Newsletter

September 15th 2016

Link road, rail, sea!

Council Of Intermodal Shipping Consultants

C.I.S.Co. - Via Garibaldi, 4 – 16124, Genova Tel. 010 2518852 - www.ciscoconsultant.it

YEAR XXXIV
Issue of September 15^{th} 2016

September 15th 2016

The content of the C.I.S.Co. Newsletter is also published in the newspaper "Informare" accessible on the Internet site http://www.informare.it

PORTS AND TERMINALS

CONTAINER TERMINAL ALTENWERDER FURTHER INCREASES EFFICIENT USE OF SPACE

A total of five tunnels have gone into operation at Hamburger Hafen und Logistik AG's (HHLA) Container Terminal Altenwerder (CTA), which are required to maintain reefer containers.

This is giving the CTA additional storage capacity equivalent to a quarter of a storage block.

The tunnels were built by Hamburger Container-und-Chassis-Reparatur-Gesellschaft mbH (HCCR), a subsidiary of HHLA.

In order to be able to carry out work on reefer containers, the employees responsible for maintenance at HCCR need to be able to access the storage blocks.

Until now, roadways had to be kept clear to allow employees access to the reefer containers within the storage blocks.

The innovative construction now also allows the space required for the roadways to be used for the storage of containers.

Instead of using the roadways, the container tunnels built by HCCR allow staff to access the reefer containers on foot.

Additional containers can be stored on top of the tunnels.

Tunnels with a total length of 776 metres have been built.

Two of the tunnels stretch as far as the total length of a storage block, while the other three are just over half a storage block in length each.

Eighty-eight containers were rebuilt and reinforced in the process.

Oliver Dux, Managing Director of the Container Terminal Altenwerder, is delighted with the additional storage capacity: "We need all available storage space, especially during peak loading times.

With the additional capacity, we are in an even better position to be able to cover these peak loading times, which arise from the increasing number of large vessels, and offer our customers a high level of productivity.

Realising the construction measures while the terminal was in operation proved a major challenge for all those involved.

It is therefore even more pleasing that HCCR stayed within the allocated budget and reacted flexibly to all the requirements."

The construction work came to a total of approximately € 1.5 million.

One particular challenge was that there are also pipelines and supply lines underneath the roadways where the tunnels were installed.

The tunnels therefore had to be constructed in such a way as to ensure that these tracks and supply lines could also be accessed during operations.

Dr. Georg Böttner, Managing Director of HCCR: "With the building of the tunnels at the CTA, we have once again proved our expertise in activities beyond our core business.

In contrast with comparable projects in other ports, the tunnel solution at the CTA could not be considered when the terminal was initially designed.

The project involved designing and building tunnels which could be completely dismantled, and which in turn included a lot of adapting to local and operational conditions."

(from: hhla.de, August 26th 2016)

MARITIME TRANSPORT

SHIPPERS FACE SOARING RATES AS THEY BATTLE FOR ALTERNATIVE SPACE AFTER HANJIN COLLAPSE

Shippers are starting to feel the heat from the collapse of Hanjin Shipping as container spot rates leaped ahead on the Asia-North Europe and transpacific tradelanes.

According to Drewry, spot rates quoted yesterday from Asia soared by 42% and 39% in one day to the US and North Europe respectively, as shippers rushed to find alternative space at almost any price.

Today's Shanghai Containerized Freight Index (SCFI) records a 51.4% weekly hike in transpacific spot rates to the US west coast, to $1,746 per 40ft, and a 45% jump in rates to the US east coast, to $2,441 per 40ft.

The Korea International Trade Association (KITA) today projected that the rate from China to Long Beach would increase to $2,200 per 40ft this month.

Elsewhere, the SCFI records a 36.5%, or $254 per teu, increase in container spot rates for North Europe to $949 per teu.

But anecdotal reports coming into The Loadstar suggest that there will be a further massive jump in rates next week as carriers are able to fully implement GRIs and FAK increases without difficulty for non-contracted cargo.

Surprisingly, the fallout from Hanjin's demise has not had an impact so far on rates to Mediterranean ports with spot rates recording the only fall in the index, down 6.1% to $519 per teu, although the route is likely to feel the contagion effect of higher spot rates from other trades during next week.

Supply chain software provider CargoSmart today provided concrete evidence of the immediate effect on Hanjin's schedules.

Of the 100 container vessels in Hanjin's fleet, 52 were off-schedule from Wednesday to Thursday this week, it said.

"Forty-six vessels with an original estimated time of arrival on August 31/September 1 have not yet arrived at their next scheduled port.

Six vessels with an original estimated time of departure on August 31/September 1 have not yet departed from the ports," it said.

Some estimates put around 500,000 teu of cargo either loaded on Hanjin ships or in its boxes currently in the supply chain, and the bankruptcy could not have come at a worse time for shippers expecting delivery of merchandise in time for the holiday season.

There are also mounting concerns that just-in-time manufacturing assembly lines will halt as vital parts get caught up in weeks– or possibly months – of delays, as legal teams battle over ownership of containers.

According to KITA, around 40% of Samsung's products are exported on Hanjin vessels, LG Electronics moves 20% of its goods on the container line and Nexan Tire Corp around 25%.

One UK forwarder told The Loadstar yesterday his client had already instructed the shipment of replacement goods from China and that some vital parts would likely be airfreighted.

