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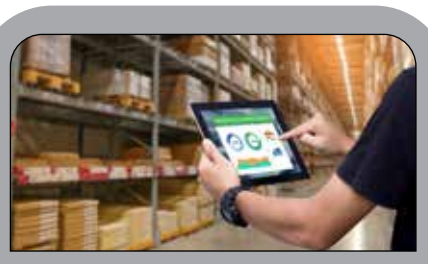

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Staff shortages and unrealistic expectations take their toll

Box lines bemoan new US rules

Lines try to shift blame to forwarders for high freight rates

SHIPPING lines have reacted badly to the US decision to pass the Ocean Shipping Reform Act, saying that it will not fix congestion – and have dubiously claimed that forwarders are at least partially to blame for high freight rates.

The Act was created to help exporters who have struggled as carriers left goods on the docks, instead returning empty containers to Asia to maximise income.

The bill includes various provisions, which prohibit lines from "retaliating" or "discriminating" against shippers who have used another line or complained; requires the FMC to publish any findings of false certifications and all penalties; requires lines to keep to minimum service standards; directs the FMC to set out rules on "unjust and unreasonable" demurrage and detention fees; and authorises the FMC to investigate fees and charges.

But World Shipping Council chief executive John Butler said that the bill "is not designed to fix the end-to-end supply chain congestion that the world is experiencing, and it will not and cannot fix that congestion".

He claimed the ocean carriers had responded positively to a call for collaboration to end the congestion in US supply chains and added: "Ocean carriers are also working where possible to operate dedicated empty container evacuation ships."

> The Act was created to help exporters who have struggled

He said ocean carriers had "deployed every available ship" to help with the surge in demand but said the major bottlenecks were inland, rather than caused by shipping lines.

He also told a Senate Committee hearing that high rates were "completely unprecedented" – but that long-term contracts had not gone up as much. And then he attempted to shift some blame to forwarders.

"The other piece with respect to pricing, the ocean carriers operating ships are not the only actors in the market. There are far more middlemen … they buy space from our members then resell it. So that part of the market has also driven some of these price increases."

Shippers however were delighted with the Act. The Agriculture Transportation Coalition said the crisis had become "increasingly dire".

"The Act's provisions addressing unreasonable ocean carrier practices, which are stymying US export competitiveness, are essential." The National Retail Federation added that "these improvements could not come at a more critical time, as the amplification from the pandemic has been severe".

New Brexit deadline looms, warns Espace Europe

"JANUARY 2022 is when we believe we could see the real Brexit port queues," notes Geoff Yates, head of commercial development at Espace Europe. With a soft GB border extended from an original six-month term to include the whole of 2021, many hauliers and GB importers have not yet felt the effects of having to raise import declarations in a timely manner. This will come to an abrupt stop on 31st December 2021.

There are two new main elements which EU hauliers should be discussing with their customers right now. Firstly, all GB import consignments will require a GB import declaration of some sort. With the widespread use of EIDR during this first post-Brexit year this has not been the case until now. Import declarations can take the form of a full frontier declaration or simplified frontier declaration, or indeed the GB trader can elect to continue to use EIDR. Yates heeds caution over the use of EIDR however.

"Throughout 2021, using EIDR, GB traders have enjoyed a grace period of up to 175 days to ensure their import declarations are completed. This will no longer be the case in 2022. All import declarations for traders continuing with EIDR must be completed by the fourth working day of the following month. We have seen significant difficulties during this last year for traders to produce the required data within a month of import, we see the fourth working day deadline to have completed declarations unworkable in many cases."

For frontier declarations both export and import entry numbers will be required a minimum of four hours before the vehicle arrives at the EU port of exit. This in itself could cause havoc for thousands of movements within a short distance to the EU port of exit.

The second element, and perhaps the least understood, is GB's new Goods Vehicle Movement Service or GVMS. This will be implemented across all RO-RO ports and will affect Dover in particular. It is similar to the French envelope system. For an EU – GB shipment for example, an EU export declaration and a GB import declaration number will be required to be lodged along with truck numbers and crossing routes. The entry into the GVMS will produce a Goods Movement Reference (GMR) which will be required by the driver at the point of entry into the port of departure.

