Maritime challenges and new solution approach

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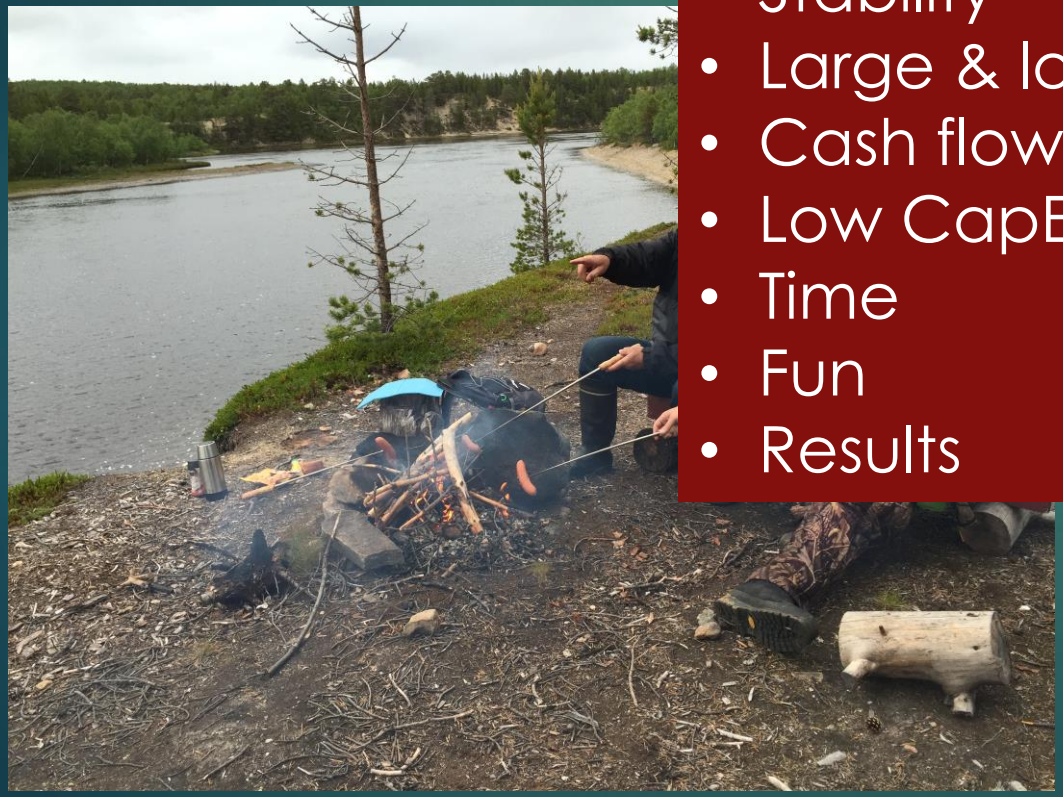
Maritime challenges and new solution approach

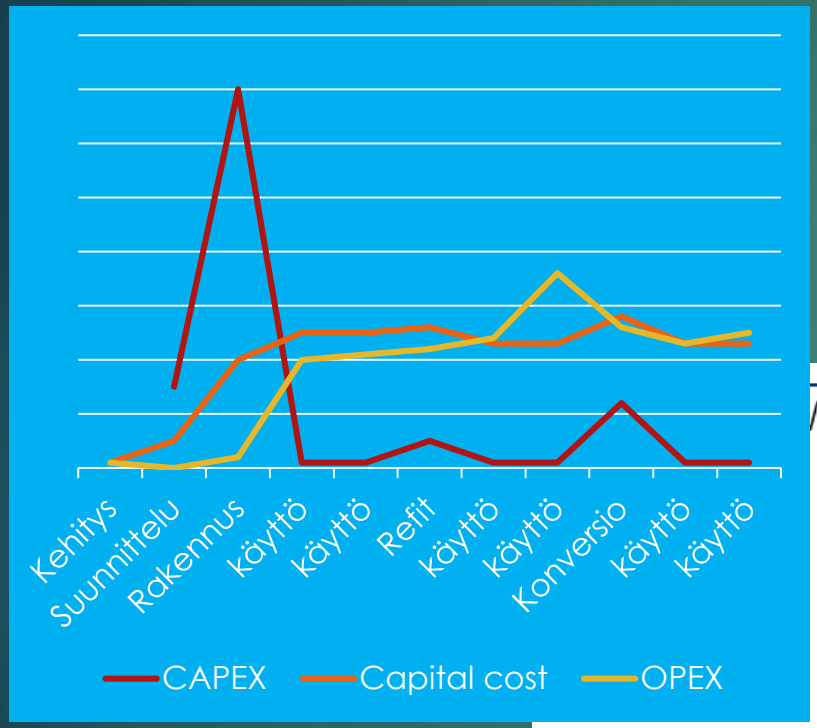
- How the development used to be facilitated
- View from Americas: generic challenges and opportunities
- Start-Up's as solution

