Council Of Intermodal Shipping Consultants

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Link road, rail, sea!

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PORTS AND TERMINALS

RUSSIAN CONTAINER TRAFFIC GROWTH DECELERATES

The growth of container traffic at Russian ports, although still in double digits, is slowing down in 2018.

According to the Association of Russian sea commercial ports, during the first 6 months of the current year the container throughput of all Russian ports was 2.5 mln TEU, which is 11.6% up from the last year's figures of the same period, however the growth in 1H 2017 was higher: +15.3% to 1H 2016.

The slowdown is also noticeable as compared to the first quarter of 2018, when the increase in volumes was 12.6%.

Imports keep growing: +11.8% (1.1 mln TEU), although, again, not so fast as last year, when the rise was 17.3% in January-June and as in Q1 2018 (+14.6%).

Exports are also on the rise: +11.9% (1.066 mln TEU), but the growth in the same period of 2017 was 15.4%.

Here, we notice a peculiar difference in the trends of this year.

Loaded exports have increased by 14% (655.2 th. TEU) and evacuation of empty boxes by just +9.6% (410.4 th. TEU), whereas in H1 2017 the tendency was exactly the opposite: full export boxes grew by 8.7% and empties – by +26.1%.

The growth rates are lower also in cabotage volumes (+9.8% (342.3 th. TEU), in H1 2017 it was +10.5%) and in transit (+6.8% (34.5 th. TEU), in H1 2017 it was +12.8%).

The slowdown is noticeable in all Russian port regions, except the Baltic ports.

From January through to June 2018, St. Petersburg and the nearby ports handled 1.25 mln TEU, which is +12.5% to H1 2017, whereas last year the rise was just +9.5%.

This year's increase is attributed to a strong growth of full exports (426.3 th. TEU, +19.4%) and that of imports (631.8 th. TEU, +11.7%).

The Big Port of St. Petersburg handled almost half of the country's traffic – 1.09 mln TEU (+13.7%) – thus confirming its status of Russian container hub #1.

The Far Eastern ports, which last year demonstrated the highest increase of all Russian ports (+26.4%, 683.57 th. TEU), now handled 777.9 th. TEU, or +13.8%.

Last year's growth here was achieved due to a huge a surge in imports: +44.6%, but this year the rise in import traffic is rather less: +15.9% (240.8 th. TEU).

The Black Sea ports grew in January-June 2018 by just 6.8% (429.99 th.TEU).

Their growth last year was 17.3%.

As we wrote earlier, the Russian ports are nowadays recovering from the dramatic drop of 25.4% in container volumes in 2015, when the economic sanctions declared by the Russian government, the grossly devaluated ruble and the following economic crisis led to a 28.5% decline in imports.

However, the data of the first half of 2018 indicates an obvious slowdown in the growth rates.

(from: port.today, July 27th 2018)

SMART PORT OF ANTWERP: USING AUTOMATIC SOUNDING BOAT FOR SAFE SHIPPING

The Antwerp Port Authority is currently testing a fully autonomous sounding boat to carry out measurements of the water depth within the port.

The vessel, named the Echodrone, was developed by Port of Antwerp in partnership with the Brugge-based maritime technology company dotOcean.

This is one of the many initiatives undertaken by the Antwerp Port Authority in the field of new digital technologies.

We already wrote earlier about the innovation network called Capital of Things, which is being developed in close co-operation with the City of Antwerp and the University of Antwerp and includes the idea of developing a smart port.

On the innovative boat, the Port Authority explains that one of its responsibilities is inspection and maintenance of the maritime infrastructure, including the beds of the docks.

This implies regular measurements of the water depths at berths and at other points in order to ensure safe passage and mooring for ships and to plan the necessary maintenance dredging work.

Up to now this was done by the Echo sounding boat.

The new vessel – the Echodrone – is smaller than the Echo and is fully autonomous, operating on its own without anyone on board.

This makes it more flexible and able to even operate in heavy shipping traffic where the Echo would be unable to go.

Wim Defevere, Senior technical manager for nautical access of the Antwerp Port Authority, says: "The Echodrone is currently undergoing extensive trials.

Once these have been completed it will be based in the Deurganck dock where it will be fully operational alongside the Echo to measure the water depth of the available berths at the busiest of the tidal quays for handling containers."

The unique technology for guiding and operating the Echodrone was developed in collaboration with dotOcean.

"This technology is based on assembling detailed information in the cloud," explains dotOcean co-founder Koen Geirnaert.

"Data from all sorts of devices throughout the port is made available over the internet and then selectively compiled and translated into useful information by algorithms in the cloud.

The Echodrone is designed to navigate fully independently using this verified data, unlike the previous generation of automatic vessels that had to rely on their own onboard sensors.

This makes the Echodrone one of the first of a completely new generation of robots."

Piet Opstaele, Innovation Enablement Manager at Antwerp Port Authority, adds: "With the help of the Echodrone it will be possible in future to carry out other types of measurements, such as environmental surveys, inspecting quay walls and so on.

This technology is a real breakthrough for us in our quest for smart solutions for the port of the future."

The Port Authority informs that the Echodrone will be demonstrated at the SuperNova Tech Fair on September 27-30 in Antwerp, when the innovative autonomous boat can be seen at work from 10 am to sunset every day in the Bonaparte Dock.

(from: port.today, August 20th 2018)

MARITIME TRANSPORT

HURDLES MAKE BLOCKCHAIN SLOW BURN FOR CONTAINER SHIPPING

One thing is certain regarding blockchain technology circa mid-2018: it has the potential to transform and dramatically improve logistics efficiency.

But that potential will remain only that — potential — until many paramount issues are resolved to universal satisfaction.

Amid a swirl of buzz and grand promises, the container shipping industry's adoption of blockchain will be a slow burn, considering the hurdles ahead: organization resistance to change, cost of technology, and the time it will take to build a network of distributed parties (called nodes in blockchain parlance) to participate.

Like radio-frequency identification (RFID), heralded as an industry game-changer in the mid-2000s, analysts believe blockchain will take at least five years to get real commercial traction.

But RFID never realized its initial promise, and there's already worry in some quarters that a similar fate awaits blockchain.

From a shipper perspective, commercial traction will mean a mature set of private, independent, but interoperable solutions or two or three industrywide solutions that are virtually omnipresent.

The key to moving from the transformative potential of blockchain to a state of usage lies in shippers and their service providers accepting that current logistics processes shouldn't be shoehorned into blockchain solutions, and that a rethink of how shipping parties interact is required.

In other words, how does the shipping industry move from the transformative potential of blockchain in logistics when there is little understanding of what it will take to get to that state, nor what that state actually looks like.

At its most basic level, a blockchain is a database, but it's a different kind of database than most in transportation and logistics are accustomed to.

The grand vision of blockchain is a distributed ledger that allows multiple parties to rely on the accuracy of a single transaction or action.

To understand the underlying structure of blockchain, imagine a string of those transactions and actions that build on each other cryptographically.

For instance, blockchain could be set up to establish the chain of custody in a container shipment.

Such a scenario would see ownership of the freight transferred digitally once a set of conditions has been met (such as delivery from origin port to destination port) with a specific action (such as confirmation that the container has been unloaded from the vessel) triggering the change of ownership and payment between parties.

All of that would happen electronically, eliminating paper-based documentation and errors from multiple parties entering the same data into different databases.

But it also would create a scenario in which the trust in the data is verified by the structure of the system itself, not by individual parties.

That, in a nutshell, is the promise of blockchain in logistics: leveraging the number of people involved in a shipment as an advantage, rather than an impediment.

Blockchain advocates — whether technology solutions developers, logistics services providers, or carriers — are convinced the technology eventually will find a home in global logistics, but even they are realistic about the pace of adoption and some structural hurdles that may be difficult to overcome.

