Maersk changes its course

The decision to split the energy and transport businesses of the AP Moller-Maersk Group into two – with the new AP Moller-A/S company combining the container shipping, port operating/management and logistics activities – is resulting in a series of strategic changes as each looks for revenue growth and sustainable levels of profitability. Although details of the new business plan have not been revealed, comments made by several executives at AP Moller-Maersk A/S suggest that in the long term, the company’s immediate future will be driven more by expansion than ordering new ships. Another key part of the strategy is an increased focus on digitalized and take-make customer solutions, as the group seeks a closer relationship with its clients and attempts to raise freight rates.

Michael Paar Raumonen, chairman of the group, has said that the company was “close to ordering new ship orders” and that “if there was a need to grow, it should be through acquisitions, so that we don’t flood the market with more ships.” In his view, the group’s prospects for the global trade do not support ordering new ships.

Since 2008, Maersk has operated all its business units on the “arm’s length” principle, including positioning its shipping terminals as an independent terminal operator. The decision to manage and operate the container activities of its Transport and Logistics Group “in a more integrated manner”, presumes an important departure, and reflects Maersk’s desire to fundamentally change its transport product offering. Like other lines, Maersk sees the future in “digital solutions” and a new product offering “based on the combined capabilities of Maersk Line, APM Terminals and Damco.”

Maersk, however, does not want to go into the digital world without scale, and is keen to see participation in what it expects to be a period of transition and consolidation in the liner shipping market, by using its fiscal strength to purchase companies that would either improve its position in some of its key markets and/or help to plug gaps where it has some weaknesses. The past few months have seen the Danish giant linked with several carriers, including Hamburg Shipping Co and Hyundai Merchant Marine, which has signed a Memorandum of Understanding to join the 2M alliance with MSC, K Line and possibly even Zim.

Emerson reefer deals

Getting up to speed
AUCOS gets rolling

AUCOS is the automatic tractor/port equipment engineering and operating company, Portek Systems & Equipment Pte Ltd, part of Mutuo & Co of Japan, has signed an agreement with Germany’s RMM Metternich, who is MD of Vahle port technology, to supply AUCOS, its mobile electrification systems, with applications in the container handling and rail mounted gantry crane sectors. "Portek is now the sole representative of Vahle port technology products and systems for South East Asia, and for other regions, agreed case by case, to market, install, commission and provide after-sales services for mobile electrification projects in the container handling industry," said Portek’s CEO, Mr Soon Chong. "We believe that this collaboration will deepen our relationship and also allow us to expand our crane electrification activities rapidly in this region.”

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Portek and Vahle link up in South East Asia

Singapore-based port engineering and operating company, Portek Systems & Equipment Pte Ltd, part of Mutuo & Co of Japan, has signed an agreement with Germany’s Paul Vahle GmbH & Co KG, aimed at leveraging their knowhow and expertise to market Vahle products and systems in South East Asia.

Vahle is a world leader in the mobile harbor crane market. Disc brakes are now fitted almost universally by Fabrisem on its trailers typically taking just a quarter of the time needed to change a drum brake lining, and this means cost savings," he said.

All chassis are provided with a five-year warranty “which speaks for itself”, he added. Fabrisem can boast a number of bespoke orders where difficult operating conditions apply. For example, over the years, trailers with special steel had been applied to port and inland terminal operators in north-west Russia, where winter temperatures can fall as low as -60 degC. A new customer is pulp and paper manufacturer Ilim Group, which has facilities in the Russian Baltic and Arctic regions.

Künz on the river

Nedcargo International has placed an order for a new Künz rail-mounted gantry crane for its inland terminal at Alphen aan den Rijn in the Netherlands. It will replace one of two existing cranes when it starts operating in September 2017.

Nedcargo is the parent company of Alpherium, and handles approximately 150,000 TEU per year at the terminal. The new crane will have a rail span of 60m, two 15m cantilevers, and a lift height sufficient to stack high cube containers up to four high (1-over-4).

The contract was signed between Hans Künz GmbH and Nedcargo International at the Logistics & Distribution exhibition held in Brussels last month. Bert van Grieken, multimodal director at Nedcargo, said: “The new crane is faster, more silent, stronger, more energy efficient, and requires less maintenance than the existing cranes. Thanks to [its] higher handling speed, combined with greater reliability, we are increasing the capacity of the terminal, enabling us to handle more containers. We will also be making an important step in reducing CO2 emissions by making use of heavy terminal equipment. Instead, we will be handling more moves with a crane that will be significantly greener.”

Thomas Zeh, sales manager Benelux at Künz, added: “In the near future, we expect that inland terminals in Benelux will take profit from ports congestion and container volume growth, mainly due to Maasvlakte II, an inland terminal. We’re delighted to deliver this new crane to Nedcargo. It features the Künz patented directional travelling unit for longer rail and wheel lifetimes, as well as the aerodynamic single girder for less wind resistance and lower operation costs. All in all, we are delighted to deliver this new crane to Nedcargo. It features the Künz patented directional travel unit for longer rail and wheel lifetimes, as well as the aerodynamic single girder for less wind resistance and lower operation costs.”

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Künz accepted that producing trailers in a eurozone country is not easy but said that Fabrisem, from the very beginning 20 years ago, decided there was no point trying to compete on price. Instead, it focused on mechanical strength, sample operation and lowest possible maintenance costs.

The result is a trailer that provides safety for stevedores and peace of mind for owners, with a fast return on their investment. “We manufacture robust, reliable trailers, designed and built to last,” concluded Ruiz.

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C.R.O Ports contract scooped by Kalmar

Cargotec-owned Kalmar is to deliver 34 of its latest G (Gloria) generation reach stackers to European ro-ro terminal operators C.R.O Ports SA, part of Belgium-based CLdN/Cobelfret shipping and logistics group. The order was booked in September, and deliveries will be made between December 2016 and December 2017.

The new units will replace existing equipment, and support C.R.O Ports SA’s and CLdN RoRo SA’s growth plans with our Gloria reach stackers. We are very excited to add the Kalmar K-Motion drive train technology and Kalmar’s SmartFleet remote monitoring and reporting system.

As previously reported, the Kalmar K-Motion drive train incorporates the Dana Rexroth hydro-mechanical variable transmission. This allows a much smaller engine to be used, reducing fuel consumption and emissions by up to 40%, with less noise and higher uptimes.

The product was officially launched at TOC Europe in 2015, and it is not known how long Kalmar has exclusivity from Dana Rexroth in the heavy lift truck world.

David J. Langevin, chairman and CEO of Maneux International, Inc. has sold the Liftking line of rough terrain and military forklifts to Lanco, a division of Illinois-based Mi-Jack Manufacturing for US$13.3M in net cash proceeds, after transaction costs, the deal yielded US$14M. After transaction costs, the deal yielded US$13.3M in net cash proceeds, which Maneux will use to pay down its North American bank debt.

Burl Van de Caynse, general manager at Kalmar Belgium, commented: “We are pleased to support our customer’s growth plans with our Gloria reach stackers. Kalmar K-Motion technology will drive further efficiencies in their operations resulting in substantial fuel savings and increased productivity. With Kalmar SmartFleet reporting statistics based on key performance indicators, our customer will have a clear and accurate picture of what’s really going on in their terminal.”

Liftking to Mi-Jack

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Terex Gottwald cranes for Ultramar

Terex Port Solutions (TPS) has reported two orders for Terex Gottwald G HMK 8410 mobile harbour cranes in the two-ropes variant from Chilean customers, both connected with Ultramar SA. One has just been delivered to Terminal Puerto de Aroca S.A. (TPA), mainly for container handling. Shortly, it will be followed by an identical G HMK 8410 crane for Compañía Portuaria Mejillones SA in Puerto Angamos.

Both cranes offer heavy-duty lifting capacity curves with a maximum lifting capacity of 100t, an outreach of up to 58m and lifting speeds of 90 m/min. They are supplied with particularly high towers, including correspondingly higher boom pivot points and tower cabs, with a crane operator eye level of 38m. This gives crane operators an excellent view of the vessel and the work area and can (un)load post-NPX container vessels up to 19-wide. Thanks to their geometry, they can also safely serve vessels that, for example due to the high proportion of empty containers, lie particularly high in the water.

Diego Bulnes Valdés, general manager at TPA, explained: “More and more vessels with up to eight [high] containers stacked on deck are arriving at our terminal in Aroca. With the new crane, we can serve these vessels quickly and cost-effectively.” The G HMK 8410 crane is the third Gottwald crane in Aroca, following deliveries in 2006 of two previous generation HMK 280Es.

Mejillones is also a returning customer, as it has operated a G HMK 8410 crane since 2010, as well as having a previous generation HMK 280E. The new crane also has a twin-lift spreader able to lift 2 x 30t 20fts. It will also work with a RAM Revolver 4121 for tipping ores from bulk containers shipped to the port from nearby mines into the holds of bulk ships.

For service, TPS works closely with its Chilean sales partner, Comercial Fexanco SA. In addition, both the new cranes are fitted with the Terex Gottwald Remote Crane Access feature for use by the TPS service team.

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Mantsinen wins £6M ABP order

The 200M is touted as the world’s largest ropeless hydraulic crane, and it will be operated at the Port of Garston. The crane, with a self-weight of 280t, will be the first 200M to be delivered to the UK. Up to now, the biggest Mantsinen crane in the UK is the 160t HybirdLift supplied by Cooper SH to Belfast Harbours. In this last case, says Cooper, some very unusual criteria led to the 95R being chosen. Tony Rowse, managing director of Cooper SH, said: “This wasn’t a single contract for five machines, but rather five individual contracts each involving the provision of one crane. The five ABP had all%-freedom of choice in terms of their handling solutions and each port selected Mantsinen as its preferred equipment.” Cooper SH will begin delivering the cranes from this month onwards.

The 200M is the name for Mantsinen’s hybrid drive, fitted as standard on most of its models.

BOXPORTER for Port of Koper

The Taha Port of Catanos in Oklahoma has completed an upgrade of a dual-hoist 200t gantry crane as part of a wider redevelopment project. Catanos is a multimodal port that handles around 2.7 Mtpa of freight, including intermodal containers.

The crane and the dock it sits on were refurbished as part of a plan to attract container traffic and breakbulk cargo carried on the Port of North Osaka. With a lifting height of over 90t, the crane has a 1050 m span and two separate trolleys that each has a main crane and auxiliary hoist — one with a capacity of 100/35t and the other 100/40t.

The upgrade was completed by Whiting Services, and included taking down the crane, completely undischarging and repainting the gender sections, and installing new components in the hoisting system. The crane is operated by Tuloma Stevedoring, Inc.

Crane upgrade for Caatoosa port

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Navis/ZPMC deal

Navis has announced that a “memorandum of strategic cooperation” was signed in Shanghai this month between Huang Qingfeng, president and deputysecretary of the Party Committee of ZPMC, and Benoit de la Roque, president of Navis. “For ZPMC, the cooperation with Navis will enhance ZPMC’s ability to provide complete systems for terminals, which provides more possibilities for ZPMC to seek more projects, especially global contract projects of full-automatic container terminals.”

For Navis, the cooperation can help Navis make use of ZPMC’s global customer base to achieve the implementation of Navis’s terminal operating system at more terminals around the world by matching with ZPMC’s general contract projects of systems,” said ZPMC. Navis introduced the BOXPORTER RMG in early 2016, when it signed a Memorandum of Understanding with Konecranes. “Konecranes has again showed its strength in the remote operation of its automated stacking cranes,” said Marko Babić, director at Konecranes. “The BOXPORTER RMG, our crane operations will get better visibility and ergonomics, and thus a better overall driving experience.”

Luka Koper has been a key customer for Konersen over a number of years. By the end of this year, it will operate a fleet of 20 Konersen RTG cranes, an STS crane and two RMGs. The port’s intermodal gateway status for parts of Central/Eastern Europe has been growing, and it is also touted as a cost-effective alternative to Rotterdam for MCU/Bavaria-Far East flows.

ZPMC has been awarded its costs and its claim against AMMESA managing director Murray Bridle personally for unfair trading practices, which was unsuccessful. Bridle was awarded costs for his defence against the unfair trading allegation, to the extent that any such costs can be identified separately from AMMESA’s costs incurred in the general proceeding.

After it won the initial ruling on 17 June, NSL did not pursue its claim for damages. The Court ruling on costs indicated that NSL had earlier proposed damages in the order of A$50,000.

RAM awarded costs

RAM Speeders’ Australian subsidiary NSL Engineering PT Ltd has been awarded its costs in the patent and unfair trading practices case it brought against Australian Mobile Mining Equipment, Systems & Accessories Pty Ltd (AMMESA). As reported last month (WorldCargo News, September 2016, p1), NSL won a judgment from the Australian Federal Court declaring that its Revolver container storage system did not infringe AMMESA’s patent. NSL has now been awarded its legal costs, with the exception of any costs incurred in connection with quantifying its damages, and its claim against AMMESA managing director Murray Bridle personally for unfair trading practices, which was unsuccessful. Bridle was awarded costs for his defence against the unfair trading allegation, to the extent that any such costs can be identified separately from AMMESA’s costs incurred in the general proceeding.

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The Malayan tiger symbolizes bravery and strength, two characteristics needed in the challenging environment the tiger inhabits. Bravery and strength combined with strong determination are also characteristics for one of the high achievers in the port industry – Westports Malaysia. By spurring its workforce to deliver and maintain standards that exceed the norm, Westports is constantly striving for excellence in productivity and turnaround times. Westports is not only a leading port in South East Asia, but also one of the top 5 ports in the world in terms of productivity. The container throughput in the terminal has increased from 2.6 million TEUs in 2004 to 6.9 million TEUs in 2012. Westports is one of the gold standard ports in container handling, which is why it is no surprise to find that Bromma has delivered 105 crane spreaders to Westports during the years. To succeed in container handling, you need the right equipment, and you need the right support. You need a partner in productivity.

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A Tradition of Innovation
Ecoporto stands empty

The Ecoporto Santos box terminal has almost given up on handling container ships for the foreseeable future as two new terminals in the Brazilian port of Santos continue to increase their market share. EcoRodovias bought the terminal (then called Tecondi) for R$1.3B (US$416M) in 2012, and installed three STS cranes and six RTGs, all of which now stand idle, except for a handful of monthly breakbulk calls from operators such as BBC Chartering. Ecoporto’s market share was just 0.7%, for the period from 1 January to the end of August 2016. At the end of 2015, it had a 4% market share (out of 5.78M TEU overall for Santos). Back in 2010, Tecondi was over capacity, handling 520,000 TEU for a 13% share of the market.

Other struggling facilities in Santos are the two terminals operated by Libra Terminals, which have sunk to a 5% share in the case of T-35 and 0.02% for T-37, while the big three box terminals march ahead. In 2015, total throughput in Santos was 5.78M TEU, of which Tecon Santos handled 34.7%, Brasil Terminal Portuario (BTP) 31.5%, and Embraport 15.9%. From January to August 2016, total port volume was 1.56M TEU, with Tecon handling 39.2%, BTP 36.8% and Embraport 18.2%.

Luiz Araujo, the CEO for Ecoporto Santos, said that all the box facilities had been caught up in a “perfect storm” since 2012, with more capacity coming on the market (BTP and Embraport) at the same time that shipping lines were cutting services and service strings. “The smaller shipping lines got squeezed, and so did the smaller terminal operators,” he told WorldCargo News. “But we are still here for when the market picks up.”

At the start of last year, Ecoporto Santos was employing just over 1,200 people at its downtown offices and Santos terminal site, but that number has cut to 600 via three waves of redundancies. In the meantime, Ecoporto has turned to logistics, and Araujo said that the company is today the “number one in Santos for LCL” cargo. “While we wait for the international container business to pick up, and smaller carriers to leave the big alliances and find a niche terminal in Santos, we have been busy capturing more than 55% of the LCL import market and 80% of the export market in Santos.”

The company is taking advantage of the EcoRodovias logistics networks, its warehousing space and expertise from the days when it was Tecondi and Termarios (a sister company), to handle around 1,200 containers per month.

In April of this year, Ecoporto left the influential box terminal association Abarates after more than 15 years of membership. A source said this was to cut unnecessary costs and commitments, but it is still a member of ABTP, which covers all port operations, not just containers.

SAAM into Costa Rica

SAAM Puertos has signed a US$46.5M agreement to acquire a 51% stake in two concessions in Puerto Caldera in Costa Rica – Sociedad Portuaria Granera de Caldera (SPC) and Sociedad Portuaria Regional de Bucarren S.A. The transaction is subject to approval by Costa Rica’s regulatory authorities. Assuming this is obtained, SAAM Puertos – part of the Chile-based multinational company SAAM, which provides port, tugage and logistics services, – would have a stake in 12 port terminals in seven countries in the Americas. SPC and SPGC handled an aggregate 4.9 Mt in 2015, and their combined revenues came to US$46.6M.

“This investment is a good reflection of the growth strategy that we are implementing in the region, and this is a very well managed enterprise, to which we can add value,” stated Macario Valdés, CEO of SAAM. “In addition, it allows us to join forces with partners who have knowledge of and experience in the local market.”

The local partners are Saret (21%) and Logistica de Granos (19%), and the other shareholder is Colombian company Grupo Empresarial del Pacifico (9%).

Terminal for LNG in Pori

The first LNG terminal in Finland has opened in the oil and chemicals harbour of the port of Pori on the country’s west coast. The €80M project, financed by Skangas with the support of a €23M grant from the Finnish Ministry for Employment and the Economy, helps to diversify the country’s energy market.

Ships can bunker LNG using a bunker fuel feed at the terminal or by ship-to-ship. Deliveries can also be made by truck, although industrial customers such as Huntsman Pigments and Adhehors, Pori Peserosuvonta and Norvik Nickel Harmaa are supplied with vaporised gas fed through a local 12 km connecting pipeline.

LNG storage capacity is 30,000 m³ (15,000t) with a 42m diameter, 35m high tank. The terminal area includes loading docks, process units (compressor and vaporiser), a flare torch, remote loading docks for road tankers, a transformer building, and a heat production unit.
Panamanian container ports decline

Containers handled at Panama’s main ports fell by more than 13% in the first eight months of 2016 to nearly 4.1M TEU, compared with almost 4.7M TEU in the corresponding period of 2015. A slowdown in transhipment activity was the main reason for the slide, itself reflecting lacklustre growth rates in the economies of many countries in the Caribbean basin and along the west coast of Central and South America. Panama is a maritime and distribution hub for the area, and any significant change in regional trading conditions affects its cargo throughput immediately.

In particular, this year has seen weaknesses in several core markets, including Venezuela and Ecuador, where the low price of oil has continued to depress trading volumes. It also appears as if the conversion of breakbulk cargo to containers is slowing in the Latin America region, and, in some cases, ocean carriers are making more direct port calls with their ships, rather than using relay hubs. Partly, this is related to both the large-scale investments taking place in many ports, such that large container ships can be accommodated and to increase inter-port competition.

TICTS in the Dar spotlight

According to reports in Tanzania, President John Magufuli has ordered the Tanzania Ports Authority (TPA) to review Tanzania Internal Container Terminal Services’ (TICTS) concession at Dar es Salaam, acting on the recommendation of Musa Assal, the controller and auditor general.

In his audit, which was published in April, Assal stated that “the government should review the TICTS lease agreement, with a view to ensuring that public interests are protected therein”. President Magufuli has also asked the Ministry of Works, Transport and Communication to become involved in talks between the TPA and TICTS.

All this does not have to be bad news for TICTS. Magufuli could be suggesting that the TPA and the operator merely need to have a different relationship, or that a new deal needs to be agreed. However, TICTS, which is mainly owned by Hutchison Ports, has regularly come under attack from Tanzanian politicians. In the short term at least, it does add to the uncertainty over terminal operations, particularly with regards to the length of the concession.

The original concession was set at 10 years, but in 2005 it was controversially extended to 25 years. Assal argued “The legal implication of the extension of the lease agreement before the first lease agreement had expired should be considered and the possibility of terminating the lease agreement should be evaluated.” If the government’s concerns centre on performance, then the delivery by the end of this year of two new 400 SWL/45m outreach (15-wide) quayside gantry cranes from Terex Port Solutions may improve efficiency. TICTS has revealed that the two cranes will cost TZS39B (US$17.4M).

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- Improved performance in high winds
- Industry leading productivity and availability
- Lifetime spares and service from Liebherr
Inching forward in Port of Manta

The long and difficult concession process at the Port of Manta in Ecuador is continuing, despite becoming even more political, against the backdrop of a national election next year.