He said: "Unfortunately space was already tight before the Hanjin crash and it is now difficult to find a carrier willing to guarantee space.

Unsurprisingly, rates have gone through the roof."

Although his client said he preferred not to use any other CKYHE ships in case there were any repercussions from its ex member, he admitted he might not have any other options.

And even those carriers that are not part of the CKYHE alliance, have begun to limit their exposure to Hanjin.

OOCL today said its cargo would not be loaded on Hanjin vessels and that it would not accept Hanjin containers on its vessels – although those already aboard would be discharged at the intended port.

OOCL would "liaise with Hanjin Shipping and the marine terminal operators to release cargo as soon as possible" for containers on board vessels under arrest.

However unfortunate the demise of Hanjin for its employees, it could be seen as a potential lifesaver by rival carriers, with collectively full-year losses recently estimated to amount to $10bn.

One UK carrier told The Loadstar that, after the dust had settled, he expected shippers to be “banging on the door” to agree contract rates.

But, as has happened in the past, it is also possible that carriers will be reviewing some of their lowest contract rates on file and asking customers to pay an additional premium to guarantee shipments.

(from: theloadstar.co.uk, September 2nd 2016)

RAIL TRANSPORT

DB RAILFREIGHT BUSINESS ATTAINS PRE-CRISIS LEVEL IN 2015

In 2015, the German rail freight market returned to a level of activity not seen since before the 2008 economic and financial crisis.

At 116.6 billion tonne kilometers, volume was up 0.8% compared to the crisis year of 2008.

Road transport service surpassed pre-crisis levels already in the year 2011 with a transport volume of 457.6 billion tonnekilometres.

Taken together, all modes of transport achieved a growth of 1.8% in 2015 for the market as a whole.

Rail freight transport contributed above average to the growth, as its transport volume was up to 3.6% year-on-year.

Despite this positive trend, rail's 17.5% share of the modal split is still behind its market position of 2008 (17.7%).

The financial situation is more serious than the traffic.

The percentage return on sales generated by freight railways is exceptionally low, and in some cases negative.

The environment makes it difficult for railways to invest in their businesses.

This in turn has reinforced the situation that has persisted in recent years: progress has not been made in shifting traffic from roads to rail, a target set out in policy.

Nevertheless, experts are still predicting strong future growth for the rail mode.

For example, the German government's new Federal Transport Infrastructure Plan assumes that rail freight transport will grow 43% by 2030.

Similarly, the seventh World Transport Report 2015/2016 by Prognos, a consultancy firm, predicts 70% growth by 2040, with a resulting five percentage point shift of the market share to rail.

Policy makers question their traffic-shifting targets

In light of the tense rail freight situation, discussions at the European level surrounding the mid-term review of the 2011 White Paper on transport have been contentious, focusing on whether to revise the targets for shifting traffic to rail.

The German government is currently updating its national sustainability strategy, and as part of that process it is considering whether to keep the traffic-shifting target for freight service to rail.

The shape that its new Federal Transport Infrastructure Plan is taking relies on a traffic shift, however.

In light of the 43% growth forecast for 2030 assumed for rail freight transport, new-build and line upgrade projects in the rail network need to be designed to accommodate the increased traffic that has been predicted.

Many players have begun to analyze the cause of rail freight's weakness following the 2008 economic crisis.

Experts at ministries, European institutions, industry and customer associations, railways, and research institutes are relatively unanimous, despite their different interests, that traffic has failed to shift from roads to rail for the time being, despite intentions to the contrary.

The fundamental reasons for this include infrastructure bottlenecks, technical hurdles and increasing cost disadvantages as compared to road haulage.

The difficult position of freight railways in the current market environment

On the infrastructure side, bottlenecks at nodes and on main corridors and technical hurdles in cross-border transport frequently prevent freight railways from offering their services with the reliability and high level of quality that customers expect for their transports.

Furthermore, the cost disadvantages of rail as compared to road are increasing.

Rail freight transport is becoming more expensive as a result of ever higher costs for electricity, track access charges and wages, some of which are determined by the government.

At the same time, costs for heavy goods vehicles are falling as a result of cheaper fuel, lower tolls and lower wages.

All of these factors have made rail freight transport less competitive.

One of the many reasons is the ineffective and inconsistent arrangement of policy measures, as the European Parliament states in a 2015 study.

The authors of the study identify the financing of infrastructure measures as one root cause.

According to the study, only one-fourth of the money from the European Cohesion Fund was allocated to transport projects between 2007 and 2013 – distributed among 238 individual projects across all modes, with road transport being the primary beneficiary.

According to the authors, Marco Polo program, which aimed to enhance intermodality, was abandoned in 2013 because it was unsuccessful, the authors state.

The study also examines the effectiveness of the Eurovignette Directive.

It shows that, concurrent to implementing the Directive, many countries have introduced measures to promote road transport that have offset the effect of road tolls.

The different stages of progress in liberalizing Europe’s rail freight markets and different national preconditions for train protection and traction current systems also increase investment and administrative costs for freight railways.

Germany’s Federal Environment Agency has a similar position to that of the authors of the European Parliament study.

It considers shifting traffic to rail to be “moderately” relevant from a policy standpoint.

