

TASK FORCE OFFERS UNIQUE INSIGHT INTO CORONAVIRUS IMPACT

ABTO has previously added its voice to the calls of the International Chamber of Shipping (ICS), International Transport Workers Federation (ITF) and the European Commission to facilitate the early resumption of crew changes in the interests of crew health and wellbeing — as well as enabling the resumption of operations that otherwise could not take place. The Hellenic Chamber of Shipping has warned that this may take some time to achieve, even after travel restrictions are lifted.

Since early April, the World Ports Sustainability Program (WPSP) and International Association of Ports and Harbors (IAPH) have been publishing the results of a weekly survey on the impact of covid-19, monitoring the current situation in world ports and trends compared to previous weeks.

At the time of going to press, the latest IAPH-WPSP Port Economic Impact Barometer confirms a global trend towards decreasing capacity utilisation of dry bulk storage at ports: 32% of the ports serving the dry bulk sector report an under-utilisation of facilities compared to a 17-25% range in the past six weeks. The share of ports with increased utilisation levels in dry bulk storage has declined to 10% — the lowest figure to date.

All sectors see regional differences becoming increasingly pronounced in terms of the global impact of covid-19 on ports. IAPH Managing Director Patrick Verhoeven comments: "Our WPSP covid-19 task force members have been giving us a unique insight into the shifting impact of the contagion on ports in different regions of the world. We now see Asian ports fully operational and with promising signs in terms of a recovery. European ports are gradually returning to the 'new normal', whereas ports in regions such as South America and Africa are having to adapt to the contagion which is in many cases now reaching a peak there."

Calls to arms, predictions and up-to-date reporting have, of course, their place in planning and making an appropriate response to the situation.

How then, to act upon this? To offer practical advice, the WPSP set up its "covid-19 task force" at a very early stage in the coronavirus outbreak.

Active since March and with a dedicated information portal since early April, the task force has just released the latest version of their guidance document for ports.

The task force guidance document draws on the expertise an international panel of specialists from ports in the USA, South America, China, Europe, Korea and Africa. Additional input came from port authorities, regional port associations and Paris based Maritime Street, a consultancy specialising in digital trade logistics.

As the forward to the guidance states: "The document is meant to help ports worldwide face the challenge, by providing a menu of options based on best practices from ports worldwide. The goal is to provide support for the implementation of actions to prepare and alleviate coronavirus related contingencies for port terminals and other maritime trade players. In addition, the actions could foster open collaboration to mitigate the pandemic." *Continued...*

TATA AND ABP SIGN STRONGER AGREEMENT

Tata Steel and Associated British Ports (ABP) have entered into a new and improved 10-year agreement regarding the supply of raw materials to the integrated steelworks via the deep-water harbour at Port Talbot and the handling of export finished products through the Port of Newport.

The new agreement will provide additional opportunities for use of the north side of the jetty, following on from the lay-up of the deep-sea drill vessel Sertao during 2019. The new agreement will also facilitate improved access to port development land on the northern side of the port. It is envisaged that, taken together, these factors can help facilitate investment and create a number of new employment opportunities in the region.

Additionally, ABP will be working jointly on new projects with Tata Steel to build upon the forward-looking commercial relationship between both parties. Tata Steel has owned the steelworks in Port Talbot since 2007, a site that supports more than 4,000 jobs locally.

As well as supporting steel production in South Wales, the port of Port Talbot supports the regional economy by handling project and heavy lift cargoes, building aggregates and cargoes to support the offshore energy sector.

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To this end, the document adopts “a four-layered approach, to present a methodology and a range of good practices regarding 1) immediate measures addressing port operations, governance and communication; 2) measures to protect the business and financial returns; 3) measures to support customers, stakeholders and community; 4) measures for getting back to work.”

This latest version has added supplementary information sources on safe shipboard interface between ship- and shore-based personnel developed by the International Chamber of Shipping (ICS), as well as a 12-step framework of protocols on crew changes also compiled by ICS in co-ordination with the maritime industry and supported and published by the IMO. It also now includes suggestions and best practices related to back-to-work planning, based on input from various sources including a guide prepared by the China Ports and Harbors Association.