GEOFF YATES
Espace Europe

"The GVMS system has been used for movements from GB to Northern Ireland since January 2021 and works well. The industry seems happy with its function, but there are issues," says Yates. "EU hauliers coming to GB will be required to have a GB EORI number, a log-in to the GB Government Gateway and permission to use the GVMS. Firstly, hauliers need to be aware they must register and secondly, they need to know how to do it. Whilst many EU hauliers are staffed with gifted linguists it's not necessarily an easy task in a second language."

As part of its ongoing Brexit preparations, Espace Europe has been helping its long-standing hauliers through the application process. "It's all been about education for us," explains Yates. "It's important that our customers in the EU and GB know what they need to be doing to ensure an easy flow of goods, and we've spent a lot of time over the past two years doing just that. We feel we were there for them in their hour of need. It's equally important that the guys bringing the goods over the borders are supported in their hour of need too. As a freight forwarder, without outsourced suppliers we have no freight services. We've had relationships with some hauliers for 21 years now, why wouldn't we help them to prepare?"

Air freight rates expected to stay high as PPE comes back

AIR freight rates are expected to stay elevated through the first quarter of 2022, while forwarders are also predicting a shortage of capacity, particularly out of China.

The market is currently swamped with Covid tests going to Europe from Asia, which has triggered yet another rise in rates, according to one Shanghai-based forwarder.

"There is huge demand from Europe to get finished goods from factories. It's like what happened early last year for PPE, with all buyers needing to fight to get the goods released in the quickest way. Factories have full orderbooks for the next couple of months, so it doesn't sound like the peak time will soften soon."

He also noted a loss of capacity, with fewer charters.

"The majority of charters now are passenger freighters - there are very few pure freighters.

"Overall, we do not expect capacity to be increased or improved in the near future – it remains a big issue."

He added that as part stricter safety requirements, from January 1, the Chinese aviation authority will ban general cargo from passenger cabins, although PPE can still be shipped that way.

"It's even for aircraft which have had the seats removed. It will be very strict and would certainly reduce further capacity."

Analysts added that the new Covid variant is likely also to keep air freight rates high, with less belly capacity, while labour shortages and lockdowns could also restrict flows.

"These factors should support persistently elevated air freight rates in our view, and any shippers looking for relief in the seasonal first quarter freight lull may not find it – at least to the extent they expect," noted Bruce Chan, director, global logistics, at Stifel.

"Capacity seems to be getting tighter, rather than looser," he added.

Focus ON

Tech ticks the efficiency box

"INNOVATION within logistics is growing rapidly," chief executive and founder of 7P Solutions Jeff Clark tells Voice of the Independent (VOTI). The focus of these tech developments is not just simple expediency, but addressing the headline issue of the day (and one that was kept off the table until crisis point) - the environment. Executive vice president of commercial and product development at Green Worldwide Shipping, Greg Bollefer, sees "green logistics" as a key accelerant in technological development within the supply chain sector.

"As 'green logistics' and the carbon neutral movement gain momentum globally, we will naturally see more technologies focused on driving carbon out of the supply chain and bringing visibility to that process," Bollefer tells VOTI. "There are already many tools on the market for managing Scope 1 and 2 emissions, but the ability for an organisation to manage multiple providers of complex upstream and downstream Scope 3 emissions will be the technology of the future."

JEFF CLARK
7P Solutions

When Bollefer speaks of the "Scopes", he is referencing the criteria used by many countries for businesses' mandatory reporting on their greenhouse gas emissions (GHGs). Scope 1 covers direct emissions, while Scope 2 covers indirect emissions – for instance, energy produced to heat business premises. It is, however, Scope 3 that is the "trickiest" category. Deloitte describes Scope 3 as those emissions the organisation is indirectly responsible for "up and down the supply chain", citing emissions produced in the manufacture of products it buys from its suppliers, and the emissions from customers when using the organisation's products. And here again, Bollefer sees technology as an answer.

"Ultimately, technology will give us the visibility to measure, manage and mitigate Scope 3 emissions at the supply chain level, but true innovation will always come from the people that drive the programme and understand the client's sustainability goals," he says.

"Green Worldwide Shipping launched our sustainability programme over two years ago, providing calculation, analysis, and mitigation of supply chain emissions. We are working on several enhancements and solutions within supply chain optimisation. The beauty of a "greener" supply chain is that in most cases it is actually good business as well."

