Tankcontainer MAGAZINE

Mike Tunstall, General Manager of Sahreej, the joint venture between Stolt Tank Containers and local Saudi Arabian partner YBA Kanoo, describes its successful growth in the Kingdom

A clean sweep in Saudi Arabia

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Tankcontainer MAGAZINE

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Change improves.

Changing often makes perfect.

Time for congratulations - CIMC Safeway Technologies Co. Ltd., formerly known as Nantong CIMC Tank Equipment Co. Ltd. and commonly known as 'CIMC Tank', celebrated its 20th anniversary in April. The company is a wholly-owned subsidiary of Hong Kong-listed CIMC Enric Holdings Limited, which was 68.2% owned by China International Marine Containers (Group) Co. Ltd. at the end of 2020.

CIMC had spectacular growth after it entered the tank container manufacturing sector 20 years ago and now routinely accounts for well over half of all the tank containers manufactured globally. It has benefited from the rapid growth in tank container demand, which has been driven by the increasing preference for intermodal small lot size bulk chemical deliveries, more investment in the necessary global infrastructure for tank containers - such as depots and cleaning stations - and longer and more complex bulk liquid chemical supply chains.

The growing number of deep sea tank container operators also stimulated demand as they boosted their fleet sizes. Compared with their European fleet networks, several deep sea operators lacked the network density required for a successful global tank container business (thinner tank container networks made them more vulnerable to losing the crucial reload opportunities that make-or-break an operator's profitability).

On 5 May 2022, the 300,000th liquid tank container rolled off CIMC's Nantong production line in East China's Jiangsu province, destined for Exsif, one of the company's long-standing customers. At the same time, the 15,000th T50 gas tank also rolled off the line, destined for Eurotainer. CIMC developed its own design and manufacturing technology for T50 gas and T75 cryogenic tank containers less than two years ago and now claims an annual production capacity for 6,000 T75 cryogenic tank containers and more than 65% of the global cryogenic tank container market.

Ten years ago, I was privileged to be invited by CIMC to be the international guest speaker at their 10th anniversary symposium. Roll forward ten years and it is now possible to see the changes and the reality of their achievements. So what were their capabilities, for example, way back in 2014? A new dedicated $25 million production line was being planned for cryogenic/gas tank containers. The direction of new product development included moving gross masses up from 36 tonnes to 39 tonnes; 43,800 m^3 over-high, over-length, over-wide frame configurations; and low pressure, high volume ellipsoidal tank containers for use in China.

Swap body developments included 44 tonne large capacity equipment and 39 tonne truncated cone collar units. Work on specials included nitric acid tanks based on Uranus® S1 (a 4% Si austenitic stainless steel) and tank containers for solid sodium cyanide with an internal fluidising system.

On the gas front, 45 m^3 40' LNG tank container designs with a tare weight of 9.8 tonnes were being introduced from CIMC in Europe. The inner vessel of these units used 201LN stainless steel in which manganese and nitrogen are substituted for nickel. The first large 35.2 m^3 40' tank containers for liquid nitrogen had been developed by CIMC for China.

Some mistakenly regard the tank container industry as highly commoditised due to the capability and versatility of T11 tank containers. However, the multiplicity of designs that the world leading tank container manufacturer develops indicates the technical complexity of the equipment needed to carry the 1,580 'substances' moved in tank containers.

T11 tank containers are the workhorses of the industry but, while only being technically specified for 8% of the 1,580 substances in the Dangerous Goods List, they can of course be used to carry products requiring lower test pressures, thinner shell thicknesses and less stringent pressure-relief devices. They are therefore suitable for transporting 92% of the substances on the Dangerous Goods List.

At the end of 2021, CIMC announced the spin-off of CIMC Safe Tech (the subsidiary focused on the chemical and environmental tank container markets) with the intention of listing on Shenzhen Stock Exchange's ChiNext market. The spin-off will include the separate IPO and listing of CIMC Safeway.

The move highlights the healthy corporate changes that are so much a feature of today's tank container market and, on Page 27, we take our courage in our hands and explore what other possible company and structural changes may change the complexion of the tank container sector in the next five years. The scenarios are strictly hypothetical - and may unnerve some - but they illustrate the potential for change in the dynamic, constantly-evolving tank container industry. ■

Leslie McCune, *Editor*

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Van Moer Logistics expands services to chemical sector by acquisition of Group Van Loon

Van Moer Logistics has completed the acquisition of tank container specialist Group Van Loon. Group Van Loon is specialised in the transport, cleaning, repair and storage of tank containers on the Antwerp left and right bank, employs 130 people and realised an annual turnover of 20 million euros in 2021.

Strategy

The acquisition of Group Van Loon fits in the strategy of Van Moer Logistics to expand and refine its offer for the chemical sector. After adding the installations of Group Van Loon, Van Moer Logistics will carry out an average of 300 cleanings and 275 repairs per day.

Jo Van Moer, Founder & CEO, Van Moer Logistics: "In recent years we have invested in the renewal and expansion of our SEVESO site in Zwijndrecht. With the arrival of the new filling lines and ADR halls, we further expand our services for the chemical sector. Thanks to the acquisition of Group Van Loon, we are now also doubling our capacity in bulk and tank container logistics."

One stop shop

Besides the large capacity, Van Moer Logistics also offers a unique one stop shop service. Both the transport, storage, heating, filling, cleaning, checking and repair of the tank containers are done at the same location in Zwijndrecht. This saves the customer a lot of transport costs and tunnel surcharges. The optimisation of these transports also brings with it an important environmental profit.

It is Jo Van Moer's vision to offer the same extensive service on the right bank in the near future, so that his customers can make use of the one stop shop principle on both banks of the port of Antwerp.

Cultural match

Gunther Van Loon, CEO, Group Van Loon: "The family shareholders see Van Moer Logistics as a reliable party that also has the necessary credibility and resources to continue our work. Also for our employees there are now additional growth possibilities and opportunities. We have paid much attention to that 'cultural match' where Van Moer Logistics shares the same values and attaches great importance to a flat organizational structure, open culture, flexibility and lasting relationships with all stakeholders."

More information: Van Moer Logistics Transport & Logistic Services ■

VAN MOER Logistics

Fort Vale announces addition to Ball Valve range

Fort Vale Engineering has announced a new valve for the transportable bulk chemicals industry.

The DN100 Ball Valve has a 4" bore and is manufactured in 316 stainless steel. It uses a contained seal carrier design to improve sealing and operational performance and is ideal for use on various applications, including tank containers, road tankers and rail cars - and complies with BS EN 14432:2014.

Carefully manufactured in stainless steel for maximum corrosion resistance, the DN100 Ball Valve will ensure your products flow out of your tank container easily and efficiently. Like all Fort Vale valves, it's easy to maintain and service, with spare parts available globally through the Fort Vale offices and distribution network.

Available for left or right hand operation, the valve has a (MAWP) design pressure of 16 Bar and will operate at temperatures between -40° C and 200° C.

Fort Vale's Graham Blanchard said: 'As with all of our products in the ball valve range, this 4" valve is designed to work simply and efficiently. We take pride in the fact all Fort Vale products are built to the same high standard for continued use in an industrial setting, with no drop off in quality and efficiency during their extensive life.

Successful and profitable tank operation relies upon the technical integrity of each and every component. That's why we ensure precision throughout, so that you can rely on the performance of our valves and your tanks'. ■

Den Hartogh Logistics adds new tank cleaning facilities to portfolio

Royal Den Hartogh Logistics has strengthened its footprint in the Nordics with the acquisition of Hedenskogs Åkeri and Hedenskogs Tankeri in Gothenburg, Sweden.

With this takeover the Den Hartogh Group adds a modern facility for tank container cleaning and storage, and a new office building to its assets.

