Centro Internazionale Studi Containers

Newsletter

September 30th 2019

Link road, rail, sea!

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

YEAR XXXVII
Issue of September 30th 2019

LOGISTICS

LAW & REGULATION

STUDIES & RESEARCH

September 30th 2019

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

C.I.S.C.O. NEWS

TRAINING COURSE "THE CONTAINER REEFER AND THE NEEDS OF THE GOODS"

A training event organized by C.I.S.Co. is taking place from September 10th last to the end of the following October, dedicated to the reefer container and the needs of the goods.

The course provided by C.I.S.Co. is reserved for maritime agency employees and is financed by the bilateral category body.

Centro Internazionale Studi Containers

28 hours of teaching are provided, divided into 14 lessons of two hours each.

The topics of the course are the following:

- introductory notes
- technical aspects
- the goods
- logistics and containerized transport
- container logistics actors
- legislation and legal aspects
- container logistics documentation
- insurance aspects
- new technologies

The lessons are taking place at the Assagenti Genova headquarters and by videoconference at the headquarters of the federated associations (Ancona, Bari, Cagliari, La Spezia, Leghorn, Naples, Ravenna, Rome, Savona, Trieste, Venice).

The detailed program of the course is shown below.

Programma Corso di Formazione

Data: 10/09/2019 17.30-19.30
CENNI INTRODUTTIVI
a cura di F. Rondini

Evoluzione del sistema dei trasporti e del commercio internazionale
Il mercato reefer italiano import/export
Le compagnie marittime: rotte - alleanze - strategie commerciali
Composizione del costo del trasporto via mare
I service contracts

Data: 12/09/2019 17.30-19.30
ASPETTI TECNICI
a cura di L.Folchitto

Introduzione container frigo e nave frigo
Il container reefer: tipologie, struttura, riparazione
Motori e refrigeranti
Programmazione e il PTI

Data: 17/09/2019 17.30-19.30
LA MERCE
a cura di L.Folchitto

Focus su trasporto di merci refrigerate via mare: aree origine/destino
Le tipologie di merce trasportate in reefer container
La preparazione della merce: packaging e conservazione
Temperatura - Tempo
Frozen chilled

Data: 19/09/2019 17.30-19.30
ASPETTI TECNICI
a cura di F. Apeddu

Riferimento normativo per le CTU
Calcolo delle forze nelle Cargo Transport Unit
Tecniche pratiche per il bloccaggio e ancoraggio dei carichi nei container reefer
Soluzioni ai problemi relativi ai materiali di bloccaggio
Standardizzazione delle procedure e controllo della messa in sicurezza del carico
Standard e certificazioni di corretto bloccaggio delle merci

Data: 24/09/2019 17.30-19.30
ASPETTI TECNICI
a cura di F. Rondini

I trattamenti: cold treatment - controlled atmosphere - modified atmosphere
Le sonde e i genset

Data: 26/09/2019 17.30-19.30
LOGISTICA E TRASPORTO
a cura di L.Spallarossa - G.B. Guerrini

Lo scenario evolutivo della logistica reefer e l'evoluzione dei nodi logistici
Locodes, Il codice BIC, la targa CSC, il programma ACEP

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Programma Corso di Formazione

Data: 01/10/2019 17.30-19.30
ATTORI DELLA LOGISTICA DEL CONTAINER
a cura di L.Spallarossa

Il caricatore: magazzini di carico - Trading Companies
Importatori - Esportatori
Supply Chain Integrata: approvvigionamento, produzione, distribuzione, vendita, post-vendita
Attrezzature e sistemi di controllo della temperatura

Data: 03/10/2019 17.30-19.30
ATTORI DELLA LOGISTICA DEL CONTAINER
a cura di G.Rossi

Aspetti doganali import ed export sui carichi refrigerati
Agecontol / Sistema fitosanitario / PIF / Sanità Marittima

Data: 08/10/2019 17.30-19.30
NORMATIVA E ASPETTI LEGALI
a cura di P. Solmi

I protocolli cold treatment dall'Italia realizzati e in negoziazione

Data: 10/10/2019 17.30-19.30
NORMATIVA E ASPETTI LEGALI
a cura di A. Frondoni

Polizza italiana merci trasportate
Formulari inglesi Institute Frozen Clauses Interpretazioni delle polizze italiane
PI clubs

Data: 15/10/2019 17.30-19.30
DOCUMENTAZIONE LOGISTICA DEL CONTAINER
a cura di G.Boi

Bill of Lading e SeaWay Bill
Cenni sui principali incoterms
Normativa sul trasporto marittimo containerizzato

Data: 17/10/2019 17.30-19.30
ASPETTI ASSICURATIVI
a cura di G.Boi

Assicurazione corpi e assicurazione responsabilità

Data: 22/10/2019 17.30-19.30
NORMATIVA E ASPETTI LEGALI
a cura di A. Frondoni

Principi di responsabilità del vettore terrestre marittimo e multimodale
rapportati al trasporto di containers frigoriferi – Analisi di casi"

Data: 24/10/2019 17.30-19.30
LE NUOVE TECNOLOGIE
a cura di A. Ghiraldi - A.Gregori

La refrigerazione passiva:
I dispositivi di tracciamento

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PORTS AND TERMINALS

PORT OF LOS ANGELES PROTECTS OVERALL CLEAN AIR GAINS WHILE MOVING MORE CARGO THAN EVER

The Port of Los Angeles continues to make progress cutting emissions from ships, trains, trucks, harbor craft and cargo handling equipment since 2005, according to its 2018 Inventory of Air Emissions Report.

Additionally, the report shows the Port is meeting and exceeding all 2023 targets for reducing primary pollutants while cargo volumes continue to rise.

"Even as cargo has increased 26 percent since the baseline year of 2005, we've sustained the remarkable clean air gains we've made since then," said Port of Los Angeles Executive Director Gene Seroka.

"Our goal remains getting to zero emissions, which is why we're focused on working with our partners on operational efficiencies and next-generation near-zero and especially zero emissions solutions, so our port, community and environment can thrive together."

View the Report Card:

https://kentico.portoflosangeles.org/getmedia/3459f00b-7c05-4ff6-b718-a44f8f07a051/2018_Air_Quality_Report_Card

The Port's Clean Air Action Plan (CAAP) compares emissions reductions for each calendar year to the 2005 baseline year to track progress toward CAAP goals.

While 2018 container throughput rose to a historic high of nearly 9.46 million TEUs (twenty-foot equivalent units), up from 9.34 million TEUs in 2017, nitrogen oxides (NO) emissions are still 60% (below 2005 levels, with an actual year-to-year decrease from 2017 of 1%.)