If Bollefer's focus is environmental, it is perhaps unsurprising that the key areas of innovation for him presently concern fuels and transport modes. He has seen the international pressure that has been built over the past five years, and is sustained by various campaigns as propelling the development of both safer and cleaner burning fuels for the global market.

"The international pressure for clean energy is driving both jet and bunker fuel providers into developing safer, cleaner burning products for use in the global market," Bollefer says. "We see organisations like the Commercial Aviation Alternative Fuels Initiative driving both public and private collaboration for sustainable air fuel alternatives and companies like the Gulf Accreditation Centre developing bunker fuels that reduce Scope 1 impact. These are all examples of new fuel development and technology will be an essential component of measuring their success.

> "The beauty of a "greener" supply chain is that in most cases it is actually good business as well"

"Autonomous vehicles will also be here before we know it; however, the infrastructure needed might look like the old bumper car pit at the fair, with dedicated highways that bisect the nation. We are probably about 10 to 15 years away from that now, but I think there are other technologies from the past that can be the key to our future. For example, I would love to see a coast-to-coast Maglev freight-carrying train in the United States. Imagine being able to move cargo across the country in 20-30 hours instead of two to three weeks in a fully sustainable and proven technology."

In order to actually develop new technologies, Clark believes businesses have innovated the way they operate, with many of the larger businesses having opened up their own in-house "innovation divisions". These, he says, exist to navigate through the vast array of new tech and service offerings that are being poured out. Others believe this to be "smart business" in the modern supply chain landscape and consider it vital for SMEs to consider pushing funds into developing their own in-house divisions. Clark, however, sees the value for SMEs in their ability to form closer relationships and ties to act as a network, that transforms not just the way the individual businesses work but the sector at large.

"The International Air Transport Association (IATA) has a group of stakeholders involved in IoT devices through the Interactive Cargo Team, and the maritime industry has a similar organisation in the Digital Container Shipping Association," he says. "These organisations combined with the proper IoT service provider can also provide small independent freight forwarders with the technologies and competitive advantages being implemented within the multi-national carriers."

Clark's position is somewhat unsurprising given that he sees 7P as best-placed to offer the SME sector IoT support.

"7PSolutions is leader within the IoT space, providing a variety of real-time GPS devices for all modes of transportation," he continues. "These devices combined with our services allow for real-time visibility and decision making across all stakeholders within the supply chain. These services include 24/7/365 cargo monitoring that provide services to help prevent cargo theft, law enforcement escalation and cargo recovery in the event of a loss.

"Monitoring services also include sensor monitoring and driver and onboard courier protection. Based on user permissions, stakeholders manage based on their roles within the organisation. Technologies include reusable and disposable solutions, container breech detection, hardwire vehicle devices and TrailerSentry for remoting locking down airbrake trailers and vehicles."

Bollefer agrees that, particularly for smaller firms, the need for getting the "right" partner is essential. He says part of this is down to the ceaseless evolution of technology and the associated development in transport solutions on the market that this brings.

"We need the right partner, one that understands the complexity of freight management," he says. "This is essential for managing Scope 3 emissions and getting the right mix of solutions to achieve a company's carbon neutral goals."

Clark believes that it's essential to find both the right partners, and reorient the way businesses think about operations. Tech, he says, will never be the whole solution. And while he sees more and more companies changing the way their businesses think, he believes more need to cotton on to how essential this is. Reorienting thought processes, he argues, is perhaps the most paramount innovation required in the logistics sector. And reorienting the way operations are managed – whether this be in sales, warehousing or shipping – underlines the benefits of IoT tech in that it can facilitate efficiencies, and get to the heart of one of the biggest hurdles for addressing issues affecting

Digitisation

the environment and general business inefficiency.

"Most of us are reluctant to change. Implementing new processes across different stakeholders within an organisation can seem a daunting task," says Clark. "We certainly run into this resistance to change and as with any operational and procedural change, the organisation must first have in place a person who is responsible for IoT and driving the technology throughout the organisation. Having an IoT partner who understands the global supply chain, operations of transportation companies and the technology, can play an important role in ensuring that the implementation programme and training is completed in an efficient manner allowing for a successful programme."

