Newsletter

October 15th 2016

Link road, rail, sea!

Council Of Intermodal Shipping Consultants

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PORTS AND TERMINALS

CONTAINERS LEAD MARSEILLE FOS GROWTH TREND

Container throughput at leading French port Marseille Fos reached 956,999 teu for the first nine months, a 4% rise on January-September last year driven by 6% growth at the Fos deepsea terminals.

Box tonnage also rose 4% to 9.18 million tonnes, leading general cargo to 13.9MT (+3%).

The main support came from ro-ro traffic – up 5% to 3.06MT – which included 130,616 import/export vehicles, a 6% increase boosted by a 17% surge in September.

Liquid bulks finished the period 1% ahead on 36.8MT.

Oil & gas volumes contributed 34.3MT, underpinned by crude imports of 19.6MT – each result echoing the one-point gain – but marked by LNG rising 31% to 4.1MT.

Meanwhile liquid chemicals and agro-products ended 9% down on 2.5MT.

The dry bulks sector, dominated by steel industry raw materials imports, fell 12% to 9.43MT due to China dumping cheap steel worldwide in the first half-year.

Volumes were also hit by the conversion of the coal-fired Gardanne power station to biomass fuel.

Passenger throughput rose 4% to 2.09 million, with cruise numbers up 8% to 1.189 million.

Ferry carryings – down 8% in Q1 and 3% after six months – further closed the deficit to 1% on 903,000 passengers after a 19% increase in Algerian traffic and a return to normal on Corsica services.

Marseille to seek income stream from historic property

The Marseille Fos port authority has announced that it will launch a call next summer for long-term projects to redevelop the J1 ferry terminal and adjacent areas as an innovative amenity at the heart of the city.

With international ferry services currently hosted at J1 due for relocation at nearby Cap Janet in 2020, the plan reflects 'a major ambition' to preserve and earn income from the authority's heritage property portfolio as a supplement to port activity revenues.

Leading international names in architecture and development will be briefed to submit culturally sympathetic proposals compatible with the history, activity and location of the site.

This includes the three-storey building of 22,000m2, a 10,000m2 yard, 150m of quay, a 4,000m2 water basin and, as an option, 700m of the sea wall.

After a December 2017 deadline, candidates will be shortlisted in February 2018 ahead of final selection by an international jury in November that year.

(from: allaboutshipping.co.uk, October 11th 2016)

MARITIME TRANSPORT

LOW RATES 'WILL LEAD TO REDUCED COMPETITION'

The container industry remains competitive for now, but if the direction of travel for carrier margins continues, that will inevitably increase the likelihood of more industry consolidation resulting in fewer choices for shippers and higher rates in the long run, according to industry analyst Drewry.

Drewry's latest Container Insight Weekly report noted that Hanjin Shipping "might continue as a regional intra-Asia carrier if its survival plan is successful, but its days of being a leading global player in the Top 20 are over".

Other brands that have effectively disappeared from the upper echelons of carrier rankings this summer include China Shipping Container Lines (CSCL) after its merger with Cosco, while APL and UASC are now merely sub-brands within larger companies after deals with CMA CGM and Hapag-Lloyd, respectively, Drewry added.

"If we include both APL and UASC within their new parents, the Top 5 ocean carriers now control approximately 54% of the world's containership fleet," Drewry reported.

"Back in 2005 that share was around 36%, and while the trend for greater concentration has steadily been rising over the past 10 years, it was the recent M&A activity that pushed it past the 50% threshold."

It continued: "This trend will continue as the leading five carriers have the largest orderbooks and, as history has shown, the biggest appetite to acquire other carriers.

More carriers will go the way of Hanjin or follow the likes of APL and UASC and take the decision to cash in their chips if the industry continues to be loss making.

Ultimately, this will mean less competition for shippers to choose from, but it doesn’t necessarily follow that they will have to contend with higher rates, at least not in the short-term.”

As reported in Lloyd’s Loading List, Maersk Line parent group A.P. Møller-Mærsk recently announced a major restructuring initiative that includes a new focus on acquisitions as the preferred option for expansion.

