

An aerial photograph of a large container ship, the ONE COMFORT, docked at a port. The ship is red and white, with the word 'ONE' visible on its side. It is surrounded by numerous colorful shipping containers. In the background, a large mountain, likely Mount Fuji, is visible under a twilight sky. The port area is illuminated with lights, and a small tugboat is visible in the water near the ship.

Competitiveness of containerized transport

**ONE
OCEAN NETWORK EXPRESS**
Presenting at
Lloyd's List Consulting
Executive Meeting

January 2019

Speaker



Yngve Johansson

Director Ocean Network Express
Scandinavia since April 1st 2018

Celebrating 25 years in container
shipping

Previously MD for
NYK Line Scandinavia 6 years and
CMA CGM Scandinavia 3 years

Company Info

Trade Name

OCEAN NETWORK EXPRESS PTE. LTD.

CEO

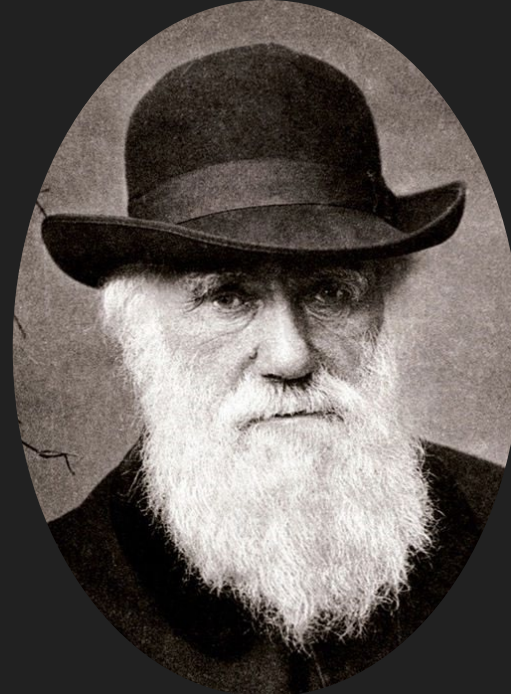
Jeremy Nixon

Business Domain

**Container Shipping Businesses (Including
worldwide terminal operation except for
Japan)**

Shareholders/ Contribution Ratio	• Kawasaki Kisen Kaisha : 31% • Mitsui O.S.K. Lines : 31% • Nippon Yusen Kabushiki Kaisha : 38%
Amount of Contribution	USD\$ 3 Billion
Business Domain	Container Shipping Business (including terminal operating business excluding Japan)
Fleet Size	Approx. 1.5 Million TEU*, 6th in the market with approx. 7% of global share

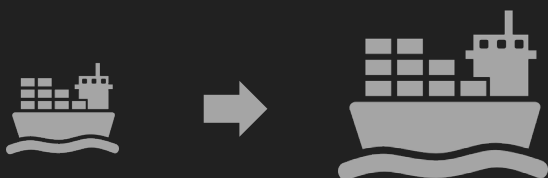
“It is not the strongest of the species that survives, not the most intelligent that survives. It is the one that is the most adaptable to change”



– Charles Darwin,
The Origin of Species.

History of Shipping Industry Achievement

Pursuit of Scales



- Big size ship deployment
- Consolidation by M&A
- Restructuring of alliances

Cost Cutting



- Bunker saving
 - Super Slow Steaming
- Procurement optimization

Key Drivers for change

- Consolidation
- Technology advances
- Environmental policies
- Trade war
- Tariffs

Consolidation - Strategies

Competitor Strategy

Mega Carrier

“cost leadership”

>2 Million TEUS

Niche Carrier

“local hero”