When reviewing the mobility indicators for the national sustainability strategy, the agency discovered that the goal of increasing the share of rail in freight transport performance could no longer be reached as envisaged “and was not sufficiently underpinned by further strategies accepted across areas of responsibility.”

In addition to the tough market conditions, transport through the Channel Tunnel in particular was made more difficult for freight railways in 2015 as a result of the refugee crisis.

Refugees descended on the entrance to the Channel Tunnel in northern France, which occasionally led to dramatic situations.

Rail freight transport services through the Channel Tunnel are operated via the Calais-Frethun yard, where at times up to 10,000 refugees gathered in difficult humanitarian conditions inhopes of reaching the UK.

In late 2015, some 1,500 refugees a month tried to cross the Channel Tunnel on freight trains leaving the yard, which disrupted operations considerably and caused a slump in transport services.

The Channel Tunnel's figures for the 2015 business year document the impact.

The number of freight trains fell by 17% compared to the year prior, plummeting by 42% in Q4 alone.

Competitor railways saw stronger growth than DB Cargo

The German rail freight market was marked last year by opposing developments, with trends at DB running counter to those at its competitors.

DB had to struggle with the consequences of the German Train Drivers' Union strike, below-average growth of rail-based industries such as the steel and chemicals industries, and quality problems.

Its performance was down 5.1% from 2014 as a result, and competitors took advantage of this.

Their market share increased to 39.1%.

As early as 2014, the most recent market survey of the Federal Network Agency showed a slightly better percentage return on sales for the other railways than for DB's rail freight services.

We expect this observation to prove true for 2015.

These differences are due primarily to low-margin single wagonload transport, which is operated almost exclusively by DB Cargo and which makes up roughly one-third of the company's total performance by volume.

This is one of the reasons why railways in Europe are moving away from single wagonload transport.

According to a 2015 study, customers of freight railways that are members of the International Rail Freight Business Association and the International Union for Road-Rail Combined Transport see this as a sign that rail freight transport is becoming less competitive.

Many countries offer so little choice in terms of single wagonload transport that many freight forwarders say they don’t even consider single wagonload services when planning.

A leaner DB Cargo

There is no question that the current market environment is making things difficult for Europe’s freight railways on the whole.

Their transport volume stagnated in 2015 and their financial figures remained unsatisfactory despite the ongoing economic recovery in Europe.

With no changes in sight in the short term, DB is taking appropriate action based on this experience.

DB began operating its rail freight services under the DB Cargo name again in January 2016.

The DB Schenker brand will be maintained for non-rail logistics activities, and DB Cargo will reposition itself.

DB Cargo intends to take advantage of every business opportunity and has identified two essential strategic directions.

First, DB’s freight transport division will greatly simplify its production processes to offer more reliable and more punctual services for customers and to improve quality.

DB Cargo has set out to meet 95% of all performance commitments made to customers.

To do this, it will separate the different transport segments – block trains, single wagonload transport and combined transport – and plan and conduct these services separately in the future.

It will also create end-to-end responsibilities, which will eliminate the previous fragmentation into multiple regionally distributed production centers.

Second, DB Cargo will focus on a core network.

Organized around corridors, the network will enable high-volume services, which will cut costs and therefore make the company more economically sound and more competitive.

This step will be implemented using an annual timetable including set frequencies, since roughly 80% of all long-haul services can be planned for the long term.

More transparent structures will streamline planning processes and simplify scheduling, creating a high-quality Europe-wide network.

(from: transportjournal.com/deutschebahn.com, September 2nd 2016)

TRANSPORT & ENVIRONMENT

MEPS WANT SHIPPING INCLUDED IN 2030 EMISSIONS TARGET THROUGH ETS 'CLIMATE FUND'

A proposal to include emissions from shipping in the EU's 2030 emissions reduction target through the EU emissions trading system (ETS) has gained cross-party support among MEPs.

The amendment calls for shipowners to buy ETS allowances from 2021 onwards or pay an equivalent amount into a new climate fund that minimises administrative burden by buying allowances collectively on their behalf.

The parliamentary groups of the Socialists and Democrats (S&D), Greens and the liberals (ALDE) tabled the proposal.

The centre-right group, the European People's Party (EPP), also supports the inclusion of shipping in the ETS as a way to make the sector contribute to the EU's 2030 climate target.

The fund will also function as a flow-back mechanism by reinvesting 20% of the allowances' revenues to make the shipping industry and ports more efficient.

This new source of financing is expected to support carbon-saving retrofitting, innovative technologies and port charging schemes.

T&E estimates that this would roughly amount to €1 billion at the outset.

The proposal is based on the existing EU monitoring system (MRV) of shipping emissions to keep to a minimum the extra administrative cost for shipowners, ports and authorities.

The owners of ships arriving at or departing from EU ports would have to either buy directly EU ETS allowances to cover their CO2 emissions or pay an equivalent amount into the fund that will collectively purchase and retire the required number of allowances on their behalf.

S&D MEP Jytte Guteland said: 'If Europe is to honour its commitments through the Paris agreement, all sectors will have to contribute to the transition to a low-carbon society.

Time is of the essence and the shipping industry has an important role to play in this transition.

In setting up a climate fund for shipping allowances, the EU will help industry cut global-warming emissions in a sustainable way by investing 20% of the revenues in green projects for ships and ports.'

