Newsletter

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Link road, rail, sea!

Centro Internazionale Studi Containers

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PORTS AND TERMINALS

2018 IS RECORD YEAR FOR PORT OF ANTWERP

2018 looks set to be a record year for the Port of Antwerp for the sixth time in a row, with growth in all types of cargo and a recent wave of investments.

This confirms the port's attraction and further establishes its position as a world-class player that is also home to the largest integrated chemical cluster in Europe.

Crucially, the Port says, it also assures the continuity of the port's role as the main engine of the Belgian economy.

In 2019 the Port Authority will keep to the same course, further building a sustainable future for the port.

In pursuit of this goal it is concentrating heavily on structural solutions to challenges such as mobility, the energy transition, digitisation and innovation.

With expected growth of 5.1% compared with 2017, the earlier forecasts of a sixth successive record year have been confirmed.

The expected total freight volume in 2018 comes to 235 million tonnes, a new record, with unparalleled growth in all types of cargo.

The large expansion in container freight continues, reaching 130 million tonnes (up 5.8%) or 11 million TEU (up 5.5%).

Liquid and solid bulk for their part are up by respectively 4.5% (to 76.5 million tonnes) and 5% (to 12.8 million tonnes), while breakbulk has experienced growth of 1.8% (to 15.6 million tonnes).

In 2018 leading international players in the chemical industry including among others Borealis, INEOS, Nippon, Sea-Mol and Oiltanking/AGT brought a huge wave of investment to the port, amounting to more than €2 billion.

Their choice of Antwerp further confirms the port's attractiveness for chemical companies, as the largest integrated chemical cluster in Europe.

Port Authority CEO Jacques Vandermeiren declared: "With these excellent growth figures and the recent surge of investment, in 2018 the port has once more confirmed its role as the main engine of the Belgian economy.

Now we will continue on the same course as before, towards a sustainable port of the future.

But to keep growing in a sustainable way, we together with the whole port community must strain every effort to meet the challenges facing us today.

The port of the future must have enough capacity and be accessible, sustainable, smart and secure to remain attractive for investors."

While the new record year and the investment surge together confirm the vitality of the port, they also confirm earlier forecasts that the maximum container capacity will very soon be reached so that additional container handling capacity is urgently needed.

Mr Vandermeiren outlined the situation: "We are already far beyond the optimum capacity limits in the terminals below the locks, with serious consequences for efficiency.

We therefore continue to insist that additional container capacity below the locks is urgently needed.

The Port of Antwerp is doing very well, which is good news for the economy.

But it is also very important to keep up this impetus and to build the necessary capacity as soon as possible.

The most recent draft version of the Preference Decree for creation of additional container capacity represents the last straight towards a breakthrough in this complex project.

We are therefore very pleased with the efforts by the Flemish administration, and are glad to work constructively on further development of Alternative 9 which is now being considered.

This alternative now has to be further tweaked in nautical and operational terms in order to make it sufficiently feasible and attractive for the economic operators while limiting the environmental impact to the absolute minimum."

With roadworks about to start on the Oosterweel interchange, structural solutions to mobility problems in and around Antwerp are more urgent than ever.

The Antwerp Port Authority is facing up to its social responsibilities in this area, collaborating with the rest of the port community to develop structural solutions for reducing the pressure on mobility both for freight and for private transport.

For freight transport the aim is to achieve a significant modal shift by 2030, reducing the proportion of freight that travels by road from 55% to 43%.

The parallel aim is to double the proportion of rail transport, bringing it to 15%.

Railport – a joint initiative by Antwerp Port Authority, the Left Bank Development Corporation and industry associations Essenscia Vlaanderen and Voka Alfaport – assumed responsibility for this in 2018.

In the meantime constructive discussions are underway with Infrabel (rail track operator) to develop a new operating model for rail infrastructure in the port with a view to raising the flexibility and efficiency of rail transport.

The proportion of freight carried by barge is set to increase from the already high level of 38% to 42%.

Earlier this year the port community signed a Container Barge Action Plan based on three main foundations, namely collaborative scheduling of barge movements, consolidation of container volumes and digitisation.

The interplay of these various measures should make container barge transport more efficient, with consequent benefits for all participants in the supply chain.

The first pilot projects for centralised barge scheduling have led to positive reactions in the market.

In another initiative the Port Authority has held workshops with other members of the port community for night-time logistics, to make better use of the existing facilities outside peak hours.

The Night Logistics Action Plan was set up in October with all the parties involved.

After a test phase in the first half of 2019 the aim is to begin operation by the summer, to coincide with the start of the Oosterweel roadworks.

To remain accessible for the 60,000 employees in the port, the Port Authority is working on various initiatives aimed at encouraging people to leave their car at home and make use of sustainable alternatives.

The Water Bus and Bike Bus are good examples of promoting a sustainable modal shift for commuter transport.

'DeWaterbus' plies on the Scheldt as an alternative means of transport for those travelling to Antwerp from Hemiksem and Kruibeke.

396,972 people have made use of the service since it was introduced on 1st July 2017.

In October this year the southern route was extended with a northern section serving the port area.

An eastern route to the Albert canal will enter service at the beginning of 2019.

In summer next year a first electric Water Bus will be introduced, with the ambition of offering 100% electrically-powered transport on the Albert canal after six months of operation.

This will be an absolute first.

With 77,541 passengers since it started in April this year the 'Fiets Bus' has also been a success.

To offer an alternative for even more commuters an interlinking system of commuter bus transport and collective electric bikes is planned for the port area next year.

The transition to a circular low-carbon economy is another main objective of the Antwerp Port Authority.

Over the next three years the Port Authority will therefore invest no less than €35 million in innovative sustainability projects.

