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What are the Cash-on-Cash Yields available to investors in the tank container industry?

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Belgium-based CTW Cleaning Systems discusses customised solutions, digitalisation, family values and a 3D plan for expansion.

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ITCO

ITCO plans to become a broader, more diverse and more inclusive organisation under its new leadership.

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10th anniversary Tankcontainer MAGAZINE

Volume 11 | Issue 3 | Sept 2024



ITCO *evolves*

Under new leadership, the International Tank Container Association (ITCO) is becoming a broader, more diverse and more inclusive organisation. Tankcontainer Magazine hears the views of its new President, Paul Gooch.

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Leslie McCune, Editor

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50 ways to lead your lover



Paul Simon, the American singer-songwriter, sang of there being 50 ways to leave your lover. Just

as usefully, there are an equal number of ways to define some of the key ratios used to calculate the financial returns that tank container investors can earn.

Unfortunately, the financial metrics used by tank container investors are many and varied, are notoriously subjective and are often overly simplistic. Although meeting generally accepted accounting principles, they can still easily mislead those without the time or inclination to look at the detail. ■



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NEWS

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NEWS



News - Alisan-Den Hartogh unveils; ITCO and NCB launch; CROSSOVER Group celebrates; Heniff Transportation acquires; Leschaco USA Certification; Van Den Bosch optimisation; HOYER milestone; Suttons international solutions; Leschaco Colombia new MD;

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ITCO



Under new leadership, the International Tank Container Association (ITCO) is becoming a broader, more diverse and more inclusive organisation.

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FINANCE



In this new series of articles, Leslie McCune, a tank container market expert, explores some of the key topics in the tank container industry.

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DEPOTS



CTW Cleaning Systems, designs and builds automated installations for cleaning tanks, containers and tankers, as well as heating systems for tanks and containers.

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TECHNOLOGY



The Supply Chain Cloud Platform (SCCP) developed by Shanghai Yishixin Intelligent Technology offers tank container users a host of benefits.

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50 ways to lead your lover

Paul Simon, the American singer-songwriter, sang of there being 50 ways to leave your lover. Just as usefully, there are an equal number of ways to define some of the key ratios used to calculate the financial returns that tank container investors can earn.

Unfortunately, the financial metrics used by tank container investors are many and varied, are notoriously subjective and are often overly simplistic. Although meeting generally accepted accounting principles, they can still easily mislead those without the time or inclination to look at the detail.

In this issue, as part of our continuing 'Understanding tank containers' series, we look at an often used financial metric: **Cash-on-Cash Yield**.

Cash-on-cash yields vary for each tank container type but, for standard T11 tank containers, cash-on-cash yields have steadily fallen from 15% to 10% over the past two decades with the historical average being approximately 13%. This implies that the cash cost of purchasing this tank container type would have been repaid within 8 years, assuming a useful economic life of 20 years.

This compares favourably with the returns available from other asset classes, including some of the 'no risk' opportunities available in the financial markets.

Cash-on-cash yields fit within the bigger picture of what a tank container company might be worth so we explore in the same article a number of different **company valuation methods**, including the widely-used Discounted Cash Flow and EBITDA valuation techniques.

The EBITDA multiple is often used as a quick-and-dirty method to value a company but is viewed as inconsistent and unreliable as a performance and valuation measurement by Warren Buffet at Berkshire Hathway, owner - via its Marmon subsidiary - of the world's largest tank container leasing company, EXSIF Worldwide.

The next topic in our 'Understanding tank container' series will consider tank container '**Utilisation**'. Business schools and management consultancies talk of "sweating the assets", a phrase used to describe how more value can be extracted - by better utilisation - from the resources already in place, making new investments less necessary.

The main drivers of tank container fleet utilisation are the supply/demand balance (for each of the individual types of tank container) and the industry's operational efficiency at meeting the demand. If operational efficiency is high, so too will be fleet utilisation,

as fewer assets would - in theory - be needed to meet demand compared to an inefficiently run industry.

Operational efficiency is difficult to quantify. Excess tank container inventory in each major region reduces fleet utilisation but is a necessary feature of the operational footprint of global lessors and operators. Repositioning excess inventory may boost utilisation but it is cost prohibitive, and therefore very unusual, to reposition empty leased tank containers from, say, the Middle East to the US. The repositioning costs for the inter-regional movement of empty tank containers - especially at times of high ocean freight rates - compromise the tank container's lifetime financial returns, so it is avoided whenever possible.

High repositioning costs can also strangle the development of tank container markets - several years ago, for example, the lack of full service off-hire facilities in the Middle East was a major hurdle preventing the development of a leasing market in the region. Off-hired tanks in, for example, Saudi Arabia, had to be repositioned empty to either Rotterdam, Singapore or Nhava Sheva on the west coast of India for more substantial Maintenance & Repair work at off-hire.

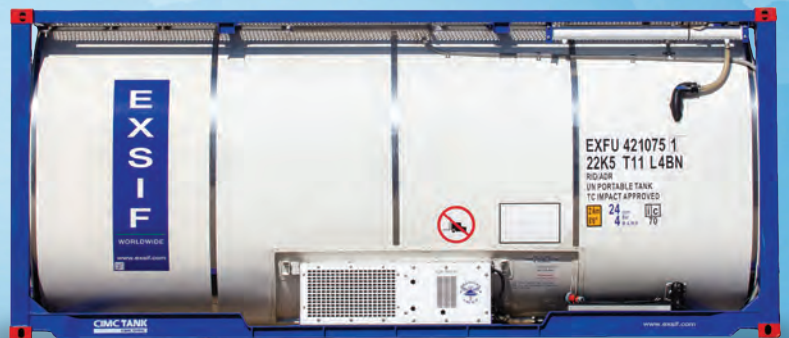
Elsewhere in this issue, we look at how the International Tank Container Association (**ITCO**) is evolving under its new leadership to become a broader, more diverse and more inclusive organisation.

New partnerships and relationships are being developed with other international organisations and associations with a stake in the tank container industry, while there is a much busier programme of events, projects, work groups and technical guidance. Other initiatives have been developed, such as the development of a global tank container depot audit and assessment programme.

When considering its major challenges over the next 3 years, Paul Gooch, who has been leading ITCO since January, says the first priority for any organisation is to survive and, depending on the type of organisation, there are a variety of levers that can be pulled to ensure this. In ITCO's case, as an industry association, he highlights the importance of ensuring that, through ITCO's strategy and new organisational structure, it is delivering sustained value to its members via quality events with relevant agenda topics, supporting Work Groups which are delivering global standards and improved efficiency and safety, effectively advocating on behalf of ITCO members, and helping to grow the organisation through regional initiatives. ■

Leslie McCune, Editor

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DUAL AND EXPLOSION-PROOF OPTIONS AVAILABLE

Alışan-Den Hartogh unveils state-of-the-art facility in Gebze, Kocaeli



Alışan-Den Hartogh is pleased to announce the opening of its new facility in Gebze, Kocaeli. This modern establishment underscores the joint venture's commitment to safety, innovation, quality, and environmental sustainability, setting higher industry standards and enhancing service delivery to its customers.