Those hurdles, in general, revolve around three key questions:

- Who is developing the blockchain solution?
- Can individual solutions build enough critical mass to take advantage of blockchain technology?
- To what degree can industry parties agree on standards to make multiple solutions interoperable and easy for parties to use?

The interoperability question will be the key to unlock the blockchain kingdom.

Multiple solutions likely will be developed in parallel — indeed many are already on the way from proof of concept to commercial product — so providing shippers, forwarders, suppliers, and other relevant parties a simple way to interact with all systems will be mandatory.

Multiple solutions likely

The question of whether the liner shipping industry will join one big blockchain has essentially been answered with an emphatic "no."

Maersk and IBM's joint venture to create a blockchain to support global trade, announced early this year, is the most prominent such entity, but in March, Accenture, shipping line APL, freight forwarder Kuehne + Nagel, beverage manufacturer InBev, and a European customs organization tested a blockchain solution to streamline the bill of lading process.

APL officials told JOC.com that the consortium was on its way to building a commercial application.

It's hoping to bring additional carriers on to the platform to bolster the idea that the product is neutral in nature.

Meanwhile, in mid-July, shipment management software provider CargoSmart said it had developed its own shipping documentation blockchain solution with Oracle.

Carriers, forwarders, and shippers use CargoSmart to execute bookings, submit shipping instructions and trade compliance documentation, and track shipments.

In addition to these projects, a handful of blockchain startups, including Hong Kong-based 300Cubits, Denmark-based Blockshipping, and Slovenia-based CargoX, have set out to show how blockchain and associated cryptocurrencies might transform core shipping processes such as booking, container tracking and bill of lading creation.

CargoX in mid-July said it had enlisted Swiss forwarder Fracht AG as a customer for its blockchain bill of lading solution.

"We have made various tests on the use of blockchain in shipping and forwarding, and the bill of lading is exceptionally suited, being a document of value that exchanges hands and needs to be secure," Fracht CEO Ruedi Reisdorf said.

"We began studying the potential uses, apart from bitcoin, which can be looked at critically, whether it really makes sense or whether it will just be a footnote in history.

But look at the internet bubble two decades ago.

It busted, but the internet still is 'the thing' ".

Nearly every software provider of any significance is dabbling in the technology, testing whether there is a commercially viable application to pursue.

Public or private?

If the question of whether multiple blockchain solutions largely has been answered, the next question is whether the industry can reap the benefits of so-called private blockchains — that is, ones where parties need permission to view or access the database.

"Blockchain has value when you have multiple users," said Cheng Sai Wing, APL's head of liner planning and strategy.

"It's not so much about public versus private as it is about the number of users.

The value grows the more parties you bring on.

There's still a network-based value.

There has to be some degree of permissioning, in terms of who can see and who can validate.

There might be other use cases within shipping where a public blockchain might be more applicable.

But I think a private one makes more sense in this particular use case."

There are others who believe blockchains need to be public to fulfill their true potential.

"We firmly believe that public blockchains are the true game-changing technology," said John Monarch, CEO of startup company ShipChain, which is trying to compel the industry to use digital tokens to participate in a blockchain visibility platform.

"There really isn't much to gain for an enterprise by using private or permissioned blockchain systems, due to the lack of inherent trust in them — they could just as well use a centralized database, as it would behave the same.

A public blockchain, with its incentive mechanisms such as tokens, truly fosters the trust of the ecosystem without having to trust all of the players involved."

Jeremy Nixon, CEO of liner carrier Ocean Network Express, had much the same view.

"If any of us come out of the blocks and try to be a bespoke solution, it will not move forward," he said.

"We are not going to invest in something that is some company's baby that they have exclusive copyright on and [that] will be a closed system.

We need to have an open system."

Indeed, as individual private blockchains emerge, there has been public and private lament about the quantity and perceived neutrality of these solutions.

While the concern for liner carriers may rest in avoiding a data-reliant product developed by a competitor, shippers have a different concern.

Will they have the bandwidth, in-house expertise, and willingness to participate in multiple blockchains?

In other words, if a shipper is asked to join blockchains led by Maersk, APL, and CargoSmart, will it choose one, more than one, or all of them?

Will it connect individually to all three, and will those integrations be undertaken in-house or be farmed off to a third party, such as a consultant or third-party logistics provider (3PL)?

Or, perhaps, will middleware emerge that allows a shipper to connect to one system and gain access to whichever blockchain protocol it needs to?

"Interoperability is the key word," Cheng said.

"Defining how that interoperability works will be very important.

That's why we want to have more carriers involved.

The more the network grows, the more chance it will have to attract other carriers."

The standards dilemma

Interoperability, sources tell JOC.com, could be reliant on the development of standards.

But standards are hard and time-consuming to develop.

A more realistic path forward for blockchain interoperability is another set of software companies normalizing protocols across the various blockchain solutions.

In tech parlance, it's called an abstraction layer.

"It would be detrimental for the shipping industry if the different factions and initiatives compete head-on trying to make their specific blockchain technology choice the de-facto standard for the industry," said Peter Ludvigsen, CEO and founder of Blockshipping, told JOC.com earlier in 2018.

More broadly, the problem with much of the current thinking around blockchain is that it's attempting to shoehorn this new technology into old ways of thinking, when the broader concept behind blockchain is to engender new ways of thinking.

For instance, while the idea of providing a single trusted ledger for all the parties related to a shipment to add, view, and verify data is sound, it's not exactly earth-shattering.

It's an incremental evolution from a standard database used to collect the same data, perhaps encrypted in a way that makes it harder for data to be changed.

As Eric Rempel, chief information officer at the freight brokerage and 3PL Redwood Logistics, put it, "It's like saying, 'Here's my typewriter, now plug it into the internet.'

Most people are trying to use something transformative for something mundane.

The catalytic event for what will drive use of blockchain is not even remotely defined right now."

For example, let's assume a shipper is the controlling party in its network.

That shipper might want multiple 3PLs to provide or pull data from a common portal, but it wouldn't want those 3PLs to see any data that's not directly related to them.

Similar situations arise with overseas suppliers or transportation providers.

So, a company could theoretically pull those same network structures into a blockchain environment, but does that make sense?

"Bitcoin is permissionless," said Jim Rice, deputy director at MIT's Center for Transportation & Logistics.

"But in [the] supply chain, you want to grant permission.

I get to decide who has access.

The question is, how do you get the benefits of immutability and visibility when you need to constrain those things?"

This might end up being a dead end for blockchain: a technology that's optimally used in a public, trustless environment running head-on into an industry that pathologically seeks trust.

In a theoretical world, a public blockchain with thousands of participants (nodes) would provide that trust.

But is an entire industry ready to shake loose of its moorings?

"There are two questions: the tech question and the culture question," said Brian Laung Aoaeh, a partner at the venture capital group KEC Ventures who focuses on supply chain technology.

"To me, the culture question is the more difficult one.

I'd spend my time cracking the culture question."

Indeed, there is a good chance blockchain will become a fundamental building block of liner shipping technology, but likely when people stop thinking about the underlying technology, focus on the applications, and ready themselves for change.

"Tech gets adopted when it becomes simple," Rempel said.

"When it's demystified."

(from: joc.com, July 28th 2018)

THE E-VOLUTION OF SHIPPING

There's no ignoring the increasing clout of online shopping.

Such was growth in the US last year that magazine DigitalCommerce360 called the fourth quarter a 'blockbuster'.

In that one quarter, online retail grew more than it did in all of 2011 – seven years have made a huge difference as options have multiplied online and e-commerce platforms have grown more customer-savvy.

In the US, 13% of all retail was made up of browsing and clicking on the web, last year.

This presents opportunities but also challenges for shipping, points out KD Adamson at maritime foresight firm Futurenautics.