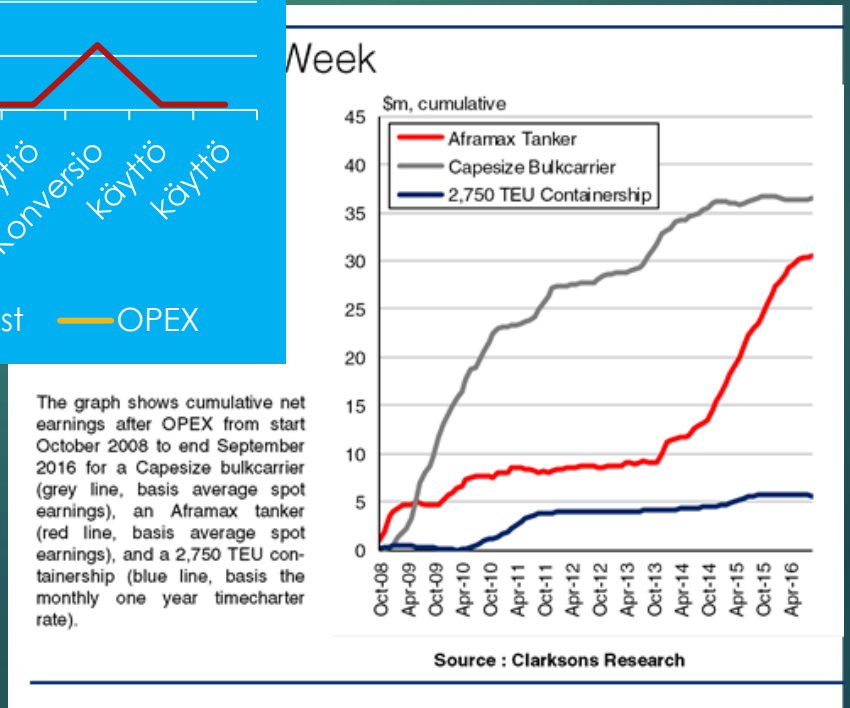
Development used to be facilitated with



- Corporations
- Stability
- Large & long term
- Cash flow & public finance
- Low CapEx treshold
- Time
- Fun
- Results

But should we push more to stay in competition?





Some American challenges and opportunities

Shipping customers are interested in the entire supply chain service performance, and may have different service requirements even within the same supply chain. For instance, one component for a manufacturer could be needed on a Kanban or just-in-time basis with little inventory, so that delays are not tolerated well; whereas another component may be easily and inexpensively stockpiled and may be purchased to obtain quantity discounts, with delivery speed and timing not an issue. Currently these service levels must be handled within individual contracts created throughout the supply chain, and there is no mechanism or standard carriers could use to consolidate and coordinate handling and movement procedures to obtain the specific desired performance. It is entirely an incentive based system of coordination (Aoki, 2007; Van der Horst and Van der Lugt, 2009), and since the coordination is at the individual contract level, fractionated even within one supply chain. Supply chain carriers cannot see how to aggregate classes of service of different supply chains to improve chances of satisfying the service criteria expected.

Disorganized onboard container storage from multiple alliance ships is often mentioned as a primary impediment to port efficiency at the port of discharge. However this is often created by efforts at the port of loading to avoid multiple "sorts" of cargo requiring dedicated terminal yard equipment that complicate their own handling efficiencies. A stow plan has to address operational constraints at both the loading and unloading points. So it is not clear that optimizing for the unloading terminal is optimal for the entire supply chain. It should not be seen as a solution for the service quality standards dilemma.

