

DO MEGA VESSELS BENEFIT SHIPPERS OR ONLY THE SHIPPING LINES?

Birmingham NEC, UK, Thursday 12th May 2016 - The introduction of mega vessels might be good business for the shipping lines but they are not necessarily beneficial for shippers, according to Chris Welsh, Director of Global & European Policy, Freight Transport Association (FTA).

“The mega vessels reduce unit costs for shipping lines but overall supply chain costs are increasing.”

He was speaking at the FTA session at Multimodal 2016 examining ‘The impact of mega shipping vessels and maritime alliances’.

Welsh said the introduction of the mega ships was a “from the hip” reaction to the world financial crisis without the shipping lines thinking through all the implications for the other stakeholders, including shippers, forwarders, hauliers and ports.

Amdi Krogh, Head of North European Liner Operations for Maersk Line, said that the mega ships had helped increase efficiency and drive down costs for shippers but agreed that “we need to have dialogue with the entire supply chain”.

Cameron Thorpe, Chief Executive, DP World London Gateway, said the benefit of mega ships is not realised unless the loading and unloading of containers is also more efficient.

“Many ports have cranes that are wide enough, but not high enough to handle the largest ships.”

Patrick Walters, Group Commercial Director, Peel Ports, said it was a valid question to ask “if carriers have lost sight of the end user”.

He explained that most shippers are part of a very fragmented cargo base so have to rely on forwarders and that “this morass of forwarding companies means visibility is totally obscured”.

The whole concept of shipping close to the origin or destination of the cargo – reducing costs and carbon footprint - was being lost as the mega vessels can discharge at only a handful of ports.

Welsh said the issue of transshipment was also a concern for many shippers as it increased the possibility of damaged or lost containers, as well as adding three to seven days to the delivery time.

Krogh said that Maersk had 600 vessels and only 20 were considered mega vessels as it understood very well that different trades needed different vessels.

“But we operate in a very low margin business whether we like it or not, so lower costs through mega vessels helps facilitate world trade.”

ENDS

Picture caption, for a high resolution image, contact Emma at emma@meantime.global

Pictured left to right Gavin van Marle, Editor, The Loadstar, Cameron Thorpe, Chief Executive Officer, DP World London Gateway, Chris Welsh, Director of Global & European Policy, FTA, Amdi Krogh, Head of North European Liner Operations, Maersk Group, Patrick Walters, Group Commercial Director, Peel Ports Ltd.





ABOUT MULTIMODAL

Multimodal 2016 is free-to-attend and is set to break records, with over 325 exhibitors and up to 10,000 supply chain decision makers expected.

Seventy-two expert speakers will be leading over 21 workshop and panel debates covering industry trends and latest legislation.

Multimodal is the UK and Ireland's leading freight transport and logistics exhibition, which also features a series of topical seminars and master classes, and hosts a Shippers' Village, giving freight buyers a private space to meet logistics suppliers.

Multimodal 2015 was the biggest in the show's history, with over 290 exhibitors and a record-breaking attendance of over 8500 supply chain executives.

Multimodal 2016 is taking place from 10th to 12th May 2016 at the Birmingham NEC.

Visit multimodal.org.uk

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