"We've seen Amazon get a license as a freight forwarder, we've seen Maersk tie up with Alibaba.

There's all sorts of manoeuvring going on at a strategic level," she tells Twentyfour7.

"The concern, when it comes to e-commerce, is that they are so incredibly good at data, analytics, and prediction, using technology to relentlessly focus on customers, and shipping's not."

Mauro Sacchi, Director of Strategy and Business Development, Marine Solutions at Wärtsilä, thinks that shipping industry knows they have to develop and are doing so slowly.

"If the parties in a very fragmented industry don't cooperate in a transparent manner, the only way forward is consolidating," he says.

Fusing companies gives shipping a better grip on the supply-chain, he points out, not least thanks to connectivity and data analysis which give greater insight along the entire supply chain.

"These developments have made an unstoppable wave.

This is not something driven by shipping, it is driven by global e-commerce and customers.

Regardless of whether shipping wants to or not, they will be hit by this wave.

Are they going to ride the wave and seize the opportunity?" he ponders.

Not everyone will survive though, the middle-men will be trimmed from the equation, he forecasts.

But he emphasises one big thing that shipping can learn from e-commerce.

"These companies are very good at inventory management and forecasting based on the expected behaviour of the end users," he says.

Thus, shipping just needs to follow in e-commerce's wake.

Customer satisfaction is paramount, regardless of where one sits in the supply chain, that's the only way to stay afloat.

His judgement aligns with that of Adamson: meet the needs of e-commerce customers or shipping's going to miss out on opportunities.

"The only expertise shipping has is in operating ships, and as more of that becomes automated and driven by smart algorithms the less relevant shipping domain knowledge is in the supply chain," she warns.

From click to delivery

In some ways, there are conflicting interests between shipping and e-commerce.

And it all boils down to money.

In 2016, McKinsey wrote a report called "Container shipping: The untapped value of customer engagement".

The thrust of their argument was that cost-cutting in shipping lessens its ability to meet new demands.

The report mentioned slow steaming, staff reductions in customer-facing teams, and trimming in general.

"These moves have, in some cases, temporarily buoyed profitability, but they've also made life worse for their customers."

The report authors found widespread discontent in the industry, despite lower costs, and wrote "any short-term savings carriers might have achieved from cost cuts could ultimately be erased as shippers turn to competitors who can better meet their needs."

Adamson agrees with the report: "If it is going to come to a head-to-head, Amazon's going to win because satisfying the customer is their raison d'être.

If shipping doesn't become more reliable, efficient and transparent, there's a very real risk that online platforms say 'We can do this ourselves'.

We can fill in the shipping part of the intelligent transportation system which will be highly interoperable, automated, and seamless with the other modes."

Customers want as short a wait as possible between click and delivery, which means that e-commerce wants to keep up to speed.

They want to quickly stock their warehouses close to the end customer so they don't need to send out "We're sorry to inform you" emails about unforeseen delays.

Greater reliability would take some pressure off the speed issue, however.

Shipping companies can be somewhat slow as long as they sail into port on schedule and allow e-commerce companies to plan ahead.

The case for connectivity

Luckily for shipping, e-commerce giants are so good at predicting sales, and stocking their warehouses in time to avoid delays, that their expertise should be able to buoy the shipping industry.

Watch and learn, listen, and thrive.

As developments pick up pace, there are untold possibilities.

But the worry right now is whether e-commerce companies will revolt.

"As it stands today, the big platforms are going to reach the limit of optimising their existing supply chains where shipping is the weak link," says Adamson.

She wonders if, in order to satisfy increasing customer requirements, they may well turn around and say 'if shipping can't do this, maybe it would be simpler, cheaper and easier to create a new blue logistics ecosystem of different partners, and do it ourselves'.

A less dim view is taken by Wärtsilä's Sacchi, who doesn't think the shipping industry, as a whole, needs to be worried.

"I would be very surprised if Amazon or Alibaba became shipping companies on their own.

Why would they?

They look for partners that manage rather complex technology, which shipping does."

To counter that view, Adamson offers an example of an e-commerce company moving in on, or at least getting closer to, the supply chain: "Amazon has had a freight forwarding licence for a while.

Is the next step setting up its own shipping company, or working with a new outfit like Massterly from Wilhelmsen and Kongsberg, building next-generation ships, maybe investing in smaller, automated, battery-driven, low-emission ships that can navigate inland waterways and enter many smaller ports – bypassing the mega ships and mega ports – and thus really providing customers what they actually want?"

Sacchi at Wärtsilä believes strongly, however, that existing shipping companies will hold on to their place in the supply chain.

Shipping can, must and will adapt, he predicts, and there is one key solution that's finally available to shipping – on that point he and Adamson agree – and that solution is connectivity.

Offering something as simple to the end customer such as tracking their order was impossible as long as deep-sea connectivity was complex and expensive.

"Shipping has not had the same access to real-time, fast connectivity on its ships as we've had ashore because it's been incredibly expensive – satcom is literally rocket science," says Adamson.

"But with the costs and availability of enterprise-grade connectivity the gateway to the future is well and truly open for shipping."

Who's going to pay?

There are profits to be made in the long-term, but shipping today doesn't think long-term, Adamson argues.

The challenges are manifold and sewn into the very fabric of shipping.

With so many involved parties – owner, manager, operator – who is going to make that investment in connectivity?

"There are complex stakeholder relationships which can ultimately end up disadvantaging the end customer," says Adamson.

"Ship owners are speculating in tonnage rather than investing in end-customer propositions, so they're only interested in the value of the ship.

The third party ship manager may see the benefits but might not have the ship under management in three months' time and thus cannot justify a major connectivity investment in a vessel they don't own.

The bottom line is that shipping has been existing in a state of managed dissatisfaction for some time, and it's not a tenable situation as markets and customer demands evolve."

Tight budgets are also a challenge, and all the stakeholders are already operating on wafer-thin margins.

None of this, however, will get customers on land to scale back their expectations.

And the cultural differences between shipping and e-commerce companies are therefore a real challenge, warns Adamson.

"If you look at Amazon, they are relentlessly focussed on satisfying the customer, it is the only thing that their CEO cares about.

He asks every day 'What can we do to reduce the friction and get ahead of the customer's expectations?'

That's why every industry is vulnerable to Amazon, and shipping is absolutely no exception."

(from: hellenicshippingnews.com, August 20th 2018)

RAIL TRANSPORT

MOVING TOWARDS PAPERLESS TRANSPORT FROM EUROPE TO CHINA

A seamless procedure at all border crossings, faster transit time, lower costs and more flexibility in organising rail freight transport.

And of course, away with the pile of paperwork, which has to be carried around to pass all parties involved.

When all parties on a logistics chain would agree to use the electronic consignment note, paperless transport could be realised.

In theory, but a lot remains to be done before it replaces the paper version, said the International Rail Transport Committee (CIT).

The electronic version of consignment note is set to be a gamechanger for the rail freight industry and as a body representing some 216 railway undertakings and shipping companies, the CIT has been working for years to bring the innovative tool to the market.

The functional and technical requirements were finalised in January 2017.

With the establishment of Raildata, the IT platform is in place.

However, there are some challenges remaining, said General Secretary Cesare Brand.

Only B2B

"At the moment, it is only used for business-to-business flow of information", he explained.

The electronic consignment note can also be used for business-to-administration communication, such as for the communication between a railway operator and infrastructure manager.

However, this part of the chain is still subject to ongoing negotiations about the legal requirement, said Brand.

"The EU has proposed a new amendment to the Customs Code and it is not yet clear which information is required in this regard.

Furthermore, in the business-to-administrations flow of informations some administrations still require paper documents."

On a business-to-business level, implementation has commenced with several pioneers adopting the electronic version at the moment.

The electronic consignment note can be used in two ways, explained the general secretary.

"It can be used through a centralised data bank.