Hedenskogs Åkeri and Tankeri specialise in the transport, heating and storage of tank containers and employing a staff of thirteen. The storage depot is 10,000m^2 and accommodates 150 to 200 tank container units. Steam cleaning is performed on site under strict safety policies.

The complete acquisition allows Den Hartogh to improve customer service and strengthens its local network.

Fredrik Kimfors, general manager Nordics Den Hartogh, said: "Den Hartogh Nordics is in an expansion phase and through the acquisition we are now also established in an exciting region with its own home base, with strong growth."

"The staff is the most important part of a company's success, and we have a fantastic staff. We aim to create good conditions for a future where all employees develop together with the company in a positive spirit," added parting owner Gabriella Hedenskog.

With this addition, Den Hartogh is confident of further increasing customer satisfaction by providing steam cleaning and storage on its own premises. ■


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Future of Supply Chain is Green and Resilient, Agree Speakers at *GPCA Conference*

If the last two years have proven anything at all, it is that the supply chain of the future would need to be more sustainable and resilient in order to prepare for and mitigate future disruptions, agreed speakers at the 13th Gulf Petrochemicals and Chemicals Association (GPCA) Supply Chain Conference, held from 17-19 May at the Hilton Dubai Al Habtoor City, Dubai, UAE.

The onset of the COVID-19 pandemic at the start of 2020, the threat of climate change since the beginning of the century and now the Russia-Ukraine conflict have sent shockwaves across global supply chains and threatened to transform existing logistics models, compelling business leaders to take heed and adopt new ways of thinking. This was the main takeaway from this week's GPCA event.

"The crisis brought on by the pandemic forced companies to shift their focus to innovation and restructuring efforts, to ensure business continuity by building resilience and agility," said Saleh Al-Suwaiti, CEO, FAHSS-TUV, and Chairman, GPCA Supply Chain Committee, in his welcome address on day one. Today supply chain decarbonization is at the forefront of conversations, as governments and businesses alike pledge their support towards carbon neutrality, he added.

Al-Suwaiti set the tone for the discussion which saw 29 leading industry experts share their insights as part of the event's theme "Future-proofing supply chains: The time is now". During the event's first of its kind executive panel, Dr. Bashar Al Malik, CEO, Saudi Railway Company (SAR), and Dr. Faisal Al-Faqeer, CEO, Sadara Chemical Company, pointed to the importance of ensuring supply chain reliability and putting a robust, multi-modal transportation system in place. The GCC Rail is expected to not only improve the supply chain system as a whole, but can do so in a more efficient and sustainable way, reducing emissions substantially, they added

Presentations on day two continued to put emphasis on the need for sustainability across chemical supply chains. In his welcome address, Aslam Moola, Commercial and Business Development Director, Vopak Middle East, and Vice-Chairman, GPCA Supply Chain Committee, praised new energy storage and transport solutions, such as the GCC Rail, for making transformational changes to the supply chain and logistics in the region.

Mutlaq Bin Saad Al-Mutlaq, Director, GCC Custom Union, delivered the keynote address on the last day of the conference. He began by outlining the opportunities to facilitate intra-GCC trade within the framework of the GCC Customs Union. He also shared the latest updates about the GCC's work in this regard and concluded by highlighting the socio-economic benefits of this important initiative for members in the region.

Dr. Abdulwahab Al Sadoun, Secretary General GPCA, commented: "Chemical supply chains are operating in an increasingly complex landscape disrupted by global forces beyond the chemical industry's control. From geopolitical tensions to the impact of the still ongoing COVID-19 pandemic, rising global trade protectionism and nearshoring by numerous countries across the world, supply chain leaders are facing a challenging task – to plan and prepare for a future that may be radically different from the current reality and ever more difficult to predict.

"On the other hand, key imperatives such as customer proximity, adopting supply chain digitalization, acting on sustainability and truly understanding the impact from the Environment, Social and Governance (ESG) agenda means that companies cannot wait any longer for these trends to arrive.

They are right here on their doorstep and already transforming the chemical industry's supply chain. To stay competitive, chemical industry leaders must capitalize on the opportunities ahead to grow their agility, collaborate with their customers and partners, and drive down their impact on the environment with the right investment and technology. Lastly, they must focus on developing their talent and equipping them with the skills they need to solve challenges they are yet to face."

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- Metallic Sodium tanks
- IBC/SBC tank
- T20/T22 tank

02
Service

- Global service network

03
R&D

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Nantong Tank Container Co., Ltd

Established in May, 2007, NANTONG TANK CONTAINER CO., LTD (NTtank) is a professional ISO tank container manufacturer located in Nantong, Jiangsu, China, close to Shanghai.

NTtank supplies both standard ISO UN Portable tanks and customized special tanks, with annual capacity of 8,000 standard ISO tanks and 4,000 multi-type special tanks, like SWAP Tanks, Reefer Tanks, Electrical Heated tanks, Different lining tanks (rubber, PE, Teflon, Chemline, Saekaphen, etc.), AHF acid tanks, Hydrogen peroxide tanks, Metallic Sodium tanks, High purity ammonia tanks, T20/T22 tanks, T50 gas tanks (ASME U and U2 stamp), offshore tanks and other small pressurized / none pressurized IBC for liquid products transportation.

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Hoyer and DHL agree bulk fuel delivery deal

Tank container specialist Hoyer has announced the creation of a new joint venture with DHL Supply Chain that will provide bulk fuel delivery services to UK supermarkets.

Hoyer leases tank containers tailored to customers' individual needs and the product's requirement. Various tank container types stand ready to transport chemicals or gas, or the matching IBCs for chemical products and liquid foodstuffs transport.

In addition, HOYER assists customers with tank container technical support and a comprehensive advisory service.

Built around DHL's long-standing relationships for the delivery of bulk fuels to the supermarket forecourts and distribution centres of Asda and Morrisons, the joint venture will initially command resources in excess of 120 vehicles and more than 450 highly skilled tanker drivers and staff.

The new joint venture, which will be set up as a limited liability company named Fuels Transport & Logistics Ltd, is subject to completion of a consultation process with staff and merger clearance from the UK Competition and Markets Authority.

The partnership will bring together two respected and high-profile names in the critical bulk fuels delivery sector of the logistics market whilst helping maintain and improve security of supply and providing greater flexibility to manage this increasingly volatile and demanding sector of the market. ■

H Essers breaks ground on new chemical warehouse in Belgium

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H Essers has broken ground on its new chemical warehouse at the Kristalpark III industrial estate in Lommel, Belgium. The new site will provide 150,000 m2 of capacity for the storage of hazardous goods, expanding the company's warehouse space in Europe by some 25%.

"The rising demand from both our regular and new chemical customers means that even our brand-new Dry Port site in Genk is now fully booked, while we are still continuing to build there. That is why we had to look for extra capacity in the region," says Salvatore Napolitano, CPO at H Essers.

"The location is a perfect match with H Essers' plans to increasingly invest in the synchromodality of our transport networks," Napolitano adds. "We were already operating in Lommel with warehousing, transport, planning and garages at our site on the Balendijk. The site at Kristalpark III fits in perfectly, because it opens up routes to the Netherlands and Germany.

Other logistic developments in the immediate vicinity, such as an inland terminal and a rail terminal for goods transport, are also on the cards." ■


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Suttons International to add new tank containers

Suttons International is to add 100 new 24,000-litre tank containers to its fleet, to bolster its international operations.

The tanks will be built by NT Tank and delivered over the coming few months. Suttons says it is continuing to negotiate for further tanks "as steel prices normalise".

"This investment comes hot on the heels of the successful VTG acquisition which completed earlier this year and added 5,000 additional tanks to our fleet," says John Sutton, CEO of Suttons Transport Group. "Increasing our fleet size once again demonstrates our intention and capacity to grow in the international market to better serve our existing customers, while doubling down on the expansion the business has made following completion of the VTG acquisition." ■

Boasso Global acquires FDW Holding

Boasso Global has acquired FDW Holding and its associated companies, collectively known as Frans de Wit, from its owners Lars de Wit and Remco Verhaegen.