In 2005, 15 competitors had a collective share of 90% of the Asia-North Europe container market, whereas in 2015, the top 10 carriers were close to controlling 90% of the market, Drewry noted.

“It is conceivable that at some point in the future further concentration will see 90% of the Asia-North Europe market being controlled by just five competitors, at which time the carriers will have much greater pricing power than they did in the past,” the analyst pointed out.

It concluded: “The container industry remains competitive for now, but if the direction of travel for carrier margins continues, that will increase the likelihood of more M&A and more industry concentration.

That will mean fewer choices for shippers, and higher rates, in the long run.”

(from: lloydsloadinglist.com, October 4th 2016)

RAIL TRANSPORT

JEANS BY RAIL

Many new direct railfreight links between China and Europe have been set up in recent years; they are attractive as alternatives to air or maritime cargo solutions.

Now a French clothing corporation has started shipping its goods to Marseille by rail.

Jeans sold by the French clothing chain Kaporal are soon going to be transported by rail from their manufacturing plants in the Far East to Europe, as the Marseille-based firm Kaporal announced recently.

To achieve this end, Kaporal will make use of services offered by the logistics enterprise Geodis, also from France.

The latter corporation dispatched its first westbound freight train from Wuhan (China) in June.

The 11,300 km train journey to the destination of Venissieux-Saint-Priest, near the large French city of Lyon, took 18 days.

The route from China to France was aligned largely with the famous Silk Road.

By hauling the goods on a train the clothing company can reduce the overall transit time, cut its costs and reduce the size of its so-called ecological footprint.

Geodis' task in China is to collect the goods from various suppliers and then send them west by train.

The transport route runs through China, Kazakhstan, Russia, Belarus, Poland, Germany and finally France.

Once the wares arrive there they are forwarded to Grans, near Marseille, where Geodis runs a logistics platform.

10 million items of clothing are delivered to Kaporal shops annually from there.

The company hopes to handle three freight trains loaded with Kaporal clothes a week there in future.

According to Kim Pedersen, executive vice-president of Geodis' railfreight division, this first trip from China to France faced numerous challenges.

Thus the train required the deployment of no less than 20 drivers in the seven countries that it passed through.

The locomotives, in turn, had to exchanged eight times.

The goods had to be transhipped three times at borders, on account of the change in rail gauges involved.

Pedersen believes that the new railfreight connection between China and France will become an attractive alternative to existing cargo transportation solutions by ocean-going vessels, which take up to 30 days to reach their destination.

He also pointed out that freight rates in the shipping industry are traditionally very volatile.

Cutting CO2 emissions too

By transporting ever more goods by rail Geodis is implementing one of the central elements of its corporate social responsibility programme.

This seeks to reduce the corporation's CO2 emissions, and rail transportation of cargo emits less greenhouse gases than other modes of transport.

The reduction of said greenhouse gases was one of the key motivating factors for the clothing corporation Kaporal to choose transportation by rail too.

Vincent Allal, Kaporal's head of logistics, is of the opinion that haulage by rail represents a "genuine alternative" to airfreight solutions, which was one of the options that the company had included in its assessment of its transport needs.

The transit time of approximately 18 days is also very acceptable for his enterprise; and on top of this it also saves quite some money, as transport costs have been halved.

Over and above this there is the sustainability of the solution.

This also plays an ever larger role in the company today.

(from: transportjournal.com, October 5th 2016)

ROAD TRANSPORT

BREXIT DRIVES UP UK INTERNATIONAL ROAD FREIGHT PRICES

The weakening of the pound since the UK's vote to leave the EU has significantly increased UK international haulage costs for those paying in sterling, according to analysis by European road freight specialist Freightex.

CEO Tim Phillips said the UK's vote for Brexit at the end of June was the dominating factor of the last quarter in terms of UK international road freight pricing, chiefly because it had led to an immediate drop in sterling from €1.30 to around €1.18, a fall of more than 10.2%.

Although that was followed by a small period of recovery that took sterling back over €1.20, recent weeks had seen a further weakening of sterling, as speculation grows on the full impact of Brexit, with the pound now running below €1.15.

With around 80% of capacity across the Channel provided by mainland Europe-based companies, there had been the predictable effect on prices, Phillips said in his quarterly review of UK cross-Channel road freight pricing, published today in Lloyd's Loading List.