This data bank is managed by Raildata.

Or, parties can opt to implement the electronic note on a bilateral basis.

Front runners are DB Cargo and its subsidiaries, SNCF, Czech Railways, GreenCargo, Lineas Captrain, SBB Cargo, RCA and Mercitalia, to name a few."

Investment required

At the same time, industry players are still reluctant to make the switch.

"The technology comes with new procedures, and these require investments in IT tools", said Brand.

"Many rail freight companies are currently not in their best shape, and this is not the time for major investments.

Added to this is the fact that the investment will only start paying off when the electronic version is adopted on a broader scale, or paperwork needs to be presented simultaneously", Brand argued.

Finally, there is still unclarity about the recognition of the electronic consignment note in the courts of individual member states, the CIT official explained.

"The consignment note is a proof of contract, but the level of recognition of the document as such varies greatly between the courts in different countries.

The EU Commission is now trying to harmonise this legislation."

Expanding to China

The electronic freight document applies within the jurisdiction of the region covered by the Convention concerning International Carriage by Rail (COTIF).

This includes Europe, the Maghreb and in Middle East.

However, CIT is currently expanding its reach to also cover transportation between Europe and China.

"We are expecting to finalise the functional and technical requirements beginning next year", said Brand.

"We are moving forward, but we are moving slowly", he noted.

"We still have a lot of work to do.

But I think we are doing well as a rail freight sector.

One-and-a-half year ago the sector was not ready.

Now we are ready, we just need to move forward."

(from: railfreight.com, July 31st 2018)

DB-VTG PUBLISH INNOVATIVE FREIGHT WAGON INTERIM REPORT

German Rail (DB) and VTG have released the interim results of the "Innovative Freight Wagon" research project to construct and test lighter, quieter and more energy-efficient freight wagons, with four types of test vehicles completing more than half of the 150,000 test kilometres since coming into operation in March.

DB says the innovations being tested on the flat wagons, container wagons, tank wagons, and car transporter wagons range from the use of new lightweight components to save energy and reduce noise, to new digital modules that optimise wagon operation.

The intermodal wagon has been redeveloped as a container wagon to accommodate the widest possible variety of container combinations, with particular emphasis on a weight-optimised design.

The combination of disc brakes and a telematics module also allows longer maintenance intervals and higher availability.

The double-deck car transporter has also achieved a high loading efficiency, especially when transporting tall and heavy vehicles such as SUVs and vans, and is also suitable for the transport of other vehicle types.

The wagon has a flexibly adaptable upper loading level and adjustable elements on the lower loading level.

The tank wagon is 2m shorter than existing types (14.4m) while maintaining the same volume (77m3), allowing more wagons per train, which DB says was possible by creating a larger tank diameter using a new material.

A variety of combinations of low-noise wheelsets, wheelset coatings and wheel noise absorbers are being trialled on the wagons.

The tank wagon also features lighter insulation with lower density.

The six-axle flat wagon has been designed to transport steel products and can carry both slabs and coils as well as containers, removing the need to convert the wagon for the different loads.

"I am pleased with the results of the first measurements," says federal transport minister Mr Andreas Scheuer.

"They show that all wagons clearly undercut the permitted noise limits and save energy.

Freight transport by rail may in future be quieter, more energy-efficient and more economical.

This is an important step in bringing more goods to rail and increasing the overall acceptance of rail freight."

The German Federal Ministry of Transport and Infrastructure (BMVI) is contributing €18m towards the two year, which was launched in October 2016, while DB Cargo and VTG are bearing the €6m procurement costs for the freight wagons and components themselves.

DB says the remaining test runs will show whether the developments also pass the practical test from an economic point of view.

(from: railjournal.com, August 15th 2018)

ROAD TRANSPORT

DB SCHENKER TESTS AUTOMATED "WIESEL" SWAP-BODY TRANSPORTER

DB Schenker is the world's first logistics service provider testing an automated "Wiesel" at its site in Nuremberg.

This vehicle manufactured by KAMAG has been developed to transport swap bodies at logistics yards and can move these autonomously.

The "Wiesel" serves to analyze and evaluate the automated processes.

The vehicle has been developed for the use on company grounds only, and won't be deployed in public spaces.

KAMAG and DB Schenker, two leading global companies, are cooperating to push forward jointly the innovation topic of automated driving.

Erik Wirsing, Vice President Global Innovation at Schenker AG, said at today's presentation of the "Wiesel": "Digitalization improves efficiency throughout the entire transportation ecosystem.

The use of driverless transportation systems is already an important component of our logistics processes.

The evaluation of the test phase will show how we integrate the system into our overland transportation system."

Managing Director Bernd Schwengsbier from KAMAG: "The pilot project allows us to analyze the potential of the technology in specific everyday logistics applications.

This will help us to further develop and improve the technology.

With our automated guided vehicle we make a contribution to increasing the efficiency of our customers."

In the long term, the aim is to maximize the cost-effectiveness of automated swap-body vehicles and to match the turnaround time of vehicles manned by drivers.

In comparison with regular swap-body transporters, potential benefits include reduced personnel costs, longer maintenance intervals as well as a resource-optimized operation.

The automated operation of the "Wiesel" reduces pollutant emissions and noise.

In light of the increasing staff shortages in the logistics industry, the autonomous vehicle can also help alleviate staffing issues.

Moreover, using automated vehicles improves the overall safety level on logistics yards, where human error is considered the main cause of accidents.

The very precise sensors help to minimize the risk of injuries and damages to the infrastructure.

In terms of safety and thanks to the sensors, the vehicle can detect obstacles and stops automatically whenever necessary.

Adding to this, during the tests executed by DB Schenker the vehicle can be stopped at any time by using a radio remote control.

The automated “Wiesel” in Nuremberg was constructed by converting a standard swap-body vehicle.

(from: transportjournal.com/deutschebahn.com, July 26th 2018)

HELLMANN AND BERGISCH ACHSEN KG START FIELD TESTS WITH RETRO-FITTED ELECTRIC MOTOR FOR COMMERCIAL VEHICLES

As part of an innovation cooperation, the globally operating logistics service provider, Hellmann Worldwide Logistics, and one of the world's largest manufacturer of trailer running gears, BPW Bergische Achsen KG, are starting a joint practical trial: they are bringing the eTransport, an electric motor axle recently developed by BPW, onto the roads.

What sets it apart is that the electrically operated axle enables the conversion of conventional, diesel-powered commercial vehicles and therefore represents a genuine innovation in terms of sustainability – not only from a technical, but also from an economic and environmental point of view.

As part of the field test, the use of an electrically powered van will be tested over a period of six months in various topographies, and with varying tour configurations for inner-city delivery.

The MB Vario, which has been specially converted for Hellmann, will be deployed for around two months in the pilot branches of Osnabrück, Lehrte and Bielefeld.

With its two axle-integrated asynchronous motors, the vehicle boasts more than 150 kW (equalling around 200 PS) and allows a range of 100 km to be covered with a usable load of 3 tonnes using an 80 kWh lithium-ion battery.

The logistics company Hellmann has been working on innovative, sustainable logistics approaches for several years now.

By cooperating with institutes from science, research and industry, the aim is to find a real alternative to diesel motors for the Hellmann vehicle fleet in the medium-term; one that stands up to both economical and environmental criteria.

BPW won numerous innovation prizes with the eTransport axle, which was presented for the very first time at the IAA 2016.

Thanks to the compact installation of motors and gears in the axle and the advantageous position of the motor close to the wheel, this is an impressive solution which optimises the manoeuvrability of the vehicle with active assisted steering.

The eTransport solution can be integrated into existing vehicles, such as the MB Vario for example, and therefore gives expensive special vehicles a second life free of emissions.

In conjunction with the experts, Paul Nutzfahrzeuge, BPW has announced that the standard conversion of these vehicle types will begin by the end of the year.