Having escaped any explicit reference in the Paris agreement, industry and the IMO are facing increasing pressure to deliver on the climate front.

The IMO had started moving towards defining a 'fair share' contribution by the shipping sector to curbing climate change, but a decision on a work plan has been delayed at its last meeting in April.

It next meets in October.

Green MEP Bas Eickhout said: 'This is really about reducing emissions from international shipping, the only transport sector not contributing to climate goals in Europe.

Since the IMO work can take years to propose, our duty is to make sure that Europe takes action.

This is also an opportunity to increase post-Paris EU climate ambition by making EU's reduction target economy-wide.'

The proposed shipping fund would see shipowners pay an annual membership fee based on their annual emissions and the average allowance price the year before.

Paying directly into the fund will allow shipowners to contribute to the EU's 2030 emissions reduction target directly.

T&E's shipping officer Sotiris Raptis said: 'The well-below 2°C warming limit set by the Paris Agreement will be impossible to meet unless Europe and the International Maritime Organisation (IMO) introduce measures to cut shipping emissions.

Shipping is the only transport sector that is not contributing to Europe's climate goals.

This needs to end as there is no reasonable excuse for this special treatment.'

The EU’s legislation on the monitoring, reporting and verification (MRV) of maritime GHG emissions came into force in July 2015 and will become operational in 2018.

Last year a European Parliament study found that shipping will be responsible for 17% of the total emissions in 2050 if left unregulated.

(from: hellenicshippingnews.com, September 8th 2016)

LOGISTICS

KUEHNE + NAGEL UNVEIL LATEST DIGITAL OFFERING

Kuehne + Nagel have announced its digitalisation approach and introduced the next innovative product "gKNi", which is based on logistics data and predictive analytics.

Driving constant service and performance improvements for the benefit of its customers and stakeholders, Kuehne + Nagel leverages its logistics competence and innovation power through a digitalisation approach focusing on digital readiness, digital products and venture platform.

Kuehne + Nagel's digital readiness consists of globally advanced data structures and processes as well as standard interfaces ensuring instant and seamless connectivity for improved customer service.

In combination with its global standard operating systems, Kuehne + Nagel is able to quickly respond to market requirements and to shorten the time to market for digital products and solutions.

Kuehne + Nagel has already launched KN FreightNet, a digital product providing instant quotation, online booking as well as track & trace for air and sea shipments.

In the scope of its venture platform Kuehne + Nagel engages with startups and explores and generates itself new business opportunities broadening its digital offering and customer base.

Dr. Detlef Trefzger, CEO Kuehne + Nagel Group, commented: "Using our core competence and scaling-up our digital mind set, especially in the area of data management and analytics, we develop pioneering products that bring additional value to our customers.

We consider digitalisation not as disruption, but as part of our ongoing business evolution.

Thus it enables us to continuously deliver innovative solutions that matter for our customers."

Building on its digital readiness, product development capabilities and logistics market intelligence, Kuehne + Nagel created the "gKNi trade nowcasting".

"gKNi" stands for "global Kuehne + Nagel indicators" and provides estimates for key economic figures, such as trade balance and industrial production, based on Kuehne + Nagel's insights into markets and data of global trade flows.

This innovative product is an initiative of the company's venture platform utilising in-house developed technology to combine big data with data-mining, automisation and predictive analytics.

The "gKNi" delivers early insights into the very recent past, the present and the very near future of economic development up to 55 days earlier than other estimates on trade related indicators.

It is available via subscription and targets Kuehne + Nagel's logistics customers, corporations, governments, banks as well as investors facilitating their decision making.

(from: bulk-distributor.com, August 31st 2016)

LAW & REGULATION

BALLAST WATER CONVENTION TO ENTER INTO FORCE IN 2017

Accession by Finland has triggered the entry into force of the IMO Ballast Water Management Convention.

The Convention will enter into force on September 8, 2017, marking a landmark step towards halting the spread of invasive aquatic species, which can cause havoc for local ecosystems, affect biodiversity and lead to substantial economic loss.

Under the Convention's terms, ships will be required to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments.

"This is a truly significant milestone for the health of our planet," said IMO Secretary-General Kitack Lim.

"The spread of invasive species has been recognized as one of the greatest threats to the ecological and the economic well-being of the planet.

These species are causing enormous damage to biodiversity and the valuable natural riches of the earth upon which we depend.

Invasive species also cause direct and indirect health effects and the damage to the environment is often irreversible," he said.

He added, "The entry into force of the Ballast Water Management Convention will not only minimize the risk of invasions by alien species via ballast water, it will also provide a global level playing field for international shipping, providing clear and robust standards for the management of ballast water on ships."

Finland's accession brings the combined tonnage of contracting states to the treaty to 35.1441 percent, with 52 contracting parties.

The Convention stipulates that it will enter into force 12 months after ratification by a minimum of 30 States, representing 35 percent of world merchant shipping tonnage.

The Convention will require all ships in international trade to manage their ballast water and sediments to certain standards, according to a ship-specific ballast water management plan.

All ships will also have to carry a ballast water record book and an International Ballast Water Management Certificate.

The ballast water performance standard will be phased in over a period of time.

Most ships will need to install an on-board system to treat ballast water and eliminate unwanted organisms.

More than 60 type-approved systems are already available.

"The entry into force is a very good step towards clarifying what ships have to deal with in the near and bit farther future," says specialist ballast water management consultant Jad Mouawad.

