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Tankcontainer MAGAZINE



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Eric Wong
Product Marketing Manager
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Editorial

Accident mars a busy quarter.

The global tank container industry's well-earned reputation for exceptional safety took a hit on 27 June when 13 people tragically died, and 250 were hospitalised, in an accident in the Red Sea port of Aqaba, Jordan.



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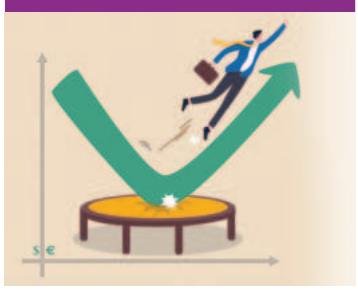
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Accident mars a *busy quarter*

The global tank container industry's well-earned reputation for exceptional safety took a hit on 27 June when 13 people tragically died, and 250 were hospitalised, in an accident in the Red Sea port of Aqaba, Jordan. This was the worst ever death toll in a tank container accident and our sincere condolences go out to all of those affected.

The incident occurred when a tank container containing pressurised liquefied chlorine gas was being loaded onto a freighter, the MV Forest 6. A lifting sling, rather than the more usual container spreader, was being used. The sling's overburdened steel cable failed because the tank container's weight was three times more than the cable's load capacity. This led to the violent and catastrophic release of at least 20 tonnes of toxic chlorine gas as the laden tank container fell and ruptured.

The official investigation found that senior port officials bore responsibility for "negligence, lack of caution or disregard for rules and regulations". The investigative report is being referred to the Prosecutor-General for further investigation.

This was the worse news for the tank container industry since three crew lost their lives on the MSC Flaminia in July 2012, when a Deltech 80% divinylbenzene cargo auto-polymerised and ignited. The chemical had been incorrectly stored while on shore and loaded incorrectly on the vessel for the passage from New Orleans to Antwerp - the tank containers had been stowed deep within the ship's hold instead of above deck.

No matter who, or what, was at fault in the Aqaba incident, this was a black day for the tank container industry.

Earlier in June, Mediterranean Shipping Company (MSC) - the world's largest dry container shipping liner operator - promoted a number of claims relating to the environmental and sustainability credentials of flexibags. As part of its new 'Liquid Cargo Solutions' service, MSC has become the first ocean carrier to directly supply and fit flexibags at its depots for non-hazardous bulk liquids. The claims sparked a response from the International Tank Container Organisation (ITCO) which sought to correct any "misconceptions that could potentially arise from this publicity".

Hazardous products cannot be carried in flexibags, which usually end up being sent - often in an empty-dirty state - to landfill, shredded for reprocessing or burned in cement kilns. Flexibag recycling is rarely economically viable so, while technically possible, is seldom done.

Conversely, tank containers are mainly designed to carry higher value hazardous and high purity liquid products. The need to recover the much higher capital investment in a tank container can make them uneconomical for carrying low value non-hazardous products.

Some of MSC's sustainability claims were challenged by ITCO President, Reg Lee, who highlighted one of the certainties: "The responsibility for the environmental stewardship of the [flexi] bag is lost along the supply chain, without traceability. The shipper, who purchases and introduces the 40kg of plastic into the world, has no responsibility for what subsequently happens to it upon delivery. This is entirely different to a tank container shipment, where the tank container operator retains responsibility for the environmental stewardship of the tank container - and of its cargo residue and of its cleaning. The operator accepts full responsibility right through the supply chain, and welcomes auditing at every stage".

In the ITCO statement, Lee "confirms that a tank container remains the safest and most environmentally acceptable method of containerised bulk liquid transport".

It was tragic that 10 days afterwards, 13 people lost their lives in the world's worst tank container accident but, in the long arc of the history of tank containers, their safety record has been exceptional.

Elsewhere, leading operator Stolt Tank Containers reported their lowest number of second quarter shipments since 2016 although their overall financials were robust with revenues boosted by passing on to customers - with a margin added - higher ocean freight costs. Post-April ocean freight contracts increased by 60% year-on-year.

Among other operators, Morgan Stanley Infrastructure Partners and Joachim Herz Stiftung announced they were selling their combined 72.5% stake in VTG Aktiengesellschaft to Global Infrastructure Partners and a subsidiary of Abu Dhabi Investment Authority (OMERS will retain its 27.5% stake). VTG's enterprise value is €7 billion.

VTG is Europe's biggest privately-owned railcar lessor and now has a European fleet of 5,000 tank containers following the sale of its fleet of 5,000 non-European tank containers to Suttons in 2021.

All in all then, a mixed quarter - persistent supply chain problems, robust financials, M&A activity and, for some, heartbreak. ■

Leslie McCune, *Editor*



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HOYER brings innovatively equipped logistics warehouse in Essen into operation

Automation supports safety and efficiency

Hamburg, 08 July 2022 – Evonik and HOYER jointly celebrated the commissioning of a technically innovatively equipped, efficient logistics centre in Essen, Germany, with a symbolic handover of keys in June 2022. Conceptually planned in detail with the customer, the logistics warehouse represents the high demands of the logistics company specialising in liquid goods, in the areas of safety, customer orientation, quality and efficiency. With Supply Chain Solutions, the HOYER Group has at its disposal a dedicated team of experts for on-site and off-site solutions to handle the products of the chemical and gas industries.

The HOYER Group is well-known as one of the leading specialists in the transport and handling of liquid dangerous goods. With Supply Chain Solutions, the logistics company provides customers in the chemical and gas industries with committed expertise in on-site and warehouse logistics. Even in this business field, logistics solutions tailored to customer requirements are a matter of course for HOYER. Operated by the HOYER Group, the new logistics centre in Essen is the result of intensive cooperation between the logistics provider and the specialty chemicals company Evonik. This facility, with technologically state-of-the-art equipment, also meets the highest safety standards. Goods receipt, storage and order picking processes are semi- and fully-automatically implemented as far as possible. For example, goods flow has been digitalised via the seamless tracking of SSCC18 pallet numbers. This increases efficiency in processing and personnel deployment, thus simplifying and speeding up the complex value-added chain of the chemical industry: a critical success factor in this sector.

Björn Schniederkötter, Chief Executive Officer of the HOYER Group, says, "We understand the challenges our customers face – and support them with customised solutions to meet these successfully. Safety and efficiency set the parameters in this respect. We welcome the fact that Evonik shares our concepts of value. In addition to a dedicated protection and prevention concept, the new location inspires confidence through efficient work lines, state-of-the-art equipment, intelligent software and energy-efficient plant."

The new logistics centre is Evonik's largest international finished product warehouse for palletised goods, and is also highly modern: it is the first time HOYER has used driverless transport systems in a warehouse. In addition, there are semi-automatic storage and retrieval devices, with the option of driving forward full automation of the warehouse. Thus the HOYER Group sends a clear signal for progress, digitalisation and modern logistics along the entire supply chain. The excellently trained staff will continue to guarantee smooth operation. They are responsible for the safe, timely execution of tasks, and ensure that HOYER keeps its promise to customers. All the logistics processes meet the highest standards in terms of safety, quality and efficiency.

HOYER coordinated the approach routes and processes in detail with Evonik. The largest manufacturing industrial company in Essen transfers various raw materials and finished products from the adjacent site across plant boundaries to the HOYER logistics centre, where containers are stored centrally and order-picked for onward transport. The ramp-up in volume terms to the target filling level will be achieved in the second half of 2022. The warehouse offers 27,000 pallet spaces on 19,000 square metres of floor space for 18,000 tonnes of products, which are stored there safely and properly with the help of software.

The precise planning and direct connection between production and storage facilities contribute to Evonik's climate targets: the location of the logistics centre alone saves the company around 3 million tonne-kilometres of road transports – equivalent to around 3,000 truck journeys. This saves a total of 210 tonnes of CO_2 per year. In the warehouse itself, a modern electrified fleet of industrial trucks and the energy saved by equipping the site with the latest LED lighting contribute to sustainability. ■

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CS Leasing announces new Term Loan facility



CS Leasing Holding Pte Ltd, has announced the recent completion of its first Term Loan facility between a CS Leasing asset owning subsidiary and Bank of America, NA.

The new Term Loan increases the CS Leasing group's aggregate available lender commitments to $375 million, which are expected to further increase in the near future to fund ongoing growth. Proceeds from CS Leasing's debt facilities are used to finance the company's owned fleet of intermodal containers with an aggregate value of $500 million, including over 25,000 tank containers.

The company's bank and lender group includes KeyBank NA, Bank of America NA, TIAA FSB, ING Belgium SA/NV and Zions Bancorporation NA, dba California Bank and Trust.

CS Leasing continues to build a diversified fleet of high-quality intermodal container assets, including standard dries, dry freight specials and ISO tanks.

Operating since 2016, the CS Leasing fleet is one of the youngest in the industry. This new Term Loan diversifies CS Leasing's funding facilities, adding to the Company's already strong financial backing, and supports the Company in its continued long-term growth and expansion plans. ■

Stolt Tank Containers signs an MOU with Saudi Arabia Railways

Stolt Tank Containers (STC) has signed an MOU with Saudi Arabia Railways (SAR) with a view to shifting transport of its tank containers off the roads and onto rail.

"Many of our customers in the region have experienced strong market growth in recent years," remarks Hans Augusteijn, president of STC. "This, coupled with high levels of ongoing investments in local infrastructure makes this transition a sensible decision that will benefit both customers and the planet. Using rail to transport our tanks will not only improve our service offering, it is also more environmentally sustainable than transporting goods by road.

"In 2020, we announced our ambition to reduce the carbon footprint of our transportation partners by 40% (relative to 2008 levels) by 2030," Augusteijn adds. "The agreement with SAR supports that ambition and our long-term strategy to offer a flexible choice of transport mode to our customers when they ship their bulk liquids with us. We are also working across our other markets to develop alternatives to road transport to safely move our tank containers around the globe." ■



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Trifleet Leasing appoints Erik Henstra as Managing Director

Trifleet Leasing Holding B.V. ("Trifleet"), a wholly owned subsidiary of Chicago-based GATX Corporation (NYSE: GATX), announced that Erik Henstra has been appointed as Managing Director, effective Sept. 1.

"Erik is a proven leader with extensive international experience in asset leasing and associated services," said Thomas A. Ellman, Executive Vice President and Chief Financial Officer of GATX. "We are confident that Erik is the ideal person to build on Trifleet's successes and guide Trifleet in its next phase of growth."

