



ECASBA

**ECASBA Seminar**

**Lisbon, May 26th 2016**

## **Industry in the logistics chain : the Terminal operators' perspective**

**What are the current challenges : the example of container terminals**

**Why cooperation between industry actors is key ?**

**Two examples of cooperation:**

- Stowage plan project
- Weighing of containers





## Few words about FEPORT





FEPORT membership consists of large, multinational terminal operating companies and national associations from the individual European Union member states.

The organization's aim is to promote the interests of our members and to maintain constant dialogue with all EU institutional and non-institutional stakeholders.



A.B.A.S.



Danske Havnervirksomheder



Assologistica



# DIVERSITY OF OPERATIONS ON TERMINALS

A large diversity of terminal operators perform a variety of activities including container, dry and liquid bulk, general cargo, car carriers and ro-ro, heavy cargo, passengers.

FEPOR's members, over 1200 companies with over 400 terminals, in the majority of EU countries and Turkey, handled in 2014 more than 2.7 billion tons of cargo and more than 80 million TEU





# FIGURES

Number of Companies

**1200**



Contribution to the GDP

**68 billion EUR**

Investment  
(last 10 years)

**40 billion EUR**

(in equipment and infrastructure)



Indirect jobs

**1 050 000\***

Number of employees

**220 000**



Average throughput  
**80 million TEU**

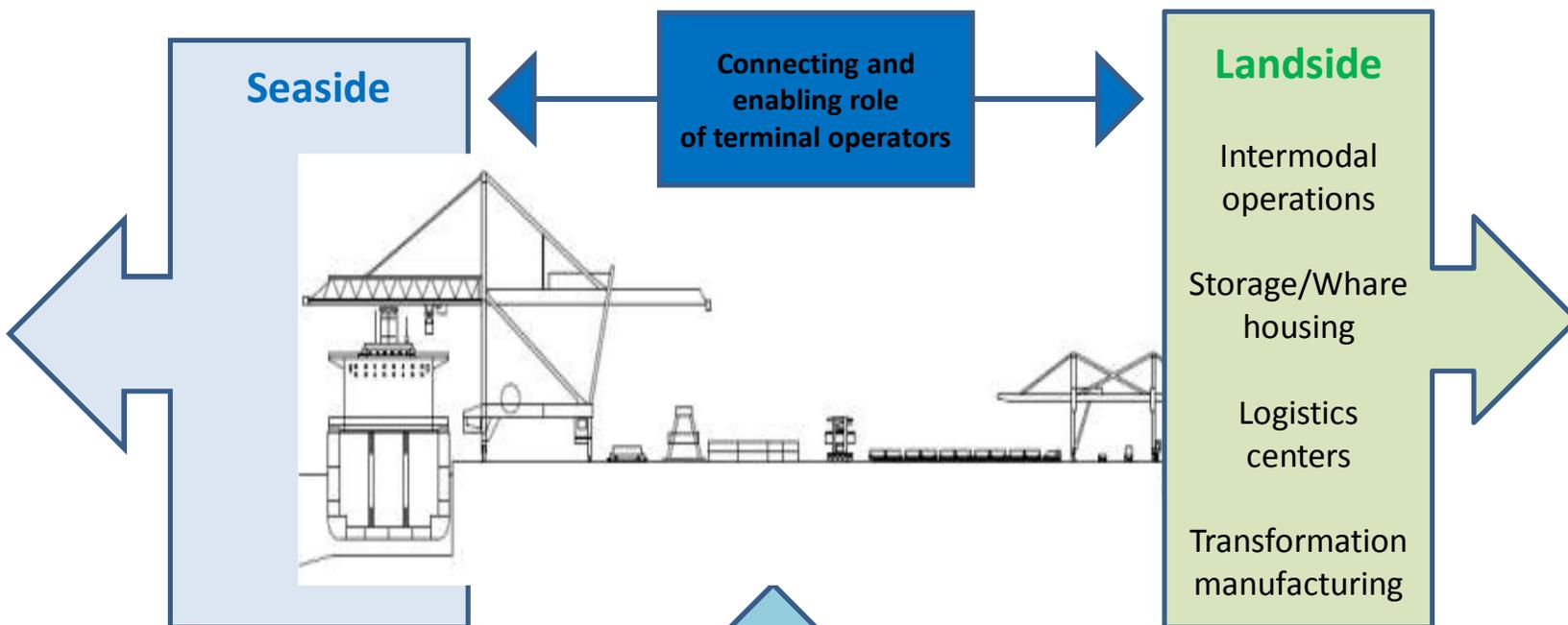
**2.7 billion tons\*\***

Figures representing the minimum and are based on information from Members who provided the data