"Many questions remain during the implementation phase: how the revised Type Approval guidelines will be integrated into the retrofit timeline, how ship owners should choose a ballast water treatment system strategically to ensure compliance with the U.S. Coast Guard requirements (that have not yet type approved a ballast water treatment system), what changes will the IMO do to the Convention text besides the timeline changes already agreed to.

"The immediate reaction to the anticipated ratification for us has been a sharp increase in requests for market and feasibility studies for shipowners.

Simply put, shipowners are asking us which systems they should buy, how to lay an installation strategy based on their scheduled survey dates, dry docks and so on.

I recommend all shipowners to do this homework before starting to buy systems."

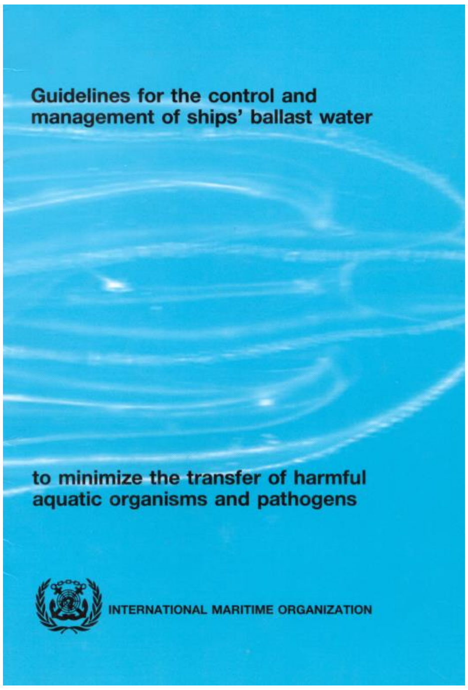
ICS looks to IMO for clarification

The International Chamber of Shipping (ICS) reiterates that it is now more vital than ever that IMO Member States finalise the revision of the G8 Type Approval Guidelines for treatment systems at the next session of the IMO Marine Environment Protection Committee this October.

ICS Chairman, Esben Poulsson said: "We must ensure that shipowners can have absolute confidence that the expensive equipment they will soon have to install will be effective in treating ballast water conditions normally encountered during worldwide operations and be regarded as fully compliant during Port State Control inspections.

"The fixing of a definite implementation date, after so many years of delay, will at least gives shipowners some of the certainty needed to make important decisions about whether to refit the new mandatory treatment equipment or otherwise to start sending ships for early recycling," Poulsson added.

"Unfortunately, the entry into force of the new IMO regime will not resolve the extreme difficulties that still exist in the United States."



ICS says there is still great uncertainty with respect to the more stringent United States approval regime for treatment equipment, which started to be enforced in January 2014 (the U.S. not being a Party to the IMO Convention).

The U.S. regulations require all ships that discharge ballast water in U.S. waters to use a treatment system approved by the U.S. Coast Guard.

However, because no systems have yet been approved, ships already required to comply with the U.S. regulations have either been granted extensions to the dates for fitting the required treatment systems or else permitted to install a U.S. Coast Guard accepted Alternate Management System (AMS), in practice a system type-approved in accordance with the current IMO Guidelines.

However, an AMS will only be accepted for operation for five years, after which time a fully U.S. Coast Guard approved system must be installed.

But the U.S. Coast Guard does not guarantee that an AMS will be subsequently granted full approval.

Hence shipowners that may have installed an AMS in good faith, at a cost of between US $1-5 million per ship, might then have to replace the system completely after only five years.

"The impasse in the U.S. is a particular concern for operators that have installed ultra-violet systems" observed Poulsson.

ICS says that the situation has been compounded by the Coast Guard announcing, at the end of last year, that it will not accept the methodology used by other IMO Member States to approve UV treatment systems when assessing the number of viable organisms in treated ballast water.

ICS will therefore be working with IMO Member States to impress upon the United States the importance of coming to a pragmatic solution.

Otherwise, once the IMO Convention finally enters into force next year, the shipping industry will be faced with real chaos." said Poulsson.

INTERTANKO cautiously optimistic

INTERTANKO is advising its Members to remain focused and cautious in the months ahead.

INTERTANKO's Managing Director, Katharina Stanzel, commented that: "The entry into force of an international Convention providing global requirements will always be welcomed by INTERTANKO and the international shipping industry.

In practical terms this development provides certainty for owners with a firm date now in place from which installation and dry docking schedules can be determined.

However, this must be balanced against the fact that the IMO has yet to complete its work on reviewing and revising the G-8 type approval guidelines for ballast water management systems."

INTERTANKO's Environment Director, Tim Wilkins, added that: "INTERTANKO and its industry partners have pushed hard for more robust type approval procedures for ballast water management systems," something that IMO member States are now considering in a full review of the procedures.

However, he added that: "While the revised type approval guidelines are now likely to be completed in advance of the entry into force of the Convention, there remains uncertainty as to when an owner will be able to install 'second generation' ballast water management systems actually tested and approved using the amended guidelines.

"It will take a reasonable amount of time before manufacturers are able to attain type approval and ensure such systems are commercially available.

This would place some owners in the position of having to install 'first' generation ballast water management systems at substantial expense that may not work and/or may not meet the environmental objectives of the Convention."