Since its inception in 2004, Alışan-Den Hartogh, a 50/50 joint venture, has consistently provided exceptional

logistics services. The company offers a comprehensive range of services, including cleaning, storage, heating, repair, and maintenance, all while adhering to the highest quality standards. The new facility spans 15,000 square metres and boasts advanced tank storage and filling capabilities, designed to meet the growing demands of the industry.

Staffed by a team of experienced and well-trained professionals, Alışan-Den Hartogh ensures top performance across all operations. The new facility

is equipped with cutting-edge technology to handle a variety of logistical needs efficiently and safely.

The opening of this facility marks a significant milestone for Alışan-Den Hartogh, reflecting its dedication to continuous improvement and excellence in logistics services. The company looks forward to leveraging its expertise to meet and exceed the logistics needs of its customers, reinforcing its position as a leader in the industry. ■

ITCO and NCB launch updated tank container training course!



ITCO and NCB Hazcheck are pleased to announce the release of the latest Tank Container E-learning Course, now updated to reflect latest IMDG Code regulations, Amendment 41-22. This updated course available on NCB Hazcheck's management system.

In addition to incorporating the latest regulatory updates, the course has undergone a complete makeover. The content has been recreated using a new authoring tool, resulting in a fresher and more modern appearance that enhances the learning experience.

The updated course is the result of ongoing collaboration between ITCO and NCB Hazcheck. By combining ITCO's extensive expertise in the tank container industry and regulations with NCB Hazcheck's innovative

e-learning tools, this partnership aims to raise awareness about the importance of tank containers for transporting goods and the specific regulations governing their use in transporting dangerous goods.

This latest release underscores the commitment of both ITCO and NCB Hazcheck to providing high-quality, up-to-date training resources for professionals in the tank container industry. ■

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CROSSOVER Group celebrating 10 years of excellence and growth!

Since 2014, CROSSOVER Group has transformed from a start-up with no experience to a global tank container operator. The company is proud to celebrate its 10th anniversary during the week of 22 June 2024 with multiple activities.

Founded by CEO Asia Wang, CROSSOVER Group provides global logistics services for the shipment of bulk liquid chemicals and food-grade products. From its headquarters in Singapore to international offices across 16 countries, the company ensures safe, cost-effective, and tailored transportation solutions.

The past year presented challenges, including rapid growth and various difficulties, but CROSSOVER Group is proud of its high-performing team and their commitment to hard work and dedication. To mark this milestone, the CROSSOVER Group team engaged in various celebratory activities.

They kicked off with a business trip to Shanghai to meet with their dedicated China team. Alongside knowledgeable representatives, they attended Transport Logistic China 2024, where they shared their expertise and

connected with industry professionals. Following the exhibition, the team visited JJAP, one of their most trusted tank manufacturers. The celebration week concluded with a cake-cutting ceremony at their Suzhou office.

As a leading asset management firm specialising in ISO tank containers for the international energy, chemical, and gas industries, CROSSOVER Group offers tank container leasing, international logistics, and transport services to meet all logistical needs. The company designs and provides different lease structures and manages the acquisition of critical transport assets. With over 10,000 units of ISO tanks meeting the highest industrial standards of safety for transporting, CROSSOVER ensures the safe, efficient, and quick delivery of bulk liquids, powders, or gases.

CROSSOVER Group's slogan, "Make It Happen," is more than a phrase; it is a testament to their collective spirit and determination. The company fosters a family-like environment that is both supportive and inspiring.

Reflecting on their incredible journey filled with growth, achievements, and invaluable partnerships, CROSSOVER Group continues to enhance their services to provide the best customer experiences. Striving for excellence in every journey, they are committed to making it happen together. ■

Heniff Transportation Acquires TechnoPort

Netherlands-based Operation Offers Full Suite of ISO Tank Services

The Heniff Transportation companies ("Heniff") announced today that it has added TechnoPort to its growing list of transportation and related services providers. Based in Moerdijk, Netherlands, TechnoPort is a provider of ISO tank services. Terms of the transaction were not disclosed.

"We're very pleased to welcome TechnoPort into the Heniff family of companies," said Bob Heniff, Founder & Chief Executive Officer of Heniff. "This deal represents the perfect growth opportunity for our company as it is primarily customer-driven, complementary to our current suite of services, and an extension of our global footprint into the greater international bulk transportation services industry."

The acquisition of TechnoPort marks Heniff's first venture outside of the North American market. TechnoPort's operation is strategically located just south of Rotterdam, Netherlands which is the largest port in Europe and one of the world's largest container ports. The company is a one-stop ISO tank operation that provides ISO depot services, state-of-the-art cleaning for chemicals and food-grade products, container heating, and maintenance and repair services. ■





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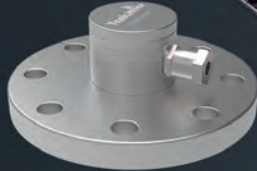
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generated KPI's



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thanks to modular
solutions

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- ✓ Container and freight wagon round trip optimisation
- ✓ Fleet management optimisation
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- ✓ Load detection

Leschaco USA receives American Chemistry Council's Responsible Care Certification



Leschaco, Inc. USA recently obtained the Responsible Care Certification, highlighting its dedication to safe and sustainable practices in chemical logistics operations.

Leschaco, Inc. USA achieved this certification across all Environment, Health and Safety & Sustainability activities associated with 3PL/ Freight Forwarding, 4PL, Overland, Air Freight, Contract Logistics, and ISO Tank Containers. This milestone underscores Leschaco's commitment to the highest standards in safety, service, quality, and sustainability.

Responsible Care focuses on guiding principles aimed at enhancing safety and sustainability performance in the chemical industry. These principles, which include continuously improving environmental performance, fostering a culture of safety risk management, and ensuring the safe transport of

chemicals, are integral to Leschaco's business strategy. They are embedded in every aspect of the company's operations, roles, and relationships.

Daniel Stoffler, president & CEO of Leschaco, Inc., remarked, "Achieving Responsible Care Certification marks a significant step forward in our journey to provide world-class logistics solutions to our customers. It reaffirms our commitment to sustainable growth, responsible practices, and the highest standards of operational excellence." He concluded, "At Leschaco, we believe that conducting business ethically and sustainably is not only a responsibility but also a core value that drives our daily operations."