After two failed attempts to restart the concession process following Hutchison Port Holdings’ (HPH) withdrawal from Manta in 2009, the government is running a third bidding process to concession the port, based on the private initiative presented in January 2016 by Chilean stevedoring firm Agunsa.

But for the concession closed in early October, and Agunsa submitted the only bid, which now has to be considered by the government and the port authority as part of a “validation” process. There will then be a further negotiation process on technical details before a concession would be awarded, likely to be towards the end of this year.

It is understood that Agunsa has been fairly consistent in its approach throughout the three concession attempts. As previously reported, it has proposed an investment in the region of US$175m to develop multipurpose facilities, building on Manta’s existing infrastructure, to support the local market.

However, in the previous two failed concession attempts, the port authority has been looking for a company willing to develop a much larger facility, only to end up finding that there is no interest in financing and building an over-dimensioned terminal.

The Terminales Internacionales de Ecuador (TIDE) facility that was to be built by HPH had a planned capacity of 1.6M TEU. One of the reasons that deal fell apart was the cost, the lack of cargo demand and uncertainty over developing transport links to connect such a large terminal to the cargo base, including a new highway from Manta to Guayaquil.

Though the state does not have the funds to finance the infrastructure to support a large port, there continues to be a belief in some circles that a private investor could be found by tapping Chinese sources in particular. With an election looming, the decision to proceed on a more modest scale with Agunsa has become a political football, but, at a time when growth in container traffic is slowing down, it remains the only firm proposal on the table.

Indonesia moves on dwell time

Indonesia’s Ministry of Transport is looking to further streamline pre-clearance regulations as it proceeds with its plans to reduce dwell time at the country’s ports.

“The remaining 14 regulations are being examined. We’re aiming for the pre-clearance process to take only one day, while customs clearance and post-clearance processes will take only half a day and one day, respectively” transport minister Budi Karya Sumadi was quoted as saying in The Jakarta Post. Previously, the government had shifted 60 other pre-clearance regulations online.

Cutting dwell time to 2.5 days is a key aim of the government, and has strong political support, as it was instigated by the country’s president, Joko Widodo.

State port operator PT Pelabuhan Indonesia (Pelindo) had previously managed to cut port dwell times from 5.7 days to 3.2 days, but the government is keen to break the 2.5-day barrier to boost competitiveness, said Budi.

According to ministry data, currently it takes 1.6 days to complete the pre-clearance process, while the customs clearance takes half a day, and post-clearance takes 1.25 days.

Budi wants to streamline the procedure, “unless there are indications of dangerous goods or any goods containing malicious payloads like explosives”, he said.

At this stage, the 2.5 days is applicable only at Jakarta. Other major ports such as Surabaya, Medan and Ujung Pandang have a target time of 3.5 days, the ministry said. To help them reach this, the ministry urged them to copy Jakarta and move to 24-hour operations with qualified staff.

Belawan in Medan has moved fast and built a 1-ha buffer zone to accommodate import containers that have a “Letter of Approval for Expenditure” (SPPB). Issues will be moved to the buffer zone after one day.

Capacity for Manila port

Harbour Centre Port Terminal, Inc. (HCPTI) has taken various steps to expand its breakbulk operations in the port of Manila. The move follows rising cargo volumes and the deployment of large ships by several of the company’s customers.

To accommodate their needs, HCPTI has increased the facility’s storage area threefold to 6,000sq. m, repaved the yard area to both speed up cargo handling operations and allow better and safer access for trucks, and started to replace ageing cargo handling equipment. A conveyor belt system has, for instance, been completely refurbished.

In addition, HCPTI has rehabilitated sheet piles and erected a concrete wall to protect the western extremity of the terminal and allow barge and transfer operations to take place.

Longer term, the terminal management company wants to acquire more land to expand the operation further.
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Reachstacker Year 2012
Capacity 45T 5 High Telescopic
SMV 4531 CB5 Piggy back

Reachstacker Year 2007
Capacity 45T 5 High Telescopic
Kalmar DRF450-605S

Reachstacker Year 2007
Capacity 45T 5 High Telescopic
Linde 4535TL

Reachstacker Year 2x 2010
Year 2x 2009
Capacity 45T 5 High Telescopic
Linde C4531TL

Reachstacker Year 2011
Capacity 45T 5 High Telescopic
Kalmar DRF450-605S

Reachstacker New
Capacity 45T 5 High Telescopic Incl. Solas weight system
SMV 4531 TC5

Empty Container handler Year 2008
Capacity 10T 7 High Stacking
Kalmar DCF100-45e7 DB

Empty Container handler Year 2010
Capacity 9T 7 High Stacking
Fantuzzi FDC25K7 DB

Empty Container handler Year 2005
Capacity 9T 7 High Stacking
SMV SL6/7ECB90

Heavy Forklift Year 1997
Capacity 12T 5500mm Duplex Stand
Kalmar DC12-600

Heavy Forklift Year 2x 2008
Capacity 15T 5000mm Duplex
Kalmar DCE150-12

Heavy Forklift Year 2013
Capacity 12T 4000mm Duplex AD- Blue Engine
SMV 12-600B

Heavy Forklift Year 2016
Capacity 16T 4000mm Duplex
SMV 16-1200C

Heavy Forklift Year 2005
Capacity 37T 3700mm Duplex
Kalmar DCF370-12

Heavy Forklift Year 2007
Capacity 42T 4000mm Duplex
Kalmar DCF420-12

Forklift Several Y.O.C. available Capacity 2.5T – 5.0FT
Hyster 2.5-5.0 ton

Tow Tractor Year 2013 Capacity 33T
Mafi MT25T131C 4x2

Tow Tractor Several Y.O.C. available Capacity 31T-35T
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St Petersburg changes

St Petersburg-based forwarder Moskli has acquired the Shushary logistics terminal from Euisau, another locally based transport and logistic group. The Shushary industrial cluster is around 12 km from the Big Port of Saint Petersburg (BPSP), and the deal also includes a nearby facility (Logistika Terminal).

The newly named Modul Vazhny terminal, which is in use at Euisau’s main facilities near BPSP, Modul Pulkovskiy. Modul also operate the terminals in St Petersburg, Novosibirsk, and the surrounding areas.

Earlier this year, another St Petersburg-based logistics group, Adimar, announced plans to construct new transport and logistics facilities near the port by 2019. These would include 40,000 m³ of Class A warehouses, a DC at Kronshtadt, and warehouses at the Maryino industrial park.

Adimar’s chairman Yuri Shishov said the facilities are convenient for the Moby Dick container terminal and the new port at Bronka outer harbour. Adimar is planning to invest around US$38m in the project, with an expected payback period of six years.

The project has two components. Component A is a state investment, in order to build shared infrastructure for the terminal (dredging and backlands, jetty, breakwater, roads, etc) at an estimated total cost of VND328.61T (US$1.4B). Funds will come from ODA loans, and public-private partnership (PPP) deals weighted 2:1 to private capital, said Tediport in its final report on the pre-feasibility study for Da Nang officials.

Projected investment is VND7.379T to 2022 (of which 46% will be state capital, 43% private capital and 11% PPP at 54%) to 2030 VND7.857T (27% state capital, 73% private capital) and the final phase to 2050 VND33.72T (26% state capital, 74% private capital), according to Tediport.

The project has two components. Component A is a state investment, in order to build shared infrastructure for the terminal (dredging and backlands, jetty, breakwater, roads, etc) at an estimated total cost of VND328.61T (US$1.4B). Funds will come from ODA loans, and public-private partnership (PPP) deals weighted 2:1 to private capital, said Tediport in its final report on the pre-feasibility study for Da Nang officials.

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The agreement also includes giving TraPac the right of first negotiation for the rest of berth 24 and berths 20-23.

Lien Chieu proposal

Vietnam is considering building a new port near the currently overloaded Da Nang facility, according to Tediport, a ports and engineering consultancy firm.

Three construction phases up to 2050 will ultimately give the planned Lien Chieu Port an annual capacity of 46 Mtpa for a total price tag of VND328.61T (US$1.4B).

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26, and part of another area known as berth 24, the majority of berths 25 and 26, and part of another area known as berth 33.

Under the agreement, TraPac will in- vest US$23.5m in new equipment, and pay annual fixed rent (after deductions) of US$7.2m in the first year, rising to US$21.3m in the 14th year of the con- tract. The first 10 months of the lease on the expansion area is rent-free to allow construction. In addition, TraPac will pay a per-TEU fee on every box above a certain threshold (estimated to be worth US$4-5m over the life of the lease).

Port obligations include US$6.4m in holl and fender improvements, trans- ferring TraPac up to US$2.5m for “ma- jor maintenance on three port-owned cranes that was deferred by a prior ten- ant”, and US$0.5m on spot painting the upper portions of the three port-owned cranes.

TraPac extends in Oakland

The Port of Oakland has concluded a deal with TraPac to allow it to expand into part of the Outer Harbor Terminal (OHT), left vacant when Port America Outer Harbor Terminal filed for bank- ruptcy in February this year, leaving empty its two thousand containers holding berths 25-26. The port and TraPac have agreed terms that will allow TraPac to expand in footprint from 66 acres to approxi- mately 123 acres, with an initial term of 14 years. The new lease covers some of berth 24, the majority of berths 25 and 26, and part of another area known as berth 33.

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The agreement also includes giving TraPac the right of first negotiation for the rest of berth 24 and berths 20-23.

Warehouse for Eichholtz

Hamburg company Eichholtz, specialising in handling and storage of sensitive foodstuffs such as nuts, seeds, dried fruits and pulses, has opened what it has termed as one of Europe’s top-rated temperature- and humidity-controlled warehouses in the port, with energy-saving cooling plant. In the pro- cess, it has doubled its local cool/cold storage capacity to 60,000 m³.

The new warehouse caters for al-monds, hazelnut and cashew nuts, pumpkin seeds from China, poppy, sunflower and chicories, all used, among other pur- poses, for bread related cooking and baking mixtures.

Storage temperatures is a constant 1/10 12 degC, with humidity at 65%, offer- ing optimal conditions for guarantee- ing quality and avoiding infestation by mould or insects.

Goods are stacked on mobile racks up to the ceiling height of 10m. Digital temperature management with precise humidity control is designed to ensure that the cooling/heating plant is espe- cially energy-efficient.

October 2016

11
**Davao scaled back**

Plans for a major redevelopment of Davao Sasa port in the Philippines are likely to be reduced, owing to concerns about costs and capacity, sources have told *WorldCargo News*.

It was planned to expand capacity to 3.1M TEU by 2040, but current thinking is that the port will be handling a much smaller 1.2M TEU by then, *WorldCargo News* understands.

Though there are still plans for a new quay, cranes and other equipment, there are also concerns about the cost of development, and doubts over the proposed market – fruit, especially bananas, for export. Cargo growth is now forecast to be less than the 6% annual growth originally planned.

One shipping industry source, told *WorldCargo News*: “The proposed amount of this project at PHP18.9B (US$391M) might be reduced as the new government of president Duterte is currently reviewing the capacity of Davao Sasa [to see if it is] enough and sufficient for this project. Accordingly, the cost needs to be manageable because of its direct impact in cargo-handling charges.”

Government officials confirmed there were talks on the subject but declined to provide further details.

Transport undersecretary for the maritime sector Felipe Judan has been quoted in the local press as saying: “In the last meeting of the PPA [Philippine Ports Authority] board, I told them to take a look, re-evaluate it, and, if it’s necessary to modernise it on the basis of the previous PHP4B plan, then let’s do it.”

The downgrade could embarrass the Philippines. Davao was to be the first port modernised using a Public-Private Partnership, and five consortia, a mix of local and overseas companies, had been shortlisted to run the port under a 30-year contract.

ICTSI is still following the project. “We continue to be interested, as long as it makes economical sense. We are just waiting for the government’s decision on the new terms of reference,” commented an ICTSI spokesperson.

**Bilbao breakwater completed**

The Port Authority of Bilbao has completed the works on the Punta Sollana breakwater extension, in the port’s industrial zone in the Outer Abra. The works have taken four years and will boost solid and liquid bulk traffic, since the length of the dock has been increased from 350m to 680m with a minimum 25m depth, while the backland has been enlarged by 30,000 m². Two Capesize vessels can now berth simultaneously.

The EU contributed some €3.53M to the works as part of the TEN-T 2012 project, with the port authority (APB) financing the remainder of the already certified €40.11M total cost. The work was carried out by a consortium made up of Cysis Infraestructuras and Sacyr Construction.

The new breakwater features a number of technical and environment-friendly innovations. For example, the wave screen’s high-performance concrete, which has a density of up to 2.65 t/m³, incorporates recycled black slag, a by-product of the electric arc furnaces in the Bay of Biscay. This enabled the overall budget to be reduced by €1M.

Bilbao’s industrial Punta Sollana/Punta Ceballos/Punta Lucero zone is the port’s main bulk traffic generator, accounting for 18.8 Mt in 2015, mostly liquid bulk.

As previously reported (*WorldCargo News*, July 2016, p12), APB has embarked on the final phase of the massive Outer Abra harbour expansion, to complete a project began in 1992.

**Southampton splashes out**

Just as it takes delivery of nine more straddle carriers from Kalmar, with eight more to follow as part of its fleet renewal and expansion programme, DP World Southampton also forecast that it will purchase two more STS cranes, for delivery in 2018, able to stack up to 24 rows across. Previous deliveries to DPW Southampton have been Megamax cranes from Liebherr. The operator recently took over an extra 11.2 acres of land at the north-east edge of the terminal, creating extra ground space to store containers, and bringing the size of the terminal to almost 100-ha.
Rail boost for Krishnapatnam

Krishnapatnam Port Company (KPCL) is hoping that the opening of a new on-dock rail terminal by Concor, the container transport arm of state-owned terminal operator, will boost the port’s transit trade.

The new portside rail yard offers additional capacity for loading/discharging trains, cuts out drayage times to the former off-port site, and generally reduces transport costs for its customers. It also ensures that users have access to the most secure and safe form of transport to key inland locations such as Bangalore.

In particular, the new terminal gives Krishnapatnam a competitive alternative to routings via Chennai, 180 km to the south and/or Jawahalal Nehru Port (JNPT), which is located on India’s western seaboard.

Anil Yendluri, CEO of KPCL, said: “As a new generation port, our objectives and efforts are focused on providing the best in class services to both our exporters as well as importers. With Concor on board, Krishnapatnam will now be able to ensure a new level of smooth processing, quick turnaround and easy throughput of cargo, thereby fostering trade, boosting industrial growth and aiding in the development of the region.”

Currently, Concor runs a twice a week rail service between the port and the ICD at Bangalore. According to Concor, the service offers faster transit times than trucks, and also allows shippers to move more cargo that cannot be moved on the highways because of weight restrictions.

Moreover, for traders doing business with Asia and using JNPT as their main gateway for Bangalore, a Krishnapatnam/ Concor port/rail combination can save more than a week on transit times.

Meanwhile, plans are progressing for the development of a multimodal logistics park at the port. KPCL has acquired over 140 acres of land for the project and is near to finalising a deal to add a further 24 acres. Construction work on the park is expected to start later this year or early in 2017.

Malta Freeport set to expand

Malta Freeport is to take over a parcel of land currently occupied by the Distripark, which will increase the port’s annual capacity to 4.5M TEU by 2020.

Throughput increased in 2015 by 6% to 3.56M TEU and is forecast to grow another 10% to 3.86M TEU by 2025. By way of comparison, its nearest competitor in the transshipment business in the Western Mediterranean, MCT Gioia Tauro, handled 5.5M TEU last year.

Terminal 2 will soon receive two more giant cranes from ZPMC, similar to the four delivered last December (three for T1 and one for T2), representing an investment of €28M and bringing the STS crane fleet to 23. New crane rails along a length of 360m are being laid to accommodate the new cranes. All the berths have a depth alongside of 17m.

In August, Malta Freeport handled its biggest vessel to date, the 400,000-cdwt 185,000 dwt, 19,000 TEU MSC TITAN, topping the call at October by the 18,500 TEU COSA CON RAGUSA.

Malta Freeport is currently linked by 17 weekly deepsea calls to more than 120 ports, including 60 in the Med and Black Sea. Customers include 2M, CS, Sea- go Line, Hapag-Lloyd, Hamborg Sud and Evergreen. The 77-4a CY is operated with 90 Konecranes RTGs, and the tractor fleet was enhanced last year with the purchase of 24 units from Bel- gian’s MOS Cy NV.

APM Terminals Quetzal damages

US$32.7M penalty raised against APM Terminals Quetzal damages

Port News

Throughput increased in 2015 in TCQ when it bought the terminal by Concor, the container transport arm of state-owned terminal operator, will boost the port’s transit trade.

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APM Terminals has agreed to pay the Guatemalan state a US$32.7M penalty raised against its Terminal de Contenedores Quetzal (TCQ) subsidiary.

This forms part of an agreed set of measures detailed in a Memorandum of Understanding signed with the government, which will ultimately render the concessionaire making payments of US$43.2M, with the balance of US$10.5M being paid dur-
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Second box terminal for Damietta

Damietta Port Authority (DPA) in Egypt has entered into a Memorandum of Understanding with China Harbour Engineering Company for the development of a second container handling facility in the port. The deal, which was signed in early October, calls for construction work on the new 2,225m quay line and 700,000 m² of yard area to be completed in two years. The access channel and alongside berthing depths will be dredged 17m, with DPA keys for the new terminal to handle extra-regional transhipment cargo, rather than just pure gateway cargo.

An official statement issued by DPA read: “Our feasibility studies confirm the market and economic effectiveness of developing a new terminal and we see this as greatly enhancing the port’s ability to accommodate the latest container ships and also improving the ranking of Damietta in the eastern Mediterranean.”

DPA will now prepare and launch an international tender programme for the project, and must hope that it attracts a large global terminal operating company to invest in and manage the facility. The length of any operating concession has not been officially announced and, while interest is likely to be keen, there is a growing feeling among analysts that companies are less inclined to sink huge amounts of capital into terminals where transhipment cargo accounts for the largest proportion of the cargo base. This is because consolidation in the liner shipping industry makes container hubs much riskier investments these days.

Even for gateway cargo, competition is likely to be intense, as several new container terminals are either under development or planned in Egypt, including at East Port Said, as part of the Suez Canal logistics corridor, at Sokhna, and in the Alexandria El Dokki area, which, arguably, is the best suited gateway in the Mediterranean for the Cairo corridor. In 2015, Damietta handled approximately 720,000 TEU, a third of which was transhipped.

China Harbour Engineering Company will build a second terminal at Damietta.

Novorossiysk terminal

The Commercial Port of Novorossiysk (NMTP) Group, Russia’s largest port operator, is planning to build a multipurpose terminal at Novorossiysk Ship Repair Yard (NSRZ), in which it now has an 85% stake. Ship repair work ceased at NSRZ in 2015.

Back in October 2014, NMTP signed a Letter of Intent (LoI) with Metalmosvent, Russia’s leading iron ore producer, to construct a dedicated terminal for handling up to 10 Mtpa of iron ore and pig iron at the site.

Separately, earlier this year NMTP signed a LoI with Russia’s Transport Ministry to invest in new cargo handling facilities at another Black Sea port, Taman (Strait of Kerch). This would enable it to be a congestion-free, although the ministry is also seeking other private investors for this 90 Mtpa port project, with US$18bn required for the 46 Mtpa capacity phase 1 (2017-20). Taman would focus on dry and liquid bulk cargoes.

Taken in conjunction with Metalmosvent operating at NSRZ, a stake in Taman would allow NMTP to concentrate on grain, general cargo and containers in Novorossiysk.

Meanwhile, as reported by World Cargo News Online on 12 October, state-owned oil giant Transneft wants to sell its 35.5% stake in NMTP and it is rumoured that DP World could purchase it within the scope of its agreement signed at the beginning of this year with the Russian Direct Investment Fund (World Cargo News, January 2016, p8).