Bollefer says companies' "fear" of reorienting and changing businesses practices stems from the unknown associated costs. There is, it seems, a loss of confidence in businesses but he believes each company should realise that, at least on the green front, the cost of evolving supply chains into sustainable networks will be shared across all sectors. Clark notes that when 7P entered the IoT supply chain market, "cost" and who would bear it, was a substantive topic.

"It was a topic that was being pushed from the shipper, manufacturers, transportation providers and was the never-ending 'not me'," says Clark. "As the understanding and knowledge of how powerful the IoT tool could actually be, many stakeholders began to understand that the 'cost' was really an expense that had a measurable ROI (return on investment). The ROI can touch all aspects and stakeholders of the global supply chain through real-time visibility and having the ability to make real-time decisions, improving operational productivity, automated communications - and the list goes on."

> "If we changed our practices and filled just 10 per cent of the empty miles currently run, we would eliminate 8,000,000 metric tons of CO2 waste from the US every year"

Today, he says, transportation customers are taking on the costs of migrating to an IoT approach to running their supply chains, as they can see improved productivity within their operations and improved customer relations. Furthermore, he points to gains through the development of additional revenue streams that come from providing customers with real-time temperature data, cargo theft protocols and artificial intelligence.

"IoT is here to stay and all stakeholders within the global supply chain are working together to provide visibility and actionable data to everyone involved. Governments' role should be to provide customs regulations that provide a better understanding of what the devices are and how they are being used so that globally they are used as an International Tool of Trade, much like a reusable shipping carton. This will allow for devices to be placed on more shipments without worry of introducing customs holds or challenges for reverse logistics and re-use."

When it comes to "green", Bollefer believes focus on business behaviour can do more than developments in new fuels. For instance, he suggests that eliminating empty miles can have a greater impact of cutting emissions than simply shifting to cleaner, more sustainable fuels.

"If we changed our practices and filled just 10 per cent of the empty miles currently run, we would eliminate 8,000,000 metric tons of CO2 waste from the US every year," he notes. "More recently, there have been new developments and technologies in trucking that now allow drivers to bundle loads or divert teams to available cargo in order to reduce both idle time and empty miles."

Here, we see how "innovation" should not simply be considered a synonym, or code, for "get more tech". Change, both Bollefer and Clark agree, requires more than the latest gizmo. It requires a cocktail of tech, joined-up thinking, collaboration, and a focus on what the underlining issue is, namely: inefficiencies. For those reticent to change, Bollefer foresees an imminent shock.

"Supply chain sustainability is a big topic within the industry already because of the international and government pressures," he says. "Those who are waiting for it to be forced on them to change won't be waiting much longer, meanwhile, those who refuse to change won't be around much longer at all.

"Where innovation creates a revenue driver, the revolutionary will naturally take on the cost and risk of development. The sustainability renaissance has begun, and it will take everyone playing their part to ensure it is a success."

Black swan ready to fly

DRONES are finally taking off. Dronamics this month unveiled its Black Swan unmanned aircraft, which it claims is the most fuel-efficient cargo aircraft ever built.

The company said it "isn't just another UAV, it's a whole new class of aircraft". It can carry up to 350 kilograms of cargo, over distances of up to 2,500km – at an 80 per cent lower cost than any other aircraft.

And it doesn't need much space. It can operate on unpaved runways as short as 400m. Dronamics said the aircraft would enable it "to serve customers in even the smallest and most remote communities, ushering in a whole new era in fast, affordable airfreight for the whole world".

It added: "No longer will anyone be forced to choose between low-cost road freight that can take days to deliver, or fast air freight that is ever so expensive. Same day, affordable airfreight is finally here."

Co-founder and chief executive Svilen Rangelov said: "The unveiling of the Black Swan represents a critical milestone in the company's mission to enable same-day shipping for everyone everywhere.

"The years of hard work are paying off and as soon as we're done with our extensive test programme and obtain certification in 2022 we are going to begin commercial operations, serving customers in Europe and beyond, years ahead of everyone else."