Mr. Henstra brings a wealth of experience in working with international customers and an entrepreneurial spirit to build sustainable business models jointly with customers and suppliers. During his tenure at LeasePlan, Mr. Henstra held various senior roles in finance, commerce and operations, including serving as managing director of LeasePlan The Netherlands. Mr. Henstra holds a bachelor's degree in business administration from Nyenrode Business University and a master's in economics from the University of Groningen, and he completed a post-master in controlling at the Vrije Universiteit Amsterdam.

"I am excited and feel privileged to build upon the success of Trifleet," Mr. Henstra said. "This success in combination with a strong and supportive shareholder will allow Trifleet to continue to service its customers at the highest levels and to push for growth in a sustainable way." ■



Erik Henstra, *New Managing Director, Trifleet Leasing Holding B.V.*



Stolt Tank Containers holds emergency drill

Recently, STC Moerdijk depot held an emergency drill with the industrial fire brigade, where they practiced the rescue of a person from the inside of tank container, with Stolt Tank Containers.

"It was a great opportunity to test the emergency procedure and a very useful exercise for both parties," Stolt Tank Containers said.

It added: "Thanks to the emergency drill and the knowledge gained, we are better equipped to respond to a casualty and minimise any potential harm. This event marks the start of a mutual collaboration aiming at bringing safety levels to a higher standard ■

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Chlorine leak at Jordan's Aqaba port kills



At least 13 people have died and 250 have been injured due to a toxic gas leak at Aqaba port in Jordan on 27 June.

The accident occurred during loading operations of the cargo ship Forest 6. A container with 25 tonnes of chlorine fell to the deck of the ship and as can be seen in the following footage of Jordan TV, the explosion caused yellow clouds.

The deputy chief of the Aqaba Region Ports Authority, Haj Hassan, said that a "cable carrying a container containing a toxic substance broke, resulting in the fall and escape of the poisonous substance."

According to reports, the traffic in the major Jordan port has not been halted and continues normally. ■

Cees van der Burg

Recognising his significant contribution to the tank container industry as the principle shareholder of South African tank manufacturer Welfit Oddy, it is with much regret that ITCO records the death last month of C.M.J. (Cees) van der Burg.

Cees van der Burg became CEO of the Burg family business in 1979 at the age of 29. The company's history dates back to 1937, when the brothers Anton and Wim van der Burg founded "Burg" in Pijnacker, the Netherlands. They started building farm wagons and developed a family business manufacturing transport equipment.

In the 1980's and 1990's, Burg continued to expand through the acquisition of a number of companies, including Holvrieka, Burgers, LAG Trailers, Eurotank Oy, WEW in Germany, and the South African tank container manufacturer, Welfit Oddy, in 1999.

At its height, Burg Industries comprised 11 companies across 2 continents – employing over 4000 people.

After the sale of the majority of Burg Industries in 2007 to the CIMC Vehicles Group, Cees focused on building tank containers through the newly formed Buhold Group, comprising Welfit Oddy and WEW. The latter underwent a management buy-out in 2015, allowing Cees to focus on developing Welfit Oddy.

The company is now owned by his children, whose aim is to continue the family legacy, and maintain a sustainable business through a formal Buhold Board structure. This ties in with the strategic succession plans that Cees had put in place, to ensure a sustainable business going forward, and to perpetuate his view as a steward to his employees. ■

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

02

Service

- Global service network

03

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TT Club announces appointment of new CFO



EeLain Ong

With effect from August 1 2022, EeLain Ong has taken over as chief financial officer (CFO) of international freight transport and logistics insurer TT Club. Appointed in April 2022, Ong has shadowed the outgoing CFO Julian Chowdhury in his position for the intervening months prior to his retirement.

As CFO of the well-established specialist mutual insurer, Ong's challenges will be to achieve business plan profit targets via operational efficiencies focussed on simplifying and automating processes along the insurance value chain.

In making the announcement Charles Fenton, CEO of TT Club commented: "TT is fortunate to have in EeLain someone of vast and varied experience so suited to the Club's structure and nature of its business.

"Over her 27-year career she has held leadership positions within finance, treasury and tax at re/insurance companies, captives, mutuals, start-ups and Lloyd's syndicates, and across multiple jurisdictions globally. She replaces a true professional in Chowdhury, who we thank for his long and tireless service of almost 30 years. We wish him a happy and fulfilling retirement."

Ong is a graduate of Hull University and a chartered accountant (FCA). In addition to roles at re/insurance providers, she also had experiences as a regulator, an auditor, and an M&A corporate financier – all of which has exposed her to structuring finite, legacy and traditional risk transfer deals within the realms of financial governance.

"I see the strength of TT as a reliable and expert risk management provider for organisations in the global supply chain sector which is continually undergoing disruption. My role in part will be to help maintain TT's agility to adapt to this changing trade environment yet remain consistent in delivering renown service and claims efficiency," said Ong. ■

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IOCL, Genrobotics to develop robots to clean confined spaces in oil-gas industry



Indian Oil Corporation Ltd (IOCL) has joined hands with Genrobotics to develop robotic tools for internal tank cleaning and inspection at refineries.

Cleaning and maintenance of petroleum tanks are time-consuming and unsafe tasks. To revolutionise the safety and productivity of internal tank cleaning Genrobotics is working with IOCL to develop robots to ensure 100 percent no-man entry across the refineries. IOCL has the largest refinery network in India and owns and operates 11 of India's 23 refineries.

Dr GS Kapur, executive director I/c (CT & TPF), IOCL Faridabad, Dr C Kannan, executive director (CT & TPE), Avinash Jain, CGM (TPF) and other senior officials of IOCL Faridabad signed an agreement with Nikhil NP, director and co-founder of Genrobotics and Vimal Govind MK, CEO and co-founder of Genrobotics.

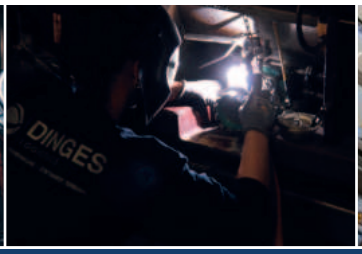
Genrobotics is an award-winning start-up, developing technologies that provide better and safer methods for people working in extreme and unsafe environments, using robotics and AI. Genrobotics' primary offering is the Bandicoot robot, the world's first robotic scavenger, which helps to clean confined spaces such as sewer manholes, sewer wells, stormwater manholes, oily water sewers (OWS), and stormwater sewers (SWS) in refineries.

Vimal Govind MK, CEO and co-founder of Genrobotics, said: "We aim to ensure safety and efficiency for people working in hazardous and extreme conditions with the help of robotics and AI.

"Petroleum is one of the major industries in India, providing a fair share of GDP to the economy, and we believe that our robotic solutions can address not only more safety but also productivity in this industry. We are extremely proud to be associated with IOCL for the nation's development." ■







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- Maintenance, repair, and overhaul services

SQAS AJA UKAS EFTCO GMP+ DVTI

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UTURN launches the shipment notifier



This week, UTURN, the platform for container transport, launched the shipment notifier. This development ensures that every (tank)container carrier in Europe can optimally match its planning with the demands of clients.

"I no longer have to scroll through the platform but automatically receive shipments that fit into my schedule." said Vincent Dammes of Henk Dammes Transport in Bleiswijk.

The release of the notifier was a logical step in the further development of the UTURN platform. "Since 2017, we have been able to collect data to determine where carriers are driving and the type of cargo they carry. With more than 700 clients, we know where and when they are looking for capacity. This allows us to optimize and coordinate shipments much better," says Daan Meboer, CEO UTURN.

CO_2 reduction through planning optimization

With the notifier, carriers can indicate where and when they want to drive container shipments. Based on this, they receive shipment orders that fit into their planning. As a result, carriers drive fewer empty kilometers and directly reduce their CO_2 emissions. This means that they earn more while at the same time making a positive contribution to the sustainability of the sector, one of the principles of UTURN. UTURN's clients, who consist of logistics service providers such as deep and shortsea shipping companies, terminals and freight forwarders, also benefit greatly from the shipment notifier. They find capacity faster, and more efficient transport means lower costs and fewer emissions for them. As Tom van den Plas of Kuehne & Nagel emphasizes, "The sustainability theme of UTURN corresponds perfectly with our policy for the coming years."

Capacity within one minute

More than 100 carriers have already used the notifier and received notifications for shipments that their schedule. The results were stunning with a matching rate of 99.2% and an average matching speed of 43 seconds. Vincent Dammes of Henk Dammes Transport explains: "I no longer have to scroll through the hundreds of assignments that are offered on the platform every day, because I can now indicate per day which shipments best fit my schedule. The next step is that UTURN can automatically add them to my schedule." Daan Meboer: "UTURN is investing heavily in data as part of further future developments. "We will use the data to further build a sustainable world of container transport with lower costs and more efficient use of capacity throughout Europe."

About UTURN

UTURN is the market leader with more than 2200 connected carriers and 700 shippers in Europe. The platform helps users in managing and match all their container assignments. ■

Stolt releases video on heating tank containers

Stolt Tank Containers has released a new video for clients and potential customers which gives guidance about the temperature considerations when transporting goods by tank containers.

It said: "Some products transported in tank containers become thicker, or even solidify, at lower temperatures. It may be necessary to heat them prior to unloading, or for the entire duration of their journey. This heating process needs to be conducted very carefully, both to ensure product quality is not compromised, and to prevent release of dangerous gases. "Before we begin, we confirm all details with the customer to determine the optimal temperature range and most appropriate heating method depending on the type of product.

"Tank containers are heated using either steam, hot water or electricity, with high-temperature steam being the most fuel- and energy-efficient method. Heating by hot water is slower but is more suitable for products that are sensitive to high contact temperature. Tanks equipped with an electric heating system are used to transport products that must be maintained at specific temperatures throughout their journey.

"In every case the internal temperature is automatically measured and monitored by our advanced systems to ensure every product is heated in a way which will not compromise its quality." ■

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TWS RENT-A-TAINER

Leschaco holds opening ceremony for their new Branch in Peru



Opening ceremony Leschaco Peru (f.l.t.r.): Martin Sack (Regional Head Americas, Leschaco), Stefan Biedermann (German Embassy chargé dáffair a.i.), Cecilia Batallanos (Managing Director Leschaco Peru S.A.C.), Ramiro Salas (Vice-President German Peruvian Chamber of Commerce / AHK), Constantin Conrad (Shareholder and CDO Leschaco)

Bremen, Germany | Lima, Peru - July 2022:
The opening ceremony took place in Lima, Peru on July 14, 2022 and was attended by over 100 guests. With the establishment of this own branch on February 01 this year, Leschaco has expanded its network to 23 countries.

