It also sets an indicative 0.5% target for so-called second generation biofuels, whose contribution would count double towards the 10% renewable energy target for transport.

Incorporation obligation

So end of story? Not quite.

Environmentalists are now worried that the European Commission will continue pushing biofuels in the form of an "incorporation obligation" requiring minimum amounts of ethanol to be blended in automotive and aviation fuels.

The idea was first floated in November when the executive launched a public consultation to revise the renewable energy directive (see p.22 of the consultation document).

"The subtle shift is to tell the fuel suppliers what to do instead of telling the member states what to do," says Jos Dings, Executive Director of Transport & Environment, an environmental campaign group.

"If a blending mandate is off the table, we would be very happy about it."

CEN, an EU standardisation body, currently allows for up to 10% ethanol to be blended into gasoline, a standard called E10 which created defiance among consumers in Germany when it was first rolled out five years ago.

With the 10% target for transport gone after 2020, biofuel makers are hoping a mandatory standard can be introduced to have a minimum blending of biofuels into petrol or gasoline.

"An important element is the blending mandate, setting clear percentage of biofuels," said Pekka Koponen, Managing Director of Kaidi Finland, the Finnish energy company that was supporting the Parliament event.

Koponen stressed the importance of setting a blending target for the biofuels industry, saying it would be more efficient than any other tax incentive or direct subsidy.

"Now for the EU 2030 target, please continue setting the target and make it aggressive enough," he said at the event.

7% cap in question

Donnelly said "a key element" of the new regulatory framework for biofuels post-2020 will be to decide what happens with the 7% cap on biofuels that can be counted towards the 10% target for renewable energy in transport.

"Clearly this is an important question," she said insisting that the biofuels sector needed regulatory stability after 2020 when the 10% target expires.

"It is important, I believe, that the legislatives framework delivers a clear message that gives clarity to that sector," she stressed.

Donnelly refused to be drawn on how this could be achieved however, saying it will be "a political decision" by the 28-strong College of Commissioners.

"For the moment we are in dialogue.

We will continue with our modelling regarding the costs and implications" of dropping the 10% target, she explained, mentioning that the analysis will look into wider impacts on the economy, including imports of biofuels and jobs in Europe.

Jos Dings, from Transport & Environment, said he was worried that the minimum blending standard would become obligatory.

"Interesting," said Donnelly when asked by Dings about plans for an "incorporation obligation" on automotive fuels.

"Actually, I should take note."

(from: euractiv.com, May 4th 2016)

LEASING

EQUIPMENT LESSORS SUFFER ALONG WITH SHIPPING LINES AS THE WEAK MARKET PUSHES BOX PRICES DOWN

The price of new containers continues to tumble, reducing daily hire rates and bringing impairments for lessors.

In the first quarter of this year, the cost of a new 20ft dry freight container fell to its lowest level since 2002 – averaging $1,350, down from around $1,850 a year ago – due to weak demand.

And prices are still falling, according to the latest edition of Container Equipment Insight, published by shipping consultancy Drewry.

"New box output has slumped markedly this year, with leasing companies again showing a strong reluctance to buy," said Drewry's lead analyst for the container sector, Andrew Foxcroft.

The depressed state of the rental market is one reason for the lessors' inactivity, says the report, but Drewry added that it was also explained by a stockpile of new containers at factories in China – "substantial production from 2015 still awaiting collection".

One of the world's largest lessors of intermodal containers, based on fleet size, with a total of more than 3.2 million teu, is Textainer.

Last week it reported a massive 84% year-on-year drop in net profit for the first three months of the year.

Textainer's net income slumped to $6.4m in Q1 from $40.5m last year, which the company attributed to factors including a decrease in rental rates and impairments due to the decline in used container prices.

Stunted global growth and a 40% plunge in steel prices last year continued to exert pressure on the container leasing industry in Q1 16, darkening market outlook.

“Continuing low new container prices mean rental rates and used container prices have remained under pressure,” explained Philip K Brewer, president and CEO of Textainer Group, which was obliged to take an impairment hit of $17.3m in its Q1 accounts.

Rival container lessor TAL International, which has a fleet of around 2m teu, also suffered; seeing a 75% decline in its net income in Q1, which plunged to $6.4m, compared with $25.8m in the same months of 2015.

“Very challenging market conditions” was how TAL’s president and CEO, Brian M Sondey, described the firm’s first-quarter trading.