"We are very excited about the acquisition of Frans de Wit, which adds another strong operating business for Boasso in the critically important European port areas of Antwerp and Rotterdam," says Joe Troy, chairman/CEO of Boasso Global. "We are equally pleased that Lars and Remco will both be staying on with Boasso to not only ensure a smooth transition, but also add strength to our talented operating team in Europe. They both have successful track records in operating and growing a complex depot and trucking business in the tank container industry and we look forward to learning from their deep experience going forward."

"Joining the Boasso Global family provides significant growth opportunities for our business and employees," adds Lars de Wit. "We look forward to taking the next step forward with Boasso Global to further enhance our service offerings to customers."

Frans de Wit provides tank container transport and depot services, including repair storage and testing, at its Moerdijk site. Boasso notes that the acquisition expands its own service offering, particularly in the area of the transport of pressurised gases in tanks. ■

Suttons International appoint new global commercial director to support growth

Suttons International are proud to announce the appointment of David Goekoop to the role of Global Commercial Director.

With deep knowledge of tank container logistics, David will support the business in its ambitious growth strategy to strengthen geographic scale and presence in new markets, while continuing to maintain the high levels of reliability and safety the business is known for.

David joins the business at an exciting time of growth. Following the recent VTG acquisition and large fleet investment, Suttons International have gone from strength to strength and are now firmly part of the top 10 global tank container operators.

Suttons International have a strong focus on offering fantastic levels of reliability and service to customers despite disruptions caused by Covid, Brexit, and the conflict in Ukraine.

With over two decades of industry experience in tank container operations and customer service, David is poised to capitalise on recent investments and guide the business' growth forward. ■

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Van den Bosch completes new tank cleaning project in Ghana

Van den Bosch has successfully worked on a new cleaning station in Ghana with Amaris Terminals.

Due to the growing demand and increasing number of customers from West Africa, the logistics service provider is expanding its new ISO tank equipment portfolio and helped construct a new state-of-the-art cleaning station.

This modern tank cleaning is now fully operational and running at full capacity in cooperation with its new partner.

Amaris Terminals is the largest facility in Tema, Ghana.

Van den Bosch opened the new tank cleaning station at the beginning of this year as replacement for the old facility that opened in 2016.

"The new cleaning, built within a 40ft HC container, was constructed with the latest modern technology in cooperation with Gröninger Cleaning Systems in Rotterdam," said Mark Ashton, commercial director at Van den Bosch.

"In addition, the cleaning station is built in full compliance with European quality standards for food-grade, kosher and halal cleaning protocols. With this, we support the innovative character of Van den Bosch. The new technology enables us to focus on providing sustainability and allows us continue our focus on the development of import & export, and Liquid bulk solutions, amongst other things."

Following the opening of the new tank cleaning in Ghana, Van den Bosch is working towards a second West African cleaning facility located in Abidjan, Ivory Coast.

This depot will also be built according to the high European quality standards and will meet all requirements for Food-grade, Kosher and Halal cleaning protocols.

He added: "With this investment, we continue supporting our clients and the manufacturers of West Africa and we underpin our position as the supply changer in bulk." ■

Den Hartogh report record turnover in 2021

Den Hartogh has reported record turnover in 2021, rising by 18% to €572m.

EBITDA increased by 62% to €67m and pre-tax profit increased from €11m to €35m. The company calls these "exceptional results" in a difficult year, with its employees faced supply chain disruptions around the world.

At the same time, total investments reached €50m, Den Hartogh's highest annual for some time, much of which went on new tank containers, box containers, chassis, LNG-powered trucks and ultra-light trailer equipment. "But we are also investing in activities that make this fleet safer, more efficient and run more economically," Den Hartogh says. ■


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Quala to acquire Polar Service Centers (PSC)

Quala has agreed to acquire Polar Service Centers (PSC), largest network of commercial parts and repair facilities dedicated to the tank trailer and tank truck industry in the US.

Combining the two organisations will, Quala says, bring together complementary nationwide networks of facilities offering container cleaning and maintenance services. "This acquisition will enhance both companies' offerings in the marketplace by further expanding the overall geographic footprint, capacity and capabilities," says Quala.

"We feel that adding PSC to the Quala family will allow us to continue to grow our core service offerings while complementing our network across the US and Canada," says Scott Harrison, CEO of Quala. "The team is excited about this significant addition and believes it is only the beginning of a great future for its customers and the communities in which we operate."

The transaction is expected to close within the next two months, following which Quala and PSC will prioritise the integration of the two operations. Quala, owned by Advent International, has 89 locations in the US and Canada, making it the largest independent provider of cleaning, testing and repair services for tank trailers, tank containers, IBCs and rail cars in North America; PSC has a network of 38 parts and repair facilities across the US, with container cleaning offered at some sites. PSC is currently owned by Engineered Transportation International. ■

Odyssey Logistics undergoes a corporate restructuring

Odyssey Logistics & Technology has undergone a corporate restructuring, with four divisions now covering intermodal transport, transport and warehousing, freight forwarding and managed services.

"Given the size and diversity of Odyssey's business structure today, the new division alignment emphasises the company's value proposition for customers across its global service platform and aligns existing business units across common markets, modes and services," the company states.

"By consolidating into operating divisions in market-based modal alignment, Odyssey is uniquely positioned to drive synergy, optimisation and organic growth from the bottom up," adds Keith Hancock, CEO. "We are creating a combined and concise value proposition that is further enhanced by targeted acquisitions and efficient support structures worldwide." ■

The HOYER Group, a strong partner in turbulent time

CFO Dr Torben Reher, CEO Bjoern Schniederkoetter.

HOYER proved to be a strong, reliable partner again in 2021. With expertise and flexibility, the specialist logistics company met a dynamically recovering global economy that faced bottlenecks in transport capacity as goods and product traffic flows increased. The family company reached a turnover of EUR 1.293 billion, a proportion of which was affected by sea freight rates. Despite the challenges, HOYER raised its equity ratio to 45.3 per cent, and achieved earnings before taxes of EUR 46.2 million by efficient transport and fleet management combined with a high capacity utilisation rate of its tank container equipment

According to Dr. Torben Reher, Chief Financial Officer of the HOYER Group, "Global economic performance recovered dynamically in 2021.

Whereas the pandemic had a negative impact on commerce in 2020, this new dynamic confronted us with equally new challenges." Transport capacities became a bottleneck within global logistics, in particular freight space on container ships was scarce, and freight costs rose significantly. Reher says, "The HOYER Group safely and reliably maintained logistics services for our customers despite multiple disruptions in the global value-added chain."

The comprehensive services portfolio of HOYER and the dedication of the workforce are the decisive success factors: our own workshops, cleaning sites and depots support their efforts with short turnaround times and quick provision of equipment for their use. Global logistics know-how enabled fast, flexible transport adjustments in the event of bottlenecks and pandemic-related port blockades. Value-added services in on-site logistics safeguarded the needs-oriented further processing and provision of customers' products for transport. In addition to overseas tank container logistics, services relating to intermediate bulk containers (IBCs) with smaller volume capacities up to 1,100 litres also recorded high demand. There was continuing high call for consultancy services in Europe due to the effects of Brexit, but also in China the USA. The demand for stainless steel containers as a more sustainable alternative to plastic IBCs increased, and HOYER was able to satisfy it.