"We see electro-mobility as a possible key technology in the implementation of sustainable logistics approaches, which at the same time provides our customers with more flexibility.

Based on the threat of diesel bans in inner-city areas and the increasing demand amongst customers for green logistics solutions, this field test gives us real data and experience regarding the use of new motor technology," says Mathias Magnor, Chief Operating Officer Road & Rail, Hellmann Worldwide Logistics.

Markus Schell, personally liable managing partner of BPW: "We are delighted that Hellmann, as a globally operating logistics service provider which is devoted to sustainability, has chosen our solution.

This means that together we can gain highly valued knowledge about various practical requirements and use it for further development before we start with series conversion of diesel vehicles from the end of this year."

About BPW Bergische Achsen Kommanditgesellschaft

BPW Bergische Achsen Kommanditgesellschaft is the parent company of the BPW Group.

With over 1,600 staff, including around 120 apprentices, the family-owned company has been developing and producing complete running gear systems for truck trailers and semi-trailers at its headquarters in Wiehl since 1898.

BPW's technologies include axle systems, braking technology, suspension and bearings.

BPW's trailer axles and running gear systems are in use in millions of vehicles around the world.

An extensive range of services also provides vehicle manufacturers and vehicle operators with the opportunity to increase the efficiency of their production and transport processes.

(from: transportjournal.com/hellmann.net, August 24th 2018)

TRANSPORT & ENVIRONMENT

EGCS: DO THEY SCRUB UP WELL?

Choosing the best option to comply with the sulphur cap will be a gamble.

The economic success of a shipowner's choice depends heavily on future fuel prices in 2020 and beyond.

If the price difference between high sulphur residual fuels and 0.5%S distillates reaches $400 per tonne in 2020, as predicted by some market analysts, then installing exhaust gas cleaning systems (EGCS) looks like a very attractive option.

Much has been said and written about EGCS – commonly referred to as 'scrubbers' – and whether it is an environmentally sound solution.

Is putting the SOx into the sea any better than releasing it into the atmosphere?

The public perception of the "greenness" of scrubbers may well be different to the reality.

To help us decide on what is myth and what is fact, North of England P&I Club asked Don Gregory and Mark West of the Exhaust Gas Cleaning System Association (EGCSA) to take part in a short Q&A.

The following are the opinions of the EGCSA and do not necessarily reflect the views of North.

"Q. Doesn't an EGCS merely move the pollution from the air into the sea?

A. This is a common misconception – scrubber wash water removes and converts sulphur oxides from the exhaust gases so they are discharged in the wash water as harmless sulphate.

After sodium and chloride, sulphate is the most common ion in seawater.

Even if all of the sulphur in all of the world's petroleum reserves were to be scrubbed, the increase in ocean sulphate would be infinitesimally small.

Scrubber wash water discharges are also continuously monitored and subject to strict discharge limits.

Various studies have concluded that any reduction in pH from scrubbing, will be insignificant when compared with that resulting from increasing atmospheric CO2 absorbed by the oceans.

Also, open loop scrubbing has been used for years by coastal power stations and by oil tanker inert gas (IG) systems when in port without environmental issues.

Taking the holistic view, scrubbing enables the use of residual fuel to continue, which means the energy needed for producing distillate fuel and resulting CO2 emissions can be greatly reduced.

Q. What about the numerous anecdotes about EGCS being unreliable and requiring a lot of maintenance?

A. This may have been the case some years ago before exhaust gas cleaning became widespread.

However, scrubbing is an established technology.

There have been some reports of pipe failures due to using incorrect materials or incorrect coatings.

The key to successful EGCS is extremely professional project management and high quality installation teams.

EGCS are designed for the life of the ship.

Q. Can we expect laws – international, regional or domestic – that will eventually control or ban the discharge of EGCS effluent (particularly in confined waters and ports)?

A. IMO already requires that the wash water parameters of pH, polycyclic aromatic hydrocarbons (PAH) and turbidity are continuously monitored and the results logged against time and ship's position.

There are a few ports that have prohibited the use of open loop scrubbers in their waters.

But there is no evidence to justify the prohibition.

There are many examples of land based scrubbers operating for decades without measurable impact on sediments or the surrounding waters.

It is very much an emotional reaction.

Q. Are you confident that refineries will continue to produce cheap high sulphur residual fuels post-2020?

A. Yes – there is no doubt that refiners are worried about the disposal of residues come late 2019 with the switch to 0.5%S fuel.

The worst case scenario is the high sulphur fuel falls below the price of coal.

Q. If using closed-loop and hybrid scrubber systems, what happens with the chemical waste?

Is it disposed in an environmentally sound manner?

A. The scrubber guidelines require that waste generated by closed loop EGCS is delivered to shoreside reception facilities.

It cannot be discharged to the sea or incinerated onboard.

Q. If the EGCS malfunctions in service, is the vessel in breach of MARPOL Annex VI?

A. The key advice that EGCSA has received is that ship operators should be open and advise flag and coastal/port state without delay of the issue and remedial action that is being taken.

In the event of a problem preventing system operation, the ship would not be considered as being in immediate breach of the regulations because non-compliance would be unintentional and the provisions of regulation 3.1.2 of MARPOL Annex VI would apply.

If EGCS operation is not possible, the ship is advised to change over to compliant fuel.

However, if there is no compliant fuel on board, the ship should be allowed to complete the current leg of its voyage without deviation and then carry out repair works or bunker compliant fuel.

Q. Is it too late to order and install an EGCS on a vessel before 2020?

A. It is understood that most of the EGCSA members cannot now deliver until after 2020.

There are some bottlenecks such as availability of laser measurement surveyors and experienced installation teams.

However, we understand one particular yard in Korea has recently quoted 19 days for complete installation.

As things stand, high alloy steels required for manufacture are still available in sufficient quantities."

(from: hellenicshippingnews.com, July 25th 2018)

LOGISTICS

3PLS FACE SERIOUS CHALLENGE FROM E-COMMERCE GIANTS

The distribution agreement struck by JD.com and Unilever last week could be a sign of things to come as e-commerce giants leverage their expanding logistics networks to compete with 3PLs for contracts, according to one leading supply chain analyst.

JD.com, China's largest retailer with over 300 million customers, last week agreed to distribute Unilever's wide range of consumer products, including its Lipton, Vaseline, Clear and Lux brands, across China.

No financial details were revealed by the companies but a statement from JD.com confirmed that Unilever had chosen it "as its logistics partner to expand its reach in China", with JD providing transport services between warehouses and to third party retail stores.

"After working closely with JD as a retail partner, it's clear that its logistics network and technology are unmatched," said Rohit Jawa, Executive Vice President of Unilever North Asia.

"By opening that infrastructure to businesses outside of its own platform, JD will now help us bring our most popular products to the most hard-to-reach communities in China, securely and quickly."

Cathy Roberson, founder and head analyst at US-based consulting firm Logistics Trends & Insights, said manufacturers operating in China often found it difficult to organise distribution beyond major cities, particularly last-mile delivery.

However, the success of e-commerce retailers in building out logistics networks to meet the delivery demands of their own customers had created new options for producers.

It had also enabled e-tailers to compete with 3PLs for distribution contracts, both in China and beyond.

"It's not a matter of muscling into the territory of logistics companies but rather providing a much-needed service in a country in which last mile delivery is unique and still lacking in nationwide network infrastructure needs," she told Lloyd's Loading List.

"Many traditional logistics companies within China do not offer a nationwide network of their own and, as a result, businesses such as JD.com have had to build out their own out of necessity.

As companies such as JD and other e-commerce businesses including Alibaba and Amazon move further into logistics and last mile delivery, we could see them rival integrators within China, regionally and globally."