Cecilia Batallanos, Managing Director of Leschaco Peru S.A.C. welcomed all participants and emphasized in her opening speech that the integration of the new entity into the Leschaco Group has been successfully concluded. Constantin Conrad, Shareholder and CDO of Leschaco Group also gave a speech and assured the customers "We are ready to grow our business in the Peruvian market by building trustful and long-standing relationships with our customers and business partners along the supply chain". The honorary speech was held by German Embassy chargé dáffair a.i., Mr. Stefan Biedermann, who underlined the importance of foreign investments in Peru in times of political, economic and logistics turbulences.

Leschaco successfully operates its own offices in Brazil, Chile and Mexico and it was only a matter of time when the company would further expand its 40-year presence in Latin America. The Peruvian market has shown significant and sustained growth over the last decade and is therefore one of a group of interesting countries worth investing in. When the opportunity arose to acquire its existing partner in Peru, the Leschaco Group acted to formalize the business and establish its own Peruvian subsidiary.

The product portfolio in the Peruvian subsidiary includes integrated logistics services, ocean and air freight transportation, warehousing and contract logistics, tank container transportation, intermodal transportation, as well as 4PL services and customized logistics requirements. Leschaco is a recognized specialist in the chemical industry and other complex and sensitive sectors where operational excellence, quality and compliance are key. Peruvian customers will benefit from the experience that the global logistics service provider has gained in other markets during its more than 100-year history.

On the occasion of the opening ceremony, the management from the Americas met in the same week for the first strategic meeting since the end of 2019, which was not possible as a result of the pandemic.

Company information: The Leschaco Group is a traditional, owner-managed logistics service provider and offers intercontinental logistics solutions for sea and air freight as well as contract logistics and tank container operation. As proven partner for leading companies in plant construction and mechanical engineering, automotive, chemical and related industries, producers of consumer goods and pharmaceuticals. Leschaco offers comprehensive logistics solutions from one single source. Our globally standardised IT–environment guarantees the required high process transparency.

The company was founded under the name of Lexzau, Scharbau by Wilhelm Lexzau and Julius Scharbau in Hamburg in 1879. Today the group comprises 73 own offices, employing around 2,500 people in 23 countries worldwide. This network is supported by a carefully selected network of agents. CEO Jörg Conrad insists on a sustainable business development. The companies' headquarters are in Bremen. ■

Seaco - *Over 50 years of container*



Seaco is one of the **largest global lessors** of **shipping containers - dry, refrigerated, specialised** and **tanks.** *Tankcontainer Magazine* focuses on the company's **tank container business** and asks **Eric Wong,** Product Marketing Manager Tanks & Reefers and **Dennis Chan,** Regional Vice President Marketing & Container Sales, Asia for their company and market insights.

TCM: What is Seaco's parentage?

EW/DC: Seaco was formed in 1998 as a 50/50 joint venture between General Electric Capital Corporation and Sea Containers Ltd. Currently Seaco is owned by Bohai Leasing Co., Ltd, a Chinese public company listed on the Shenzhen Stock Exchange.

TCM: What is Seaco's tank container fleet size now, and its broad segmentation? Which tank types have the highest growth, and why?

EW/DC: Seaco has a fleet of more than 40,000 tank containers encompassing a wide range of tank types from T4 to T75. We are seeing the specialised sector develop with growing interest in the transport of various liquefied gases and other cryogenic gases at extremely low temperatures.

TCM: As a leased tank container ages, does the per diem rate change much?

EW/DC: From the end of 2020 we have seen the tank container market rebound from the lows of 2018 and 2019 when there was an oversupply of equipment on the ground. Raw material prices have increased, pushing up equipment costs which in turn has driven up per diems for CAPEX equipment. In conjunction with poor slot availability, and disruption to the supply chain, this has had a knock-on effect in the market, creating demand for depot equipment and a move away from the ageism approach that new equipment is better. Depot equipment is now in favour and, as a result, per diems are on the rise again, as is the desire to keep leased equipment in the fleet.

leasing experience



Dennis Chan
Regional Vice President Marketing & Container Sales, Asia Seaco

TCM: Why would tank container operators lease tank containers from Seaco, rather than purchase their own?

EW/DC: Leasing offers operators the flexibility to adapt their fleet easily and quickly to a sudden change in market demands. It also offers the ability to enter new markets without the need to make large capital investments. With Seaco offering such a wide range of equipment types in key locations throughout the world we can supply tank containers in the right place at the right time to the right specification.

TCM: How are customer preferences changing in Asia?

EW/DC: Customers in Asia are getting more safety prioritised when building or leasing tank containers. Some customers are having more requests for full frame, thicker shells, B-type walkways, handrails, remote air lines, etc. Also, more and more customers are needing telematics on their tank containers.

Customer preferences are evolving and there are certainly positive responses to the enhancements in health, safety, and environmental standards across the entire industry value chain, from stringent safety requirements placed on sea carriage by liner operators, road haulage and safer loading/discharge measures to the environmental regulations demanded on tank cleaning and discharge.

Seaco is a big supporter of these efforts and we have worked closely with our depots, vendors and clients to address these concerns. We had built T11 baffled tanks with handrails, remote air line connections and full walkways to ensure a safer work environment on Seaco tank containers during our clients' operations. At the same time, we are also working with our clients on more ➔

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specialised tank containers to support their growth of higher value specialty chemical production and carriage, while ensuring telematic solutions to support the digitisation of our clients' supply chain.

TCM: Does Seaco buy tank containers from South Africa or Europe, as well as from CIMC and NTT in China?

EW/DC: Yes, Seaco buys from manufacturers outside China as and when required.

TCM: In Asia, where are the main pick-up locations?

EW/DC: The main demand locations in Asia are the China manufacturers, Singapore and now the Middle East. Asia has always been a key demand location for tank containers, driven on the supply side by oil refineries capacities dotted across Middle East, India, Singapore, and South Korea and influenced continuously on the demand-side by the "factories of the world" located in China, North Asia and the emerging economies of India and Indochina.

We remain confident of Asia being in the driving seat of global tank container demand given Asia's growing dominance in the specialty chemicals required by the cosmetics and pharmaceutical industries and the region's sophistication in electric vehicles battery production Also, with increasing food and water security concerns due to global warming challenges, Asian economies are refocusing on sustainability concerns and this will fuel the demand and shipment of many traditional, yet basic, food additives and fragrances, printing chemicals and water treatment chemicals, alongside a growing specialty chemical industry.

TCM: What effect has the recent global supply chain disruptions had on tank container lessors?

EW/DC: The disruptions in the global supply chain, lack of slots and higher freight rates have created challenges in getting equipment positioned to key demand locations cost effectively and balancing out stocks between those locations to meet customer demand.

The upside of the disruption has been that localised demand has increased for equipment already on the ground.

TCM: How have standard lease contract terms changed?

EW/DC: Lease contract terms have changed very little. There may be a few additions to on-hire and off-hire locations but the terms and length of contract are basically the same.

We have opened more return locations for almost all types of containers, including tank containers, to assist clients on existing global supply chain disruptions.

TCM: How does Seaco differentiate itself from its much larger global competitors, Exsif Worldwide and Eurotainer/Raffles? What are the critical success factors for a global tank container lessor?

EW/DC: Seaco has over 50 years of experience in container leasing and tank containers have been an integral part of the portfolio from day one. We have a diverse fleet providing a one-stop-shop for tank container (and other container) requirements. Hand in hand with this we have a great team of individuals with in-depth technical and commercial knowledge to support our customers. Together with global coverage, and the ability to adapt quickly to market needs, this provides Seaco with a winning combination.

We have put a lot of focus on providing in-house training and development to develop tank container specialists and centres of excellence in key tank container hubs such as Houston, Hamburg, Dubai, Brisbane and Singapore. This has allowed us to provide the support our customers expect when leasing equipment from us.

We understand the importance of investing in tank containers by looking at the tank container fleet statistics, customer requirements and the global chemical trading trends to have minimum required stocks rather than ship by chemical parcel or product tankers and then having to stock large quantities in shore tanks.

Tank containers will be the most suitable transportation mode to deliver smaller quantities into most of the locations where tank containers can be delivered, including inland locations.

Seaco will continue to invest and expand its tank portfolio.

Biographies

Eric Wong is Product Marketing Manager Tanks & Reefers. After completing his Bachelor's degree in International Economics, Eric started his career with Seaco in 2014 working in Marketing. Based in Shanghai, Eric worked with shipping lines, tank operators and chemical manufacturers to understand their supply and demand needs for leasing dry freight, reefers and tank containers.

In 2017, he obtained his IICL Inspector's Certificate and in 2019 completed his paralegal studies and qualified for his Certificate of Legal Profession in China. In 2020, Eric's role evolved to focus on business development within the tank container industry in Asia. He was promoted to Product Marketing Manager in 2021. Working closely with the VP for Tanks & Reefers, he is now responsible for the strategic planning, portfolio management, procurement and pricing of Seaco's tank container and reefer fleet.

Dennis Chan is Regional Vice President Marketing & Container Sales, Asia. He held senior executive positions in sales, logistics, and pricing across Asia. During a 14-year period for APL, he was Regional Sales Director in Shanghai and then was Managing Director in Taiwan where he headed APL Logistics and APL Kaohsiung Marine Terminal. He then became head of pricing for APL intra-Asia trade, where he drove the Asia Commercial & Customer strategy.

Prior to joining Seaco in December 2021, Dennis was the Transpacific Trade Director with ZIM Lines based in Hong Kong. Dennis also spent 3 years as an Executive Director for the Singapore Chamber of Maritime Arbitration. ■

It may be changing its name from Interflow (TCS) to **NRS OCEAN LOGISTICS LTD**, but the company's longstanding commitment to innovation, quality and customer service looks set to stay as strong as ever.

On October 1, global tank container operator Interflow TCS will officially change its name to NRS OCEAN LOGISTICS LTD. "Interflow has been part of the NRS Group since 1990," explains managing director Jacques Corblin. "We are very much an integral part of NRS and have benefited from the special culture within the group. Our target is simply to become one NRS in order to unify the business of the NRS Group from the view of the outside market and employees within the group."

From its headquarters in London, Interflow currently operates a network of locations across Europe and the US, maintaining a close working relationship with its sister operations in Asia that, co-ordinated from Tokyo, operate under the NRS banner. "By rebranding we wanted to create better synergy from an external viewpoint and create a more global brand in the process. There will be no restructure or reorganising to speak of and we will continue to focus on our philosophy of providing our customers with a best-in-class service whilst maintaining the highest level of quality and safety. Except for our brand name, nothing will change," he states.