HOYER cushioned significant demand fluctuations in the fuel logistics area. In the course of the year, a demand peak coincided with a shortage of drivers throughout the sector, causing supply shortfalls in the United Kingdom and Germany. HOYER countered these with a comprehensive catalogue of measures to recruit and train new drivers, together with health precautions to reduce the Covid-19 infection risk. Gas logistics showed a comparatively stable demand at a high level of capacity utilisation, especially for medical oxygen. To meet the great volume of transport requests, HOYER switched parts of the logistics over to intermodal transports, and was able to stabilise the supply at a high level. ■

HOYER GROUP

A clean sweep in Saudi Arabia

Mike Tunstall, General Manager of **Sahreej**, the joint venture between **Stolt Tank Containers** and local Saudi Arabian partner **YBA Kanoo**, describes its successful growth in the Kingdom to *Tankcontainer Magazine.*

TCM: What is the history of Kanoo Tank Services/Sahreej?

MT: Kanoo Terminal Services (KTS) was established in 1978 via a joint venture between YBA Kanoo and Nedlloyd and progressed through acquisitions to Maersk/APM Terminals. It created one of the first off-dock depots to service containers for the major shipping lines operating in and out of Saudi Arabia and offered modern, secure depots for container and reefer-related services - including local transportation - to meet the early export demands of Saudi Arabia and the UAE. The business initially dealt with dry freight containers but KTS added a tank container cleaning depot in Dammam in 1991, followed by expansions into Jeddah in 1997 and Jubail Industrial City in 2010.

TCM: Who owns Kanoo Tank Services?

MT: The YBA Kanoo/APM Terminals joint venture wanted to consolidate its business around its core business of dry freight containers. At the same time Stolt Tank Containers was looking to secure its operating capacity, safety, and environmental requirements to meet current and future demand by expanding its depot network with modern facilities in Saudi Arabia.

Kanoo Terminal Services (KTS) sold the three cleaning depots to a new joint venture Kanoo Tank Services (Sahreej), with Stolt Tank Containers acting solely as the technical partner and YBA Kanoo adding local knowledge and expertise.

This brought together the world's largest tank container operator and a strong local partner, the long-established Saudi Arabian conglomerate, YBA Kanoo. The joint venture - renamed Kanoo Tank Services (Sahreej) - was established in 2015 and operates from Dammam, Jeddah and Jubail Industrial City, all ideally located to serve Saudi Arabia's major ports and rapidly expanding petrochemical industry. Sahreej is an independently managed joint venture.

TCM: What range of services does Sahreej offer?

MT: Both partners recognised the need to modernise each facility to offer best-in-class services capable of meeting the current and future requirements of both the operators and Saudi Arabia's chemical industry as it moved further downstream. This increased the range of services and, importantly, differentiated itself from the competition.

Previously, the depots had been just an add-on to transport but the new vision was to enhance the facilities to offer a "one-stop" approach, specialising in all aspects of the tank container business.

Today, the following services are available: tank container, road tanker and IBC cleaning, including MDI/TDI isocyanides, latex and other resins; leak testing; steam heating; frame and shell repairs, including inserts; storage of empty and laden tank containers (with a containment area); statutory testing at 2½ years and 5 years; nitrogen blanketing and purging to -40 dew point and 0.02% oxygen; cross-loading; on-hire/off-hire; reefer services; tank leasing and technical services, including training for plant and tank operators; and emergency response. ➔

Kanoo Terminal Services (KTS) sold the three cleaning depots to a new joint venture Kanoo Tank Services (Sahreej), with Stolt Tank Containers acting solely as the technical partner and YBA Kanoo adding local knowledge and expertise

Mike Tunstall, *General Manager, Sahreej*

TCM: How many cleaning slots do the depots have?

MT: Sahreej started upgrading Dammam and Jubail in 2017. The new site and head office in the Royal Commission's Jubail Industrial City's logistics area was developed on a 100,000 m^2 greenfield site while continuing to operate the Gröninger-supplied Jubail 1 facility until the new depot started full operations in February 2019 (Sahreej was the first company to operate in the new logistics area).

The Jubail facility has four clearing bays and 24 slots, with bays specifically designed for standard cleans, special cargos (MDI/TDI/latex) and a drive-through bay for road tankers.

There are five inspection bays with 40 inspection slots and five statutory testing slots. To complement this, a large repair area with four rotators is available in addition to laden tank container storage for 500 tanks, 24 reefer plug-in and electrical heating points and a twelve-slot steam heating station. The depot has its own nitrogen generator.

The Jubail depot has a capacity of 1,000 tank containers per month on a single shift when fully staffed. Started in parallel with Jubail, the Dammam depot was a much more complex proposition. It was the leading depot in terms of quantity of tank containers cleaned and Sahreej planned to redevelop the site whilst maintaining its full services and capacities during the redevelopment.

The new Dammam facility became operational in February 2019 and has a single cleaning bay with four slots and two spinners, two inspection bays with eight slots and an eight-slot statutory testing bay. It specialises in empty tank containers and has a cleaning capacity of 450 tanks on a single shift basis. Once the new Jubail Industrial City depot was operational, Sahreej obtained a larger 15,000 m^2 site in Jeddah and transferred and re-commissioned Jubail's existing Gröninger cleaning station in Jeddah. It became operational in February 2021.

The Jeddah facility has a single bay, four slot cleaning area and three statutory testing slots. It handles empty and laden tank containers and has a steam heating facility taking five laden tank containers and two tank container rotators for repair work. The facility has a cleaning capacity of 400 tank containers a month.

TCM: What are Sahreej's genuinely unique capabilities?

MT: Sahreej sets itself apart from competitors by being a tank container specialist, as opposed to a transport company that can clean tank containers. Best-practice health, safety, environmental, cleaning and repair standards are provided through Stolt's expertise, gained by many years operating depots globally.

TCM: What are the most difficult products to clean?

MT: MDI/TDI isocyanates, latex and resins do not provide too many issues as Sahreej has heavily invested in the specialised equipment, from the right supplier, to manage these difficult products. We started cleaning latex tanks in mid-2020 and MDI/TDI isocyanates in September 2021.

For Sahreej, cleaning a tank container without any secondary cleaning is the desired result. Traditionally, heavy lube oils, resins and products such as naphthalene have presented the greatest problems.

TCM: Are there dedicated food grade cleaning facilities?

MT: No. Food grade cleaning is not yet required in Saudi Arabia but, once it appears, Sahreej will dedicate a cleaning area to cater for it and will include halal and kosher standards. The same applies to gas and cryogenic tank containers.

TCM: Do more complex internal designs (baffles, etc) make the cleaning task longer, more difficult and therefore more costly?

MT: The majority of our work is for standard T11 tank containers, but we also see T14, swap bodies and baffle tanks. Baffle tanks obviously come at a premium price as the spinning head has to clean each bay separately

TCM: Can Sahreej provide the full range of off-hire services needed by leased tank containers?

MT: On-hire and off-hire has started to increase in Saudi Arabia and Sahreej performs these to ITCO standards but, as some major leasing companies have entered the market, Sahreej has adopted their standards instead. For instance, there is an ITCO standard for pitting and toolmarks but some lessors require no pits or tool marks on the shell.

TCM: What trends have you noticed in the KSA tank container market?

MT: Over the last six years Sahreej has seen its cleaning volumes increase by 4% year-on-year with the vast majority being T11 tanks. In terms of products, we cleaned 56 products in 2015 but now have 1,900 MSDS documents in our system, all approved for cleaning and with individual risk analyses. Sahreej typically cleans over 170 different cargoes every month.

A major change is that Saudi Arabia has moved from being a backhaul market to a fronthaul one. As a result, tank container operators needed a professional one-stop shop and quick turnaround to meet the high export demand.

Competition has, of course, increased and continues to do so but Sahreej has coped by offering a high-quality service and a dedicated technical and customer services team. The facilities and capacities make a big difference and Sahreej comes into its own with high volumes, difficult cargos and when anything unusual is required.

TCM: Have cleaning rates changed much in the past 2 years?