Sulfur oxides (SO) emissions remain 98% below 2005 levels, with an actual year-to-year decrease from 2017 of 2%.

Diesel particulate matter (DPM) emissions remain at 87% below 2005 levels, though actual emissions of DPM increased slightly from 2017 by 1%.

Greenhouse gas (GHG) emissions are down 10% below 2005 levels, up 3% from 2017 levels.

View the Presentation:

https://kentico.portoflosangeles.org/getmedia/ffc72e12-cc1c-4d4d-8dc8-c5a59d28685b/2018_Air_Emissions_Inventory_Presentation

"The annual increases are not surprising given the 1.3% growth in container cargo volume since the previous year," said Port Director of Environmental Management Christopher Cannon.

"They underscore the importance of further reducing combustion-based engine technologies in heavy-duty equipment in port operations and ultimately moving toward widespread use of zero emission technologies to achieve continued GHG reductions."

The Port is currently leading or participating in 16 projects with multiple partners to demonstrate near-zero and zero emissions engines, emissions control technology, and alternative fueling and charging stations.

The projects include testing hybrid and fully battery-electric, natural gas and hydrogen fuel cell heavy-duty trucks; battery-electric forklifts, yard tractors, top handlers and rubber-tired gantry cranes; and emissions control equipment on large ships and harbor craft.

All demonstrations are conducted in real-world operating conditions in and around the San Pedro Bay ports.

"These projects are among our most ambitious clean air initiatives to date," Cannon said.

"Year-to-year emissions may fluctuate as we develop, assess and implement these initiatives, but as we reduce or eliminate combustion, we move the needle closer to zero."

The annual inventory is the Port's primary tool for tracking the progress of multiple strategies for reducing and, where possible, eliminating air pollution from all port-related sources.

The latest results are based on data collected during calendar year 2018 and reviewed by regional, state and federal air regulatory agencies.

Trends captured in the 2018 report include:

- The combination of larger ships carrying more containers, fewer total ship calls, and the Port's vessel emissions reduction strategies resulted in a record reduction of ship emissions in all categories of pollutants.

  Clean air gains from ships are significant because, with the exception of GHGs, ships are the single largest source of emissions, generating more than 30% of all other pollutants measured.

  Ongoing strategies include vessel speed reduction, plugging into shore-side electricity at berth, use of cleaner-burning fuel, and incentives to attract newer, cleaner vessels.

- Cargo handling equipment, heavy-duty trucks, harbor craft and locomotives generated a modest increase in some pollutants compared with the previous year.

  Clean air gains from ships offset the increases, resulting in the Port holding the line on emissions overall.

- Heavy-duty trucks are the single largest source of GHGs, producing nearly 35% of GHGs from all port-related sources.

- The latest results validate the Port's aggressive pursuit of clean alternative fuels and near-zero and zero emissions technologies for powering the movement of cargo.

New and expanded measures identified in the most recent update of the San Pedro Bay Ports CAAP adopted in late 2017 include:

- Trucks: Accelerating the transition to near-zero and zero emissions trucks by requiring all new drayage trucks calling at the ports to meet 2014 clean engine standards and establishing a Clean Truck Fund Rate on all trucks that do not meet near-zero and zero-emissions standards.

  The rate, expected to be introduced in 2020, would fund incentives for purchasing near-zero and zero-emissions drayage trucks.

  CAAP goals call for transitioning the on-road fleet serving the ports to zero-emissions trucks by 2035.

- Cargo handling equipment: Requiring terminal operators to purchase zero-emissions equipment, if feasible, or near-zero or the cleanest available when procuring new off-road yard equipment.

  CAAP goals call for transitioning all cargo handling equipment to zero emissions by 2030.

- Ships: Collaborating with vessel owners and operators to increase participation in technology demonstration and emissions reduction programs.

  Additionally, under California's shore power regulations, the requirement for vessel operators to run container, refrigerated cargo and cruise ships on shore-side electricity at berth, or use alternative technology to capture emissions, jumps to 80% of their fleet effective Jan. 1, 2020.

- Harbor craft: Accelerating the deployment of cleaner engines and operational strategies to reduce harbor craft emissions.

- Locomotives: Partnering with the Class 1 line-haul and short-line railroads serving the ports to modernize the locomotive and switcher fleet with the cleanest available engines.

  Improving the on-dock rail network throughout the complex to move more cargo by rail is also top priority.

  One double-stacked train can eliminate up to 750 truck trips.

- Supply chain efficiencies: Collaborating with public and private sector partners on secure digital solutions that optimize the flow of cargo and reduce emissions across all modes from origin to destination.

The 2018 report shows the Port continues to meet and exceed all 2023 targets for reducing primary pollutants.

The Port reached its 2023 DPM reduction goal in 2012 (77%), its SO reduction goal in 2014 (93%), and its NO target (59%) in 2017.

Based on its 87% reduction of DPM emissions, the Port also continues to exceed its 2020 goal of reducing the health risk of port-related operations first reached in 2014.

Going forward, the Port aims to reduce GHG emissions 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. The Port of Los Angeles is America's premier port and has a strong commitment to developing innovative, strategic and sustainable operations that benefit Southern California's economy and quality of life.

North America's leading seaport by container volume and cargo value, the Port of Los Angeles facilitated $297 billion in trade during 2018.

San Pedro Bay port complex operations and commerce facilitate one in nine jobs in the five-county Southern California region.

(from: cargobusinessnews.com, September 19th 2019)

MARITIME TRANSPORT

MOST OCEAN SHIPPERS ACCEPTING IMO 2020 BUNKER SURCHARGE MECHANISMS

Maersk management has indicated a "high acceptance" by customers of its bunker surcharge mechanisms in 80%-90% of its contracts, accounting for around half of the Danish shipping giant's volumes, as it prepares shippers for a significant rise in fuel costs due to new global low-sulphur fuel rules that come into force next year.

In discussions with analysts, Maersk's senior management team also suggested that slow-steaming was more likely than accelerated scrapping to improve fuel efficiency, reports David Kerstens, equity analyst at logistics investment consultancy Jefferies.

Maersk has previously estimated a $2bn rise in its annual fuel costs due to the IMO 2020 low-sulphur fuel cap of 0.5% which enters force in January.

At the beginning of 2019, Maersk introduced a new bunker adjustment factor surcharge to help defray the associated costs of meeting the low-sulphur fuel cap, with the total industry-wide bill for preparations put at $15bn.

At the meeting with analysts, Maersk's chief executive and chief financial officer indicated that they are encouraged by recent container market discipline and talk about potential bunker surcharges in the spot market.