The Responsible Care Certification for Leschaco USA underscores the company's commitment to responsible conduct, a cornerstone for the ongoing development of the Leschaco Group, reflecting the global values of the company. ■

“

Achieving Responsible Care Certification marks a significant step forward in our journey to provide world-class logistics solutions to our customers. It reaffirms our commitment to sustainable growth, responsible practices, and the highest standards of operational excellence

Daniel Stoffler,
president & CEO, Leschaco, Inc.

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Van Den Bosch continues supply chain optimisation in East Africa



The vegetable oil industry in Kenya and beyond is experiencing rapid growth, yet the supply chain hasn't kept pace with this expansion. Despite the increasing global demand for vegetable oils, large quantities are still exported annually to Europe in flexitanks. Van den Bosch is leading the way in transforming this process by transitioning to sustainable ISO tank transport, a move aimed at streamlining the supply chain.

Laurens Tulleners, area sales manager at Van den Bosch, notes, "Our first transport for a leading supplier of vegetable oils marks a significant milestone for the Kenyan vegetable oil export industry. This shift from flexitanks to ISO tank transport signifies a move towards greater efficiency, quality assurance, and sustainability, largely unexplored territory for East Africa."

The proximity of import customers in Kenya to Nairobi poses logistical

challenges due to the distance from the nearest port in Mombasa. To address this, Van den Bosch has implemented a cleaning setup in Nairobi, enabling the cleaning of tank containers locally. Tulleners explains, "This eliminates the need for import customers to return empty tanks to Mombasa and reduces the environmental impact, making the supply chain more sustainable overall."

Van den Bosch DMCC focuses on shipping liquid foodstuffs and other products in ISO tank containers, including juices, wine, and spirits. This has led to the establishment of a reliable source of imports in the region, paving the way for further network expansion and new opportunities.

Tulleners emphasises the importance of collaboration with partners like Freight Forwarders Ltd., highlighting the need for strong representation in both Kenya and Tanzania. Looking ahead, he sees opportunities for optimising the supply chain in Tanzania similar to what has been achieved in Kenya. Van den Bosch aims to play a key role in driving sustainability and efficiency as "The Supply Changer in Bulk" in these regions. ■

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- ✓ Baffle tank
- ✓ AHF tank
- ✓ Hydrogen peroxide tank
- ✓ Metallic Sodium tanks
- ✓ IBC/SBC tank
- ✓ T20/T22 tank

02

Service

- ✓ Global service network

03

R&D

- ✓ ASME U&U2, C3, LR, BV, CCS, RMRS, DNV certifications
- ✓ 300+ patents
- ✓ 350+ engineers

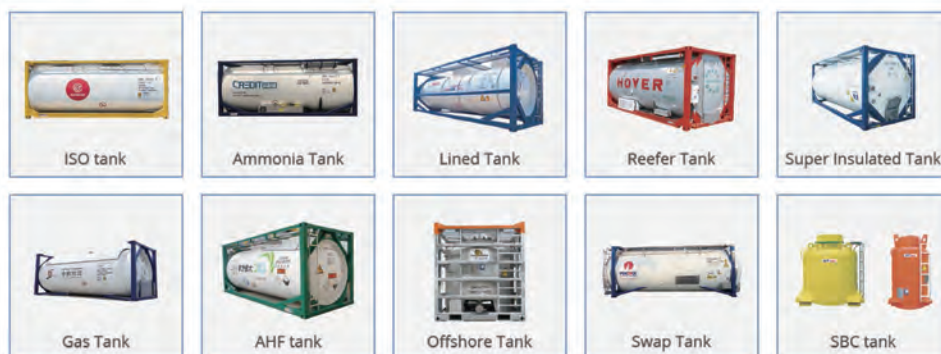


Nantong Tank Container Co., Ltd

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

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

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HOYER achieves milestone with 7 Millionth tank container loaded at KTL Kombi-Terminal Ludwigshafen



HOYER proudly announced the loading of its 7 millionth tank container at the intermodal terminal KTL Kombi-Terminal Ludwigshafen GmbH in Ludwigshafen. This significant milestone involved a chemical tank container from HOYER, highlighting the terminal's exceptional capacity and efficiency in handling large volumes of freight.

The intermodal terminal KTL is renowned as one of the largest, most modern, and most efficient transshipment terminals in Europe. Its strategic role in the logistics industry involves transferring tank containers from road to rail, a critical process that not only enhances operational efficiency but also contributes significantly to environmental sustainability. By combining different modes of transport, the terminal helps reduce CO2 emissions, aligning with global efforts to combat climate change.

The KTL terminal's advanced infrastructure and state-of-the-art technology ensure seamless and efficient handling of tank containers. This milestone reflects the terminal's capability to manage high volumes of freight while maintaining rigorous safety and environmental standards. The successful loading of the 7 millionth tank container underscores the reliability and effectiveness of the terminal's operations, positioning it as a pivotal hub in Europe's logistics network.

The achievement is a testament to the collaborative efforts of HOYER and KTL Kombi-Terminal Ludwigshafen GmbH. HOYER, a global leader in bulk logistics, has consistently demonstrated its commitment to innovation, safety, and sustainability. This milestone showcases HOYER's dedication to providing efficient and environmentally responsible logistics solutions.

The intermodal terminal KTL's role in reducing CO2 emissions through the integration of road and rail transport is a vital component of Europe's broader strategy to achieve sustainability in



logistics. By facilitating the efficient transfer of goods, the terminal not only supports economic growth but also ensures that environmental considerations are at the forefront of its operations.

The achievement of loading the 7 millionth tank container is not just a milestone for HOYER and KTL but also a significant indicator of the progress being made in the logistics industry towards more sustainable practices. As the terminal continues to expand its capabilities and enhance its infrastructure, it will undoubtedly play a key role in shaping the future of intermodal transport in Europe and beyond. ■

VdB moves two clients to intermodal



Van den Bosch says it has successfully transitioned to intermodal deliveries for two new customers in Serbia that previously depended on road transport.

"This marks a significant leap forward in our logistics capabilities, particularly in the bulk liquid chemical market," said Srdjan Zekovic, VdB's commercial manager for South Eastern Europe, on social media.

"By using advanced container solutions, we've significantly increased the payload per transport, enhancing both efficiency and sustainability. This shift not only reduces our carbon footprint but also provides our clients with a more reliable and cost-effective logistics solution." ■





Suttons international deliver bespoke solutions for global operator in EV supply chain



Suttons International recently discussed their strategic collaboration with a prominent electric vehicle manufacturer operating a Battery Manufacturing Gigafactory in Reno, Nevada, USA. This manufacturer sources electrolytes from South Korea, a vital component for the batteries powering their electric vehicles.