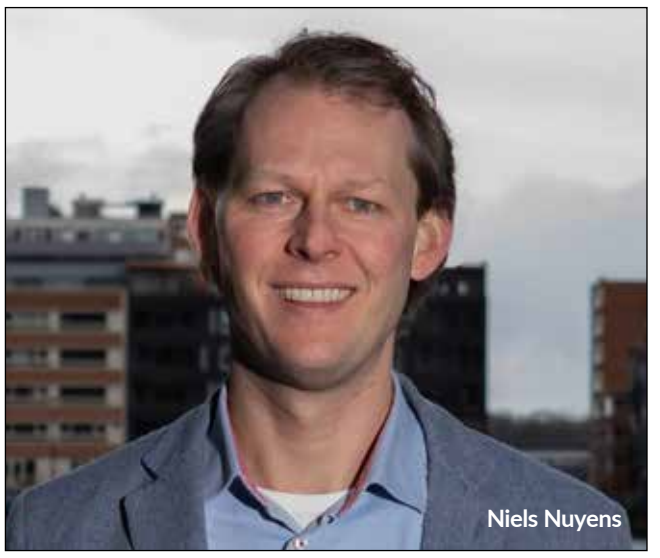
The company said it will roll out a global network of droneports, linking towns and cities. It has picked Malta as its first European operational base to provide same-day services from next year. Malta will be the starting point for the first commercial routes, connecting the country to the Italian mainland initially, before launching in other Mediterranean destinations.

The drone operates using 100 per cent sustainable aviation fuel.

Spotlight ON

Going digital

DCSA's common goal


Niels Nuyens

THE Digital Container Shipping Association was founded in April 2019. Its aim is to specify a common set of taxonomies and data fields which can be used by any company, including organisations involved in other transport modes, so that they can all "speak the same language". It does not specify how any company should implement standards.

Comprising MSC, Maersk, CMA CGM, Hapag-Lloyd, ONE, Evergreen, Yang Ming, HMM and ZIM, DCSA is a non-profit, and publishes its standards free for everyone to use.

Here, Niels Nuyens, DCSA programme director on eDocumentation, explains what progress has been made, and the focus for 2022. He is responsible for the development of digital standards and works with carriers and other stakeholders.

The eBL initiative

Since 2019 DCSA and its members have collaborated with industry participants and regulators to gain wide acceptance for digital standards that enable end-to-end interoperability through standardised data exchange. These efforts have focused on some of the most critical needs of container shipping, such as the electronic bill of lading (eBL).

> These efforts have focused on some of the most critical needs of container shipping

The problem with paper

The continued reliance on paper B/L in international shipping transactions creates inefficiencies that slow trade down, increase greenhouse gas (GHG) emissions, and hamper growth and innovation. DCSA estimates that, at 50 per cent eBL adoption, the industry will save US$4 billion annually. Economic and Social Commission for Asia and the Pacific (ESCAP) research suggests that the emissions savings from fully digitalising regulatory procedures around trade could save between 32 and 86 kg of CO2 equivalents per end-to-end transaction.

Despite this, adoption of the electronic bill of lading (eBL) is currently extremely limited, largely due to a lack of legislative and technical interoperability caused by a lack of standardisation. In 2020, DCSA estimated that 16 million original bills of lading were issued by ocean carriers. Paper B/Ls cost the industry – carriers, forwarders, shippers and financial institutions, in manual administration and courier fees - about $11 billion per year, yet less than 0.3 per cent were eBL, according to the DCSA carrier members.

The DCSA effort to transform the B/L

DCSA has initiated an eDocumentation programme that will mitigate the challenges involved in standardising and digitising international trade documents. The ultimate goal is a highly streamlined documentation process and establishment of a secure, universal eBL. Once a standard eBL is available, it will also be easier for regulators, banks and insurers to accept the eBL as a viable alternative to paper, thereby facilitating regulatory change.

In 2020 and 2021, the focus of the DCSA eDocumentation program has been to develop standards for the main steps in the end-to-end (e2e) documentation process, i.e., preparing the B/L (based on shipping instructions) and issuing the B/L.

Beginning in 2022, the focus for DCSA will be to complete standardised digitisation of the end-to-end shipping transaction by creating standards with API definitions for the booking and shipment release processes.

