

Newsletter

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Link road, rail, sea!

Council Of Intermodal Shipping Consultants

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PORTS AND TERMINALS

MEDITERRANEAN PORTS SEE TRAFFIC GROWTH BUT ITALY AT A STANDSTILL

The Mediterranean, which accounts for 19 per cent of world traffic in terms of volume, has consolidated its centrality with the doubling of the Suez Canal and ever more Chinese investment in the maritime sector.

Despite his stupendous growth, Italian ports are at a standstill according to the third annual report published by Studi Ricerche per il Mezzogiorno (SRM) of the Gruppo Intesa San Paolo.

The report, 'Italian Maritime Economy', which focuses on large-scale trends



that are changing the logistics and port structures of Europe and Italy, shows that about two billion tonnes of cargo transit the region each year, and the Mediterranean also accounts for 25 per cent of world traffic in terms of maritime routes, according to ANSAmed, Rome Alliance.

According to the data, Italy is ranked third in Europe in 2015 in terms of traffic managed with 473

million tonnes of cargo and 10.2 million TEU - a slight growth on the previous three years, but far from the levels seen prior to the economic crisis.

The country is first in the EU in terms of Short Sea Shipping cargo in the Mediterranean and the Black Sea, with 240 million tonnes of cargo transported, equal to 33.5 per cent of the total.

The report indicated that Italy has significant infrastructure and entrepreneurial resources that should be developed given its important position and current standstill.

The report also recommended more investment and infrastructure strategies for southern ports.

As for Mediterranean ports, Morocco's Tanger Med continues to grow while Italy's Gioia Tauro transported about 2.5 million TEU, a 14 per cent drop on 2014.

Genoa handled 2.2 million TEU (+3.2 per cent), La Spezia 1.3 million TEU (-0.2 per cent), Livorno 780,000 TEU (+35.2 per cent), Venice 560,000 TEU (+22.9 per cent) and Salerno 359,000 TEU (+12.3 per cent) last year.

The statistics on the Mediterranean indicated that the 12 ports in the area handled 41.4 per cent of the total container traffic in Italy and 45.3 per cent of total cargo.

(from: seanews.com.tr, June 28th 2016)

MARITIME TRANSPORT

CARRIERS CALL A TRUCE AND ASIA-NORTH EUROPE OCEAN FREIGHT RATE WAR IS OVER – OR IS IT?

There is evidence that Asia-Europe carriers have called off their market share-driven ocean freight rate war “for now”, said maritime consultant Drewry today.

And this has been mirrored on the transpacific tradelane where spot rates have “stabilised” in recent weeks, it added.

One UK-based carrier told The Loadstar last week the 14% week-on-week decline in spot rates on Asia-Europe was “merely a blip” – headhaul ships were running full and there was no longer any need to cut rates.

However, this was contradicted by spot market forwarders who said carriers were still touting short-term rate reductions to fill unused slots on their vessels to North European ports.

Drewry pointed to the upward trend of spot rates since April across all lanes, which had been boosted by general rate increases underpinned by capacity reductions from carrier alliances.

But, said the consultant, “such was the depth spot rates had fallen to that any talk of recovery [for the carriers] is premature”.

Every reporting carrier suffered severe rate decreases in Q1, in the battle for market share that saw market leader Maersk Line conceding a 26% drop in average revenue per teu for a 7% growth in volume, noted the consultant.

Furthermore, it said, weaker carriers such as APL, Hanjin and K Line lost out on both counts: lower volumes carried despite rate reductions conceded.

“The predatory commercial strategies of the first quarter meant rate decreases were more severe than they might otherwise have been,” said Drewry.

And notwithstanding the fragile recovery in Q2, it still expected average ocean freight rates this year to be lower than in 2015.

This in part is because contract rates have been agreed at significantly lower levels this year on both main trade lanes.

Rate discussions have been heavily influenced by the depressed spot market, thus lowering the negotiating start point bar for carriers and shippers.