"We have seen significant upward movement for UK-paying customers for all international movements," he said.

"The export rate showed dramatic effect with an increase of 16% since the end of June, this maybe compounded by increasing export activity due to the lower exchange rate."

However, that was now showing signs of levelling off, with a slight drop back in the last week.

Meanwhile, the increase in import rates had been "more in line with the pure exchange rate move, at around 8%.

"However, this is still climbing, so we wait to see the extent of the impact," he added.

Euro-paying customers had been obviously less affected by Brexit and the associated exchange rate movements, he said.

Prices for import movements into the had stayed reasonably static through the period, but export lanes from the UK had seen an 8% lift for euro-paying customers, "perhaps reflecting improved export demand during the last few months as UK products become cheaper in Europe", he noted.

In terms of the outlook, Phillips said: "The implications of Brexit are still very unclear and it is too early to predict how freight costs will be affected in the medium term.

What is clear is that any suggestion of increased border or customs controls is likely to quickly add to costs."

He said a recent strengthening resolve in the OPEC group to increase crude oil prices may also impact if this feeds through into diesel prices, although there was no evidence of this yet.

Overnight, sterling experienced a 'flash crash' in Asian trading, falling to €1.10 against the euro and reportedly crashing by 6% "within minutes" against the US dollar to $1.18, before recovering in European trading this morning to €1.11 and $1.24.

The flash crash was "ostensibly triggered by harsh comments on UK exit terms from French President François Hollande", at a time when "volumes would have been unusually thin", Adam Cole at RBC Capital told financial website poundsterlinglive.com.

Others blamed automated trading systems reacting to a news report.

Some analysts believe the euro and pound are on track to equalise, with UBS reportedly forecasting $1.20 for GBP/USD for the end of 2017 and 1.00 for EUR/GBP.

So-called 'sterling bear' John Wraith, analyst at UBS, believes the UK's current account deficit "is still unsustainably large", the result of the country's reliance on imports over exports combined with the country being a net debtor to the rest of the world, poundsterlinglive.com reports.

As reported in Lloyd's Loading List concerns about the consequences of a 'hard Brexit' sent sterling tumbling to a new 31-year low against the dollar on Tuesday, extending its losses from the previous day.

The slide in the value of the pound followed statements by the UK Prime Minister Theresa May to the Conservative Party's annual conference, in which she ended weeks of speculation and revealed that she will launch formal Brexit talks with EU leaders before the end of March 2017.

The timing means the UK looks set to leave the EU by summer 2019.

French bank Société Générale said confirmation that the UK Government plans to trigger article 50 by the end of Q1 2017 hit had sterling harder than expected.

It said the UK government was not showing any signs of shifting its position "where control on immigration is the hardest of lines in negotiations to leave the EU, and won't be sacrificed or watered down in order to keep access to the single market, particularly for financial services".

Experts have warned that London's position as a financial hub would be dealt a severe blow if the UK leaves EU's 'single market'.

However, that access is contingent on countries agreeing to let European Union citizens live and work anywhere in the bloc.

Theresa May this week said people who talk about a "trade-off" between controlling immigration and trading with Europe are looking at things the "wrong way".

Her strong stance towards the City added to investors' concerns about a so-called 'hard Brexit', The Independent added.

Conner Campbell of SpreadEx told The Independent that the prospect of a 'hard Brexit' was hurting the pound, "given the solidity of the newly announced Brexit timeline and the firmness with which May stated her intention to chase border control even if it means relinquishing Britain's position in the single market".

(from: lloydsloadinglist.com, October 7th 2016)

TRANSPORT & ENVIRONMENT

SHIPPING COMPANIES BRACE FOR NEW RULES TO CUT DEADLY SULPHUR EMISSIONS

The global shipping industry is bracing for a key regulatory decision that could mark a milestone in reducing maritime pollution, but which could nearly double fuel costs in a sector already reeling from its worst downturn in decades.

The shipping industry is by far the world's biggest emitter of sulphur, with the sulphur dioxide (SOx) content in heavy fuel oil up to 3,500 times higher than the latest European diesel standards for vehicles.