DP World certainly wants to increase its influence in the Black Sea region, building on its existing base in Constantza. It has now signed a Memorandum of Understanding with the government of Ukraine to collaborate on matters of mutual interest, including the development of logistics capability in the country.
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China-Netherlands rail link

The first direct rail shuttle between Chi-
na and the Netherlands was launched by the Chinese rail operator CDiRS in June, and, in a new statement, the Port of Rotterdam Authority (Hbr) said that the Chengdu-Tilburg-Rotterdam-
Express is now in full operation. At the moment, said the port, it is a weekly service, but the goal of CDiRS and its Dutch partner, RailportBrabant, part of the GVT Group, is to run the ser-
vice five times a week as of late next year. The new service, claimed the port, provides a “door-to-door” service in 15 days. There are two gauge breaks at the

Gothenburg rail move

Gothenburg’s rail freight terminal is to be relocated from the city center to the Årken area, adjacent to the no-through terminal inside the port. The transfer should take place no later than the beginning of 2018, when the goods yard is due to be handed over to the city for redevelopment.

Arvid Guthed, vice president port de-
velopment at Göteborg Port Authority, said that around 70% of the rail freight handled relates to the port and other activities near the port, so the new location will prove very advantageous. On a nor-
mal weekday, 12 trains and 200 trucks ar-
rive at and depart from the terminal. Apart from domestic trains, there are also depar-
tures for various destinations in Europe. Guthed continued: “The intermodal terminal at the port will have the same capacity as the current terminal. Reloca-
tion will also mean that heavy road traffic will be relocated to the terminal at the port. Generally, a higher proportion of road traffic will be directed away from the city cen-
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Eurotunnel quieting UK rail? R

Eurotunnel Group (GET) has received a binding and irrevocable offer from Swed-
ish private investor fund EQT Infrastruc-
ture II to acquire the whole of its sub-
sidary GB Railfreight (GBRf), the third-
largest rail freight operator in the UK.

The offer price has not been disclosed “by agreement between the parties”. GET is a public listed company, but communications director Anne-Laure Desclèves in Paris said that, as the offer has not yet been accepted, there is no requirement to disclose it.

GET acquired GBRf in 2010 for £235M (at the then exchange rate of €1=83.17). Since then, turnover has doubled, with around £125M forecast for this year, and profitability has risen. The Internal RoRo for 2010 to 2016 is just above 28%

GET’s French rail freight activities, managed by Europorte, are not included in the offer received. “Europorte France will remain focused on its own develop-
ment to deliver improved customer service, with the goal of becoming the foremost private rail freight operator in France,” stated GET.

GBRf was founded in 1999 by CEO John Smith, and subsequently sold to

Anglia Rail, which in turn sold it to GET. Currently, it operates over 1,000 trainloads a week, moving around 15% of UK’s rail freight. GBRf has a fleet of over 1,300 locomotives and 1,100 wagons, transporting goods for customers in-
cluding Dext, Network Rail, EDF En-
ergy, Aggregate Industries and Tarmac, as well as container traffic over Felixstowe (mainly for MSC), where it has a 26% share of rail handling.

However, the continued competi-
tiveness of through-tunnel rail freight vis-à-vis GET’s rail shuttles, Dover Strains ferry services and unaccompanied North Sea-continental rail services on Rotterdam and Zeebrugge, means that the hoped-for synergies between GET, Europorte and GBRf never materialised. EQT has stated that the acquisition is an integral part of EQT Infrastructure II’s strategy to create a leading independent pan-European rail freight operator.

EQT’s other transport assets include a majority stake in Swedish rail freight operator Hector Rail AB, acquired two years ago from Norway’s Høegh family. Earlier this year, it acquired DCLI, one of the biggest crane providers to ship-
ning lines in North America.
PSA goes inland in China

PSA International has invested in a Sino-Foreign joint venture, with a mandate from the Chinese government to develop and operate 18 rail container terminals.

PSA has taken a stake in China United International Rail Container Co. Limited (CUIRC), through the acquisition of Hong Kong-based Luck Glory International Limited, which owns a 15.33% stake in CUIRC. “The investment makes PSA the only global terminal operator with a shareholding in CUIRC currently,” PSA pointed out.

“The inland railway container terminals are strategically located at regional economic centres across the country to form the core of China’s intermodal transportation network. There are currently 10 terminals in operation – in Kunming, Chongqing, Chengdu, Zhejiang, Wuhu, Xi’an, Dalian, Qingdao, Ningbo and Tianjin,” PSA said in a statement. The deal is the PSA Group’s first foray into China’s intermodal rail facilities, and extends its network in China beyond its 11 coastal container terminals in Da-lan, Fuzhou, Guangzhou, Tianjin, Dongguan, Tianjin and Guangzhou. The Chinese government is already committed to developing rail transport, and will be able to forge strategic relationships with our partners, leveraging our complementary strengths to make the collaboration a success.”

“China’s railway container sector only carries about 2% to 3% of the country’s container transport volumes,” noted PSA. The company believes that will change as further growth of China’s railway container sector is supported by China’s ongoing initiatives such as the One Belt, One Road and Western Region Development Program, together with progressive railway reforms.

Established in 2007, CUIRC is part of China Railway Corporation. Besides PSA, other joint venture partners include China Railway Container Transport Corp., Ltd., NWS Holdings Limited, China International Marine Containers (Group) Ltd., and Deutsche Bahn Mobilität Logistics AG.

Kögel multimodal steel trailer

Kögel has introduced its latest multimodal trailer for steel shipments, designated Kögel Cargo Coil Rail. This has a flexible body with a large adjustment range, so can be used for various types of steel coils and strip sheets. Coils and strip sheets with a diameter from 900mm to 2,300mm and a maximum distributed load of 30t can be transported in the 7,200mm long standard coil trough. This allows a total rail weight of up to 45t, subject to special approval. The floor loading bear capacity of the coil trough covers is designed to withstand ELF axle loads of up to 5,400kg.

The trailer comes with double rail codification, as do all Kögel curtain siders without drop sides. P385 clearance for a maximum internal height of 2,850mm and P400 clearance with a maximum internal height of 2,700mm are available, depending on the set body height. The trailer can thus be shipped on many continental rail lines.

Kögel Cargo Coil Rail is also available with heavy-duty ro-ro equipment for unaccompanied transport by ferry. This includes a diagonal reinforcement between the side members and external frame, a 1mm closed sliding plate, a 10mm fifth-wheel plate, two suction valves and four pairs of heavy-duty lashing rings with 12,000 kg of test force. One pair of the ro-ro lashing rings is positioned further to the left and right, on the front section of the frame in the area of the king pin.

MXico considers trailer ban

There is increasing pressure in Mexico for the government and regulatory agencies to do something about the appalling road safety record of its trucking industry. Mexico has a maximum safety record of its trucking industry. Mexico has a maximum speed limit of 100 km/h on its main roads, but accidents are common. In the first six months of 2013, there were 2,500 fatalities on Mexico’s roads.

Mexico’s trucking sector is already lacking capacity, so this is a major concern to the transport and industrial sectors.

This accident in 2013 involving a double trailer truck killed 11 people

October 2016
ZPMC offers you the widest range of container and bulk handling equipment solutions

Shanghai Zhenhua Heavy Industries Co., Ltd (ZPMC) is a famous heavy-duty equipment manufacturer which has a fine track record of supplying first-class Ship-to-Shore Container Cranes, RTGs, RMGs, Portal Cranes and Bulk Equipment for turnkey Bulk Terminal operations.

ZPMC also uses its port-machinery production capabilities and expertise, adapting it for the production of Mining Equipment and supply of components.

ZPMC now offers a full range of automated solutions, for both new and existing equipment. Our range includes automated stacking cranes, retrofit automated control options for RMGs and RTGs and a full turnkey automated yard system with ZPMC’s own AGVs and Equipment Control System.
KING OF THE YARD

The CVS FERRARI F500 Series Reach Stackers are a new breed of machines that will forever change the standards of performance and return on investment of the industry. These engineering masterpieces are conceived to massively increase the value generation for the user. They do it by sensibly extending the equipment service life and by drastically reducing the operating costs. With its F500 series, CVS FERRARI is also introducing an unprecedented control of the machine and its systems. Discover the unmatched safety of these unique products and the many innovative driver and care takers “job easing” solutions they contain. Meet the strength of mechatronics and the power of integrated data processing applied to lifting equipment. Prepare to experience the future. Today.
VertiModal stacks semi-trailers

After a three-year $50M project funded by the German Federal Ministry of Economic Affairs, DFL Duisport Facility Logistics GmbH and SGKV Studiensellschaft für den Kombinatstransport (Germany’s renowned combined transport study group) have come up with a simple way of saving space in intermodal terminals, by stacking semi-trailers.

For some time Transnet, the South African combined transport system, has been on the rise. Space availability in the terminals has become a serious constraint on operations as extra space for staging trailers is in short supply at inland ports and terminals, which tend to be located in built-up areas.

Measured over a whole terminal, the footprint required to stage each 13.5m-long trailer is the equivalent of nine 20ft containers. To underscore the scale of the problem, according to SGKV, in 2005 just 150,000 trailers were dispatched to or from Germany using rail/rail combined transport, but, by last year, the figure had already increased to 802,000 units.

Tests on the new “VertiModal” indicate that it will provide a cost-effective and flexible system to mitigate the problem. VertiModal consists of a simple 9.145m-long steel frame with cross supports for the trailer when using its long legs, and ISO corner castings incorporated into the top rails at 20ft centres.

A mad track or terminal traffic is driven through the frame, the landing legs are lowered, and the trailer is unhitched. The frames are 3.4m wide and 4.285m high, to ensure plenty of clearance for the door. Loaded (and empty) frames are lifted and stacked using the terminal’s reach stackers or cranes. The frames have a tare weight of 5,400 kg and the allowable gross trailer weight is 38,000 kg, which corresponds to the allowable 4t-all-up weight for the pre and post-landed legs of a combined transport move.

The maximum stacking height for loaded frames is three-high. VertiModal adds handling cost, but frees up much-needed terminal space.

Bimodal for South Africa

The managing director of the Tanzania-Zambia Railway Authority (Tazara), Bruno Ching’andu, has called on the private sector to support its massive capital needs. The executive said that the railroad needed US$260M in the short term, and more than US$12B in the long term, to modernise its track, acquire new equipment, including signalling, and the correctly designed rolling stock to efficiently handle its changing passenger and freight business. Ching’andu said that these investments would enable Tazara to lift its carrying to 0.6 Mtpa, which he viewed as a break even figure, and then to 2 Mtpa, a level that would generate good profits.

He stressed that considerable progress had been made, particularly over the past six months, as Tazara had revamped its pricing policy, continued to reforms and improve its customer service initiatives, engaged in closer collaboration with key clients, and forged strategic alliances with the Tanzania Ports Authority (Dar es Salaam) and several logistics companies. Traffic has been attracted from the highways, and it appears as if several customers have committed to moving more of their freight by rail next year.

Tazara carried <100,000 of cargoes in FY 2014/15, the latest period for which statistics were available.

The VertiModal adds handling costs, but frees up much-needed terminal space.

Medlink Safe launched

The number of containers containing hazardous goods shipped by barge on the Rhône-Saône system is very low, which stems from the nature of the cargoes. As, statistically, waterways are a safer mode than road and rail, it is not counterintuitive, as, statistically, the accident rate is very low, which seems surprising.

The main parties concerned include the Rhône-Saône river operators, Rhône-Saône port authorities, the Port Authority of Lyon, the French Railways company, and Logirhône, one of Europe’s leading barge operators. The Port Authority of Lyon has continued to offer financial support for the initiatives, so they can ensure that specially trained personnel are involved in handling, allocating yard space and planning barge loading, according to the nature of the cargoes.

The main parties concerned are the Harbour Master’s office at Marseille-Fos, Compagnie Nationale du Rhône, Voies Navigables de France, the Port of Lyon and Lyon-Terminal. The container barge operators Log flies and Greendumal are also involved.

To encourage Hazchem traffic, the Port of Lyon is offering one night’s free storage for exporters. The aims is to boost the inland waterway share of hazardous cargo shipments moved overnight between Marseille-Fos and Lyon. Currently, hazardous cargo ships call at the Port of Lyon only once in every five years, due to the high cost of handling and storage at the Port of Marseille.

The RNS, will manage network operations, in another example of Transnet using private sector companies to provide services. However, the parastatal has suggested that it may take a stake in the venture in the future.

The VertiModal adds handling costs, but frees up much-needed terminal space.

Tazara chief seeks private funds

The VertiModal adds handling costs, but frees up much-needed terminal space.

The VertiModal adds handling costs, but frees up much-needed terminal space.

The VertiModal adds handling costs, but frees up much-needed terminal space.
More mega ships for PIL

Singapore-based Pacific International Lines (PIL) has placed orders for four more 11,800 TEU ships from Jiangsu New Yangzijiang in China. The new contracts raise PIL’s order book for this size of vessel to 16 units. Deliveries of the new tonnage, which will be the largest vessels in the carrier’s armada, are scheduled to commence in 2018. The new ships will be super post-Panamax in design, featuring a length of 314.5m and beam of 48.2m. When fully laden, they will need channel/alongside berthing depths of at least 15m. They will be powered by Wärtsilä-designed X62 diesel engines.

PIL has not disclosed where the new vessels will be deployed, but its network of services, which largely focus on Asia’s trades with emerging markets in Latin America, Africa and the Middle East/South Asia, are all drawing increasing rates of containerisation. In addition, there are core ports in all of the regions that are able to accommodate vessels of this size. Increasingly, PIL is working in joint ventures, having over the past few years entered into and slot sharing agreements on various routes, including to/from Asia and South Africa, West Africa, east coast of South America and the Middle East. These deals make the deployment of bigger ships both more practical and economic. Currently, PIL has a fleet of about 140 ships totalling 362,000 TEU, its order book amounts to approximately 190,000 TEU. PIL sees considerable long-term growth opportunities in Iran and Iraq, as they recover from their respective political turmoil, reconstruct and industrialise.

Neptune starts intra-Middle East link

Neptune Lines has started a new Middle East service linking ports located throughout the Gulf. The operation, which is centred on Jebel Ali and Khalifa (Abu Dhabi) carries mainly vehicles and some out-of-gauge project cargo, and is designed to offer shippers and consignees an efficient feeder type service for these cargoes.

“We are creating a sea bridge dedicated to the automotive trade, servicing the Emirates ports as well as the ports of Oman, Qatar, Saudi Arabia, Kuwait, Iraq and Iran,” said Melina Travlos, Neptune’s president and CEO. A weekly schedule includes Jebel Ali, Khalifa, Shuaibah (Kuwait), Umim Qor (Iraq), Dammam (Saudi Arabia), Hamad (Qatar), Khalifa Bin Salman (Bahrain) Shahid Rajae (Iran) and Sohar (Oman), but with other ports included on an ad-hoc basis.

The governments of Iran and Oman continue to foster closer relationships with one another, and see trade as a sector with strong growth potential. Already this year, several new shipping links have been established, with the latest comprising a fast ferry service between Kish and the Iranian ports of Qeshm Island and Shahid Bahman (old port area of Bandar Abbas). The new link, which is operated by Muscat-based National Ferries Company (NFC), offers the link in just two hours using high-speed catamarans, sailing four times a week. Depending on demand, a freight-only ship could be deployed on the route in the future.

Mohjiba Khoonsa’i, head of Iran’s Trade Promotion Organisation, said: “Iran sees Oman as a gateway to access other regional and al countries, while Oman sees our Hormozgan province as an entrance to Pakistan, Afghanistan and the Central Asian Republics. A major part of the cooperation between the two countries, therefore, is to lay the ground for the development of a north-south transit corridor.”

This latest development was not known earlier this year by the Oman Shipping Company and the Port of Salalah. In the case of the latter, a joint agreement with Iran’s state-controlled Port and Maritime Authority of Iran aims to encourage trade between Oman’s largest box port and the Iranian ports of Shahid Rajae and Chabahar. In addition, the Omanis, which is 30% owned by APM Terminals, will offer both technical advice and assistance with training programmes at the two Iranian ports.

Our Solutions for your Success.

The international logistics company HOYER is a worldwide market leader in moving liquids by road, rail and sea. Wherever they may go, HOYER will get chemicals, foodstuffs, gas and mineral oil to their destinations safely and efficiently in tank containers, road tankers, flexitanks and IBCs. HOYER also has numerous logistics facilities with depots, cleaning stations and workshops. More than 115 representative offices throughout the world ensure a reliable and smooth transport process.

Neptune Lines has started a weekly service for the Middle East automotive market

Oman/Iran new link...

Maersk Line has announced that, after a five-year absence, it is to serve Iran again, and will fully integrate the country into its global liner shipping network. The carrier’s decision follows the ending of most economic sanctions between the west and Iran and the return of most of Maersk’s competitors, including APL, CMA CGM and Evergreen Line, to the market.

“With a long and proud history in Iran that dates back 60 years, we are very pleased to be back,” said Christian Juel-Nyholm, the carrier’s regional managing director based in the UAE. “It means that our customers can once again fully utilise our global network, large fleet of vessels, equipment and weekly departures.”

He emphasised the huge potential that Iran has as a trading nation, given its 80M-plus population, its gateway role for the Central Asian Republics and its fast growing economy. Indeed, Maersk thinks that Iran has as a trading nation, given its 80M-plus population, its gateway role for the Central Asian Republics and its fast growing economy. Indeed, Maersk thinks that Iran has the potential to become a regional trading hub.

Marcus Connolly, Maersk’s head of sales at the UAE Cluster, explained: “After a period of relative isolation, access to this new market will present significant growth opportunities for Maersk Line in a market that today represents approximately 700,000 FEU but is expected to grow significantly in the coming years.”
Flooring gets a SolidStart

US-based Louisiana-Pacific Corporation (LPC), the world’s largest manufacturer of strand-based structural building materials, is making progress in the container flooring sector with its “LP SolidStart” Laminated Strand Lumber (LSL) container flooring product.

LSL Flooring is not the same as an OSB (oriented strand board) product. OSB panels are laminated from small wooden pieces laid in two directions, whereas LSL uses much longer strands (around 240mm) laminated in one direction only. The panels must also be installed in one direction only and are much stronger than an OSB design.

Al Huber, international sales manager for engineered wood products at LP, emphasized that the company first got involved with container flooring when it was approached by Scotland’s Smyth Composites to develop an alternative to OSB for the core of floor panels that were finished with a glass-fibre-reinforced composite top layer. The first products were tested by Hamburg Sud alongside panels with bamboo or composite veneers on the top and bottom surfaces. Work- ing with Hamburg Sud, LP developed and tested LP SolidStart to meet both the

SpecOps tracks into Europe

USA-based SpecOps Group is launching its Interceptor tracking device in Europe. Marketed as “the smallest GPS tracking device in the world”, the Interceptor measures just 4cm by 4cm. The device communicates via GSM and can defend a geo-fenced zone, which, if breached, will send instant alert to a smartphone, tablet or PC.

As an engineered product, LSL can be produced to different durability levels by varying the amount of material in its construction, and LP SolidStart is available in four different ‘E’ grades. The material has PEFC and SFI certification for sustainability and traceability, and LP uses an imbibing fungal protection system that meets the AS/NZS standard to treatment level H2. The first two test boxes have now been in service for one year without experiencing any problems.

LP is now looking for more customers to run commercial trials. As part of that process it went through a “Voice of Customer” (VOC) initiative, whereby it interviewed 36 industry representatives. Going into this process, said Huber, LP was particularly concerned about the product’s visual appearance, as it looks similar to OSB. However it found that appearance was the lowest rating concern, and the biggest issue for the VOC group was performance. LP SolidStart panels are made in a press, which can be designed to any size up to 640 long. The VOC group identified that the optimum panel length is 5ft, which would mean only four decades would be needed for a 20ft box, and seven for a 40ft model. Container manufacturers are also interested in the possibility to use bigger sheets to save material in the floor structure.

LP also believes it can help the container flooring industry take a significant

SpecOps Group started in the secur- ity and surveillance industries, and now hopes to capture the attention of the transport market, including the contain- er sector. It is open to selling hardware to container manufacturers and tracking service providers, and selling to shippers directly, where it offers a cloud-based customizable tracking service that can be accessed from anywhere and configured to meet the client’s needs.

The Interceptor uses friendly and in- tuitive software that runs on every mod- ern smartphone and can be custom- ized to meet the needs of every owner. An unlimited number of objects can be tracked with it, and many users can trace at the same time. “The tracking history is kept safely and can be consulted up to one year later,” the company said in a statement.