Meanwhile, the previous edition of ABTO News flagged up that the “Port and Terminal Operations for Bulk Cargoes 2020” short course would be delivered online, for people that could not attend onsite last March at The Wolfson Centre for Bulk Solids Handling in Chatham, UK. The first online delivery was fully subscribed. A repeat course started at the end of May. If you missed the start of this second one and would like to join the next course, contact either myself **+33 (0)321 47 72 19 events@bulkterminals.org** or Caroline Chapman **+44 (0)20 8331 8646 wolfson-enquiries@gre.ac.uk** The other short courses that The Wolfson Centre run will also be offered in the same way

for the foreseeable future, such as “Pneumatic Conveying System Design” – an in-depth exploration of detailed calculations for the design of pneumatic pipeline and specifying plant. This starts on Tuesday 9 June. ABTO Members are entitled to a discount to all courses offered by or in collaboration with The Wolfson Centre.

Assuming we are all safe to travel by October, we are all looking forward to heading to Riga in Latvia from Tuesday 6 -Thursday 8 for our annual Bulk Terminals conference.

Bulk Terminals 2020 will focus on the issues that bulk terminal operators tell us they most want to understand and find the solutions for, namely: improving operations; keeping abreast of increasing environmental regulation; improving safety as well as security; and how technology can assist them to achieve these objectives. Feedback from previous events has shown a high level of interest in market analysis and development opportunities. Autonomous operations and digitalisation have also been raised as subjects of interest. Given the importance to Latvian and Baltic ports of transit cargoes, rail and transport connectivity will also be covered.

Our sponsors help to make the Bulk Terminals conference possible. I am very grateful to igus®, which has supported us from the outset. It has come up with an innovative way to overcome the cancellation of the Hanover Trade Show: a virtual stand at igus® <https://exhibition.igus.co.uk/> Do take a look!

Keep safe.

Simon Gutteridge
Chief Executive, ABTO

STORAGE SURGES AS CORONAVIRUS CONTINUES TO HIT SUPPLY CHAINS

Ports and other maritime players have been grappling with the massive challenges resulting from the coronavirus pandemic, not least the continued flow of goods by sea.

As the TT Club points out, the effects of the pandemic on supply chains has been considerable, notably because of the disruption to trade with major sourcing countries such as China and other Asian nations.

Keeping cargo on the move and avoiding the accumulation of cargo in ports have been major considerations. Cargo accumulating at warehouses and distribution centres has been a serious issue given that products may be non-essential in the current climate, where retail outlets are shut down or production lines are working at reduced capacity, the club says.

In a recent blog, UK Warehousing Association chief executive Peter Ward emphasised that such accumulation was not good news. “As our recent survey confirmed, the vast majority of warehouses do not make their money on storage – certainly not on storage alone.

More than 70% of respondents said that storage charges represented 40% or less of their income. In a modern warehouse, money is made from moving and managing stock, so when outbound flows cease or slow down while inbound flows are continuing, warehouses become full and cannot

function other than as storage hubs, yielding just 40% of normal income – and in some cases much less.”

Meanwhile, Michael Yarwood, managing director for loss prevention at the TT Club, says this throws up further problems. “Security is clearly the most dominant of the risk issues as operators seek alternative storage,” he says. “Whether it’s taking up buildings not usually used for storage or laden vehicles parked adjacent to a full warehouse, or simply facilities unfamiliar to the operator, the security regime may not be of a similar standard. This concern is not just limited to fencing, lighting, security patrols and CCTV, but also communication with hauliers delivering cargo to the unfamiliar premises.

“There is also the constant danger of vehicles being diverted into the hands of criminals – so-called round-the-corner theft.”

Other issues include whether temporary facilities are suitable, particularly for the safe storage of potentially hazardous or specialised cargoes. Another consideration is whether the correct equipment is available for product handling, as well as personnel with the right degree of expertise.

A recent survey by the International Association of Ports & Harbors shows a mixed picture on warehousing at ports around the world. Some 35% of ports reported an increase in utilisation of warehousing and distribution facilities for foodstuffs and medical supplies, with some ports reporting capacity shortages.