MT: Sahreej has maintained its price structure since 2015, despite current increases from its major suppliers. We have managed this by introducing economies of scale, refining our cleaning processes and introducing wastewater treatment processing at each depot, which reduces waste and water consumption costs.

Biography

Sahreej General Manager Mike Tunstall is an engineering graduate from the University of Birmingham with a wealth of experience across UK manufacturing industries such as the motor and pneumatic valve Industries. He has been in Saudi Arabia since 1994 and has also worked in the pressure vessel industry. He is currently the Vice-Chairman of ITCO's Tank Service Providers Division and was Vice- Chairman of the Saudi Arabia's Eastern Province British Business Association for 15 years. ■

Hoyer's Commercial Chemists department plays a pivotal role in ensuring product gets from one location to another without compromising safety, product integrity or the very tank containers that transport it.

To the untrained eye, one tank container probably looks very much like any other. However, in reality, this is certainly not the case, with individual models varying in terms of inter alia size, construction and the materials employed; internal linings; heating and insulation; and ancillary equipment. What's more, given the incredibly broad range of products these multimodal work horses of industry are employed to transport – from benign foodstuffs to highly corrosive and flammable substances – there can be no one-size-fits-all approach to choosing the correct tank container for the job in hand. Rather, expert knowledge is needed to ensure that chemical compatibility, product integrity and safety are always maintained. This is not an easy task. It is also where Hoyer's Commercial Chemists department comes to the fore.

Based in Hamburg, the Commercial Chemists department is part of the wider Equipment Services (EQS) division, which also includes the company's Engineering, Equipment Management, Maintenance and Repair and Technical Data Management teams located across various key sites in Europe, Asia and the Americas. Consisting of five fully qualified chemists and headed by team leader Dr John Djamil, the Commercial Chemists department performs a vital function in determining the most appropriate means of safely transporting a customer's goods.

To this end, it is greatly aided by Hoyer's own in-house product database.

A wealth of knowledge

An ever-growing list of more than 70,000 different product entries, this extensive database is borne of Hoyer's multiple decades of experience transporting a broad raft of hazardous and non-hazardous chemicals, foodstuffs and other bulk products. As such, this highly detailed catalogue of chemicals covers everything from very common substances, such as sodium chloride and different water entries, to highly complex and/or highly volatile mixtures. However, while choosing the right tank container for an individual customer's needs may seem simple in some instances, with Djamil noting that most requests concern products that are already known to the team, there are nevertheless plenty of factors that can make the selection process much more challenging.

"The evaluation of suitable tank container material and/or other equipment depends on several aspects," he says. "As a starter, specific information, like the composition of the product, is needed to evaluate the material. Of course, there are the straight-forward/commonly-known ones, which [can be] processed more easily due to our extensive product database and experience. In contrast to that, complexity increases in the case of unknown products and/or mixtures composed of different ingredients in different proportions."

Thus, while many requests may be dealt with in a matter of minutes or hours, others may require in-depth laboratory and materials testing, something that may take significantly longer to accomplish. After all, some things simply cannot be rushed if accurate and therefore meaningful results are to be achieved. What's more, complexity does not always relate to just material compatibility alone.

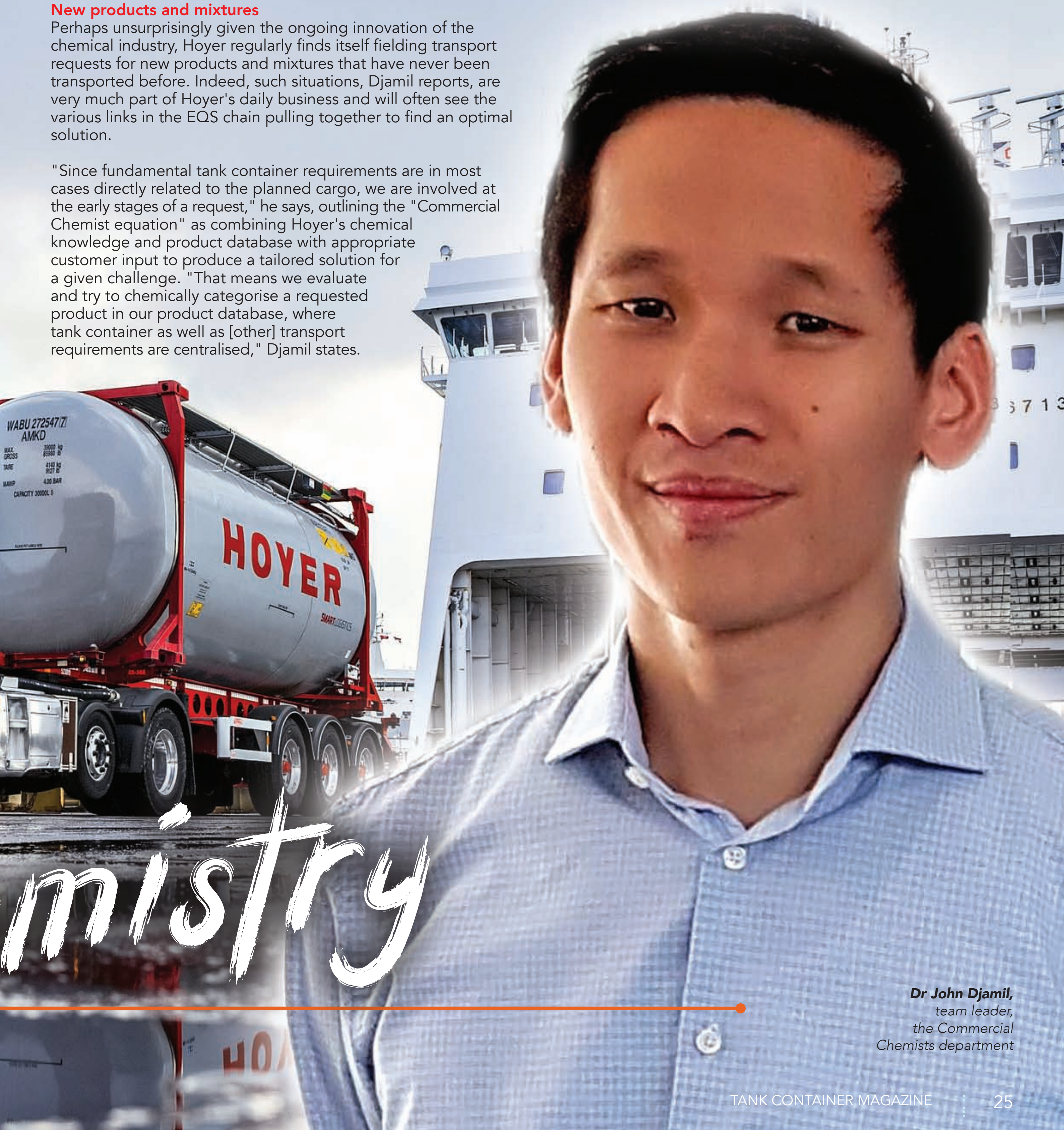
"Instead, the safe transportation of very hazardous and reactive products falls under our responsibility as well. Solutions meeting the highest quality requirements are key and mandatory here," Djamil states, noting that in order to give customers the correct advice and technical feedback, there must be an open exchange of information and documentation. This, understandably, is in everybody's best interests as no customer wants to see their cargoes contaminated or compromised in the same way no logistics firm wishes to see their assets damaged. Similarly, neither party stands to benefit should safety be ignored and an otherwise avoidable incident be allowed to occur through a failure to communicate critical information.

New products and mixtures

Perhaps unsurprisingly given the ongoing innovation of the chemical industry, Hoyer regularly finds itself fielding transport requests for new products and mixtures that have never been transported before. Indeed, such situations, Djamil reports, are very much part of Hoyer's daily business and will often see the various links in the EQS chain pulling together to find an optimal solution.

