



Newsletter

June 15th 2019

Link road, rail, sea!

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Centro Internazionale Studi Containers

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C.I.S.CO. NEWS

OPTIMISM AT THE C.I.S.CO.-PORTS OF GENOA STAND OF THE BREAKBULK FAIR IN BREMEN Page 3

PORTS AND TERMINALS

PORTS IN NORTHERN EUROPE ARE LOOKING FOR NEW OPPORTUNITIES " 6

MARITIME TRANSPORT

SAILING INTO A CLIMATE-CHALLENGED FUTURE – IS SHIPPING ABLE TO COPE? " 14

RAIL TRANSPORT

TEN-T DEVELOPMENT SHOULD START WITH 6,000KM SECTION " 20

TRANSPORT & ENVIRONMENT

DB SCHENKER AND MAERSK WORK TOGETHER TO FIGHT OCEAN POLLUTION & CO2 EMISSIONS " 22

LAW & REGULATION

CLIMATE EMISSIONS CAP CHALLENGES SHIP OWNERS " 25

STUDIES & RESEARCH

ALIANZ SAFETY & SHIPPING REVIEW 2019: BIGGER BOX SHIPS MEAN BIGGER RISKS FOR EVERYONE 29

INFORMATION TECHNOLOGY

E-COMMERCE AND THE DIGITALISATION 'WILL TRANSFORM FREIGHT DEMAND' " 36

REEFER

CUSTOMISED SUPPLY CHAIN MONITORING: INTRODUCING "HAPAG-LLOYD LIVE" " 39

CONFERENCES

FROM 15 TO FIVE IN JUST A FEW YEARS - SHIPPERS' DECLINING CHOICE OF CONTAINER CARRIERS Page 41

ON THE CALENDAR " 43

June 15th 2019

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C.I.S.C.O. NEWS

OPTIMISM AT THE C.I.S.CO.-PORTS OF GENOA STAND OF THE BREAKBULK FAIR IN BREMEN

"With 11,000 visitors and 500 exhibitors, equally distributed between freight forwarders, non-containerized transport companies and transport service operators, the Breakbulk event at the Bremen fair (held from May 21st to 23rd) was a success beyond that for the organizers also for those who have chosen to participate ", observes Silvio Ferrando, manager of the Port Authority System of the Western Ligurian Sea and vice president of C.I.S.Co..

C.I.S.Co. and the Ports of Genoa were in Bremen with their own stand, which also hosted Europea terminalistici services (Est) and Zenatek, as well as welcoming other Genoese shipping operators.



"We have registered - continues Ferrando - a lot of interest, I have exhausted the business cards I brought.

Above all I noticed a lot of interest in the ro-ro sector, as regards the services offered by the port of Genoa.

The connections with Canada and South America are fine, the service for Halifax by Grimaldi is successful.

Less good for us plants and yachting due to the A7 motorway limits to reach the port.

Forecasts for 2019 are about a 3-5 percent growth in non-containerized traffic in the ports of Genoa and Savona.

As for the fair more generally, I recorded that the Chinese face the Mediterranean also for the breakbulk sector ".

Satisfaction with the progress of the fair was also expressed by C.I.S.Co. members who took advantage of the stand to promote their activity.

"The list of exhibitors - states Antonio Pandolfo, Est's sales director - was made up of the most important operators in the sector, such as shipping agents, shipping companies, charters and terminals".

Est is present in five ports of Sicily: Catania, Termini Imerese, Trapani, Mazara del Vallo and Augusta.

In Bremen it presented its own range of vehicles, with five cranes each with a capacity of 100 tons.

The market's response was positive: "For a couple of years - notes Pandolfo - there has been a return to a massive presence of exhibitors and visitors, after six years of crisis that caused a series of fairs.

There is a positive air".

Presenting Est on the market, Pandolfo inevitably ends up acting as ambassador to all of Sicily, a region for which he believes it is "indispensable to present itself as a logistics platform across the board, rather than chasing dreams.

Making it a transshipment hub would be out of place, instead we need to solve the island's infrastructure shortage to develop the logistics opportunities it offers".

For Zenatek the Bremen fair has brought about a hundred business contacts that will lead to new business.

"Our expectation on these occasions - says Andrea Gregori, Zenatek's project manager - is to probe the market, strengthen our customers and find new ones.

For ten years we have been operating in the sector of goods tracking, but for the general public this is still a novelty.

For us, the foreign market has always been a source of satisfaction.

There is increasing awareness on the part of operators of the importance of tracking, both of the load and of the assets, such as electric generators on building sites".

What impressed you in Bremen?

"More and more - Gregori answers - we talk about the railway and therefore also about the New Way of the terrestrial Silk.

It is an increasingly present theme.

Unfortunately, we also had confirmation of Italy's provincial status with regards to train connections.

When we talk about these services the reference is always northern Europe, where there are more infrastructures and where the practice of the ex warehouse is less widespread.

Italian producers have the habit of giving little importance to their logistic office, which instead could be a producer of added value for the country's economy".

(Interview by Alberto Ghiara, 23 May 2019)

PORTS AND TERMINALS

PORTS IN NORTHERN EUROPE ARE LOOKING FOR NEW OPPORTUNITIES

The highly competitive nature of the Northern European ports sector means that all those involved are used to ups and downs, wins and losses.

This year started well for the Port of Hamburg, for example, with Hapag Lloyd's decision to switch its US services from Bremerhaven, a move expected to deliver about 550,000 teu additional throughput for Hamburg.

Zeebrugge, meanwhile, is expecting a significant increase in containers this year as a consequence of COSCO taking over the former APM Terminals' terminal at the port; Zeebrugge is now on two of the Ocean Alliance's East-West loops.

But there is one overwhelming force that has the potential to add volumes or undermine them – and that is Brexit.

For mainland European ports handling large volumes of UK trade, the continuing impasse and uncertainty relating to the UK's departure from the European Union is a common thread and a major frustration.

Zeebrugge has taken a number of steps in response, says chief executive Joachim Coens: "Mostly it has been about creating awareness among exporters and production companies that exporting to a 'third country', not an EU country, is totally different, so they [can] prepare themselves.

The second thing is that the government has created some additional customs controls and veterinary food controls.

There is also a whole mobility plan in place in case of congestion due to checks and controls, and we have created some extra parking space."

Digital answer

However, he says, the most important move has been the creation of a digital platform which could cope with customs and other controls if needed.

Zeebrugge has set up a data-sharing platform called RX/Seaport to deal with the expected increase in customs and other administrative formalities arising from Brexit; the port authority says it expects import and export declarations to increase by 14% and 47% respectively.

"We have also talked to the UK government and the EU authorities at various levels to avoid an uncontrolled [hard] Brexit."

Frustration isn't far beneath the calm exterior, however.

"At least we should know in advance what game we are playing – and that is still not the case.

The only thing that happened is they all agreed that a hard Brexit would not make sense.

But it still isn't clear what will happen and when."

Mr Coens reports that in the first three months of 2019, Zeebrugge saw a huge increase in volumes as shippers filled the UK's warehouses in case of a 'no deal' exit from the EU.

Then volumes dropped dramatically in April.

And after that – will it all happen again in the run-up to an (at present) October deadline?

"Possibly, although if there is a feeling that there will be a kind of agreement, then it would be smooth.

With a possible 'no deal', people are concerned about shortages of products."

As to volumes post-Brexit, he says: "If the UK is leaving the EU and the Customs Union, that creates additional barriers and that is not in favour of trade.