JD.com said its partnership with Unilever marked an expansion of its 'Retail as a Service' (RaaS) strategy in which the company is offering its technology and infrastructure to companies and organizations outside of its own e-commerce platforms.

"JD already provides various combinations of warehousing, transportation and inventory management software to companies including Danone and Oldenburger in China," said a statement.

"Unilever, a long-time partner of JD, presents a massive new opportunity because the company still does the vast majority of its sales through offline channels in China—sales that will now be powered by JD Logistics."

Prior to the deal with JD.com, Unilever had worked exclusively with logistics firms including Deutsche Post's DHL to meet its Chinese distribution needs, according to Reuters.

DHL refused to comment when asked by Lloyd's Loading List how it would be affected by the Unilever tie-up with JD.com.

JD.com has sought to differentiate itself from bigger rival Alibaba by operating its own logistics network which some claim is now the largest in China.

The firm currently operates over 500 warehouses, 7,000 delivery stations and promises to deliver over 90% of orders on the same or next day.

However, despite JD.com's success in building out its network, its logistics arm remains loss-making.

Revenue generated by JD Logistics surged 151% year-on-year in 1H18 to CNY5.1 billion ($743 million), or 2.3% of JD's total revenue, but its operating loss amounted to CNY2.4 billion in the period, offsetting a big portion of the CNY3.4 billion operating profit generated by JD Mall.

"While JD Logistics will remain a drag on the group's profitability in the near term, JD management hoped to improve its margin through enhancing utilization and opening up new revenue streams," said analysis by Nomura.

(from: lloydsloadinglist.com, August 21st 2018)

LAW & REGULATION

MODELLING THE FUTURE OF TRANSPORT: THE EUROPEAN COMMISSION'S 2050 STRATEGY

Within a recent paper, T&E (Transport & Environment) describes the model and reports on some of its technical limitations when it comes to transport, describes the consultation process of the strategy itself and proposes measures to ensure robust, trustworthy modelling, the consequences of which are crucial for environmental policy for the next decade.

This paper has a particular focus on the transport sector, both the largest source of GHG emissions in the EU and the only sector to have increased since 1990.

Here below the executive summary of this paper is reported, whose full version is available on:

https://www.transportenvironment.org/sites/te/files/2018_07_2050_model_paper_final.pdf.

* * *

The 2050 strategy being developed by the European Commission for the 2019 UN Climate Change Conference (COP25) is of key importance to the future of European climate policy.

United Nations Framework Convention on Climate Change

The strategy's central aim is to guide European climate policy towards adhering to the Paris climate agreement, ie how to reduce greenhouse gas emissions from all sectors of the economy to limit global temperature rises to well below 2ºC.

To do this, the Commission relies on the PRIMES econometric model to determine the most cost-effective pathways.

The model is a comprehensive suite that can compute the European economy and its associated emissions.

Based on historical and anticipated costs of technologies to reduce emissions, such as the cost of an electric vehicle compared to a more efficient petrol or diesel powered car, the model helps determine the cheapest pathway forward.

The most recent modelling work, namely the 2016 Reference Scenario, along with the EUCO Scenarios designed to achieve the EU's 2030 target, raise some fundamental flaws that we highlight.

The general criticisms of the model include:

- Transparency: from the consultation process to the final results, we highlight in the report numerous occasions where assumptions and modelling inputs are intransparent.

  This restricts critical review from relevant stakeholders, and reduces confidence in the results.

- The inability to model disruptive changes: one such example is that in the heavy-duty vehicle CO_2 emission standard proposal, there was no ingress of battery electric trucks by 2030, despite several models already on the market or announced in the next two years.

  This is due to, in one part, the lack of transparency of the assumptions used for these trucks, and also due to the structure of the model itself.

- The effort allocated across sectors: road transport has clear decarbonisation pathways that are becoming compelling in terms of cost, range, and charging infrastructure.

  Despite this, the 2030 car and truck CO_2 regulation had a less ambitious target than the building sector, which appears to be based on out of date cost assumptions that were implemented in the EUCO scenarios.

  This does not appear to reflect the affordable and clear decarbonisation pathways available in transport.

- International shipping and aviation: the Commission's previous modelling of aviation showed very optimistic efficiency gains, resulting in stagnating emissions growth despite a 125% increase in passenger numbers.

  Shipping shows a switch to LNG, which many studies have shown do not reduce GHG emissions.

  The model does not appear to be equipped to adequately model these sectors.

- No societal cost of GHG emissions: despite being designed to develop pathways for the European economy to reduce its greenhouse gas intensity,

PRIMES does not account for a societal cost for carbon nor explicit mechanisms to limit damage to the environment.

This means there is no cost penalty for inaction, although climate change would have significant direct costs related to infrastructure and biomass availability.

This can distort policy decisions that only see the investment costs for new technologies, rather than money saved from climate change mitigation and other co-benefits.

The paper analyses in closer detail specific transport issues that have been identified from publicly available documents.

In particular, the post 2020 car, vans, and heavy duty vehicle CO_2 standards are analysed.

In the case of cars, atypical behaviour such as increasing fleet sizes with new technology occur; this suggests that if a person replaces a petrol or diesel car with a battery electric vehicle, they expect to drive it less, when in reality evidence suggests the contrary is true.

The implication of this is that more vehicles are needed to undertake the anticipated transport activity.

More vehicles implies more cost, and more costs implies a bias against electric vehicles as being a cost effective solution.

This may also be true for vans, and is certainly true for the analysis of trucks.

An important element of the PRIMES modelling pertains to biofuel and biomass availability, and the land use, land use change, and forestry sectors.

In reality, these sectors are intimately linked, but how they interact within PRIMES-TREMOVE is not clear.

Forests play an important role in acting as a CO_2 sink, where CO_2 from the atmosphere is absorbed by trees so that they can grow.

However, if there is a large demand for biofuels, the model may find that felling forests to make space for energy crops is a cost effective solution to decarbonisation.

This may lead to a situation where one sector may rely on forests to absorb its emissions (to reach net zero) while another sector may be relying on the biomass from forests as a fuel.

Finally, we comment on the consultation process of the 2050 Strategy, and the limitations within it.

No response was given to feedback provided to the one-time-only stakeholder meeting, and this appears to be the case across many sectors.

Despite being the largest source of emissions in Europe, there has been little to know detail on the mobility inputs.

In the case of cars, this is despite the Commission providing over 500 pages worth of research.

There appears to be no way to determine what inputs have been used, and if they haven't been, why not.

The recommendations from the analysis are summarised here, where Transport & Environment request that the European Commission:

- Implement a transparent process with more active stakeholder involvement;

- Give a stronger focus on the potential of zero-emissions technologies to achieve full decarbonization in an efficient and timely manner in the transport sector;

- Detailed inclusion of all transport emissions (namely, the fast growing aviation and maritime sectors), and justify and correctly capture the share of the effort that the transport sector must fulfil;

- Include a sensitivity analysis on the economic climate impact of non-action by assuming a societal cost of greenhouse gas emissions.

  The EU should adopt an approach of minimising environmental damage and biodiversity loss; although impossible to quantify, this approach is in line with its founding precautionary principle.

(from: transportenvironment.org, July 25th 2018)

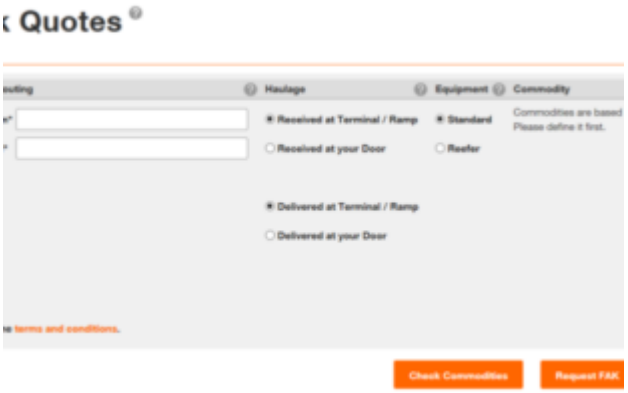
PROGRESS & TECHNOLOGY

HAPAG-LLOYD BECOMES FIRST CONTAINER LINE TO LAUNCH ITS OWN ONLINE RATE QUOTATION TOOL

Hapag-Lloyd has become the first of the major container lines to launch an online rate quotation tool as the industry looks to further digitise processes.