INDUSTRY PLAYERS URGED TO ADD INPUT TO NEW SAFETY STANDARDS

A new dry bulk management standard has been launched to improve vessel and fleet safety.

The new standard is being promoted by risk management and environment assessment organisation RightShip to help improve communication and standards in the dry bulk sector.

According to RightShip, the concept of a set of safety and risk management standards for dry bulk shipping began more than 10 years ago with the involvement of RightShip manager David Peel and George Sarris, managing director of Enterprises Shipping and Trading. Over the past decade, Peel, Sarris and leading owners and operators from the global dry bulk industry have collaborated to bring the idea from concept to its current draft status, with a view to generally improving safety, sustainability and welfare for all vessels and crew operating within the segment.

The standards are still in their draft format to encourage input

from all industry players. They can be found on the newly launched DBMS website, where owners and operators can download them and provide feedback.

The voluntary programme is designed to allow ship managers to measure their Safety Management System against agreed industry standards, with the aim of improving fleet performance and risk management. This will ensure an operator's policies align with industry best practice to both advance their performance and attain high standards of health, safety, security and pollution prevention.

George Sarris comments: "New technologies and new regulations alone will not improve shipping standards, unless we perceive things differently. The enhancement of a safety culture across the industry is a necessity, and moving on from 'paper compliance' and 'mandatory certification' models to self-regulation and self-assessment will help us achieve our goals and bring about a better dry bulk segment."

IACS ISSUES CYBER RECOMMENDATION

The International Association of Classification Societies (IACS) has recently launched a single standalone recommendation on cyber resilience.

This consolidates IACS's previous 12 recommendations related to cyber resilience and applies to the use of computer-based systems that provide control, alarm, monitoring, safety or internal communication functions that are subject to the requirements of a classification society. It provides information on matters such as: reference guidelines and standards; terms and definitions; goals for design and construction; functional requirements; technical requirements; verification testing.

This new recommendation is applicable to a vessel's network systems using digital communication to interconnect systems within the ship, and ship systems that can be accessed by equipment or networks off the ship.

Robert Ashdown, IACS secretary general, says: "The network design forms the basis for a reliable and robust network. Issues such as compatibility of various devices, communication between devices, communication from various systems and sub systems, need due consideration during design phase. This recommendation is an important step in addressing cyber resilience from the earliest stages of a vessel's life."

COMPANIES COLLABORATE ON BLOCKCHAIN PILOT PROJECT

The current pandemic has seen increased use of technology and remote applications, including exchange of data using blockchain.

Technology solutions provider CargoSmart recently announced a pilot project with COSCO Shipping, Shanghai International Port Group (SIPG) and Tesla for a new application to transform the cargo release process. It is among the first pilot projects with an ocean carrier conducting a real-time exchange of shipment data with a terminal operator through blockchain.

The application will be further developed for participants of the Global Shipping Business Network blockchain consortium, once it is officially established.

The pilot project was designed to minimise consignee and shipping agent verification steps with their ocean carriers in order to speed up the release of sea waybills. As a result, truckers are able to pick up their cargo at the terminal faster, helping shippers meet delivery windows and ensure that service quality and customer commitments are met.

During the pilot in December 2019, COSCO and SIPG streamlined the cargo release process by enabling Tesla to accelerate its cargo pick-up procedures on a trusted and secure platform. In late March 2020, CargoSmart further enhanced the application to display laden gate out, appointment date and terminal release, enabling shippers to have better visibility of their cargoes.

Henry Huang of SIPG says: "The pilot is a key component of our journey towards paperless, trusted and seamless trade processes at the Port of Shanghai and it demonstrates the benefits for supply chain stakeholders around the world. We look forward to extending the collaboration with more supply chain stakeholders."

"The pilot with SIPG and CargoSmart showcased significant efficiency gains not only in the cargo release process, but also for downstream supply chain planning by presenting a single source of truth for documentation for all involved parties," COSCO general manager says. "We look forward to more blockchain-based applications that can create value for customers and industry alike."