One good example of this is the declared ambition of making onshore power supplies available for seagoing ships at berth in the Deurganck dock in the near future, which will lower NO2 (nitrogen oxide) emissions by 36%.

In addition, the Port seeks to promote alternative sustainable fuels such as LNG and hydrogen.

This year the CMB shipping company won the Sustainability Award with the Hydroville, the first hydrogen-powered passenger ferry.

Given the very promising sustainability potential of hydroge, the Port is currently studying the feasibility of setting up a hydrogen fuel station in the port.

Earlier this month a hydroturbine was installed in the Kallo lock to generate electricity from water power.

The aim is to use this advanced technology to make all sea locks in the port energy-neutral in the longer term.

The port of the future will also be a smart port, with the emphasis on innovation and digitisation.

The Port Authority has therefore assumed a pioneering role in digital transformation, aimed at becoming an open and innovative hub for the introduction of new technologies.

The ambition is to install a digital nervous system covering the entire port with among other things smart cameras, sensors and drones to give full monitoring, which in turn will make it possible to respond directly to events in the port.

In addition, data is being made transparent and available to all players in the supply chain thanks to NxtPort, the data platform for the port that was set up nearly two years ago.

Mr Vandermeiren said: "With the growing importance of data and the gains in efficiency that we seek to derive from it, in future the Port Authority will build further on the foundations that it has already laid with NxtPort.

The increased participation in NxtPort by the Port Authority underlines this confidence.

We strongly believe that digitisation will smooth the way for smart, efficient and lower-cost logistics, and that it will also play an increasingly important role in terms of mobility and monitoring emissions."

As 2018 came to an end so did the career of Marc Van Peel.

After 12 years as alderman for the port and Chairman of Antwerp Port Authority, the veteran politician will take leave of Port House for the last time and begin his well-deserved retirement.

In his honour the new Wagen room on the ground floor has been renamed in his honour: henceforth it will be called "Event Hall in honour of Marc Van Peel, President of the Antwerp Port Authority from 2007 to 2018."

The Port welcomes Annick De Ridder as the new port alderman at the beginning of the year.
"I am confident that we can look forward to constructive collaboration," Mr Vandermeiren concluded.

(from: shipmanagementinternational.com, January 2nd 2019)

MARITIME TRANSPORT

ASIA-EUROPE BOX TRADE FACES MULTIPLE HEADWINDS, SAYS ANALYST

Container shipping stakeholders reliant on the vibrancy of the Asia-Europe trade will face multiple headwinds this quarter and beyond, according to one leading analyst.

Patrik Berglund, CEO of ocean freight rates specialist Xeneta, said in the coming months lines and shippers will face many challenges on the Asia-Europe trade, making it difficult for carriers to maintain a sensible supply-demand balance.

"There are several events to keep tabs on, but a major concern these days is a slowdown in China, and to what extent it's really slowing down, and subsequently, how that potentially impacts carriers' ability to hold up the short-term market while settling rates on their long-term contracts", he told Lloyd's Loading List.

"Whether it's Brexit, protesters in France, a US trade war or Chinese New Year, there are more than enough events that potentially can make Q1, or 2019 for that matter, a vibrant and difficult market for both carriers and shippers as well as NVOs/forwarders".

According to Berglund, for the most part shippers came out of annual contract negotiations with carriers on the Asia-Europe trade in the last quarter in a healthy position despite relatively buoyant spot freight rates at the time of negotiations.

"I'm a bit surprised how well shippers that closed their 2019 contracts in Q4 came out - they've negotiated well on the back of a fairly strong market relative to what we saw for the same period 12 months earlier", he said.

"There are substantial amounts of contracts and volumes that are not yet settled and due to expire come March and April".

However, he said that the tender cycle changed for many shippers after the Hanjin bankruptcy in 2016, and some of these contracts could potentially be settled in the coming weeks on the back of a very strong short-term market if carriers managed to balance capacity with demand in an effective manner.

"Since April last year the short-term market has trended upwards - besides the September and October slump - so we're up for a very interesting Q1 for both the short-term market as well as the long-term, contract, market", he added.

On the transpacific trade from Asia to Europe, he echoed the view of other analysts that, heading into Q2 annual contract negotiations, much will depend on the strength of the spot market.

"I think it's a bit of the same story every year for carriers - as there's nothing better for them than going into contracting season on the back of a healthy short/spot market, whether it's transpac, Asia-Europe trades or other ones", he said.

"We haven't seen such a strong Q4 short-term market as we have now for transpac in years so it's all about avoiding a collapse before contract negotiations gets settled in Q1 and Q2".

However, he said lines should be concerned, given that Xeneta has seen a drop of almost $650 per feu on its market average in November and December.

"Over the next months, we'll see whether it actually was tariffs that caused bloated volumes and subsequently a favourable supply/demand situation for carriers to hike rates in the second half of last year and enter this year with a far stronger market than we did last year", he added.

"If volumes drop and rates keep plummeting it will be a weak position from carriers to negotiate long term contracts on.

They need to hit a sensible supply balance over the next months to avoid it becoming a buyers' market rather than a sellers' one.

More than ever, I'd argue that it's in everyone's interest to stay well informed over the next few months before they settle on any deals".

(from: lloydsloadinglist.com, January 4th 2019)

RAIL TRANSPORT

2018: THE YEAR OF MULTIMODALITY, MASTERPLANS AND STRIKES

2018 was the European year of multimodality and many events have taken place around this motto.

The importance of rail in reducing CO2 emissions gained more attention and the lessons learnt from last year's Rastatt disaster translated into meaningful actions taken to improve the European railway network.

At the same time, 2018 was also the year of the Genoa bridge collapse, three months of French railway strikes, uncompromising discussions about the approaching Brexit and new sanctions on the potentially important transit country Iran.