Notwithstanding that the first three months of the year is typically the weakest quarter for container lessors, Mr Sondey said this normal seasonal weakness had combined with the difficult global economic conditions to “create a very weak market environment”.

He was also concerned about the financial health of TAL’s shipping line customers.

“The financial performance of the container lines has generally been weak since the first quarter of 2015, and several shipping lines are under heavy financial pressure.

TAL’s credit performance remains strong, but we are concerned about elevated credit risks,” said Mr Sondey.

(from: theloadstar.co.uk, May 10th 2016)

LOGISTICS

AMAZON DOWNPLAYS LOGISTICS AMBITIONS

Amazon this week downplayed the extent of its logistics ambitions, despite recent moves to expand into air freight and sea freight operations.

Having earlier this year signed a leasing deal in the US for a fleet of 20 B767 freighters, and late last year obtained licences to serve as an NVOCC and shipping broker on trade lanes between China and the US, the online retail giant was questioned yesterday by analysts about its logistics plans following the publication of its first-quarter results.

Senior vice president and CFO Brian Olsavsky was asked if he could comment on excess capacity in logistics as Amazon built up its air and ocean freight capability, and whether the company would ever entertain delivering items for other logistics or delivery companies, including US behemoths such as FedEx or UPS.

He replied: “The reason we add logistics capability and transportation capability is so we can serve our customers faster and faster delivery speeds, and we’ve needed to add more of our own capacity to supplement our carriers and our partners.

They are still great partners, have been, and will continue to be for the future, but we see opportunities where we need to add additional capacity and we’re filling those voids.”

Also at the conference call, Amazon’s director for investor relations, Phil Hardin, commented on the company’s investment in surface logistics in the US, underlining that this was in trailers rather than trucks.

“The typical use case is running a lag between a fulfilment centre and a sort centre,” he explained.

"So we're running enough volume there that we're using trucks already.

We thought it made sense to go ahead and buy some trailers.

We're actually still contracting out for the truck part.

It gives us flexibility and we think the economics will make sense over time."

Nevertheless, logistics and forwarding companies remain wary of the online retail giant's logistics ambitions after Amazon documents reported by Bloomberg News earlier this year revealed an apparently far bolder plan.

Bloomberg reported in February that a 2013 report to Amazon's senior management team had proposed an aggressive global expansion of the company's 'Fulfillment By Amazon' service, which provides storage, packing and shipping for independent merchants selling products on the company's website.

The report envisioned a global delivery network that controls the flow of goods from factories in China and India to customer doorsteps in Atlanta, New York and London.

Bloomberg said the project, called 'Dragon Boat', was proceeding, according to a person familiar with the initiative.

According to the report, Amazon's plan would culminate with the launch of a new venture called "Global Supply Chain by Amazon", as early as this year.

The new business would place Amazon at the centre of a logistics industry that would amass inventory from thousands of merchants around the world and then buy space on trucks, aircraft and ships at reduced rates.

The 2013 report said: "Sellers will no longer book with DHL, UPS or Fedex but will book directly with Amazon," Bloomberg reported.

"The ease and transparency of this disintermediation will be revolutionary and sellers will flock to FBA given the competitive pricing."

It said Amazon would partner with third-party carriers to build the global enterprise and then gradually squeeze them out once the business reaches sufficient volume and Amazon learns enough to run it on its own, according to the documents.

(from: lloydsloadinglist.com, April 29th 2016)

LAW & REGULATION

CONFUSION STILL REIGNS OVER SOLAS

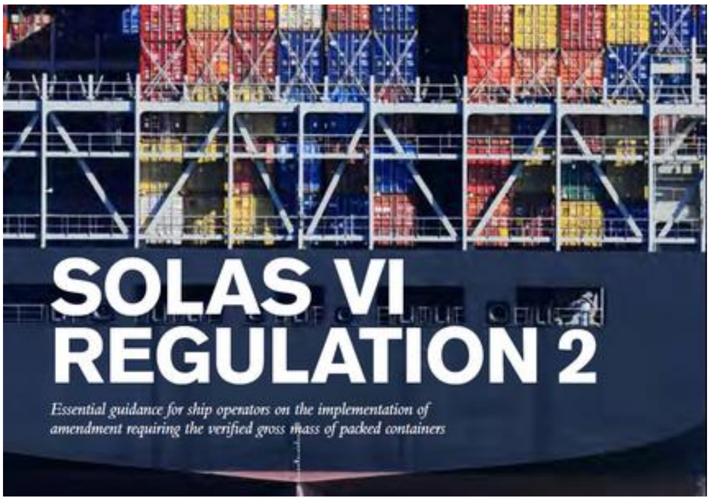
US supply chain stakeholders are still not fully prepared for the entry into force of new SOLAS container weighing regulations on 1 July, according to one leading analyst.