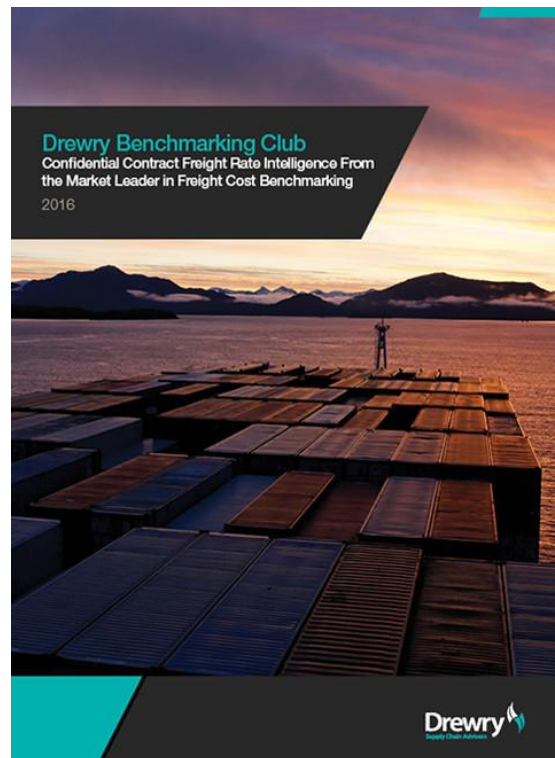
According to Drewry's Benchmarking Club, ocean freight rates for cargo moving under contract on the major east-west trade routes fell by another 18% between February and May.

And, based on confidential data from shippers, Drewry's contract rate index has now declined by a massive 29% year-on-year to May.

This, said the consultant, was the result of the big rate cuts secured by shippers for Asia-Europe contracts at the end of last year and start of 2016, and "considerable reductions" in annual transpacific rates negotiated in May.

Nevertheless, on a note of hope for the container lines, Drewry opined that spot rates "should be more stable through the rest of the year...if carriers have truly ended their rate war".

(from: theloadstar.co.uk, June 13th 2016)



RAIL TRANSPORT

SWITZERLAND INAUGURATES GOTTHARD BASE TUNNEL

The Gotthard Base Tunnel was inaugurated by the president of the Swiss Federation Mr Johann Schneider-Ammann and federal transport minister Mrs Doris Leuthard on June 1 with simultaneous ceremonies at the northern and southern portals of the world's longest main line railway tunnel.

The twin events were attended by six heads of state, including German chancellor Mrs Angela Merkel and French president Mr François Hollande, EU transport commissioner Mrs Violeta Bulc, and 1000 Swiss citizens who were chosen at random from more than 160,000 applicants for an inaugural journey through the tunnel.

A second handover ceremony was held in the afternoon to mark the official transfer of control of the 57.1km tunnel from AlpTransit to Swiss Federal Railways (SBB), which will carry out intensive testing and training over the next 193 days in preparation for the start of full commercial operations.

During the commissioning phase SBB will operate up to 5000 trains, most of them freight trains, through the tunnel before the start of full commercial operations on December 11.

A number of special trains will also carry passengers through the tunnel during this phase and from September some scheduled passenger services will be diverted onto the new line from the mountain route.

By the time this phase concludes, 3900 staff including 1000 drivers will have received training in the tunnel.

Construction

The route for the New Rail Link through the Alps (NLRA) was finalised in 1995 and financing for the €11.1bn project was finally secured in 1998.

Initial preparatory works began at Sedrun in April 1996 and major construction started with the blasting of access shafts in 1999.

The project involved the excavation of 151.8km of tunnels, shafts, and cross passages.

Two emergency stations were built at Faido and Sedrun to aid evacuation of the tunnel.

Four tunnel boring machines were used to dig and line 97.1km of tunnel, including most of the two running tunnels.

AlpTransit awarded a contract to the Transtec Gotthard consortium for the installation of railway infrastructure in April 2008.

This included 146km of track (115km ballastless) and 154km of overhead catenary, including 115km in the tunnel.