To combat such pollution, the International Maritime Organization's (IMO) Marine Environment Protection Committee will meet in London on Oct. 24-28 to decide whether to impose a global cap on SOx emissions from 2020 or 2025, which would see sulphur emissions fall from the current maximum of 3.5 percent of fuel content to 0.5 percent.

"One large vessel in one day can emit more sulphur dioxide than all the new cars that come onto the world's roads in a year," said Thomas Koniordos, head of business line environmental solutions at Norway's Yara International.

"That is reason enough to cap emissions," added Koniordos, whose firm makes scrubbers used to clean exhaust emissions.

The IMO meeting comes as the International Chamber of Shipping (ICS), a global trade association of shipowners, today said the IMO should firm up details of a commitment to cut carbon dioxide (CO_2) emissions from the shipping industry as soon as possible.

The goal is to build on the substantial CO_2 reductions already achieved by shipping and the mandatory IMO CO_2 reduction regime which is already in force worldwide, the ICS said.

Shipping contributes about 2.2 percent of global CO2 emissions, the IMO said, compared with 13 percent of SOx and 15 percent of nitrogen oxide emissions.

Large container ships of 15,000-18,000 TEUs (20-foot equivalent units) consume up to 300 tonnes of high-sulphur fuel a day at sea, while a 300,000 deadweight tonne (DWT) supertanker guzzles up to about 100 tonnes per day.

Health experts say sulphur is responsible for deadly heart and lung diseases.

The issue has been brewing for more than a decade and shippers said the industry was now bracing for tighter regulation to be introduced sooner rather than later due to political pressure.

“The decision will likely be a political one – the European Union is pressing strongly for 2020,” said Arthur Bowring, managing director of the Hong Kong Shipowners’ Association.

Europe, China tighten rules

The European Union has already agreed that the 0.5 percent sulphur requirement will apply in 2020 within 200 nautical miles (370 km) of EU Member States’ coasts, regardless of what the IMO decides.

China, home to the world’s busiest container ports, is also demanding cleaner fuels. Authorities in Shenzhen, the world’s third biggest container port, introduced tighter controls this month, demanding that ships calling there do not use fuel with a sulphur content of more than 0.5 percent.

Ship owners can comply with the tighter controls either by switching away from the sludgy and sulphur-rich so-called bunker fuels to diesel or liquefied natural gas (LNG), or by fitting scrubbers to clean exhaust emissions.

A fuel-switch would impose extra costs on an already troubled shipping sector, which has seen high-profile defaults like South Korea’s Hanjin as well as cases of stranded ships with crew left onboard ships unpaid and unsupplied.

Using low-sulphur diesel instead of bunker fuel on a very large crude carrier (VLCC) class supertanker would boost fuel costs by around 44 percent from an average of $212 per tonne this year for heavy fuel oil to $379 per tonne for gas oil, according to figures from shipping broker Clarkson.

For traded oil markets, the shift to low-sulphur fuel will “substantially reduce demand for bunkers in the run up to 2020 and increase demand for gasoil and alternative fuels including LNG,” said Christopher Haines, head of oil and gas at BMI Research.

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

INDUSTRY

BOX SHIP DEMOLITION AT RECORD LEVELS IN 2016

Box ship demolitions have reached record levels in 2016, already exceeding the previous record year with several months still to go, and more than three times higher than the historical trend of around 1% annually, according to shipbroking specialist Braemar ACM.

It appears to mark an end, at least temporarily, in shipowner policy of holding off from scrapping vessels because of low steel prices.

So far this year, 147 box vessels have been sent to shipbreaking yards, the equivalent of 507,000 TEU being removed from the market.

This compares with the figure of 185,000 TEU in 2015 and the current annual record set in 2013 when 427,000 TEU of capacity was lost.

"For the year as a whole, we estimate that trading capacity in the region of 670,000 TEU could be removed from the cellular fleet (in 2016)," Jonathan Roach, an analyst at Braemar told Lloyd's Loading List.

This comprises both post-Panamax 10,000 TEU+ vessels in the Ultra Large Container Ship (ULCS) sector, as well as the smaller Panamax and feeder ships.