Cathy Roberson, founder and head analyst at US-based Logistics Trends & Insights, said supply chain stakeholders were taking too long to get systems in place to avoid disruption this summer.

“Shippers and carriers appear to be waiting to see what the other is doing and in doing so, time is running out,” she said.

“Now, with less than two months left for the 1 July mandate, it’s still difficult to know what to expect.”

Amendments to the International Maritime Organization (IMO)’s Safety of Life at Sea Convention (SOLAS) require, as a condition for loading a packed container onto a ship for export, that the container has a verified weight declared to the Vessel Operator and Marine Terminal Operator.



This has caused global consternation among shippers and lines.

Forwarders also need to comply with the regulations where they are named as the shipper on the bill of lading.

In the US, pronouncements from the US Coast Guard (USCG) have served to add the confusion, with the USCG last week writing to the IMO to say that existing US laws for providing the gross verified mass of containers were equivalent to the requirements in the amendments to SOLAS, a move that has been welcomed by US shipper association National Industrial Transportation League, Lloyd’s List reports.

Roberson said some US ports were ready to handle exports but there was no clear pattern or approach.

“The Port of NY/NJ has already said it would refuse containers if there was not verification received beforehand,” she said.

“Meanwhile, the Port of Charleston was the first US port to say it is willing to provide in-terminal weighing services for containers.

I think, ultimately, it will come down to capacity.

NY/NJ does not have the bandwidth to even think about SOLAS, but perhaps some of the smaller US ports do, and in so doing there could be a shift in port usage.”

While Roberson said she thought “major supply chain disruption” was unlikely “if there are disruptions, it will be sporadic”.

She predicted US retailers would build up inventories to guard against any blockage in deliveries from Asia this summer, the traditional beginning of the US peak import season.

“We may see a very busy June as retailers order early, similar to previous years when there were labour contract negotiations occurring at the US West Coast ports and retailers built up inventories ahead of peak season in anticipation of a potential strike,” she said.

She also said some US retailers might lean more heavily on air freight if confusion was not resolved in a timely manner.

“We could see airfreight pick up beginning in August/September as retailers prepare further for the holiday season,” she added.

“Air freight providers could easily take advantage of all the confusion to try to regain freight they have lost over the years to ocean.”

(from: lloydsloadinglist.com, May 5th 2016)

PROGRESS & TECHNOLOGY

SELF-DRIVING TRUCKS REVOLUTIONISING WATERFRONTS AS CONTAINERISATION DID

TraPac LLC's Los Angeles marine-cargo facility doubles the speed of loading and unloading ships, saving money and boosting profits, reports Bloomberg News.

The impact rivals that of containerisation, which revolutionised waterfront cargo handling worldwide 50 years ago, eliminating most manual work.

"Self-driving won't just rebuild the current freight system, it will create a whole new way of thinking about it," said Larry Burns, a former research and development chief at General Motors and now a consultant at Alphabet Inc's Google unit.

"It will happen sooner with goods movements than with personal transportation, because the economics are crystal clear," Mr Burns said.

The Port of Los Angeles and TraPac, a unit of Mitsui OSK Lines (MOL) are investing US$693 million in four dozen self-driving cranes and automated carriers, plus related infrastructure.

As the carriers scamper back and forth across the dock, each device changes direction independently from the rest - without apparent need for human help.

A few dozen people watch and monitor in faraway control rooms.

On the wharf itself, TraPac uses people only to run the cranes that unload ships and to drop containers the last few feet onto waiting trucks and trains.

To speed things up, TraPac president Frank Pisano has implemented an appointment system for truckers, who often arrive unannounced and then wait as port employees find their container.

Waiting has become intolerable for drivers.

By 2040, regional container traffic could almost triple to 41.1 million TEU from 15.3 million TEU, according to a recent forecast.

Despite these advances, these facilities lag behind those in Rotterdam, where since 1993 the big Dutch port has used precursors to the self-driving equipment Mr Pisano is installing.