A proud history

Since its founding in 1975, Interflow has established an enviable reputation for innovation and quality, being, as Jacques puts it, "one of the earliest pioneers" of the use of tank containers for the transport of bulk liquids. "The Interflow brand is close to 50 years old, so the decision to change our name and move under the NRS umbrella was obviously one we thought long and hard about. We want to present to our customers a clear structure and vision," he says, explaining that while the October 1 name change coincides with the start of the company's financial year, enhanced customer experience underpins all aspects of the rebranding.

"Interflow," he reports, "has always felt a big part of the NRS family and works closely with the other offices under the NRS brand, which will continue as NRS OCEAN LOGISTICS LTD." While Interflow is well known as a global tank container operator, NRS "is a comprehensive chemical logistics company", offering customers a full suite of services, ranging from freight forwarding and tank leasing to inter alia depot services, the provision of full container load (FCL) and less than container load (LCL) transports, chemical warehousing and distribution. "NRS operates by combining various service functions to increase our business value and improve customer appreciation," Jacques says. "Interflow has offered such services, adding more value with the support of NRS, for some time but, going forward, we aim - along with the name change to NRS OCEAN LOGISTCS LTD - to enhance this and to bring more options and solutions to our customers."

A growing customer base

When it comes to customers, Interflow serves a broad spectrum of companies from a range of industries for whom quality and efficiency remain paramount. While meeting such a commitment can no doubt prove challenging for any company at the best of times, things of late have not been aided by the general instability created by the Covid-19 pandemic, which has led to across-the-board inconsistencies in freight rates and services; space issues; vessel delays; port congestion; and increased uncertainty and complication in terms of both planning and forecasting.

"Despite these issues, we like to focus on the positives and the opportunities the current market poses and try not to focus too much on negative points," Jacques says, noting that Interflow has so far "not seen any significant or long-term negative impact" of the pandemic from a business point of view. Moreover, in spite of the general pressures facing the industry, the company has continued to expand its customer base thanks to the "active marketing of [its] services, customer recommendations and simply by being able to get the job done where others have failed" to do so. "With our established network of offices, agents and suppliers, we can be proud of the level of service we have provided and continue to deliver during these unprecedented times," he says.

In line with its corporate ethos of being 'small but diamond-bright', Interflow's goal, Jacques reveals, "is not to become one of the largest tank operators in the world" but to focus instead on best meeting the needs of customers. That said, the company's tank container fleet is far from small, currently standing at around 15,000 units with capacities ranging from 10,000 litres to 26,000 litres. With both baffled and non-baffled designs in its fleet, the company continues "to invest in new equipment, taking advantage of the latest technological advances".

One-stop shop

At the same time, the company also remains keen to broaden the scope of its reach and operations, recently expanding, for example, its range of services in Central and South America. As such, Interflow, as part of the NRS Group, is well placed to provide customers with a complete one stop-shop service for all their bulk liquid logistics needs, including the supply of bespoke systems, such as custom-made LNG tanks, mini tanks and intermediate bulk containers (IBCs). "Whether it's trucking, rail, barge or ocean vessel, we can offer an expert service," he says.

Regardless of mode, though, health, safety and the environment matters are understandably a top priority across the NRS Group, with Interflow being no exception. "At Interflow, we have a robust and comprehensive training programme in place for all staff with regular reviews and retraining," Jacques states. "We have been ISO 9001 certified since 1994 and continue to measure our performance using industry standards, such as CDI MPC and EcoVadis. All equipment is subject to a strict maintenance programme and all operations monitored via our in-house computer system to ensure compliance to the latest standards and regulations."

Interflow and the NRS Group have also been busy on the digitalisation front, recently investing heavily in numerous digital/automated processes. "We have a dedicated systems division that is constantly looking at ways to improve our performance through connected services," he explains. "Over the past few years, we have introduced several new systems covering our general operations, finance, sales and analytics. These are continually developed and enhanced on a regular basis to improve our strategic decision making, our daily workflows and adding value to our customers. We can offer cargo tracking through our system and the NRS website and we are also implementing new real-time visibility tools, which should be available very soon."



A unified approach

Looking to the future

While general market uncertainty will likely remain a feature of the logistics industry for some time to come, Interflow and the NRS Group nevertheless seem set to maintain their growth trajectories. "Our business continues to grow within all our different divisions and activities over the world," Jacques says, noting that in addition to its ongoing fleet and equipment investments, the company is currently expanding its network of warehouses and terminals with the development of a new state-of-the-art facility in the US. Once fully up and running, this new location will not only offer warehousing for both hazardous and non-hazardous goods, but also dedicated areas for temperature-controlled products, laden tank storage and a cleaning and maintenance facility for both standard and specialised tank containers.

"We have also strengthened our staffing levels in line with our growth and at the same time introduced new training programmes with planned and systematic refresher modules into 2023 and beyond, enabling the constant progression of our staff," he says. "We have also recently started an intercompany exchange programme in order for our staff to travel to overseas offices for a period of time to gain further knowledge on how our business operates around the world."

"As a comprehensive logistics company, including both chemicals and pharmaceutical products, NRS has a number of specialised operational divisions and functions that give us the knowledge and expertise to offer our customers a unique and flexible service above a simple tank container operator. We will continue to strengthen our position, making use of all our functions in the global market. On top of our standard activity, we want to continue to develop special projects with our customers, not to be only a supplier," Jacques states, "but to accompany them in their project and to be a part of their project." ■

Jacques Corblin,
managing director, NRS Group

Two decades of success

It is twenty-two years since **Ingo Dinges**, a professional truck driver, started out on his own 21st century success story.

Dinges Logistics is a specialised service provider of transport and logistics solutions for the chemical industry. Many years of industry experience, modern equipment and a competent team of employees form the basis of its dynamic growth over recent years. The company is internationally active and currently employs more than 250 people with about 120 drivers. The remaining employees are commercial staff from various areas, employees in tank cleaning, at the depot and in its workshop. Ingo Dinges Transporte e.K. was founded by Ingo Dinges in 2000. Since 2016, Ingo Dinges Transporte e.K. and IDT-Ingo Dinges Tankreinigungs GmbH have been combined at the marketing level under Dinges Logistics. This is how Dinges Logistics presents its concept of being a one-stop solution for the chemical industry by offering a value-added service.

According to Michael Klopp, Chief Operating Officer at Dinges Logistics, after 22 years since the company's founding, it is in a good place to take on the challenges it is facing. Klopp says: "In logistics in general, you have very varied days and there is no standing still. The interaction with people in particular makes the whole thing what it is."

"What I especially appreciate about my job at Dinges Logistics are the short decision-making processes, the high degree of flexibility and the direct communication. We are a family business that works in a solution-oriented manner."

"You notice every day that you can make a difference together as a team and that hard work pays off. That makes work fun!"
The history of Dinges Logistics has seen it travel from one tractor unit to more than 100. Klopp says: "We currently dispose of 120 tractor units. These are partly owned by us, but some are also leased. Furthermore, we have firmly integrated system partners, which means that we have a total of 160 tractor units."

Does Klopp have a target number of units in the company's fleet? He says: "We do not have a specific target value to aim for with regard to our tractor units. Instead, we strategically monitor our market environment in order to push forward perspective decisions based on this. We also focus on maintaining the quality of our drivers and our fleet at the highest possible level."

Popular container models

Dinges Logistics offers 20' tank containers made of VA, swap body tank containers made of stainless steel and 20' rubberised tank containers. Which is the most popular model in use? Klopp considers: "We have a broad portfolio of various tank container units to meet also special requirements. Our swap tank containers should be positively highlighted in this context. These are all relatively new, equipped with baffles and, moreover, completely ground-operated."

In terms of container turnaround, how long can a customer's tank container spend in Dinges Logistics premises for cleaning? Klopp replies: "Of course, this always depends on the product that has been in the container before but an average time of about 30 minutes can be determined. The exception to this are products that are particularly difficult to clean. Here, the cleaning of the tank containers takes longer accordingly."

During Q1 2020, the company had planned to open a container terminal which was delayed because of a combination of pandemic and regulatory issues. Klopp says: "The opening of the container terminal was delayed primarily due to various legal regulations and requirements. Ultimately, however, Corona and the associated problems in various supply chains also contributed to the aforementioned delay."

Business competition

Klopp notes: "Our competitors, like us, are important for the entire supply chain in logistics. Who our main competition is, I think, is obvious. However, rather than focusing on our competition, we prefer to focus on ourselves!"





for *Dinges Logistics*

All Dinges Logistics equipment is branded with the company logo, making its identity in the tank container sector. Dinges Logistics holds all necessary licenses and insurances required by German and European law to provide its services. It meets the standards of the European Chemical Industry Association's Safety and Quality Rating Scheme. The Quality management system meets the ISO 9001 standards. In addition, the company has worked to attain kosher certification. It guarantees a high standard of quality through regular internal and external checks using special quality management systems. Staff training courses are carried out on regular intervals.

Transport services

The company offers transport services through Ingo Dinges Transporte e.K. It is a specialised service provider for Europe-wide transport and logistics solutions in the areas of chemical and mineral oil transport, hazardous and non-hazardous goods transport as well as GMP+ and waste transport. ➔

What I especially appreciate about my job at Dinges Logistics are the short decision-making processes, the high degree of flexibility and the direct communication.

Michael Klopp, *Chief Operating Officer at Dinges Logistics*





Michael Klopp,
Chief Operating Officer at Dinges Logistics

Tank cleaning

Thanks to many years of industry experience, in 2015, Dinges Logistics expanded its portfolio with the IDT-Ingo Dinges Tankreinigungs GmbH. It is very familiar with the requirements of a modern tank cleaning system, which is why it also prioritises a high degree of quality and flexibility in cleaning services. In Grünstadt it has one of the most modern tank truck interior cleaning systems in Europe, which is computer-supported and certified according to the guidelines of EFTCO, SQAS, GMP+, DIN ISO 9001:2008 and DVTI. Dinges Logistics is able to clean the entire product range of the chemical industry.

Workshop

Dinges Logistics has a modern, well-equipped master workshop that carries out all maintenance, overhaul and repair services on tractor units, tank semi-trailers, chassis and tank containers. The workshop team, consisting of well-trained and experienced mechanics, locksmiths and painters, works both for the company's own fleet and for its customers. In addition, it has a guaranteed 24-hour emergency service, including a mobile workshop truck with its own compressor, which ensures that any problems that arise can be dealt with immediately and that the fleet of vehicles is always in perfect condition for their customers. This is a significant advantage in terms of flexibility and reliability.