The ETCS Level 2 deployment involved the installation of 928 balises and 712 axle counters with a single radio block centre covering the entire length of the new line.

A new control centre at Pollegio at the southern end of the tunnel opened in 2014 and in addition to the tunnel this facility controls all rail movements in the canton of Ticino.

Into service

From December, 52 passenger trains and up to 210 freight trains will pass through the tunnel each day with up to four freight paths during the day (five at night) and two passenger paths per hour in each direction.



operate at up to 200km/h.

In order to fully exploit this capacity the speed of freight trains in the tunnel will be at least 100km/h while passenger trains will

The impact of the tunnel on transalpine freight operations will be significant.

The transit time between the German frontier at Basle and Bellinzona will be reduced to just 3h 45min, which means it will be possible for one driver to make a return trip between these two hubs in a single shift.

With the tunnel bypassing the severe gradients of the original mountain route, only one locomotive will be required to haul a 1600-tonne train to Bellinzona or Luino.

The completion of the tunnel will also enable the operation of 750m-long trains.

However, the full potential of the tunnel on freight traffic will only be realised in 2020 with the opening of the 15.4km Ceneri Base Tunnel - further reducing transit times and enabling the operation of 2000-tonne trains - and the completion of an SFr 940m project to upgrade the Gotthard route to accommodate lorry semitrailers with a corner height of 4m.

Leuthard told IRJ at the opening ceremony that the tunnel provides a strong basis for the expansion of rail's share of the transalpine freight market in line with the Swiss federal government's modal shift policy, but stressed that operators and infrastructure managers will need to work together closely at an international level if the sector is to capitalise on Swiss investment in the Gotthard.

"It's important in transport policy to achieve greater cooperation and more customer-friendly service," she says.

"The Rotterdam - Genoa corridor is symbolic of how the rail freight industry is working together.

We are putting the infrastructure in place to help rail freight move ahead, but we also need cooperation."

Passenger services on the Gotthard route will be accelerated from December, when the 4h 3min Zürich - Milan journey time will be reduced by up to 25 minutes and a new Zürich - Venice service will be launched.

The completion of the Ceneri Base Tunnel in 2020 will reduce travel times on the Zürich - Milan corridor by a further 30 minutes.

With reduced journey times and the introduction of SBB's new fleet of Stadler Giruno trains, which will enter service from 2019, SBB forecasts that passenger numbers on the Gotthard corridor will double by 2025.

The existing mountain route via Göschenen and Airolo will be retained and will continue to be used by an hourly regional passenger service as well as local freight workings.

The line will also act as a diversionary route for passenger trains if the tunnel is closed, although freight trains would need to be diverted via the Lötschberg route.

(from: railjournal.com, June 1st 2016)

ROAD TRANSPORT

RIDE-SHARING PLATFORM FOR CARGO SQUEEZES THE AIR OUT OF TRUCKS AND REDUCES EMISSIONS

Experts from the business sector have known it for a long time.

Even trucks that are loaded are only utilized by approximately 60% in Europe's transport networks.

COLO21 has developed a solution for this problem and now offers a "ride-sharing platform" for cargo.

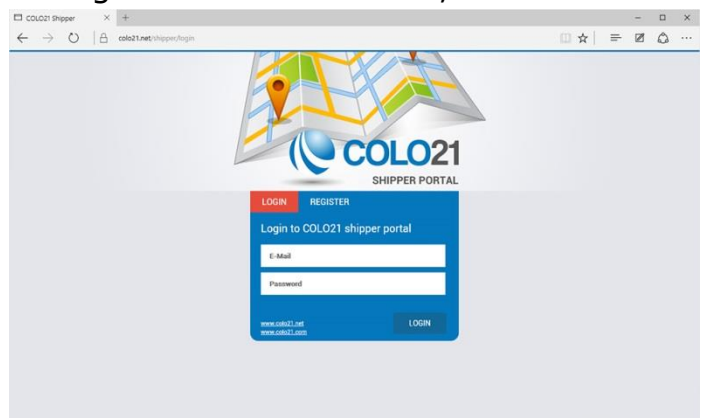
Via www.colo21.com, transport companies can offer free capacities.