Cool airfreight deal

The shipping line alliance concept “does not reward long-term thinking,” when it comes to energy consumption and reefer purchasing, said Michael Contain- er Industry (MCI) chief commercial officer Stavros Evangelakakis. “Slot sharing agreements mean reefer suppliers in the same way as dry contain- ers. For some container lines, this results in ordering the cheapest possible reefer equipment, even though it consumes more fuel. The containers use a freezing or heating process to main- tain the required product storage tem- perature during transport. Cargonol is now providing the passive containers to shippers directly, through a rental service. Dominic Hyde, managing director of MCI Energy, said: “The partnership with Cargonol and our customers what they have been asking for: the possibil- ity to book flight and the va-Q-tainer Service rental in one to go to over 90 Cargonol destinations within a one-way rental service. We are excited to partner with Cargonol and jointly grow our business together.”

Passive refrigeration is also being pro- moted for shipping container logistics, including by Dutch company Ro-Temp, which has developed PCMs and systems for container applications. Most recently, Thermos King launched its own passive refrigeration system for a reefer con- tainer. Designed in conjunction with Unilever, the container features a eutectic charging system, instead of blown air, to maintain temperature without requiring an electrical connection for up to two weeks.

MCI energy consumption

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Calling time on top-down thinking?

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The CTU Packing Code expressly rules out vertical loading of containers, yet the practice remains widespread

cient dry van containers have long been used for the shipment of loose materials. With free-flowing bulk such as grains, containers are commonly tilted to anything between 45 deg and 70 deg and loaded with a chute or funnel that is gradually raised as the pile height inside the container increases, softening and control-

ing the impact. Moreover, with non-free-flowing loose materials such as scrap metal, construction waste, rocks, stones and other loose materials, containers have both doors open and are often tipped to 90 deg to provide the maximum aperture for the grab crane for fast load-

ing. This exposes containers to impact damage and load forces for which they are not designed, undermining their structural integrity and creating a risk for the whole supply chain.

Sharp heavy objects can punch holes in the container, leading to what one container expert calls the “cheese grater” effect. A container is subjected to huge forces by a 1-2 t grab load of loose materials being dropped vertically from a height of 7 m. Gravity constant is 9.8 m/s2, so the forces are exponential-

tially if the container is a 40 ft and the drop height is thus 13 m. Good practice when loading agri-bulk, white minerals, renewables etc. is informed by Ship-

ping Australia Ltd’s 2012 guid-

ance notes on shipments of bulk grain in containers. The guide strongly recommends horizontal-

al loading, but recognises tilt loading to 45 deg and vertical loading, provided – in the latter case – that a bulkhead is placed over the end wall. It is also rec-

ommended to place a bulkhead across the door end, and to close the left-hand door before loading. This reduces the risk of spillage when the container is lowered and also protects work-

ers who have to open the doors at the destination.

Ban on 90 deg

The risks posed by overloading and badly loaded containers led the IMO, ELC and UN-ECE to ban vertical tipping in their joint 2014 Code of Practice for Packing Cargo Units (CTU Code). Paragraph 5.3.5 of annex 7 states: “Depending on the in-

terior friction and the angle of repose of the solid bulk cargo, the container may be inclined, to a certain degree, to facilitate the loading or unloading opera-

tion. However, it should always be ensured that the walls of the container are not overstressed by the filling operation. It is not ac-

ceptable to turn a CTU by 90 deg to an upright position for filling, unless the CTU is es-

pecially approved for this method of handling.”

The CTU code was drafted by Bill Brassington of ETS Con-

sulting. “Standing a container on its front wall and filling the con-

tainer is forbidden by the CTU Code as it overstresses the front wall, which is also forbidden,” he told WorldCargo News, adding: “there are no containers that I am aware of that have been tested and approved for this type of filling operation. They would need a 150% strength, rather than the 0.4P that standard general-

purpose containers are tested to.”

“We tried to get a value in-

cluded in the text to say how much it could be inclined, but had to settle for the wording ‘may be inclined’. To prevent

overstressing the front wall and the roof, that angle cannot be exceeded,” he added. A related point is that vertical
tipping does not specify a value, I cannot

provide one myself, as there are too many variables that need to be considered. Packers would need to demonstrate that the forces caused during the filling operation did not result in over-

stressing the walls and roof.”

Banning 90 deg tipping does not necessarily make it harder to use grab cranes to load loose materials, as a skilled operator of a hydraulic jib crane can work with an angle of around 70 deg, despite the smaller opening for the grab. However, the volume/tomagno in the grab would have to be smaller, and there would be more of a ‘sliding’ effect on the container floor.

Overloading

A related point is that vertical
tipping makes it easier to over-

load containers, because grabs can be ‘hurmed’ into the load by the crane to compact it and create more filling space. Brass-

ington cites data from a UK port, showing that in 2013 only 0.01% of 20 ft containers shipped and 0.13% of 40 ft containers in a sample of 110,000 containers weight >40t, but in 2014 – a year when the UK exported a large quantity of scrap – the figures increased to 1.94% and 10.35%, respectively.

A quick sample of 9,000 con-

tainers taken by ETS Consulting between May and August this year showed that 0.4% of the containers were >40t and 1.9% weighed >34t. “Going for-

ward, we will have to see if the VGM or the pressure to mini-

mise shipping costs is the greater driver,” said Brassington.

Range of tippers

The most common tipping de-

vices for loading and unloading containers are chains or levers equipped with one or two lift-

ing rams and locking under-

frames or end frames. Bespoke
tipping systems include New Zealand’s A-Ward’s Mi-

Tilt tippers for 20 ft and 40 ft containers (WorldCargo News, July 2010, p32 and May 2012, p68), which are sold all over the world. Mi-Tilt can also be provided as a 20 t unloader. This is used, for example, to tilt the container 70 deg and unload loose bulk via a chute and grate into below-ground storage silos or piles. As a special option, the unloader can tip the 20 ft to 90 deg. Both loaders and unloaders have a 360° rotation.

Straddle jobs

Australia-based boilodeck pro-

vides straddle carriers, RTGs and static gantry frames that can tilt containers 90 deg for loading or unloading, while Ireland-bas-

ed Combilift has introduced an ingenious 90 deg 20 t tipper (70 deg for unloading) based on its Combi-SC straddle carrier. At previously reported (World-


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Contemporary Cargo Systems, July 2016, p29), the spreader is fitted with lifting pins that are inserted in the toe cover-

ings of the container at the container end. As the spreader is raised, the empty container is lifted at the top of the door end and a spreader bar is fitted in between corner castings at the end wall vertical position. To fill the container, the straddle carrier clearly has to move off, so the 20 ft is in free-standing.

This could be attractive for recyclers who want to load verti-

cally once, as a straddle carrier, the SC-Tilter can also be used to load and unload trucks that call to collect or deliver contain-

ers, although Brassington also raises concerns about the load and the direction of the stresses in this lifting method places on the container.

Pro-active

Insurers want the CTU Code to be mandatory. This is unlikely to happen, but shippers should not be complacent about their ‘volun-

tary’ status.

Meanwhile, it is up to con-

tainer owners and operators to be more pro-active. Hapag-

Lloyd is known for its safety-


driven approach, and a spokes-

man for the line told WorldCargo News: “We do not support verti-


cal loading of containers. Most of the known procedures harm the container and are unsafe, representing a risk for anyone involved in the process of load-


ing and in the following trans-


toport chain. Therefore Hapag-

Lloyd reserves the right to carry out a case-by-case prior approv-

al review.”

APL’s scrap metal guide states its clear preference for scrap to be handled, pressed or palletised and that “non unitised loose scrap metal is discouraged, as this results in container damage when they are poured out of the container. Shippers, however, must agree in writing to com-

pensate APL for all costs related to the scrap-metal damage.”

Leading spreaders such as the Vako tipping trailer Dutch-based Video can provide 95 deg tipping for 20 ft and can also provide a horizontal tilting device. Once the filled container has been lowered back to the chassis, it can be slid back and forth in order to prevent axle load problems (photo: transportline.nl).
Equipped for the Euro trades

Kukla Internationale Spedition, OPDR and MacAndrews & Company, while several logistics companies, including Robert Kukla Internationale Spedition, have also been active.

Despite this, the global pool of pallet-wide containers has grown only slowly over the past six years. In the case of cellular pallet-wide containers, for instance, the sector’s total inventory of more than 157,000 TEU at the end of 2015 was just 6% higher than it was in 2010. This compared with a 31% jump for the container fleet as a whole at 37.6M TEU (see table).

In terms of all pallet-wide used equipment, including intermodal used equipment, there is a share of the global fleet of containers has declined from 2.5% in 2010 to just below 2% in 2015. A slight improvement is expected this year.

Drewry Maritime Research, which publishes an annual census of the container market, attributes the slow growth in pallet-wide containers to the close link with the European transport economy. The latter has been lacklustre since the global financial crisis of 2008/09.

Euro focus

Although pallet-wide containers are used in intra-European trades, it is important to note that cellular 40ft pallet-wide boxes also feature in some deep-sea trades (mainly Asia/Europe).

The latter is designed to offer the same cubic capacity as trailers, and to offer space for the transport of containers in the pallet-wide boxes than conventionally designed boxes. It puts container shipping companies in a much better position to compete with over-the-road truckers and ro-ro transport operators.

The new 4,000 x 40ft container will be easier to handle, as does Ferreyrasters’ new service to France and Royaumont.

But it is not only about the size of containers used. The intra-European trades are extremely diverse, with the types of cargo moved between Scandinavia and the continent, mainland Europe and the UK, and Ireland and Britain often very different.

Beneficial cargo owners active in these various corridors require a range of equipment, and so container ship operators have to demonstrate that they can match, in particular, the proven versatility of ro-ro trailer services.

Mixed Fleet

Iceland-based Samskip has been on an active campaign to introduce pallet-wide containers. The main advantages are cost savings by reducing the number of containers required to be handled, the financial and environmental savings of halving the number of vehicles required to be driven, and the reduced risk of damage to the cargo.

“Of course, loading six vehicles into one container takes more time than loading three on the floor,” explained Payne. “But the financial and environmental savings of halving the number of containers required to be driven is doubly outweighed the cost. Our R-Rak saves a large amount of time for loading and unloading, compared with the traditional building a wooden structure inside the container.”

Samskip is introducing containers with lower tare weights.

Danny de Koning, Samskip’s technical director, explained: “We’ve been working with a steelmaker on tailor-made, rolled blank panels, and have been prototyping units where the mid-section of the side and front walls, together with part of the roof, feature thicker panels than the ends. The design saves 160 kg and will bring our tare weight down to 4.1t and this will be even lower with minor further modifications.”

It is believed the steelmaker involved is Mubra Tailor Rolled Blanks GmbH, a subsidiary of Germany’s Mulher and Bender KG. As reported previously (WorldCargo News, May 2016, p32) for details), in fleet of 45ft units, including reefers, numbers well over 9,500 units, approximately 26% of which are leased. Samskip has 1,200 x 45ft containers on order in China for delivery during 2017.

According to Samskl, 130 units of the new curtain-sided boxes have been placed in the pool this year, mainly as replacements for older equipment. Principally, they are used to carry paper reels and chemicals moved in outflows and on routes involving the UK, Ireland, Italy and Poland.

Kukla has focused on recent purchasing programme on 40ft cellular pallet-wide boxes, with 100 units added to the fleet this year. Principally, this has been related to the logistics company’s strong presence in the trades linking Greece and the eastern Mediterranean with northern Europe.

A company statement said: “45ft pallet-wide containers are the better choice compared with 45ft pallet-wide units in the Levant region. Here, cargoes are relatively compact and heavy, and this means the additional capacity of 45ft containers cannot be used without exceeding the weight limits. Their use would mean wasted freight space and time spent securing cargo.”

Operationally, it gives Kukla access to many more shipping services, as the boxes fit into conventional cell guides.

R-Rak goes wide

Another relevant development is the pallet-wide version of the R-Rak vehicle racking system from UK-based Trans-Rak International, which, as previously noted, is used in ISO and pallet-wide containers (WorldCargo News, September 2016, p56).

“Overall, market reception has been positive,” said Wesley Payne, the firm’s marketing and design engineer. “In Europe, we have built some small batches of pallet-wide R-Raks, in order for logistics service providers and OEMs to conduct trials. To date, we have active non-disclosure agreements with a couple of car manufacturers and 3PLs.”

One trial that he did refer to was with Italian manufacturer Fiat, where Trans-Rak equipment is being used to load six Fiat 500 vehicles into a 45ft high cube pallet-wide container.

Of course, loading six vehicles into one container takes more time than loading three on the floor,” explained Payne. “But the financial and environmental savings of halving the number of containers required to be driven is doubly outweighed the cost. Our R-Rak saves a large amount of time for loading and unloading, compared with the traditional building a wooden structure inside the container.”

Samskip saves weight

Samskip is introducing containers with lower tare weights.

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It is believed the steelmaker involved is Mubra Tailor Rolled Blanks GmbH, a subsidiary of Germany’s Mulher und Bender KG. As reported previously (WorldCargo News, May 2016, p41), Mubra has developed a rolling technique that takes variable roller clearances to customise the profile of rolled blank panels, allowing strength to be increased in critical areas, while saving weight in others.

Kongen stressed that every kilogram saved is important. “Our experience proves that even when weight savings can be quite small, for every kilogram of cargo gained there is a competitive advantage,” he said.

Using specially rolled steel panels can save 160 kg off the weight of a 40ft container.

Excluding swap tank. Major users of non-cellular pallet-wide containers include DFDS Logistics, Ferreyrasters, MacAndrews, OPDR, Samskl, and UnReedr. Source: Drewry Maritime Research

<table>
<thead>
<tr>
<th>Year</th>
<th>Cellular pallet-wide</th>
<th>Non-cellular pallet-wide</th>
<th>Intermodal swap body*</th>
<th>Total pallet-wide</th>
<th>Global Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>147,000</td>
<td>265,500</td>
<td>286,000</td>
<td>710,500</td>
<td>31,070,000</td>
</tr>
<tr>
<td>2011</td>
<td>163,500</td>
<td>273,500</td>
<td>286,000</td>
<td>719,000</td>
<td>32,740,000</td>
</tr>
<tr>
<td>2012</td>
<td>156,000</td>
<td>279,000</td>
<td>292,500</td>
<td>727,500</td>
<td>33,180,000</td>
</tr>
<tr>
<td>2013</td>
<td>156,500</td>
<td>278,000</td>
<td>299,000</td>
<td>730,500</td>
<td>34,180,000</td>
</tr>
<tr>
<td>2014</td>
<td>158,000</td>
<td>286,500</td>
<td>302,000</td>
<td>747,000</td>
<td>35,250,000</td>
</tr>
<tr>
<td>2015</td>
<td>151,000</td>
<td>284,500</td>
<td>305,000</td>
<td>746,000</td>
<td>37,620,000</td>
</tr>
</tbody>
</table>

*Excluding swap tank. Major users of non-cellular pallet-wide containers include DFDS Logistics, Ferreyrasters, MacAndrews, OPDR, Samskl, and UnReedr. Source: Drewry Maritime Research

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October 2016 25
Dry box output in the doldrums

The current year has so far proven tough for the global box building industry, as both demand and finished prices have weakened, and so brought additional pressure to bear on factory lines. Dry freight output is expected to be down globally by at least a third for 2016 as a whole, when compared with the recent annual average, whilst margins have again been squeezed by a recent sharp fluctuation in the cost of materials (particularly Corten steel), which was not reflected by much of a change in the manufacturer’s delivered ex-works prices.

The benchmark container price for a 20ft dry container has sunk to its lowest point in more than a decade. It started 2016 at a minimum of around US$1,350 and was little more than US$1,450 by the third quarter. Few plants have been able to secure a 2016 price greater than US$1,500 on any production carried out this year, which was well below the average seen in 2015. The corresponding movement in the price of Corten steel has been altogether more dramatic, rising from a low of US$300 per tonne at the beginning of the second half of 2015, and has since shown no sign of any imminent recovery. Indeed, the latest forecast to come from the World Trade Organisation (WTO) suggests a growth of just 1.7% for international trade in 2016, which will be at its lowest level since the recession of 2009.

The problems have, in recent weeks, been further compounded by the collapse of Hanjin Shipping, which has stressed much of the leasing industry due to it putting together a hasty programme of box recovery. This is likely to further cut rental investment during the final quarter, as the returns will only add to an already growing idle stock, constituting both new and used dry freight equipment.

Despite the fact that dry freight production was already in decline before the end of last year, the total for 2015 overall still amounted to a relatively healthy 2.6M TEU. It may have been down on the peak delivery of more than 3M TEU made in 2014, but was comparable to the totals for each of 2011 and 2012 and – so broadly fell into line with the longer-term trend.

The outlook for 2016 is significantly more downbeat, with a much reduced 1.7M TEU being predicted for the year as a whole. This is being projected from the dry freight delivery total made up through January-September, according to the latest data to be released by the box manufacturing industry. It assumes a significantly reduced rate of output for the final three months of 2016, compared to that achieved during each of the (more buoyant) third and second quarters, which is viewed as the most probable scenario.

The nine-month output figure comprised 1.27M TEU, and featured the usual 90% as standard boxes (1.15M TEU). The approximate 10% balance (120,000 TEU) is made up of various ‘dry freight specials’, including marine-open-top/flatrack/open-side, palilet-wide and North American domestic (53h) containers. The latter accounted for just 3.5% of all dry freight TEU production carried out so far in 2016, leaving 6% as other (marine-special/palilet-wide) types. These respective shares are largely unchanged on past years and have always made up a small minority of the overall dry freight total.

The split for standard box equipment is unusually stable, with more than half of all production carried out so far in 2016 comprising 40ft high cube. A stable third was of 20ft length, leaving the remaining balance of a few as either 40ft (of 98 ft high) or 45ft. The world’s dry freight manufacturing industry remains centred in China, and is served predominantly by a small handful of (five) dominant groups, which between them operate around 30 separate factories at over 15 port locations.

Cash-strapped

Their deliveries made so far in 2016 have divided relatively evenly between leasing firms and transport operators (principally shipping companies), with lessors taking a slightly greater share overall. However, this marks a further change on recent years, when the leasing side had dominated more strongly. It initially lost ground in 2015, when some lessors could no longer bear on their dry freight procurement, and many have since opted to limit investment during the current year as well. This has come as a direct consequence of the latest downturn in standard container demand, which has hit the box leasing industry with particular severity in recent months.

Are you ready?

Shifting market

The mergers amongst the past year have, perhaps inevitably, resulted in a new world order, led by top-ranking names and a proportionally larger share than usual going to smaller firms further down the pecking order.

Only a handful of major shipping lines have so far committed to any volume dry freight purchasing in 2016, with just two taking quantities greater than 50,000 TEU between January and September.

The biggest single delivery of around 85,000 TEU had been made to OOCL, with 50,000 TEU going to Maersk Line. A further three (NYK Line, China’s Zhonggu Shipping and the container transport arm of the state-owned China Shipping) are taking a slightly greater share overall. However, this marks a further change on recent years, when the leasing side had dominated more strongly. It initially lost ground in 2015, when some lessors could no longer bear on their dry freight procurement, and many have since opted to limit investment during the current year as well. This has come as a direct consequence of the latest downturn in standard container demand, which has hit the box leasing industry with particular severity in recent months.

Are you ready?

The future of reefer automation is coming

Dry freight container builders are facing further difficulties this year, with production having declined to a seven-year low and finished prices remaining weak

Table 2: World dry freight container output by type (TEU)

<table>
<thead>
<tr>
<th>Type</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry freight standard</td>
<td>2,485,000</td>
<td>2,371,000</td>
<td>3,000,000</td>
<td>2,485,000</td>
<td>1,155,000</td>
</tr>
<tr>
<td>Dry freight us</td>
<td>140,000</td>
<td>125,000</td>
<td>140,000</td>
<td>140,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Dry freight domestic</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Dry freight - total</td>
<td>2,685,000</td>
<td>2,560,000</td>
<td>3,220,000</td>
<td>2,645,000</td>
<td>1,270,000</td>
</tr>
</tbody>
</table>

*Jan-Sept only
**ISO dry freight standard/special, palletwide & domestic. ***Twin-shift calculation.

Source: Container manufacturing industry

Table 1: World dry freight container output and capacity (TEU)

<table>
<thead>
<tr>
<th>Year</th>
<th>Output</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,645,000</td>
<td>3,220,000</td>
</tr>
<tr>
<td>2014</td>
<td>2,560,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,685,000</td>
<td>5,150,000</td>
</tr>
<tr>
<td>2016*</td>
<td>1,270,000</td>
<td>5,300,000</td>
</tr>
<tr>
<td>2016**</td>
<td>5,300,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Container manufacturing industry

October 2016
controlled China Railway Corporation) had purchased around 30,000 TEU each, leaving only five others from the top rank to individually buy more than 10,000 TEU.