<1 Million TEUS

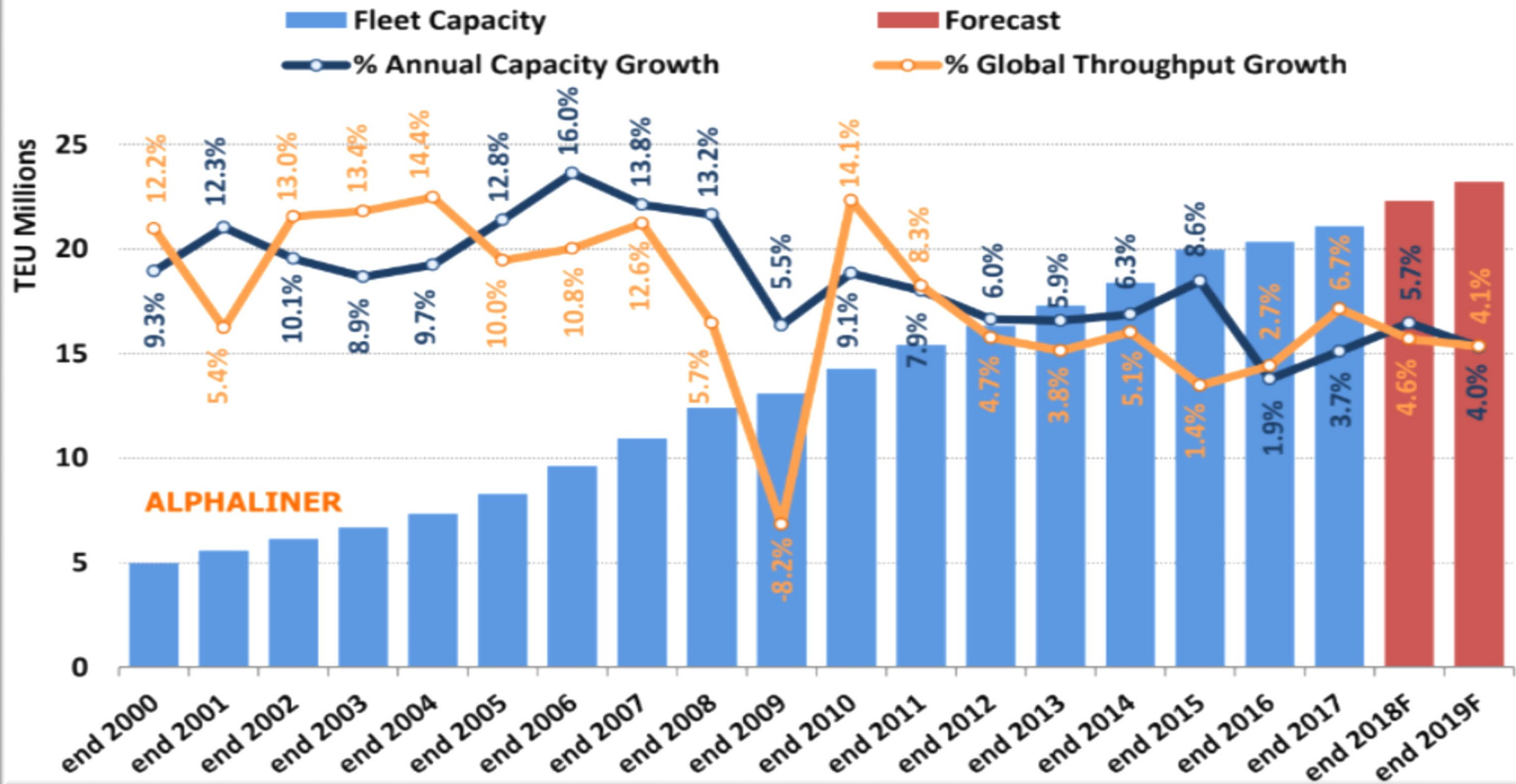
Hybrid Carrier

“differentiated strategy”