Shipper benefits

DCSA standards allow B/L data to be digitalised in a standardised way, enabling shippers and other stakeholders to process an eBL from all carriers that have implemented the standards. Currently, an eBL can only be transferred within such a platform when all stakeholders (carriers, shippers, banks, consignees) are onboarded.

Adopting multiple eBL platforms is time-consuming and expensive, so many shippers and banks stick with paper B/Ls to avoid carrier (and platform) lock-in. DCSA standards will allow shippers to avoid carrier and platform lock-in while still choosing eBL. This will create a more even playing field for all participants, and ultimately, enable more choice and convenience for shipping customers.

Digitally advanced industries such as banking and telecommunications have gone through digital transformation, with standards and collaboration as the cornerstone for driving change. Container shipping will achieve similar success by actively collaborating on digitalisation to deliver great customer experiences in an increasingly sustainable way.

Smaller forwarders feel the heat as Maersk restricts bookings

RIVAL shipping lines are targeting Maersk's forwarding and NVOCC customers, as the Danish carrier prepares to restrict bookings to its online Maersk Spot platform next year.

One NVOCC said that Maersk would no longer offer him a three-month deal for Asia to North Europe services, and that he must now book online, via Maersk Spot, to cover any short-term space requirements. But he acknowledged that Maersk said it would discuss a longer-term contract.

And he revealed that he'd had "more calls than normal" from other carriers with some "decent offers".

"The calls came out of the blue and they were obviously reacting to the rumours circulating that Maersk could be dropping all its forwarding customers," he said.

> "they were obviously reacting to the rumours circulating that Maersk could be dropping all its forwarding customers"

Another forwarder said he would no longer deal with Maersk, which had "tapped some of our clients with offers of discounted long-term deals, and that finished it for me".

One New Zealand forwarder said he was advised by Hamburg Süd "that they won't be quoting as they [and Maersk] are moving away from freight forwarder involvement from 1 January.

"This is the clear message that their focus will now be on direct shipper contact and provision of landside and services package. They will have all services in-house for shipping, land transport and ancillary clearance services," said the forwarder, who added that many long-term clients would be "exceedingly unhappy" at the move.

Maersk's insistence on long-term contract business has seen it introduce six different types of agreement for next year's tender season.

Maersk Contract products 'flat', 'seasonal pre-set' and 'seasonal sync' are traditional ocean contract agreements; while 'block space', 'flexible' and 'unlimited' are partnership deals only on offer via the carrier's sales team, who will "guide customers towards the best solution for their needs".

Maersk said it had decided to change the traditional contract space agreements because customers had said that "more clarity was needed on the kind of contracts and products they were purchasing from us".

It claimed each of the six contract products offered "reliability and certainty regarding space availability on our vessels and transport costs".

For example, Maersk's 'flat' contract product features a set number of containers per tradelane, per week, with a fulfilment criterion of 85 per cent based on the respective service and subject to a monthly review period.

The carrier said extra volume would be "subject to availability and agreements", but it is understood that shippers would be expected to pay for any shortfall of allocations below 85 per cent.

Maersk reps are believed to have told shippers they are not interested in negotiating contracts for volumes of less than 100 containers a week.

Insights IN

Seafreight – comment by Mike Wackett

Santa's little ship helpers come to the rescue

MIKE WACKETT
Sea Freight Consultant, FICS

ENTREPRENEURIAL carriers have stepped in to save Christmas this year offering container space on ad-hoc sailings from China to North Europe by commissioning virtually anything that floats, in a true Dunkirk spirit.

The vessels being deployed, several of which are non-cellular general cargo ships, may be a fraction of the size of the 24,000 teu behemoths that ocean carriers autocratically decided were de rigueur for the trades, but shippers fortunate to have containers shipped on the small but agile vessels feel that they are no longer a small fish in a big pond.

Not only that, but many of these disrupter entrepreneurs are old-style shipping folk that are well versed in thinking on their feet, thereby dodging congested box hubs and negotiating to discharge their cargoes at smaller ports, facilities that the ultra-large containerships are unable to access, thereby enabling customers speedy access to their containers.

Retailers (and Santa Claus) have been badly let down by traditional ocean carriers who have seen their effective capacity shrink by a fifth as their ships have been mired in a web of global port congestion.

Indeed, some garden furniture for the northern hemisphere summer market is still arriving now, and I felt huge empathy for the shipper that told me recently that his customised Christmas 2021 advent calendars will not arrive until next February.