Container terminal

Since Q1 2020 Dinges Logistics has been offering its own container terminal with storage space for a total of up to 800 tank containers, both empty and loaded, at its locations in Grünstadt. This additional portfolio expansion and the good infrastructure enable Dinges Logistics to offer customers and partners a comprehensive range of services within the supply chain. Storage areas include an empty container depot with empty container stackers and, on request, shuttle services, a hazardous goods storage and heating stations for chemical goods. Efficient processes in the container terminal are ensured through the use of a special terminal operating system.

The hazardous goods storage has 108 storage locations for loaded tank containers with ADR classes 3, 6, 8 and 9. By storing the tank containers loaded with hazardous goods in special hazardous goods trays, the highest safety standards are guaranteed. Two reach stackers are used to handle the loaded tank containers, which enables Dinges Logistics to make optimum use of the space available.

With 40 modern heating stations, where hot water, steam, electricity and cooling options are available all year round, Dinges Logistics offers the entire portfolio for heating and cooling chemical goods. In addition, trained specialists carry out regular checks on equipment and containers.

A special milestone

A special milestone in the company's business occurred in August 2022 when the company welcomed the 100th airbrushed Viking tractor unit.

Because of his family background, Dinges Logistics founder Ingo Dinges has always had a passion for the Scandinavian peninsula and for Viking culture. For this reason, he had his first truck equipped with a special airbrush design that reflected this passion. Starting with Viking No. 1, the Viking airbrush tradition on tractor units has continued throughout the company's history to the present day and has now become the company's trademark.

Now the 100th airbrushed Viking has arrived. "Of course it fills me with pride that the 100th airbrushed Viking is now on the road. The airbrush design of this tractor is well thought out. For example, important elements of the company were presented, such as our tank cleaning, which opened in 2015, and our container terminal. Also a shot of our special Scania T 650 S was airbrushed on Viking #100," says Dinges.

The 100th Viking is a Scania 540 S. In addition to the standard equipment, some special features have also been added, such as a bull catcher, a deep sun visor, an "old school" illuminated sign, a chrome bumper and various lamps, inside and outside. The 100th Viking will go to driver Danny Kade and will be on the roads of Europe with him in the future. Dinges Logistics wishes them both a good and safe journey at all times! ■

We are excited to announce that

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NRS GROUP

will from the 1st of October, 2022 become

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A decade of service in PAKISTAN



Pakistan Terminal Operators (PTO) is celebrating a decade in operation, having started its operations in 2012 with cleaning, repairing, periodic inspection and tank container handling services. It claims to be the first dedicated cleaning station to facilitate ISO tank containers in Pakistan.

Changez Hassan Niazi, PTO chief executive officer explained the gap in the market the company sought to fill, saying: "Realising the need of reliable ISO tank cleaning facilitator in Pakistan, Pakistan Terminal Operators has worked day and night to create an organisation that delivers high-quality services with utmost reliability.

"Pakistan Terminal Operators is nationally recognised for its high standard services that not only assist the large clientele but also helped in acknowledging Pakistan Terminal Operators as the first dedicated and finest cleaning facility of ISO tank containers in Pakistan.

"Apart from building a trustworthy organisation in Pakistan, we put limitless efforts in creating international-standard cleaning services provider to ISO tank operators in Pakistan. The existence of such an organisation in Pakistan allowed the local tanker operators to avail the opportunity and function accordingly."

In the 10 years since its launch, PTO has created a portfolio of services for the Pakistani ISO tank container sector. These services include: tank cleaning, repair, handling and storage, third-party inspection and survey of ISO tank containers as per ITCO (International Tank Container Organisation) standards, food grade conversion, periodic testing by Bureau Veritas, CCTV monitoring of facilities.

The company has seen a continual growth in staff numbers, notes a spokesperson, saying: "Currently, we have 33 employees who are working at Pakistan Terminal Operators, and this has grown every year since we started our operation."

Kosher certification

The Hebrew word "kosher" means fit or proper as it relates to Jewish dietary law. It is one of the world's great food and dietary regimes. Firms that handle kosher food and drink products must comply with very strict handling rules through all stages of transport.

That is why PTO has undertaken the cost and effort to become a certified kosher depot under Star-K Kosher Certification. US-based Star-K has provided kosher supervision for over fifty years says the company. The spokesman said: "It was a difficult but interesting process to become a Star-K Kosher Certified depot in Pakistan. We had to fulfil all the requirements of a Star-K Kosher food grade cleaning process including installation of a one-ton steam boiler, a demineralised water plant, hot water heaters, neutral detergents, internal tank shell sanitisation arrangements and filtered air blower arrangements to dry the tank shell.

"After completing all the requirements and installation of the equipment, a third-party of Kosher grade certification body audited our depot to verify all the processes and cleaning standards. The team was satisfied and registered us as a Certified Star-k kosher cleaning depot. PTO has a separate cleaning bay for Star-K Kosher and the process take some 120 minutes."

Afghanistan

There is no need to describe the obvious difficulties and issues that have confronted the neighbouring country of Afghanistan over recent years. Despite the obvious difficulties faced by the tank container business in the country, PTO has invested in a terminal in the country. Opened last year, "due to security issues in Afghanistan, we have an unofficial facility for fuel project in Afghanistan," notes the spokesperson.



Lahore terminal

Eight years after it was established, PTO chose to better serve its clients in the north of the country by opening a terminal in Lahore. The spokesperson says: "We have opened an ISO tank terminal in Lahore and it is successful. We repositioned the ISO tanks from Karachi to Lahore to provide better services for our up country clients."

PTO services clients from across Asia, Europe and North America. "We are serving our clients of North America in food grade tank operation with Star-K Kosher operations."

The company handles some 4,500 TEUs annually. This volume is growing every year, notes the spokesman.

Of the portfolio of services offered by PTO i.e. cleaning, repair, testing and inspection and handling activities, the spokesperson is clear as to what is the busiest: "Tank cleaning is the busiest of the operational activities. Doing testing with Hermes BV is also supported."

The company has opened a PTO Gas and Cryogenic tank depot in Karachi and plans to add the same operation in its Lahore depot.

PTO is used by a range of some of the most famous tank container operators operating in the present time. These operators include Bertschi, Den Hartogh, Eagletainer, Hoyer, Leschaco, Suttons and RMI.

Corporate Social Responsibility

Pakistan Terminal Operators sponsors a school for the underprivileged as part of its Corporate Social Responsibility (CSR). Believing in the power of education, PTO has wholeheartedly sponsored a Pakistan government school that helps in educating the future of the country.

"Our principles have taught us to exercise equality neglect discrimination while assisting our valuable clients at work, therefore, our aim to spread similar teachings within the society compelled us to build this school in the underprivileged area of Karachi," notes the spokesman.

The school has managed to educate several underprivileged children of the country. With PTO sponsorship programmes, almost 300 girls of the school have been provided educational support.

As the official website of the school states: "The Deaf Reach Program is an initiative of Family Educational Services Foundation (FESF), a non-profit educational organisation active in Pakistan since 1984. FESF is dedicated to enhancing the quality of life for all members of the community, especially those who are disadvantaged."

PTO stands hand in hand with the beneficial initiative; considering the need for financial help in such non-profit organisations, PTO offers a yearly donation to the organisation so that the initiative to educate the deaf children in Pakistan faces no obstacle. ■



MSC flexibag initiative provokes

There has long been a debate within the shipping industry about the relative merits of using flexibags - bladder type plastic bags that can be transported inside a standard ISO general purpose box container - and dedicated tank containers.

Each has advantages and disadvantages for certain product types and trade lanes, with tank containers being well established as the primary mode of intermodal transportation for relatively small lot size (compared to chemical parcel tankers) hazardous and non-hazardous liquid bulk cargoes. Flexibags, on the other hand, have a niche position in certain non-hazardous cargo sectors, particularly for imbalanced trades where the ability of the dry freight container to be used for its more normal dry cargoes on the return leg can be a significant factor in the absence of a two-way bulk liquid transport opportunity.

Recently, however, the debate has flared up with an announcement by the container shipping giant, MSC, that it is launching its own in-house flexibag service as an alternative to using tank containers for non-hazardous cargoes. Its new Liquid Cargo Solutions division is offering to supply and fit flexibags for customers worldwide, arguing that "flexibags are a safe, cost-effective and eco-friendly alternative to other liquid transportation methods," with "less packaging than conventional ISO tanks."

As part of the new service, MSC technicians fit flexibags inside containers at its depots prior to picking up the cargo. The company says this removes the requirement for haulage to third party fitting locations, which saves time and money and reduces environmental impact by cutting road miles. Currently the service is available at depots in Europe, Asia, the Middle East and Americas, with MSC planning to extend its availability to additional locations before the end of 2022.

Carmelo Cassarino, MSC's global accounts manager, logistics, says: "This solution is currently available in 21 countries across the world and we are already looking at the potential for expansion to other MSC depots world-wide."

MSC is working with a number of specialist suppliers of flexibags and several existing customers to ensure that the bags used are of the right size and specification for the particular type of cargo requiring transportation. The flexibags the carrier is using allow customers to fill dry containers with up to 24,000 litres of non-hazardous liquids cargoes including, for example, edible oils, wine, petroleum producers and chemicals. The recyclable bags are made from food-grade virgin polyethylene film with premium woven silk and a polypropylene outer layer for extra flexibility and strength.

According to MSC, while liquid cargoes are traditionally shipped in ISO tankers, there are many advantages to making the switch to flexibags, including the fact that they are single use and recyclable, making them an efficient, hygienic choice for shipping foodstuff cargoes especially. In addition, MSC points out that it has developed a bulkhead recycling scheme, which allows the bulkheads used in containers when transporting liquids to be reused, reducing waste and improving supply chain sustainability.

The company also points out that flexibags can be installed into any 20' container and, once the bag is removed, the container is ready to be re-used in traditional dry freight mode. This, MSC argues, removes the need for costly repositioning moves and also avoids the requirement for cleaning after use, as is the case with tank containers

MSC further suggests that the flexibag liners prevent cargo contamination and simplify the supply chain for dry bulk goods such as sugar, grains, cacao or plastic granulates. Using thermal liners can help keep sensitive cargo dry, odourless and safe from temperature disruptions during transit, it adds.

MSC's initiative and its advocacy of flexibags has come under some direct fire from the International Tanker Container Organisation (ITCO), the trade body representing tanker container operators and lessors, among others. In a hard-hitting statement, ITCO President, Reg Lee, offered to correct "a number of misconceptions which could potentially arise" as a result of MSC's publicity campaign (although MSC is not specifically referenced in the spirited release.)