In partnership with a Japanese company, Suttons International utilises tank containers to transport electrolyte solution from Busan, South Korea, to the Gigafactory in Nevada. The Gigafactory operates continuously with three production lines to meet demand. Suttons and their Japanese partner provide dedicated support to one of these production lines, making accurate and on-time delivery crucial. Suttons is tasked with planning and managing the transportation of laden tanks over a significant distance, coordinating shipping,

trucking, storage, and the return of empty containers back to Busan for reloading, creating a continuous loop. This process requires close alignment between regional teams based in Southeast Asia and the United States to deliver consistently excellent customer service.

The Challenge

The just-in-time delivery requirements and the continuous flow of electrolyte needed for battery manufacturing presented operational challenges. To sustain the manufacturing process, an immediately available supply of electrolytes for call-off is required in proximity to the plant. An efficient drop-and-swap procedure had to be implemented to achieve this.

The Solution

Operational planning teams overcame the challenge of requiring a continuous flow of electrolytes by identifying storage facilities in Stockton, CA, significantly reducing the distance for transport. Upon arrival at the Stockton depot, tanks are checked and either repressurised

using nitrogen or resealed while awaiting call-off from the plant. Operational teams coordinated with a trucking partner to facilitate a process of swapping the laden tank and chassis at the production line with the empty tank on chassis. This seamless chassis exchange process takes approximately 45 minutes to complete.

Results

Implementing these solutions resulted in positive outcomes. Key performance indicators such as on-time delivery rates, fulfilment accuracy, and transit times significantly improved, reflecting a commitment to excellence.

The ability to develop and execute logistics solutions across a global supply chain underscores Suttons' expertise and dedication, focusing on safety, sustainability, and delivering essential products.



Mayerline Santamaria Neira new managing director for Leschaco Colombia

Leschaco Group is proud to announce the appointment of Mrs. Mayerline Santamaria Neira as the new managing director for Leschaco Colombia and its subsidiaries, effective August 01, 2024. Following the successful rebranding of the first four Colombian companies a few weeks ago, this strategic leadership appointment underscores Leschaco's commitment to driving growth and innovation within the region. Ensuring a smooth transition and continued excellence in operations, Mayerline will be guided into her new role by Jochen Raute, who co-founded Coltrans S.A.S. (today Leschaco Colombia S.A.S) in 1988 and still manages the company and its dedicated and talented employees today. He is planning his well-deserved retirement by the end of this year.

Mayerline Santamaria Neira brings over 20 years of extensive experience in the logistics industry, with a strong focus on sales, strategic planning, financial management, and organisational development. Her in-depth knowledge of the chemicals vertical market and her close collaboration with key pharmaceutical customers in her previous roles make her an important addition to the Leschaco team.

Mayerline's career began in 2004 at Maersk Line in Bogotá, Colombia, where she held various senior management positions. She later served as country operations manager at Crane Worldwide in Bogotá. From 2011 to 2015, she was the maritime product manager at DHL Global Forwarding Colombia, leading the marketing strategy for maritime products both nationally and internationally. Most recently, she was the commercial manager at Puerto Industrial Aguadulce, a leading container terminal at the Port

of Buenaventura, where she directed the development and execution of the company's commercial and customer service strategy, aligning it with strategic objectives.

"Mayerline's extensive network and expertise in the Colombian logistics market, along with her proven people management skills and deep experience in business transformation, position her well to drive our growth ambitions and lead our Colombian branches towards a prosperous future. We are happy to welcome her to our team," said Martin Sack (Regional Head Americas). "Her strong experience and strategic vision will be key to advancing our objectives and reinforcing our position in the Colombian market."

The Coltrans Group was acquired by Leschaco (Lexsau, Scharbau GmbH & Co. KG) on December 28, 2022. Coltrans S.A.S. has been a cornerstone of the Colombian logistics market. Over decades, it has established itself as a leading player, offering a comprehensive range of global logistics services, including import and export services, customs clearance, warehousing, and intermodal transportation.

With a longstanding partnership with the Leschaco Group spanning over 30 years, Coltrans has been an integral part of Leschaco's agent network, significantly contributing to its operations in Colombia, one of the largest emerging markets in Latin America. ■



Mayerline Santamaria Neira,
managing director, Leschaco Colombia



Paul Gooch, President,
International Tank Container Association
(ITCO)

ITCO evolves

Under new leadership, the **International Tank Container Association (ITCO)** is becoming a broader, more diverse and more inclusive organisation. *Tankcontainer Magazine* hears the views of its new President, Paul Gooch.

TCM: How is 'new' ITCO changing?

PG: One of the initial, and very visible changes, at the beginning of 2024 was the creation of a Management Committee. Instead of voting for four new Vice Chairs of the ITCO Board, all the candidates were invited to join a Management Committee, offering greater diversity and inclusivity, and capturing the commitment and expertise of a broader base of the organisation. The renewed energy is evident, and the feedback from the ITCO members has been very positive.

TCM: What is ITCO's new Vision and Mission?

PG: One of the first tasks of the new Management Committee was to review the existing ITCO Vision and Mission. We created a classic Strategy House (ITCO 2.0) based on our new 2030 Vision: "ITCO will be the globally recognised, tank container industry association of choice, representing and advocating on behalf of all members of the tank container ecosystem."

A key word in the Vision is 'global' as we recognised that ITCO could improve its presence and profile internationally, especially in the Americas and the Indian subcontinent.

Our Mission is largely unchanged; "ITCO will represent and strengthen the tank container industry, by promoting tank containers as the safest, most efficient, reliable, and sustainable intermodal transport equipment for the global movement of essential liquids, powders, and gases". ITCO will achieve its Vision and Mission through a reinforced strategy, focused on four pillars: Events, Work Groups, Advocacy, and Regional.

TCM: What new partnerships or relationships is ITCO seeking to develop with other organisations?

PG: In our first six months of 2024 ITCO has reached out to a number of international organisations and associations, including the European Petrochemical Association (EPCA), the European Chemical Transport Association (ECTA), the European Federation of Tank Cleaning Organisations (EFTCO), the Bureau International des Containers (BIC), and the National Tank Truck Carriers association in North America (NTTC). During the recent transport logistic Shanghai exhibition, we developed our contact with the China-based Tank Container Development Alliance (TCDA) and gave a presentation on ITCO at their Meeting.

This outreach to other organisations is a key component of the Advocacy pillar of the ITCO Strategy, and it is our intention to continue to build on these existing and new relationships.

TCM: How is ITCO diversifying?

PG: Clearly, the move from the narrow Board structure to a larger Management Committee brought diversity of thought and ideas, and an openness to fresh initiatives. The reality is, we are still a male-dominated organisation, and industry, but we are delighted to have Cynthia van de Moosdijk, Owner and CEO of Pelican Worldwide, as a member of the Management Committee.

TCM: What are the key themes in ITCO's 2025 agenda?