1-2 Million TEUS

Consolidation – Supply & Demand changes

Cellular Fleet Growth vs Global Throughput



Consolidation

Rotterdam port – Congestion hotspots



Source map: © Port of Rotterdam Authority



The UK Port Congestion Is Getting Worse
felixstowedocker.blogspot.com

Terminal capacity
Truck/Labour capacity
Rail/road capacity

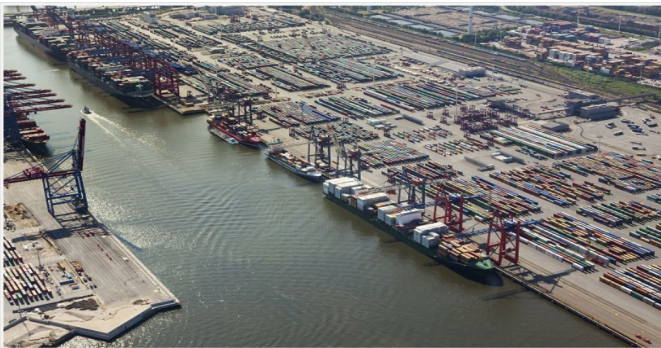


Fleet capacity

Low water highlights need for Hamburg port deepening

Greg Knowler, Senior Europe Editor | Nov 16, 2018 9:41AM EST

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Container lines are deploying ever-larger vessels on the Asia-Europe trade, a trend that has seen the port of Hamburg this year handle almost 90 more calls by ships with capacity of 18,000 TEU to 20,000 TEU and above. (Above - Hamburg port.) Photo credit: Shutterstock.com.

Germany has never seen so many traffic jams

Number of reported traffic jams on the German autobahn network

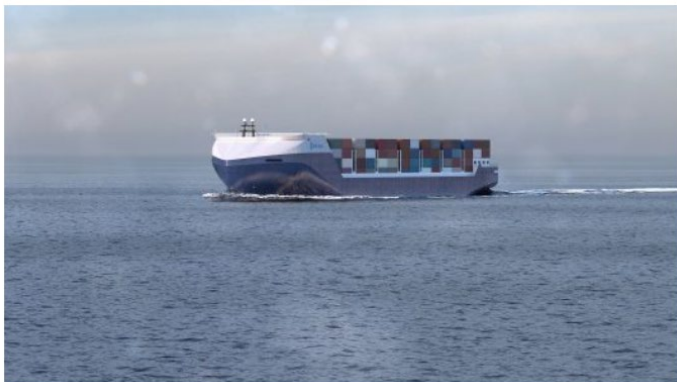


@StatistaCharts Source: ADAC

statista

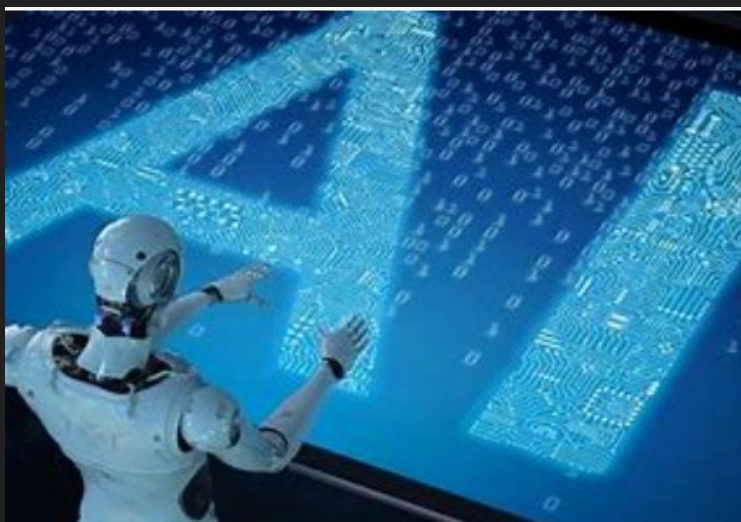
Technology advances

IMO MSC Identifies 4 Degrees of Ship Automation



The IMO's Maritime Safety Committee approved the framework and methodology for the regulatory scoping exercise on Maritime Autonomous Surface Ships (MASS) during its 100th session held on December 3-7, 2018.

A MASS has been defined as a ship which, to a varying degree, can operate independently of human interaction.