Quick Quotes is now open to all customers after, what the carrier described as, a "successful" implementation period.

The company said the programme was "faster, easier and more convenient", and chief executive Rolf Habben Jansen added he hoped it would improve efficiencies.



"Becoming easier to do business with and digitising our services are very important for us," he said.

"Quick Quotes enables our customers globally to get a fast quotation at any time, which will contribute to a better and more efficient customer experience."

To get a shipment quotation, customers log in via Hapag-Lloyd's website, select start and end points of the shipment and nominate commodity and container types.

Customers will, "within seconds" says Hapag-Lloyd, receive a binding quotation, allowing them to immediately make a booking.

Logistics companies have recently unveiled a raft of online platforms purporting to ease the process of gaining quotes and making bookings.

Last month it was Air France-KLM, Kontainers and Lufthansa Cargo, all focusing on the benefits their platforms would bring the forwarding community.

Lufthansa's pilot programme was part of a partnership with online rate platform Freightos, allowing forwarders to "instantly" view contracted prices and secure capacity.

The carrier said it intended to roll it out beyond Europe in the "coming months".

Customer Rohlig said: "The functionality enables rapid quoting and booking of shipments, and customers benefit through improved information flow and handling of their consignments."

(from: theloadstar.co.uk, August 15th 2018)

ECO-FRIENDLY POWER FOR HAMBURG TERMINAL

Ocean carriers Hapag-Lloyd and HHLA have collaborated with Becker Marine Systems to test alternative power supply at the Port of Hamburg.

In order to improve air quality at the port, the newly developed technology will allow large and very large container ships to switch off their auxiliary diesel supplies during lay time and instead draw the power they require from a mobile generator.

Becker Marine Systems built the prototype generator to service vessels at the HHLA Container Terminal Burchardkai (CTB), including some of Hapag-Lloyd's 20,000 TEU megaships.

Developed in partnership with Becker's subsidiary Hybrid Port Energy (HPE), the Becker LNG PowerPac is a compact system the size of two 40-foot containers, and comprises a gas-powered generator and an LNG tank.

As soon as a container ship docks, a container gantry crane lifts the mobile 1.5-megawatt power generator from the quay into position at the stern of the ship.

Once there, it is connected to the ship's power system and can supply the electricity needed for on-board operations while the ship is docked, eliminating the need for harmful emissions like sulphur dioxide, particulate matter and nitrous oxides that would normally be generated.

Dirk Lehmann, Managing Director at Becker Marine Systems, said: "We can safely say that the pilot phase was a complete success, and we thank our partners for the great teamwork.

The Becker LNG PowerPac represents a straightforward solution for the reduction of harmful emissions in the port and has the potential to be implemented internationally.

We are in conversation with a variety of European and Chinese ports, and we are confident that the Becker LNG PowerPac can be successful on the market."

Jens Hansen, HHLA Executive Board Member, also commented: "We are delighted to add our experience and expertise to this important pilot project for the Port of Hamburg.

From what we can see, the tests have been very successful so far.

PowerPac handling might well be integrated into our terminal processes."

(from: porttechnology.org, August 23rd 2018)

STUDIES & RESEARCH

BOX TERMINALS STILL HEADING FOR OVERCAPACITY

German consultancy DS Research has just announced the 5th edition of its market report "Container Terminal Project Pipeline", which reviews forthcoming container terminal projects and analyses project completion rates by regional market.

The study identifies 350 expansion projects that aim to add 270M TEU additional container handling capacity up to year 2023.

It forecasts that between 40% and 70% of the planned capacity will actually be built.

"Developers are in general too optimistic regarding the expansion of existing facilities or the construction of greenfield sites.

The scope and timing of projects is usually adjusted to market demand, resulting in projects getting downsized, postponed or cancelled," DS Research noted.

"The purpose of project announcements is to attract interest from investors and potential customers.

Therefore, what is announced usually exceeds what is actually built" said analyst Daniel Schaefer.

"At the same time, we expect that about 2/3rd of the expansion projects included in our project pipeline will in fact get completed, with execution rates ranging from 40% for North Africa to about 70% for South East Asia and Oceania."

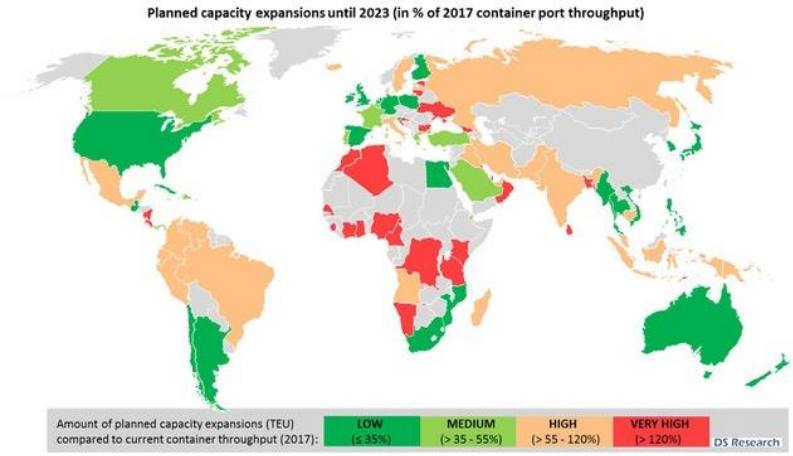
Considered globally, box terminal supply has been getting ahead of demand for some years now.

"Due to a number of reasons, container handling capacity has increased at a relatively constant level of 40 to 50M TEU per year, largely exceeding demand growth.

Reportedly about 300 projects consisting of 185M TEU new capacity have been built during the last 4 years, whereas container throughput increased by only 63M TEU," DS Research noted.

The consultancy expects a closer balance between supply and demand in the future, as terminal operators "tend to be more hesitant regarding new terminal investments" today.

Over the next five years the gap between new capacity and demand growth is expected to close to 50M TEU, with container port demand increasing by 210M TEU (4.3% CAGR) to 2023, and supply increasing by 260M TEU (3.4% CAGR) in the same period.



Speaking with WorldCargo News Daniel Schaefer said DS Research tracks projects individually over time, and notes those that generate media coverage but no actual progress.

While there are quite a few of these, most of the pipeline, he said, is actually "very solid".

The busiest development areas at the moment include the US East Coast, the Mediterranean Sea, the Suez Canal, the Persian Gulf and the Strait of Malacca – moving away from Northern Europe and the Panama Canal.

However, the majority of the listed projects are small or medium sized – about 75% of all projects scheduled for completion until 2023 include a capacity expansion of below 1M TEU.

The focus on smaller projects means more are actually getting completed.

"Last years' project pipeline consisted of 75.6M TEU of capacity scheduled for completion in 2017.

Most projects were rated to be solid.

Retrospectively, about 71% of capacity was completed in 2017, whereas 22% were postponed to later years, and 7% were downsized or cancelled," said Schaefer.

This is a higher completion rate than previous years.

"Regarding the surveys of 2014-2016: about 55-70% of the projects scheduled for completion during the same year were in fact executed."

As developments scale down, they are also getting more diverse.

"We have seen a definite trend where many global concessions are being let on the basis as a multi-purpose terminal, that means containers plus dry bulk or breakbulk facilities," added Schaefer "and an increasing interest of international operators in these kind of facilities as well as in inland services."