"In terms of the percentage of trading capacity removed in 2016, this will represent 3.4% of the global container ship fleet when the historical trend is approximately 1% annually."

Roach said the gap between demolition/TEU reduction and new build capacity coming on to the market had steadily widened in recent years "but 2016 is an exception because of fewer deliveries and significantly more scrapping".

Asked why shipowners had been more ready to scrap containers ships in 2016 than in previous years, Roach replied: "The depressed container market has impacted time charter rates negatively, therefore more vessels have been demolished.

More Panamax vessels have also been demolished in 2016 and this has driven up total TEU capacity removed this year.

For 2017/2018, we anticipate a marginal slowdown in demolition compared to 2016, though if time charter earnings increase, even marginally, the number of ships being sold for demolition could significantly reduce.

The market is very fluid; if vessel earnings increase, demolition stops and vice versa," he added.

Roach added that deliveries of new ships in the ULCS sector in 2016 would exceed 700,000 TEU, the exact figure being 737,000 TEU.

"In terms of the whole market, the volume of TEU capacity to be added by new ship deliveries in 2016 is estimated to be 1.1 million TEU.

This will result in net fleet growth in 2016 of approximately 2.2% compared to 8% in 2015 and 5% in 2017."

Roach reckons that, currently, between 5% and 6% of the global vessel box fleet has been taken out of service.

"The idle fleet is likely to be maintained at this level or marginally shrink in 2017/18," he concluded.

(from: lloydsloadinglist.com, October 12th 2016)

LOGISTICS

DEUTSCHE POST DHL BUYS UK MAIL FOR $315M

Europe's largest mail and logistics group, Deutsche Post DHL Group, has reached an agreement to acquire UK Mail Group, one of the largest integrated mail and parcel operators within the UK.

Deutsche Post DHL said the acquisition would "bring its expertise in e-commerce and parcel delivery together with UK Mail's existing customer base and network, to drive substantial shareholder value".

It said the acquisition of UK Mail "strengthens the European market position of DHL Parcel, adding a commercial and operational presence, including pick-up and delivery capabilities, in the UK, Europe's largest e-commerce market, enhances Deutsche Post DHL Group and UK Mail's customer value propositions", strengthens UK Mail's UK market position, and "delivers significant synergy benefits".

Juergen Gerdes, Deutsche Post DHL Group board member, said: "The on-going expansion of our parcel network in Europe is driven by increasing demand within our e-commerce customer base for cross-border deliveries.

Deutsche Post DHL Group, as the leader in the German parcel market, has already established a strong position in a number of European countries.

UK Mail is a well-run business and an established provider of quality delivery services in the UK and offers a complementary fit with our integrated offering.

With this acquisition, we will further extend our network and have a strong foothold in Europe's three largest e-commerce markets, the UK, Germany and France, which account for over 60% of online retail in the continent."

Deutsche Post DHL Group's cash offer of £4.40 per share values UK Mail at £242.7 million (US$315 million), which represents a premium of 43.1% over the closing price per UK Mail share on 27 September 2016.

It said the directors of UK Mail intend to make a unanimous recommendation that company shareholders accept the offer.

DHL Parcel is the leading parcel delivery company in Germany, Europe's largest parcel market by volume, and has expanded its cross-border network since 2014 to cover 18 European countries.

It claims the company has "pioneered a number of innovative solutions, from same-day and time-specific delivery to automated Packstations and parcel shops that maximize delivery convenience".

UK Mail, founded in 1971 by the current chairman Peter Kane, has a network of over 50 sites in the UK, including an automated national hub in Ryton that can process up to 20,000 parcels per hour.

UK Mail offers business customers a unique integrated service with a full range of time-sensitive and secure delivery options for parcels and letters.