PG: ITCO's 2025 agenda will be driven by the four pillars of our strategy, but always with the interest of our members as the first priority. We will continue to provide value to our Members through our events, projects, work groups, technical guidance documents and other initiatives. Only in this way will we be on track to achieve our 2030 Vision.

TCM: What face-to-face events are on the agenda for the next 12 months?

PG: Our 2024 Annual Members Meeting is scheduled for 28-29 October in Houston. This is the first time we have been in the USA since 2016 and is consistent with the strategy of developing our regional profile. In 2025 we will have a European event, with the theme of digitalisation and efficiency, followed by the Tank Container Village at transport logistic event in Munich. We are making provisional plans for our Annual Members Meeting to be held in Singapore at the end of the year.

TCM: What is ITCO's project programme?

PG: We currently have two active Work Groups. One is building a so-called 'Digital Twin' for tank containers which will standardise and simplify the various hand-off steps when the custody of containers moves between the various stakeholders in the industry i.e. between manufacturers, lessors, operators and depots. A second Work Group is developing a Depot Assessment and Audit scheme, with the aim of raising the health, safety, and environmental performance of tank container depots around the world. ➔



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In addition, we have initiated a review of the ITCO Rules of Administration to ensure these are both up to date, and consistent with the new organisation. The review will consider the current Divisional structure, Membership types, Membership criteria, and Membership Fees.

On the Technical and Regulatory side, ITCO is hosting RID/ADR inter-sessional meetings on dual approved intermodal (6.7 & 6.8) tanks and UN portable tanks.

There are also early-stage initiatives considering how to improve the distribution and quality of SDS sheets, and to raise the quality of equipment and drivers for pier-pier/pier-house transactions, both of which may eventually become topics for ITCO Work Groups.

Finally, the global fleet report is a permanent fixture in our annual project programme.

TCM: How has ITCO broadened its training agenda for the industry?

PG: Rather than training in the traditional sense, we believe we have a role to play in raising awareness about tank containers, and we have scheduled an awareness day with students of the Rotterdam STC in September, following successful events in 2022 and 2023. This is being led by Jarno Weps of EXSIF.

In addition, the e-Learning programme has been restructured by our Technical Director, Colin Rubery, to incorporate a new e-learning technology authoring tool - which provides a more modern framework and an updated appearance. Since the E-learning course was launched, there's been several thousand users taking the course and the recent upgrading has generated another surge of users. The course is accessible at: <https://hazcheck.com/product-category/tank-container-e-learning>

TCM: How did the new Town Hall meeting go?

PG: We have had one Town Hall event so far, and another is scheduled for December. Feedback was generally positive. We had more than 100 registrations for the 'Zoom' call and hope it will become a routine calendar event, provided it proves to be an effective and valuable communication medium for our members and their respective organisations. We plan to conduct a survey of our members after the summer vacation and will be seeking feedback on the Town Hall meeting as part of the survey.

TCM: What were the main takeaways from ITCO's Depot Meeting in April?

PG: The Depot Meeting in Rotterdam attracted more than 140 participants and enabled ITCO to focus on a number of critical issues relating to tank container depot operations, including safety, efficiency, sustainability and investment. Also covered was the development of a global tank container depot audit and assessment programme,

which has led to the formation of a Work Group to develop the project.

TCM: What publications does ITCO produce?

PG: Along with the annual Global Fleet Report, ITCO produces a range of technical and regulatory guidelines for our members, covering a wide variety of topics including Acceptable Container Condition, Polymerizing Substances, Working at Height, Safe Entry, and Repurposing and Recycling of tanks. ITCO also produces a bi-monthly newsletter and technical/regulatory report, and maintains a website and LinkedIn page.

TCM: What are ITCO's major challenges in the next 3 years?

PG: The first priority for any organisation is to survive and, depending on the type of organisation, there are a variety of levers that can be pulled to ensure this. In ITCO's case, as an industry association, we have to ensure that through our strategy and new organisational structure we are delivering sustained value to our members via quality events, with relevant agenda topics, supporting Work Groups which are delivering global standards and improved efficiency and safety, effectively advocating on behalf of our members, and helping to grow our organisation through our regional initiatives. Growth is a key challenge as mergers and acquisitions in the industry can deplete our membership and affect our financial and human resources. Without growth ITCO will risk stagnating and eventually go into decline.

Like any organisation, ITCO needs to be alert to socio-economic trends impacting our industry and must have the agility to proactively respond to those trends. Those trends may impact trade patterns, involve the use of AI, include changing attitudes to work and diversity, and will be influenced by environmental concerns. The way ITCO responds to these challenges and listens to the opinions of our members will be key to demonstrating our continued relevance to new generations of management. ■

Biographies

Paul Gooch has more than 45 years of experience in supply chain and logistics in the oil and chemical industries. For the past 18 years he has worked as an independent supply chain practitioner in Europe, the Middle East, and North America, for public and private sector clients.

Prior to founding The Logical Group GmbH, Paul worked for Esso and Petrofina, and then spent nearly 30 years with The Dow Chemical Company, where he had Business and Regional supply chain roles, as European Logistics Director, and Global Director for Dow's International Trade and Marine Container activities.

He has been a member of the EPCA Supply Chain and CEFIC Logistics Committees, and Chairman of the Board of the Chemical Distribution Institute. Has been President of ITCO since January 1, 2024.

In this new series of articles, **Leslie McCune**, a tank container market expert, explores some of the key topics in the tank container industry. The articles offer a simplified introduction to a selection of the most important technical, commercial and financial issues routinely faced by those operating, or investing, in tank containers and, hopefully, provide some interesting background for those not routinely involved in the topics as part of their everyday role.

The four topics being covered in the 'Understanding tank containers' series are: **T-Codes and Tank Types**, **LEASES**, **CASH-on-CASH YIELDS** and **UTILISATION**.

March's issue of *Tankcontainer Magazine* explored T-Codes and Tank Types while June's issue took a closer look at Leases. In this issue, we offer a simplified introduction to Cash-on-Cash Yields, a frequently used financial metric for investors looking to measure the returns available in the tank container industry.

Introduction

Paul Simon, the American singer-songwriter, sang of there being 50 ways to leave your lover. Just as usefully, there are an equal number of ways to define some of the key ratios used to calculate the financial returns that tank container investors earn.

The financial metrics used are many and varied, are notoriously subjective and are often overly simplistic. Although meeting generally accepted accounting principles, they can still easily mislead those without the time or inclination to look at the detail.

Cash-on-cash yield

Cash-on-cash yield is one of the most widely followed



Understanding tank containers:

financial metrics among tank container investors. At the most simplistic level, cash-on-cash yield is a straightforward calculation - often used in commercial real estate - that estimates the annual return investors make from an income-generating asset.