In a feedback report from the meeting, Kerstens said: "[Maersk] management is encouraged by high acceptance of bunker surcharges in contracts and recent market discipline and talk about mitigating higher fuel costs under IMO 2020 in the spot market.

Slow-steaming is seen as more likely than accelerated scrapping to improve fuel efficiency.

Ongoing unit cost reductions of 1%-2% are targeted, while there is limited room for M&A and cash returns for now."

Kerstens added: "We estimated earlier bunker costs could increase by 15%-20% under IMO 2020, leading to working capital increases from 4Q19E, based on today's prices for high- and low-sulphur fuel oil.

However, these prices are set to change, as demand for high-sulphur fuel oil is expected to fall by 65%, while demand for low-sulphur fuel oil could increase fivefold.

Scrubbers cover 30% of fuel consumption, while management expressed limited interest in LNG; instead it would be looking at alternatives to further reduce carbon footprint longer-term."

The high acceptance level among customers for the adjusted surcharge comes after a rough reception from one customer lobby group when Maersk made the announcement in September last year.

The Global Shippers Forum reacted with "suspicion" at the time, arguing that the surcharge "lacks transparency; no data is available to let customers work out how the charge has been calculated".

Meanwhile, Maersk has invested to reduce the impact of higher fuel bills by signing an agreement to produce IMO 2020-compliant bunker fuel.

The venture between Maersk Oil Trading and Koole Terminals in Rotterdam will see an annual production expected to cover between 5%-10% of Maersk's annual fuel demand.

(from: lloydsloadinglist.com, September 12th 2019)

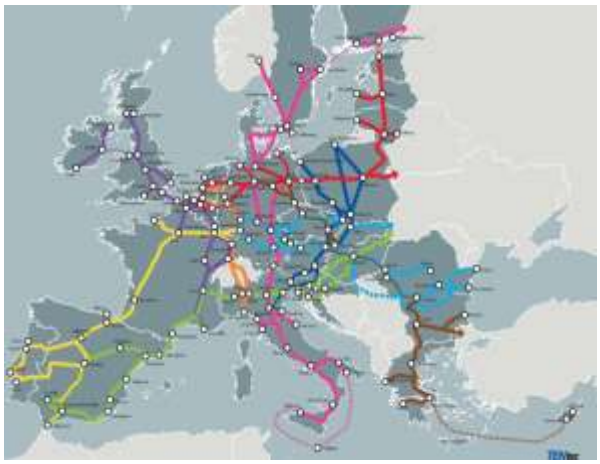
RAIL TRANSPORT

STUDY SHOWS DIRECTION FOR TEN-T MODIFICATION

European interest group FERRMED is carrying out a study that could provide a fundamental tool in the modification of the TEN-T Regulation.

This set of rules determining the corridor network of the EU is to be reviewed by the European Commission in 2021.

The study should point out the prioritisation of action in every EU member state in optimising the TEN-T network.



The research will provide details of traffic flows, both globally and by mode of transport, section by section, of the nine corridors of the EU Core Network.

It will define the measures to be taken to optimise modal distribution in the most congested areas, promises FERRMED.

The organisation has suggested methods for optimisation of the network before.

Accordingly, it is more effective if the most densely used areas are taken into consideration first.

Rather than optimising 80,000 kilometre of key railway lines by 2030, the original plan by the EU, it has defined a network of 6,000 kilometre in a proposal sent to the European Parliament earlier.

Terminals and innovations

When it comes to rail transport, the study will identify strategic intermodal terminals (which are part of the busiest agglomerations), the main lines connecting them, the back-up lines and the main feeder lines.

For each section of the lines, it will detail the number of freight and passenger trains, the maximum permissible length of freight trains (which should be 740 metres in the first phase and 1500 metres in the final phase), the loading gauges allowed (which should be P 400 or GC-C), and the bottlenecks.

"It will also assess the state of implementation of the ERTMS system.

Furthermore, it will identify the innovations in freight rolling stock needed to meet the requirements of so-called "intelligent trains".

30 per cent by 2030

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.

The final objective of the European Commission is to ship 30 per cent of all terrestrial goods over distances greater than 300 kilometres by rail or barge by 2030.

"Aside from the economic advantages (lower transport costs), the environmental benefits are enormous.

It would be possible to save more than 40 million tonnes of emissions every year and contain the growth in the number of lorries on the motorways" FERRMED says.

(from: railfreight.com, September 23rd 2019)

ROAD TRANSPORT

IRU SETS FUTURE DIRECTION FOR ROAD TRANSPORT IN TIMES OF ECONOMIC UNCERTAINTY AND INDUSTRY DISRUPTION

The International Road Transport Union (IRU) has today taken the lead in setting the global road transport agenda, by publishing a manifesto that calls on international organisations, governments and industry stakeholders to safeguard the role of road transport in driving economic prosperity.

Road transport is the lifeblood of global trade and a critical link to unlocking international opportunity and prosperity.

The sector accounts for 5.7% of employment worldwide; in Europe alone, providing five million jobs and driving a total revenue of €500 billion.

Despite this, the industry faces a myriad of challenges – geopolitical unrest; climate change concerns; a chronic shortage of commercial drivers; issues surrounding digitalisation; and a perceived poor working environment.

According to a report published by IRU last year, geopolitical uncertainty is the biggest threat facing the industry for 57% of transport operators.

It is against this backdrop that IRU has today launched its manifesto, for a world in motion.

It calls on global economies to seize the opportunities within the industry by highlighting the areas where intervention is required across its three core pillars: prosperity, people and environment.

IRU Secretary General, Umberto de Pretto, commented: "IRU was established to promote international trade and transport links in the wake of the Second World War.

Today, trade remains the driving force behind international prosperity and demand for road transport is only increasing.

Our job at IRU – and the purpose of our new manifesto – is to bring together governments, public authorities and businesses at the global, national and local levels to ensure that everyone in the industry has a voice and works together for mutual benefit and progression."

Prosperity: promoting better mobility and logistics

Digitalisation has the potential to transform road transport, with new realities such as open data and Mobility as a Service significantly reducing costs and driving efficiencies.

However, many parts of the sector have yet to adapt.

IRU is calling on the industry to speed up digitalisation; encouraging transport companies to go paperless and urging international governments to increase the use of technology enabled freight exchanges and systems such as fully digital TIR at borders.

Meanwhile, geopolitical uncertainty and difficulties entering the sector for new providers and workers pose risks to the growth of the industry.

So IRU is encouraging governments to revise transport policies with modal cooperation; to set appropriate rules for professional driver requirements; and to define a harmonised framework for better data access and governance.