Today, Rotterdam has five fully automated deep-sea terminals, whose efficiencies could be augmented by semi-autonomous trucks, which were recently tested in Europe.

Also being considered are Uber-like services to find loads for empty or half-empty trucks and is considering a per-container cap on pollutants and greenhouse gases at each terminal.

But converting Long Beach, Los Angeles and Oakland, which handles 40 per cent of US container traffic, to all-electric, self-driving equipment will cost $35 billion in the next 30 years against $7 billion to replace existing technologies, according to a PMSA December study.

"We potentially are talking about tens of billions to hundreds of billions of dollars," said PMSA vice president Mike Jacob.

The state has contributed grants for battery-powered tractor-trailers at a new automated facility in the Long Beach Container Terminal, which began receiving cargo last month.

The port is sharing the $2 billion redevelopment cost Hong Kong carrier Orient Overseas Container Line (OOCL).

The port will recover its investment as OOCL makes payments on its 40-year terminal lease, according to Port of Long Beach spokesman Art Wong.

The new facility will use electric, self-driving cranes and carriers that follow the path of transponders buried in the cement on the dock.

The new equipment will double the volume of containers the terminal handles, Mr Wong said.

(from: seanews.com.tr, May 3rd 2016)

STUDIES & RESEARCH

EIGHT CARRIERS MULL 'THIRD FORCE' SHIPPING ALLIANCE

Eight current members of the existing three shipping alliances that have been excluded from the recently announced Ocean Alliance may team up to establish a new "third force" alliance, Alphaliner said.

The proposed Ocean Alliance unveiled on April 20 brings together CMA CGM, Cosco Container Lines (Coscon), Evergreen and Orient Overseas Container Line.

It plans to begin operations in April 2017.

Its establishment will affect the G6, Ocean Three and CKYHE alliances which will maintain their current service network until April next year, Alphaliner said.

The four carriers forming Ocean Alliance will also include Singapore's APL, which is being acquired by CMA CGM, and China Shipping Container Line, which has merged with Coscon.

The carriers affected by the expected reshuffling are Hapag-Lloyd, Hyundai Merchant Marine, Mitsui OSK Lines and NYK Line from the G6 Alliance; Hanjin Shipping, K Line and Yang Ming from CKYHE; and United Arab Shipping Co from Ocean Three.

"The eight carriers could team up under a single arrangement that would represent a serious counterweight to the 2M and Ocean Alliance on the east-west corridors," Alphaliner said.

An official announcement is expected in May on the composition of the third alliance as the carriers involved will need to ensure they have sufficient time to obtain approvals from competition authorities and to start communicating with their customers on the new service structures that will be set up in April 2017, Alphaliner said in its weekly review.

At the current stage of discussions, none of the carriers could confirm the final alliance composition, Alphaliner pointed out.

A ninth carrier, Hamburg Süd, which currently partners with UASC and CMA CGM, will be concerned as well by the reshaping of the alliances, it said.

Other ongoing developments may also affect the alliance landscape such as the discussions between Hapag-Lloyd and UASC for a potential combination of their mutual container shipping operations, Alphaliner said.

There is also possibility that financially-troubled Hanjin Shipping and HMM would form a combined Korean force with an operated containership fleet of over 1m teu.

Both Korean lines, however, earlier denied interest in pursuing a merger following the latest container sector shake-ups.

The unequal distribution of ultra large container ships of 18,000 teu-20,000 teu and 14,000 teu class ships "is a further motivation to build a broad multi-carrier pact", Alphaliner said.

UASC owns six ships of the 19,000 teu class and MIL will receive six 20,000 teu ships in 2017.

The remaining six carriers, on the other hand, do not have such ships on order.

Meanwhile, of the 13,800 teu-15,000 teu ships existing or on order, Yang Ming has 20 such ships while UASC has 11.

NYK Line and K Line each have 10 units while the four remaining carriers do not have those vessels, Alphaliner added.

The changes in the alliances will pose a major challenge for terminal operators, Alphaliner warned.

Compromises will have to be reached among carriers within their respective alliances about which terminals are to be used in each of the ports served.

(from: lloydsloadinglist.com, May 6th 2016)

CONFERENCES

CONTAINER WEIGHING - ARE YOU READY?

ICHCA will hold a one-day seminar dedicated to the revised SOLAS Chapter VI regulation in Antwerp on Wednesday, 1st June.