Companies and private persons can then search for a ride-sharing possibility for their shipments and book them directly.

In contrary to existing freight exchanges on the market, also smaller shipments can be shipped with this solution.

Next to the positive effect on the profitability of the transport companies, the infrastructure and the environment can be relieved.

COLO21 CEO, Jörg Frommeyer, states: "There are by far too many trucks on the roads.



If they drive they have to be at least well utilized.

And with the ride-sharing platform for cargo by COLO21, we achieve the same advantages as for the transport of persons.

Cargo is travelling on trucks that are driving anyway.

It's both cost-efficient and reduces the number of trucks on the road."

Numbers from the German market show the possible impacts.

In 2015, trucks travelled 29,73 bn km on German motorways.

The number of trucks could be reduced by 25.000 if the utilization would go up by just 10 %.

That would be a queue with a length of approx. 450 km!

Approx. 3 bn km could be saved, a CO2 reduction of 2.5 mn Tons per annum.

That is the same amount of CO2 being emitted by the private households of a big city like Hamburg.

And these are just the numbers for the German market.

In the meantime, 900 forwarders across Europe are members at COLO21 – growing continuously.

(from: transportjournal.com/colo21.com, June 29th 2016)

INTERMODAL TRANSPORT

TRIAL RUN FOR CHINA-GERMANY FREIGHT SERVICE

A trial intermodal train from the Chinese port of Lianyungang to Herne in Germany's Ruhr region arrived at its destination on June 21.

The test train came after 17 days and 11,300 rail kilometres; the cargo train coming from the Chinese Lianyungang at the Yellow Sea reached the Container Terminal Herne (CTH).

The test train marks the start of cooperation between the Port of Lianyungang and the Wanne-Herner Eisenbahn- und Hafengesellschaft (WHE) as shareholder of the CTH.

Both partners intend to establish a regular rail connection between both cities in the future.

During a small welcome party WHE managing director Christian Theis was delighted by having gained a potent partner in China: "The connection opens an important extension of their existing networks to the WHE and its customers.



The other way round, the Port of Lianyungang makes accessible not only the Ruhr area by the connection to the CTH as a hub, but also further European conurbations, such as Milan, Verona, Vienna, Malmö or Copenhagen."

The Mayor of Herne Dr. Frank Dudda emphasized the importance for the City of Herne within the centre of the Ruhr Metropolis as place of destination of the rail connection: "We focus on the brand Centre of the Ruhr area.

This offers us bright prospects for many enterprises being located here and with worldwide expansion opportunities."

The Kazakh logistics company KTZ Express, a subsidiary company of the State railway company, played an important role, both, on the route of Lianyungang-Herne, and while establishing the business connection.

Gregory Vojak, Independent Board Member of KTZ Express, has specially arrived in Herne for welcoming the test train.

For him the Container Terminal at the Wanne west harbour is an important junction for the movement of goods to the Ruhr area and the entire Western Europe.

Background of the planned new train connection is the multi-billion Chinese initiative "One belt, one road".

It is about the revival of the legendary Silk Road by the overland and sea route.

The harbour of Lianyungang on the Pacific Ocean is here the starting point of an important freight traffic route.

It leads the test train via Kazakhstan, Russia, Belorussia and Poland to Herne.

(from: railjournal.com/whe.de, June 22nd 2016)

INDUSTRY

SLOWING SHIPPING FLEET GROWTH TO EASE OFFICER SHORTAGE

Slowing growth in the size of the shipping fleet will reduce the shortage of officers over the coming years, according to the latest Manning report published by global shipping consultancy Drewry.

The global shipping fleet – encompassing all sectors except the noncargo carrying ship types, such as tugs and passenger ships, and smaller coaster vessels, such as oil tankers and bulk carriers of less than 10,000 dwt – is expected to rise by a mere 300 vessels through 2016-2020.