People: standing up for our communities

In Europe, roughly one in five driver positions is currently unfilled and levels of both women and younger employees remain extremely low.

The industry is still lacking the basic infrastructure for drivers, such as safe and secure truck parking areas.

IRU is calling on international governments to improve safety and security for drivers, and to create a more positive image and better working environment.

Together with its members, IRU has developed a road map on driver shortage, calling for improved funding for safe parking areas and driver training alongside a managed transition to autonomous vehicles.

Environment: building a more sustainable world

Already transport operators are taking significant leaps in the use of more sustainable transport alternatives, driving greener mobility and logistics.

Yet there is still some way to go before the long distance, heavy duty commercial road transport industry fully adopts alternative fuels, including natural gas or

synthetic fuels and alternative powertrain solutions – such as electric and hydrogen fuel cell technology.

IRU is advocating efforts to accelerate the market uptake of high capacity vehicles and promote research into new approaches to commercial vehicle access in urban areas.

Umberto de Pretto continued: "The calls to action laid out in our manifesto are a clear signal to policymakers and to the road transport industry that there is work to be done.

As the global voice of road transport, IRU is leading the charge and forging greater collaboration between industry stakeholders to implement the necessary legislation and infrastructure, and ensure the sector's future success."

The IRU Manifesto along with the EU call to action for decision makers can be viewed and downloaded on the IRU website here:

https://www.iru.org/who-we-are/about-iru/vision-mission/iru-manifesto

About IRU

IRU is the world road transport organisation, promoting economic growth, prosperity and safety through the sustainable mobility of people and goods.

Founded in 1948, IRU has members and activities in more than 100 countries.

IRU has been managing the only global customs transit system for moving goods across international borders (TIR) since 1949.

(from: transportjournal.com/iru.org, September 18th 2019)

INTERMODAL TRANSPORT

HAULIERS TRAPPED IN PORTS, 150 KM QUEUES, AND A CATCH 22 FOR BUSINESS - UK GOVERNMENT BREXIT 'PLAN' LAID BARE

Brexit's continuing comedy of errors may see drivers stranded in ports on both sides of the Channel as a result of the UK government's ongoing failure to prepare and properly advise.

Head of global and European policy at the FTA Pauline Bastidon told The Loadstar she fears drivers may be caught in a "Catch-22" as a result of divergent no-deal customs processes.

"Under the plans, documentation for Calais-bound exports will be pre-lodged on IT systems, with the idea that these are then validated once the vehicles are on the ferries," she said.

"Some IT systems are ready to do this, but others are not, which means on the Calais-side drivers could find themselves with uncleared shipments leaving them trapped in the port."

Drivers caught in this predicament would lack the correct documents to return shipments to the UK, leaving them with the option of remaining in the French port or dumping their load.

Leaving their load in Calais would of course incur demurrage charges, which would bring its own problems.

"It poses a real Catch-22 for the drivers, and there are several problems in this respect as the hauliers themselves are not responsible for the bulk of documents," said Ms Bastidon.

"These papers are the responsibility of the traders, not the hauliers or the drivers and the government needs to do a better job at making this known."

She added that in response to the confusion, hauliers could refuse shipments out of fear of being caught in such a predicament.

This opinion was echoed by head of customs and tax at Gefco, Olivier Thourad, who noted that there could also huge queues on the Dover side of the Channel crossing.

"There is a real risk you have a lot of trucks waiting on the UK side because while they have the UK export documents, they lack EU documentation," Mr Thourad told The Loadstar.

"And there are only 100 parking spaces in Dover, while on the Calais side there is space for 50 vehicles to wait, and if they get through to Calais, they could be stopped there too."

Mr Thourad's fears match predictions made in confidential government papers seen by the Financial Times, which suggested tailbacks outside Dover could stretch to 150km.

An obvious way of avoiding this would be to have trained customs agents preparing the documentation for shippers.

However, the UK government has been slow to recognise this and with training taking up to two years to complete, the country is facing a dearth of trained recruits.

Mr Thourad noted that drivers needed to be made aware of "exactly" what was required for a shipment to move, adding that his company was also advising customers.

But SMEs in the same sphere have not been in a position to hire fully qualified customs agents as a contingency measure in the event of a no-deal Brexit.

"Shippers are being told they must do customs documentation themselves or find intermediaries who can conduct this for them," said Ms Bastidon.

"Only there are no intermediaries, or very few, particularly for SME shippers, which means they will struggle to find customers willing to deal with them.

"Like the truckers, they are in a Catch-22 as they need customs agents or intermediaries, but the government is failing to provide the means to achieve this."

Now, with little knowledge on how robust enforcement measures will be, there have been signals that ports outside Kent will also refuse trucks without proof of documentation.

The UK government's Operation Yellowhammer plans released last week suggested a "low risk of significant sustained queues at ports outside of Kent which have high volumes of EU traffic".

But Department for Transport (DfT) papers seen by the Financial Times implied this was only because tens of thousands of trucks would be turned away for non-compliance.

The papers, marked "official sensitive", suggested that in the wake of an abrupt Brexit, the ports of Liverpool, Holyhead and Portsmouth could be expected to reject two thirds of trucks.

Responding to the report, councillor Gerald Vernon-Jackson, leader of Portsmouth City Council, told The Loadstar his team had been warning of this for "months".

"We've been telling the government for months and months there would be disruption and now documentation proves that our concerns are justified," said Mr Vernon-Jackson.

"Our requests have always been for clarity on the situation, for the government to appreciate the role of Portsmouth's port, and appropriate funding."

This lack of government involvement led the council and the port to take actions on their own to make sure the port was fully prepared.

Its Local Resilience Forum (LRF) identified the issues facing the port and city, and plans, funded by the council, have been enacted to manage lorries away from the port.

Mr Vernon-Jackson added: "We always knew that uncertainty around paperwork could cause issues and have taken our responsibilities seriously to make sure we're prepared."

The Loadstar has previously reported on Portsmouth building up the number of customs agents at its facilities, but it appears this has not been uniform across the UK.

(from: theloadstar.com, September 19th 2019)

INLAND RIVER TRANSPORT

CONTARGO 'BETTER PREPARED FOR LOW RHINE WATER LEVELS'

Following the long, hot summer of 2018, which led to weeks of drought and low water on the key European freight-bearing river Rhine, container hinterland logistics network Contargo has taken the precautionary measure of having four barges in its fleet modified so that they can continue to operate in very low water conditions, without compromising their cargo tonnage capacity.

"We use barges for about 75% (of our transport)," said Cok Vinke, managing director for Contargo Waterway Logistics.