This is an overview of some of the most important trends and events in the rail freight industry.

Rail freight on the rise

Global rail freight volumes rise with 2.8 per cent in 2018, accounting for an additional 1.3 million tonnes.

That as the prediction of Panteia, a Dutch research institute in August.

Although actual figures usually come after the first quarter of the next year, the prediction is that freight movement was in the lift this year.

The research firm cited the prospective lowering of track access charges in the Netherlands and Germany in 2019 as a key factor stimulating growth.

In addition, there are several initiatives likely to push the sector further, such as experiments to operate longer trains (740-metre trains) on an international level, they argued.

German and Dutch masterplan

The European Commission this month approved the German aid scheme meant to compensate rail freight operators for up to 45 per cent of their track access charges (TAC's).

This is part of the larger German Masterplan for Rail Freight, aimed at boosting its rail freight industry over the next few years.

In November the German government selected 29 rail projects to be prioritised and implemented by 2030.

The German initiatives ignited the ambitions of the Dutch counterparts.

If Germany reduces the costs of rail, similar measures must be taken in the Netherlands in order to guarantee a level playing field, argued Dutch stakeholders.

In June, this plea received positive response.

A measure package was presented.

With a grant of 12 to 14 million Euros per year starting in 2019 and up until 2023, the Dutch TAC's should be considerably reduced.

Moreover, funds are allocated to the transition to ERTMS and modifications to enable driving with longer trains.

Cost of rail

According to Ralf-Charley Schultze, President of the International Union for Road-Rail Combined Transport (UIRR), these developments are crucial for the success of rail freight as they respond to the need to compensate rail freight's disadvantage over road propositions.

"While rail freight must improve its performance, and it has been working on it, all efforts will be futile if the price is not right."

Although similar programmes have been implemented in Austria, France and Italy, this year also marked developments in an other direction.

The UK government presented its 5-year plan, including a recommendation for a charge increase after a two-year freeze.

This year was also the first time the track access charges for Swedish railway were under review, leading to a critical stance towards the relatively low marginal cost in the country.

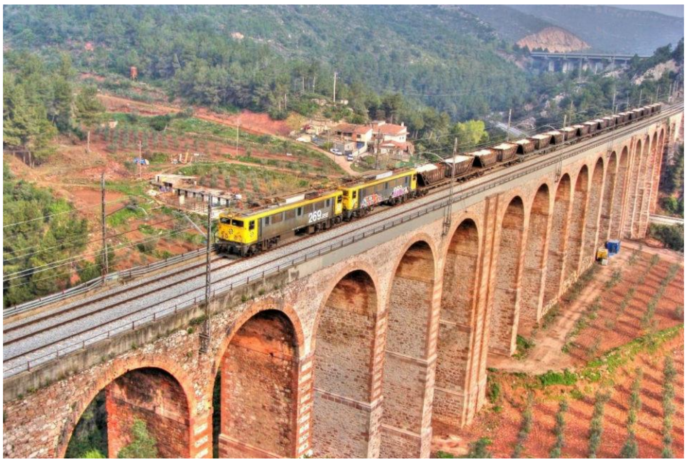
The cost of rail may change, depending on the outcome of the debate.

Shift to rail

This year important agreements were signed to protect the environment on a global level, which opened an opportunity for rail to distinguish itself from other modes of transport.

"Rail is the most carbon-efficient motorised way to travel: CO2 emissions from rail account for less than 3 per cent of CO2 emissions from transport although it carries 17 per cent of inland freight", noted the European Railway and Infrastructure Companies (CER) in October.

This message seems to have gained further recognition in 2018, when several deals were signed.



On 14 December, the Rail Freight Forward coalition was launched in Katowice, Poland.

European rail freight companies committed to reducing the negative impact of freight transport on the planet, embracing the objective to reach a modal share of 30 per cent for rail by 2030.

A month earlier the Graz Declaration was adopted by the EU.

This 'green deal' for Europe represents the commitment to complete the TEN-T rail core network, increase the efficiency and attractiveness of rail transport by removing all the barriers to interoperability, and strengthening the digitalisation and automation in the sector.

The shift to rail was further encouraged by the amendments enabling a wider charging regime for road vehicles, adopted by European Parliament in November.

Furthermore, efforts were taken to increase the scope of the Combined Transport Directive, which should encourage multimodality and hence the shift to rail.

"In today's environment the simple defense of rail freight's market share is an achievement in itself", commented Schultze.

Lessons learnt

2018 was the year of the 'lessons learnt' from the Rastatt incident.

Although the 7-week disruption of railway services between Karlsruhe and Basel took place in 2017, the aftereffect was surely felt this year in a positive manner.

The most important lesson learnt -according to Silvia De Rocchi of the European Rail Freight Association (ERFA) – is that the rail freight sector should think more European, instead of focusing on the national level.

"In 2018 rail freight took stock of the weakness of the sector and the actions needed to improve it.

A new handbook for managing rail traffic in case of unplanned disruptions was adopted, lessons were learnt and positive steps were taken", she commented.

A major milestone was the adoption of English as the main language of communication between infrastructure managers and railway undertakings during international disruptions.

At least one English speaking dispatcher in national traffic control centres will be guaranteed in every shift from 2020.

But the rail freight sector also learnt about the need for alternative language requirements, as there are too many drivers that are currently not able to operate a train in another country.

"It is necessary to explore alternative options to the current language requirements allowing for greater flexibility but ensuring an equivalent level of safety with the current requirements", the European Commission concluded, allowing for pilot projects in 2019.

TEN-T network

Further progress was made this year, implementing the Sector Statement agreed at the 2016 TEN-T Days in Rotterdam.