At least what we expect in the beginning is some disturbance in trade.

Any import duties would make EU products more expensive in the UK and if confidence is lower in the UK, there is a reduction of buying power.

Of course, we have seen that in the last year – car sales in the UK dropped 10%-12% and that means fewer cars to be transported to the UK."

The Port of Zeebrugge had a good year in 2018, with volumes rising 8% to reach 40.1m tonnes.

"This came after a few years of volumes going down, due to the decrease in the container sector," says Mr Coens.

"Containers were not yet back last year but they are coming this year with COSCO."

The CSP (COSCO Shipping Ports) Zeebrugge terminal was using 37% of its available capacity at the start of the year and that is set to increase.

Liquid bulk volumes grew 63% to 6.7m last year, due to LNG volumes rising 257% to 3.5m tonnes.

LNG deliveries from Sabetta started in 2018 and volumes from Qatar rose after recent decreases.

Zeebrugge also supplies LNG bunkering via a vessel in the port, in an agreement with Fluxys.

“We have UECC car carriers already powered by LNG and this will grow in the coming years; we know more newbuilds using LNG are coming, including car carriers, container ships, cruise vessels and tugs.”

The port is also a landing point for a large amount of offshore wind generated energy; it is looking into the possibility of using some of this power to create hydrogen from seawater.

“We have LNG as a ship fuel for the next few years but the hydrogen idea is for the future.”

Carrier win

The Port of Hamburg is expecting a 5%-6% increase in container volumes this year thanks to Hapag Lloyd’s shifting of US volumes to the port.

“This is quite significant,” says Axel Mattern, chief executive of Hamburg Port Marketing.

“All the cargoes are for the hinterland, not for transshipment; this is very important for Hamburg as our hinterland system is very sophisticated and getting better and better.”

The really major development, however, is that the deepening of the Elbe is finally going ahead after a saga lasting around 18 years.

“The first work is happening – creating the passing places so that the big ships can pass each other within the navigational channel,” he says.

“This will be finished by the end of this year, giving the possibility to handle twice as many ships of the largest size as we were able to do up to now.

The additional depth will be finished in 2021 and involves a lot of construction works throughout the river.”

The focus is inevitably on attracting more cargo to Hamburg, especially heavy cargo which can be difficult to handle with the current draft restrictions.

There is plenty of interest in the future possibilities, says Mr Mattern – especially from the chemical industry, keen to have this option as an alternative to the usual Antwerp/Rotterdam.



“They would like to have the possibility to send cargo by train to Hamburg – this is heavy chemicals in bulk containers,” he says.

Digitalisation continues to be a key focus for Hamburg, which started out early to establish itself as a smart port and is presently a test area for 5G.

“5G is installed already and now we need practical examples to be handled in the port,” says Mr Mattern.

“We need to see what really can be done in terms of logistics solutions – for example, with drones being used in the port for maintenance, checking bridges and locks, and underwater ROVs checking the river bed, quay walls and even ships’ hulls.

In order to be able to do this they need this 5G because they need transmission of heavy volumes of data in a very smart and fast way.”

‘Innovation port’

The Port of Antwerp, in a first quarter where total volumes fell by 3%, reported that March was its strongest month ever in container volumes.

Extra MSC traffic from April is expected to continue pushing box throughput higher in the coming months.

“The port is doing very well,” says Luc Arnouts, vice president, international relations and networks.

“Ineos, which is already present in the port, is to invest €3bn in two new factories and that is a very strong sign.

We love cargo flows and even better is, of course, to attract investment that anchors cargo flows to the port.

Together with other projects such as Borealis [the petrochemical company is to build a propane dehydrogenation (PDH) plant on its existing site in the port area], a total of €5bn is being invested in the chemical cluster at Antwerp, so we are particularly optimistic for the future.”

Alongside cargo handling, ports and port authorities must take up their responsibilities when it comes to topics such as climate change, energy transition and innovation, says Mr Arnouts.

Antwerp Port Authority has recently formed a consortium of five companies which will develop a demonstrator for an energy to methanol project.

This is seen as taking the next step in the transition to alternative energy sources and a carbon-neutral port.

“We have a lot of green energy in the port – mainly wind, and some solar,” says Mr Arnouts.

“There is the potential to store the excess in batteries but this has its limitations.

So the idea is to use this green energy to make hydrogen from water through electrolysis.

That hydrogen can be combined with CO₂ – of which we have a lot in our chemical clusters – to create methanol.

It is a way of storing energy in a chemical component which can be used in two ways – as a source of energy or in the chemical cluster, where a lot of processes are using methanol which is now imported.”

The port authority is also involved in the SAFIR consortium set up to demonstrate integrated drone traffic management.

SAFIR will carry out studies and demonstrations which will include surveillance flights in the Port of Antwerp.

“For one full day in June, we will make the whole port area available as a test zone for companies developing drone technology, for simultaneous testing,” says Mr Arnouts.

“In allowing the port area to be used as a real-life testbed, Antwerp Port Authority is doing more than just loading and unloading goods.

This is a role we are picking up more and more as an innovation port.”

Poland steps up its game

Major investment plans at the Polish Seaports of Szczecin and Świnoujście include the construction of a new liquefied natural gas (LNG) loading quay and a new container terminal, creating completely new port operations on the Ostrów Grabowski Peninsula, and extending and upgrading bulk handling, general cargo and ferry operations.

The twin ports handled record volumes last year, with cargo increasing 12.5% to 28.6m tonnes.

Coal imports and exports rose 61% to 3.4m tonnes, while ore was up by 30% and fuel by 18%.

However, container handling was down by 13%, described by Szczecin and Świnoujście Seaports Authority as a big surprise.

Dariusz Słaboszewski, president of the authority, says: "The figures are very encouraging to continue the development of the ports of Szczecin and Świnoujście.

They are the result of creating the best possible conditions for business in the ports and implementing a robust and far-reaching plan focused on the development of port infrastructure."

Szczecin and Świnoujście form a port complex that can handle virtually any kind of cargo, says Mr Słaboszewski.

"The high quality of services provided has been appreciated by shipowners who listed the two ports as the best ones in handling dry bulk in the 2018 BIMCO Report.

The ports enjoy an excellent geographic location with access to environmentally friendly modes of transport, including sea, inland and rail.

We have good road transportation links to the hinterland, while the Świnoujście ferry terminal is the leader in the south Baltic Sea regarding services to Sweden.

Almost every hour, a ferry leaves Świnoujście heading to ports of Ystad or Trelleborg.

Additionally, Świnoujście operates an LNG terminal."

Plans for the next two years include building a new 300-metre Norweskie quay and modernising two others, with increased depth alongside of 12.5 metres; widening the Debicki Canal to 200 metres and deepening to 12.5 metres to increase general cargo capacity; and land reclamation of the unused Notecki Basin using material from dredging the Kaszubski Basin, to extend bulk cargo handling facilities.

At the ferry terminal, berths 5 and 6 are being combined into one longer berth for vessels up to 270 metres.

New yard areas and a flyover are being built, as well as rail facilities to allow intermodal transport.

Further ahead are plans to build an LNG loading quay in the external port in Świnoujście to enable the distribution of LNG within the Baltic Sea region as well as for bunkering, and a container terminal to the east of the outer port in Świnoujście to be operational by 2023.