POSITIVE RESPONSE TO PORT OF CORK

A survey by international transport engineering and consulting group SYSTRA into the Port of Cork's export and import facilities has yielded very positive results. Those surveyed, predominately lo-lo HGV drivers, noted the port's desirable location, timesaving vehicle booking system and efficient gate operations.

The vehicle booking system, which was implemented in 2018 and is a key component of the port's mobility management plan, was commended by 96% of respondents. Hauliers frequently highlighted the shorter turnaround times and a substantial percentage observed reductions in queuing time. To date, the port has invested over €1m on trialling and implementing the traffic management plan with Cork County Council in order to minimise the impact of port related traffic on local road networks.

The survey also highlighted improvements hauliers would like to see. Most notably, there was a strong desire to reduce traffic congestion and to see the upgrade of the N28 motorway become a reality.

ITIC WARNS ON BILLS OF LADING ISSUES

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Port agents may be asked by consignees to deliver goods to them without providing a bill of lading in return, ITIC explains, while the consignee may claim that they have not received the bill of lading from the shipper or cannot present it to the port agent because of lockdown.

In the instance that the original bills of lading remain with the load port agent, ITIC recommends that its previously published Telex Release guidance be followed.

Where the original bills of lading are not with the load port agent, ITIC has set out the following steps for port agents to take in order to protect themselves:

- Obtain written permission from the principal to release any cargo without receiving a bill of lading in return.
- Ask the principal if a Letter of Indemnity from the consignee is required.
- Check all freight has been paid.

The principal may ask the agent to check with the shipper (or the "to order party" if the original shipper has already sold the goods on) as to whether they have released the bill of lading to the consignee or to the party requesting the goods. This will help avoid releasing the goods to a fraudulent party. The agent should ensure they pass all relevant information to their principal for review and approval, ITIC says.

PANDEMIC'S SEVERE EFFECT ON GERMAN SHIPPING

The consequences of the corona pandemic are becoming increasingly severe for the German maritime shipping sector, according to a survey conducted by the German Shipowners' Association (VDR) among its member companies. A total of 50 shipping companies from Germany took part in the survey, including almost all of the 30 biggest shipping enterprises.

"Our current survey clearly shows that almost all areas of the industry segment are being heavily impacted," says Alfred Hartmann, President of the VDR.

An evaluation of the survey findings revealed revenues generated by shipping companies declined by 30-40% on average in March and April, with 44% already witnessing a substantial impairment of their liquidity. The survey also shows that German shipowners have already noticed that charter rates for ships in all segments are partly dipping to as little as 40%. A further decline is anticipated in the coming months. The number of idle vessels, amounting to almost 500 worldwide, is already at an all-time low. This applies in particular to container traffic, in which German shipping companies play an important role, but especially as providers of tonnage charter services.

"The survey is a snapshot, reflecting the status of the first several months," says Hartmann. "In view of the severe collapse forecast for global trade, the market situation for maritime shipping is expected to escalate even further. This means that substantial segments of the German merchant fleet are foreseeably endangered in their existence."