"Periods of very low water like those we experienced last year lead to big reductions of the amounts that can be transported, and extra costs due to the purchase of additional tonnage and other transport capacities."

For this reason, in 2018 Contargo began to have modifications made to some of its contracted vessels, Contargo explained, adding: "At two boatyards in Antwerp and Dordrecht, metal plates have been welded onto four vessels in such a way that they now have to sit only 130 cm instead of 150 cm deep in order for their propellers to have enough water.

Thanks to this investment of approximately €10,000 per vessel, the barges can now sail in the same water levels with 10-15 cm more water beneath the keel, and can thus transport 200-300 tonnes more cargo in low water.

This also means that in low water conditions, water no longer needs to be carried in the rear ballast tanks; thus even with very low water levels, the barges can navigate the shallowest point at Kaub."

Vinke continued: "Water levels in the Rhine have always been subject to seasonal fluctuations.

However, in the interests of the transport industry and climate protection, goods transport by inland waterway needs to be strengthened.

For this reason, public policy must take the initiative and act as soon as possible to remove existing bottlenecks.

In the current Federal Transport Infrastructure Plan, draft optimisation of navigation channels in the Middle Rhine is addressed as a priority need.

We hope this will be implemented as soon as possible."

(from: lloydsloadinglist.com, September 17th 2019)

TRANSPORT & ENVIRONMENT

CONTAINER CARRIERS STILL CONCERNED ABOUT LOW SULFUR FUEL AVAILABILITY

A senior shipping executive said there is still concern in the container shipping industry about whether there will be sufficient low sulfur fuel available for shipping lines to meet the International Maritime Organization requirement that starting on Jan. 1, 2020, ships use fuel with a sulfur content of 0.5% instead of the high sulfur bunker fuel with 3.5% sulfur widely used today, or install engine exhaust scrubbers.

Speaking during a panel discussion about the IMO 2020 regulation at the Intermodal Association of North America's Intermodal Expo in Long Beach this week, Lawrence Burns, senior vice president of trades and sales at Hyundai Merchant Marine (HMM), said it is not clear whether compliant fuel will be available at all ports.

One possibility is that carriers will have to resort to buying even more expensive 0.1% sulfur fuel that today carriers use in so-called sulfur emission control areas (ECAs), he said.

There is an ECA that extends for 200 miles from much of the coast of the U.S. and Canada.

ECAs also exist in the Caribbean, North Sea and Baltic Sea and countries bordering the Mediterranean Sea are currently considering creating an ECA.

Burns said that it is also difficult to get a handle on just how expensive the 0.5% low-sulfur bunker fuel will be since it is still not available on the market.

Burns said carriers are concerned about whether they will be able to recover the cost of more expensive fuel or the scrubbers that some, like Hyundai, are installing at a cost of $5 to $8 million per ship.

If carriers are not able to recover their costs, he said, it could lead to reduced services.

In the same panel discussion, Laura Crowe, the director of Walmart Global Logistics, said the retailer tried to be fair in the contracts it negotiated with carriers earlier this year in recognizing the increased cost of fuel, but wanted to assure itself the charges carriers will impose are really designed to reimburse them for their higher costs and not a way to make additional profit.

In addition to trying to understand how much more expensive the low sulfur fuel would be, Walmart worked with lines to understand the switch-over process—when they would have to start cleaning tanks and getting ready for the switch to low sulfur fuel.

"We feel very comfortable with where we landed with our contracts," said Crowe.

Burns said there was a big variation in how shippers have reacted to IMO 2020—"some naïve enough to say 'I'm not paying' and some that actually take responsibility and realize this is not just a carrier issue, but an industry issue.

The majority realize this is an industry issue, not just in North America, but around the whole world."

He said both importers and exporters have shown a willingness to address the issue and understand the charges.

He said that while Hyundai has customized fuel surcharges for some very large customers, the same formula is used for most shippers.

Lars Jensen, the chief executive officer of SeaIntelligence Consulting, noted that the drone attack on the Aramco refinery in Saudi Arabia on Sept. 14 is said to have knocked out 5% global of refining capacity.

But he said the attack could have an even bigger implication for IMO 2020 because damage to desulfurization units could reduce the ability to make clean fuels by an even larger percentage.

If a disaster such as the damage to the desulfurization units at the Aramco refinery made it impossible for ships to obtain fuel to meet the IMO 2020 regulation, Burns said, "I have to believe that our governments would kick in and relax regulations for a certain period of time."

Sarthak Verma, senior vice president of International at J.B. Hunt Transport Services, said it is unclear what impact the increased bunker fuel costs as a result of IMO 2020 will have.

The longer distance to ship cargo from many Asian destinations to the East Coast could result in some shippers deciding to route more Asian cargo to West Coast ports.

On the other hand, the price of diesel fuel needed to move cargo by rail and truck from the West Coast to the East Coast or inland destinations could also rise because of the need for more low sulfur bunker fuel.

He said J.B. Hunt was "fairly agnostic as to which direction freight flows."

Burns said he did not believe the higher price of fuel would result in shippers seeking to "pull forward" inventory in the final months of this year, as they did in the face of threatened tariff increases in late 2018.

A slowdown in the world economy and more efficient use of fuel could reduce demand for fuel, said Verma, which is another factor that could blunt the impact of IMO 2020.

Various shipping trade organizations are urging strict enforcement of the IMO 2020 regulation.

On Sept. 18, the World Shipping Council, BIMCO, Cruise Lines International Association, and the International Parcel Tankers Association, called on member states of the IMO to "fully implement" the new 0.5% sulfur cap.

"Recent reports suggesting that some nations might not fully implement the new rules are disturbing.

Lack of full implementation would risk undermining improvements to public health and the environment," said John Butler, president and chief executive officer of the WSC, the main trade organization for the container shipping industry.

Reuters had reported in August that Indonesia's Ministry of Shipping said ships registered in the country will comply with the IMO rule after earlier saying more time was needed to meet the requirement.

Walmart's Crowe said that if a company does not comply with the IMO regulation her company would view that as a contract violation.

However, she said the company might view the situation differently if none of the carriers in a particular trade lane are able to obtain low sulfur fuel.

While the switch over to low sulfur bunker fuel may be disruptive in the short term, at the end of the day Jensen questioned whether the increased cost of complying with the IMO 2020 regulation will have a major impact on the container industry.

He said bunker fuel currently costs about $450 per ton and that current indications are that low sulfur fuel will sell for $650-$700 per ton.

From 2011-2014, he said standard bunker fuel sold for $700-$750 per ton.

During that time "this industry operated perfectly well," he said.