On the Ostrów Grabowski Peninsula, three new quays are planned for containers, conventional cargo and heavy lift, and three more for bulk cargoes, while the 25-hectare central part of the peninsula would provide for logistics and port-related activities.

Bold aims of inland ports

The three Dutch inland ports of Zwolle, Kampen and Meppel have seen container volumes climb steadily since they signed an agreement five years ago to work together.

In 2014, the ports, which share the same network of inland waterways, handled 35,000 teu; last year the figure was 138,000 teu.

That may sound small compared with giant neighbours such as Rotterdam but Jeroen van den Ende, managing director of Zwolle since 2016, has his eyes on something far bigger.

At present, the focus is on getting containers off the roads and on to the waterways by transporting them by barge to and from the ports of Rotterdam, Antwerp and Amsterdam, supporting the logistics of major manufacturers in the region.

However, the ports have been lobbying hard for investment in the upgrade of the Konwerderzand lock, which would improve access to the IJsselmeer and effectively make them 'inland sea ports' with the possibility of handling shortsea shipping, says Mr van den Ende.

"Together, we form quite a big inland port, handling 138,000 teu and 7m of dry and liquid bulks in 2018.

The widening and upgrading of the locks would give a tremendous economic boost for the region and would make Zwolle a shortsea port.

The decision hasn't been made by the government – we wait for that.

But in the meantime, it is unique that three cities and two provinces are working together in one port community, and we will do more to handle our administration and tariffs as one port.

We have close co-operation with Rotterdam, Amsterdam and Antwerp, and we have regular container services, daily to and from these ports.

We think container numbers will grow again this year as companies recognise that cargo handled by water is more sustainable than by roads.”

(from: portstrategy.com, June 5th 2019)

MARITIME TRANSPORT

SAILING INTO A CLIMATE-CHALLENGED FUTURE – IS SHIPPING ABLE TO COPE?

2018 can be viewed as the year of pivotal climate action when the world started demanding change.

The global warming debate intensified when the Intergovernmental Panel on Climate Change (IPCC) reported that surpassing the 1.5 degrees rise in global temperature carries huge risks for humans and nature alike.

Global emissions need to be lowered dramatically and the maritime industry has a significant stake in making it happen.

This is a call that rings true with Wärtsilä as the corporation's purpose is to enable sustainable societies with smart technology.

Initiating 'An Oceanic Awakening' in 2018, Wärtsilä set out to rally the maritime industry in to action and to help accelerate the adoption of environmentally friendly marine technology.

As global cargo fleet capacity continues to grow on average three percent per year, the sea as a means of transportation retains its relevance in the future, but the growth also puts pressure on finding cleaner and more environmental solutions in maritime.

This is a challenge that Wärtsilä is taking head on, together with its customers, partners and other stakeholders.

The International Maritime Organization (IMO), is the specialised agency of the U.N. responsible for regulating shipping.

In April 2018, in reaction to the demand to tackle climate change, the IMO committed to reducing greenhouse gas emissions from the total shipping fleet by at least 50 percent by 2050 from 2008 levels.

However, if left unchecked, shipping emissions are set to as much as triple from 2008 to 2050 – in line with the IMO's high growth forecast that sees a potential threefold increase of the world fleets.

The ultimate aim, under the agency's 'levels of ambition', is to phase out shipping emissions entirely by 2100.

Along this route to the 2050 requirements and beyond, there are of course legislative milestones.

And by 2030, greenhouse gas emissions from individual ships – meaning primarily CO₂ – must be cut by 40 percent on average compared to 2008 levels, for all vessels, new or existing.

To require a complex industry to make the step-changes needed to seriously address the sustainability targets set out by the United Nations, is not an easy thing.

Nevertheless, the targets are there and the maritime industry is having to undergo a process of evaluation to establish the most realistic and cost-effective means of meeting them.

It must be said that, based on predicted demand for cargo transportation between now and 2050 the number of vessels will grow and thus emissions reduction targets on a vessel level need to significantly surpass those on the fleet level.

Around 70 percent reductions on the vessel level are needed to enable a 50 percent fleet level emission cut, which means the combined emissions of all ships in the fleet.

Whichever kind of economic growth scenario is assumed to be realistic, one thing is certain: a higher number of vessels will lead to more emissions and the industry has a relatively short amount of time to course correct because vessels built today might still be in operation in 2050.

Whilst being the most cost-effective and energy efficient means of transportation, shipping still withstands a multitude of inefficiencies, waste, pollution, long waiting times in ports and abundant safety risks.

For container shipping alone, global fleet-wide waste from inefficient fuel usage, owing to sub-optimal voyage planning and execution, is estimated to cost about 14.5BEUR annually.

220MEUR is wasted on other inefficiencies such as deployment of crew, maintenance, spares, oils and facilities issues.

Active vessels spend on average 35 percent of their time waiting for and dealing with port operations and a further 6 percent of their time at anchorage.

This leads to an ever-growing need for this waste to be addressed alongside the environmental side effects.

Wärtsilä, through its Smart Marine vision, has determined to provide the market with low-CAPEX smart technologies that when combined can push vessel operations toward becoming more cost-effective, efficient and climate-friendly.

The use of connectivity, real-time communication and data analytics in voyage optimisation, operation and energy management are crucial elements in the journey towards sustainable shipping.

But choosing the right energy source, says Wärtsilä, is just as important on the journey towards a more sustainable maritime future.

Existing solutions to meet the upcoming 2020 legislation

From 2020, the Sulphur content of a ship's bunker fuel will be limited to 0.5 percent, from its currently easy-to-meet 3.5 percent.

Looking at the upcoming legislation, the technological pathways to compliance with the 2020 Sulphur limitations are relatively clear.

These are being addressed in essentially three ways.



The use of low Sulphur content fuel now being made available by oil companies is perhaps the simplest to adopt.

The question marks, however, relate to cost and availability.

An alternative option is to continue using the same fuel oil as before, but with scrubbers fitted to clean the exhaust.

The key tech component here is the reactor in the exhaust system that cleans up the exhaust gases before they go out in to the atmosphere.

It is a practical solution but there is naturally an investment cost to be considered.

The third choice, and one that is being adopted more and more when building new ships, is to have the engines run on liquefied natural gas (LNG).

Wärtsilä experts point to global trends as an indication of how transformative gas can be in the near future.

As LNG burns emphatically cleaner than distillate fuels territories like the US, China and Europe are rapidly switching to gas as a fuel for heavy vehicles, creating the infrastructure therewith and this movement further elevates LNG as a viable bunkering fuel for seagoing vessels.

Market watchers foresee an imminent inflection point where demand for LNG will significantly increase.

And there is nothing that the internal combustion engine does with Heavy Fuel Oil that cannot be done with LNG.

Dual-fuel engines capable of running on both regular fuel and LNG were introduced to the maritime sector some 30 years ago by the global manufacturer, Wärtsilä, so this is a well-established and proven technology.

LNG contains virtually no Sulphur, thus making 2020 compliance easier.

Future fuels

After passing the first milestone – Sulphur compliance – the going gets far tougher.

None of the solutions for compliance with the Sulphur regulations alone can get the CO₂ levels down to where the IMO wants them, but a combination of different solutions thereof can certainly make significant headway.

This means that alternative clean-burning solutions too have to be found to power ships across the oceans of the world.

There are, of course, existing ways of propelling a ship with zero or almost zero emissions, battery power being the most obvious.

But while current energy storage capacity is sufficient for short voyage sailing, further development is still required to make it a technologically feasible, robust and cost-effective solution for larger vessels and it may even never become a viable option for the largest of ships.