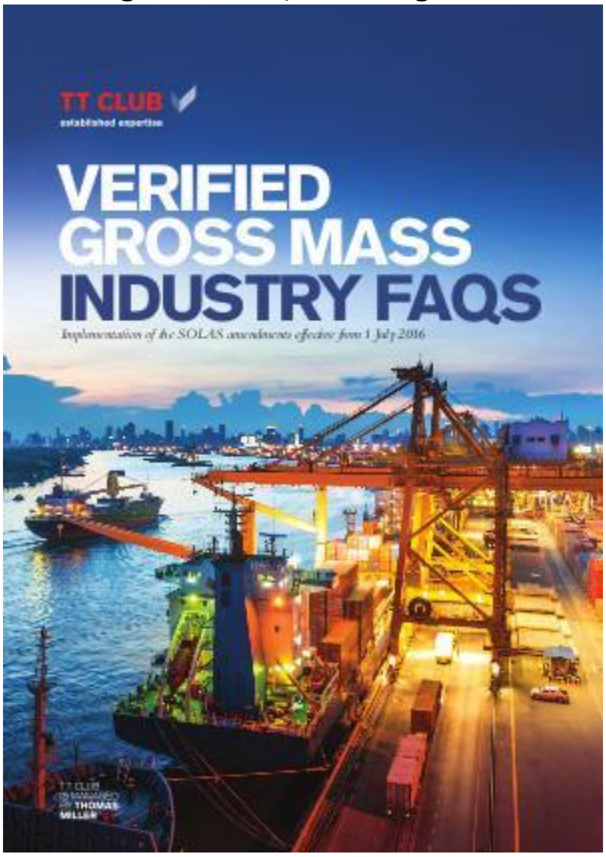
(from: lloydsloadinglist.com, September 29th 2016)

LAW & REGULATION

VGM ENFORCEMENT STEPS UP A GEAR TOMORROW

Much work still needs to be done to achieve accurate certification and universal enforcement of the new container-weighing rules that came into force on 1 July as the three-month settling-in period comes to an end, according to freight industry risk-management specialist TT Club.

The organisation, a long-time champion of the cause of safer container transport and a leading insurer of the international freight industry, noted that the three-month settling-in period suggested by the IMO to its Member States comes to an end on 1 october, in which competent authorities were urged to adopt a 'practical and pragmatic' approach to the enforcement of the SOLAS revision stipulating all packed containers have a verified gross mass (VGM) before being stowed aboard a ship.



TT Club believes that, although reported levels of compliance since the introduction of VGM on 1 July "have been encouraging, much still needs to be done to achieve accurate VGM certification and universal enforcement of the rules".

It observed that a recent declaration by the liner shipping association, the World Shipping Council (WSC), together with feedback from various container terminals, indicated that the current compliance rate is as high as 95%.

As reported in Lloyd's Loading List, the WSC told an IMO sub-committee meeting in early September that the requirement for shippers to produce a VGM for each packed container tendered to its member lines for shipment had been met "without any appreciable disruptions to international containerised supply chains".

In addition, it was noted that the compliance rate rose steadily from 1J uly onwards, with the WSC confident that this rise will continue.

Speaking after accepting the Lloyd's List Maritime Insurance Award for TT Club's work on VGM, risk management director Peregrine Storrs-Fox commented: "This high degree of awareness of VGM requirements and the outward signs of compliance are indeed encouraging.

However it remains to be seen whether the declared VGMs are accurate, representing the result of an actual weighing process, regardless which of the two permissible methods is adopted."

He said it is known that certain terminals and carriers have been engaging with shippers over the three-months since July where inaccuracies are apparent.

Anecdotal evidence suggests that shippers are, in the main, simply adding the tare mass of the container to the previously declared weight of the cargo to arrive at a VGM, TT Club added.

"While it is positive that shippers recognise the difference between bill of lading or customs declaration weights and VGM, it is insufficient just to add the container mass.

The industry needs the comfort of authenticated VGMs comparing the actual mass of packed containers obtained by check-weighing in order to have a true picture of compliance," said Storrs-Fox.

The WSC has also reported that some IT communication challenges have been, and remain significant.

Concern has been raised that some terminals have yet to implement the recommended BAPLIE 2.2 EDIFACT message format, which fundamentally restricts their ability to communicate VGMs to carriers.

"Where this is the case, TT Club urges immediate action between the counterparties to resolve the situation, not least since it will hinder evidence of compliance being provided to the various port state control authorities," the organisation said.