Alarm bells have been ringing loud and clear that many IMO member governments - let alone shippers - are not aware of the new verified gross mass (VGM) rules that come into force on 1st July.

ICHCA's latest seminar on the matter on 1st June is entitled “One Month to Go - Are You Ready?”

The seminar will be hosted by Antwerp port training institute OCHA, to discuss industry preparations around the three main themes of compliance, communication and contingency planning.

With much confusion still surrounding how VGM will be regulated, the first session of the day will be dedicated to compliance.

Matthew Gore, Partner at global law firm Holman Fenwick Willan (HFW), an ICHCA member, will be among the panellists.

“It is expected that many Competent Authorities will be publishing their requirements shortly for implementation and enforcement in their jurisdictions, leaving very little time for the industry to act on these and be ready for 1 July,” reports Mr. Gore.

“It is clear that different approaches and timetables are being followed in different jurisdictions.

This has been clearly reflected when we canvassed some of our other offices which have also been actively working in this area with clients such as terminals, carriers, forwarders, shippers and others in the container supply chain to ensure readiness for 1 July.”

During the seminar, Matthew and other legal experts including Jos van der Meché of Dutch law firm AKD, will explore the different approaches to implementation being taken by national authorities across Europe and elsewhere, and discuss the compliance implications for various supply chain members and sectors, including European short sea shipping operations.

Another thorny issue on the table will be the approval and regulation of the equipment actually used for container weighing around the world, which appears to fall under national trade regimes related to weights and measures that are completely separate to the regulation of SOLAS itself.

"While the physical problem of a lack of suitable weighing equipment will no doubt be an issue at the beginning, my main concern is the lack of a harmonised approach to the regulation of [container] weighing instruments," says Ian Dunmill, Assistant Director for OIML, the International Organisation for Legal Metrology, who will also speak at the Antwerp seminar.

OIML, an observer to WTO’s Technical Barriers to Trade (TBT) Committee, produces International Recommendations which are intended as model technical legislation for regulated weighing and measuring instruments, with the aim of creating a worldwide level playing field.

"In the interests of international harmonisation and avoidance of barriers to trade, there should be a common basis for legislation regulating container weighing instruments and that basis should be accepted internationally,” argues Dunmill.

OIML believes that its Model Recommendations fit this requirement and “should be considered as a fair means of achieving the objectives desired by the SOLAS requirements and the IMO.”

The topic is certain to stimulate lively debate at the seminar, as many providers and adopters of container weighing technology have already highlighted the huge complexity of securing the necessary approvals across multiple countries.

Large and often complex supply chains operating under new VGM legislation will require communication between all parties.

In the second session of the day, acquiring VGM data and getting it communicated in a timely manner along the supply chain will be the focus of discussion.

Representatives from a wide array of VGM technology providers, including Avery Weigh-Tronix, Bromma Conquip, Conductix-Wampfler, Hirschmann, Intercomp and Strainstall will discuss the various weighing options now available, look at the different approaches now being adopted, and explore the issues of ensuring timely data flow and submission.

On the third panel of the day discussion will turn to contingency planning.

The panel, including Chris Welsh CBE, Secretary General of the Global Shippers Forum, Steve Alaerts, Sales & Marketing Director for specialist reefer forwarder Foodcareplus and Andrew Yarwood, Claims Executive of TT-Club will discuss how to put contingency plans in place to counter the inevitable problems that will arise in the early days after 1 July.

The panel will also consider longer term strategies for what to do when things go wrong with the VGM process, especially for more sensitive cargo such as perishables and dangerous good.

The day will finish with a look at the related issues of safe container packing and securing, and discussion of industry training needs with James Douglas, Director of online training specialist Exis Technologies.

This month, Exis will launch a new VGM training module to complement its existing CTU Packing e-learning course, developed with the TT Club.

"With so little time to go, it is vital that we get round the table and discuss how we can meet SOLAS VGM requirements with minimum disruption.

Antwerp is a major European container logistics hub, and a perfect location to host an open discussion with input across the supply chain," said Capt. Richard Brough OBE, ICHCA's Technical Advisor and Delegate to IMO, who will moderate and speak at the seminar.

"This will help us develop compliance, communication and contingency methods that work for everyone, everywhere."