After the supply chain challenges caused by the Ever Given's blockage of the Suez Canal in March this year's holiday season orders were placed much earlier than usual, but nevertheless products have still struggled to make the shelves in good time.

Shipments were constantly rolled on Asian export quays during the peak season by carriers, and even when the boxes did eventually get on board, there was always a threat that they would be taken off again at a wayport.

Furthermore, the alliances have skipped around a quarter of their North European port calls in the second half of the year, dumping containers that should have been discharged at congested ports at less congested ports.

With the benefit of a shipped-on-board bill of lading, along with the estimated time of arrival (ETA) at the destination port, North European importers would have felt confident enough to plan the next stage of their supply chains to get the product on to their shelves in a timely manner.

But then out of the blue, rumours will start to swirl around that the ship is not coming; often first picked up by vessel AIS tracking services that provide an ETA from the master at the next port.

The shipping line's local agency office is often late to hear about the decision to omit a port call and accordingly, dependent on the level of direct communications, the port itself may not find out that the vessel's call has been cancelled.

Retailers (and Santa Claus) have been badly let down by traditional ocean carriers

And during this limbo period export boxes, both laden and empty, may continue to be accepted for a ship that will bypass the port.

The modern ocean carrier is a poor communicator and mostly they rely on online help desks to answer the myriad of questions that their customers have regarding the shipping process.

In contrast the disrupter carriers pick up the phone to their customers and do their best to resolve any problem.

It is to be hoped that the big retailers continue to support their Christmas saviours long after the capacity crunch is over in some shape or form, and that the ocean carrier sector will reconsider its aura of invincibility.

Pop-up box yards relieve congestion

ALONG with new operators and services to counteract the unreliability and dominance of the shipping lines, comes pop-up container yards.

The US west coast has seen empty space near ports turned into temporary yards to store containers and alleviate some of the pressures of congestion. Walmart has developed one such yard near the ports of Los Angeles and Long Beach, which processes more than 500 containers a day. A Walmart executive noted on social media that it is "helping to sort through priority freight for our downstream operations and, most importantly, having the inventory and stock for our Walmart customers for the holidays". He added that it had "dramatically improved our flow of containers, not only out of the port, but back into our port terminals with empty containers".

Meanwhile, Georgia Ports Authority (GPA) has set up inland container stations to alleviate the congestion on its docks, with large importers embracing the concept.

The GPA and railroad Norfolk Southern started to move containers through the latter's Dillon Yard, near the port of Savannah, in an effort to shift some container traffic away.

If the concept is successful, the GPA plans to open four or five more ad hoc container facilities around the state in the coming weeks, and has also been holding talks with another major railway, CSX, about establishing a storage site in North Carolina.

Washington is eagerly supporting the concept to shift boxes off-site. The administration has shifted $8m of previously allocated funding to the GPA for this, while the Department of Transportation announced plans for five 'pop-up ports' to soak up some of the volumes and expressed hope for more such facilities in other areas.

To be viable, pop-up container yards have to be fenced, for security reasons, and need a manned gate for processing. If containers have to be stacked, the surface has to be sufficiently strong and a reach stacker is required, one forwarder pointed out.

They are also expected to disappear as quickly as they arrived – once supply chains get back to 'normal'.

Keeping top speed

FORWARDERS have been running at the limit since the early days of the pandemic. With no slowdown in sight, it is challenging to maintain service levels and prevent the engine from overheating.

Demand has been relentless. "We've grown businesswise like there's no tomorrow," said Joe Delli, president of Cargo Tours.

As shippers scramble for ways to get their cargo to destination, many new opportunities have come up for forwarders. Quick Cargo Service (QCS) has had enquiries from Brazil to fly cargo there from the US via Germany, owing to lack of direct US-Brazil capacity, reported CEO Stephan Haltmayer. In the same vein, the company has moved cargo from China over Europe to US destinations.

The pace has been frantic. "We're having a continuous peak," he said. "We're chronically under-manned."

It is not just the volume of business but also the challenges in finding and securing capacity that has pushed workload into the stratosphere. Most forwarders are all too familiar with the problem of having to make multiple booking attempts because the price offered by the carrier has moved up while the client was deciding whether or not to accept it, not to mention multiple messages and calls to find out why shipments are delayed or offloaded.