Post the three-month IMO-recommended period of 'light touch' enforcement that ends on 1 October, Storrs-Fox emphasised: "There will remain a need for regulators the world over to continue their work in arriving at a uniform standard of enforcement, including consistency in the degree of latitude given to non-compliant shippers.

Even now, there would be value in providing national guidance on such matters, where it has yet to be given."

Industry guidelines issued by TT Club, in partnership with WSC, the cargo handler's association ICHCA and the Global Shippers Forum (GSF) in the form FAQs, together with further comprehensive information on the VGM regulation, are available here: http://www.ttclub.com/loss-prevention/container-weighing.

(from: lloydsloadinglist.com, September 30th 2016)

STUDIES & RESEARCH

PORTS TO ADD 214M TEU OF NEW CAPACITY

A new report by DS Research has identified projects under construction in the container terminal sector will add 214M TEU to global port capacity by the end of 2018.

The surprising figure can be found in the report Container Terminal Project Pipeline 2016 published by Germany-based DS Research.

According to the report, the number of projects has increased from last year, but the probability every one will be finally completed “is decreasing due to a persistent weak demand”.

The report identifies a project pipeline of nearly 440 single projects scheduled for completion between 2016 and 2021, which would add 405M TEU of additional container handling capacity worldwide.

A further 210 projects planned for beyond 2021 are identified - but these are mainly in the master planning phase.

The figure of 405M TEU is very large, and WorldCargo News sought further information.

Author Daniel Schäfer said around 80% of the projects it includes have a stated targeted capacity increase.

For 13% of the projects the capacity increased was calculated from the length of additional quay line being added using performance benchmarks for port types (e.g. transhipment, gateway, feeder port), while 7% of the 405M TEU figure was estimated from other information.

The project pipeline is hugely ambitious in light of the current market conditions, and DS Research notes it compares “to about 684 million TEU global container throughput achieved in 2015”.

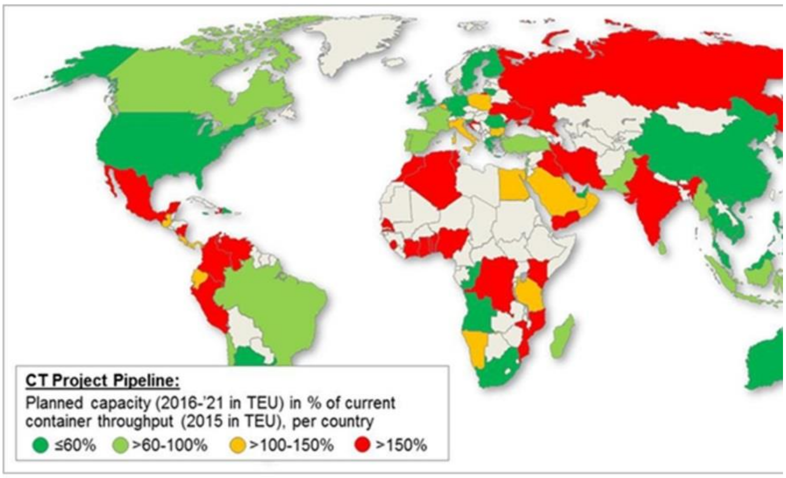
Clearly not every project will be completed, and WorldCargo News has already noted that some developments like T4 in Jebel Ali have been slowed down or placed on hold.

However, DS Research's figure of an additional 214M TEU of new capacity to come on stream by 2018 is for "projects under construction" that are mostly scheduled for completion by the end of 2018.

"We've rated most projects under construction as solid projects." said Schäfer.

"All other projects are tentative in the sense that so far no significant amount of money has been invested".

He adds "In the past 3-4 years moderate demand growth was overruled by favourable financial conditions, resulting in overcapacity being built in the container terminal industry.



The development of demand in 2016 will likely determine at what pace and scope terminal operators will adjust investment spending for 2018 and onwards."

Looking at where the development is happening geographically: "Countries in Europe, North America and the Far East largely comprise a moderate amount of upcoming projects which do not exceed 60% of each country's current container throughput.

The most ambitious plans for new container terminals are made for the wider Panama Canal region, the Persian Gulf, the Gulf of Guinea and India.