"Since fundamental tank container requirements are in most cases directly related to the planned cargo, we are involved at the early stages of a request," he says, outlining the "Commercial Chemist equation" as combining Hoyer's chemical knowledge and product database with appropriate customer input to produce a tailored solution for a given challenge. "That means we evaluate and try to chemically categorise a requested product in our product database, where tank container as well as [other] transport requirements are centralised," Djamil states.

"From there on, we can make use of our data and experience to complete the request. If no chemically comparable products can be found, we stick our heads together with our customers and material supplier for feasible options," he continues. Should it become apparent that a new or modified type of tank container design is required, Hoyer's Engineering department will then take up the baton in order "to work out the actual technical solution".



Dr John Djamil, team leader, the Commercial Chemists department

The more challenging the requests get, the more customised solutions might become of interest

***Dr John Djamil,** team leader, the Commercial Chemists department*

Titanium tanks

And like the Commercial Chemists department, the company's Engineering team are no strangers to tackling some very demanding challenges. In January 2021, for example, a two-year undertaking for a chemical industry customer resulted in the launch of new tank containers for the transport of molten monochloroacetic acid (MCA). Given that this highly corrosive product required shipping at elevated temperatures, conventional rubberised or coated stainless steel tank containers were quickly ruled out as an option, ultimately leading to the development of an incredibly durable and chemically resilient titanium tank barrel.

However, this itself then needed to then be attached to the unit's stainless steel frame, something that was never going to be easy given that these two different construction materials are generally deemed difficult to bond at best. By working hand-in-hand with an external tank container manufacturer and a well-established producer of titanium vessels, though, the Engineering team were nevertheless able to develop an innovative means by which to overcome this hurdle. Furthermore, they also developed a bespoke Ex-approved heating system to ensure that the required cargo temperature would be correctly maintained during each transport.

Working together

"The more challenging the requests get, the more customised solutions might become of interest," Djamil says, noting that "cross-functional collaboration" among the different EQS departments and relevant third parties is essential if the needs of customers are to be satisfied. "Indeed, we go into exchange with our customer (as the product experts) and the container material supplier to deep dive for the best possible solutions," he continues.

But it's not just new products and mixtures that might require the expertise of the Commercial Chemist team and their EQS colleagues. As new products, processes and techniques develop, so too do new by-products and types of waste. "Waste products composed of different [and] varying critical ingredients can represent a challenge – especially if some of the ingredients are known to cause corrosion in stainless steel," Djamil reports. "There are examples in which we investigated and found suitable materials together with the customer and our material supplier, ending up in providing tank containers for this very special business."

Hidden hazards

Regardless of whether the cargo to be shipped is a primary product or industrial waste, the fact remains that not all potential dangers are immediately apparent. "We double check the chemical composition, which is not (completely) given in a product-related document. A frequent response we receive is that the ingredients are not hazardous," he says, pointing out that the words 'not hazardous' do not necessarily mean that a substance is free of potential risks. "Corrosion of the container material could occur based on ingredients which do not fall under hazardous and dangerous goods legislation. We have our basic requirements to review a product-related request. If certain and mandatory contents are missing, we are not able to process a request," Djamil reveals.

"Our main responsibility is to fulfil [the needs of] our customers in offering the best possible solutions based on our chemical expertise," he states, identifying the role of the Commercial Chemists department as a perfect fit with Hoyer's groupwide commitments to both customer care and health, safety, the environment and quality (SHEQ). "Our business is about moving chemicals around the globe. That's the way things are," he says.

"It is clearly not a matter of 'if' but of 'how' to ensure safety and quality at any time. For that reason, Hoyer can rely on its Commercial Chemists to critically review product-related requests. We are one puzzle piece within the Hoyer Group to respect and meet our own and our customers' expectations of high quality standards," Djamil asserts, summing up the department's mission in just seven words: "We find simple solutions for complex issues." ■

The tank container market 2027

Leslie McCune, an independent tank container market expert, **speculates** on what **structural** and **company changes** could take place in the **tank container sector** over the **next five years.**

PHOTO COURTESY OF **JESSICA VERHAGEN**

To an extent, it is the changing of the guard - Mike Kramer, the President of Stolt Tank Containers, the market-leading tank container operator, has moved on from the role he has held for the past 22 years to a corporate role as Executive Vice President, Marketing and Business Development at Stolt-Nielsen Limited. The move coincides with the announcement by Niels Stolt-Nielsen that he wished to step down from his role as Chief Executive Office of Stolt-Nielsen Limited, a position he has held since 2000, when his father's 41-year leadership of the company ended.

With similar timing, Jeremy Bergbaum, the President of Exsif Worldwide Inc. - the world's joint-largest tank container lessor - retired at the end of March. He entered the tank container business in 1986 and was a founder member of the International Tank Container Organisation (ITCO), becoming its first President when ITCO was established in 1998.

With the heads of the world's largest tank container operator and the world's joint-largest tank container lessor moving on, so indeed will the companies they led. Stolt Tank Containers, which accounted for 74% of Stolt-Nielsen Limited's net profit in 2021, can be expected to continue their passive-aggressive leadership in the operator sector while the focus of Exsif's new President is expected to be improved financial returns (given his finance background at Exsif's owner, Marmon, a subsidiary of Warren Buffet's Berkshire Hathaway Inc., which had a $147 billion cash pile at the end of last year).

All well and good and predictable from a business-as-usual perspective. But business may not continue be 'as usual' so let's be brave and imagine, hypothetically, what might play out in the tank container market over the next five years?

Which trends will drive change?
Firstly, the context. One the strongest strategic drivers in today's overall logistics sector is the search by global customers for integrated intermodal supply chain logistics. This is driven by a hunt for operational efficiencies, greater resilience, the convenience for large global customers of a one-stop-shop and the opportunities to gain the benefits of economies of scale. Underpinning this is the increasing commitments being made

by larger-scale beneficial cargo owners (i.e. the producers of chemicals, liquid food stuffs and beverages) to the sustainability goals promised to their shareholders and stakeholders.

These factors provided one of the business motivations for VTG to sell off its overseas tank container operations to tank container operator Suttons at the end of last year. While VTG continues to operate its own European fleet of tank containers, the sale of its 5,000-strong overseas tank container operations represented a strategic move that allows it to "refocus its energies on global tank container leasing". In so doing, "VTG hopes to benefit from growing customer demand, especially from global customers, for integrated intermodal logistics solutions".

How to create integrated supply chains?
But integrated supply chain logistics can be difficult to create, not least because each modal link in the chain is often - like the tank container operator sector - highly fragmented. There are over 235 tank container operators serving the global market with the largest operator having only a 9% market share of the global fleet. When looking *along* the chemical supply chains, no logistics company offers a complete, in-house, integrated supply chain solution for global customers. This may not even be desirable because any such company would inevitably have an undesirable asset skew towards shipping and would be unlikely to successfully compete against the modal specialists in each link of the supply chain.

Connected, separate supply chain links
An integrated supply chain can, of course, be achieved in a number of ways. An array of specialised, independent asset and service owners can, for example, be connected into an extended chemical supply chain network by digital integration - this is the typical *modus operandi* of the today's tank container sector.

Ownership of multiple supply chain links
Alternatively, a company may prefer to own assets in more than one link of the supply chain. Market leader Stolt Tank Containers, for example, sits within a continuum of related businesses focusing on bulk liquid distribution. These include Stolthaven bulk liquid terminals and Stolt Tankers, which owns the world's largest fleet of chemical parcel tankers. For major producers and traders of specialised and commodity chemicals, this creates a potential one-stop-shop for end-to-end bulk liquid deliveries from the small lot size of tank containers to the larger volumes associated with less specialised commodity chemicals. Importantly, it offers large customers a choice of the pier-to-pier terms typically offered by chemical parcel tankers (Stolt Tankers), tank-to-tank terms offered by inter-terminal deep sea movements (Stolthaven Terminals) or, via Stolt Tank Containers, the door-to-door terms usually offered for tank container deliveries. Pier-to-pier movements typically offer relatively little margin for tank container operators.