It is also necessary to consider emissions from well-to-wake when evaluating future fuels to complement energy solutions – bringing to attention to the production of the fuel as well as the way it is transformed in mechanical energy.

There is speculation that fuel cells may one day emerge as technically and economically viable power solutions of the future, but Wärtsilä believes the internal combustion engine will continue to play a critical role at a time when the industry is faced with difficult questions on how to move forward.

Therefore, the corporation recommends that shipping companies should look to using future-fuels compatible with existing combustion engine technology, but without the harmful emissions.

Put another way, in the run-up to the 2030 milestone, the most economically viable and reliable solution for ships being built from now on comprises a combustion engine running on LNG that is supported by the use of connectivity, real-time communication and data analytics in operation and energy management.

Can supplies meet demand?

Wärtsilä, and other major industry providers, is investing heavily in research on possible alternative fuels.

These include bio-LNG and synthetic LNG, ammonia and hydrogen fuel cells.

There are considerable obstacles to overcome before their widespread use can be adopted, however.

Let's not forget that the introduction of a new fuel – LNG – required a long period of testing and development of technologies covering the whole supply chain which finally resulted in the adoption of the IGF code in 2015.

Apart from the potential suitability of these alternative fuels for meeting the legislation, other questions to which answers are needed include the likely costs involved, the existence or not of an adequate supply chain and futureproof infrastructure and will there be enough to meet demand.

Here, the flexibility of multi-fuel combustion engine technology comes to the fore.

As experience has shown, such engines can switch seamlessly between different fuels so if one is not available, others can be used.

A digital seascape beckons

Wärtsilä's Smart Marine vision is a forward-looking initiative that takes a big picture approach to reaching the IMO's targets and to improving sustainability in general.

In a Smart Marine Ecosystem, vessels will be technologically smart, using cloud-based software and digital technology to substantially increase efficiencies that will optimise the use of energy, so that fuel consumption is minimised.

These ships will sail between smart ports that manage traffic flows extremely efficiently so that waste, such as ships waiting to dock in congested harbours, is eliminated.

The vision also foresees new business models emerging whereby greater cooperation between shippers will ensure that ships sail with full cargo loads, thus enabling more cargo to flow using the optimal number of vessels.

This kind of ecosystem will certainly be a major component of the ultimate solution to 2050 compliance.

There will be all-electric vessels sailing short sea routes, and new technologies will be developed between now and then.

But essentially, it seems that the big change will be in the fuel mix used by the engines.

The fuel-flexible combustion engine, therefore, presents itself as a future-proof technology which will enable the industry to meet future targets as and when alternative and renewable fuels become available.

Future fuels and where to invest?

The world of shipping is being re-shaped and investments in sustainable production of bio and synthetic fuels are needed today if they are to become broadly available post 2030.

Leveraging radical and transformative innovation is no doubt the way to tackle emissions.

Today, LNG presents itself as one of the best and most economical pathways to decarbonisation, owing to its cleaner burn, compatible pricing and established supply infrastructure – the same infrastructure that can be used for future fuels.

Therefore, the combustion engine remains the stalwart of shipping because the reciprocating engine enables fuel flexibility leaving the doors wide open for the future renewable liquid and gaseous fuels as and when they become compliant, market-ready and available.

(from: hellenicshippingnews.com/wärtsilä.com, June 4th 2019)

RAIL TRANSPORT

TEN-T DEVELOPMENT SHOULD START WITH 6,000KM SECTION

FERRMED has presented the European Parliament a revised plan to develop the EU core network.

Rather than optimising 80,000 kilometre of key railway lines by 2030, it has defined a network of 6,000 kilometre.

According to the non-profit association, this network represents around 30 per cent of the EU's basic network traffic.

It is the ambition of the European Commission to considerably improve interoperability in Europe by 2030.

To this end it issued Regulation 913/2010, which resulted in defining the Rail Freight Corridors (RFC's), collectively the Core Network of Europe.

On the backbone of the European rail network, harmonisation should be accomplished on what is now 80,000 kilometre of railway.

But this is impossible to realise, beliefs FERRMED.

Step by step

The investments necessary to achieve competitiveness in the core network are so great that FERRMED proposes investing only in projects that have high added value from a business, socioeconomic and environmental point of view.

"The EU core network is too extensive", the group proclaims.

In total, some 6,000 kilometre have been identified, representing around 30 per cent of the EU's basic network traffic.

In a second phase, between 9,000 and 10,000 km will be added (bringing the total to approximately 15,000 kilometre), bearing almost 60 per cent of the traffic and environmental impact of the EU core network.

Both phases must conclude by 2030, in order to fulfill the objectives of the White Paper on transport.

This document defines the objectives regarding the EU core network.

After many years of analysis, FERRMED is fully convinced that investments concentrated in projects of high European added value and in corridors with the highest volumes of traffic is the only way to successfully advance the efficient development of the EU Core Network and achieve environmental objectives, the group added.

This means developing the EU railway network step by step, starting with the busiest corridors, in accordance with the principles of the "circular economy".

List of proposals

The business association has sent a list of proposals that members of Parliament should take into account in the next legislature to "improve the multimodal European logistics chain, through the promotion of an efficient system rail freight transport".

For example, it states that there is a high level of inefficiency in the European multimodal transport system.



"24 per cent of freight vehicles circulate empty and the remaining load is, on average, 57 per cent in terms of weight."

According to the group, the overall efficiency rate of rail freight transport on the core network is only 43 per cent.

"The recoverable loss for the EU is estimated at 160 billion euros per year."

FERRMED

FERRMED is a non-profit private multi-sector association based in Brussels.

Its mission is to improve the European multimodal logistics chain by promoting an efficient rail freight transport system.

"The main advantage of FERRMED is that we are an multisectoral organisation, comprising of various types of parties from different industries.

We may not design a solution, but we listen to the stakeholders who are dealing with the situation on the ground", explained Valentí Ambrós, Advisor to the president.

(from: railfreight.com, May 27th 2019)

TRANSPORT & ENVIRONMENT

DB SCHENKER AND MAERSK WORK TOGETHER TO FIGHT OCEAN POLLUTION & CO2 EMISSIONS

Here's how one of the world's largest ocean freight carriers is committing to more sustainable transportation, and how DB Schenker is supporting its efforts while also working with other providers to develop similar initiatives.

With the goal of creating more sustainable, environmentally-friendly transportation networks around the globe, DB Schenker and Maersk formed a partnership in 2014 that would stand the test of time and that remains in place today.

"We're on the same page with our carriers and the transportation providers who are striving for higher levels of environmental sustainability and less pollution," says Andrea Schön, DB Schenker's Corporate Climate Protection Manager.

"We work together to hold the flag," Schön adds, "and are putting our heads together to come up with better fuel products like non-fossil and low sulfur fuel blends."

As part of the partnership DB Schenker and Maersk agreed to establish a CO2 target to reduce CO2 emissions by 20% per container transported from 2014-2020 for DB Schenker's business with Maersk.

As a result of Maersk's fuel efficiency efforts, we met this target in 2018 – 2 years early.

Tackling tough sustainability challenges

As a worldwide logistics specialist, DB Schenker helps to generate a lot of transportation activity around the globe.

For more than 10 years, the company has been working closely with Maersk and other transportation providers to better understand how the entities can work together to help reduce emissions and decrease ocean pollution.

Sustainability transcends just transportation.