Here, newly constructed capacity would exceed the container throughput achieved in 2015, in case all planned projects would be completed as announced" DS Research said in a press release.

For companies and readers looking to identify projects by region, the data is presented in Excel, so it can be grouped and displayed by cluster/geographical region as required.

The report is available from the website www.dsresearch.de.

(from: worldcargonews.com, September 29th 2016)

INFORMATION TECHNOLOGY

CLOUD COMPUTING IS A MUST TO ENHANCE PERFORMANCE AS SUPPLY CHAINS EVOLVE

Cloud-based IT infrastructure might improve supply chain performance, but its implementation is not as simple as drag and drop, according to Telogis director of IT Michael Massimino.

Speaking on an EFT webinar, Mr Massimino said that within a fortnight of signing up for Oracle's order management platform, the system was in place – however, Telogis, which supplies vehicle tracking hardware to sectors such as trucking, took far longer to actually begin using the system.

"When we started our journey transitioning to cloud, we literally thought we could pull out the legacy system, drop in Oracle's platform and be on our merry way," said Mr Massimino.

"But then we started looking at our business requirements and realised we were not only changing systems but also migrating business practices.

This process involved numerous meetings culminating in an 80-page document."

Mr Massimino estimated that it took close to a year to co-ordinate the various levels of integration and implementation.

Marco Rossi, supply chain cloud director for product development EMEA at Oracle, agreed that implementation depended on an organisation's complexity.

"Initial processes can be difficult, but old point-to-point systems require transitioning each time there is a change in the business process, whereas cloud does not," said Mr Rossi.

“This, fundamentally, is the difference, and it is vital in a world of constantly shifting business models.”

In a white paper published by Transport Intelligence (Ti), the visibility and levels of data comprehension supplied by cloud platforms were said to be vital for firms wanting to succeed in an environment of increasing customer demands and social media feedback loops.

“It really is important for companies to supply a consistent customer experience,” said Mr Rossi.

“Customers want a complete view of the supply chain.

It is harder to find new customers than retain old ones.

So you must provide the performance each client is looking for, with a single customer view.

Where before, supply chain focus was on operational efficiency, it is now turning more towards agility.”

Ti’s Ecosystems and Evolution paper argues that the logistics industry must dispense with legacy systems and exploit cloud computing developments, which not only extend visibility but maintain coherence across supply chains.

Mr Rossi said Oracle’s systems used standardised messaging that could be manipulated to work with another cloud system, and the white paper agrees that this capacity to strip back levels of misinterpretation and supply definitive answers would remove a primary impediment to genuine supply chain visibility: the lack of standardisation between systems.

“Natively, we have a context of system flows,” said Mr Rossi.

“These processes are similar to those used by most systems.

Some may take more data, some may take less, but the messaging sent out should be clear across systems.”

The white paper adds that with the proliferation of mobile devices, constantly broadcasting information, cloud technology would develop ‘ecosystems’ allowing firms to evolve their supply chains.

It also notes that the visibility provided would reach the edge of the supply chain, meaning customers and operation managers could pinpoint exactly where any mishap arose – a need that has been amply demonstrated during the Hanjin crisis.

However, it also warns that firms must avoid the temptation to focus on data at a granular level.

An effective ecosystem, it says, will “cut through granular noise and flag up exceptions in supply chains”.

Proactive alerts to events such as delay in production or diversion of shipments allow supply chain managers to reschedule or reroute orders.

However, while systems providing universal real-time answers are the ideal, they remain uncommon in the industry.

Mr Massimino said adopting a cloud-based system had improved customer experience and allowed the company to dispense with inefficient working practices.

Under its old legacy system, the sales team required information that customers may have been unwilling to divulge before it could even provide a quote to them.

“Through the cloud, we have been able to restructure our processes and remove practices that customers were unhappy with,” he added.

“We experienced some growing pains but learnt a lot about our customer wants and needs.”

One potential impediment to optimal cloud performance may arise at the point where networks interconnect with government, Ti argued, as poor procurement practices and legislative frameworks have left customs agencies worldwide running on systems several generations behind those of commercial platforms.

(from: theloadstar.co.uk, October 7th 2016)

ON THE CALENDAR

▪ 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.