These 10 companies purchased an aggregate total of 280,000 TEU during the nine-month period, which compared with more than 680,000 TEU delivered to shipping companies as a whole and, thereby, accounted for less than half. The balance (of around 320,000 TEU) was to go to more than 100 smaller transport firms, many of which were buying containers in the hundreds (rather than thousands) to serve their altogether smaller fleets.

The profile for 2016 contrasts sharply with that of 2015, when a more substantial 75% of all dry freight production went to the 10 largest names, with every one of them taking delivery of a minimum of 50,000 TEU. Four of their number – led by Dong Fung International and TAL – were each to acquire over 100,000 TEU.

So far in 2016, just three companies (Textainer, Beacon and Seaco) have come close to matching these totals, as they had received around 150,000 TEU (or greater) above January to September. This gave them an overall share of around two thirds of leasing company production accomplished so far this year. Their combined intake amounted to around 460,000 TEU, compared with 675,000 TEU delivered to the leasing sector overall.

Much of the balance (215,000 TEU) has gone to 20 other firms, both large and small, but with no other single buyer taking more than 30,000 TEU so far. Significantly, the two largest deliveries have been made, respectively, to the newly expanded Triton International Ltd and Florens Container Holdings, which have emerged from the recent mergers. Both were to acquire around 30,000 TEU as dry freight during the nine months from January to September 2016, with much of the total predictably being delivered in more recent months. Both are, accordingly, expected to stay active buyers in the run up to the end of the year. An additional 20,000 TEU had earlier gone to TAL, prior to its absorption into the newly enhanced Triton entity.

Managing excess

This more restrained purchasing activity had further resulted in a significantly lower rate of monthly output for 2016 compared with 2015 and earlier years. The delivery of almost 1.3M TEU as dry freight through January-September gave an average monthly output rate of almost 150,000 TEU, and this level has been more than sustained throughout much of the past six months.

The output figure rose briefly to top 200,000 TEU during June, when there was a brief revival in demand, but was significantly lower (at 125,000 TEU/month or less) during the opening quarter. Production dipped to almost zero in February when the majority of factories closed. Both were to acquire around 30,000 TEU as dry freight during the nine months from January to September 2016, with much of the total predictably being delivered in more recent months. Both are, accordingly, expected to stay active buyers in the run up to the end of the year. An additional 20,000 TEU had earlier gone to TAL, prior to its absorption into the newly enhanced Triton entity.

The outlook for Q4 2016 is for production to stay close to 150,000 TEU per month, possibly amounting to 400,000-450,000 TEU. By comparison, the monthly average had exceeded 250,000 TEU throughout H1 2015, and went above 300,000 TEU during the busiest periods. However, it declined sharply from August onwards, to an average closer to 100,000 TEU/month, as demand weakened.

The factories’ collective monthly output has thus been declining over the past two years, which has only heightened the mismatch already existing between actual demand and available capacity. Throughout the five years to the end of 2015, the world’s dry freight producers were able to maintain a minimum daily one-shift operation (and often went higher), although this will not be managed in 2016. Inland plant utilisation is expected to fall to its lowest level since 2009, when the vast majority of standard box factories were closed.

The world’s current capacity base is calculated at 5.3M TEU per year, assuming maximum (double) shift working, which gives an annual single-shift capability of 2.65M TEU. The 1.7M TEU being forecast for this year will amount to a renewed bout of fleet consolidation. On the shipping line side, for instance, CMA CGM is in the process of acquiring APL.

Demand for new boxes is being impacted by a renewed bout of fleet consolidation. On the shipping line side, for instance, CMA CGM is in the process of acquiring APL.
## Table 3: World dry freight container output by manufacturing group (TEUs)

<table>
<thead>
<tr>
<th>Company</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016**</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIMC Group</td>
<td>1,299,000</td>
<td>1,446,000</td>
<td>1,446,000</td>
<td>1,299,000</td>
<td>1,962,000</td>
</tr>
<tr>
<td>Singamas Holdings</td>
<td>555,000</td>
<td>500,000</td>
<td>610,000</td>
<td>470,000</td>
<td>325,000</td>
</tr>
<tr>
<td>CIMC Group</td>
<td>330,000</td>
<td>405,000</td>
<td>505,000</td>
<td>365,000</td>
<td>165,000</td>
</tr>
<tr>
<td>Dong Fang International</td>
<td>180,000</td>
<td>240,000</td>
<td>310,000</td>
<td>295,000</td>
<td>140,000</td>
</tr>
<tr>
<td>MCI Dongguan</td>
<td>225,000</td>
<td>145,000</td>
<td>150,000</td>
<td>85,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Pan Ocean Container</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Other Chinese</td>
<td>65,000</td>
<td>50,000</td>
<td>55,000</td>
<td>30,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Float of the world</td>
<td>155,000</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,685,000</td>
<td>2,560,000</td>
<td>3,220,000</td>
<td>2,645,000</td>
<td>3,220,000</td>
</tr>
</tbody>
</table>


### Container Industry

To just 65% of this total, or equivalent to near twice a three-shift rate. In monthly terms, the global output rate should be running at well above 200,000 TEU in order to ensure a minimum in-dustry-wide one-shift operation, although this figure has been approached only once so far during 2016. Unless the situation is to improve markedly into 2017 (and there is little evidence as yet to say that it will), the dry freight industry may yet be forced to contemplate further factory line (or even whole plant) closures.

The current optimum requires a sustained daily working of between 1.0 and 1.5 shifts, as anything above that level tends to put pressure on factory lines. However, running at less than one shift reduces efficiency and brings the plant closer to break-even. This has become increasingly critical in recent months, as new box prices have also remained low and have not generally kept pace with rises in the cost of steel and other materials, even if plant running expenses (associated with wages, capital and energy) are more stable. Profit margins have, consequently, been impacted more severely during 2016 than at any time since 2009 and some dry freight producers are thought to be barely operating in the black.

### CIMC still investing

Despite this far from encouraging outlook, some new factories capacity is still being brought on stream, albeit increasingly in the form of ‘replacement’ facilities that are to supersede some existing factories. One such venture, planned by the world’s top box builder, China International Ma- rine Containers Group (CIMC), is located at Fenggang, close to the city of Dongguan, phase one of which is due to commence production from early in 2017.

In essential annual capacity could be as high as 750,000 TEU. Another new CIMC plant is being built within the Ningbo Yuanhua Economic Development Zone, and will also open in two phases, ulti- mately offering a capacity in excess of 400,000 TEU per year. CIMC admits that the going has been tough for the opening half of 2016, with the group “actively shrinking its capacity by combining production lines, in order to improve plant utili- sation and profit margin.”

The actions are in line with the face of “weaker container demand and low capacity utilisation” caused, in part, by the continued slow- down in Chinese exports and the lesser growth rates for the world economy. In established network of around a dozen dry freight factories presently offers a total two-shift capacity equivalent to 2.4M TEU per year, which has been reduced slightly from its 2.5M TEU level during 2015.

However, the company’s ag- gregated production amounts to approximately 500,000 TEU for January-September 2016, which represents the 1.2M TEU level de- clared during the whole of 2015. CIMC factories have thus ac- counted for a slightly reduced 40% of world dry freight output during the period, up from 33% for the year before and nearer 45% of the 2015 total.

However, the company con- tinues to contribute around 45% of the world’s total capacity, which implies a slightly poorer utilisation for its factories in 2016, when compared to the industry average. In contrast to the one-shift operation averaged across the 2016, CIMC has barely been able to manage a daily rate equivalent to one-half of a shift through the current year.

CIMC’s most recent financial data covers H1 2016, when it reported an even more meagre sale of just 238,000 TEU as dry freight standard (although the figure does exclude all specials).

This production was down by two thirds on its level for H1 2015, which helped account for the 40% decline in revenues suf- fered by CIMC’s box building business as a whole (including reefer and specials) during H1 2016. Turnover dropped to approx- imately US$785M for the period, and yielded a net loss of more than US$250M. The shift into deficit gives a clear indica- tion of the way new box pricing has been able to match the rising cost of materials. It has been further compromised by a steady depreciation in the value of the Chinese currency relative to US dollar exchange.

Singamas has tended to hold weaker pricing.

Singamas has experienced a sustained slowdown during 2016, thereby continu- ing a trend that visibility points to being acute late in 2015, and which has seen the group’s growth and new box demand. Much of the recent price erosion was attributable to the increased competitive pressures affecting the standard container manufacturing industry.

### Specialising

In response, the company is looking to further rationalise its capacity across its ship-consuming vector of even greater emphasis on more specialised manu- facturing. To this end, Singamas has increased its production of 53ft domestic containers, with demand in 2016 at least expected to match that of last year. A sar- cible order has also recently been won for a container line from the parent group, Coroll, involving the construc- tion of two specialised container types.

Most remaining dry freight manufacturers in China are being challenged by three other large-scale firms, all based within China. The larg- est is CIMC, which accounted for approximately US$750M for the January-September period 2016. This compared with 365,000 TEU constructed in 2015, and a record 525,000 TEU during 2014, also indicating a sharp decline for 2016. Its global pro- duction in the current year has amounted to 165,000 TEU for January-September, compared with 224,000 TEU (including dry freight) sold in 2015.

The group spent US$1,880 for H1 2015, also indicating a sharp decline for 2016. Its global production in the current year has amounted to 165,000 TEU for January-September, compared with 224,000 TEU (including dry freight) sold in 2015.

### Dongfang International Container

Dong Fang International Container operates three standard box plants, providing a combined multi-shift capacity of around 460,000 TEU per year. The company has produced 140,000 TEU from January to September 2016, con- tributing a little over 10% of the world total. In the group’s most recent financial report for H1 2016, it reported a drop in output for 2016, which is in line with that being expe- rienced by most competitors.

Dong Fang’s most recent affil- iation with China Shipping Group has now ended, follow- ing the transfer of the group’s shipping arm (China Shipping Container Lines) to Cosco Container Lines Group, and the takeover of the CF Group’s (Dong Fang) principal.

### Marrick Container Industry

Marrick Container Industry (MCI) continues to operate a standard dry freight factory in Dongguan, which had construct- ed 50,000 TEU during the open- ing nine months of 2015. In that group’s most recent financial report for H1 2016, the company delivered 30,000 TEU during the January-September period, thereby predicting a similar 40% drop in output for 2016, which is in line with that being expe- rienced by most competitors.

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October 2016
Charting a course in reefer monitoring

Back in October 2013, WorldCargo News confirmed and reported that Maersk was testing a wireless system to roll out on a global scale. Ever since then, the rest of the industry has been watching and waiting, but, so far, no other carrier has committed to remote reefer monitoring on a similar scale. CMA CGM and then MSC both invested in the French start-up Traxens, but neither Maersk nor MSC has been willing to confirm the extent to which they are planning to roll out the systems across their container fleets.

Marching on

Maersk, for its part, is pushing ahead with its remote container monitoring (RCM) project. The carrier has not disclosed any numbers, but sources suggest it has invested somewhere in the region of US$40 million in this project. The RCM system is now installed across virtually its entire fleet of over 270,000 reefers, and Maersk has been working on changing internal processes to leverage the data it generates.

Speaking at the Cool Logistics conference in Bremen last month, Shereen Zarkani, Maersk Line’s head of reefer management, said “reefer visibility” only makes sense if applied to the entire fleet. “Since we launched RCM in 2013, we matured our internal processes and gained operational experience in handling the data. We have now entered the next stage, and will be ready to offer this enhanced data visibility to our customers in the coming year,” said Zarkani, adding that key milestones before the launch in 2017 include a customer-facing IT platform, as well as customer pilots.

One of the key questions is how Maersk will monitor its boxes on alliance partner vessels, which do not have the Ericsson system for vessel-to-shore communication that Maersk uses. Responding to WorldCargo News, Maersk said its boxes are still monitored throughout the journey. “The only difference is it won’t be in real time – in such cases, standard manual monitoring will continue as usual and the data will be shared as the vessel approaches shore, so we are able to provide reefer history data, and customers will know expected cargo status and delays for non-Maersk vessels, once they approach shore,” the company said. It is currently reviewing “technical options” to extend coverage to non-Maersk vessels at sea.

Maersk declined to provide details on future value-added services, but stressed that “visibility will be provided to jointly improve cargo quality and improve the ability to react. There could be different models of presenting and packaging the data. We will further review – jointly with our customers – how RCM data can help eliminate unnecessary costs in the supply chain, and the value this brings”.

A different approach

This month, WorldCargo News has learned that two smaller carriers are taking a different path to reefer monitoring. As reported on page 1, Seatrade, the world’s largest reefer vessel operator, will outfit its first newbuild container vessel with the Emerson Refcon system for power-line reefer monitoring, and install 8,000 Emerson RMM power-line modems on its leased reefer containers.

Africa Express Line (AEL) has also opted for Emerson for its new reefer monitoring system. AEL is installing Emerson’s RMM+ modems (which can send data over both a power-line connection using the ISO 10368 standard and wirelessly using GSM) on its fleet of 3,000 reefer containers. Both Seatrade and AEL will use Emerson’s ProAct Transport software to manage the information the modems generate.

AEL, for its part, is using Emerson’s ProAct IT to manage its entire fleet of reefer containers. AEL has been considering a remote monitoring system for some time, and container manager Mathew Shed explained that Emerson provided a package of hardware, cellular services and software that best met the needs of the carrier. AEL is part of the Compagnie Fruitière Group, a vertically integrated company that produces, transports and distributes its own fresh fruit and vegetables from West Africa to Europe. AEL operates a fleet of eight reefer ships and one container ship, the Safanak Orange. AEL’s focus in implementing reefer monitoring was to lower operating costs through performing tasks like monitoring temperatures, gas atmosphere, critical fault alarms and performing pre-top inspections remotely, as well as gaining the visibility to improve asset management in key areas like reefer utilization, reducing M&R costs and claims control. The AEL business case for the Emerson system was firmly based on ROI by lowering existing costs. As it does not have its own vessels, AEL looks to charter ships with the Refcon system installed, and can then monitor its containers through the vessel’s communication system. However, the GSM-based system installed on a vessel’s Refcon system is crucial to allow communication that best meets its needs.

Lines are taking different paths on the journey to data-driven decision making in reefer container management

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As has been noted before in WorldCargo News, Emerson has raised the issue of extending the standards-based approach embedded in ISO 10368 to cover other methods of communicating with a reefer container, but this has received a lukewarm response from other players in the market. In the longer term, however, it may be in everyone’s best interest to have some standards for “connecting” to reefer and dry containers.

Asked to comment on the issue of a standard, Maerkine Line said: “In the past few years, we have pioneered this area and gained the needed experience in generating, processing and handling these vast amounts of data. While it is a early days and any international standard is still very far away, we acknowledge the relevance of a future global standard for connected containers.”

More to come
Nobody wants to say much or give names at the moment, but it is fairly clear that there are a number of other carriers in the process of making a decision on remote monitoring. Mark Eisenberg, CEO of Obicomm, recently referred to eight different projects his firm is working on that are in either pilot stage, coming towards the end of competitive bidding or in final contract negotiations. “There are hundreds of thousands of units that we are bidding on that think that we are likely to win. I can’t say that we are going to win every one, but I think that we are likely to win some of these,” he predicted confidently.

Analysis following Obicomm have been watching to see if any of these is a large deal with the owner’s decision to mount a monitoring system. IDETENTEC would know when the devices were connected and monitoring a container, so the weather would be very transparent, and invoicing very simple.

As per-use” model where they pay only for the actual time each device is monitoring a reefer container, and not on a standard weekly or monthly basis. He gave the example of a terminal with 3,000 reefer plugs, and said an agreement could be worked out where the terminal guarantees a minimum usage of 10% over 3-5 years, and the daily rate to monitor a container would be US$1. This, Powers continued, would lower the capital and investment risk considerably, require no upfront investment from the terminal, and payments would come from the positive cash flow generated by providing actual reefer monitoring services. IDETENTEC would know when the devices were connected and monitoring a container, so the weather would be very transparent, and invoicing very simple.

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Reefer container builders take a hit

Reefer container manufacturers are experiencing a difficult period in 2015. During the same nine-month period of 2015, 45,000 x 40ft high cube, comprised around 3,000 x 20ft box production, saw the annual figure reach 275,000 for the current year overall. The box manufacturing industry is still to be made known.

Erratic output

Throughout 2015, the monthly production rate held relatively steady, at between 20,000 and 25,000 TEU for the majority of the year, apart from a brief surge in January (when more than 30,000 TEU was produced) and drop in the weaker months of February/March and June. It declined to practically nothing in May.

Reefer pricing has remained depressed, even if material (and factory running) costs have tended to hold steady over the past year. Prices have now held down by raw materials costs (the average price per tonne for stainless steel has been below US$2,000 for the high grades that reefer builders use) and production capacity, following the start-up of Maersk Container Industry (MCI) new factory in San Antonio, Chile. This has further heightened competition between the three main box building groups – CIMC, Singamas and MCI – at a time when demand was generally falling.

The headline price being paid for a delivered 40ft high cube reefer (of single-shift specification, and including machinery) has held close to US$15,000, with the box manufacturing cost in the US$8,000-8,500 range, depending on build quality. Reefer machine prices are similarly depressed, due to the intense competitive pressures that already exist within this manufacturing sector.

Impacted by weak demand, reefer output has plummeted by 50% in 2016, while prices continue to be depressed and there is fierce competition between builders.

Impacted by weak demand, reefer output has plummeted by 50% in 2016, while prices continue to be depressed and there is fierce competition between builders.

Reefer demand has proven generally weaker in 2016, due to a slowdown in trade growth and the financial state of most major shipping lines. Shipping companies have accounted for only a quarter of all reefer output so far in 2016, with the dominant balance instead being met by leasing firms. By contrast, the split inSingamas’ output was nearer 50:50 for 2015.

Some lines have since switched their balance back to leasing during 2016, whilst the majority are continuing to hold off from replacing older stock in order to conserve funds. This practice has already aged the line-owned reefer fleet in recent years, to the point where it has a significantly older profile than leased equipment.

Maersk may have so far committed to a smaller purchase of reefer equipment in 2016, but it still heads up the shipping line sector by a sizeable margin. It alone accounted for over 50% of all shipping company deliveries made from January to September. Other significant buyers include the more regionally focused Maersk Line and Euronav Group (of iceland), which contributed another 10%

This contrasts with 2015, when lines buying reefers in larger quantities included CMA CGM, Hamburg Süd, Hapag- Lloyd, UASC, K Line, OOCL and Evergreen. Shipping line purchases over the first nine months of 2015 were almost four times as high as the same period in 2016, and the sector went on to purchase 135,000 TEU over the full year 2015.

Lessor scale-back

The leasing sector has scaled back further, with purchasing in the first nine months of 2015 running 60% higher than the same period this year. Scania and Tersan have also pushed the leasing market, each recieving around 20,000 TEU. Other important buyers amongst leasing firms were Beacon, Seaco and CAI International, plus TAL/Tri-Ton and Florens/Dong Fang. The leasing sector purchased a total of 140,000 TEU of reefer boxes last year, but the final figure for 2016 will be much lower.

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Table 1: Reefer container production and capacity

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Output (units)</th>
<th>Output (TEU)</th>
<th>End-year capacity*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>120,000</td>
<td>250,000</td>
<td>280,000</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>108,000</td>
<td>205,000</td>
<td>240,000</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>122,000</td>
<td>255,000</td>
<td>260,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>140,000</td>
<td>275,000</td>
<td>350,000</td>
<td></td>
</tr>
<tr>
<td>2016*</td>
<td>49,000</td>
<td>95,000</td>
<td>60,000</td>
<td></td>
</tr>
</tbody>
</table>

*Includes twin-shift capacity (TEU).

Table 2: Reefer container production by manufacturing group (TEU)

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Output</th>
<th>End-year capacity*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIMC Group</td>
<td>2013</td>
<td>134,000</td>
<td>180,000</td>
</tr>
<tr>
<td>MCI Group</td>
<td>2013</td>
<td>45,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Singamas Group</td>
<td>2013</td>
<td>90,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Total</td>
<td>2013</td>
<td>265,000</td>
<td>375,000</td>
</tr>
</tbody>
</table>

*Includes twin-shift capacity (TEU).
Market gets tanked up

The International Tank Container Organisation (ITCO) recently published its 4th Annual Tank Container Fleet Survey. Based on detailed research of tank container operators, leasing companies and other owners, the survey provides what ITCO describes as “a qualified estimate” that there were some 439,200 tank containers in operation worldwide as of January 2016. This headline figure represents an increase of 7.2% compared with the 427,560 units recorded for January 2015.