The ELETA project seems to be on track, providing estimated time of arrival information for twelve selected intermodal train runs with the objective to demonstrate the efficiency gained when sharing train run information.

The lack of harmonised timetabling procedures between European countries is being addressed with the ambitious project "Re-design of the International Timetabling Process."

These are just two of the ten projects in progress.

The TEN-T network was also developed in terms of infrastructure.

Spanish regional governments increasingly took the lead in the completion of the Mediterranean Corridor, connects the Spanish coast to France, Italy, Slovenia, Croatia and Hungary.

Another important project, Rail Baltica, was given a timeframe this year.

Linking Poland and the Baltic states by rail, the construction should commence in 2020, while the entire project should be delivered by end 2025.

Focus on the east

The European core transport network was for the first time been extended towards Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, when in November the European Commission presented new maps of the TEN-T network.

This is to better connect the continent to Asia, it commented.

The focus on the east also became evident with the stance towards the Chinese Belt and Road initiative.

When the European Commission revises the TEN-T network in 2023 it should consider the possibilities that the Belt and Road initiative (BRI) offers, said Alain Baron of the Directorate General for Mobility and Transport (DG MOVE) in June.

"For example, what could the development of the Port of Piraeus mean?

Maybe we should prioritise a good connection from this port into central Europe", Baron said.

Innovations

Last but not least, the rail freight sector took big and many steps towards the innovation of the industry, a task which is considered key in improving the attractiveness of the modality.

Several key players launched innovative concepts; from bogies to wheelsets, from brakes to tank containers.

SBB Cargo launched operations of its 5L Demonstrator, DB Cargo and VTG ran trials of another innovative freight car and BASF increased its collection of innovative tank containers.

On 19 December, a successful test drive was carried out with a self-driving locomotive on the Betuweroute, the freight dedicated railway line in the Netherlands.

In September, French railway operator SNCF announced to introduce prototypes of driverless mainline trains for freight and passengers services by 2023.

Innovation Manager Chris Verstegen from ProRail called this the "era of automatic driving."

High-speed freight train

While high-speed train traffic was previously an innovation mainly reserved for passenger traffic, 2018 saw two rail freight operators launch a high-speed service in Italy.

On 7 November, the world's first high-speed railway service was launched by Mercitalia, connecting Caserta and Bologna.

It was followed by another high-speed service by Interporto Servizi Cargo (ISC) between Florence and Bologna.

Even faster than high-speed will be the Hyperloop, an innovation that prior to 2018 only existed on paper.

Several initiatives were launched this year, mostly concerning research centres for future technologies.

Hyperloop Technologies settled in Toulouse in April, and in August Virgin Hyperloop One signed with Spanish rail infrastructure manager Adif to build a research centre in Malaga.

That same month, Transpod announced its plans to set up a centre in the French village of Droux.

With such important steps, the groundwork has been laid for an even more innovative 2019.

There is a large variety of concepts on the shelf ready to be explored.

Regular operations of long freight trains up to 1,500 metres, the next generation of bogies, paperless rail freight journeys and more driverless train operations can be expected.

And this is good, as rail still requires a lot of progress in order to compete with the other modalities.

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

ROAD TRANSPORT

EU OFFERS UK NEW 'NO-DEAL BREXIT' ROAD FREIGHT OPTION

The European Commission (EC) has agreed proposals to allow UK road freight operators to continue to carry goods to and from the EU until the end of 2019 in the event of a 'no-deal' Brexit by continuing to recognise UK Community Licences, but with significant caveats.

The EC announced yesterday that it had adopted a proposal for a regulation to allow UK operators to temporarily, for a period of 9 months after the UK's scheduled withdrawal date from the EU on 29 March, "carry goods into the EU, provided the UK confers equivalent rights to EU road haulage operators and subject to fair competition conditions".

The proposal was part of a package that included 14 measures "in a limited number of areas where a 'no-deal' scenario would create major disruption for citizens and businesses in the EU27", the commission explained.

These areas include financial services, air transport, customs, and climate policy.

The emergency measures for air transport include adopting two measures "that will avoid full interruption of air traffic between the EU and the UK in the event of no deal".

It has proposed a regulation to ensure temporarily, for 12 months, the provision of certain air services between the UK and the EU, and a proposal for a regulation to extend temporarily, for 9 months, the validity of certain aviation safety licences.

The EC stressed that these measures "will only ensure basic connectivity and in no means replicate the significant advantages of membership of the Single European Sky.

This is subject to the UK conferring equivalent rights to EU air carriers, as well as the UK ensuring conditions of fair competition.

The Commission said it "considers it essential and urgent to adopt these measures to ensure that the necessary contingency measures can enter into application on 30 March 2019 in order to limit the most significant damage caused by a 'no-deal' scenario in these areas".

But it stressed that these measures "will not – and cannot – mitigate the overall impact of a 'no-deal' scenario, nor do they in any way compensate for the lack of stakeholder preparedness or replicate the full benefits of EU membership or the terms of any transition period, as provided for in the Withdrawal Agreement.

They are limited to specific areas where it is absolutely necessary to protect the vital interests of the EU and where preparedness measures on their own are not sufficient.

As a rule, they will be temporary in nature, limited in scope and adopted unilaterally by the EU."

It noted that they new measures are in addition to the preparedness measures that have already been taken, and that the Commission "will continue to implement its Contingency Action Plan in the weeks to come and will monitor the need for additional action, as well as continue to support Member States in their preparedness work".

Commentators have pointed out that the proposals are designed to protect EU member states from the more catastrophic aspects of Brexit if no deal is reached, and are not regarded to be in the UK's favour.

For example, Lloyd's Loading List understands that the aviation measures only apply to point-to-point air services between the UK and EU member states and will not permit UK-registered airlines to operate flights between EU member states after 29 March in the event of a no-deal Brexit.