In fact, climate change was a major theme at this year's World Economic Forum meeting in Davos, where panel discussions on global warming, ocean sustainability, and biodiversity all drew large crowds.

"The top three issues on Davos official agenda all relates to climate change," says Mads Stensen, Senior Sustainability Advisor at Maersk, which is, like DB Group, committed to attaining carbon neutrality by 2050.

"This really shows how key stakeholders are ramping up their climate change agendas."

Take the IMO's 0.5% mass by mass (m/m) global sulfur cap on fuel content (down from a current 3.5%), for example.



On track for a January 1, 2020 enforcement date, shipowners and operators around the world are now trying to figure out the best way to comply with the new regulations.

DB Schenker and Maersk are working together—and involving other entities in the charge—to comply with IMO

2020 and to help shippers manage the upcoming change.

Achieving sustainability goals

For Maersk to achieve its sustainability goals, Stensen says carbon-neutral vessels must be made commercially-viable by 2030.

Equally as vital will be an acceleration in new innovations and adoption of new technologies, both of which will help ocean carriers attain their sustainability goals.

"We've been focused on improving fuel efficiency and reducing pollution for more than 10 years now thanks to higher fuel prices and a bigger emphasis being placed on sustainability and low-carbon," says Stensen, who estimates that Maersk has almost cut emissions per container transported in half.

As those CO₂ emissions were reduced, Maersk's business was growing—a reality that's put the ocean carrier back to square one with its sustainability efforts.

"We knew that we needed a different approach," says Stensen, referring to the company's new zero carbon 2050 commitment.

"We see ourselves as the leaders in the shipping industry; if leaders don't get out there and do this, who will?"

DB Schenker is taking a similar approach by working closely with shippers and carriers that want to operate more sustainable supply chains while also adhering to new regulations.

And because the world's transportation needs will only continue to grow, Schön says gaining a deeper understanding of what the industry can do—and where it needs external regulation and involvement of the entire supply chain—is critical.

"Ocean shipping transports around 85% of the world's cargo and generates a lot of pollution along the way," says Schön.

"That opens the doors for ocean carriers and logistics providers to align and drive those numbers down together with all actors and stakeholders in the supply chain."

Driving the numbers down

Noting that Maersk's sustainability strategy and program goes beyond CO2 emissions and better fuel economy, Stensen says the ocean carrier also has clear priorities around material issues such as ship recycling; fighting food loss; health, safety, security and environment (HSSE); human and labor rights; and anti-corruption.

Stensen sees shipper involvement as the key to success in the sustainability arena, where it just makes sense for companies to work together toward the common good.

"We won't make it if our customers don't get involved, if investors don't support the effort, and if technology providers don't help us develop new ways to achieve our goals," Stensen says.

"More and more companies are joining us on this journey, but we need more of them to get involved."

(from: hellenicshippingnews.com, June 3rd 2019)

LAW & REGULATION

CLIMATE EMISSIONS CAP CHALLENGES SHIP OWNERS

Regulation limiting sulphur oxide emissions from 2020 is likely to be a game-changer for the shipping industry, with wide-ranging implications for cost, compliance and crew.

It even brings the potential for an increase in the number of machinery damage claims and incidents, if not well-managed.

On October 26, 2018, the International Maritime Organization (IMO) officially adopted its pollution prevention treaty, MARPOL Annex VI, which will cap sulphur oxide emissions for shipping to just 0.5%, down from today's 3.5%, effective January 1, 2020.

The mandatory rules require ship owners to switch to low-sulphur fuel or fit an approved exhaust gas cleaning system (EGCS), also known as a scrubber, to remove the emissions before they are released into the atmosphere.

If used, the EGCS must be approved by the ship's Flag Administration and evidenced in the ship's International Air Pollution Prevention Certificate.

With time running out to prepare for compliance with the cap, the shipping industry faces a number of major challenges and uncertainties.

There is real concern, for example, about the availability of compliant low-sulphur fuel, as well as its impact on engines and machinery.

There are also questions around the capacity of ship yards and installers to fit enough scrubber systems before the 2020 deadline.

"The sulphur cap is one of the key issues facing the shipping industry today," says Captain Rahul Khanna, Global Head of Marine Consulting at AGCS.

"It is important that shipping plays its part in achieving a more sustainable environment, but this needs to be done in a way as to not overburden an industry already under pressure.

Despite the fast approaching deadline of January 2020, there is still a lack of clarity, with little in the way of international standards as well as concern over the availability and compatibility of low-sulphur fuel.

This is a complex and technical problem that creates risk and liability for ship owners, raising questions about compliance and which option would be the best for their fleet.

The recent banning of open loop scrubbers by many member states has further limited the options for ship owners.”

Some guidance on the use of low sulphur fuel is available, although at this point there is no clear international standard guaranteeing the consistent quality of 0.5% fuel.



IMO has published ship implementation planning guidance to help ship owners prepare for the new rules while the Oil Companies International Marine Forum and the International Petroleum Industry Environmental Conservation Association Industry have been developing guidance on handling, storing and using low-sulphur

fuels¹.

The International Organization For Standardization has also established a working group and is identifying methodologies for testing long-term stability and compatibility between different fuel batches.

Penalties for non-compliance are down to individual port states, but include fines and potentially the arrest and seizure of the vessel.

However, enforcement of MARPOL Annex VI could prove challenging as Flag States and Port Control Authorities would need to monitor vessels on a continuous basis.

There is talk of so-called “sniffer” drones being used in territorial waters to check ships are compliant.

Failure to comply with the MARPOL regulation on the 0.5% sulphur 2020 cap could affect the vessel’s classification status, which would subsequently null and void insurance cover.

Non-compliance could also give rise to contractual disputes² between ship owners and charterers, including the bunkering of compliant fuel and the installation and maintenance of scrubbers.

¹ Oil Companies International Marine Forum, IMO Sulphur 2020 update, May 2018

² Clyde & Co, A Practical Overview of the IMO 2020 Sulphur Cap, October 2018

The move to low-sulphur fuel is expected to cost the shipping industry up to \$60bn annually, a cost that ship owners may try to pass on to customers.

Hapag-Lloyd³, which estimates that the increased cost of low-sulphur fuel will be around \$1bn in the first years, has developed a transparent mechanism to recover the additional costs from cargo owners.

Maersk⁴, which estimates its extra fuel costs at more than \$2bn, introduced a similar fuel adjustment surcharge from January 2019.

Machinery damage is one of the most common causes of loss in marine insurance, and underwriters worry that the frequency of such claims could increase with the introduction of low-sulphur limits.

"The worry is that we could see an increase in the frequency and cost of machinery breakdown claims related to IMO 2020," says Justus Heinrich, Chief Underwriter Marine Hull, Central and Eastern Europe at AGCS.

"The increased cost of fuel and the extent to which this can be passed on via higher freight costs, may also influence cost-saving in other areas, like crew training or maintenance."

Even more concerning is that technical problems resulting from the use of low-sulphur fuel could cause a vessel to lose power or control, which could lead to collisions and groundings.

According to the International Union of Marine Insurance (IUMI), statistics from the California Department of Fish and Wildlife show that switch-overs between heavy fuel oils and distillate fuels increase the risk of vessels losing power.

"We know that poor quality fuels can result in machinery damage, especially if cat fines are present," says Khanna.

"There are questions about the ability of refineries to produce enough low-sulphur fuel to meet the needs of the industry by 2020.