According to the survey, a total of 43,780 tank containers were manufactured in 2015 (January 2016 data), down from 48,200 in 2014. The accompanying table shows the estimated global number of tanks by industry sector (some estimates and assumptions are made). The survey gives details of 2015 operators and tank containers worldwide for 2016. The operator figure of 329,080 units (up from 205 operators of tank containers made) in 2014 represents an increase of 7.2%.

The top 10 operators were Stolt Tank Containers (11%), Hoeyer Group (10%), Bulkbüffel (8%), Den Harburgh Logistics (8%), Newport (5%), Berchtes Gau (5%), China Rail Logistics (5%), VTG Tanktainer (2%), Interflow (2%) and Suttons (2%), with the remaining 46% divided among other operators.

Lease fleet

A total of 36 leasing companies, with a fleet size of 214,770 units (up from 195,000 in the previous year) are listed in the survey. The top 10 lessors account for 85% (172,000 units) of the total lease fleet, with the top three companies accounting for 58% of the total. These comprised ESSIF (26%), Seas Global (23%), Euvestor (15%), Trifleen (6%), TAL (5%), NIRS (4%), Raffles (3%), EIL (3%), VTG (3%) and Midship (3%), with the remaining 15% divided among smaller leasing firms.

ITCO’s global fleet total does not include leasing company tanks, except idle units, as the rest of the lease fleet is counted in the figures for operators and shippers/others in the table.

Tanks might be idle because they are in the process of preparation, such as maintenance and testing, or in the process of being repositioned to a demand area or remaining as newly manufactured stock. Typically, says ITCO, this represents 10% of the lease fleet.

In the current economic environment the average unit number might be higher, but for reporting consistency, at estimate of 10% has been maintained. The shipper fleet shown in the table also referred to a producer with some 50 tank containers operated by chemical and similar companies. These units are mostly special tanks manufactured or modified to meet a specific need, and include tanks designed to transport liquefied gases.

“Continuing our methodology for calculating the number of shipper/owner tanks has always been to align with the estimated static growth of the owned part of the fleet.”

Growth in the tank container industry is reflected by the number of new units built. The survey gives details of 13 tank container manufacturers, which produced the 43,780 new tank containers in 2015 (shown in the 2016 column, as survey data relates to January). Compared to 2014, when 48,200 new tank containers were manufactured, this represents a decrease of 7.9%.

Manufacturing is concentrated in China, with the only other large volume manufacturer (Welfit Oddy) based in South Africa. A total of 18 manufacturers are listed in the survey, but the top five represent 98% of global manufacturing – 46% (Welfit Oddy), 14% (Singma (13%), Nuttong Tank, NTG (12%) and EIM (5%). The majority of manufacturing is of the industry standard tank range but, nevertheless, there is a very active and growing specialised tank sector.

The accompanying table also summarizes the ITCO survey completed since 2013. The estimated 2016 growth, compared with the 2015 survey is around 7.2%. Shipper-owned fleets are not considered to be growing, due to the trend to outsourcing logistics to operators. The 2014 and 2015 shipper/owner fleets have been adjusted by ITCO to reflect a static position, but the leased part of the fleet shows a percentage growth.

Ponding more precise data, a renowned figure of 2,000 has been included in the survey for disposals—a figure that ITCO says is likely to increase in future years, but reflecting the economies of the comparative reduced price of new manufacture versus the increased cost to repair older tanks. ITCO states that figures for disposals are not easily verified, and there is difficulty estimating them, since respondents tend not to re-veal details of their fleets.

The complete survey, including the methodology used, can be downloaded from www.itco.org. **Growth** for the year compared with preceding survey. Source: ITCO 2016 Tank Container Fleet Survey.

Notes: Data as of January in respective years. Various assumptions/estimates made in accordance with the survey methodology (available via www.itco.org). *Not easily verified. **Growth for the year compared with preceding survey. Source: ITCO 2016 Tank Container Fleet Survey.

Gassing up

The latest ITCO survey shows growth in the global tank container fleet, but fewer new units were built last year.

<table>
<thead>
<tr>
<th>Global tank container development by year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operators</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Leasing operators</td>
</tr>
<tr>
<td>Shippers and others</td>
</tr>
<tr>
<td>Estimated manufactured</td>
</tr>
<tr>
<td>Estimated disposals*</td>
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<tr>
<td>Estimated total</td>
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TWS RE/NT/TA-EDITOR
Getting to grips with flexitanks

The industry continues to see flexitanks systems increasing their market share at the expense of tank containers, IBCs and other methods of liquid transport. At the same time, there are concerns around the quality of flexitank products themselves and their potential to damage the sides of dry freight containers.

These are certainly not new issues, and the Container Owners Association (COA) formed its Flexitank Division back in 2010 to tackle these matters. One of the results was the COA Flexitank Code of Practice, which sets out recommended procedures for selecting container operators and operating flexitank systems.

ISO for BeFlexi

Flexitank specialist BeFlexi has embraced the COA Code of Practice and has put in place a system to ensure its products can be operated in accordance with its requirements. On 30 August, BeFlexi announced it had completed an “intermediate audit” on compliance with COA Code of Practice as a flexitank operator.

“The certificate issued by NQA, the accredited global ISO certification body, confirms that BeFlexi management systems applicable to flexitank, dry liner operations, logistical and financial services comply with the COA Code of Practice for single-use flexitank systems and meets the BS ISO 9001:2008 ‘Standard’,” the company stated.

Speaking with WorldCargo News, BeFlexi business development director Yan Chizhevskiy said the company took this initiative in part because it recognised that most of the problems with flexitanks are due to operational issues, not manufacturing defects in the products themselves. COA statistics, he added, show that the percentage of shipments that have a leakage problem is just 0.025%, and 98% of those are caused by installation problems, and not the flexitank itself.

But these numbers are low, BeFlexi was encountering potential customers who had a bad experience previously and were reluctant to try the system again, even if their past experience was a long time ago. Taking the initiative, BeFlexi signed an agreement with SGS Inspection Services for it to provide flexitank installation services for its products globally. BeFlexi trained several SGS personnel directly in all aspects of the COA Code, and SGS then trained its own wider network, which has 1,800 locations worldwide.

Chizhevskiy emphasised that this was not a single attempt. SGS, he said, are “true engineers” and have a lot of experience in working with, inspecting and classifying cargo. He added that it took a lot of time, money and effort to implement a standard set of procedures globally. BeFlexi ultimately hopes its move will raise the bar for the flexitank industry, and shippers will choose to do business with companies that can match their product with installation services that meet the COA standard.

Leaks and bulges

BeFlexi believes that COA compliance will give the market more confidence in its product. When installed through the SGS network, said Chizhevskiy, BeFlexi has “basically zero leakage statistics.” Adding that the other major concerns about flexitanks – that they cause bulging of the container walls – is, however, a more problematic issue.

Chizhevskiy acknowledged that the container inspection process is not perfect, and “sometimes not even a visual inspection can 100% guarantee that there will be no ‘bulges’.” When a flexitank is transhipped, the correct procedure is to tranship the cargo into another flexitank and container, a process, he adds, that does not take much time if personnel are trained.

Rejection costs containers also requires an element of commercial discipline, as the issue of who pays to return a rejected container has to be addressed. At the moment, the market for flexitanks is flexible, reflecting the downturn in shipping and trade in general. There are, however, some bright spots, and Chizhevskiy said one of the best is the CIS region, and Ukraine in particular, where BeFlexi is seeing market growth of over 200%.

Not all of the growth is coming at the expense of tank containers – some of the cargo is actually switching from bulk tanker shipping. The economics of bulk vessels, said Chizhevskiy, are difficult for shippers with less than 3,000t shipments. Cargo has to be accumulated and stored, and bulk vessels are not as well scheduled or as reliable as container services. The result is that the cargo owner has money tied up for several months, just in the shipping process, before they are finally paid.

Today, an increasing number of shippers prefer to ship 200t of product per week on 30-day payment terms, instead of using large bulk shipments. Container availability is an issue, but there has also been some progress establishing two-way trade links, using the same containers to import products like palm oil, and then exporting lubricants or sunflower oil from Russia, for example.

Chizhevskiy is confident the market for flexitanks will continue to grow, and he notes that a steady stream of tank container operators from the Benelux region are now contacting the company “if you give a call to a tank container company that really thinks about the future, they will have a person dedicated to flexitanks,” he added.

As the market continues to develop, the concept of reusable flexitanks has been suggested, which is actually an old idea coming round again, as the very first flexitanks were reusable. Though it is an interesting idea, said Chizhevskiy, he does not really see a need in the market for a reusable product, from the shipper’s perspective. It could, however, have the benefit of saving taxes and import duties.

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SOG personnel installing a BeFlexi flexitank
Harnessing hidden potential

There is little doubt that European waterways are not fulfilling their potential and that considerable more freight could be moved by inland vessels and barges on rivers, such as the Danube, Elbe, Seine and Rhone-Saone. Even the Rhine can be used to move substantially more cargo than its current tonnage of approximately 336 Mtpa, including over 15.4 Mtpa (over 3 EM TEU) of container traffic. For contained traffic, the Rhine is believed to account for about 60% of all cargo (550 Mtpa) moved by inland waterway in the European Union. For container traffic, the river is even more dominant. The Danube is hugely underutilised, with only about 30 Mtpa of cargo transported on the artery in 2015. In H2 2015, traffic volumes declined as a consequence of generally low water levels, which meant vessels/barges could not be fully loaded on various stretches of the river.

Five-year plan

A key part of the Central Commission for the Navigation of the Rhine’s (CCNR) Vision 2018 strategy is to achieve traffic growth on the waterway and provide the framework for cargo to move smoothly from other transport modes. The five-year plan puts in place a number of ecological, social and economic programmes that it believes will support the sustainable development of the waterway. However, given the difficult trading conditions that currently persist and the poor state of the EU economy, Vision 2018 is not ignoring the fiscal challenges involved.

At the European Commission level, a new action plan has been launched for the region’s inland waterways. Branded “Nador II - Towards quality inland waterway transport”, its aim is to “create the proper framework and conditions for inland waterways transport to be well-governed, efficient, safe, integrated into the intermodal chain, with quality jobs occupied by a skilled workforce and adhering to high environmental standards”.

Research demonstrates that there is huge potential for Europe’s inland waterways and ports. In an analysis of truck journeys of more than 150 km between regions connected by inland waterways or within 100 km of an inland waterway network, over 261 Mtpa of cargo could potentially be containerised and moved by inland vessel and/or barge (see table). It could be worth over 2EM TEU a year of additional traffic to the network. Huge schemes are afoot including more than 1EM plan to build a canal linking the Rhine with the Schelde – due to be completed in 2019/20.

Duisburg looks to smooth traffic flows

In 2015, the port of Duisburg handled about 3EM TEU, which included a record 3.6EM TEU. The latter was up about 9% on the previous year, although total tonnage declined by 1.5%.

The port now has eight terminals that are able to handle containers, and a multitude of freight processing and logistics centres that companies are keen to use, given the port’s extensive road (direct links on the A40 and A59 motorways, rail and inland waterway connections.

Recently, the Goodman Group, which is one of the world’s largest owners, developers and managers of industrial real estate, announced plans to spend €28M on two new logistics facilities. The first warehouse, which features about 23,000 m2 of space, will be leased to automotive parts supplier NGK Spark Plug Europe, and the second, smaller 10,000 m2 unit is unsigned at the moment.

“We are pleased to have attracted another strong company from the automotive industry,” said Erich Staake, chairman of the Board of Duisburger Hafen AG. “Our full service approach, in combination with transport networks that are perfectly coordinated for the flow of goods, has, once again, demonstrated how attractive Duisburg’s logistics hub is. With 400 trains per week to over 80 direct destinations in Europe and Asia, the port offers NGK an ideal starting position to supply vehicle manufacturers and the after-sales market all over Europe.”

Staake also believes in innovative ideas and the use of new technologies. For the past 18 months, the port and Siemens have been collaborating on the use of intelligent traffic management systems as a means of preventing congestion and providing truckers with the quickest and easiest routes into/out of the port.

“Our strategic cooperation with Siemens provides us with an opportunity to eliminate future bottlenecks and create new capacities,” said Staake.

River navigation is never easy, though, with rising and falling water levels often causing considerable disruption. The past few months have seen several new services started, quite often in joint ventures, as individual transport companies have looked at:

- Extending the number of ports served.
- Deploying bigger barges.
- Reducing their impact on the environment.
- Offering their customers greater choice.

On 1 July, H&K Container Line, Dueser Containerline and Ultra-Brag started a new operation linking Antwerp and Rotterdam with upper Rhine ports, including Basel, Wöll, Ottnad, Neubreisach, Strasbourg and Kehl. Additionally, the group offers a faster rail link between Kehl and Strasbourg and the Benelux ports of Rotterdam, Antwerp and Zeebrugge. The partner of Ultra-Brag is Contargo, which is one of the largest companies engaged in the river Rhine barge and freight logistics sectors, with cargo volumes in excess of 2.3EM TEU a year, continues to expand its operations. Its network includes 25 terminals capable of handling containers at locations throughout Belgium, the Netherlands, Germany, France, Switzerland and the Czech Republic.

Rail enhancements

The focus this year has been on enhancing its rail activities, as services to/from upper Rhine ports and on the French river system.

A new company called Contargo Rail Services (CRS) has been set up, with its headquarters in Mannheim.

Andreas Mager, who co-manages

Volume of cargo that potentially can be shifted from truck to inland waterways

Table: Volume of cargo that potentially can be shifted from truck to inland

<table>
<thead>
<tr>
<th>Route</th>
<th>Potential Cargo (Mtpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhine</td>
<td>261 Mtpa</td>
</tr>
</tbody>
</table>

*excluding Saale stretch to Halle, 6,705,086t. **excluding transit from other regions through Antwerp and Rotterdam; including this transit, the total potential would be 6,877,370. Source: Panteia; Platina 2. D 1.6; 2015, quoted in EU report D 1.9 “Inland waterway market transfer roadmap” 6 April 2016
Contargo goes for third tier

Earlier this year, Contargo increased the carrying capacity of its river Escaut (northern France)–Antwerp–Rotterdam service by loading three tiers of containers on its barge canisters. Regularly, Contargo now moves 84 TEU on the service, which calls at the Escaut Valenciennes Terminal at Brou-sur-Meuse and the ports of Antwerp and Rotterdam. This compares with 72 TEU previously when the barge was stowed with two tiers of boxes.

"Whenever loading conditions and navigation conditions permit, we will use the third tier to increase our transport capacity," explained Gilbert Brede, managing director of Contargo North France. "Theoretically, our barges could carry up to 122 TEU per trip, or 50% more again than with the two tiers of boxes, but there is insufficient clearance under the bridges on the river."

In addition to carrying more containers on each voyage, the company has increased the frequency of its sailings, to four sailings per week between Dunkirk, connected six, five and two times a week by rail to Rotterdam and three to Antwerp."

Contargo has also expanded container handling capacities at several ports, including Dunkirk, Ostend, Ghent and other Belgian grain ports, as they seek to:

• Modernise their facilities.
• Raise productivity levels.
• Ensure they have the right equipment and capacity in place for the market's changing cargo mixes and customers' requirements.
• Meet increasingly tougher environmental regulations being imposed by the EU.
• Enhance their connectivity with other transport modes.
• Offer enhanced logistics and freight forwarding services.

At the Belgian port of Liège, which is located on the river Meuse, the focus is on adding new equipment as a means of handling its rising cargo volumes more efficiently. This year has seen Terex Port Solutions deliver a direct-drive electric Gottwald Model 2 MHC and a Terex Stackace empty handling unit to Liège Container Terminal (LCT). While the MHC has a maximum lifting capacity of 80t, the empty container handling machine can reach one container over six.

Both pieces of equipment offer LCT additional opening flexibility. The MHC's higher lifting capacity and longer outreach, compared with the facility's existing gantry crane, for instance, allows containers to be switched between adjacent moored barges/landwaterway vessels, thus enabling the operator to offer transshipment activities.

Nicolas Limboud, general manager of LCT, explained that the catalyst for its growth had been the port's strategic location between southern Belgium, northern France, western Germany and the North Sea ports of Rotterdam, Antwerp and Zeebrugge, and its range of trimodal facilities.

"In the past year, our volumes have increased to 40,000 TEU and, since we are anticipating as many as 70,000 TEU on the waterway and 45,000 TEU by rail for 2016, we decided to order new handling equipment," he said. "This new investment will put us in a good position to meet our long-term challenges."

Outside of the Rhine waterway, opportunities are opening up, especially on the Sene and Rhône Saone rivers in France, the Elbe in Germany and the multi-national Danube river systems. In all cases, considerable sums of money are being committed to improving naviga-

Barges are also afoot to substantially raise their container traffic and to assist in the development of the inland river network for all types of cargo. In particular, opportunities exist in using barges to move containerised cargo to/from German cities such as Berlin and Brandenburg.

"The Sète–Carcassonne–Sète complex is the only one in Poland to have access to an inland waterway network, and, as this is regarded by the European Union as the most environment-friendly form of transport, this is an undeniable asset for us," explained Dariusz Słaboszewski, CEO of SSA.

"We hope that as a member of EFIP we can better promote the huge potential of the shipping capacity of the Oder River which is going to be improved as well."

At full build-out, the facility will be capable of processing approximately 400,000 TEU a year (see p38-39).

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Outside of the Rhine waterway, opportunities are opening up, especially on the Sene and Rhône Saone rivers in France, the Elbe in Germany and the multi-national Danube river systems. In all cases, considerable sums of money are being committed to improving navigation, improving warehouses and cargo handling facilities, and transforming some of the larger ports into fully fledged logistics and trimodal transport centres.

Polish artery

Elsewhere too, projects are underway, and the decision of the Sète–Carcassonne–Sète complex is the only one in Poland to have access to an inland waterway network, and, as this is regarded by the European Union as the most environment-friendly form of transport, this is an undeniable asset for us," explained Dariusz Słaboszewski, CEO of SSA.

"We hope that as a member of EFIP we can better promote the huge potential of the shipping capacity of the Oder River which is going to be improved as well."

"The Szczecin–Świnoujście river complex is going to be improved as well."

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October 2016
Transmontane echoes get louder

During last month’s World Port Days event in Rotterdam, the Port of Rotterdam (HbR), the Port of Switzerland (SRH) and Basel Logistics Cluster Region (LRB) renewed and updated their Memorandum of Understanding (MoU), committing to increasing inland waterway container traffic. Associated with this, the MoU looks to promote LNG and GTL (gas-to-liquids) as a fuel for inland waterway vessels and as a commodity alongside the Rhine axis. Vessels and as a commodity as a fuel for inland waterway traffic. Associated with increasing inland waterway traffic, the Rotterdam-Basel-Genoa corridor – the Rotterdam-Basel-Genoa corridor – so it now has transalpine ambitions.

They see the opening of the new Gotthard Base Tunnel (GBT), slated for this December, as a major opportunity to channel Italian o/d cargo on the Rhine axis, and recognise that more trimodal infrastructure is essential if modal shift targets are to be met. SRH’s planned new trimodal Gateway Basel Nord (GBN), which on build-out would have an installed capacity of 390,000 TEU/year, is thus seen as vital.

The GBN “is a key project along the Rotterdam-Basel-Genova corridor”, remarked Emile Hoogsteden, HbR’s director of Dutch-based Danser & Partners, adding: “GBN requires construction of the 342 TEU dual-fuel container vessel. The Container Terminal Weil (CTW) project is backed by Danser and Swiss terminal operators, and transport companies Swissterminal and Ultra-Brag. Their official line is that CTW is not really a competitor to GBN, but is complementary, as demand in the Basel region is still relatively small, but it has been growing.

The 342 TEU dual-fuel EIGER-NORDWAND (EIGER-NORDWAND) motor/push barge combination is seen as vital. Ports in northern Italy are around half the distance to Rotterdam and Antwerp, but Italian ports step up to the plate for Swiss-Asian traffic, as well as a challenge. Drewry recently reported that Koper in Slovenia is a good alternative to Rotterdam for Munich/Bavaria-Asia flows. Can Italian ports step up to the plate for Swiss-Asian traffic? Contship Italia (CI) is one port operator that thinks it can. It has published the results of an analysis it carried out in May, comparing the port-to-rail ramp cost of a 40ft dry van to Basel from La Spezia with the Rotterdam-Basel cost. La Spezia, it claims, is 10% cheaper – Rotterdam 1.0, La Spezia 0.9. On top of this, the average voyage time...