Manufacturers upbeat

Equipment manufacturers are positive about the news with Mark Kustermans, Market Manager for manufacturer Trojan Marinex, says: "Today, the global marine community has taken a significant step forward in its effort to mitigate the threat of aquatic invasive species.

This outcome was possible from the contribution of countless stakeholders around the globe that recognize the environmental and economic impact of this threat and who continue to work toward global regulations that better serve the marine industry.

Trojan Marinex and our partners are steadfast in our support of these efforts and of our customers as we move forward."

Equipment manufacturer DESMI says the ratification is a much needed step forward which will now allow the entire shipping industry to start planning the actions required in order to comply with the convention.

"For far too long shipowners, suppliers and regulators have had to deal with unknown timelines, but now we can start planning and look forward.

The major issue left to be resolved now is the U.S. Coast Guard's recent decision to not accept test methods that are accepted in the rest of the world.

These test methods are crucial for the approval of major technologies such as UV technology, which currently holds a market share of approximately 50 percent.

The international community must address this issue with the U.S. Coast Guard in order to find a pragmatic solution ASAP.

The current situation where one administration implements its own rules and enforces them in a way that collides with the rest of the world is not sustainable.

Shipping is a global business that needs globally uniform rules and regulations."

(from: maritime-executive.com, September 8th 2016)

PROGRESS & TECHNOLOGY

SHIP OPERATORS EXPLORE AUTONOMOUS SAILING

“All hands on deck” may become a thing of the past.

Ship designers, their operators and regulators are gearing up for a future in which cargo vessels sail the oceans with minimal or even no crew.

Advances in automation and ample bandwidth even far offshore could herald the biggest change in shipping since diesel engines replaced steam.

Ship operators believe more automation will enable them to optimize ship use, including cutting fuel consumption.

“The benefit of automation is as an enabler of further efficiency across the 630 vessels we operate,” said Palle Laursen, head of Maersk Line Ship Management, a unit of cargo-ship giant A.P. Moeller-Maersk A/S.

British engine maker Rolls-Royce Holdings PLC is leading the Advanced Autonomous Waterborne Applications initiative involving other companies and universities.

It foresees technologies long used to improve commercial airline operations migrating to ships.

The group also is tapping know-how from those working on driverless cars to adapt for safe at-sea autonomous operations.

A future unmanned ship could resemble some of the most advanced combat drones.

It would sport infrared detectors, high-resolution cameras and laser sensors to monitor its surroundings.

The vast troves of data would be transmitted to command centers where staff do little more than monitor progress and ensure ships are operating at optimum speeds.

The consortium completed a study this year that concluded such vessels are feasible and offer savings.

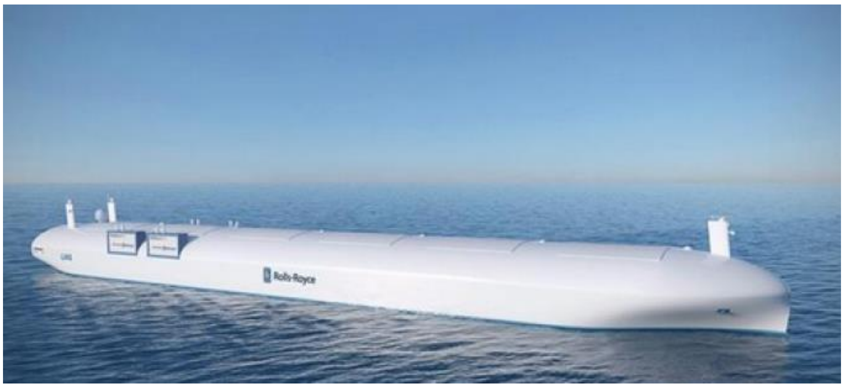
Oskar Levander, vice president for innovation at Rolls-Royce's marine unit, said moving toward greater autonomy and unmanned shipping could cut transport costs 22%.

The bulk would come from lower staff costs, though such vessels also would be more fuel efficient by eliminating the need to carry equipment to support people onboard.

The first steps already are being taken.

The Stella ferry, used in the Baltic and operated by Finferries, has been equipped with a variety of sensors including lasers and thermal cameras to assess whether such sensors could allow autonomous operations.

A critical step toward floating remotely controlled unmanned cargo ships on the oceans by 2030, and autonomous ones by 2035, is the ability to pass large amounts of data from ship to shore to ensure safe operations.



For years, lack of affordable bandwidth has made that a challenge.

A new generation of communications satellites is promising lower costs to transfer data.

Satellite-services company Inmarsat PLC this year launched its Fleet Xpress service to provide improved connectivity to ship operators.

It combines high-bandwidth satellites with a more secure connection to guarantee vital safety connectivity.

Ronald Spithout, president of Inmarsat's maritime business, said the connection will let operators monitor engine and other ship functions more closely to enable enhanced automation.

Rolls-Royce, no longer affiliated with the luxury car maker, is betting that a push to smarter vessels will lift the fortunes of its struggling marine business.

The prolonged slump in crude prices has led to a sharp drop in demand for sophisticated offshore vessels.

Marine sales at Rolls-Royce fell 23% last year after declining 16% the prior year when oil prices started to slump.

Oil prices may rebound, but the demand for the gold-plated vessels used to service oil and gas rigs far offshore may never fully recover, said Mikael Makinen, president of Rolls-Royce's marine division.