The announcements received a tentative welcome from the UK's Freight Transport Association (FTA) as the first information about the proposals emerged yesterday during the association's 'Getting Logistics Ready for Brexit' conference in London, as providing some very basic rights for UK air freight users and road haulage operators with Community Licences.

But Sarah Laouadi, FTA's European policy manager, said her initial look at the road freight proposal indicated that it made no provision to allow UK operators to perform so-called 'cabotage' operations within or between other EU member states and that the EU would retain the right to cancel the arrangements at any time.

Nevertheless, the proposals appeared to provide some basic reassurance for UK-based international road haulage operators and their customers that have feared that a disorderly no-deal Brexit with no transition period would mean that few UK hauliers would be able to operate outside the UK after 29 March.

FTA and other freight organisations have been warning the UK and other European governments for many months of the fact that the number of 'ECMT' permits available to UK operators will be massively short of the required total.

Until this month, European Conference of Ministers of Transport (ECMT) international road haulage permits looked like being the only available contingency for UK hauliers to mitigate the risk of being barred from operating in Europe after Brexit for journeys between ECMT member countries.

ECMT permits allow journeys between member countries, including laden or empty transit journeys and third-country journeys to other ECMT countries that would otherwise be prohibited under certain bilateral agreements.

But the logistics operators and their representatives, and now also the UK's Department for Transport, expect that the number of applications for ECMT permits will far exceed the number of permits available.

British operators will only have access to 984 annual permits for 2019, which will be restricted to the most modern vehicles (EURO VI) – so the Driver Vehicle Standards Agency will allocate permits based on a set of criteria.

The FTA estimates that the expected allocation of permits is likely to cover only 5% of the current vehicle journeys made between the UK and EU.

Applications for 2019's annual permits opened on 26 November 2018 and close tomorrow (21 December), with the FTA urging operators to apply immediately or risk being unable to travel in the event of a 'no deal' outcome.

But delegates at the conference warned that the new proposals from the EC would do nothing to prevent massive disruption at UK ports and other EU ports, and to UK supply chains and logistics operations, in the event of a no-deal Brexit because of the need for customs checks and other border checks of a regulatory nature such as sanitary and phytosanitary checks.

As reported yesterday in Lloyd's Loading List, the UK is now set to remain in the Common Transit Convention (CTC) after Brexit, simplifying some aspects of cross-border trade for UK businesses exporting their goods to other European countries.

Currently a member of the CTC while it is in the EU, the UK has now successfully negotiated membership in its own right after Brexit, the UK government said.

The UK government said membership of the CTC, and its supplementary convention the Convention on the Simplification of Formalities in the Trade of Goods, reduces some of the administrative burdens on traders by removing the need for additional import-export declarations when transiting across multiple customs territories.

It also provides cashflow benefits by allowing the movement of goods across a customs territory without the payment of duties until the final destination; countries that are not in the Convention would have to pay each time their goods crossed a border.

Commenting on the development, Pauline Bastidon, head of European policy and Brexit at the FTA, said: "In the event of 'no deal', traders making use of the CTC would be able to temporarily suspend the payment of duties and taxes, and to postpone customs clearance formalities until the goods reach their destination, rather than at the point of entry into the customs territory.

This will be particularly attractive for UK businesses exporting into the EU.

While it would not remove the need for border checks of a regulatory nature such as sanitary and phytosanitary checks on agri-food products, the CTC has the potential to reduce checks of a fiscal nature upon entry into the EU.

What is now vital for UK business is to ensure that all necessary arrangements for use of the convention are made so that, from 30 March 2019, traders may fully benefit from the facilities offered by the CTC."

(from: lloydsloadinglist.com, December 20th 2018)

INTERMODAL TRANSPORT

2019: KOMBIVERKEHR KG MARKS 50-YEAR ANNIVERSARY

Frankfurt-based Kombiverkehr KG, the European market leader in intermodal rail transport, starts the new year by looking back over five decades of company history.

Set up in Frankfurt am Main on 11 February 1969 on the initiative of Georg Leber, who was transport minister at the time, the limited partnership represented associations from the long-distance freight forwarding, shipping and furniture transport sectors, as well as Deutsche Bundesbahn and 56 road hauliers and freight forwarders.

Even then the goal was to shift long-distance freight traffic from road to rail.

Transport services commenced a short time later on 1 July 1969, when the first truck consignment was handled at Frankfurt am Main (Ost) goods station.

Today the company runs a European network with over 770 direct and shuttle trains a week, allowing forwarders and logistics companies to send their shipments by rail, an economical, safe, efficient and climate-friendly mode of transport.

With transfer options for transport units between individual trains, multiple departures on busy routes and the integration of more than 230 important national and international terminals, Kombiverkehr KG provides the densest transport network in Europe with the highest frequency of services.

The company transports well over 900,000 truck consignments annually and has holdings in 26 companies at home and abroad.

Standards set in intermodal transport

At the end of the 1960s, a road-rail Combined Transport system was the logical answer to the challenges of an economy geared towards modern bulk freight transport.

The company's founders stepped into a new age of transport in 1969 with an innovative concept.

"Our company stood out for its pioneering work from the start," says Robert Breuhahn, current managing director at Kombiverkehr.

"With countless innovations in the areas of sales, operations, IT and technology, our employees have lost none of this pioneering spirit over the last five decades.

They have repeatedly set new standards that have added value to the intermodal transport sector in Germany and Europe and made it into a success story."

From the first timetable with four services in unaccompanied transport in Germany, the first international route to France in 1970, the commencement of transport on the legendary “rolling roads” between Ingolstadt (Manching) – Brennersee and Dresden – Lovosice in the mid-1990s and the first block train services to Italy all the way to the current multimodal transport network, Kombiverkehr GmbH & Co.