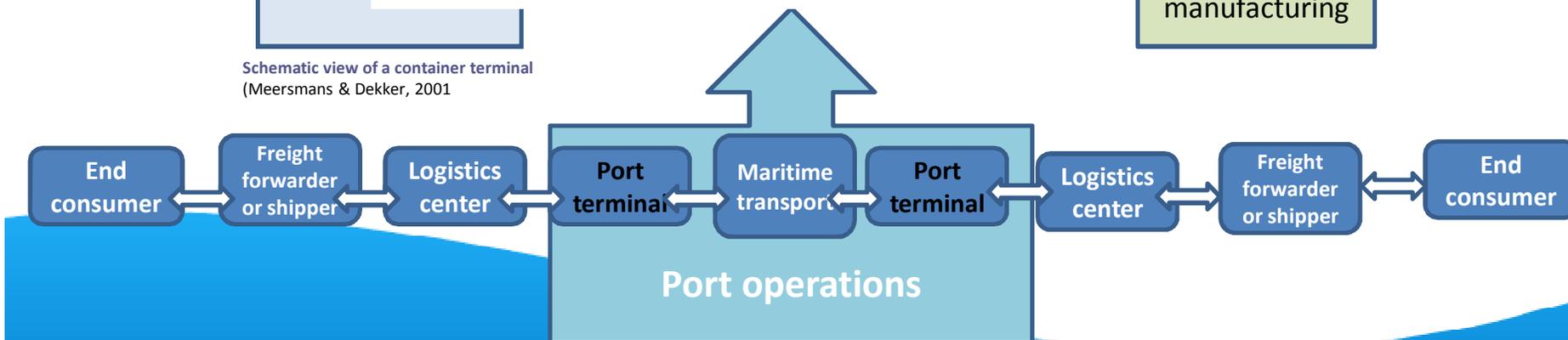
\* 1 000 000 tons of throughput creates 300 indirect jobs - OECD Report 2013

\*\* non-containerized cargo

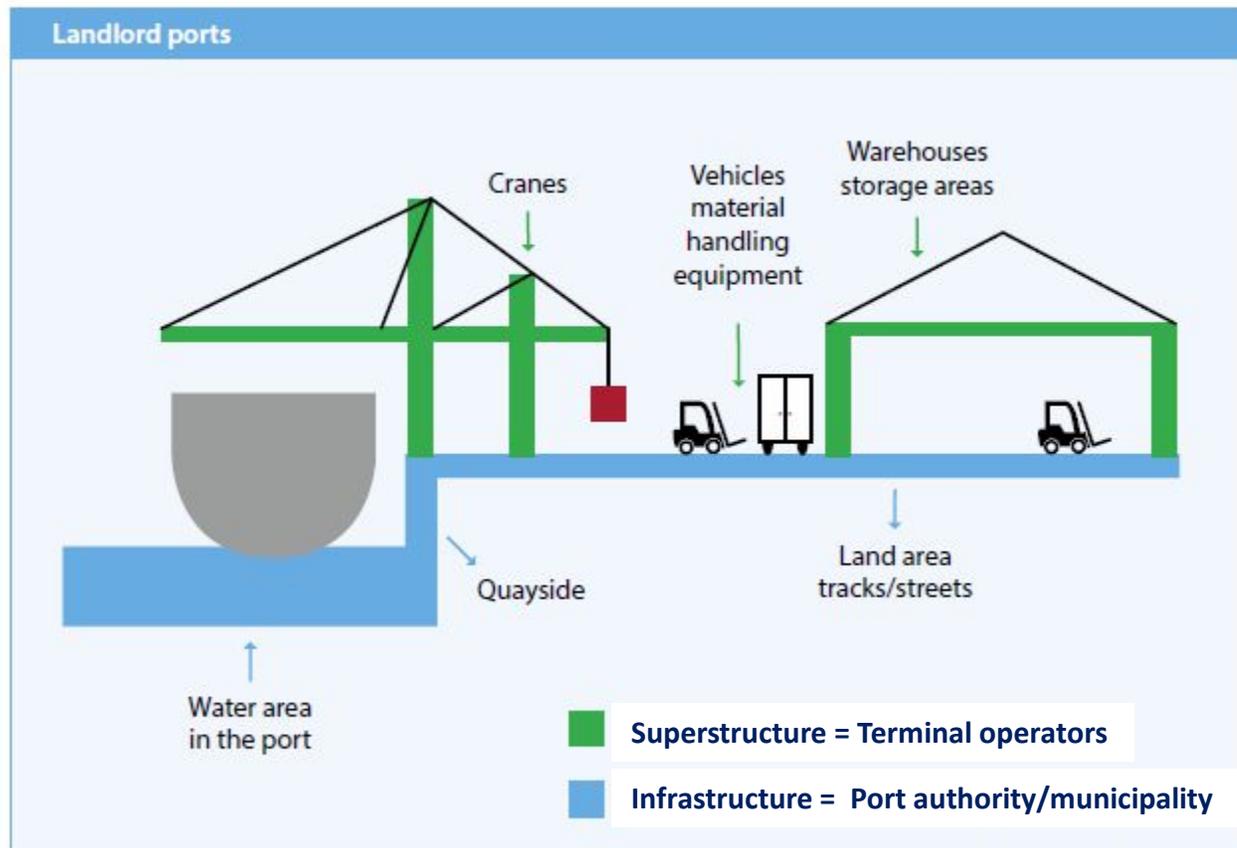
# Interdependence of the actors of the maritime logistics chain