(from: hellenicshippingnews.com/freightwaves.com, September 24th 2019)

INDUSTRY

CMA CGM'S LNG-POWERED ULCV LAUNCHES 'NEW APPROACH' IN LINER SHIPPING

CMA CGM today launched the world's largest LNG-powered ship at China's Shanghai Jiangnan-Changxing Shipyard.

The 23,000 teu CMA CGM Jaques Saade is the first in a series of nine vessels that will run on what is considered to be the most environmentally friendly fuel.

The French carrier said LNG reduced sulphur oxide and fine particle emissions by 99%, nitrogen oxide emissions by up to 85% and CO2 emissions by around 20%.

It is named in honour of CMA CGM founder Jacques Saade, who died last year.

At the launching ceremony today, Rodolphe Saadé, chairman and chief executive of the CMA CGM group, said: "With the launching of the first 23,000 teu ship powered by liquified natural gas, we demonstrate that energy transition can be effectively successful in our industry if all the players work together.

It paves the way to a global shipping approach where economic growth and competitiveness can coexist with sustainability and the fight against climate change."

The vessel is set to enter formal service next year on the Ocean Alliance's Asia-North Europe services.

The vessel has also been fitted with a smart system to manage ventilation for reefer containers stowed in the hold and the company said it had made a variety of other design alterations to improve performance.

"To further improve the environmental performance of the CMA CGM Jacques Saade and her sister ships, their hull forms have been hydrodynamically optimised.

The bulb has been seamlessly integrated into the hull profile and the bow is straight.

The propeller and rudder blade have also been improved, along with the Becker twisted fin," it said.

Industry analyst Alphaliner said the delivery of the vessel iand orders for other LNG-powered units meant "the carrier has clearly taken the lead when it comes to the commitment to natural gas as alternative fuel for container vessels".

Alongside the remaining eight 23,000 teu units under construction, it has five LNG-powered 15,000 teu vessels due for delivery in 2021 and 2022 and six LNG-powered 1,380 teu ships, three of which are already in service, for its intra-Europe regional subsidiary, Containerships.

(from: theloadstar.com, September 25th 2019)

LOGISTICS

CONSOLIDATION WITHIN EUROPEAN FREIGHT FORWARDING BUSINESS CONTINUES

The recent acquisition of formerly SIX Swiss Exchange-traded freight forwarder and logistics specialist Panalpina by acquisitive Copenhagen-listed transportation and logistics company DSV marks one of the few M&A deals that have occurred in the market over the last several years.

Initial offers from DSV to acquire Panalpina were rebuffed in February by the Ernst Goehner Foundation, which held a 46% share in the company.

In response, DSV increased the offer in spite of pressure from private equity firms Cevian Capital, which held a 12.3% stake, and Artisan Partners, which held a 9.9% ownership position.

Also, in February, Panalpina held unsuccessful preliminary discussions with smaller rival Agility Group about a potential tie-up.

The move on Panalpina by multiple bidders attests that there was appetite for at least this deal.

And, in late November 2018, private equity investor EmergeVest announced formation of EV Cargo, consolidating ownership of six UK logistics companies: B2B cloud software solutions and supply chain management provider Adjuno; retail-focused logistics and freight forwarder Allport Cargo Services; hauliers CM Downton, Jigsaw Transport; NFT Distribution; and pallet distributor and warehouse operator Palletforce.

Since formation in 2013, EmergeVest, with reported annual revenues approaching £900 million ($1.12 billion), has been an active investor on a global basis, with an emphasis on business services, particularly logistics and related technology.

The company's previous and current portfolio includes investments in logistics, technology, business services, media and apparel.

"DSV's takeover of Panalpina and CMA CGM's offer for CEVA left many analysts wondering if this is the beginning of another wave of consolidation in logistics and transportation.

But since April, logistics M&A has stayed fairly quiet," according to Robert Keen, director general of the British International Freight Association (BIFA), a trade association that represents the interests of UK freight forwarders.

The dearth of M&A deals extends further back, according to Michael Nayden, director of supply chain and manufacturing operations at Deloitte Consulting.

Nayden told FreightWaves that the zenith of M&A activity in the sector was in 2017, with an increase of about 40% over 2015 activity; in 2018, the sector experienced 20% less activity than in 2017.

Nayden maintains that the $1 trillion logistics and freight forwarding industry is "highly fragmented," suggesting that there may not be critical mass among potential takeover targets.

Philip Stephenson, chairman of privately held UK-based freight forwarder Davies Turner, agrees with Nayden, adding that expansion via acquisition is expensive and "you need to be realistic about what you can finance."

Davis Turner, with about $225 million in annual revenue, chooses to retain an intermediate position, focusing on the UK and Ireland.

Keen tells FreightWaves that predictions 50 years ago indicated that "only a handful of large forwarding companies would survive."

He adds: "The general consensus was that the evolving operational environment would benefit only the largest forwarding companies that had the most leverage with the service providers, leaving the smaller ones to wither on the vine.

Over those 50 years, small and medium-sized forwarding companies have often found themselves at the core of the debate about how the logistics supply chain is evolving, helping to create new policies while adapting to new ways of doing business," Keen says.

Some have said that with increasing digitization, platform-based business models will connect new players, wash away inefficient old ones, and harness the cloud.

They conclude that this will inevitably lead to the demise of the forwarder."

He adds that, while the convergence of rich logistics data streams; new cloud, platform and blockchain technologies; and strong market forces will give rise to new platform business models in the logistics, trade, freight, and maritime industries, the freight forwarding sector will be capable of adapting to the changing market structure.

While private equity investments tend to have short-term horizons, Heath Zarin, chief executive officer of EV Cargo, tells FreightWaves that the company has a long-term focus.

"We believe we have a unique opportunity to create superior value for our investors in this portfolio by creating the EV Cargo Group, holding it for much longer, and using it as a platform to create a substantial global logistics and technology business.

We expect to complete many additional acquisitions over the next few years, both to consolidate our position in the U.K. and Europe, and also to significantly strengthen our global proposition with acquisitions in Asia and the Americas," according to Zarin.

Zarin adds that there is significant private equity investment in the logistics and freight forwarding sector.

"It is attractive to us because we have deep domain knowledge of the industry and we can clearly see the value creation opportunities from deploying EVOS, our EmergeVest Operating System of revenue and profit growth programmes, to drive performance in historically successful businesses that need to adapt to a rapidly evolving competitive landscape."

Zarin forecasts increasing consolidation activity in the sector.

"The forwarding and logistics sectors are going to be increasingly powered by technology.

The investments required in digitalizing the customer proposition and operating model are enabled by scale.

This will be a key driver of consolidation.