** Based on: Standardization and Differentiation of Container Shipping Alliances at US ports by Christopher B. Clott SUNY and Bruce C. Hartman, CSU, in IEMA 2016*

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carriers. According to Drewry Supply Chain Advisors, the service reliability average for May 2016 was 76.0% (Drewry, 2016). In an era of Six Sigma standards within industry at 99%, the carrier reliability at present is poor. The Global Shippers Forum, among others, has suggested a debate is needed on whether the current carrier alliances deliver real competition, or if shippers would be better served by fewer lines competing head-on (Dupin, 2015). This would most likely force ocean carriers to fill their own ships and make less frequent port calls. Ultimately it would result in infrequent service or divided carrier choice resulting in shipper negotiations with multiple carriers.

Another market-based solution proposal is an exchange that shippers and intermediaries could use to see the availability of slots on a vessel, akin to an airline booking site such as Expedia or Orbitz. A pilot effort, New York Shipping Exchange (NYSHEX), will be launched in January, 2016 offering a transparent market for vessel slot availability with prices and on time performance statistics for individual carriers. The market would come under the jurisdiction of the Federal Maritime Commission and all rates would be filed with the Commission. Supporters of the NYSHEX idea suggest that it would provide a source of data for transportation management systems and improve supply chain efficiency. Questions surround its viability

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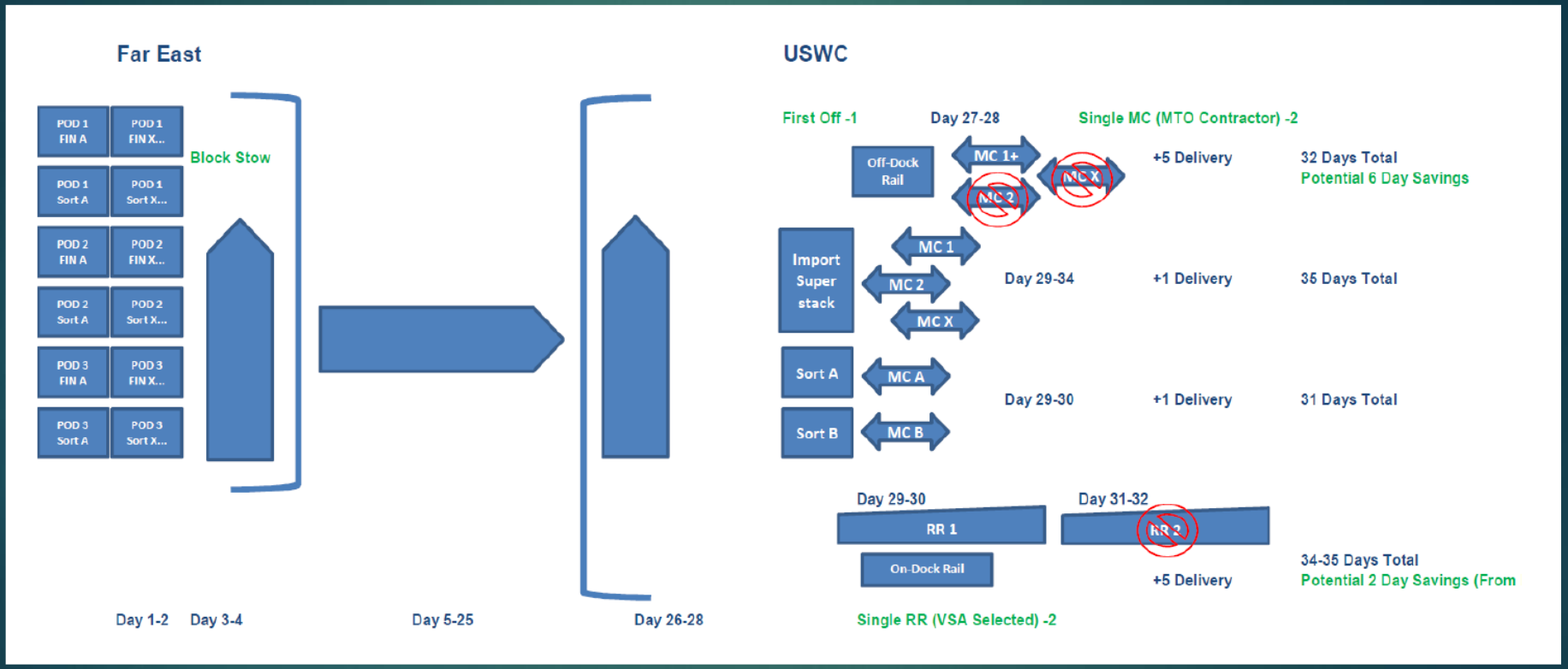