Sometimes referred to as cash yield, or cash-on-cash return, it is a useful metric for assessing assets such as tank containers and is used by investors to compare the returns from different investment opportunities. These can then be compared to the 'no risk' opportunities available in the financial markets, such as US dollar (or, in Europe, EURIBOR) swap rates, which are essentially the return an investor receives from the purchase of a US government debt obligation, such as a bill, note or bond. It is in essence the de facto interest rate that the US government pays investors to borrow money for a certain amount of time.

Cash-on-cash yield allows investors to evaluate the annual cash flow generated by a tank container (i.e. an incoming-producing asset) relative to the initial cash payment that would be required to purchase the asset. While it is a simple way of measuring the return on the actual cash invested in a tank container it does, however, have a number of limitations - as a pre-tax measure of return, it does not, for example, take taxes into consideration.

Definition

The cash-on-cash yield calculation therefore provides a useful initial estimate of the return from an income-generating asset and can be calculated as follows:

$$\text{Cash-on-Cash Yield} = \frac{\text{Annual Net Cash Flow}}{\text{Cash or Equity Invested}}$$

It is defined as the ratio of annual pre-tax net cash flow divided by the total amount of cash invested (to include the cost of the tank container and an average transportation cost of up to 1.5% of the Original Equipment Cost to bring it to its first point of use). Another form of the ratio is:

$$\text{Cash-on-Cash Yield} = \frac{\text{Pre-tax Net Rental Income}}{\text{New-build tank container cost}}$$

Most leased tank containers are on long-term, multi-year leases and so can be considered by the lessor to be effectively 100% utilised for the contracted lease period of, typically, 5 years. However, within this term, there will inevitably be periods when the tank container is not utilised by the lessee due to Maintenance & Repair (M&R) requirements, mandatory periodic testing or lack of employment. ➔



Cash-on-Cash Yields

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A simple variation of the cash-on-cash yield calculation can accommodate the utilisation of the tank container and is defined as follows: Per diem lease rate x 365 x tank container utilisation / Capital expenditure for a new-build tank container (including transportation to its point of first use)

A cash-on-cash yield of 15% implies that the cash cost of purchasing a tank container with a 20-year Useful Economic Life (UEL) would be repaid in approximately 7 years i.e. after only a third of its UEL.

Drivers

Cash-on-cash yields have three main drivers: competition among lessors, competition among tank container manufacturers, and underlying interest rates.

When calculating cash-on-cash yields, **transportation costs** should be included in the capital expenditure. Typically, these are incorporated at 1.5% of the price of the new-build tank container.

Yields fell for a decade

Global weighted average cash-on-cash yields for tank container lessors consistently drifted down for a decade, from 15.1% in 2010 to 12.6% in 2020, but they are still at a level at which the cash cost of purchasing a tank container will be rapidly repaid.

For most of the past decade, interest rates have been so low that even companies having no requirement for capital issued fund-raising bonds, often to reduce their blended effective interest rate or weighted average cost of capital. Debt costs were squeezed down to around 2% for some tank container players (low interest rates drive up the price of assets such as tank containers - one reason for the close scrutiny of the sector by many investors).

The long-term decline in cash-on-cash yields for tank containers was driven by lower capital costs, falling interest rates, and a shift from shorter term spot leases to long term leases (shorter lease lengths strengthen utilisation rates at the expense of lease rates).

Over the decade, per diems lease rates for new-build tank containers fell more sharply than new-build tank container prices, resulting in declining revenue yields and so-called **yield compression**.

Per diems inevitably track significant changes in the price of new-build tank containers, after a lag. According to industry sources, this lag varies according to the direction of the price movement - when new-build tank container prices increase, per diem rates are quick to follow, but when new-build tank container prices fall, per diems are said to remain stubbornly high. The pricing dynamics of the tank container industry are, however, far less volatile than, say, the fuel retailing sector, where so-called rocket-and-feather pricing tactics are commonplace, with fuel



Prediction is very difficult, especially if it's about the future!"

Neils Bohr, Nobel laureate in Physics and father of the atomic model



prices shooting up quickly, like a rocket, in response to oil increases but then falling back down slowly, like a feather, when oil prices decrease.

Cash-on-cash yields for standard T11 tank containers have steadily fallen from 15% to 10% over the past two decades with the historical average being approximately 13%.

Importantly for investors, the **volatility** of tank container yields is **far less** than those for dry freight box containers and reefers and, despite the decline in cash-on-cash yields for standard T11 tank containers, the cash-on-cash yield remains **appreciably above** the historical cash-on-cash yields generated by **dry and reefer containers**.

As is often the case, the small **T75 cryogenic** tank container niche is the exception with cash-on-cash yields of 25-30% due to the more rapid rate of **technical obsolescence** of cryogenic equipment.

Moving cryogenic products requires the utmost attention to vehicle safety and accident prevention, moreso than other tank container types. In road traffic, drivers are advised to avoid sudden stops, sudden acceleration or turning sharply. A movement monitor is required to constantly check the internal pressure of the tank container during vehicle travel, making sure it does not exceed 3.9 bar.

If there is a rise in the pressure inside the tank, and it is considered necessary to discharge LNG, this can only be done at designated facilities, which may not be close. Ocean carriers will immediately re-route to the nearest port in the event of a leaking T75 cryogenic tank container, with all of the considerable costs of re-routing the vessel, including port dues, at the expense of the nominal owner/shipper of the tank container.

The previously relatively low competitive intensity in the T75 cryogenic lessor market has somewhat increased in recent years so lower yields are a feature in this niche.

Cash-on-Cash Yield by tank container type

Cash-on-cash yields vary according to the purchase price and per diems of each tank container type, which can be associated with their T-codes. These T-codes were described in the first article in the 'Understanding tank containers' series, in March's issue of *Tankcontainer Magazine*.

Standard T11 tank containers are suitable for carrying the vast majority of dangerous goods and are the industry's workhorse - they account for over 90% of the global tank container fleet.

Semi-standards include, for example, swap bodies, baffled tanks and heated or cooled tank containers whereas so-called 'specials' include lined and multi-compartmented tank containers and are usually T20, T20 or T23 tank containers. ➔

T50 gas tank containers carry non-refrigerated, pressurised liquefied gases and chemicals while T75 tank containers are used for refrigerated liquefied gases and chemicals under pressure.

The new-build **cash-on-cash yields** at the bottom of the market in 2020 were approximately 12% for standards (T11), semi-standards, T50 gas tank containers and specials based on new-build prices of \$12,500 (standard T11s), \$25,000 (semi-standards) and \$30,000 for T50 gas tank containers and specials. This implies that the cash cost of purchasing these tank container types would have been repaid within 8 years.

Average new-build per diems at the time were \$4.4 (standard T11s), \$8.7 (semi-standards), \$11.4 (T50 gas) and \$11 for specials.