Taking firm aim at the sustainability arguments put forward, Lee said: "Flexibags are neither eco-friendly nor sustainable. A flexibag is made of plastic films consisting of polyethylene and a polypropylene sleeve; it weighs more than 40kg and will probably end up in a landfill rubbish site. Each flexibag is equivalent to over 7,500 single-use shopping bags."



fierce ITCO response

By comparison, he argued, tank containers can transport cargoes many times a year. Moreover, at the end of its life, approximately 90% of the tank container is recyclable through long-standing metal recovery services.

Lee challenged the proposition that flexibags are fully recyclable. "After use, the flexibag has limited possibility for recycling," he says. "Soft plastics films are not easily - or economically - recyclable, and the majority will end up dumped in landfill, most probably in a cargo contaminated state, which further endangers the environment."

ITCO has also challenged MSC's contention that the avoidance of the need to clean the container after use is a positive advantage as "misleading and incorrect."

Lee says: "While a flexibag which has carried wine might possibly be safe for shredding and re-processing in an empty, dirty state, any flexibag which had been carrying chemical or petroleum products must also need to be thoroughly drained and cleaned for safety of handling, prior to being sent to landfill or incineration. Conversely, the controlled and monitored cleaning of tank containers allows them to safely carry high quality goods repeatedly."

The MSC statement that flexibags require "less packaging than conventional ISO tanks" is also false, Lee contends. He adds: "Tank containers are, themselves, the packaging for transport and no additional materials are required. Flexibags, on the other hand, must have liners made of varying materials for the dry box, bulkheads, and potentially heating pads, in addition to the single-use multi-layered flexibag itself."

The full cost of packaging and recycling a flexibag, is rarely taken into full consideration by shippers, ITCO suggests, as it is usually the responsibility of the consignees or receivers to voluntarily recycle the flexibags or dispose of the dirty flexibags in landfills. "Few processes or laws are in effect to trace the flexibags from cradle to grave, and waste is not controlled as it is in tank containers," says Lee.

He continues, "The responsibility for the environmental stewardship of the bag is lost along the supply chain, without traceability. The shipper, who purchases and introduces the 40kg of plastic into the world, has no responsibility for what subsequently happens to it upon delivery. This is entirely different to a tank container shipment, where the tank container operator retains responsibility for the environmental stewardship of the tank container and of its cargo residue and of its cleaning. The operator accepts full responsibility right through the supply chain, and welcomes auditing at every stage."

ITCO also raises some serious safety concerns. Most startling, perhaps, the organisation suggests that flexibags present a risk to human life, as destination handlers all over the world need to remove contaminated flexibags from the container and place in a skip for disposal. Lack of procedures and controls globally could put workers at risk, unlike tank containers, where audited safety procedures minimise and control the risk to workers, ITCP states. ITCO also emphasises the fact that the carriage of bulk liquid cargoes by road requires special driver training because of the risks associated with the surge movement of liquids inside the containers. Specialist tank container trucking companies carry out extensive training to educate their drivers about the danger of liquid surge inside the tank container and the effect this has on the stability of the vehicle. There is generally no such training among conventional dry container trucking companies used to transport flexibags, it claims, making the transportation potentially unsafe.

Lee continues: "In this regard, flexibags are unsatisfactory in terms of road safety both for drivers of the vehicle and the public around them, due to the risk of liquid surges that effect braking and stability. This might lead to rollovers for drivers unused to liquid cargoes."

Lee concludes by asserting that a tank container "remains the safest and most environmentally acceptable method of containerised bulk liquid transport." By contrast he contends that "every plastic flexibag that is manufactured represents a needless addition to the burden of plastics in the global environment, because the same liquid cargo could be repeatedly carried instead by tank container."

The arguments being made for and against flexibags have been around a long time and are therefore well-rehearsed. So why has ITCO felt the need to give such a full-throated response to MSC's initiative? Some say it is almost certainly a reflection of MSC's status as one of the world's biggest container lines. As long as flexibags remained a fringe, niche solution, they could be safely tolerated. But with MSC launching a service that could take this kind of operation mainstream, and global, it is possible that ITCO felt it could not passively sit on the sidelines. ■

Cutting out COMPLEXITY

Companies wishing to send consignments of chemicals around the world in tank containers have a new digital tool at their disposal - the **YiShiXin Supplychain Platform**



Customers like the easy-to-use platform and customer-friendly interface. As for management and operation, it's time saving and cost effective

YSX representative

It is probably fair to say that the average person does not spend much time thinking about just how complicated it can be to send a shipment of goods from a producer to a customer. What might at first seem a fairly straight forward process can actually involve a whole host of different actors, ranging from port operators and shipping lines to agents, freight forwarders, rail operators, hauliers and warehousing firms, not to mention customs and other aspects of officialdom.

Each point along the supply chain may require the input of multiple people within the same company or agency, resulting in a vast amount of paperwork, emails and phone calls. Unsurprisingly, this can make it very difficult to pinpoint not only where a consignment is at any given time, but also when it will likely arrive at its end destination. When the goods in question are of a hazardous nature, of course, the level of complexity ramps up greatly, with each such transport generating even more documentation and declarations that need to be completed correctly and punctually if delays, penalties and potentially catastrophic incidents are to be avoided.

Clearing the clutter

Sifting through all the data generated by many such transports in an attempt to identify trends and patterns can be challenging. As a result, the potential to overlook possible cost savings and efficiency improvements may be lost. Digital technologies, however, arguably offer an effective way to cut through this data fog, with the YiShiXin Supplychain Platform, itself recently launched by China's Shanghai YiShiXin Intelligent Technology Company (YSX), a clear case in point.

Developed specifically with the needs of chemical logistics in mind, this online platform has been designed from the ground up to help customers reduce the complexity involved in sending regulated products from one place to another in tank containers and other bulk and packaged formats, including temperature-controlled shipments. What's more, explains a YSX representative, "since the platform is cloud based, customers can access it through the internet from anywhere in the world" via any suitable web-connected device.

The process is simple. After first contacting YSX via its company website (www.yishixin.cn) and signing up to the system, customers will then be given access to the platform as well as support and instruction on how to use it. Once securely logged in via a private portal, they will then be able to use an easy-to-use dashboard through which they can plan, order and execute chemical transports via an array of reputable shipping lines, agents and logistics firms. Consequently, the representative continues, "the YiShiXin Supplychain Platform provides full logistic services for chemical products" by connecting shippers with services providers via a battery of digital technologies that, among other things, make use of big data and the Internet of Things.



First-hand experience

Given the particular risks and complexities associated with the transport of dangerous goods, it is no doubt of comfort to shippers to learn that the company's technical knowhow is backed by significant real-world experience when it comes to moving, storing and handling chemicals. YSX is the brainchild of chemical logistics experts and industry veterans who bring with them a thorough understanding of what it means to move product around the globe in tank containers.

The company proudly carries all relevant dangerous goods certifications and approvals required by the Chinese authorities to operate in this highly regulated field. Importantly, though, YSX remains a fully independent technology firm with a clear focus on transparency. As a consequence, the representative reports, the YiShiXin Supplychain Platform is free of any in-built biases or conflicts that might otherwise influence or hinder the customer when selecting or contacting logistics providers and other actors.

Instead, the platform draws upon an ever-growing network of agents, forwarders, shipping lines and logistics firms to ensure customers are free to choose which companies and where best meet their particular needs. Moreover, customers can also grant any existing agents or partners access to the YiShiXin Supplychain Platform should they so wish.

As it happens

Whoever they choose to work with, though, platform customers will find that the whole process of sending chemical X from A to B has been greatly streamlined, with the user able to select, for example, the suitable tank containers, depots and locations appropriate to their requirements via a few clicks of a mouse or taps of the screen. What's more, as the platform provides a single point of supply chain connection and co-ordination, it conveniently eradicates the need to contact other actors and potential partners individually before having to then await a reply with hopefully an acceptable offer or terms.

Similarly, the YiShiXin Supplychain Platform also provides a central means of exchanging and tracking all pertinent data and documents that arise from each shipment. The platform's technology not only logs every development in real time, but it also shares alerts and documents with all authorised actors in real time.

Optimal agility

The customer is therefore able to track the progress of each consignment from filling and despatch to final delivery safe in the knowledge that no critical piece of paperwork has been overlooked or lost. With the platform able at "every step to show them what the status is", they are able to keep in touch with what is happening and quickly respond to any hold-ups or delays. This results in ever greater operational agility and much more responsive levels of customer service, things that are a clear benefit in an ongoing era of just-in-time logistics.

But it's not just the simplified booking and real-time reporting offered by the YiShiXin Supplychain Platform that makes it such a potential boon to users. In addition to the centralised communications and monitoring, the system also places a wealth of historical data at the customers' fingertips. This invaluable information can then be analysed, measured and compared against their key performance indicators (KPIs) to identify logistical strong points, weaknesses and bottlenecks as well as areas where costs can be cut and operations improved. Or, as the company representative puts it: "The YiShiXin Supplychain Platform offers a simple and easy-to-use interface backed by strong technical support. It can improve management efficiency, logistics cost savings and transport visibility."

Data security

While all this data analysis can offer the customer numerous benefits in terms of better performance and planning, the question that many may well ask is just how safe and secure it is. After all, a lot of that data will be highly sensitive to say the least. Such concerns, though, are not lost on YSX, for which data security is of top-tier importance. The company, the representative reveals, is fully registered with all appropriate data security agencies; complies with and exceeds all applicable legal requirements; and uses industry-leading encryption to ensure data stays safe from unauthorised eyes. It also maintains back-ups in multiple high-security data centres to ensure continuity of service.

Furthermore, the YiShiXin Supplychain Platform also makes use of blockchain technology to provide users with an immutable digital ledger that cannot be subsequently altered or falsified. Consequently, there is no possibility of any actor along the supply chain accidentally or otherwise revising any previously agreed variables, such as those relating to dates, quantities or price, for instance. Thus, while every transaction and input is recorded and timestamped, nothing can be changed or doctored, giving the customer further peace of mind and confidence in the veracity of any data generated.

Digital designs

Although the YiShiXin Supplychain Platform is still relatively new, it is already winning favour with chemical shippers. "Customers like the easy-to-use platform and customer-friendly interface. As for management and operation, it's time saving and cost effective," the company representative states, noting that the platform's ability to simplify communication and coordination is proving particularly popular with companies that employ the services of many small and locally-orientated logistics firms.

Certainly, as digitalisation continues apace within the chemical logistics sphere, it seems likely that more and more tank container users around the globe will find themselves benefitting from the types of services offered by the YiShiXin Supplychain Platform. "The YiShiXin Supplychain Platform will continue to grow and expand with the trend of digitalisation in the industry," the representative says. "I appreciate the support from customers and partners and welcome cooperation in the new digital journey." ■



BOTTOM FEEDING

Tank container prices have soared but when was the bottom of the market and what price levels were reached for each tank type? Independent tank container market expert, **Leslie McCune**, shares his views

According to George Soros, the celebrated hedge fund tycoon who famously 'broke' the Bank of England in 1992, it is not whether you are right or wrong that is important, but how much money you make when you are right and how much money you lose when you are wrong.