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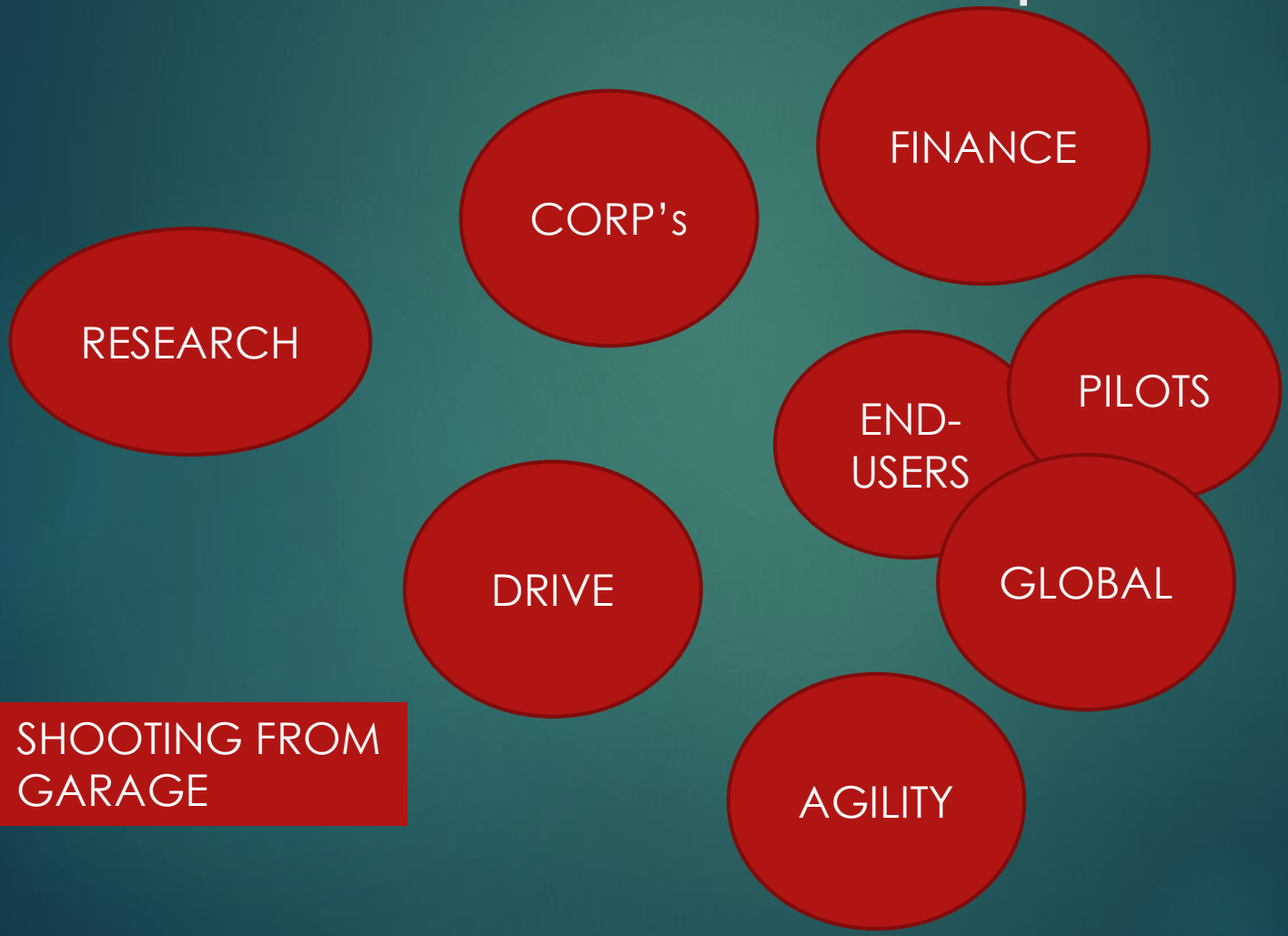
Maritime Start-up Ecosystem will boost the developmet



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