The 342 TEU dual-fuel EIGER-NORDWAND motor/push barge combination (photo: Dan Rei Group)
Another Alpine base tunnel under way

As previously reported, a new high-capacity rail link between Lyons and Turmo requiring the construction of a flat of 57 km base tunnel under Mont Cenis (Monte Cenis) was approved by the governments of France and Italy in February last year. The agreement has now been ratified into law in Italy, and track work is under way on both sides of the tunnel.

The costs of the tunnel tunnel are estimated at €8.6B - about the same as the Gotthard Base tunnel, which is also under construction. The costs are to be co-financed by France (34%), Italy (26%) and the EU (40%).

Brexit has thrown up a cloud of uncertainty over the EU’s future finances, while France and Italy have incurred large public debts. Brexit has thrown up a cloud of uncertainty over the EU’s future finances, while France and Italy have incurred large public debts. France and Italy have incurred large public debts.

The French rail network includes 3,000 km of branch lines linking the national network and dedicated to use by companies with private sidings (ITE). The trackage amounts to 10% of the national network by length and accounts for 20% of all rail freight shipments. However, these so-called “capillary” lines are under constant threat of closure due to their marginal economic case, which has contributed strongly to the debts of SNCF. Furthermore, by reason of this, many are in a poor state of repair. For example, the liquidation of the SNCF’s network has been spent on reconstructions and simple boring. A threat of closure due to their marginal economic case, which has contributed strongly to the debts of SNCF. Furthermore, by reason of this, many are in a poor state of repair. For example, the liquidation of the SNCF’s network has been spent on reconstructions and simple boring.

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Maximising carrying capacity

According to Janne Suominen, cargo system development manager at MacGregor, some of the investments that lines are making in bigger ships are being wasted, due to underperformance of the cargo systems on those very same vessels. At a time when lines are looking to lower their average slot cost, the gap between nominal vessel capacity and actual achievable loading rates is, in fact, growing. MacGregor expressed this view at the Navis World conference in 2015, but the company is still surprised that the issue is not widely appreciated or debated, especially as the problem in getting worse as larger vessels come on stream, as depicted in the accompanying graph.

MacGregor believes the reasons for the growing gap can be roughly divided into two categories; mechanical waste and usability waste.

Mechanical waste

MacGregor explained that mechanical waste means that the cargo system design and hardware does not meet the current requirements set by the cargos and routes. The system may not have the flexibility required to carry the variety of container weights and sizes typical for the route. In other words, lines are still using global averages for important aspects like maximum weight of deck containers, which are, in many cases, based on weather extremes in the North Atlantic – even if the vessels will never be deployed there.

MacGregor is increasingly being involved at an early stage in the shipbuilding process, in developing a cargo and route-specific analysis for new vessels, which includes the design and selection of hatch covers, lashing bridges, looser and fixed container fittings for decks and holds, container arrangements and terminal and Ladsmate calculation software to optimise the cargo system.

For existing ships, MacGregor offers a service called Cargo Boost, where it “rethinks” the cargo system for a specific route and cargos. This involves reconsidering areas including cargo securing manuals, calculations based on route-specific rules, stack weight limits, lashing arrangements, mixed stowage opportunities, and adaptions to lashing bridges.

Improvements can involve re-calculating rules and limits (such as new maximum stack weights according to the latest rules) and/or hardware changes, such as switching from internal to external lashing. A key point is that all the cargo systems must not only be technically compatible, they should work together in an optimal way. This includes the lashing software, and MacGregor emphasises that having software and hardware from one single supplier can deliver a significantly better performance than disparate systems.

MacGregor stresses that Cargo Boost uses data, rather than general assumptions about specific routes and cargo. This includes actual cargo data from BAPLIE and/or operational data. The analysis presents different options for the customer to assess and review, and can be refined by additional vessel data over time.

Usability waste

The second category currently regularly reduces actual vessel capacity is what MacGregor calls “usability waste”. This, the company explains, “has its origins in the use of outdated cargo system practices or other obsolete processes in the value chain, typically relating to a lack of collaboration and transparency in this area. Paukku said while MacGregor has a “fair understanding” of the current situation, terminals are actually misunderstanding the potential that the spreaders to provide the trolley. While this can be done, it has to be a lot more collaborative. The consequence, such as late sailing or rolled containers, are being imposed not by the carrier or the shipper’s best interest. What is particularly frustrating is that some of the problems are contractor owned and, on occasion, has resulted in the terminal being the ultimate goal of improving efficiency through collaborative planning using a single data set.

Impact on ports

Many of the factors identified by MacGregor have an impact on ports and port planning processes. Henri Paukku, operation support manager in MacGregor’s Cargo Handling division, said some of the mechanical changes that Cargo Boost might recommend, such as switching from an internal to an external lashing system, require that terminals familiarise themselves with the new lashing system and the specific instructions on board the vessel.

Fundamentally, however, exploiting any more skill or manpower to operate versus traditional (i.e., internal) lashing. The equipment, number of pieces and their operation in very similar.

Of more concern for terminal operators is the trend to try and stack containers higher on deck. This is not just an issue for new vessels and 11-high deck stows (or 10-high with high cube containers), as lines are today looking to go higher on much smaller vessels, particularly after stack weights have been reconsidered.

This seems to be a point of conflict between lines and terminals, in some cases. One terminal manager, speaking anonymously to WorldCargo News, said his terminal is handling one particular service where vessels are now presenting with one tier more on deck than previously. To get over the top tiers, a person needs to make the terminal unmanually override a system on the crane that limits the height of the spreaders to protect the trolley. While this can be done, it has to be a lot more collaborative. The consequence, such as late sailing or rolled containers, are being imposed not by the carrier or the shipper’s best interest. What is particularly frustrating is that some of the problem is to the terminal and, on occasion, has resulted in the terminal being the ultimate goal of improving efficiency through collaborative planning using a single data set.

Cargo Boost case study

A recent MacGregor Cargo Boost project on board three vessels has delivered an additional payload capacity of 300 high cube FEU (670 TEU) per vessel and improved operational flexibility.

This was achieved by converting the internal lashings to an external lashing arrangement, which delivered a much better loading profile. The vessels were slightly modified by installing lashing bridges (externally on the vessel’s own crane), behind the accommodation block, in areas where there were no visibility issues. Cargo Boost calculation software was used to maximise the vessel’s cargo system utilisation capacity.
A melting pot for carriers

Since the global financial crisis of 2008/9 and with generally weak performances in the economic economies, intra-European general cargo volumes have increased relatively slowly, particularly within the northern European sector of the market.

For the region as a whole, which includes the faster-growing Mediterranean basin, cargo volumes have risen from about 3.3 million TEU in 2011 to 4.0 million TEU in 2015, a five-year rise of just over 13%.

Last year, the market was extremely sluggish, with the first three months of 2016 having posted some sort of recovery, an increase of 2.7% in volumes is extremely modest (see table p43).

Following the cargo

The Irish Sea trades have performed better, with recent data published by the Irish Maritime Development Office (IMDO) showing robust quarter-on-quarter performances for both lo-lo container and ro-ro cargo ships for more than four years.

IMDO's Q2 2016 figures revealed that, while ro-ro cargo traffic, from Eire grew by 7%, containerised traffic rose by 5% to 178,183 TEU By also taking into account the trades linking Northern Ireland, IMDO's data revealed that ro-ro traffic was up 8% in the second quarter of 2016, and lo-lo traffic by 2%.

Both lo-lo container and ro-ro operators have responded to the improving market conditions by adding capacity. One of the latest carriers to do this has been Heysham-based Seatruck Ferries, which has replaced the smaller and slower vessel Clipper Ranger with Clipper Point (105 trailers). It adds 25,000 trailer spaces a year to the carrier's operation between England's northwestern port of Heysham and Dublin.

According to Alistair Eagles, CEO of Seatruck, deployment of the more powerful vessels offers the company many operational benefits, and its customers a range of service improvements, including faster transit times and better schedule reliability. "The ship also gives us greater trailer free height and faster turnarounds in port, as the ship benefits from a ramp interface to the lower hold instead of a lift," he said. "For drivers, the single berth cabins and comfortable lounge area will be appreciated."

Eagles is convinced that the larger vessel will attract more cargo, and that the timing of the move is important, given the changes that he sees taking place in the Irish Sea freight market.

"We specialise in the shipment of unaccompanied freight trailers, which is more efficient for the operators and makes better use of their HGV drivers, which continue to be in short supply," he explained. "Historically, HGV freight to Ireland has predominantly moved through Scotland or Wales on a driver accompanied basis, but the market is shifting significantly.

"Seatruck, which earlier this year started a new service between Bristol and Dublin, appears to be taking the right decisions, with Eagles referring to its cargo operations in the Irish Sea as a melting pot for carriers, with very different business strategies and ship types vie for market share.

The intra-European general cargo sector is hugely complex, where ocean carriers have responded to the improving market conditions by adding capacity and improving performance. One of the latest carriers to do this has been Heysham-based Seatruck Ferries, which has replaced the smaller and slower vessel Clipper Ranger with Clipper Point (105 trailers). It adds 25,000 trailer spaces a year to the carrier's operation between England's northwestern port of Heysham and Dublin.

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Multimodal ro-ro

To dovetail with its new and larger vessel acquisition programme, coupled with the enhancement and expansion of terminal facilities, CLdN RoRo is set to offer new inter-terminal services, starting with a Zeebrugge-Lyon connection.

In its first phase, as part of a larger and ambitious multimodal strategy, CLdN RoRo will launch a direct rail service from its terminal on Brittanymole in Zeebrugge to Port Edward Herriot in Lyon.

The initiative reflects the market’s demand for environmental, cost-efficient and reliable hinterland services, says CLdN and, at the same time, CLdN enhances its own efforts to help customers reduce their road miles, with the benefit of higher load limits (up to 44t all-up for the road leg of intermodal truck haul) and attractive lead times.

Initially, CLdN will provide a 630m long (100 TEU) train on a three pairs/week basis between Zeebrugge and Lyon, and vice versa. Trailing weight capability is 1,800t, and the services will cater for trailers, swap bodies, swap tank and 20ft-45ft containers including tank containers. It is not clear at this juncture if slots are available to other logistics service providers.

The rail service planner is Luxembourg’s CFL Multimodal.

A spokesperson for CLdN commented: “This new rail link is a very positive development for the port of Zeebrugge, adding another strong hinterland connection to its existing service network, allowing the port’s customers and operators to move their units in a fast and efficient way. In parallel, CLdN is also actively exploring further opportunities, in order to extend its intermodal services in the near future.

“Both the terminals in Zeebrugge and Lyon have modern rail infrastructure, operated by dedicated and experienced staff. In addition, IT systems will be enhanced to offer our customers an integrated ‘one-stop-shop’ booking (combining ferry and rail) from/to any of our terminals.”

Southbound departures will be on Tuesday, Thursday and Saturday mornings, and northbound departures on Wednesday, Friday and Monday mornings and Saturday afternoon. Transit time is 22 hours in each direction. The service is expected to start at the end of October.

Zeebrugge is a key hub for CLdN, with links to Leixões, Santander, Dublin, Killingholme, Humber, Purfleet, Edinburg, Harithol and Gothenburg.

CLdN is to offer a rail link between Zeebrugge and Lyon (pictured).
their load factors. Their actions are particu-
larly noticeable on the longer-dis-
tance corridors, such as those between Scandinavia and Ibiza, the Continent and Italy and/or the UK to Turkey.

It is also important to distinguish be-
tween those ocean carriers whose main
business is intra-regional and those
that rely on feeder homes from MOLs.
The relationships have become increas-
ingly blurred in recent years, as traditio-
nal common-user feeder companies, such as Unifeeder and Team Lines, now carry cargo from both banks. Only X-
Press has continued to maintain a rea-
tion to common-user feeder operators and
markets no local cargo.

The most notable of the Denmark-
domiciled carriers Samskøp and Eimskøp, which compete aggressively with each other, are each on the Europe imports and
exporters, reefer cargoes and the provision
of value-added logistics services. These
networks have been progressively ex-
panded through a mix of organic growth
and mergers/acquisitions, and this year
has been no different.

While Samskøp has strengthened its
operations in Norway by acquiring Euro
Container Line and the reefer ship and
cold chain logistics specialist Silver Sea
(previously Silver Green), Eimskøp has
forged a strategic alliance with Green-
land-based Royal Arctic Line and an-
nounced the purchase of a 90% interest
in Rotterdam-based Extrafor Interna-
tionale Expedite. The latter deal will
boost Eimskøp’s share of the reefer logis-
tics market in the Netherlands.

Extrafor provides transport services to
importers of chilled and frozen products
in the Netherlands, and also offers im-
port services, including handling, ware-
housing, customs brokerage, and distrib-
ution for bulk, chilled and frozen goods
in the region.

Seago and Maersk

Seago Line is something of a hybrid,
as the Copenhagen-headquartered op-
erator was established in 2011 with the
specific objective of running Maers-
ks Line’s intra-European services and
its affiliates’ feeder links in the region.
While Seago still carry a significant
bulk of Maersk’s European relay vol-
umes, it has to compete for this cargo
in starting new services. Seago has to
carefully evaluate the benefits that will
accompany its international services, as
conflicts of interest can arise and/or
customers’ demands can easily be com-
promised, given the different operating
disciplines of running feeder and local
cargoes.

The provision of dedicated (or at least
streamlined) shuttle loops is the most
successful way of dealing with these challenges. This approach was per-
fecly illustrated by the launch of the Algeciras, Dublin and Liverpool service
earlier this year.

First, the use of the Spanish port as a
relay hub, rather than Rotterdam, has
improved Maersk’s transit times for Irish
imports from Europe to east Asia. Second,
by using Algeciras as a hub, it has meant Sea-
go providing its Irish customers trading
importers of chilled and frozen products
in Asia with a more stable service to
their customers in Liverpool’s hinterland.

Brian Godsell, managing director of
Maersk Line UK & Ireland, said: “This
deployment represents a major change
for our Irish customers, who will now re-
cieve a faster and direct all service to bet-
ter meet their import and export needs.”

Robert Clegg, general manager for
UK & Ireland at Seago, was equally en-
thusiastic about the new operation and
the opportunities it would give the car-
ier. “This service means we are well
placed to serve customers looking for
new opportunities through a Mediterrane-
an service, with direct connections to
comparative transit times and convenient berth-
ing windows. We are also able to offer our
customers in Liverpool’s hinterland access
to south European and north Af-
can markets.”

Seago is actively investing in its net-
work, and a series of 3,600 TEU ships
ordered by sister company Maersk Line in
2015 from the Cosco Shipyards Co in
Zhoushan, China, are scheduled to
enter the carrier’s North Sea and Bal-
tic Sea regional operations next year.

The seven ships, which will be pow-
ered by marine gas oil, will be delivered
between April and November, and will
replace tonnage half their size or less,
giving Seago significantly improved op-
erating economics of scale.

Eyeing breakbulk

Seago believes that containerships will
continue to increase their share of the
intra-European trades, especially at the
expense of breakbulk services and par-
ticularly in the Scandinavia/Baltic Sea
region. “Our general advantage is that
we provide stable and reliable services on
fixed schedules, and this gives us a lower
cost base in general,” said a spokesperson
for Seago. “We do not believe that the
conversion from traditional breakbulk
 carriers to container shipping lines has
stopped, and we see, for example, liner
companies increasing their share of the
project cargo market.”

Elsewhere, the intra-European trading
sharing Containerships is also mod-
enising and expanding its fleet. Despite
some significant fiscal challenges in the
past couple of years, and a decision to
change the shipyard contracted to build
its new ship to offer a lower cost base in
general. This service means we are well
prepared to compete aggressively with each
other, and with the rate of decline posted last
year the steepest of all (see table above).

The situation emphasizes the need for
 carriers to be vigilant on their costs but,
at the same time, proactive and innova-
tive when it comes to investing in assets
and services. The European trades will
remain a staging post, full of challenges
for the foreseeable future.”
Oversupply in the Americas

There was not a lot of good news for the port sector at the TOC Americas conference in Cancun this month. The conference kicked off with Mario Condore, chairman of the US Federal Maritime Commission, taking up the potential of intra-American trade as being transformational for countries, and creating opportunities for ports such as Mobile, Alabama, to become new hubs for north/south trades.

However, speakers from the Latin American ports sector in particular, were far more pessimistic, and the consistent theme of the conference was growing slowing growth versus growing capacity. Mario Veraldo, Maersk Line’s MD for Mexico and Middle America, said container traffic across Mexico’s ports grew by just 4% in H1 2016, and the forecast for the full year is 2%, just as new terminals in Tuxpan and Lázaro Cardenas are coming on stream. This clearly surprised some, as the automotive industry, the engine of Mexico’s economic growth, continues to expand, but most of the business is to-to-traf-

ic. On the container side, Veraldo argued that Mexico’s current capacity is at 80% of its potential, and new terminals are required to deal with the current situation.

Giovanni Benedetti, commercial director at Sociedad Portuaria Regional de Cartagena (SPRC) also said Latin and South America have too many “idle” terminals currently. He singled out La Unión (Argentina), Barranquilla (Colombia), Ponce (Puerto Rico), Tegucigalpa (Honduras), and new terminals in Santos (Brazil) and Buenos Aires (Argentina) as developments that will end up cannibalising an established market and creating “favela” terminals in the process.

The Commission, talking up the potential benefits of the Panama Canal, which has subsequently been reduced to 13.

MSC itself has reduced the number of its vessels using the canal expansion, Dietrich said there have been remarkably few if any. “There’s some rebalancing of service patterns possibly still to take place, but the main Asia-US East Coast, South America West Coast-Europe and Asia-South America East Coast services will likely remain as they are. There is a theoretical opportunity for vessel upswing on the route from Asia to northern Brazil, but that is unlikely while the ports of northern Brazil are not able to handle ships of that size – we won’t happen anytime soon,” he said.

With the new alliances not scheduled to start until 2017, Dietrich expected some will be calling at four different Caribbean transshipment hubs. Decisions about where to ration- alise services will not be made until the new alliances are ready. As a result, MSC is still allowing some calling at four different Caribbean transshipment hubs. Decisions about where to rationalise services will not be made until the new alliances are ready. As a result, MSC is still allowing some

Port capacity is too far ahead of economic growth and landside infrastructure in several Latin and South American countries

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PORT DEVELOPMENT October 2016

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Port of Colombo’s hub plan

Sri Lanka’s Colombo looks set to emerge as the transhipment centre for South Asia, as the country’s government gets behind plans to make the Indian Ocean island a major trading hub.

Last month, the 19,224 TEU MSC MAYA became the largest container ship to call at the port of Colombo.

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Volume at Colombo's CICT grew by 33% to 902,000 TEU in the first six months of 2016.

Potential players

The CICT extension also covered the potential of other major port areas in Sri Lanka, which have long been talked about, Trincomalee and Hambantota, both of which are stakeholders in different market segments. Trincomalee, situated on Sri Lanka’s northeastern coast, has significant natural advantages. One of the largest natural harbours in the world, with a water area covering 400 acres, it also boasts very deep water, with a draught of 20m at the inner anchorage and 30m at the outer anchorage. Geographically, Trincomalee faces a large and well-populated semi-circle covering India’s east coast, Bangladesh, Myanmar, Malaysia, Indonesia and others. Together, these areas have a population of 1.9B people, pointing out Mahesh Kurukulasuriya, managing director of GAC Group Sri Lanka “It’s literally 25% of the world’s population”, he said.

Prime hinterland

The hinterland behind Trincomalee, which suffers from high unemployment, is considered a prime site for low-cost labour activities in special economic zones. However, none of these are set up currently, and the more immediate importance is bulk transport. “Already there are a lot of enquiries about this,” Kurukulasuriya told the CIM conference.

Another short-term market the port flagged up was locally produced phosphate, while for the long-term, he suggested the port does have a role as a gateway for southern India, and as an oil and gas hub. Trincomalee has been held back for three years due to a lack of capital, something the Sri Lankan government is looking to address. “We are also talking with Indians and the Japanese about how to develop this as a major port,” said prime minister Wickremasinghe.

By contrast, Hambantota, located on the island’s southern coast, is a better known development, but it has been fought with difficulties. The prime minister has previously referred to it, lightening the “biggest own goal in the world”, because too much traffic could cause a dispute with Chinese entities over its development.