Today's ocean shipping line owners would applaud his insight. Last year was the most rewarding in the history of shipping with ocean carriers piling up $190 billion of net profits, exceeding the combined annual profits of Google and Apple and making the sector one of the most lucrative in the global economy.

Cash rich shipping firms broaden logistics offerings

MSC ousted Maersk to become the world's largest shipping line after buying a further 150 ships to exploit historically high ocean freight rates and is moving into logistics by agreeing to buy the Boloré family's African logistics business for $5.8 billion.

Meanwhile, Maersk has told shareholders to expect a further 64% increase in profits to $30 billion this year and has bought parcel delivery services in the US and Netherlands to give it end-to-end control of the supply chain.

The reasons behind this fabulous wealth creation are well-reported: consumer demand collapsed as a result of the 2008/2009 financial crisis, just as a flood of new shipping capacity hit the market. The huge over supply of capacity inevitably led to industry consolidation which reduced twenty global shipping lines to just seven. Three alliances - The Ocean Alliance, THE Alliance and 2M - now effectively run the global shipping industry with alliance members being allowed to cooperate to push costs down. Slot capacity has therefore been constrained by a combination of these structural changes, the re-routing of capacity to trans-Pacific routes and the well-known restrictions flowing from the Covid-19 pandemic.

Although spot and contract shipping freight rates have passed their peaks, cancellations are still endemic due to technical or operational problems such as ship log-jams outside ports. 9% of container shipping capacity is currently not accessible due to schedule delays. Re-routing has meant that European rates remain exceptionally high, despite stable demand and little congestion outside ports. However, with slot availability on ocean carriers improving, tank container supply should improve.

While shipping companies were on the right side of the market last year, they have recently been on the wrong side. Compared with the $190 billion of net profits in 2021, the industry's profits were only $7.6 billion for entire period between 2016 and 2020. But 2021 will be the high water market for container shipping profits - spot freight rates, although still high, are said to have peaked last September and the return to something like normality will accelerate when, as forecast, the global container shipping fleet increases by 6% next year and 7% in 2024. Conceivably, the container shipping industry could return to marginal profitability in 2024.

Tank containers less cyclical than shipping

Our tank container niche is, of course, inextricably linked to the volatile container shipping industry, which craves commoditisation from which economies of scale can be leveraged. Maritime transport is the largest cost element for deep sea tank container operators so the ability to pass these transport costs on to customers, with a margin added, significantly impacts operator profitability. Higher ocean freight costs mean higher margins for tank container operators.

However, compared with the mature shipping industry, the tank container industry has an important nuance - it is far less cyclical. This is partly due to the differing phase of development of each industry - the shipping industry is 5,000 years-old so, by any measure, can be regarded as a mature industry. In contrast, it has been just 55 years since the production of the first beam type tank container, which was bought by Dutch warehousing conglomerate Pakhoed.

The tank container industry is therefore very far from mature, as evidenced by 7% compound annual growth rate in the global fleet over the past 20 years. Tank container production has grown every year for the past four decades with just eight exceptions (1998, 1999, 2001, 2002, 2007, 2015, 2019 and 2020).

Tank containers are highly diversified assets

Mature asset markets like those in the shipping sector tend to commoditise over time and become highly cyclical while relatively young markets such as the tank container market, while seasonal, have little cyclicality and are characterised by differentiated ISO-compliant assets.

Unlike dry freight General Purpose box containers, which are designed to be physically identical and therefore have a narrow price range, prices for some tank containers are over 50 times those of others. The most expensive units - highly specialised 40' tank containers for air gas helium - are priced at well over $1,000,000 (over 97% of the world's liquid helium is transported in either 40' tank containers or semi-trailers designed and manufactured by a single US-based company).

When was the bottom of the market?

However, although tank container demand is seasonal - not cyclical - the tank container market inevitably has its own dynamic and 2020 was the year when the tank container market bottomed. Equipment demand, tank container prices and new build numbers fell while per diems eroded to as low as $3/day, driving cash-on-cash yields down from the 15% enjoyed ten years earlier.

Tank container prices at the bottom?

What, then, did the bottom of the market look like in terms of tank container prices?

Before looking at the detail, a health warning - price comparisons only work on a like-for-like basis so the following prices should be considered as merely indicative. There are many reasons why buyers may quote different purchase prices for the same piece of equipment in a given year. Some may have greater purchasing power than others, volume discounts may apply, $/€/RMB exchange rates vary throughout the year, ex-manufacturer yard prices will be lower than delivered prices (which could include high positioning costs), and technical specifications may vary. Prices to lessors may differ from those offered to operators, not least because lessors may buy tank containers without walkways, spill boxes, zinc coatings, calibration charts or handrails (although these can be provided).

Standard tank prices

Standard 'plain vanilla' T11 tank types sank as low as $13,000 in 2020 but, over the year, the average price fell to between $14,000 - $15,750 depending on the numbers bought and the Terms & Conditions (ex-works or delivered, etc).

Baffled tank containers are often described as semi-standards and have up to 10% more stainless steel in them because the horizontal or vertical baffles are also made from stainless steel. Baffle designs have longer fabrication times (and more complex procedures) so prices for these tank types are typically 50% above those of standard T11 tank containers. Baffles (or splash plates) reduce splash and surge, enabling a tank container to carry less than the minimum amount specified by IMO (80% for dangerous goods and 75% for non-dangerous goods).

Semi-standards are universally available from both lessors and operators. The category also includes higher volume swap body tank containers (some with light weight frames), extra high or extra wide tank containers, and those that are electrically heated or cooled. Swap bodies are typically 7.15-7.82 metres long, compared with 6.06 metres for a standard tank container, and therefore exceed the standard universal UN maritime container dimensions. Although longer, they have the same technical capability as standard tank containers and were developed for use in European truck, rail, inland sea, riverways and short sea intermodal routes.

Prices for tank container 'specials'

A T11 swap body tank will typically have a capacity of 35,000 litres - a third more than the most common tank container in lessors' fleets, the 26,000 litre T11. Due to their size, swap bodies have a higher payload than standard tank containers. Apart from intra-continental movements, they are frequently used for internal site movements at large, less integrated petrochemical complexes but, importantly, they are not stackable on cellular box container ships because of their dimensions.

The average price for a swap body was approximately $30,000 in 2020 with larger 35m^3 baffled swap bodies approaching $40,000. This puts in them in the 'specials' price bracket, made up of T20 (8mm shell) and T22 (10mm shell) tank containers. These tank container types are used for highly hazardous products and may be multi-compartmented. As a group, they are characterised by internal shell linings, increased pressure resistance, special fittings and/or temperature control systems.

T20, for example, is used for fuming sulphuric acid (although T8 is used for less concentrated sulphuric acid). They meet US ASME U2 stamp regulations and typically have multiple steam heating runs, 304 stainless steel cladding and horizontal or vertical baffles to prevent surge. They are lined and have cargo-specific, high duty valve configurations.

Some corrosive substances are not compatible with stainless steel and may require a T20 or T22 'special' tank container, lined with chemically-resistant material. There are a variety of linings which are cargo-specific, including PFA/perfluoroalkoxy fluoropolymer, Teflon, polyethylene, various types of rubber, phenolic, PTFE, ➔

glass flake and epoxy. The most frequent cargo for T20 and T22 specials is acids, with the exception of nitric acid which is carried in aluminium rather than stainless steel tank containers. Hoyer's relatively recent introduction of their new titanium tank containers, developed and built by Van Hool for highly corrosive molten MCA (monochloroacetic acid), highlights the innovation capability of operators.

In another example of operator innovation, Bulkhaul were the first to specify higher levels of molybdenum in the 316L stainless steel used to manufacture most tank containers. Higher levels of molybdenum significantly improve internal shell pitting by increasing hole and crevice corrosion resistance, especially against chlorides and sulphuric acid. Although increasing costs by up to $1,000-per-tank, a wider range of chemicals can be carried in higher-molybdenum content tank containers including strong acids. This widens the number of products that are potential reload opportunities after the discharge of previous loads.

More broadly, increasing fleet diversity has been driven by both lessors and operators for operational and market reasons. Composite tank containers are increasingly being offered by lessors as these tank types offer lower tare weights (and therefore higher payloads) while narrower segments such as gas and cryogenic are being targeted by several lessors and operators.

T50 gas tank prices

At the bottom of the market in 2020, T50 tank containers - used for transporting non-refrigerated gases and chemicals under pressure - were a step up from the prices of tank types in the 'specials' segment. Gas tanks are, in a sense, an anomaly among tank containers in that they are typically manufactured using 13-16.7mm P460NL or SA612N carbon steel instead of stainless steel.

40' T50 gas tanks are most frequently used for LPG but carry a range of gases including fluorocarbons, ethylene, propylene, butylene, propane, butane, chlorine, sulphur dioxide, anhydrous dimethylether and methyl chloride. Gas tank containers used for the transport of anhydrous ammonia have a 60 micron zinc coating.

CIMC in China manufacturers over half of all the tank containers produced in the world and, this year, the 15,000th T50 gas tank container rolled off its manufacturing line in China. It was destined for Eurotainer, which had 50% of the T50 gas tank container market some years ago. CIMC developed its own design and manufacturing technology for T50 gas and T75 cryogenic tank containers two years ago.

T75 cryogenic tank container prices

T75 cryogenic tank containers are an even smaller niche than gas tank containers. They move refrigerated gases and chemicals under pressure with a 40' T75 usually being the unit of choice for carrying LNG. Tank container-based LNG trades tend to be regional because of the limitations on their 'hold time' i.e., the time a tank container can hold LNG before ambient conditions increase its temperature and pressure, eventually causing a vapour discharge called venting, or 'boil-off'.

The hold time for cryogenic LNG tank containers is limited to a maximum of 130 days, depending on the tank container's specification. With the current unpredictable shipping conditions, the hold time may be exceeded due to vessel and port delays, unexpected ship rotations, timetable rescheduling or due to tank containers being left on the dock. Global backhauls for empty 40' cryogenic tank containers tend to be uneconomical due to high ocean freight rates.