As a result, the shortage in officer supply is forecast to reduce from 20,900 at the end of 2015 to 7,700 by the end of 2020.



The year 2015 proved to be a dreadful one for the entire shipping sector, with the exception of oil tankers.

Weak demand, coupled with falling commodity prices and oversupply of tonnage in most sectors led to rates collapsing to levels unseen

since the global financial meltdown in 2008-2009.

Growing concerns in the global economy and depressed freight earnings have forced owners to refrain from contracting new orders, while order cancellations and vessel demolitions have become a regular feature of the market.

Poor freight earnings are forcing owners and operators to reduce costs, in turn keeping any increase in wage levels to a bare minimum.

While manning costs for 2016 are largely similar to those in 2015, in some sectors, such as LNG, there have been some uplifts in wage costs over the past year.

However, the offshore sector, in particular, has witnessed wage reductions in light of falling oil prices and an uncertain economic outlook.

“With the growth in the size of the cargo carrying fleet tapering off, we expect the ongoing officer shortage to ease and for wage costs to increase modestly over the next five years”, said Nikhil Jain, senior analyst at Drewry.

(from: cargobusinessnews.com, June 23rd 2016)

LOGISTICS

NEW TECHNOLOGY IS KEY TO 3PL GROWTH – BUT IT MUST ADD VALUE FOR THEIR 'SHIPPER PARTNERS'

Growth for 3PLs will be boosted through investment in technology – but it must add value for customers, delegates heard at the recent Future of Logistics conference in London.

“Disintermediation will allow shippers to work with new supply chain players,” said John Manners-Bell, CEO of Transport Intelligence.

“Incumbent 3PLs need to take a long and hard look at what value they are providing to shippers, and ask how they can develop partnerships with them.”

Software services offered by 3PLs are expected to reach \$30bn in value by 2022, at a growth rate of 6.5%, according to a Global Market Insights report out this month.

“Rapid adoption of software and latest IT applications to improve distribution coverage and provide quality service to the customers is likely to boost growth,” it notes.

This is backed by a Research & Markets report on global 3PLs, which agrees that market growth would be boosted by technology.

It says: “The use of upgraded technologies in logistics services is likely to increase... IT-enabled services increase the efficiency of logistics services on scheduling transportation and delivery and inventory management.

Companies like Wipro, Kale Consultants and Wal-Mart have made it essential for their logistics partners to deploy these services.

“In addition, vendors in the market are now using cloud-based CRM solutions to enhance the vendor-shipper relationship by providing more visibility in the supply chain process, thus reducing SCM complexity.”

Delegates at the conference heard that the relationship between 3PL and customer would be key, and that data should be shared.

"3PLs could look at giving away their technology to shippers operating on their network," said Sandy Stewart, managing director for Transport & Logistics at Stifel.

"It wouldn't make the supply chain management software people happy, but it would work for the supply chain.

All information should be aggregated in the cloud."

Nicolas Leroux, managing partner of Lunatech, said: "Who controls the information will control the supply chain.



But you need to get away from legacy to open systems."

Justin Zatouroff, a partner at KPMG, added: "It's all about big data and analytics.

The questions will be on who owns the data and who can

analyse it.

There is a paranoia about sharing data – but the new generation is happier to share."

E-commerce was also cited as a key sector for IT investment, with Amazon's predictive demand technology seen as a key factor in its success – and critical to its distribution strategy.

"Amazon understands its US consumers so well it knows what they are going to buy, and it can be at their house next day," said Mr Stewart.

But he added that Amazon had a weakness too: "What Amazon is poor at is the 50lb + items – white glove delivery – it's a vulnerability."

Jerome Charlez, founder of Khearos, noted the high costs of poor forecasts in e-commerce.

He told delegates: "\$4.2bn was lost last year on poor predictions in e-commerce.

Money was lost on the last mile, where there is a huge risk."

But KPMG's Mr Zatouroff said the technology was available to make good forecasts.

"There is the challenge of unpredictable spikes for retailers.