"It is clear that disrupted supply chains go hand in hand with a higher workload for our operational departments. In addition to the challenge of finding ad hoc solutions for our customers' highly urgent transports, there is a significantly increased effort for contingency planning and booking, simply due to the fact that it's very difficult to find capacity," remarked Jo Feiks, corporate director of product management, air cargo at cargo-partner.

Most forecasts see the challenging conditions extend well into the coming year, if not further, so forwarders will have to keep their foot solidly on the accelerator while making sure service does not falter or employees buckle under the constant pressure.

Feiks stressed the importance of being able to offer a range of transport modes and speed options to customers that can be used to create tailor-made solutions for clients' urgent shipments. Besides air, sea and road transport, cargo-partner provides weekly FCL and LCL rail transport between Europe and China and has developed charter programmes between these regions.

To cope with the increased workload Cargo Tours and QCS have boosted their staffing levels, which has not been easy in the present labour market. "We do a lot of recruitment through referral by employees. They receive a bonus if we hire a person they recommend," said Haltmayer.

About 10 per cent of the company's workforce are trainees. "If I want staff in three years, I need to hire trainees now," remarked Haltmayer.

STEPHAN HALTMAYER
QCS - Quick Cargo Service

For cargo-partner automation has been a key tool to ease employees' workload and to integrate its IT systems with those of its customers as well as of carriers and other business partners. "We are also intensively working on expanding our e-commerce solutions and improving the digital customer experience at all touchpoints along the customer journey," added Feiks.

QCS has drawn on the experience made in the early days of the pandemic that the home office concept works to introduce remote office management from other company locations. If operations staff at an office are not available, employees at another office can take care of their tasks through on-line tools, Haltmayer reported.

When it comes to finding capacity solutions, having close relationships with carriers has been one important advantage for cargo-partner, Feiks noted. By the same token, he emphasised the ties with his firm's clients.

"We have placed a very strong focus on acting as advisors to our customers to create transparency and strengthen trust. The added challenges of our daily business, in combination with remote working, have made it more important than ever to stay in close, personal contact with our customers and partners, whether it's in person or via regular Zoom meetings," he said.

Delli finds that Cargo Tours is reaping the benefits of close customer relationships in the present situation.

"We've always taken good care of our clients. They understand it's not our fault if freight is offloaded. The booking situation is crazy, but clients understand that is the status quo. They know if they go to somebody else, it doesn't help," he said. "The pressure that we have from the delays is alleviated by the understanding of our customers."

It is equally important to take good care of employees. Reports of burn-out have come from many industries in the wake of the pandemic.

"We try to avoid work overload by setting clear priorities," remarked Feiks, adding that good IT systems support to automate processes and having strengthened cargo-partner's teams have helped reduce stress on employees and maintain motivation.

"I personally try to apply the Japanese 3M model 'muda, mura, muri' which strives to avoid waste (muda), imbalance (mura) and overload (muri)," he added

Delli is philosophical about the work pressure. "In our industry we've always had stress," he remarked. "I've always had a good rapport with my staff. They know I do like I ask. I don't ask them to do more than I do myself."

"If I want staff in three years, I need to hire trainees now"

Criminals target logistics

FREIGHT forwarders are being advised to change their passwords.

Not only is it an opportune moment for cybercriminals to attack the supply chain sector, but access to logistics backend systems is being bought and sold more often than usual, according to US-based cyber firm Intel 471.

The group has revealed that in the past three months, the access credentials of approximately 50 freight and logistics companies – from Japan, the US, UK, Bangladesh and Malaysia – were posted online or being traded freely by cybercriminals.

Intel 471 researcher Greg Otto said that the recent confluence of supply chain crises had created a target-rich environment for ransomware attacks, similar to last year's wave of cyber-strikes against hospital IT systems. "That wasn't a coincidence," he said. "Cybercriminals knew that healthcare providers were over a barrel."

Otto said it was feasible that attackers could see internal business documents that show a company is having big issues.

"They would say, 'if we hit them now, they'll be over a barrel. They really cannot afford downtime, so they will be more likely to pay up, at a higher number'."

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