The new-build cash-on-cash yield for T75 cryogenic tank containers was approximately 30% in 2020, based on a new-build purchase price of \$95,000 and per diems of \$75.

Other financial metrics

Portfolio yields are another key financial metric used by investors in tank container leasing fleets. It is defined as: Leasing revenue / Average net PP&E (=Net Book Value)

For portfolio yield calculations, leasing revenue should include finance income while the net Property, Plant & Equipment (PP&E) - or Net Book Value - should include the net investment in direct finance leases. For a 100% owned, young, diversified lease tank container fleet - with an average original equipment cost of around \$17,000 - the portfolio yield will be approximately 18%.

Company valuations

Cash-on-cash yields fit within the bigger picture of what a company is worth. Here again there are several valuation alternatives. A **Discounted Cash Flow (DCF)** valuation

is commonly used in equity research and for merger and acquisition analysis. It calculates the present value of a company based on its forecast future cash flows and so is most usefully applied to those firms with stable, predictable cash flows.

Much depends on the discount rate used - a company's weighted average cost of capital is often used although more conservative valuations use a higher rate to adjust for risk.

One problem with DCF valuations is the difficulty of making predictions. As Neils Bohr, the Nobel laureate in Physics and father of the atomic model, is quoted as saying, "Prediction is very difficult, especially if it's about the future!"

An **EBITDA** (Earnings Before Interest, Tax, Depreciation and Amortisation) valuation is based on a company's operational profitability and applies a multiplier to a firm's reported EBITDA. GATX, for example, acquired tank container lessor **Trifleet** in December 2020 for €175 million, on an EBITDA multiple of 11.3.

But Warren Buffett, the largest shareholder in Berkshire Hathaway and, via Marmon Holdings, owner of **Exsif** Worldwide - one of the world leaders in tank container



leasing - has little time for EBITDA. He believes it not to be an accurate assessment of a company's financial performance and has been said to say it is essentially banned as a performance and valuation measurement at Berkshire.

A business can be making losses and have negative cash flow and yet still increase its EBITDA as it excludes capital expenditures and other variables such as working capital movements. Quarter-to-quarter and year-on-year EBITDA comparisons can also be inconsistent and unreliable, given that companies often change what is included in their EBITDA calculations.

BASF is one of the largest users of tank containers and, in its 'Verbund' businesses (Chemicals, Materials, Industrial Solutions and Nutrition & Care), where BASF is integrated along each interconnected value chain, the company targets an EBITDA before special items of 17% over the cycle. But an absolute EBITDA figure is used for Chemicals and Materials businesses since these two segments contribute significant EBITDA but have highly volatile margins. BASF's complex Coatings business has an EBITDA goal (before special items) of 15% or higher in the midterm.

For publicly traded companies, **market capitalisation** valuations simply involve multiplying the number of outstanding shares by the current share price. The **Comparable Company Analysis** technique determines the value of a company by comparing its financial metrics to similar firms within the same industry.

Book value is another straightforward valuation and is calculated by subtracting a company's liabilities from its assets - it is much used for asset-intensive companies.

Other valuation methods include the **precedent transaction** method (based on the acquisition of similar companies), **revenue-based valuations** (which add a multiplier to a firm's recurring revenue) and **409A valuations** (which place a fair market value on private companies).

Each valuation method has its merits and has specific applicability but much depends on the interests and investment horizon of the investor.

At the end of the day, financial metrics can only go so far. Financial reporting is, after all, an art - based on broad accounting freedoms set within rigorous regulatory frameworks - rather than a prescriptive science. But always make time for the geeky, introverted analyst in the corner of the room. As Chad Martin, the former Chief Financial Officer of MeridianLink said: "Listen to all the voices in the room. Because sometimes, the strongest and best advice is delivered in a whisper, not a shout." ■

For further independent tank container market intelligence, contact Leslie McCune +44 7783 042 664 or lm@chemicalmanagement.co.uk



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CTW Cleaning Systems, based in **Turnhout, Belgium**, designs and builds **automated installations for cleaning tanks, containers and tankers**, as well as **heating systems for tanks and containers**. **Felicity Landon** spoke to **Niels Geschiere**, *Technical Advisor*

A tank container cleaning or heating installation could be built onsite in just a few weeks – it is the work behind the scenes that takes the time. The optimum performance of an installation is based on many months of meticulous planning, customer consultation, sourcing of components and ‘personalised’ design features to match the customer’s own specific needs, says Niels Geschiere, Technical Advisor Tankcleaning at CTW Cleaning Systems.

“We have a certain basis on which we design equipment but nearly every installation is customised or adapted according to the customer’s requirements,” he says. “We also look at what brands of components we are using, according to customer preferences as well as location.

For example, different brands will be available in India or Thailand compared to Europe and we work with local suppliers of brands where possible.”

When a new request is received, the starting point is a questionnaire to pinpoint exactly what the customer needs and a site visit for measuring up. “We ensure that we have as many answers as possible in order to draw up a basic quotation and from there we personalise aspects. We can give customers ideas, alternative options and better proposals according to their needs. We look at their options from a management and quality point of view; they can hand over the whole project to us and we will ensure they end up with a good tank cleaning installation.” There’s no hurrying this; mostly it is a process of six months, says Geschiere. Where required, the team also helps with the design and layout of buildings, working platforms and other elements.

CTW Cleaning Systems has only been in existence for 11 years but is based on experience going back many more years than that. The company was created by owner Luc Schellekens following a takeover of DIBO in Antwerp, where he was co-owner and director for more than 20 years. Where DIBO focused on building smaller cleaning installations, CTW was created to focus on the large projects - tank cleaning, tank heating and IBC installations. It was set up in Antwerp but soon moved out of the city to avoid traffic issues and gain a more strategic location. Turnhout is still within 40 minutes’ drive of the Port of Antwerp but is also more centrally placed to serve customers across Belgium, The Netherlands, Germany and France, says Geschiere.

As tank containers have become more important over the past few years, CTW has recorded increasing demand for its installations. “Twenty years ago, we would see tank trailers being driven across Europe, but that has developed to working more and more intermodally. The tank container depots developed - they are growing and growing and they want to offer the full package of services, so not only storage but also heating, cleaning repair and maintenance, to be a one-stop-shop for their customers.” ➔



The company has its own R&D department at Turnhout and is keen to pioneer new innovations. "Luc and several members of the team have many years of experience in the tank cleaning business."

CTW has developed and refined containerised cleaning systems and these are becoming increasingly popular. These complete tank cleaning installations, built into a 40-ft container, are tested testing at the factory before shipping to the customer, something that is particularly valued by customers further afield. "It's a plug-and-play solution and they can start cleaning the tanks. We also see a demand for containerised installations in Europe - this solution means customers do not have to build a new technical building but can just place the container next to their existing buildings, connect up to water and go."