Rolls-Royce is betting smart ships will be a new growth market.

The company is already in talks with operators it wouldn't name to start trials of more autonomous vessels.

Automating shipping faces barriers, though.

"There are a vast range of safety, security, navigational and legal challenges to be solved before crewless container vessels can be considered in our fleet," said Maersk's Mr. Laursen.

The International Maritime Organization, the arm of the United Nations overseeing global shipping, prohibits ship operations without crew.

The International Convention for the Safety of Life at Sea, known as Solas, requires all ships to be "sufficiently and efficiently manned," the IMO said.

Safety rules emerged in 1914 in the wake of the sinking of the RMS Titanic two years earlier, which killed more than 1,500 passengers on the ship's maiden trans-Atlantic voyage.

Current rules, completed in 1974, have been adapted for new technologies such as introducing mandatory requirements for electronic charts and automatic identification systems for ships.

Proponents of greater autonomy hope the rules may be further relaxed.

Separately, it is unclear as of yet how security issues like piracy and the mandate to help distressed ships will be addressed for these ships.

IMO spokeswoman Natasha Brown said the British government-sponsored Marine Autonomous Systems Regulatory Working Group, set up in 2014, is reviewing pertinent regulations to potentially propose changes.

James Fanshawe, chairman of the working group, said it hopes to convince the international organization to pave the way for autonomous vessels before the end of the decade.

Capt. Thanasis Apostolopoulos, head of crews at Athens-based Springfield Shipping Co. and a sailor for 17 years, said the drive to unmanned ships may be inevitable. "It will be a sad day for seafarers when it happens," he said.

(from: wsj.com, August 31st 2016)

STUDIES & RESEARCH

EFFICIENT SHIPS SAVE MILLIONS BUT THE MARKET FAILS TO REWARD THE OWNERS

Researchers from UCL Energy Institute (UCL) and Carbon War Room (CWR) today confirmed that vessels with high design efficiency leave millions in the pockets of fuel payers.

However, the market often fails to reward owners of efficient vessels by way of premiums or preferential hiring.

This does not help the industry's efforts to meet the challenges of a low-carbon future, and could challenge regulations designed to reduce total industry emissions.

In the most comprehensive research to date, UCL investigated the role of energy efficiency in vessel competitiveness by bringing together data on market dynamics and data on vessel operational patterns derived from the Automatic Identification System (AIS).

The research showed that vessels with higher design efficiency, as measured by the GHG Emissions Rating, save more fuel on average than design alone would indicate.

This means, for example, that in 2012 the difference in fuel costs between a B-rated and an F-rated Capesize vessel was, on average, $5,500 per day, or nearly $1.5 million annually; a higher difference than would be anticipated based on design.

Despite this, efficient vessels do not appear to deliver significant rewards for anyone other than the fuel payer.

In the time charter market, charterers appear to be reaping rewards when they choose vessels with high GHG Emissions Ratings, but owners of efficient ships do not share in the benefits.

On average, there should be a fuel saving for charterers choosing vessels with high GHG Emissions Ratings, according to the study.

All else being equal, there is an incentive for charterers to hire highly rated ships.

However, despite the consistency of these savings, the market does not also incentivise owners of efficient ships with premiums that reflect charterers' fuel cost savings.

Owners in the time charter market that choose to improve their fleet's efficiency by investing in efficiency technologies are not seeing a return from either price or preferential chartering.

This means that in today's markets there is little financial incentive for other owners to follow their example.

James Mitchell, Senior Associate, Carbon War Room commented: "Prior to the 2008 market crash we saw efficiency premiums in the Panamax time charter market.

Those premiums disappeared with the crash, despite record-high fuel costs and record-high fuel savings for owner-operators and charterers of efficient ships."

"These results are a challenge to the industry, to its business model, and to whether markets can be harnessed to help shipping meet the challenges of a low-carbon economy."

But, Mitchell said, "Robust and transparent market information offers an opportunity to help resolve this challenge.

Shipowners, knowing that more efficient ships present a financial advantage, can use free-to-access data on www.shippingefficiency.org to bolster their negotiations."

What is more, Mitchell explained: "Transparent data on operational efficiency would also help rebalance the power dynamic in negotiations, allowing all parties to profit from efficiency."

While charterers can play a role by rewarding the owners who help them to save fuel, financiers have the power to decide which ships are built or maintained, and which are not.

Banks making investment decisions should consider how to factor efficiency into their decision-making so that it can benefit all parties, as well as the environment.

Mark Clintworth, Head of Shipping, European Investment Bank commented: "Financiers are in a key position to reshape the makeup of the global shipping fleet through their investment decisions today and in the future.

As maritime shipping is a key driver of sustainable economic development, this research represents a crucial first step in identifying how maritime financial institutions can prepare for a profitable low-carbon future and help shape it."

Tristan Smith, UCL Energy Institute commented: "The International Maritime Organization is under increasing pressure to implement policies that will reduce the industry's total emissions.

However, this research demonstrates that market failures present significant challenges to realising emission reductions."

Smith said that "It indicates that policy tools that have contributed to the improvement of other industries, such as carbon prices or fuel levies, would have a greatly decreased impact if applied to shipping unless these observed market failures are addressed."