KG has evolved together with its limited partners, customers and partner companies from pioneer to European market leader and is firmly rooted in the intermodal world as a neutral provider today.

"We have been adding profitable segments to the core business ever since the 1980s," adds fellow managing director Armin Riedl.

"Examples include the development of innovative pocket wagons, new self-programming IT systems to handle shipments, holdings in terminal operating companies and the establishment of international traction companies, which now provide efficient services on special transport corridors."

All of these measures played a part in helping Kombiverkehr to shift over one million truck consignments from the roads to the railways over the course of a financial year in 2007 – the first European operator ever to do so.

Future project set to increase efficiency in transport handling

An important scheme for the modernisation and future viability of the intermodal sector within the logistics industry has been launched in the form of the "Digitalisation of intermodal supply chains – KV 4.0" project.

Kombiverkehr began working on the project in September 2017 along with ten network partners.

The primary goal of "KV 4.0" consists in making the logistical process more transparent and manageable for everyone involved along the entire intermodal transport chain, starting with the collection of the transport unit from the shipper to its delivery to the recipient.

As things stand today, the conceptual design of all the work packages is complete.

An important interim goal of the three-year project has thus been reached, and members of the project group have already been able to invite tenders for technical implementation.

Workshops with selected IT companies are due to be held in the coming weeks and months so that a final decision can be taken as to which service provider will be primarily responsible for implementing the "KV 4.0" project.

The technical implementation phase should begin within the first six months of the year.

Improvement in performance desperately needed

The quality of performance on the railways continues to be a cause for concern for bosses at Kombiverkehr KG.

For years, Combined Transport customers have required average punctuality rates of 85 per cent and 90 per cent in international and national transport respectively, and rightly so.

Many European railways have failed to meet this requirement in recent years.

Apart from the high number of engineering works on the European rail network, a shortage of resources in terms of train drivers and locomotives and overly complex forms of production, external factors such as bad weather and strikes also have a particularly negative impact on operations.

The result is a disproportionate rise in equipment costs, storage fees at the terminals and first and final leg costs.

All of this adds to the cost burden of forwarders and logistics companies, who have spent years investing in the Intermodal Transport system and have promoted its overall growth.

"Even though an anniversary year gives us good reason to celebrate the company's achievements over the past 50 years, we will not let up in our ongoing demands for huge improvements in quality from our service providers because the punctuality of our trains is absolutely crucial to the continuing success of the company in years to come.

This applies both to us and to our customers," comments Robert Breuhahn on the current situation.

(from: kombiverkehr.de, January 7th 2019)

TRANSPORT & ENVIRONMENT

SMART TECHNOLOGIES FOR CLEANER AND GREENER DATA CENTERS

Digital technologies are a pervasive, all-encompassing part of our day-to-day lives.

And the key to enabling these technologies are data centers.

These massive complexes contain networked computers and storage facilities, the very lifeblood that keeps the virtual world alive.

And, it should be no surprise then that a regular supply of electricity is crucial to keep them operating.

"Data center businesses are now one of the biggest industrial users of electricity worldwide," says Wärtsilä Data Centre Senior Manager Timo Mahlanen who explains that their capacity and power needs are growing exponentially.

"A data center is not just a plug-and-play facility," adds Adam Rajewski, Manager, Data Centre Technology at Wärtsilä Energy Solutions.

"They rely on extremely reliable, but also affordable, critical, and emergency power sources."

Adopting cleaner and greener alternatives

Traditionally powered by electric grids and emergency diesel generators, data centers are growing so rapidly, that utility companies are facing difficulties meeting these increasing energy demands.

Large, modern data centers are beginning to find the traditional grid-and-diesel solution unsustainable, both environmentally and economically.

"As data centers become larger, they become noticeable sources of emissions in local communities, which can lead to problems in obtaining environmental permits for new facilities due to high emission levels," explains Rajewski.

Modern gas engines are a potent alternative.

Using gas engines for both critical and emergency power generation significantly reduces emission levels compared with those produced by diesel generators.

As an expert in gas power generation and gas handling technologies, Wärtsilä offers a unique technology solution: gas-fired power plants, with the option to be fully renewable by using biogas.

"One area where our solution has a competitive edge is that we are able to combine our gas-fired power plant with liquefied natural gas or biogas storage," explains Rajewski.

"We are paving the way for completely new business models for data centers, where redundant engine capacity can be used to sell electricity to the grid."

In Wärtsilä's gas energy plants, large internal combustion engines offer highly efficient, sustainable, and cost-effective power – and replace backup diesel generators.

"This ensures that data centers will not rely as heavily on power grids as before," adds Rajewski.

Reducing CO_2 emissions to virtually zero

Switching to natural gas, a clean fuel, can significantly reduce the carbon footprint of a data center.

"NOx and particle emissions are much lower on both global and local scales, and CO_2 emissions are significantly better due to the engines' higher efficiency," says Mahlanen.

Using a biogas liquefication pipeline or locally generated biogas also ensures very low emission levels overall.

In fact, CO_2 emissions are virtually zero when biogas is used.

Wärtsilä's gas engine power plants use small-scale liquefied natural gas technologies, allowing fuel storage to be sufficient for several days of autonomous operations.

Their flexibility means that these plants are good for both new and old data centers as they can be adapted to suit a data center and its communities' needs.

They can be easily fitted into existing systems and are able to be powered by biogas or liquefied biogas (LBG) while using similar equipment to diesel generators.

By investing in biogas equipment, and not only storing but generating its own biogas supply onsite, a data center can become CO_2 emission-free with its own reliable, fully renewable power source.