We have built loads of models to a remarkable degree of accuracy, info which you can roll back through the supply chain, to make inventory match demand precisely."

He advocated "jumping in", rather than waiting for new technology, which changes all the time.

And there was warning for 3PLs and carriers that do not invest in IT for e-commerce.

"Transport needs to reinvent itself, or it will be reinvented the hard way," said Mr Charlez.

"Agile transport companies need to scale fast, be flexible and branded."

(from: theloadstar.co.uk, June 27th 2016)

LAW & REGULATION

EUROPEAN FORWARDERS LEADING VGM PREPARATIONS

European forwarders are leading the way in their verified gross mass (VGM) preparations with advance testing of their processes and systems ahead of the 1 July deadline for new container-weighting rules, reports ocean freight portal and data specialist INTTRA, which has played a leading role in coordinating the freight sector's response to the changes.

Meanwhile, some cargo owners are making progress but trailing a little further behind, and many businesses in parts of Asia and Latin America are still awaiting information from their respective authorities, while a lot of companies may not have even started the process yet, the electronic marketplace and information service provider believes.

In an interview yesterday, INTTRA president Inna Kuznetsova told Lloyd's Loading List that some of the top European freight forwarders and carriers are very far ahead in testing their software and processes – and the equally important task of preparing their customers and staff for the changes required by the amendments to the IMO's Safety of Life at Sea (SOLAS) convention.

Alongside the world's biggest ocean freight forwarder, Kuehne + Nagel – which announced last month that it would use INTTRA's eVGM software as its exclusive channel to communicate its VGM information to ocean carriers – were dozens of other companies that are less active in their communications but who are working hard on preparing for the changes ahead of the 1 July deadline, using INTTRA's eVGM products.

"That part of the industry gives me a lot of confidence," Kuznetsova said.

The company also has commercial agreements with all of the top seven European carriers.

She said readiness in Asia was at a less-developed stage.

Although the company does have some Asian freight forwarders and carriers using its products, a lot of customers within that region are only starting to think about the VGM.

And in parts of Asia and in Latin America, Kuznetsova said a lot of companies were still talking about a lack of clarity and the need to get further information

from their respective authorities before they invested in efforts to prepare for the changes.

This, she feels, could be problematic.

INTTRA had not originally planned to create its eVGM products but was inspired to do so after several months ago coordinating some meetings on the imminent VGM requirements between major stakeholders in the sector, resulting in it developing and launching two products – one for carriers and one for shippers.

The product for shippers has seen significant take-up from both freight forwarders and cargo owners, including major shippers from sectors including food and agriculture, and automotive parts.

“But in my experience, the freight forwarders started much earlier and are much further forward,” Kuznetsova said.

“We have dozens of customers in testing every day.”

That process of testing takes several days, perhaps a week and a half, she says.

In some cases, freight forwarders and carriers have formed pairs in order to test each other’s systems, something that they have been able to do through the INTTRA eVGM service.

On the carrier side, major container lines including MSC, UASC, and Hamburg Süd have already announced their use of the INTTRA products, with some top Asian carriers also planning to announce their participation.

Another important development has been the decision by “a couple of dozen” software partners that are working to integrate with INTTRA's eVGM product.

Although the World Shipping Council said some weeks ago that shippers and freight forwarders should worry less about how they will transmit their VGM and be more concerned about how they will adapt their processes to include the weighing of cargo and containers, Kuznetsova says there are multiple reasons why shippers or freight forwarders would want to use a multi-carrier solution.

One key reason is that it requires just one EDI integration to the portal rather than multiple EDI integrations, a considerable saving given that shippers may use between 20 and 25 different carriers.

"Another reason is that our eVGM service for shippers is much more than a way to submit the VGM, adding a lot of flexibility," she says.

For example, in a lot of cases, the weighing of the cargo will be done by a separate entity rather than the shipper itself, with the eVGM software allowing that entity to file the information direct with carriers or via the shipper.

Effectively, this means that the shipper does not need to change its processes.