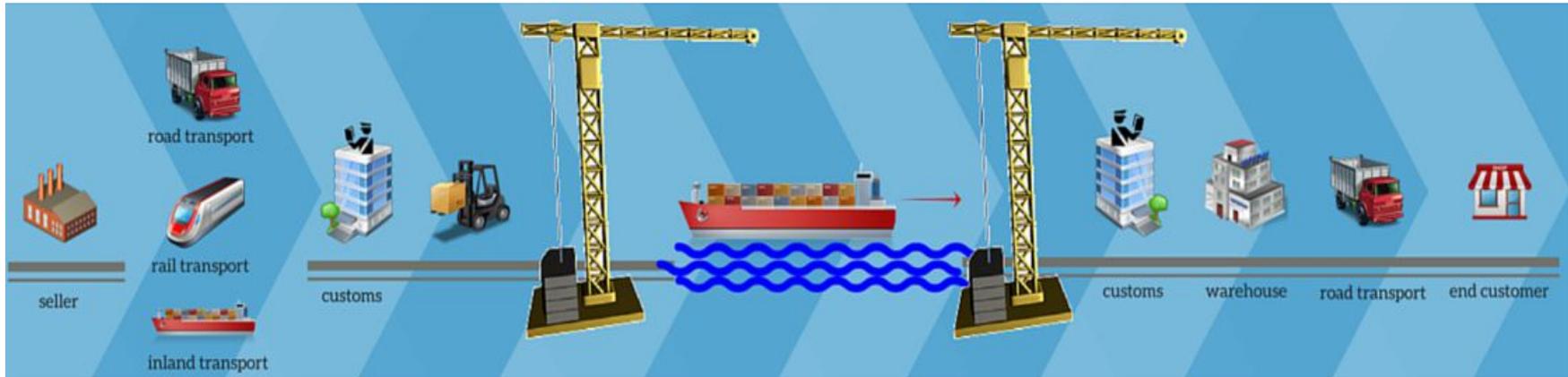
Schematic view of a container terminal (Meersmans & Dekker, 2001)



## Terminal Operators are constantly investing



**Private or industrial companies rent the infrastructure and invest in own superstructure including buildings (offices, sheds, warehouses, cranes, straddle carriers...etc)**