BLOCKCHAIN



Home / Sector / Tech

Toyota invests in autonomous shipping

DECEMBER 18TH, 2018

SAM CHAMBERS

AMERICAS, ASIA, TECH

0 COMMENTS

Japan's largest car manufacturer has put money towards developing autonomous ships.

Technology advances

Market Demands

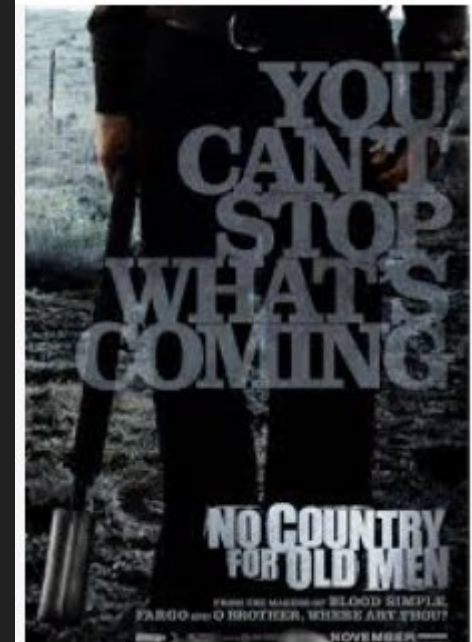


- Peer-to-Peer (P2P) Logistics is becoming more important (Nimber & Grabr)
- More visibility and accuracy in Supply Chain
- Intelligent customers (eg: price, service comparison)

More Competition



- Aggressive E-Marketplace competition means that more companies are attempting their own logistics operations
- New entrants with digital capabilities (eg: e-forwarder)