"Our software allows for a lot of different kinds of scenarios," she said.

"The flexibility allows the flexibility to avoid changing the whole process of the container movement."

Another challenge has been that the new VGM requirements will ordinarily require shippers to send shipping instructions much earlier in the process, anywhere between one and four days before the ship comes ashore.

She says a product like eVGM can minimise this time as well as helping to avoid disruptions and penalties.

But another key factor is the regional variations, with INTTRA as a global provider committed to making sure that its systems adapt to the regional variations.

For example, Brazil requires passport numbers, India requires access data, and Hong Kong requires shippers to specify the method of weighing.

And as time progresses, the processes will develop further and ultimately solidify, she says.

So, what does INTTRA expect to happen on 1 July?

"That's a good question.

I firmly believe that a lot of companies will work out their process and if they are practising now and in a testing environment, they will start exchanging weight messages and confirmations before the date, and will have the process working," Kuznetsova said.

"I also think that a lot of companies may not have even started on the process yet and will come to a hard realisation that delays are inevitable.

And I think that we will see some of these events happening on 1 July.

I think we will see a lot of variations between countries and ports.

I think some ports and some terminals will interpret the law more than others, or in a harsher way than others.

I think there will probably be some situations when containers get weighed, and there will be other situations when shippers will get the first one past, but with a clear warning.

And over the next few months, the industry will fall into the pattern of getting compliant."

Kuznetsova continued: "Of course, everyone hopes for the minimal disruption during the peak season.

So, hopefully, in the two weeks still left before the deadline, will see more and more shipping companies taking action."



She says INTTRA has certainly seen this process accelerating, in terms of the number of people coming to it for a solution.

"We do – to a frightening speed!

And I keep telling customers that we are delighted and that we appreciate their business, but what is important for them is that signing up for the INTTRA eVGM service is just one step in the journey.

There is the need to test the process; to educate the staff; to test how the internal process is working."

Kuznetsova added: "We are talking about actions performed by people rather than software.

The fact that the software will transmit the message and send you back an approval is great; however, it also means that the person who sends the weight, who presses the button, needs to know how to do it.

People are people, and logistics is a very well orchestrated ballet of thousands of people performing actions in a certain order.

As always, repetition is the foundation of good, practiced performance."

But INTTRA is still welcoming new customers for its eVGM products, despite the high level of demand currently.

"On our side, we will put necessary changes in place and we are committed to help as many customers as we can to perform the necessary steps to integrate and test systems in time," said Kuznetsova.

"We plan for multiple releases of the software, to accommodate additional requirements, including additional suggestions that the customers give us as they test the software.

So, from our side, we will carry on with our commitment to lead the industry and evolve the products and help shippers and carriers alike to minimise disruption.

We encourage everyone to start planning early with us and start making the necessary decisions and taking the necessary steps, start integrating software, start training early rather than later, to avoid disruption."

(from: lloydsloadinglist.com, June 16th 2016)

STUDIES & RESEARCH

DREWRY ANALYST FORECASTS A POORER FUTURE

Global terminal operators (GTOs) should come to terms with a future that is characterised by lower fiscal returns and higher investment and operational risks.

Speaking at TOC Europe's Container Supply Chain Conference, Neil Davidson, senior analyst – ports and terminals at the UK-based maritime adviser, said: "There are structural changes going on in the liner business and this is resulting in additional volatility, increased risks and lower profit margins for terminal operators."

But he stressed that it did not mean "no returns".

"The business [container terminals] will have to face more upheaval as the new alliances and shipping line changes kick in and the customer base reduces.

It will also mean more volatility and higher peaks and troughs for ports/GTOs when it comes to cargo flows."

Davidson pointed to cargo throughput changes at several ports to illustrate his ideas.



"In South East Asia, last year saw Singapore's throughput decline by almost 9% while Port Klang's rose 8.6% and PTP's by 10.5% and it was almost entirely related to changes in the alliances.