Data center operators can essentially select how green they want to be with Wärtsilä providing various data center business models that contain optional, environmentally friendly add-ons.

Data centers can install optional heat recovery systems to generate cooling power for the data center or heat for the local community, offering additional efficiency.

“Gas engines can be used to generate power not only in emergencies but also in situations where there is no grid or where the grid is unstable,” explains Rajewski.

As the number of data centers requiring fast, reliable, affordable power source alternatives grow, Wärtsilä expects demand for gas-fired power plants to continue to rise in the future.

(from: hellenicshippingnews.com, January 7th 2019)

LOGISTICS

DB SCHENKER BOOSTS E-COMMERCE OFFERING VIA MAGENTO PARTNERSHIP

Third-party logistics (3PL) player DB Schenker has unveiled a strategic partnership with Magento, an e-retail platform and provider of e-commerce software, that it claims will boost the 3PL's e-commerce logistics offering and "equip small and mid-size merchants with a powerful new extension".

The German group claimed that "combining DB Schenker's fulfilment experience with global logistics markets with the powerful customisation and flexibility of the Magento e-commerce platform" would provide retailers with "a seamless connection between the front-end and back-end on a global scale".

The partnership makes DB Schenker's logistics services available through Magento Marketplace, delivering "a quick, convenient and cost-efficient way to connect web shops and warehousing services", the company said, adding: "The new partnership with Magento underscores DB Schenker's objective of becoming a leading global provider in e-commerce logistics."

DB Schenker said the partnership had evolved from increasing customer demand for web-shop order tracking, with the solution offered now including "all related warehousing activities, especially pick and pack, and delivery status updates along the entire supply chain".

Jochen Thewes, CEO of Schenker AG, commented: "At DB Schenker, we are actively investing in new products and channels and herewith looking forward to partnering with Magento to set new standards in global supply chain management.

I fully believe that our new solution will help significantly improve our customers' e-commerce business."

Schenker said customers "will be able to use DB Schenker's network of shared facilities to enable best-in-class e-commerce order fulfillment.

As a strategic partner, Magento will provide merchants with a flexible shopping cart system based on open source technology."

Ryan Murden, head of business development at Magento Commerce, commented: "We are pleased to welcome DB Schenker as our newest global logistics partner and look forward to helping our joint merchants achieve a smooth end to end e-commerce experience."

The new module 'Warehouse Manager' is now available for free via the Magento Marketplace:
https://marketplace.magento.com/dbschenker-module-logistics.html

(from: lloydsloadinglist.com, January 8th 2019)

LAW & REGULATION

VOTE CLUNE REPORT: ESPO WELCOMES THE OUTCOME BUT REMAINS HIGHLY CONCERNED ABOUT ADDING ANOTHER REPORTING LAYER THROUGH THE CREATION OF AN EU INTERFACE

This morning, the Transport Committee of the European Parliament adopted its position on the Commission proposal for a regulation establishing a European Maritime Single Window Environment.

In many ways, the adopted Clune report improves the Commission proposal and is a solid basis for finding a compromise with the Council on this long awaited proposal.

An overall majority of the TRAN MEPs voted in favour of the approach of the rapporteur Ms Deirdre Clune, who very rightly puts the emphasis on the harmonisation of data, on the balance between a right level of harmonisation and the need to keep pace with ongoing technological developments, on the respect for existing well-functioning reporting channels, such as the Port Community Systems and the investments made in that respect.

"Many of the proposals made are an important step forward for the maritime and port industry, while leaving enough flexibility to allow bottom-up developments and investments which aim at digitalising, not only the reporting formalities data chain as such but also the much wider data chain to the benefit of the whole logistic chain and wider port community.

The reporting formalities issue is a very complex but very important issue.

We are very grateful for the high level of understanding the rapporteur and shadow rapporteurs have shown over the last months", says ESPO Secretary General, Isabelle Ryckbost, commenting the outcome of the vote.

ESPO regrets, however, that the realistic and straightforward EP approach is brought out of balance by the adoption of the proposal to develop an EU Common Access Point Interface.

According to this proposal, a centralised EU Common Access Point Interface should be set up, on top of the harmonised National Single Windows and the Port Community Systems.

"The current Commission proposal is the result of in-depth evaluations of the different possible options to create a more efficient reporting environment for all stakeholders.

The Commission has chosen the pathway of the harmonisation of the National Single Windows.

The creation of an EU Common Access Point Interface on top of this, as called for in the adopted EP text, means a duplication of the to be harmonized National Single Windows.

It would create an extra reporting layer, would add on administrative burden, complexity, costs and thus risks to result in adverse effects in terms of efficiency.

We hope that the negotiators will go back to the Commission proposal on that point and will understand that adding on layers will not facilitate but complicate the maritime reporting environment.

Let us try to deliver on the harmonisation of the data and of the National Single Windows", adds Isabelle Ryckbost.

Currently, Port Community Systems (PCS) and National Single Windows (NSW) are the main entry points through which data is reported to the relevant authorities.

Under the Commission's proposal, the National Single Windows are to be harmonised, and will therefore meet the demands of data declarants (shipping lines or their agents) for a more harmonised reporting environment.

In addition to these NSW's, ports and shipping lines who are currently working with a PCS as a one-stop-shop for both the reporting formalities and all other services rendered to stakeholders in the logistics chain will be able to continue, on the condition, of course, that they are compatible with the harmonised NSW's.

Besides adding complexity, the establishment of an EU Common Access Point Interface would imply considerable investments, to be borne by the European Union, which are not yet defined or budgeted.

Additionally, Member States will have to invest in order to link their National Single Window systems to the centralised system.

At the same time, ports which have already developed, bottom-up, sophisticated and innovative systems for receiving, managing and re-using data, will not give up these state-of-the-art reporting channels, since these are fulfilling a lot more services than the reporting of the formalities falling under the scope of the current proposal.