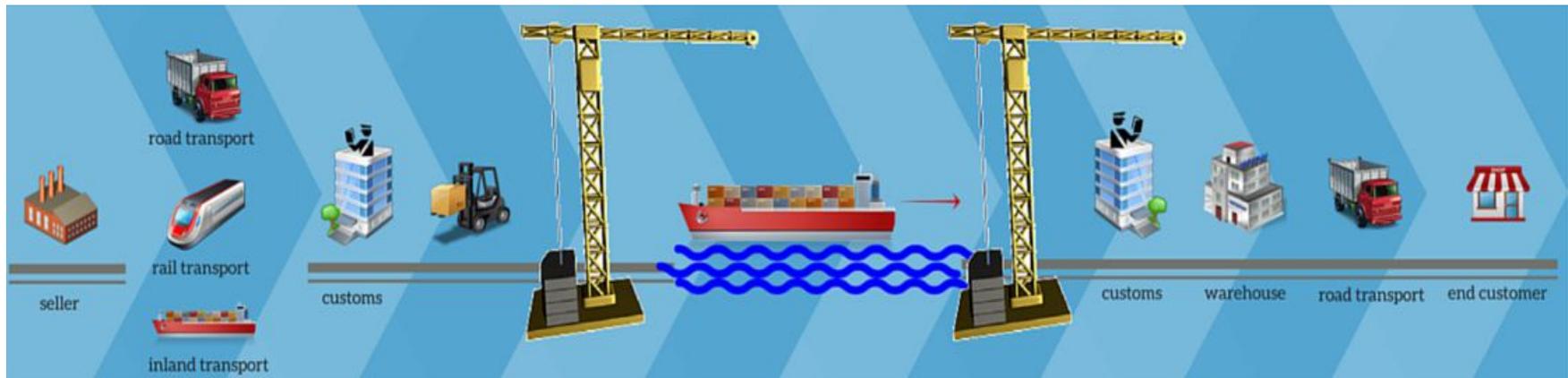


**What would happen if ?**

**Ships do not sail anymore  
Agents focus only on the seaside  
Cargo is not any more shipped on ships  
Cargo is not loaded/unloaded from ships  
Trucks, trains, barges disappear**

.....

## Actors of the maritime logistics chain are interdependent



**“Domino effect”**

## Snapshot about the situation in container terminals

Ports and terminals are facing unprecedented challenges as a result of two inter-related factors:

- the deployment of ever larger container ships as carriers seek economies of scale
- the resultant formation of ever larger carrier alliances in order to fill these ships.

Bigger ships require from ports and terminals to adapt in terms of :

- deeper water draught
- larger cranes and longer berths
- box exchanges per vessel call are also larger and put more peaking pressure on terminals
- Alliances and bigger ships are not confined to ports on the Asia-Europe route

The cascading effect of vessels being displaced onto other routes means that all ports are seeing significant ship size increases on feeder and transshipment ports.

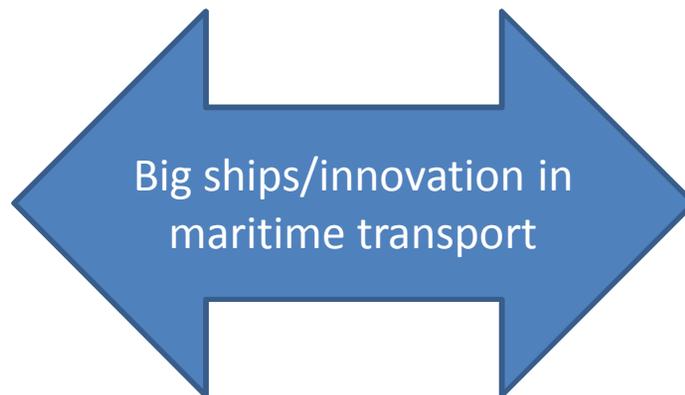


# Interdependence of the actors of the maritime logistics chain



“Domino effect”

**Port terminal**  
 Innovation, more productivity,  
 Investment,  
 reorganisation  
 (peak and low activity), change management....



**Port terminal**  
 Innovation, more productivity,  
 Investment,  
 reorganisation  
 (peak and low activity), change management....



## Industry in the logistics chain : the Terminal operators' perspective

**Why cooperation between industry actors is key ?**

**Two examples of cooperation:**

- Stowage plan project
- Weighing of containers

## Shipping Lines and Their Customers Need to Cooperate with Terminal Operators



*This figure describes what shipping lines and terminals need from each other in order to achieve the mentioned operational goals*



## Shipping Lines and Their Customers Need to Cooperate with Terminal Operators

### **Example of cooperation :**

#### **Stowage and vessel planning processes**

Shipping lines focus is to have a reliable productivity and berthing window compliance.

From a terminal perspective the focus is on what the carrier can do to help the terminal to deliver the requested productivity.

The whole planning process needs to be managed in a different way in order to respond to the requirements of shipping line alliances and the increasing pressure on operational performance, especially with the onslaught of mega-vessels.





## Shipping Lines and Their Customers Need to Cooperate with Terminal Operators

### **An example of cooperation about stowage plans :**

Numerous container terminal operators and shipping lines have signed on to pilot test new stowage and collaboration platform XVELA following the first participant Hapag-Lloyd.