Smith explained; "This is because these policies work by magnifying existing market dynamics that reward efficiency and we don't currently see those dynamics in shipping."

"This work also demonstrates the power of data and analysis," Smith said.

"New policies that will reduce the industry's total emissions.

This work also demonstrates the power of data and analysis," Smith said.

"New insights were achieved using AIS data in conjunction with market data, and revealed excellent potential for advancements and refinements of the methods developed to further improve our understanding of shipping markets."

The full research report is available to download at:

www.shippingefficiency.org/resources.

CWR and UCL are currently collaborating on further studies into the dynamics of the market.

Their next research focus is on understanding stranded asset risks in future carbon-constrained shipping markets, likely to exist within the lifespan of vessels financed today.

(from: cargobusinessnews.com, August 30th 2016)

INFORMATION TECHNOLOGY

ONLINE PLATFORM TO LINK EUROPEAN E-LOGISTICS SERVICE PROVIDERS WITH E-RETAILERS

A free-of-charge, online platform focused on linking European e-logistics service providers and SME e-retailers is poised to go live following its official launch in Luxembourg.

DeliverInEurope.eu, which has obtained funding from the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), said it "allows e-retailers shipping goods in Europe to find the most suited e-logistics service providers for them, whether delivery, logistics or supply chain technology".

Founder Stéphane Tomczak, who has been working on the development of the platform since the start of the year, commented: "'DeliverinEurope is aimed at helping the 500,000 e-retailers who send parcels in Europe and who will thus use the platform in order to source European e-logistics suppliers – of which 3,000 have been identified today."

He added: "'Deliver' has been chosen by the European Commission to implement an online platform to better connect supply and demand in European e-logistics.

It is one of the Commission's priorities to achieve a Digital Single Market.

Improving transparency in cross-border parcel delivery and answering the e-logistics dimension of this issue is why the platform is being launched."

The platform's 'supplier' pages – each company is responsible for its own entry – will contain information including service description, geographical availability and prices, as well as details on contacts, European head office location, turnover, and e-retailer references.

E-retailers will be able to search criteria such as shipment profile, trade route, product category and the e-logistics services requested.

They will also have access to market information, comprising a media newsfeed on e-logistics, statistics and key insights, a tariff benchmark based on retailer-aggregated anonymous input, and information specific to each service segment.

An added-value extra comes in the shape of an e-procurement tool to manage the communication channel with suppliers.

(from: lloydsloadinglist.com, September 13th 2016)

REEFER

REEFER SHIPPING ONE OF VERY FEW GROWTH MARKETS AS DRY CONTAINER BUSINESS WALLOWS

Reefer shipping outperformed dry cargo in the first half of 2016, providing one of the few growth markets in what promises to be one of the worst loss-making years for global container shipping.

Data collected between January and June by consultant Seabury shows reefer cargo racked up 163,000 extra teu on the same period last year.

Chilled foods increased by 7% and frozen by 4%.

"Together with strong Latin American exports, global growth of containerised reefer cargo is, for a large part, driven by rapidly growing meat imports into China," said Ronald Veldman, maritime business analyst at Seabury.

Addressing delegates at Cool Logistics Asia in Hong Kong today, Mr Veldman said China and the US were the main drivers of growth on the import side, while globally the fastest growing commodities were frozen pork, with an additional 68,000 teu; bananas, 25,000 teu more; and citrus, up 15,000 teu.

"There were more winners than losers in refrigerated trades," said Mr Veldman.

"Growing demand in North and South-east Asia is responsible for the majority of additional reefer trade, while few countries have seen their imports decline so far in 2016."

For example, China and Hong Kong combined experienced a 20% increase in frozen perishable imports, reaching a total of 79,000 teu.

In Japan, where the government is placing a special focus on reefer shipping as a method of boosting national agricultural exports, frozen and perishable imports reached 10,000 teu – up 4%.

South-east Asia also experienced strong reefer import growth, with the Philippines up 17% to 10,000 teu, Thailand up 18% to 10,000 teu and Taiwan up 16% to 7,000 teu.

On intra-Asia tradelanes, Mr Veldman said fresh foods were ahead of other perishables, with "commodities such as onions, garlic and fruits growing substantially over the past five years and responsible for close to 70% of overall perishables trade growth".

Seabury data from 2010-2015 shows that, of the 283,000 reefer teu added within intra-Asia, onions and garlic accounted for 45,000 teu, meat 54,000 teu and, perhaps most significantly, fruit accounted for 77,000 teu.

"Increased share of fruit leads to more seasonal trade patterns, since fruits typically follow much more seasonal yield patterns than vegetables and, especially, frozen products like protein.

This is creating new opportunities in the intra-Asia market," Mr Veldman said.

Meanwhile, India could experience a particularly strong reefer market over the next five years.

According to Mr Veldman, at 0.03 teu per 1,000 inhabitants, India imports far fewer perishables per capita than the global average, or other emerging markets.

For example, China imports 0.6 teu per 1,000 people, the US 1 teu and the EU 1.2 teu.

"Indian imports could add significantly to global demand by 2020.

For example, if India achieved half the ratio of perishable imports to the population size of China by 2020 [0.3 teu per 1,000], global perishables trade would increase by approximately 300,000 teu more than currently forecasted."

(from: thelodstar.co.uk, September 7th 2016)

ON THE CALENDAR

▪ 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.