Even were enough low-sulphur fuel to be available, the quality standard of some of the blended fuels may not be easily ascertained and there could be an impact on the engine and operation of a vessel.

The results could be increased machinery damage, which can in turn cause maritime accidents."

The industry has limited experience with using low-sulphur fuels, which differ from high sulphur fuels – for example, low-sulphur has a lower flashpoint and

³ The Maritime Executive, Hapag-Lloyd Announces Sulphur Fuel Charge, October 2018

⁴ Maersk To Change Fuel Adjustment Surcharge Ahead Of The 2020 Sulphur Cap, September 2018

requires additional storage capacity and increased tank cleaning between bunkering.

There may also be potential issues with fuel quality, stability and contamination.

For example, the composition and blending of fuel differs by region and port, which can directly affect engine performance.

Low-sulphur fuels are also likely to contain higher levels of catalytic fines, small particles of metal introduced to fuel in the refining process that can cause engine and equipment damage.

There is also the potential for voyage disruption and delays, if there is a lack of compliant compatible fuel at a bunker port.

Many of these issues will need to be managed by the crew, requiring effective fuel management and filtration processes, as well as training and close adherence to manufacturers' standards.

"The switch to low-sulphur fuel will require operational and engineering actions, which, if not done properly, can have a wide-ranging impact.

The switch will also have wider implications for the fuel supply chain, including the availability and cost of fuel," says Captain Andrew Kinsey, Senior Marine Risk Consultant at AGCS.

[
(from: *hellenicshippingnews.com*, June 6th 2019)

STUDIES & RESEARCH

ALIANZ SAFETY & SHIPPING REVIEW 2019: BIGGER BOX SHIPS MEAN BIGGER RISKS FOR EVERYONE

It seems the ultra-large container vessels (ULCVs) that have become the 'new normal' on the Asia-Europe tradelane have not proved as popular as the lines that operate them hoped.

Several shippers *The Loadstar* spoke to at *Transport Logistic* in Munich last week could not hide their aversion to the ocean behemoths – and it appears the insurance industry also has concerns.

In its *2019 Safety and Shipping review*, Allianz says ULCVs “are of particular concern” for the insurance industry, given that bigger vessels mean bigger risks, with a potential for a loss as big as \$4bn.

Here below the report’s executive summary.

* * *

The international shipping industry is responsible for around 90% of world trade.

There are around 60,000 merchant ships, transporting every kind of cargo.

The world fleet is registered in over 150 nations, and manned by over a million seafarers, meaning the safety of vessels is critical.

The maritime industry saw the number of total shipping losses of vessels over 100GT plummet during 2018 to 46 – the lowest total this century.

To put this into context there were 207 total losses reported in 2000.

Shipping losses declined by a record level of more than 50% year-on-year from 98 in 2017, driven by a significant fall in hotspots around the world and weather-related losses halving after a quieter year of hurricane and typhoon activity.

The 2018 loss year is exceptional compared with the rolling 10-year loss average of 104 (down by 55%).

Meanwhile, since 2009, (132), shipping losses have declined by 65%.

Improved ship design and technology, stepped-up regulation and advances in risk management and safety are driving the sector's longterm loss improvement.

More robust safety management systems and procedures on vessels is also a factor in preventing breakdowns, accidents and other mistakes from escalating into total losses.

The South China, Indochina, Indonesia and Philippines maritime region remains the major loss location over the past decade.

More than a quarter (26%) of all losses over the past year globally occurred here (12).

However, this represents a significant fall year-on-year (29 in 2017) and is the first time the region has seen losses decline in four years, reflecting the fact that Asia based international shipping operations are typically well run and have claims frequency rates on a par with European counterparts.



Newer infrastructure, better port operations and more up-to-date charts will also help to address safety challenges in the region, such as an overall increase in the frequency and cost of collision,

grounding and fire incidents in some locations.

The East Mediterranean and Black Sea region (6) is the second most frequent loss location.

Cargo vessels (15) were involved in a third of losses during 2018, driven by activity in the top loss hotspots globally.

Foundering (sinking) has been the cause of over half of all vessel losses (53%) over the past decade and was the primary cause of 65% of losses (30) in 2018.

Analysis of more than 230,000 marine insurance industry claims with a value of almost \$10bn between July 2013 and July 2018 by Allianz Global Corporate & Specialty (AGCS) shows that ship sinking/collision incidents are the most expensive cause of loss for insurers, accounting for 16% of the value of all claims – equivalent to more than \$1.5bn.

While the number of losses has fallen significantly over the past year in particular, the number of shipping casualties or incidents (2,698) remains challenging, declining by less than 1%.

The East Mediterranean and Black Sea is the top incident hotspot, accounting for one in five incidents globally.

Activity is up in this region year-on-year, driven by machinery damage/failure incidents, which is also the top cause of shipping incidents globally, accounting for 40% (1,079).

Of the 26,000+ reported shipping incidents over the past decade, more than a third (8,862) have been caused by machinery damage or failure – over twice as many as the next highest cause.

Such incidents have increased by a third over the past decade and costs are rising as well.

Historically, it is one of the largest causes of marine insurance claims, according to AGCS, causing \$1bn+ worth of damage over five years – the third most expensive cause of claims.

A growing number of engine manufacturers are now installing “Internet of Things” devices to collect real-time data which can be used to issue recommendations to vessels and carry out maintenance, potentially preventing breakdowns before they happen.

RISKS IN THE SPOTLIGHT

Larger vessels bring bigger losses

Insurers have been warning for years that the increasing size of vessels is leading to a higher accumulation of risk.

These fears are now being realized as evidenced by the growing number, and cost, of incidents such as fires on large container vessels; major losses on car carriers, which average two a year; engine failure; and even the loss of cargo overboard, all of which are potentially offsetting safety and risk management improvements.

Such incidents can easily result in claims in the hundreds of millions of dollars, if not more.

In future, a worstcase scenario involving the collision and grounding of two large vessels in an environmentally-sensitive location could result in a loss as big as \$4bn when the cost of disruption, salvage, wreck removal and environmental claims are considered.

Loss prevention measures are not always keeping pace with the upscaling of vessels.

Cargo and fire risks mount

Container-carrying capacity has almost doubled over the past decade which brings issues as well as benefits.

Fires and explosions on board continue to generate large losses with an incident occurring every 60 days on average.

Fire activity increased in 2018 with 174 reported incidents – a trend which continued through early 2019.

Misdeclared cargo, including incorrect labelling and packaging of dangerous goods, is believed to be a root cause of a number of problems exacerbated by larger vessels, which can make issues more difficult to detect, locate and combat.



Regulations and guidelines for dangerous cargo do exist but are not always adequately enforced and adhered to.

However, a growing number of ship owners are taking innovative steps to address the issue of misdeclared cargo.

On board firefighting capability continues to challenge larger vessels.

If considerable outside assistance is required to control a blaze, significant damage to the vessel is likely to happen before this occurs, considerably increasing the size of the salvage claim.

Meanwhile, the loss of hundreds of containers over board from an ultra large container ship in early 2019 provides a reminder that damaged goods, including containers, is one of the most frequent generators of insurance industry shipping claims, accounting for one in five claims over five years.

Inadequate stowing and lashing of cargo on board poses a serious risk in bad weather.

Emissions cap challenges shippers

Regulation limiting sulphur oxide emissions from 2020 is likely to be a game-changer for the shipping industry with wide-ranging implications for cost, compliance and crew.