(from: worldcargonews.com, May 9th 2016)

ON THE CALENDAR

2016

11/05/16 - 12/05/16	Singapore	6th Maritime Security Management
13/05/16 - 13/05/16	Augusta	WorkshopGNL: Italia hub del gas naturale, opportunità GNL per i trasporti marittini nel Mediterraneo
18/05/16 - 20/05/16	Jakarta	Inamarine 2016
19/05/16 - 19/05/16	Roma	12th Mare Forum Italy 2016
19/05/16 - 20/05/16	Callao	Latin America Port Expansion Summit 2016
20/05/16 - 20/05/16	Trapani	67ma Assemblea Generale Federagenti
23/05/16 - 25/05/16	Rabat	PPP Investment Forum Morocco 2016
23/05/16 - 26/05/16	Anversa	Breakbulk Europe 2016
26/05/16 - 27/05/16	Baveno	ECG Spring Congress & General Assembly
26/05/16 - 27/05/16	Constanta	5th Black Sea Ports & Shipping 2016
27/05/16 - 27/05/16	Lugano	AlpTransit per la logistica Europea
29/05/16 - 02/06/16	Milano	11th World Congress on Railway Research
06/06/16 - 10/06/16	Atene	Posidonia 2016
09/06/16 - 13/06/16	Sevastopol	SIMBF 2016
14/06/16 - 16/06/16	Shanghai	Transport Logistic China
14/06/16 - 16/06/16	Amburgo	TOC Europe 2016
27/06/16 - 02/07/16	Napoli	Naples Shipping Week
14/07/16 - 15/07/16	Bangkok	14th Asean Ports & Shipping 2016
05/09/16 - 07/09/16 -	Muscat	Middle East Transport and Logistics Exhibition ME TRANSLOG
06/09/16 - 09/09/16	Amburgo	SMM 2016
13/09/16 - 16/09/16	Birmingham	IMHX 2016
14/09/16 - 14/09/16	New York	8th Annual Global Commodities, Energy & Shipping
15/09/16 - 16/09/16	Accra	4th Annual Africa Port & Rail Expansion Summit
18/09/16 - 21/09/16	Genova	IUMI Annual Conference 2016
21/09/16 - 22/09/16	Londra	9th Arctic Shipping Summit
21/09/16 - 23/09/16	Santa Cruz, Tenerife	Seatrade Cruise Med 2016
22/09/16 - 23/09/16	Sri Lanka	11th Southern Asia 2016
30/09/16 - 30/09/16	La Spezia	Italian Cruise Day
03/10/16 - 06/10/16	La Valletta	Malta Maritime Summit 2016
05/10/16 - 05/10/16	Londra	9th Annual Shipping, Marine Services & Offshore Forum
11/10/16 - 14/10/16	Venezia	GreenPort Cruise - GreenPort Congress
16/10/16 - 18/10/16	Lisbona	World Coal Leaders Network 2016
17/10/16 - 21/10/16	Paris Le Bourget	Euronaval 2016
23/10/16 -26/10/16	Abu Dhabi	Breakbulk Middle East 2016

- 24/10/16 -24/10/16 Dubai The Maritime Standard Awards 2016
- 25/10/16 - 27/10/16 Copenhagen Danish Maritime Fair 2016
- 25/10/16 - 26/10/16 Abu Dhabi NATRANS Expo 2016
- 26/10/16 - 28/10/16 Abu Dhabi Overseas Project Cargo Association 3rd Annual
- 26/10/16 - 27/10/16 Jeddah 12th Trans Middle East 2016
- 02/11/16 - 02/11/16 Londra 6th Annual Shipping & Offshore CSR Forum
- 15/11/16 - 17/11/16 Rotterdam Intermodal Europe 2016
- 15/11/16 - 17/11/16 Rotterdam Transport & Logistics 2016
- 16/11/16 - 18/11/16 Istanbul Logitrans 2016
- 17/11/16 - 18/11/16 Mombasa 16th Intermodal Africa 2016
- 20/11/16 - 23/11/16 Dubai 3rd International Conference on Coastal Zone Engineering and Management in the Middle East (Arabian Coast 2016)
- 23/11/16 - 24/11/16 Budapest Translog Connect 2016
- 23/11/16 - 25/11/16 Jakarta MARINTEC INDONESIA 2016
- 05/12/16 - 07/12/16 Dammam Saudi Transtec 2016
- 07/12/16 - 09/12/16 Guangzhou INMEX China 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.