The EU interface will thus not reduce the cost for port authorities.

ESPO hopes to continue the dialogue with the Parliament and the Council in view of finding a solution that means a real step towards completing the internal market for maritime transport and realising the digitalisation agenda of the port and maritime industry.

In next week plenary session, the European Parliament will endorse the mandate to start the negotiations with the Council who reached a general approach last December.

Trilogue meetings are foreseen later this month and in February.

It is likely that an agreement will be reached before the end of this Parliament's mandate.

(from: espo.be, January 10th 2019)

STUDIES & RESEARCH

MOORE STEPHENS: LEANER, GREENER SHIPPING WILL ATTRACT INVESTMENT IN 2019

Accountant and shipping adviser Moore Stephens says shipping will continue to attract investors in 2019 if it fulfills its ESG (environmental, social and governance) responsibilities.

In the latest issue of Bottom Line, the Moore Stephens shipping sector newsletter, Richard Greiner, a partner in the firm's Shipping & Transport team, says, "It has been suggested that the future is very much like the present, only longer.

Should that prove to be the case for the shipping industry, it would not be such a bad thing, since the present is not so bad as it has appeared to be at various times over the past ten years.

Confidence in the shipping industry actually dipped slightly towards the end of last year, but that was against a four-year high recorded in first-half 2018.

There remains an appetite for investment in shipping from both new and existing players.

That is likely to continue in 2019 so long as shipping lives up to its ESG responsibilities.

Existing and emerging regulations such as those on ballast water management and greenhouse gas emissions show that shipping is becoming more environmentally aware and accountable.

New funds will be needed and the environmental investment story should prove attractive to many potential investors.

Green doesn't come cheap, or easy, however, the more so when viewed in the context of rising interest rates.

This year we will see important decisions made on investments to comply with the new environment-driven regulations which are coming into force, and we will have a better idea of whether the drydocking capacity exists to cope with demand.

Meanwhile, the industry will face other challenges.

Operating costs are set to increase, and hopes will persist that freight rates will do likewise.

Tonnage imbalances will endure in some trades.

The Baltic Dry Index may behave less erratically than in the latter part of last year.

Brexit may finally mean Brexit, which could mean a number of things, but should prove positive for shipping in the UK.

The introduction of new lease accounting standards will change things for some, though not their actual cashflows.

And, last but not least, the effect of geopolitical influences will continue to be felt throughout 2019.

Despite the prospect of new trade negotiations between China and the US, the world remains a volatile stage on which to trade.

There are presidential elections this year in a number of countries, including Argentina, Indonesia, Nigeria and Panama.

Additionally there are a plethora of parliamentary elections over the coming year in, among others, Greece, India, North Korea, at least a dozen African nations and perhaps even in the United Kingdom.

Uncertainty is likely to remain the norm in 2019."

(from: marinelink.com, January 3rd 2019)

REEFER

MAERSK QUITS DRY BOX CONSTRUCTION TO FOCUS ON REEFER MARKET

AP Møller-Maersk's box building arm, Maersk Container Industry (MCI), has quit the dry container manufacturing sector to focus on the reefer market.

The Copenhagen-headquartered firm today explained that while the dry container manufacturing business had "been under considerable pressure for some time, reefer volumes continue to grow, due to global demand for fresh produce and other commodities".

It will formally close its dry box manufacturing facility in Dongguan, China, which has lain idle since the start of December.

MCI chief executive Sean Fitzgerald said: "Regrettably, our decision to focus on the cold chain business will impact our factory in Dongguan which has been idle due to the tough market conditions.

We are committed to taking care of our colleagues that are impacted by this difficult decision and we thank them for their dedication and hard work over the years."

The company added that none of its other manufacturing facilities would be affected in the switch in focus to the reefer market.

It claimed some 30% of all reefer containers currently in operation are equipped with its Star Cool technology.

MCI's latest reefer investments were marked by the launch of its Sekstant data reporting tool which utilises internet of things (IoT) technology to allow shipping lines and other reefer operators, such as leasing firms and large perishable goods shippers, the ability to receive real-time data, including GPS location, temperature readings and alarms.

“Our strategy is to grow in cold chain where our Star Cool technology is a clear leader.

This growth requires focused investment in the best products and services,” said Mr Fitzgerald.

“Putting all of MCI’s resources on the cold chain business will ensure sustainable growth and continued investment in the best products and services for our customers.”

MCI’s reefer operations were consolidated last year when it closed a production facility in San Antonio, Chile, just three years after its opening.

This was due, it said, to the twin challenges of overcapacity of global reefer production and the higher costs of sourcing raw materials and developing a local supply chain.

All its reefer manufacturing now takes place in Qingdao.

(from: theloadstar.co.uk, January 3rd 2019)

ON THE CALENDAR

28/01/2019 – 31/01/2019	Kuwait City	16th Trans Middle East 2019
19/02/2019 – 21/02/2019	Manila	10th Philippine Ports and Shipping 2019
19/03/2019 – 21/03/2019	Mombasa	21st Intermodal Africa 2019
14/05/2019 – 16/05/2019	Aktau	1st Caspian Ports and Shipping 2019
25/06/2019 – 27/06/2019	Casablanca	7th Mediterranean Ports and Shipping 2019
09/07/2019 – 11/07/2019	Constanta	8th Black Sea Ports and Shipping 2019
10/09/2019 – 12/09/2019	Phnom Penh	17th ASEAN Ports and Shipping 2019
22/10/2019 – 24/10/2019	Polonia	3rd Baltic Ports and Shipping 2019
26/11/2019 – 28/11/2019	Douala	22nd 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.