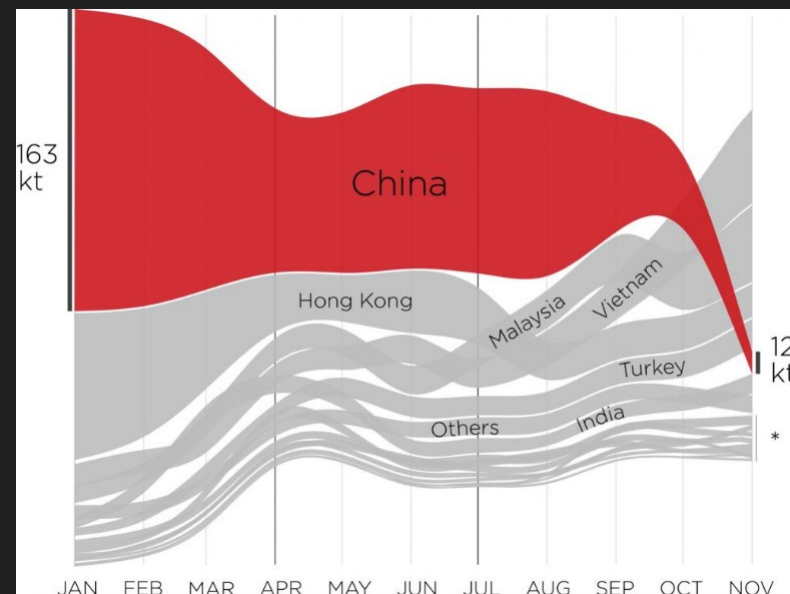


Environment policies

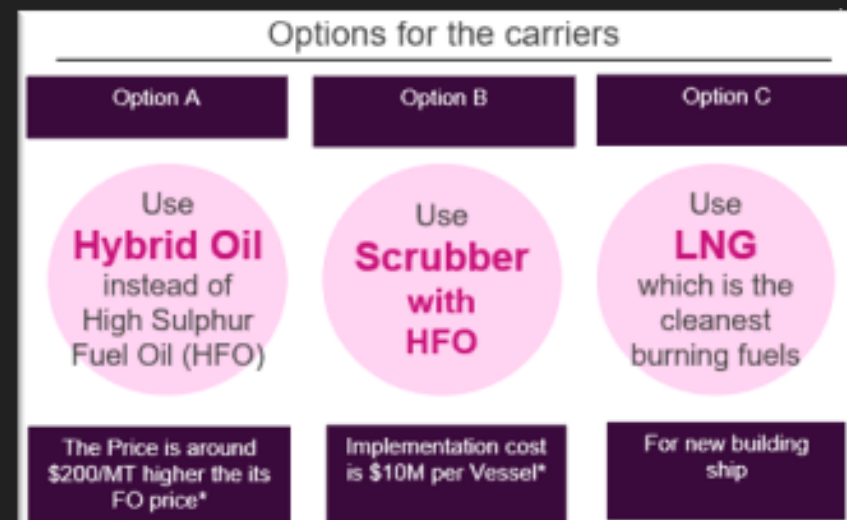


”Blue Sky 2018”

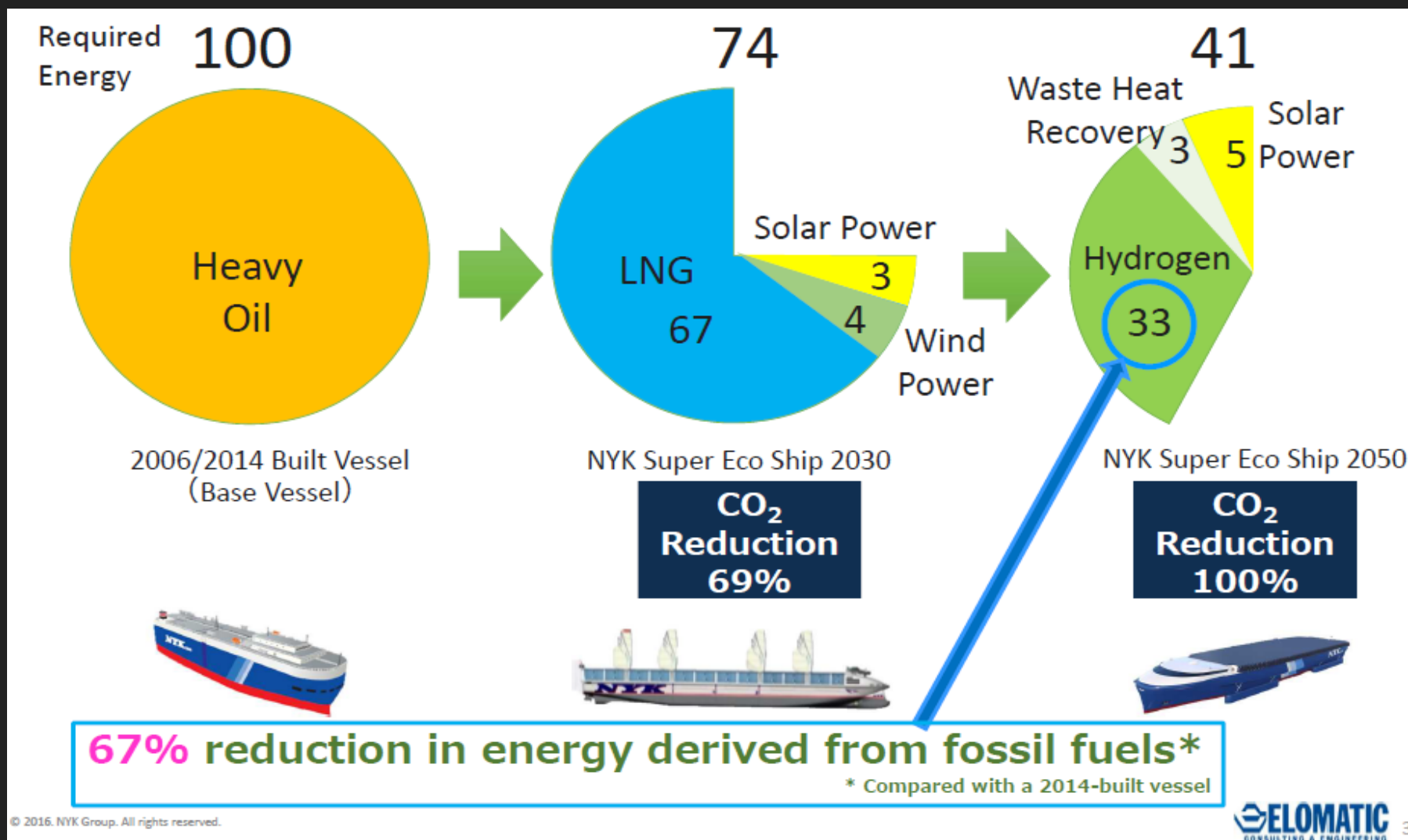
”Made in China 2025”