Partial ownership of supply chain links
A third possibility for an integrated supply chain is to have partial ownership of some of the links in the chemical supply chain. Like Stolt-Nielsen, tank container operator Den Hartogh Logistics and Singapore-based MOL Chemical Tankers (MOLCT) have a strategic partnership to jointly develop and streamline liquid chemical logistics services using tank containers, parcel chemical tankers and tank terminals. In 2019, MOLCT TOKYO-Mitsui O.S.K. Lines, Ltd. announced that its group company, MOL Chemical Tankers Pte. Ltd. had acquired a 20% stake in Den Hartogh Holding B.V. from Den Hartogh Beheer B.V. The objective of the deal was to develop a liquid chemical multimodal logistics service company offering, in a similar way to Stolt-Neilsen, end-to-end supply chain solutions made up of tank containers, parcel chemical tankers and an Antwerp tank terminal.

The trend towards integrating logistics businesses is evidenced closer to home in the dry freight container sector. A.P. Moller-Maersk is working to move away from simply being the global leader in shipping services to, instead, becoming an integrated container logistics company whose ocean, inland, warehousing and customs service capabilities serve to simplify its customers' supply chains. Could this, by extension, lead to it acquiring a tank container lessor or operator? After all, the recent launch of Maersk Air Cargo is evidence of A.P. Moller-Maersk's intent to deepen and widen the company's global supply chain capability, according to Aymeric Chandavoine, Global Head of Logistics and Services.

Other structural changes
What other possibilities are there for structural change in the nature of the global tank container market, with its fragmented operator sector and relatively consolidated leasing sector? Will other shipping lines use their huge profits to diversify from their historical role and into door-to-door logistics companies with direct relationships with those moving bulk liquid chemicals. Their priority would inevitably be to prioritise their own equipment rather than 'shipper-owned' box and tank containers. Such a move would help reduce earnings volatility. Or do the shipping lines resort to type and use their cash piles to over-order liner shipping tonnage?

The value of synergies within an integrated company may, of course, be less than the value released by the businesses becoming independent. Could Stolt-Nielsen, for instance, be split up and what their CEO describes as their 'diverse business portfolio' - which includes Stolt Tank Containers and fish farming - given new freedoms to compete in their specific market segments? Will Paris-based Ermewa - finally sold by French state rail operator SNCF last year to the DWS-CDPQ consortium - split its freight and intermodal railcar business away from its Eurotainer and Raffles tank container leasing businesses? And how would this affect its 56% EBITDA on 2021 sales of €528 million ($549 million)? Or will Ermewa, like GATX and VTG (in Europe), simply continue to leverage its combined rail/tank container asset leasing expertise?

Asian players will have a larger role
More broadly, structural change will almost inevitably come in the form of Asian players having a larger role in the global tank container sector. European tank container operators have looked to strengthen their Asian presence to access the high growth

intra-Asian market, which also offers new cargo opportunities to feed into their existing global network. However, a raft of ambitious and rapidly-growing Asian companies are also exploring opportunities to widen their global tank container presence.

In 2019, for instance, state-run chemical giant Sinochem sold its Sinochem International Logistics (SIL) business unit to Junzheng Gentco as part of a Chinese government move to encourage state-run enterprises to focus on their core businesses. Junzheng Energy & Chemical Group is a large private Inner-Mongolia-based chemical manufacturer and is controlled by Du Jiangtao, said to be one of China's richest people. Tank container operator NewPort, with its pre-pandemic revenue of $340 million from its 100,200 shipments, was, of course, part of this deal.

Singapore-based E-WAY/ITM, established in 2007, has seen a recent growth spurt, with its tank container fleet increasing from 6,000 to over 14,000 in the past two years. Other Asian-based logistics companies and diversified groups are actively evaluating both European-based tank container acquisition targets and/or potential joint venture partners. Could, then, an independent operator such as Bulkhaul be attractive to them? The company has a much lower industry participation than other leading operators but owns a fleet of 24,000 deep sea tank containers and has a respected capability and global presence. Bulkhaul Limited's June 2020 financials show turnover of £189 million ($232 million) - down 5% from 2018 but up 15% from 2015 - with strong margins (29% EBITDA; 45% Gross Profit; and 15% Profit After Tax). Bulkhaul's 15% post-tax profit compares to a 2021 pre-tax profit of 6% from Den Hartogh Logistics, which has a similar sized tank container fleet. Hoyer had 3.6% pre-tax return on sales and 9.1% EBITDA in 2021. (As a reference, the average EBITDA margin for the S&P 500 in the US in 2021 was 21.3%.)

Few acquisition targets among operators ……

The tank container operators' sector is characterised by family companies with half of the top ten operators being family-owned i.e. Stolt, Hoyer, Bertschi, Den Hartogh and Suttons. This leaves relatively few opportunities into the operators' sector for acquisitive new investors. But might we see over the next five years some of these eponymous companies conceding, as Den Hartogh Logistics has done with MOLCT, some of their family's equity to other shareholders?

As always, private equity-backed funds are assessing the tank container industry, looking for 5-7 year opportunities to buy, re-structure and exit attractive asset-backed businesses with stable, recurring income streams from assets that operate in a regulated environment with a low risk of technical obsolescence.
An exception is Belgian private equity firm Cobepa, which acquired 40% of beverage freight forwarder Hillebrand's share capital as far back as 2006, before increasing its equity stake to 55% alongside the Hillebrand family, management and another investment partner in 2016. Cobepa increased its overall stake to 58% by the time it agreed to sell Hillebrand - with $1.64 billion of revenues - to Deutsche Post DHL for $1.75 billion in 2021. Deutsche Post DHL had an established presence in wines and spirits logistics through Giorgio Gori while Hillebrand had acquired UK bulk liquids firm, Braid, which had an annual turnover of about €200 million in 2020.

However, for tank containers, the food grade sector is a small, specialised niche, typically accounting for around 5% of tank container shipments.

….. and recent changes among lessors

Does, however, the lessor sector offer more fertile ground for structural or ownership change over the next five years? Inevitably, yes. Three of the top five lessors (Eurotainer/Raffles, Trifleet and Peacock) have been involved in corporate action recently. Exsif can be expected to retain its co-leadership position with Eurotainer/Raffles and Warren Buffet's long term investment credo may make structural changes at Exsif Worldwide unlikely in the short to medium-term?

Over the next five years, the equity split in CS Leasing could change, given its strong capital base is partly supported by private equity. Founded in September 2015, CS Leasing was one of only a couple of new tank container lessors to enter the market between 2015 and 2020. In May 2017, Maas Capital, then part of ABN AMRO, acquired a significant minority shareholding in the company by purchasing all of the shares that were previously held by CARU Containers (while also investing additional capital). Last October, ABN AMRO disposed of 'non-core' Maas Capital Shipping B.V., selling the Maas portfolio of 15 controlling and non-controlling stakes in shipping, intermodal and offshore service assets to US alternative financier EnTrust Global.

Manufacturer IPOs?

On the manufacturing side, what might be the implications for lessors and operators when 'CIMC Tank' is publicly-owned (last year's IPO of CIMC Vehicles was 3,047 times oversubscribed)? And might some other manufacturers do the same?

Depot consolidation

Last, and by no means least, the highly fragmented and critically important global depot/cleaning station infrastructure will also change over the next five years. Capacity constraints in this essential and mainly privately-owned service sector are said to be constraining the growth of the tank container sector and the depot segment is ripe for change - could a number of global depot/cleaning station companies merge to offer the brand uniformity and operational efficiency of the widely-admired McDonald's brand? Will the private equity parties already in the sector look to crystallise their 5-7 year gains?