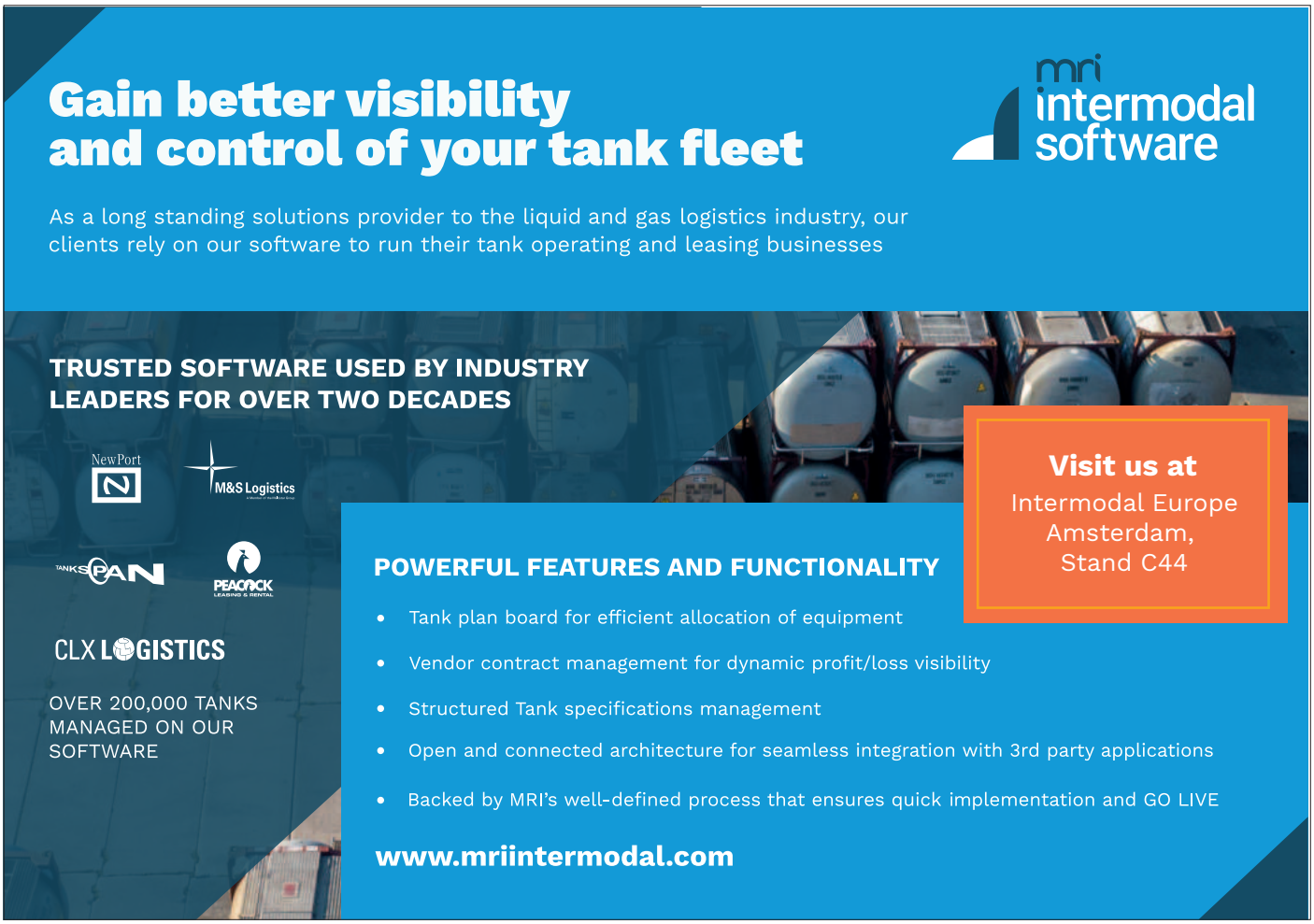
At the bottom of the market in 2020, cryogenic tank container prices were well under $100,000.

Conclusion

Tank container prices have come a long way (up) since the bottom of the market in 2020. The rebound has been rapid but is still far short of the record high price of $28,000 achieved in 2008 for standard tank containers.

Despite the escalating prices and scrambled supply chains, many industry players reported their highest profitability in 2021 and this year may set all-time highs for new builds. ■

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> *the current events will certainly cause the biggest crisis in its history*
>
> **Vadim Korneev,**
> *Chief Executive Officer, Baltica-Trans Co.*

Russian tank container market faces its ***deepest crisis***

The Russian tank container market faces its deepest crisis in its history. The ongoing military conflict between Ukraine and Russia, and the unprecedented sanctions imposed on Russia, will inevitably result in a sharp decline and painful transformation for Russian tank container activity this year.

Prior to the 24 February 2022 invasion of Ukraine by Russia the Russian tank container market had delivered annual growth rates of up to 18%. According to Maxim Tyulpakov, director of the department of multimodal transportation of "Infotech-Baltika M", one of the leading players in the Russian tank container market, the market had been high growth rates compared to other segments of the domestic railways sector and reached a peak in 2019. Understandably, the pandemic had a negative effect on the market but, by February 2022, it had nearly reached its pre-pandemic peak.

The beginning of the war, and the extremely negative consequences for the Russian economy, will restrict the industry for decades, according to local analysts and market players, a view shared by Vadim Korneev, Chief Executive Officer of Baltica-Trans Co., one of the leading tank container operators in Russia and the former Soviet region.

The current geopolitical tensions are significantly impacting the tank container market within Russia. The transportat volumes between Russia and the EU have drastically decreased since March 2022 due to unprecedently wide scope of the European economic sanctions imposed on Russia, which have severely affected previously well-established trading and transportation networks. Foreign trade flows of Russian chemicals are now being re-directed to other parts of the world and all local tank container market participants are adjusting their processes in line with this changed emphasis. That said, the Russian tank container industry is forecasting a decline in both the international and domestic trade for liquid chemical transportation and the projects and investments associated with the sector.

Still, according to Korneev, there is currently no massive exodus of players out of the market. He added: "After the initial shock, the vast majority of market participants started to search for workable solutions within the changed market reality, which would neither contradict common business sense nor violate the imposed sanctions and restrictions".

Vadim Korneev continued: "Measures by Russian authorites regarding counter-sanctions have so far been quite balanced, holding off the imposition of a new 'iron curtain' and not affecting the property in Russia of foreign market participants".

According to analysts, the Russian tank container market remains relatively young and still has the potential for further growth. This will enable it to withstand the consequences of the current crisis. Growth will depend on the situation in Russia's chemical, petrochemical and oil refining sectors – these are currently in serious crisis due to export restrictions and the generally negative business environment in Russia. A sharp drop in Russian tank container transport can be expected this year.

According to a recent report of JSC Infotech-Baltika M, another leading player in the Russian tank container market, the volume of tank container cargoes in Russia in 2021 was approximately 5.05 million tonnes i.e. about 0.5% lower than the pre-Covid level.

In addition to the decline of tank container cargo volumes, most analysts expect a reduction in the range of chemical cargoes transported in tank containers within Russia, which numbered more than 300 at the start of 2022. ➔

Traditionally, the largest product volumes transported in tank containers in Russia include sulphuric acid (16% of the total volume transported) and caustic soda (14%).

Other products include liquid nitrogen fertilisers, synthetic resins and formalin (formaldehyde), benzene, ethylene glycol, styrene, and acrylic acid. Analysts believe these volumes will also significantly decline in Russia this year.

One of the ways to partially compensate for the loss of chemical volumes is to move products that were previously not transported in tank containers. These include food cargoes and commodities such as sunflower and rapeseed oils, molasses, spirits and wine.

High global prices for most of these products, according to analysts at the Russian Ministry of Agriculture, may provide support to their domestic tank container exporters which, despite the toughest sanctions, still have some opportunities to export their cargoes in tank containers to the EU and other western markets.

The strongest export trend in the mineral fertilisers market, where demand from Western markets is steadily growing due to the lack of domestic supplies. The current high prices for gas and other energy sources in the EU and other markets has already led to the suspension of production at several mineral fertilisers producers in Europe. The situation is also complicated by the lack of Chinese importers, which supports the demand for Russian mineral fertilisers.

In Russia, the ever-growing production and transportation of mineral fertilisers is stimulating the steady growth in demand for deliveries of sulphuric acid in tank containers.

Tank container demand is also being fuelled by the overall growth in the level of containerisation in the country; the replacement of decommissioned tank containers; the development of multimodal transportations; and the implementation of some niche projects.

Maxim Tyulpakov from "Infotech-Baltika said some shippers still have a kind of fear associated with the use of tank containers, despite the good profitability generated by their use.

Tyulpakov also added the Russian fleet of tank containers is rapidly ageing, leading to large scale decommissioning in the next few years. This process will provide additional impetus for growth to the tank container sector.

According to analysts' pre-February forecasts, the growth of the Russian tank container market this year was forecast to be 5-6 per cent and 7 per cent annually until 2025. The share of the tank container segment in the overall transportation of liquid cargo in Russia in 2022 was supposed to increase to 17%, rising to 20% by 2025. It is obvious that these forecasts will be revised down substantially.

Korneev from Baltica-Trans Co believes that given that the Russian tank container industry is relatively immature, "the current events will certainly cause the biggest crisis in its history".

He continues: "Nevertheless, due to the fact that regional tank container markets in general, and domestic Russian fleets of tank container operators in particular, are still remaining quite moderate, we assume that there is enough flexibility to substitute vanishing international routes and destinations by another areas. For the domestic volumes of transportation inside Russia our current expectations are more pessimistic due to the slow down of production in several segments of local chemical industry but the under-utilised equipment can, at least partly, be forwarded to new international routes to compensate for extended roundtrip times. However, we believe that the key point in all aspects of the current crisis is the fastest return to a peaceful sky in the area."

However, for the majority of most global players, the Russian market has never been the highest priority, despite its importance growing for some over the last decades.

Allan Klinge, President of the US Klinge Corporation commented: "Russia has long been a difficult market for us. We stopped really focusing on development of business there in 2014 with the annexation of Crimea and subsequent sanctions. At this point, we do not have any plans to focus on the Russian market in the near future and are of course following all sanction requirements related to Russia."

According to Klinge, the company has seen varying reports of the expected contraction of the Russian economy this year due to the sanctions, including the limited access to credit for Russian companies. It does appear that this will be a country-wide issue, and that all industries will be impacted, so he would expect that the tank container industry will also face these challenges.

In the meantime, Thorsten Dantz, General Manager of Condaco, said the company continues its business in Russia if our client bank accounts are out of Russia. However, the Russian market is not a priority for him as long as the situation remains unchanged. Dantz, however, does not expect the collapse of the market this year, believing in its potential to withstand the current crisis. "I don't think that this crisis will have a big affect on the Russian economy as long as China and other Asian countries continue supporting Russia." ■





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