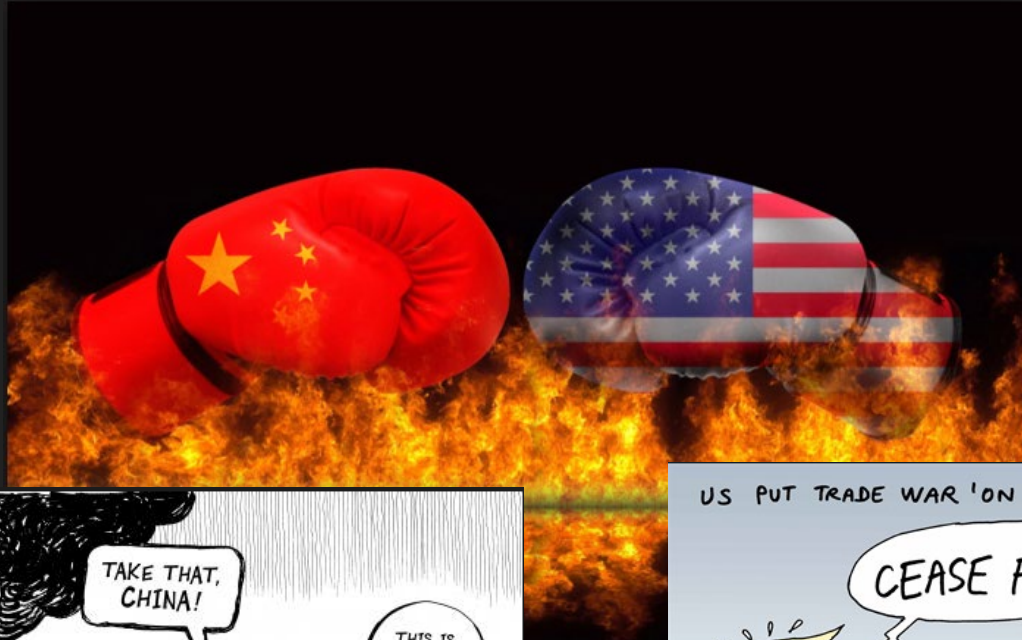
IMO 2020



- How to pass on cost? If S&D not in balance – very difficult for carriers!



Trade war – Changing Global Trade patterns



Tariffs



Summary

What carriers needs to do to be competitive

- Control the supply
- Recover cost - revisit the customer offering
- Improve vessel operation (fuel, speed, engine data etc)
- Improve landside operation efficiency through EDI
- Increase use of RPA for simple repetitive tasks
- Increase AI development efforts (chatbot etc) to amplify the customer experience. Increase digital competence.
- Re-imagine the communication and collaboration through Blockchain technology

**OPERATION
EFFICIENCY**

**CUSTOMER
CONNECTIVITY**

AUTOMIZATION

**FIND TRENDS
FROM DATA**

**MAXIMIZE
POWER OF DATA**

=> **Goal to provide the overall best service to our customer**

“Big enough to survive – small enough to care!”

ONE motto by Jeremy Nixon

Big enough to survive – agile enough to realize
change and prosper from it!



THANK YOU!