Furthermore, large customers increasingly want complex multi-discipline solutions which can be delivered most effectively by businesses with a broad span of capability, so service range, as well as pure scale, is a driver of consolidation."

(from: freightwaves.com, September 18th 2019)

LAW & REGULATION

TRANSPORT POLICY IN FOR THE LONG HAUL IN NEXT COMMISSION

EU policy- and law-makers have their work cut out for them once the incoming European Commission takes office.

Incomplete legislative work and the need to address new challenges will keep transport officials occupied for some time.

On 10 September, Commission President-elect Ursula von der Leyen revealed that Romania's Rovana Plumb is in line to handle transport for the next five years.

If she is confirmed by a European Parliament hearing, pencilled in for 2 October, many of the pieces will be in place for the game ahead, given that the EU assembly's transport committee is now established as well.

Notable items left on the agenda include the mobility package, rules on digital freight information and tweaking how vehicle emissions are calculated.

In von der Leyen's mission letter to her candidate Commissioner, the president-elect tasked Plumb with drafting "a comprehensive strategy for sustainable and smart mobility" and contributing to a "zero-pollution ambition".

More specifically, the transport Commissioner will lead the work on extending the EU's emissions trading scheme (ETS) to the maritime and aviation sectors.

Currently only internal EU flights are covered by the carbon market and calls have been made in recent months for the Commission to draft an 'aviation package'.

Von der Leyen also touches on the social side of transport in her instructions: "you should ensure that [transport] remains affordable, reliable and accessible, notably for those on low income or living in remote areas, and that passenger rights are respected".

Talks are still ongoing on a number of issues, including on rail passenger rights rules.

Disabled access to train travel is currently problematic, as passengers have to inform rail companies 48 hours in advance.

MEPs want to change the law so that the limit is three hours.

Driving policy

While the next Commission's attention to passenger rights is clear from von der Leyen's mission letter, less clear is what focus will be given to the professionals who work in the transport industry, like coach and truck drivers.

Road transport stakeholders have called on the EU institutions to ensure a number of requirements are uniformly adopted across the bloc.

That includes a minimum age of 18 for truck drivers, rule tweaks to help people get into the profession and flexibility for coach tourism.

Given the number of trucks on Europe's roads, a driver shortage may not seem immediately obvious but the International Road Transport Union (IRU) insists that it is the "most acute" shortage in decades.

Kristian Kaas Mortensen, a manager at haulage giant Girteka, recently said his firm is "acutely aware of the driver shortage", adding that "staff turnover within the sector is high but today some companies are facing levels of turnover as high as around 50%".

Factors like stress and difficulties getting into the job in the first place contribute to the problem but Mortensen was confident that pending changes to EU rules will make a difference.

"I think the EU's Mobility Package could have a very positive impact.

By improving standards around rest time rules, safety infrastructure and access to the profession, it has the potential to drive up the standards of working life for drivers across the continent," he explained.

Negotiations on the package are still ongoing.

Transport Commissioner Violeta Bulc told EURACTIV she is confident a solution can be found, despite the misgivings still held by a small number of member states.

But the road transport industry wants to go further still.

The new Commission is already being urged to make sure there are enough parking spaces for truck drivers along the EU's road network.

According to industry estimates, €6-7 billion is lost in cargo thefts every year in the EU.

More than €1 billion of that figure is lost in Germany alone.

The IRU says there should be a European strategy, standards and a Commission implementing act to roll out more safe sites so that drivers do not have to park in insecure areas or on hard shoulders.

IRU's Brussels office head Matthias Maedge told EURACTIV that the safety issue is a particular problem for efforts aimed at getting young women into the profession.

The proportion of the EU workforce is currently a paltry 2%.

Green roads

Transport is a crucial part of the EU's decarbonisation drive.

As the only part of the economy to still record rising emissions, the bloc's policy-makers will have to address the issue head-on if climate targets are to be met.

An overall reduction goal for 2030, light-vehicle benchmarks, a first attempt at regulating truck emissions and a carbon-neutrality pledge will all play heavily on the mind of Commissioners and MEPs in this coming mandate.

Despite calls by initiatives like Shift2Rail and clean mobility associations, road freight transport is only expected to grow.

Estimates talk of a 60% increase by 2050 if the current trend does indeed continue.

The European Automobile Manufacturers Association (ACEA) advocates for more charging infrastructure, research into alternative fuels like hydrogen and tweaks to existing freight rules, in order to square the climate-demand circle.

That includes the use of modular trucks: high capacity vehicles that allow hauliers to deliver more goods per trip.

ACEA calculates that CO2 emission savings of up to 27% can be made using these larger trucks.

"In order to allow the benefits of high-capacity vehicles to be felt right across the entire EU, we urge policymakers to enable the introduction of a high-capacity

transport system across borders," former ACEA boss Erik Jonnaert said in a statement earlier this year.

Some countries like Belgium, Denmark, Finland and Sweden already allow high-capacity trucks under the European Modular System (EMS).

But the scheme is not an EU-wide initiative.

As an example of the patchwork nature of rules on the issue, only some of Germany's regions allow the modular system, meaning services are not possible across the whole of the Bundesrepublik.

There are also a number of other "low-hanging fruits", according to Matthias Maedge, including cab design and more aerodynamic trailers.

In February, EU negotiators agreed on new rules for rounder cab designs, meant to reduce fuel consumption and eliminate blind-zones.

The idea is to have them on the market by September 2020.

Safety was a clear tent-pole of the outgoing EU transport chief, Violeta Bulc, who confirmed on Monday (16 September) the Commission and member states' pledge to halve road fatalities and serious injuries between 2020 and 2030.

(from: euractiv.com, September 18th 2019)

STUDIES & RESEARCH

CONTAINER SHIPPING: SHIP SIZES KEEP INCREASING DESPITE STAGNANT VOLUME GROWTH

Global growth in container volumes has picked up slightly in the second quarter of the year, with growth in the first seven months reaching 1.2%, compared to the just 0.8% in the first quarter.

Demand drivers and freight rates

Despite this rise, the growth figure remains substantially below what the industry has been used to, with growth in the first seven months of 2018 equal to 4.4%.

This low growth figure masks large differences in developments on trades around the world.

In particular a 5% rise in exports from the Far East into Europe singles itself out.

That high growth should come on this trade is good news for the shipping industry as the large distances lead to a more than proportional increase in tonne-mile demand.

Despite this growth, spot freight rates on the trade between the Far East and Europe have continued to fall.

On 30 August spot rates are down 24% from the start of the year and 18.8% from the same week in 2018.

The broader China Containerized Freight Index (CCFI), which covers ten ports in China and combines both spot freight rates and long-term rates has a less marked decrease of 7% since August 2018.