It is important shipping plays its part in achieving a more sustainable environment but this needs to be done in a way that does not overburden an industry already under pressure.

Insurers are concerned about a potential increase in the frequency and cost of machinery breakdown claims following the introduction of low-sulphur fuels if the transition is not well-managed.

There are also worries that the increased cost of such fuels may lead to cost savings in other areas, such as crew training or maintenance.

There is also potential for disruption and delays to voyages if there is a lack of compliant, compatible fuel at a bunker port.

Unpredictable climate brings new loss scenarios

The shipping industry is no stranger to extreme weather which remains a factor in many accidents.

The changing climate is opening up potential new shipping routes in previously hard-to-access areas such as the Arctic, which brings concerns about the rescue and salvage challenges an incident involving a large vessel in a remote location would bring, as well as the potential environmental impact.

There were 46 reported shipping incidents in Arctic Circle waters during 2018.

At the same time, changing weather patterns have led to grounding and collision incidents in the US from unseasonal high waters following heavy summer rains, while record low water levels in Europe on the Rhine and Elbe have brought supply chain disruption.

Trusting technology

The growing use of connected technology in the maritime sector is a positive for safety and claims.

Electronic navigation tools, ship-to-shore communications and the greater use of sensors have the potential to improve navigation and help avoid incidents.

Sensors can also reduce machinery claims through performance monitoring and early intervention and help mitigate cargo losses.

Yet, at the same time, accidents continue to happen due to overreliance on technology – even down to crew members being on their phones when a loss event occurs.

A generation of seafarers has grown up trusting what they see on a screen but it is crucial that crew continue to have appropriate training and develop a solid

understanding of the fundamentals of sound navigation and situational awareness.

Automation, crewless ships and the bottom line

Progress continues to be made in the area of autonomous shipping, particularly in coastal waters and with smaller vessels and it is anticipated that such developments will improve shipping safety.

While there will be incidences where technology and automation will remove crew from hazard, innovation should not be driven primarily by efficiency and accounting.

As ongoing issues with large container ships and fires and misdeclared cargo show – innovation and technology is not a panacea if the root cause of incidents and losses is not addressed.

Identifying cyber exposures

Technological advances also means cyber losses will be an increasing feature of marine claims going forward.

Companies are responding with an uptick in cyber security assessments while some insurers are looking to clarify so-called “silent” exposures.

More contingency planning and stress testing of systems needs to be done to combat a growing number of loss scenarios, such as extortion.

Security threats evolve and challenge

Political risk remains heightened around the globe and increasingly poses a threat to shipping, trade and supply chains through conflicts, territorial disputes, cyberattacks, sanctions and, of course, piracy.

Piracy incidents increased over the past year, with Nigeria replacing Indonesia as the top global hotspot.

Nigeria, specifically Lagos, is also the location of the highest reported number of stowaway incidents – a long running problem for ship owners, which is now also challenging commercial vessels, driven by the ongoing migrant crisis.

Stowaways and migrant rescues at sea can have serious consequences for ship owners, causing delays and diversions and putting crew members under pressure, while repatriation is a complex procedure.

* * *

To read the whole report, see:

<https://www.agcs.allianz.com/content/dam/onemarketing/agcs/agcs/reports/AGCS-Safety-Shipping-Review-2019.pdf>

(from: theloadstar.com/agcs.allianz.com, June 10th 2019)

INFORMATION TECHNOLOGY

E-COMMERCE AND THE DIGITALISATION 'WILL TRANSFORM FREIGHT DEMAND'

The rise of E-commerce and the digitalisation of both industry and consumer behaviour will transform freight demand across modes and geographies in the years ahead, according to Iván Tintoré, CEO and co-founder of digital forwarder iContainers.

He told Lloyd's Loading List surging e-commerce volume growth and the increased supply chain speeds demanded by digital shippers and consumers were placing new pressures on supply chain and inventory management strategies.

"With the expansion of e-commerce, overall demand for volumes will continue to grow," he said.

"But rather than just seeing an increase in Full Container Load volume, we will see a reshaping of the [logistics] sector in general, as the main focus shifts from consolidation to an improvement of services and digitalization to reinforce supply chain efficiency as a whole."

He said recent EU efforts to simplify e-commerce regulations had proven a success and had boosted pan-European rail and trucking volumes as well as maritime imports from the Far East.

"At iContainers, we have been seeing a continuous growth of EU-Far East bookings," he added.

"In fact, we've registered 25% more bookings for EU-imports in the first quarter of 2019 compared to that of 2018."

Even though total e-commerce volumes were growing, Tintoré reported that the average cargo size per Bill of Lading continued to fall, meaning that more agile stock management and delivery options had to be developed by supply chain stakeholders.

"We will be facing an increase in demand for trucking and delivery to match the accelerated pace of e-commerce operations," he added.

“The resulting rates volatility and trucking shortages both create additional challenges for supply chain management.”

He said ocean freight challenges during 2019 as well as the rise of e-commerce volumes illustrated why companies such as iContainers and other disruptors could help offer market advantages and maximise supply chain flexibility, particularly for SME shippers without the scale to negotiate low rates direct with lines or the internal capacity to always find and negotiate the best spot rates.



Illustrating his point, he said the consolidation of container shipping lines into alliances and the deployment of mega-ships had unified routes and capacity on the major trade lanes, but had reduced service levels and reliability, leaving SME shippers

at the mercy of spot rate markets.

“As such, the traditional consolidation [of cargo] will no longer be SME’s best cost-cutting solution,” he said.

“And as we get closer to the IMO 2020 deadline, we should expect to see rates get more volatile and a capacity reduction.

As revealed by a Hapag-Lloyd research, as much as 45% to 50% of the market prioritize service over the other factors.

On that note, it’s clear how innovative ‘disruptor’ companies like iContainers are providing additional value to the e-commerce players.

Apart from offering instant quotes, routes, and the ability to book and track shipments online, we also collect our own data which we analyse to boost our market knowledge to be able to provide tailor-made strategic solutions.

These technology-empowered know-hows provide fundamental support e-commerce companies need to achieve sustainable growth.

Not too long ago, the digitalization of the maritime sector seemed like an ambitious and distant aspiration.

Today in 2019, we’re seeing a consolidation of eco-systems for tech-savvy solutions, especially for e-commerce.

This is evidenced by the recent efforts of the largest shipping carriers to establish a common technological standard for the entire box shipping industry.

Just like them, iContainers is also working to promote reliability and the necessary value-added services for shippers.”

(from: lloydsloadinglist.com, May 28th 2019)

REEFER

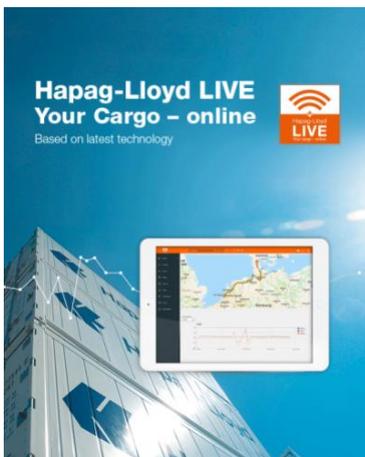
CUSTOMISED SUPPLY CHAIN MONITORING: INTRODUCING "HAPAG-LLOYD LIVE"

Real-time GPS location, temperature information, power-off alerts – these are just a few of the features that "Hapag-Lloyd LIVE" will offer.