Moving forward, the port now has its first private-sector investment by LAUGFS Gas PLC, an energy and food company, and the shipping-port firm that is developing a terminal together with the Sri Lankan government. “Through this terminal, we will be expecting US$1.5B in exporting energy”, said K.H. Wegapuja, chairman of LAUGFS Gas. “Sri Lanka will become a leading gas re-exporter and energy hub in Asia.” Of the 4500 ships passing south of Sri Lanka, some 25% are linked to trading in hydrocarbons.

Wegapuja stressed that Hambantota is an all-weather port, meaning it is not reliant on a constant disruptive monsoon, and has a draught of 19m. This allows it to take VLGCs (very large gas carriers), but also means it can take ULCVs, it added. More importantly still, it has brand new berthing facilities, as well as free zones. “This is a strategic advantage,” said Wegapuja.

The prime minister is keen to see facilities at Hambantota includes not only an airport, developed on a private-public partnership (PPP) basis, but other potential investors include the automotive industry, which this month, Sri Lanka’s international trade minister Weerakoon Sejeewa, said was undergoing negotiations with Chrysler, BMW and Mercedes Benz over using Hambantota as a lead port.

Indian growth

Whilst the Colombo International Maritime Conference was about the emergence of Sri Lanka as a hub, India, the source of a lot of its transhipment cargoes, still faces a long shadow over its plans.

Given the scale of its economy, and the changes that India’s current government is pushing – which aim to raise growth from the current 7.5% to over 10% – the transport industry is watching India with a rose of excitement and trepidation. Growth is always welcome, but it costs too much, with the movement of goods a major concern.

Indian government reforms are led by plans to change the tax system and reforms infrastructure. Progress is being made, in particular with India’s parliament voting to adopt GST (goods and services tax). This is being hailed as one of the biggest reforms since Indian independence, effectively creating a national tax system that, once implemented, will be significantly beneficial to the movement of goods.

Michael Pinto, a former Indian customs secretary, cited one very revealing statistic to CIM conference delegates – that Indian trucks spend 16% of their time waiting in toll queues. “That’s a huge waste of time,” he said.

Once GST is in place, moving goods will not be so expensive, much easier. “I expect there will be a huge increase in traffic,” he added.

The other key reform concerns infrastructure, under the India government’s so-called Sagar Mala project, which treats India’s ports and their transport infrastructure, holistically, rather than as individual projects in isolation. Linking infrastructure development all over India, something that will be a much bigger challenge for Sri Lanka, given Venkaides, director of Krishnapatam Port Container Terminal. Confidence

India has seen initiatives like LPG imports, in the past, as a distant dream of government support this time, too. However, the ongoing reform of coastal shipping rules and procedures, have been referred to at the CIM conference as “a robust administrative network”, too many of the regulatory challenges have been addressed, to give a preferred position to ports with a few “advantages”. This shipping threshold, was founded on an unrealistic time scale, she explained.

“We are still in the process of representing to the government that it is possible, but not as practical,” she said.

TAMP reform

The other “positive development” was the new model recently proposed by the Tariff Authority for Major Ports (TAMP), which has been reformatted to put government ports on a level playing field with smaller, but more competitive “minor ports”, as they are known (see WorldCargo News, August 2016, p6).

“The government has now realised that, perhaps, there is no need to control the entire market, but the major ports,” she said.

One enduring problem though is India’s customs procedures. The basic issue of “stuck trucks” is as found in other parts of the world, but is exacerbated here by a rate of congestion that is assessed differently in different ports. This creates problems, not just of goods being unnecessarily moved to go through more favourable ports, but issues of cross-country cargo movements.

A rule limiting storage to one month was also raised, but the chief concern was the power that Indian customs has to slow down or block shipments – something Venkaides was clear needs to be reversed. There has been an opportunity for us in India to be a trading hub. This is one of the biggest opportunities, that, again, we are losing completely... because of Indian customs”, she said.

Not lost on the CIM conference was the fact that India’s Sagar Mala and its reform efforts would be a massive disruptor for Sri Lanka, especially as it plans to develop a transshipment port for India. In this respect, Sri Lanka clearly has more to gain, but less to lose, being included in India’s planning. Arguing that his country has a complimentary role to play beyond the Sagar Mala project. “We can be a port for India,” he said hopefully.

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Mixing the old and the new

It has long been the case that some of the world's STS crane population consists of underutilised cranes at ports that have seen a market change, or a competitor, take business away. In other cases, cranes have been built for overly ambitious port projects that have failed to attract business.

Eventually, a lot of these cranes find their way to the secondary market, but refit cranes have always been a tricky business. Even if an exact 'fit' in terms of rail gauge, power supply and wheel load requirements can be found, the move itself can be very expensive.

Today, however, it seems there are so many used cranes on the market that the chances of finding a suitable unit are a lot higher than in the past. And it is not just older Panamax cranes on a 50ft rail gauge that are being offered. Singapore-based Rodson currently has over 50 STS cranes listed for sale, including four six-year old ZPMC units with a 66m outreach and 35m lift height.

Other cranes listed with Rodson include a 2002 Koeki post-Panamax Boxer crane, which is believed to be one of the units at the Tan Cang Cai Mep International Terminal (TCIT) in Ho Chi Minh, Vietnam. Also available are nine cranes built in 2001-2002 by Pan United Shipyard in Singapore using a design licensed from what was then Aulind of Italy. These have an 18-row outreach and are located at Jurong Port. Jurong recently launched a new Combi Terminal to cater for mixed container and breakbulk vessels, clearly a change of course from when it was trying to provide an alternative option to PSA’s main container terminals.

There are also a number of cranes moving around in the Americas as US east coast terminals upgrade to bigger units to handle the new neo-Panamax class of ships that are starting to transit the expanded Panama Canal.

Georgia Ports Authority has been selling off some of its smaller cranes, and three were recently moved to Puerto

Industry consolidation and the increasing size and stack heights on ULCVs mean more STS cranes are being placed on the second-hand market.

SAP for ZPMC

ZPMC has taken a major step forward in its mission to build a new future based on Industry 4.0 by signing a contract with SAP to implement its SAP MDG (Master Data Governance) system, and appointing Deloitte to manage the implementation.

ZPMC is aiming to build a master data management system, as part of a wider ERP (Enterprise Resource Planning) project. This internal project will establish coding specifications and data management procedures to enable ZPMC to better manage materials, components, personnel and other resources in a more integrated manner, the company said.

This could be particularly helpful for ZPMC crane owners. One of the difficulties of ZPMC’s rapid growth has been its reliance on paper documentation of crane components and specifications, in particular, and this has created difficulties matching new spare parts to cranes as they age. ZPMC wants to address this, as well as implementing new PLM (Product Lifecycle Management) and MES (Manufacturing Execution System) processes to improve its operations.

Projects like this are difficult to implement, and ZPMC management at the highest level has urged the whole company to get behind the initiative. Huang Qingfeng, president and deputy secretary of the Party Committee of ZPMC has set out three key requirements for the project to succeed:

• All business units need to take a united approach and place high importance on the project, while giving it unconditional support. Unit and department heads are to be personally involved and make the initiative a “top leadership project”.
• All business units need to accord the project a high priority and meet implementation deadlines.
• The project team, including external consultants, must be supported, and resourced appropriately.

The project is expected to have major implications, not just for ZPMC’s internal operations, but on how it selects components, purchasing procedures and generally doing business with ZPMC for the wide range of companies that supply it.

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CARGO HANDLING

October 2016
Two still container cranes at the port of Klangnurta in Sri Lanka - as far as is known, the cranes are not being used and the terminal is now handling roll-on roll-off traffic.

Rico: That move was undertaken by US-based Industrial Crane & Service (ICS), which cut, lowered, moved and reassembled the cranes in San Juan, for Total Maritime. Before that, two older Kocke units were relocated to Tampa, Florida.

More recently, South Carolina Ports Authority has sold two cranes to DP World. Charleston is soon to take delivery of new ZPMC cranes, and made the opportunity to sell and relocate two older cranes to Saint John, New Brunswick, Canada, where DP World will take up a concession after Logistar’s lease expires on 1 December. It is not known what will happen to the two cranes currently at the terminal, which are owned by Logistar. The crane relocation work for DP World will be undertaken by ZPMC Crane Services, the US-based wholly owned ZPMC subsidiary.

Rotterdam to Vigo

In Spain, BigLift Shipping’s heavy lift ship Mيsner sax has completed the delivery of two post-Panamax STS container cranes to Vigo. Until last year, the Nelcon container cranes worked for many years at ECT Home Terminal in Rotterdam. They were sold by ECT to Aikaisa, part of Spain’s Davila Group, and will be operated at the Teramvi container terminal in Vigo.

ECT closed Home Terminal in the Waalhaven last year, and much of the equipment park has been sold off. These particular cranes have a total boom length of 86m and a rail span of 15.25m. Shipping them fully erect aboard Mيsner sax with the booms braced in their lowered position resulted in a port side overhang of 40m and a starboard side overhang of 18m. Each crane weighs around 800t, and the height to the top of the A-frame is more than 60m. The load planning, bracings and voyage planning across the Bay of Biscay were meticulously prepared by engineers of BigLift and Aluisi. The former Nelcon fabricated cranes in Rotterdam, and its output for leading customer ECT was never designed to be transported by sea. A total of 80t of steel bracings and lashings were fitted to enable them to withstand the pitching and rolling accelerations.

The two Huisman mast cranes aboard Mيsner sax, due to their 900t (each) capacity and high lift height, are well suited to cope with the STS cranes’ high centre of gravity, while the vessel’s stability enables loading and discharge operations to be achieved without the need for stabilisers.

In order to spread the forces on the vessel’s deck, load spreaders were positioned on the weather deck. After lifting the first container crane on board, it was skidded over pre-installed rail to its storage position adjacent. The second crane’s position then positioned the second container crane directly in its stowage position. Teramvi, also part of the Davila Group, has bought the cranes to improve the service it offers to feeder vessel operators. Much faster than its existing cranes, the Nelcon units can handle 74t on the ropes, and come with twin 20t spotters, while the existing cranes have an SWL of 40t, so cannot be used for twin 20 operations. Hence Teramvi can reasonably expect to virtually double its productivity when handling 20s.

In oldest crane will be retired once the new arrivals are fully operational - which is expected to take a month - and the terminal will thus have a complement of five STS gantry cranes. The cranes were inspected by Teramvi’s engineers prior to shipment from Rotterdam.

Galician gateway

Vigo’s neighbour, the Port of Martin, is also getting a used crane to compete for the local Galician traffic. Pier Torres Marítima, which operates the container terminal, has announced it is to acquire its first post-Panamax gantry crane, in response “to the growing size of container vessels now found on routes in Europe.”

In April, Martin persuaded Maersk Line to move from Teramvi, resulting in much existing container traffic moving to Martin, where costs are currently lower. Container traffic at Martin has risen by 46%, with 2,000 additional containers moved in July compared to the same month in 2015.

The crane, which will join two existing units at Martin, is being shipped from the Italian port of La Spezia and is due to arrive this month and become operational in November. It is not known how it will be shipped, but STS cranes sold in the past to northern Spain by Italian operators were shipped fully erect by tug and pontoon (Augustus/AMT).

Going plus size

The first of two gigantic new Portainer, dubbed “Malaccamax” by Pacifico España, is due to be put into service by APM Terminals Valencia (formerly Group TCB’s TCV operation) this month, following a series of trials. Both cranes will be deployed at the terminal’s Levante Quay with the second slated for delivery in February 2017.

The facility is one of many that are installing a new crane rail to support much larger cranes. In this case, a new landside rail has been installed, as the rail span is double that of current cranes’ existing 15m-span rail. The Portainer’s twin gripper boom has an outreach of 66m, which enables it to work a deck stow up to 25 rows across, while the lift height is 51m, so they are capable of working an 18,000 TEU vessel.

In classic Pacifico España mode, the cranes were fabricated in northern Spain and shipped in pieces to Valencia. Assembly of the cranes is taking place away from the quayside, so a corridor has to be cleared through the terminal to the berthing area where the crane will be mounted.

WorldCargo News has become aware of an error in our 2016 July STS container crane market survey and an omission from the equivalent survey in 2015.

For 2016, due to a simple back-counting error, we understated the number of STS cranes due for delivery, at the time of the survey in calendar year 2017. The correct figure was around the 240 mark, including: ZPMC, 177; Mitsui E&S, 26; and Grouper, 18. The balance for 2017 is from JFE Engineering, Koeko Kraner, Konecranes, Port of Civitavecchia, and Terex Port Solutions.

The corrected figure means that ZPMC’s share of 2017 bookings was around 74%, and over 95% as stated in July. While WorldCargo News makes every effort to contact all crane manufacturers, there are regular some that do not respond, or rejoin the market after a long period of absence.

WorldCargo News

Hanjin Heavy Industries in South Korea falls into the latter category, and it transpires that Hanjin last month delivered two cranes to the Port of Incheon in South Korea, in order that should have been recorded in the WorldCargo News 2015 market survey.

The cranes were built for US company in container Terminal (SNCT), which is instantly recognisable due to the distinctive pink colour it paints its operation. The new cranes are 800TEU units and seven units, and are delivered by port authority of Incheon, South Korea, with a $5m outreach for an 18,000-TEU vessel.

WorldCargo News

With a double box girders boom, the cranes weigh 983t and were delivered by barge. Unloading was completed in two days. As far as is known, these are the first cranes Han- jin Heavy Industries has built since it delivered several units to Gwangan in 2014.
The upcoming EU Stage V emissions limits will, for the first time, require diesel-powered NRMM in Europe to be fitted with DPFs – soot traps – because of the particle number count requirement similar to Euro VI. Certainly, this is a major change for the port industry, as a leading part of the off-road sector – up to now, only one OEM, Hyster, has fitted DPFs, and this was on its previous generation (Stage IIIb/Tier 4 Interim) heavy FLTs and reach stackers. Numerically and in terms of duty cycles, terminal tractors will be particularly affected by Stage V and the problems with which (some Euro IV and all Euro V and later) road truck operators are all too familiar. If ambient temperatures are very low and/or the run lengths are fairly short, with stop/start queuing and awaiting at container handover interfaces, the exhaust temperatures may not be high enough for automatic passive regeneration of the DPF to take place.

Compensation

Active regeneration is supposed to compensate for this, but it adds to fuel consumption and, even then, may not complete if run times are too short or ‘cold’, so the engines will need to be kept running after the shift has finished. In any event, DPFs need to be taken every five years for professional cleaning, so ready replacements need to be available. Port operators will have to live with the extra costs and hassle as long as they operate diesel plants.

Although there has been widespread floating of the law in the trucking industry due to lack of enforcement (much harder to get away with since annual tests were tightened), it is hard to envision many port operators dismantling after-treatment systems and wiping fault codes from the ECU. Their equipment is captive to a defined location and it is easy for regulations to impact it physically and monitor local air quality. It would also be impossible to ‘keep a secret’ among the work- shop and driver workforce.

Stage V comes into effect in 2019 so, in practice, OEMs have got just over two years left to get their equipment ready, and they are working hard on this, having in some cases just finished converting all their products to Stage IV.

A different path

Stage V is a logical next step, given prevailing poor air quality and, if one considers the large shift in RTGs to fully electric power, it seems incongruous that internal transport vehicles are still polluters. Meanwhile, however, the question is whether the complexities of Stage V will stimulate new interest in alternative, cleaner fuels.

The obvious alternative is natural gas. In the USA, Kalmar Ottawa, Capacity Trucks, TICO and Autocar all offer natural gas tractors as standard options, alongside their main diesel line-ups. Low LNG prices (shale gas) are one point, but, in addition, the customer base is much more diverse than it is in Europe, with trailer spotters for shipper and 3PL DCs accounting for a much larger part of overall demand than in Europe. Furthermore, the port industry is known for its conservatism.

Good results

After the EU-backed Greencranes trial in Valencia two years ago comparing a Terberg tractor equipped with a Euro V LNG truck engine and a Stage IV tractor, Nisatum Valencia confirmed that the LNG tractor performed as reliably and with the same performance.
As it targets key markets in the Americas, five new dealer groups and multiple authorised locations will have been added:

- Thermo King of Central California in Fresno, CA, with branch locations in Turlock, CA and Bakersfield, CA.
- Osmontix Fleet Services in Bedford Park, IL.
- NTICO Northland Industrial Truck Co in Willington, MA, with branch locations in Shrewsbury, MA, Middleton, MA, Leventon, ME, Concord, NH and Wallingford, CT.
- Kenworth of South Florida in Fort Lauderdale, FL, with branch locations in Riviera Beach and Fort Pierce.
- Madisa Caterpillar will serve the whole of Mexico from numerous locations.

But the new dealers will offer a full range of servicing, financing and rental options. Thermo King, in particular, is a high growth market as its automotive industry is expanding and growing fast.

Queen said auto production in Mexico is replicating that of the US and Canada, where the use of specialist sub-contractors requires considerable supply chain logistics involving trailer handling. Mexico, he added, is where the US was 15-20 years ago, with many trailers mired down by road traffic initially, before switching to specialist terminal tractors as volume grew. Thermo King already has machines in Mexico (including in the port sector), but, as Madisa has over 60 locations countrywide, the opportunity for TICO “is huge”, stressed Queen. Working with Thermo King is another good fit. Thermo King’s engineers are already calling on container parks to service equipment, and often this is where leasing and short-term rental opportunities are found.

There are over 13,000 ISO containers in the port sector, so the opportunity here is significant.

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tractors (known locally as haulers) have RH drives.

Features of the new Terberg machines include lumbar-supported seats for enhanced driver comfort, and various environmental measures. For example, the climate control automatically switches off when the door is opened, and the engine cuts out if the operator leaves the seat for more than five minutes. They are equipped with Mercedes OM906LA Stage IIIa engines, while the Mafi machines have Stage IIIa Cummins engines. TPT Kwazulu-Natal plans to commission 30 more haulers and 18 RTGs for Durban Pier 1 over the period 2017-19.

**T2 on the go**

Kalmar is enjoying some success with the Europeanised versions of its new T2 terminal tractor. This was launched in the UK last year following the successful roll-out of the Kalmar Ottawa T2 in the US in 2014. For the first time, Kalmar set up a dedicated tractor team in the UK last year following the successful roll-out of the Kalmar Ottawa T2 on the go. This was launched in 2014.

Kalmar is enjoying some success with Terberg machines. Kalmar introduced the brand name T2, to go with its Stacker ECH mast trucks (also built in Lentigione) and Liftace reach stackers.

If TPS is on schedule, the first of its new Terpinace tractors should be leaving Lentigione this month. “The transfer of all required documents and the required inventories from CVS Ferrari is completely on schedule,” said Cristiano Giacometto, site manager in Lentigione.

**Looking ahead to the takeover of Terex MHPS by Konecranes**

The plant could be exposed and terminal tractors could provide a new lifetime, as they are new not only to TPS but also to Konecranes.

**TPS has been quick to offer machines with Tier 4 Final and Stage IV engines**

TPS has been quick to offer machines with Tier 4 Final and Stage IV engines for the US and EU markets, respectively. Tier 3/Stage IIIa products are also available. The Terex 42xFY 230 is available with a fixed fifth wheel coupling, as well as an elevating fifth wheel, and engine outputs are up to 172 kW. The 4x4 Tramaco RLC 270 machine with elevating fifth wheel is aimed at ro-ro and heavy industrial operations. Engine output is up to 194 kW and maximum GCW is up to 150t.

**The Terex Port Solutions Transace YL 230 tractor is also available with a fixed fifth wheel**

The Terex Port Solutions Transace YL 230 tractor is also available with a fixed fifth wheel, as well as with elevating fifth wheel.
GAUSSIN AIV System and Docking Station
Automated Horizontal Transportation 3.0
Be Faster... Safer & Cleaner

GAUSSIN MANUGISTIQUE® is specialized in the audit of handling processes, and the development of wheeled handling systems used to install and transport heavy, bulky or fragile loads. With more than 50,000 vehicles worldwide, GAUSSIN MANUGISTIQUE® boasts a strong reputation in four markets with strong potential: Energy, Transportation, Environment and Raw Materials.
GAUSSIN MANUGISTIQUE® is listed on the Nyse Alternext since 16 June 2010; GAUSSIN shares are listed since 20 July 2012 on the E2 listing (public market) since obtaining AMF Visa n°12-360 on 17/07/12 for the Prospectus, available free of charge on www.gaussin.com.