Falling rates come despite carriers blanking sailings on the route in an attempt to lift freight rates.

Figures from Alphaliner show that 42 sailings were, or will be blanked in the first three quarters of 2019, compared to 16 in the same period of 2018.

Also experiencing high volume growth is the US East Coast (USEC) which year after year continues posting high volume growth.

According to BIMCO's own data, growth in the first half of the year stands at 7.2%, compared with the 7.4% and 10.6% in the first six months of 2018 and 2017 respectively.

Despite this, spot rates continue to fall and are down 22.7% year-on-year, so that it costs USD 2,691 per FEU on 30 August to ship a container from Shanghai to the USEC.

Taking into account more ports and other contract types, the CCFI has fallen less dramatically, down 4.8% from the same time last August.

High growth rates on both the Far East to Europe, as well as imports into the USEC raises the question whether containers are being sent from the Far East to the USEC through Europe.

In contrast, other major container trades have experienced more sluggish growth.

The trade war is certainly making itself felt on the Far East to North America route, where volumes have fallen by 0.4% in the first seven months of the year (Source: CTS).

Similarly, laden container imports into the US West Coast (USWC) in the first seven months of 2019 are down 1.5%, according to BIMCO's own data.

Focusing on Far East container exports, rather than only China gives a better idea of the reshuffling of supply chains that has occurred in response to the trade war, in which China's neighbours have benefitted from some of its lost trade.

Whether containers are exported from China or other Far Eastern countries makes little difference to the container shipping industry, so long as the volumes are still there.

Container imports to the USWC have given a good oversight of the effects of frontloading, with full year growth in 2018 at 4.6% during which imports rose towards the end of the year to avoid higher tariffs.

The lower growth in 2019 reflects that the inventory to sales ratio remains high, the implementation of tariffs and uncertainty over the future of the trade war remains significant.

The slowdown in 2019 is an inevitable result of the tariffs and stocking up that boosted volumes into the USWC in the second half of 2018.

Another round of frontloading imports has been made possible by US President Trump announcing that around half of the new tariffs on USD 300 billion will have their implementation date delayed from September until December.

The delay may be an attempt to limit the impact on consumers over the Christmas period, with the 2020 elections looming.

The goods that have been given some extra time are consumer goods of which the majority of US imports come from China.

Retailers are therefore likely to stockpile these goods before additional tariffs are implemented, to delay the passing on of additional costs to US consumers.

The impact on shipping may be more limited in this latest round given that the goods are mostly high value and low volume goods and therefore have less of an impact on container shipping volumes.

The fall in volumes so far this year to the USWC, has also resulted in falling spot freight rates which are now down 28.9% year-on-year.

With rates falling from USD 2,074 per FEU this time last year to USD 1,474 per FEU in August 2019.

As on the USEC, CCFI shows a less drastic reduction than the Shanghai Containerized Freight Index (SCFI), with the index down 1% from August 2018.

Six to twelve month charter rates for the larger container ships have risen quickly with rates for 6,500 TEU ships being 151% higher (USD 24,500 per day) on 30 August than they were at the start of the year.

Charter rates for 8,500 TEU ships are up 88% (USD 30,000 per day).

Charter rates for smaller vessel sizes have been very stable over the course of the year, rates for a 700 TEU ship have risen by USD 100 since the start of the year to reach USD 5,000 per day.

Fleet news

Since the start of the year the container fleet has grown by 2.6% so far this year, a number which BIMCO forecasts will grow to 3.5% by the end of the year.

Deliveries include four ships larger than the previous record holding vessel, the first with a capacity of 22,000 TEU which was soon followed by the delivery of two 23,756 TEU vessels and one 23,656 TEU ship.

The size of the ultra large container ship (ULCS) fleet (14,500+ TEU) will only go one way in coming years, as these vessels are piling up in the orderbook with the already active vessels so young that demolition is still a long way off.

Of the 165 ULCSs in the active fleet (currently at 22.6 million TEU), only 8 are over 10 years old, whereas 78 have been sailing for two years or less.

These vessels are here to stay for the next two decades, and will soon be joined by many more.

There are currently 71 ULCSs on order, amounting to additional capacity of 1.3m TEU with all but four contracted to be delivered between now and the end of 2021.

The remaining four are set for 2022.

A further eleven have recently been ordered by Evergreen, all of which have a capacity of 23,000 TEU.

These ULCSs will be deployed on the Asia-Europe route at a time when freight rates indicate that there is no need for additional capacity, and existing sailings are being blanked despite the 5.2% volume growth rate, indicating that there is no urgent need for these extra ULCSs.

As these newer ships are introduced, cascading of smaller, yet still significant ships will lead to added capacity on smaller routes.

As larger ships have arrived on the Far East to Europe routes, Neo-Panamax ships (10,000 – 14,499 TEU) have found themselves being deployed elsewhere, a trend which will continue with larger and larger ships entering smaller trades.

Cascading clogs up the balance of these trades where there is currently little demand growth.

On the demolition side, the largest container ship to have left the fleet so far in 2019 had a capacity of only 5,364 TEU.

The average size of container vessels sent to a scrapyard this year has been 2,142 TEU.

Containership demolition activity picked up in August and is on target to meet BIMCO's expectation of 200,000 TEU leaving the fleet this year.

In comparison, BIMCO expects total deliveries in 2019 of 967,000 TEU.

Outlook

Growth rates on intra-Asian container trades are viewed as an indicator of what is to come on long-haul routes, as volumes here indicate the health of supply chains in the region and therefore what finished goods are likely to be exported from Asia in the near future.

With a volume growth rate of 0.8% in the first seven months of 2019, low growth levels can be expected in global demand for container shipping for the remainder of the year.

The continued slowdown in global manufacturing and the broader global economy will impact container shipping.
BIMCO expects the GDP multiplier to stay around one for the foreseeable future.

The slowing demand growth means that despite the comparatively low fleet growth expectations which BIMCO has of 3.5%, the fundamental balance of the container shipping market will worsen this year.

Furthermore, with the fleet currently projected to grow by 3.2% in 2020 this is unlikely to change much next year, with the industry heading deeper into a hole.

Cutting costs will remain in focus to be able to weather the storm.

Adding to the worsening of the fundamental balance, the added fuel costs due to the 2020 sulphur cap, paints a disturbing picture for the rest of the 2019 and 2020 for container shipping.

As we have also noted in the dry bulk analysis, the oversupply of capacity is likely to make it difficult for shipowners to recover the additional fuel costs.

(from: hellenicshippingnews.com/bimco.org, September 17th 2019)

ON THE CALENDAR

▪ 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.