Closer to home, in northern Europe Rotterdam was stable, Hamburg and Zeebrugge lost significant volumes of traffic and Antwerp saw a 7.5% rise in its throughput in 2015 and again it was largely because of service changes implemented by the alliances.

"In my view this type of volatility will continue and the Port of Singapore's recent deal with CMA CGM to take some of the French carrier's transshipment cargo back to Singapore from Port Klang should be seen in this light," he said.

In dealing with this riskier future, Davidson suggested several solutions.

He explained: "GTOs could develop closer relationships with ocean carriers, consider forming alliances between themselves, including pursuing outright mergers and acquisitions, reduce their investment budgets, retire from the business or just accept the fact that in future it will be an industry with lower rates of return."

(from: worldcargonews.com, June 15th 2016)

CONFERENCES

SOLAS VGM SEMINAR CALLS FOR COLLABORATIVE COMMUNICATION

With under a month to go before the amendments to the International Convention for the Safety of Lives at Sea (SOLAS), requiring that shippers obtain the verified gross mass (VGM) for each packed container and communicate it to the shipping line before it can be loaded onto a ship, representatives of a wide spectrum of the industry gathered to review preparedness.

The recent IMO Circular, issued on 23rd May and urging 'practical and pragmatic' approach to enforcement of VGM over the first three-month settling-in period, was welcomed.

Albeit in the context that further national implementing measures may not be required, it was noted that less than 15% of the 162 IMO Member States that are signatories to SOLAS have given shippers and operators in their jurisdiction any helpful guidelines regarding VGM procedures that become mandatory on 1 July.

Mike Yarwood, Claims Manager from TT Club, the freight insurance specialist addressing the Seminar audience commented: "The recent IMO Circular is rightly good news for those that are taking appropriate steps to prepare for 1st July.

It is not – and should not be considered in any way – a panacea for the unprepared.

Sympathetic enforcement for a limited period allowing for cargo already in the supply chain and resolution of teething problems in no way steps away from the safety objectives of these VGM amendments."

TT Club has repeatedly pointed out that there was extensive stakeholder and international consultation leading to IMO's adoption of the amendments to SOLAS in November 2014.

The recent Maritime Safety Committee Meeting stated that the key to successful implementation of the VGM requirements is close communication and cooperation between governments and all industry stakeholders.

It was also recognised that the VGM requirements operate within a context of cargo related requirements in SOLAS, the ISM Code, the IMDG Code and the CTU Code.

Mike Yarwood summed this up: "Behavioural change through all aspects of the supply chain is required.

Weight is a relatively small element of broader initiatives to engender safety and improve operational performance.



Improved stakeholder communication is foundational."

The Antwerp Seminar was a recent element of a long---running effort by ICHCA and a number of trade bodies to create a greater awareness and understanding of the VGM regulation.

Captain Richard Brough, Technical Advisor to ICHCA International has, along with others, been at the forefront in this challenge.

Speaking at the Seminar, he said: "As 1st July approaches we see an increasing number of terminal operators announcing the service options they will offer to shippers to facilitate determining the VGM of export containers.

Lifting equipment suppliers, carriers, forwarders and, with a few exceptions, shipper representatives have all engaged positively in order to identify the most appropriate way to comply, whether by Method 1 or Method 2.

Sadly, where compliance is a shared responsibility, communication between all the different parties has too often been acrimonious rather than collaborative.

As a result – a month out – contingency planning is now crucial for all stakeholders, to avoid a potentially disastrous impact on container supply chains."

Both ICHCA and TT Club, together with the World Shipping Council (WSC) and the Global Shippers Forum (GSF) are determined to use the remaining weeks to continue their mission of education to those concerned with, and about, the regulation.

These four sponsors will shortly issue 'Verified Gross Mass – Supplementary Industry FAQs' to add to the document released in December 2015.

The organisations will also monitor implementation, both in the initial period and longer term.

(from: cargobusinessnews.com, June 8th 2016)

ON THE CALENDAR

- | | | |
|-----------------------|----------------------|---|
| ▪ 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.