The above is all strictly hypothetical so there is no need to get exercised about any of the scenarios. What it does illustrate is the potential for change in the tank container market, a market which, like life itself, is divided into three terms - that which was, which is, and which may be. ■

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SAFE AND SOUND in Saudi

Safety and quality are key watchwords for Aldrees Bertschi Logistics Services, a terminal operator with an enviable reputation in a demanding physical environment.

Covering an area of 100,000 m2 and able to store up to 8,000 TEUs, the Aldrees Bertschi terminal in Saudi Arabia is, as managing director Andreas Nebiker puts it, "big" to say the least. A joint venture established in 2013 between Switzerland-headquartered global logistics provider Bertschi and Riyadh-based Aldrees Petroleum & Transport Services, the facility is located in close proximity to the Jubail Industrial Area Two and is linked directly to the Abu Hadriya Highway, giving it "very short access routes" to key customers from the chemical, petrochemical and allied industries among others.

Operating on a 24/7 basis and offering a one-stop-shop suite of terminal and logistics services, ranging from cross-docking and customs clearance to integration with the Bertschi global tank container network, the terminal is fully certified to store a full range of loaded and empty box and tank containers, including units filled with UN Class 3, 4, 5, 6, 8 and 9 dangerous goods. Furthermore, since the summer of 2018 the site has also operated a state-of-the-art Weidner tank cleaning station. "The facility has two washing lines with a total of four washing bays for tank containers or two washing bays for road tankers. We can clean most hazardous goods and can also offer 2½- and 5-year inspections as well as other repair and maintenance work," he explains.

While exact figures vary from month to month, tank containers typically account for around 20 per cent of the terminal's total occupancy. Meanwhile, with local Middle Eastern firms comprising the bulk of customers, around 80 per cent of containers handled are usually destined for export trades. One local company to use the terminal is Sadara. "In 2017 we won the contract with Sadara for the storage and distribution of empty containers. To date, we have completed over 650,000 accident-free handlings," Nebiker reports.

Strict on safety

The upshot of "a strict, fair and permanent" observance of safety, coupled with extensive training, is an achievement that would be impressive in any global location. However, in the Middle East, where the largely South and South-East Asian workforce may have a different chemical education and hazard awareness to their Western counterparts, this milestone is even more remarkable. "We have invested a lot of time to train our staff and now we see the result of that," Nebiker says, reporting that Bertschi's own safety, health, environment and quality (SHEQ) team provided "a lot of support" in helping to foster a thorough safety culture. "Bertschi has an excellent name in the market and it was clear from the beginning that our joint venture must operate to the same level. There is no room for mistakes," he says. ➔

Andreas Nebiker, *managing director, Aldrees Bertschi terminal, Saudi Arabia*

> *The facility has two washing lines with four washing bays for tank containers or two washing bays for road tankers. We can clean most hazardous goods and offer 2½- and 5-year inspections and other repair and maintenance work* **Andreas Nebiker,** *Aldrees Bertschi terminal, Saudi Arabia*

Fully signed up to the Safety & Quality Assessment for Sustainability (SQAS) initiative, the Aldrees Bertschi terminal employs two safety officers, one of whom is a chemical engineer, as well as three qualified Dangerous Goods Safety Advisors (DGSAs), including Nebiker himself. What's more, Nebiker takes a dim view of anyone failing to adhere to the site's safety procedures, reporting, for example, that any drivers arriving at the site will be barred should they put people or property at risk through their actions or lack of attention. There are many potential hazards associated with the cleaning of empty tank containers, a matter Nebiker and his team were keen to address right from the start.

Quality cleaning

"Every product that is to be cleaned by us is checked," he explains. "After thorough checking, the product is rejected or accepted. If the product is accepted, the tank container cleaner and the safety officers are informed accordingly and the tank cleaning programme is selected. Before the cleaning starts, the tank container and the product are checked by the safety officer and if everything is correct, released for cleaning. After cleaning, the tank is checked inside for damage and then released for either repair or reuse."

But there's more to it than just that. "First of all, our cleaners have regular medical check-ups every three months. Secondly, our cleaners are regularly trained on dangerous goods and we have rescue and first aid training every three months. Our cleaners are all equipped with a gas detector and know when not to enter a tank container," he says, adding that all residues are collected and processed by "a certified and ministry-approved recycling company" in accordance with all applicable regulations.

A tough environment

Given the geography of the Arabian Peninsular, however, chemical hazards are certainly not the only matters the facility has to contend with on a day-to-day basis. "We have two difficulties. One of them is the heat," Nebiker states, revealing that daytime summer temperatures often surpass 50°C and two years ago even hit a truly sweltering 57°C. The second is sandstorms, which this year have occurred more frequently than usual, happening "every week" since the start of January.

"We can work a certain time in a sandstorm but then we have to stop because it becomes too dangerous," he says. After all, in such strong winds, which may last a few hours or a whole day, a tank or box container acts like a sail when lifted by a reach stacker, putting staff, equipment and the products inside at far too great a risk to warrant the continuation of operations.

To help cope with these environmental factors, the terminal maintains five covered hangars with a total of 270 bays where sensitive product can be shaded from the sun. Here they are regularly inspected and monitored to reduce the risks of overheating and product expansion. Fortunately, many tank containers, such as those operated by Bertschi, feature integral insulation that can allow filling products to withstand temperatures of around 60-70°C. However, not all units are so well protected and Nebiker recalls occasions where tank containers filled with UN Class 3 flammable liquids had to be doused with water every few hours to keep them safe.

With demand for its services continuing to rise, Aldrees Bertschi is currently adding a further 162 covered bays as part of a new construction programme that will also result in the first temperature-controlled storage facility for tank containers in the Jubail region. Customers will therefore soon be able to store their products at a constant temperature of 28°C, which is significantly lower than the "permanently high" outdoor temperatures that even at night never dip below 30°C in the summer.

But it's not just tank containers that feel can feel the heat. So too do we, which is why staff working outside are required to take regular breaks in an air-conditioned lounge to help them stay healthy. And on that note, Nebiker reports that while a certain virus did see staff having to adhere to a range of pandemic-related restrictions over the past two years, the facility itself was kept continually busy with no obvious drop-offs in demand.

Supply chain disruptions

While the Covid pandemic appears in general to be abating, its ramifications continue to show themselves in a number of ways and not just in terms of container shortages. "The problem we face today is the availability of spare parts," Nebiker says, explaining that waiting times for anything from pallet nails to new reach stackers keep lengthening, with the latter example now anywhere up to a year or more.

This is clearly an issue for any facility that relies upon significant amounts of plant and equipment to function - from forklifts to air conditioning - and Aldrees Bertschi has therefore adopted a number of steps to help ease the situation. These include trying to stockpile as many key components as possible while also rewarding staff with monthly bonuses for avoiding damage to equipment.

Even with best will in the world, though, wear and tear are inevitable and no company can be expected to keep an inexhaustible supply of replacement parts on its premises. "The biggest nightmare is if you have to shut down your machinery because you don't have a spare part that costs maybe €1 or less," he says. Of course, whether all this is just a temporary interruption or not is something only time will tell. One thing seems certain to remain unchanged: Aldrees Bertschi's commitment to safety and quality. As Nebiker puts it, "safety protects people and quality protects jobs." ■

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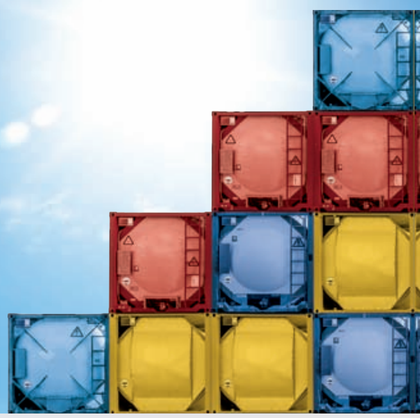

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