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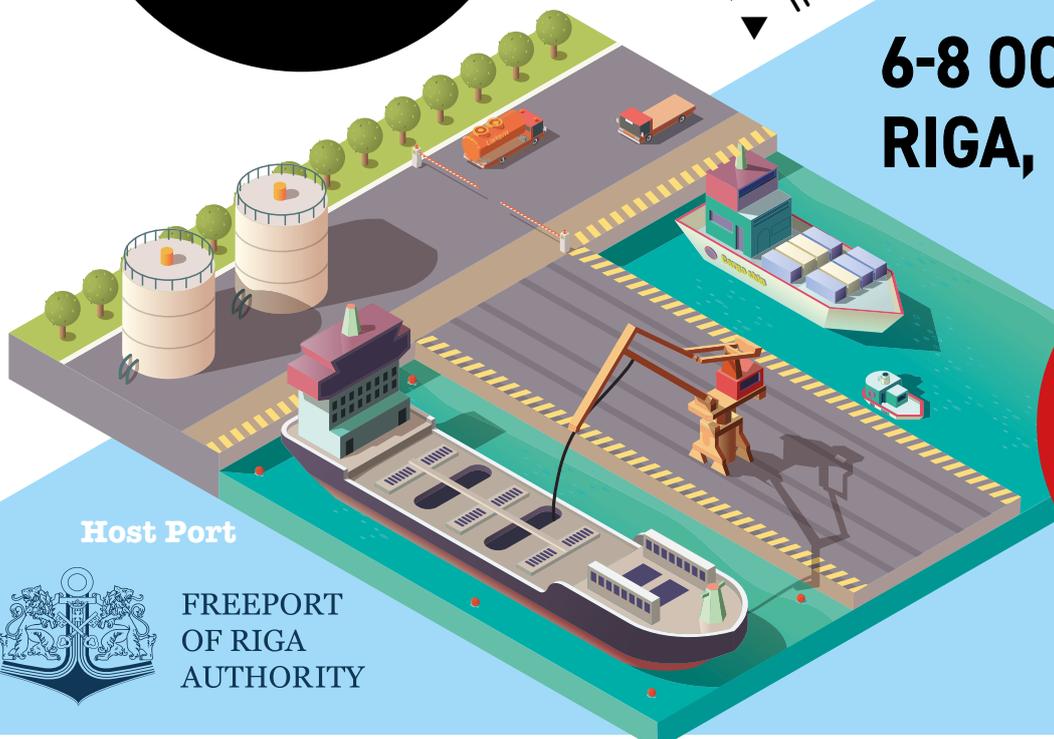
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PERFECT TIMING

Since the 1980s, Asean Bintulu Fertilizer (ABF), a subsidiary of the leading Chemical manufacturer in Southeast Asia, Petronas Chemicals Group Berhad, has a production location for carbamide fertiliser (urea) in the Malaysian coastal city of Bintulu (Sarawak) on the island of Borneo. To meet growing demands, BEUMER Group was contracted to modernise and increase the performance of the plant between the longitudinal stockyard and the ship loading system. The scheduling was very streamlined.

Carbamide, also known as urea, is currently the most widely used nitrogen fertiliser in agricultural industries world-wide, mainly due to its comparably low costs. The demand is continuously increasing due to our growing global population. The manufacturing plant in the coastal town of Bintulu on the Malaysian island of Borneo has been one of the biggest of its kind in Asia for many years. It is operated by Asean Bintulu Fertilizer Sdn. Bhd., a subsidiary of Petronas Chemicals Group Berhad (PCG).

PCG is one of the largest manufacturers of chemical products in Southeast Asia and the leading producer in Malaysia. 25 companies are part of the group, offering a wide range of chemical products, such as olefins, polymers, methanol and fertilisers, which are urea-based for example. Their customers are based in about 30 different countries. The most important markets include Malaysia, China, India, Thailand, Indonesia, Japan, South Korea, Taiwan, the Philippines, Vietnam, Singapore, Australia and New Zealand.

To meet the growing demand for urea, Asean Bintulu had to increase the capacity of its export facilities. BEUMER Group was awarded with the contract as a general contractor, and in a consortium with the PBJV Group Sdn Bhd from Malaysia, who took over the assembly of the system. The service provider from Malaysia is responsible for the transport and installation of onshore and offshore pipelines, in addition to other activities. The company also equips ships for their respective jobs in the oil and gas industries.

"This order was a brownfield project," explains Heinrich Beintmann, Senior Project Manager at BEUMER Group. "This means that we had to integrate our new systems into the existing ones in a way that ensured that the material flow from the longitudinal stockyard to the ship was not interrupted." Another requirement was that the already available hardware and software components from third-party suppliers needed to be updated to match the increased performance." The maintenance of the entire system will become a lot easier thanks to this modernisation, because all components are on the same technical standard," describes Beintmann. BEUMER Group, in cooperation with PBJV Group, developed a technical solution which they presented to ABF together with a schedule that met all the required milestones. Asean Bintulu Fertilizer was convinced by the system providers hard work over the course of the proposal phase.



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