Hamburger Hafen und Logistik AG (HHLA), PSA International, DP World, Maersk Line, Orient Overseas Container Line (OOCL) and Nippon Yusen Kabushiki Kaisha (NYK Line) are among the companies to have committed to the test so far.

## Another challenge for logistics chains : SOLAS weighing of containers

### Role of Terminal Operators

Under the SOLAS Convention, **no container can be loaded upon a vessel if the container exceeds the maximum permitted gross mass allowed or if the VGM has not been communicated.** If the terminal operator in question has not received a VGM from the carrier, he will not be in a position to load a container. The communication of the VGM by the carrier to the terminal operator is an essential pre-requisite for the loading of a container.





## Another challenge for logistics chains : SOLAS weighing of containers

### Terminal Operators views on implementation of SOLAS Convention on Weighing of Containers

#### Chain of Communication

**The VGM, and any other relevant information, shall always be communicated shipper-carrier-terminal operator, unless otherwise agreed. The shipper remains responsible for communicating via the standard chain of communication.**

The VGM should be communicated by the shipper, and, subsequently, the carrier, at the earliest possible opportunity. If no VGM has been communicated, the terminal has the right to refuse the container unless a contractual agreement has been concluded.

#### Confirmation of VGM

The carrier and terminal operator are not responsible for ensuring the accuracy of the VGM provided by the shipper. At the time a packed container is delivered to a port terminal facility, the terminal representative should have been informed by the carrier whether the shipper has provided the VGM of the packed container and what that gross mass is.

**The carrier and terminal operator can trust the VGM declared by the shipper to be accurate.**



## Another challenge for logistics chains : SOLAS weighing of containers

### Terminal Operators views on implementation of SOLAS Convention on Weighing of Containers

#### Accepted Weight for Controlling Proceedings of National Authorities

It is important that national authorities communicate the accepted tolerance level for their controlling proceedings of a declared VGM (for example; 5% or an acceptable variation from the declared VGM) in advance of 01 July 2016.

In the event of Member States feeling a tolerance level is required (for instance; 5%), FEPORT would welcome a European Commission communication or guidelines so as to ensure a harmonized approach that avoids distortion to competition.

**Supply chain actors, national authorities and, if applicable, the European Commission, should work towards an agreement that allows for the logistics chain to function undisturbed as of 01 July 2016.**



## What is a Sectoral Social Dialogue Committee (SSDC)



*“The SSDCs act as a forum for consultation on the drafting of European Union (EU) legislation and policies on employment and social affairs. The committees also constitute an independent framework for social dialogue between the European social partners, particularly for carrying out joint actions and negotiations.” – [Europa.eu](http://Europa.eu)*

*“The representativeness requirement will vary depending on the nature of activities. For example, it will be stricter in the case of a negotiated agreement than for simple consultation.” – [Europa.eu](http://Europa.eu)*

### Four Social Partners



FEPORT



ESPO – European Seaports  
Organisaiton



ETF- European Transport  
Workers Federation



IDC – International  
Dockworkers Council

### Representativeness of Associations (Employees)

**The European Transport Workers’ Federation (ETF)**, which originated as an independent European organisation, but which became in 1999 a regional division of the long-established International Transport Workers’ Federation (ITF).

**The International Dockers Council (IDC)**, which was born out of the labour dispute in Liverpool at the end of the 1990s and with a stronghold in Mediterranean ports (CGT is a member of IDC).



- Social Dialogue will respect national, regional and company agreements and systems
- No mandate for Commission interference in scope of social dialogue, agenda's, etc.
- Training and Qualifications, Health and Safety and Gender Issues priority issue to be handed – innovation being introduced

### Training and Qualifications

Possible creation of European guidelines for the establishment of training requirements – Ensure greater flexibility and performance standards

### Health and Safety

Establish existing national health and safety requirements – Work to ensure proper enforcement where high standards exist – Where standards don't exist, raise good practice

### Gender Issues

Work to ensure there are no discriminatory recruitment practices in place in European ports

### Technological Innovation

Assist and set up the basis for a constructive dialogue between employers and employees to meet the challenges resulting from technological innovation and market evolution



**Cooperation as a key success factor for efficient and competitive logistics chains**

**Between institutional and non institutional stakeholders**

**Between industry players**

**All actors of the logistics chain**

**And**

**Commission, Parliament and Member States**





**Thank you for your attention**