Today, at the "transport logistic" international trade fair in Munich, Hapag-Lloyd is introducing its new real-time container monitoring program "Hapag-Lloyd LIVE".

In an initial step, the company is equipping its entire reefer fleet of some 100,000 containers.

As the program is designed to fit customers' needs, Hapag-Lloyd intends to develop commercial products in close cooperation with its customers in order to adapt the solution even further.



The product features of "Hapag-Lloyd LIVE" will be gradually released for use as the entire reefer fleet is being outfitted.

Furthermore, some "Hapag-Lloyd LIVE" features may also be made available upon request to dry container customers to add value through enhanced supply chain transparency.

"With our corporate 'Strategy 2023', we have set ourselves the goal of becoming number one for quality.

Customers expect more reliable supply chains, so the industry needs to change and invest sufficiently.

It is imperative that we understand and fulfil our customers' needs faster than our competitors," says Juan Carlos Duk, Managing Director Global Commercial Development at Hapag-Lloyd.

"Inviting our customers to further shape our real-time monitoring products right from the beginning will give them an opportunity to receive products that are tailor-made for their needs – while giving us a chance to deliver the best-possible service at the same time."

The smart reefer solution, which leverages the latest IoT technology to meet Hapag-Lloyd's requirements, has been developed by Globe Tracker, a leading supplier of supply-chain visibility solutions.

The telecommunications experts T-Mobile Austria as part of Deutsche Telekom Group and Ericsson will also be supporting this project by providing global connectivity and state-of-the art IoT infrastructure for seamless integration into existing Hapag-Lloyd software and services.

"We are honoured to have been chosen by Hapag-Lloyd because of our innovative strength and ability to provide a world-class cold chain visibility solution.

We are extremely impressed with the rigorous detail, focus, diligence and high quality of their selection process, and could not be more pleased with the result," said Jákup Lamhauge, CEO of Globe Tracker.

Find more information here:

<https://www.hapag-loyd.com/en/products/cargo/reefer/overview-reefer.html>

(from: hapag-loyd.com, June 4th 2019)

CONFERENCES

FROM 15 TO FIVE IN JUST A FEW YEARS - SHIPPERS' DECLINING CHOICE OF CONTAINER CARRIERS

Shippers and forwarders that The Loadstar spoke to at Transport Logistic in Munich this week expressed concerns over the decreasing circle of carrier options open to them on tradelanes around the world.

A number were also confused over the bunker surcharge policy of container lines in respect to the IMO 2020 low-sulphur regulations.

A chief executive of a major global forwarders complained to The Loadstar that his carrier options were limited following wave after wave of M&A activity, and depleted further by the recent decision of parent CMA CGM to discontinue its APL brand in Europe.

"We are down to around five carriers now from around 15 a few years back, but effectively it is three options given the dominance of the alliances particularly on Asia to Europe," he said.

"There is not much to choose between any of them in terms of service," he said.

"Few of them have any interest in schedule reliability anymore; they all roll over cargo, blank sailings and tranship whenever it suits them with little or sometimes no information to us their customer."

His view was that the ships have just got too big to manage properly and that ultimately the arms race between the ocean carriers to have the biggest ships, and in theory the lowest unit cost base, had been a failure.

He added: "There have been no winners, only losers, from building these massive ships, the ports have difficulty accommodating them, more cargo is needed to fill them, the supply chain is creaking under the strain and taking longer and longer to deliver a box to the end user, but unfortunately we are stuck with them now for better or worse."

At the same time, shippers are still confused about the implications of the IMO's global 0.5% sulphur cap that comes into force on 1 January next year.

Many of the container lines rolled out their new bunker surcharge formulas from the beginning of this year aiming not to make the mistakes of the past and to

keep the BAFs separate from the freight, rather than see the surcharge wrapped up into the freight offer and to then see it eroded during discounting periods.

A few carriers are looking to implement 'IMO 2020' additional BAFs in the fourth quarter this year arguing that in order to be compliant they must replenish the tanks of their vessels during the final three months of 2019 with the more expensive low-sulphur fuel in order to be compliant from 1 January.



"We are very confused on the whole IMO 2020 thing," confided one forwarder to The Loadstar.

"We were told initially that the vast majority of the ships would be switching to the cleaner fuel from next January, so that there would be no reductions in the BAFs for ships with scrubber systems installed, but a couple of our carriers have told us now that "many" of their vessels are having scrubbers fitted.

We have raised the question with them over the possibility of a two-tier BAF, low-sulphur fuel or scrubber-fitted, but we have yet to get a proper response," he said.

Indeed, despite the initial view of carriers that scrubber-fitted ships would represent "less than 5%" of the total global fleet after IMO 2020, and thus it was an insignificant factor in the low-sulphur fuel surcharge calculations, after a reluctant start even the biggest critics of the exhaust gas cleaning systems, such as Maersk and Hapag-Lloyd, have launched scrubber installation programmes, although they are playing catch-up with the original advocates of scrubber systems, such as MSC and Evergreen.

Meanwhile, in the shortsea sector there seems to be little appetite to fit scrubbers on the smaller containerships, given the cost versus the length of time required for a return on the \$3-\$5m investment.

Michael Bergh, business director shortsea at Europe's biggest shortsea and feeder operator, Unifeeder, told The Loadstar that the company had "no plans" to run any of its circa 50 fleet of chartered-in ships with scrubbers.

"It just not economic sense for us to have scrubbers on our ships," he said, explaining that many of the vessels operate in the SECA regions of Europe meaning that they already have to burn 0.1% low-sulphur fuel.

(from: theloadstar.com, June 6th 2019)

ON THE CALENDAR

- 20-21/06/19 Pireo 7th Global Symposium of Maritime Executives PIREAS 2019
- 24-30/06/19 Genova Genoa Shipping Week
- 25-26/06/19 Dar Es Salaam 3rd Edition of the African Ports Expansion Summit
- 28-28/06/19 Genova Shipbrokers and Shipagents Dinner 2019
- 28-30/08/19 Jakarta Inamarine 2019
- 10-10/09/19 Londra 12th Annual Shipping & Marine Services Forum
- 11-13/09/19 Amburgo Seatrade Europe Cruise & River Cruise Convention
- 11-13/09/19 Amburgo MARINE INTERIORS Cruise & Ferry Global Expo
- 19-24/09/19 Genova 59° Salone Nautico
- 23-25/09/19 Doha Ports & Maritime Evolution, Rail & Logistics Evolution, Road & Logistics Evolution Qatar Assembly & Expo
- 23-24/09/19 Roma AIIT 2nd International Congress on transport infrastructure and systems in a changing world
- 03-05/10/19 Piacenza GIS 2019 - Giornate italiane del sollevamento dei trasporti eccezionali
- 06-09/10/19 Limassol 16th "Maritime Cyprus 2019" Conference
- 15-18/10/19 Oslo 15th GreenPort Congress and Cruise 2019
- 15-15/10/19 New York 11th Annual New York Maritime Forum
- 21-21/10/19 Atlantis The Maritime Standard Awards 2019
- 22-22/10/19 Atlantis The Maritime Standard Tanker Conference 2019
- 23-23/10/19 Parma Logisticamente On Food
- 06-06/11/19 Abu Dhabi The Maritime Standard Ship Finance and Trade Conference 2019
- 27-28/11/19 Madrid International Cruise Summit 2019

- 03-05/12/19 Pordenone Navaltech 2019 - Marine Technologies Expo
- 04-05/12/19 Barcellona Cruise Ship Interiors Expo

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