The report is available from the DS Research website:

(http://www.dsresearch.de/).

(from: worldcargonews.com, August 20th 2018)

INFORMATION TECHNOLOGY

A DAY TO REMEMBER: THE FIRST EVER BLOCKCHAIN-BASED CARGOX SMART B/L™ HAS SUCCESSFULLY COMPLETED ITS HISTORIC MISSION DURING A TRIAL SHIPMENT FROM CHINA TO EUROPE

The logistics documentation revolution can now be unleashed!

The container, processed with the revolutionary new blockchain-based CargoX Smart Bill of Lading™, has been released successfully in the Port of Koper, Slovenia (EU), where it arrived on Sunday, completing its journey from Shanghai (China) aboard the cargo ship Ever Safety, and was shipped by one the world's largest freight forwarder.

The Bill of Lading for this shipment has been issued electronically and transferred with the help of an ultra-secure and reliable public blockchain network in just minutes instead of days or weeks, and the chances of loss, theft or damage of the Bill of Lading have been dramatically reduced to near-zero.

At $15, the cost of such a safe electronic Bill of Lading was a mere fraction, approximately 15%, of the estimated usual price for a paper document to be transferred through courier services across the globe (estimates may vary).

The whole process was completely official, compliant and hassle-free, which has been unanimously confirmed by all the partakers in Asia and Europe.

The importer was the company Metro d.d., better known for their network of MANA clothing stores throughout the CEE region, with a chain of 200 shops.

"We are extremely happy to be able to confirm that all went well with the new blockchain-based electronic Bill of Lading, as this will give us the opportunity to lower the cost of importing goods significantly.

We import hundreds of TEU from the Far East, and we are always trying hard to optimize our supply chain.

If it raises the safety and reliability of the document transfer, that is an added value for us as well!" said Miloš Košir, logistics manager of Metro d.d..

The exporter, the Hangzhou Doko Garments Co. Ltd., is one of the 1,000+ manufacturing plants in the Hangzhou region, which represent 50% of China's roughly 600 ready-to-wear brands focused on the upper-middle women's fashion market.

Their CEO, Mr. Lin, approves of the CargoX Smart B/L™:"We were glad to comply with the new process, as it was really easy and swift to implement, and the possibility to oversee where the B/L currently is and always have the archive accessible are advantages that we really think could bring a great benefit to us.

We are looking into the opportunity and the effect it would have for our company as a whole."

CargoX, led by Stefan Kukman, founder and CEO, is now confirming the availability of the blockchain-based Smart B/L™ to business customers, with many successful trials already underway.

"Our initial idea was to solve one problem at a time and not to solve all the problems that shipping industry is facing at once.

Looking at the current situation we made a proper decision and sticking to our game plan is paying out.

By successfully completing the official test shipment we are concluding our development and testing phase of our CargoX Smart B/L™ solution, which will now be available to all logistics and shipping companies who want to reduce their Bill of Lading issuing and processing costs by up to 85 %, as well as save weeks waiting for the document, and who also want to have complete security and document ownership transfer capabilities," said Stefan Kukman, CEO and founder of CargoX, a blockchain solution provider for the logistics and shipping industry.

CargoX plans to be present at major logistics fairs and events, and customer trials of the solution are available from September 2018.

The shipment of garments was sent on Friday, 27 July 2018.

The shipment in question was a 20-foot (1 TEU) container, containing 24.8 cbm (cubic meters) of garment cargo, weighing 3752 kg.

The container was loaded in the port of Shanghai, China, and it was discharged in the port of Koper, Slovenia (European Union). The ship carrying it was the Ever Safety, a 299.99 x 42.8 m cargo ship built in 2007.

More about CargoX Smart B/L™: https://cargox.io

(from: cargobusinessnews.com, August 23rd 2018)

REEFER

GROWTH IN REEFER TRAFFIC OUTPACING DRY BOXES AS GLOBAL DEMAND FOR PERISHABLES RISES

Growth of reefer traffic is outpacing that of the overall container trade, thanks to growing worldwide demand for perishables and a modal shift from specialised reefer vessels.

Drewry director and head of research products Martin Dixon told The Loadstar he expected the trend to continue, enabling reefer container rates to continue outperforming dry rates.

"Looking at the perishables market, we can't see anything jeopardising the growth rates we've been seeing – excluding these trade disputes," said Mr Dixon.

"But even there, if you look at perishables market development, it's linked to growth in GDP and population, driven by Asia – particularly shipments from Europe to China."

In 2017, seaborne reefer trade posted year-on-year growth above 5%, with 124m tonnes carried in reefers – a "big improvement" on the 10-year average annual growth rate of 3.6%.

Drewry's Reefer Shipping Annual Review and Forecast report states that it expects containerised reefer traffic to have exceeded this, forecasting growth of around 8% in 2017.

"Driving this acceleration has been the continued shift of cargo from the declining specialised reefer fleet to the container mode," Mr Dixon continued.

"Indeed, the specialised sector's share of total seaborne reefer trade is forecast to fall from 20% today to just 14% for 2022, with container lines picking up the slack."

Mr Dixon said the specialised fleet had suffered particularly from "very little" investment, largely down to "poor" financial returns linked to the market's seasonality.

And of course, this has not been helped by the increasing levels of competition the specialists are facing from the container shipping lines.

"Container shipping lines are upping their game and offering very competitive rates and greater flexibility," he continued.

"Given limited newbuild orders and the age of the remaining [specialised] fleet, we expect the capacity of this sector to continue to decline."

Growing demand for reefer containers has resulted in containerised reefer rates quickly outpacing the levels of growth seen in the wider containerised rates market.

According to Drewry, containerised reefer rates rose 3% in the six quarters to June 2018, while average dry freight box rates fell 14%.

"This demonstrates despite broader weakness in the container market, reefer rates have held, rewarding carriers that have chosen to invest in the cargo segment," says the report.

"Meanwhile, time charter rates for specialist reefer vessels recovered in 2017 from the previous year's lows but have since come under pressure and are expected to remain so."

However, Drewry said, container equipment availability remained an issue, particularly in hinterland locations where carriers have been reluctant to reposition empty reefer boxes.

And despite production of new refrigerated container equipment recovering last year, the report says it expects supply to remain tight – even if production outpaces demand.

"Carrier reluctance to put boxes into hinterlands comes from prioritising cargo and requires minimal equipment repositioning in times of tight capacity," said Mr Dixon.

"Transporting empty containers carries a cost and a hinterland origin means that the equipment may be tied up for longer."

The report also expects growth in seaborne perishables to "moderate slightly" over the next five years, dropping to around 3% annual growth.

This, it says, is partly down to inclement weather in the final months of 2017 altering the trade in bananas and other exotic fruits.

"The trade dispute between US and China will have also a negative impact on overall reefer traffic," said Mr Dixon.

"Westbound transpacific traffic, in particular, will be affected, which is one of the reasons we expect the growth in overall reefer trade to moderate slightly over the next five years."

(from: theloadstar.co.uk, August 13th 2018)

ON THE CALENDAR

▪ 24/09/2018 – 29/09/2018	Napoli	Naples Shipping Week 2018
▪ 26/09/2018 – 27/09/2018	Riga	2nd Baltic Sea Ports & Shipping 2018
▪ 24/10/2018 – 25/10/2018	Aqaba	15th Trans Middle East 2018
▪ 28/11/2018 – 29/11/2018	Accra	20th Intermodal Africa 2018
▪ 30/01/2019 – 31/01/2019	Kuwait City	16th Trans Middle East 2019
▪ 20/02/2019 – 21/02/2019	Manila	10th Philippine Ports and Shipping 2019
▪ 20/03/2019 – 21/03/2019	Mombasa	21st Intermodal Africa 2019

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