The company has also developed a CIP (clean-in-place) installation which combines CIP and regular high-pressure cleaning. "The customer has the option to use either type of cleaning at the right time in the process, switching between low and high pressure, so they don't use as much water. The system also enables allow recirculation of water and heat."



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Upgraded PLC control at Katoennatie

Tank heating solutions were added to CTW's core activity of cleaning stations and demand is growing here too. "Tank cleaning needs a steam and hot water supply - we have tapped into that to build really specialised tank heating," says Geschiere. "We have been a pioneer in the last ten years for tank heating installations - largely because we started early and had a head start."

The heating systems are built from zero up to complete installation including steam boiler, working platform, control panels, automatic temperature control, condensate return for reuse, data logging and mobile connection. "Data logging and mobile connection is becoming more important, as it enables customers to monitor and activate systems and receive any alarms via their mobile phones." Permitting and regulatory issues, energy costs and sustainability are often the biggest challenges for customers and CTW has the expertise to advise customers how to work within the regulations, says Geschiere. "Our installations are developed to meet the strictest regulations that there are when it comes to sustainability - the basic is that we meet the highest standards that are possible."



You can see early if the water pressure is lower and the water flow slowly becoming less, understand that something is likely to break down in a month or two, and do some maintenance on the parts to avoid that breakdown

Niels Geschiere, Technical Advisor, CTW Cleaning Systems



When it comes to tank cleaning, customers often want full traceability of the complete cleaning process so they can see how much water was used and which cleaning processes were carried out on a particular tank. It's also a management tool - they can see which cleaner might have used 1,000 litres more than another and adjust automatic cleaning programmes so they use as little water as possible.

Niels Geschiere, Technical Advisor,
CTW Cleaning Systems



"We have all the knowledge in-house and we can help customers with permits, develop an installation that is compliant with sustainability demands, and work with the customer to lower energy consumption. Every location has its challenges. In Belgium it is mandatory to store the rainwater from your roof and re-use it - in the UK, that's not a thing at all. In Belgium companies buy water and immediately pay for the wastewater. In The Netherlands, they pay separately for wastewater based on the pollution - in the UK, it is more how much wastewater you are disposing of rather than how polluted it is."

For all the installations it builds, CTW provides a service contract - maintenance and repairs are carried out by the team or by local partners. The company has expanded its network of agencies significantly in recent years. Digitalisation of systems is a key aspect of the service. "When it comes to tank cleaning, customers often want full traceability of the complete cleaning process so they can see how much water was used and which cleaning processes were carried out on a particular tank. It's also a management tool - they can see which cleaner might have used 1,000 litres more than another and adjust automatic cleaning programmes so they use as little water as possible." ➔



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CTW can remotely log into customers' cleaning or heating installations to provide technical advice and to carry out remote monitoring and maintenance. "You can see early if the water pressure is lower and the water flow slowly becoming less, understand that something is likely to break down in a month or two, and do some maintenance on the parts to avoid that breakdown," says Geschiere.

Among recent projects, CTW has upgraded the Katoen Natie tank cleaning station, with complete software and PLC steering makeover at Gelsenkirchen; relocated a part of the tank cleaning installation for Celsius Tank Cleaning from Vlissingen to Beringe; built a containerised tank cleaning installation for Clean 33 in Bordeaux; and built tank cleaning stations for Daudruy in Dunkerque and ABAC in Liverpool. Tank heating installations have been built for Bertschi in Botlek/Rotterdam and TSA (GCA) in Antwerp.

Ongoing work includes building containerised tank cleaning installations for Crossland Tankers (McKeeffry)

in Liverpool and XPO in Dorsten, and a tank heating installation for Alochem in Meerhout.

Expansion has been on the agenda for the past two years as the company seeks a more global presence. "I attended transport logistic China in Shanghai to show ourselves to the market. We will be going to Singapore later this year and to Munich next year.

CTW now has local presence with partners in India, Middle East and Asia (China, Shanghai).

How competitive is this business? Geschiere insists: "We don't focus on the competition - we focus on what we do. We must be the best we can and the best we know. Our three pillars of quality, safety and environment are becoming more and more important. CTW is a family-owned company that is really driven by quality. We would prefer to deliver five specialised tank cleaning stations in a year and do it really well, instead of selling 20 as a kind of mass production. That is not what we are focusing on - we really want to stand out with quality and standards." ■

**We don't focus on the competition - we focus on what we do.
We must be the best we can and the best we know.
Our three pillars of quality, safety and environment are
becoming more and more important.
CTW is a family-owned company that is really driven by quality.**



The **Supply Chain Cloud Platform (SCCP)** developed by Shanghai **Yishixin Intelligent Technology (YSXnovation)** offers **tank container users** a host of **benefits**, including much **greater efficiency**.

Launched earlier this year, the SCCP enables shippers to quickly find suitable service providers around the globe capable of handling their shipments as and when needed. The web-based nature of the SCCP means that customers can access it anywhere in the world via any web-enabled device, be it a smartphone, desktop, laptop or tablet. What's more, while the system was primarily developed with the needs of chemical shippers in mind, the wealth of benefits offered by the SCCP means it is also proving a hit with companies operating beyond the Dangerous Goods arena.

As a result, while the bulk of the SCCP's growing list of customers consists of small and medium-sized Chinese companies, the sectors of industry they are associated with is continuing to widen. The needs of SCCP customers can therefore range from the shipment of hazardous chemicals in tank containers to small packed items of non-regulated

IN THE DIGITAL



goods as well as highly sensitive shipments requiring constant monitoring in temperature-controlled units. That said, YSXnovation's offering is particularly suited to companies shipping product in tank containers, with the company keen to work with international firms looking to improve their tank container operations.

Major benefits

Regardless of their background, though, all customers, a company representative claims, stand to greatly improve their performance through the use of the SCCP. "The main benefits are the digitalisation of operations, sales, accounting, customers, suppliers and ISO tank management systems with an integrated unified account of PC, mobile and mini programs and an intelligent monitoring screen at a low price that everyone can afford and access," they state. And when it comes to tank container shipments in particular, the SCCP, they continue,

"can visualise tank container routes and location, digitalise operations and management and optimise fleet usage and reports".

Importantly, this can all be done via an easy-to-use dashboard by which customers can plan, order and execute transports via a growing network of third-party logistics service providers (LSPs), ranging from shipping lines and agents to freight forwarders, hauliers and storage firms and covering all four modes of air, sea, road and rail. Connecting shippers with the most appropriate LSPs via a few clicks of a mouse or taps on a screen, though, is only part of the picture.

By employing a host of digital technologies, including big data and the Internet of Things (IoT), the SCCP can also throw a much-needed light on the otherwise hidden minutiae of a company's logistical operations. In so doing, a company is handed a phalanx of facts and figures by ➔

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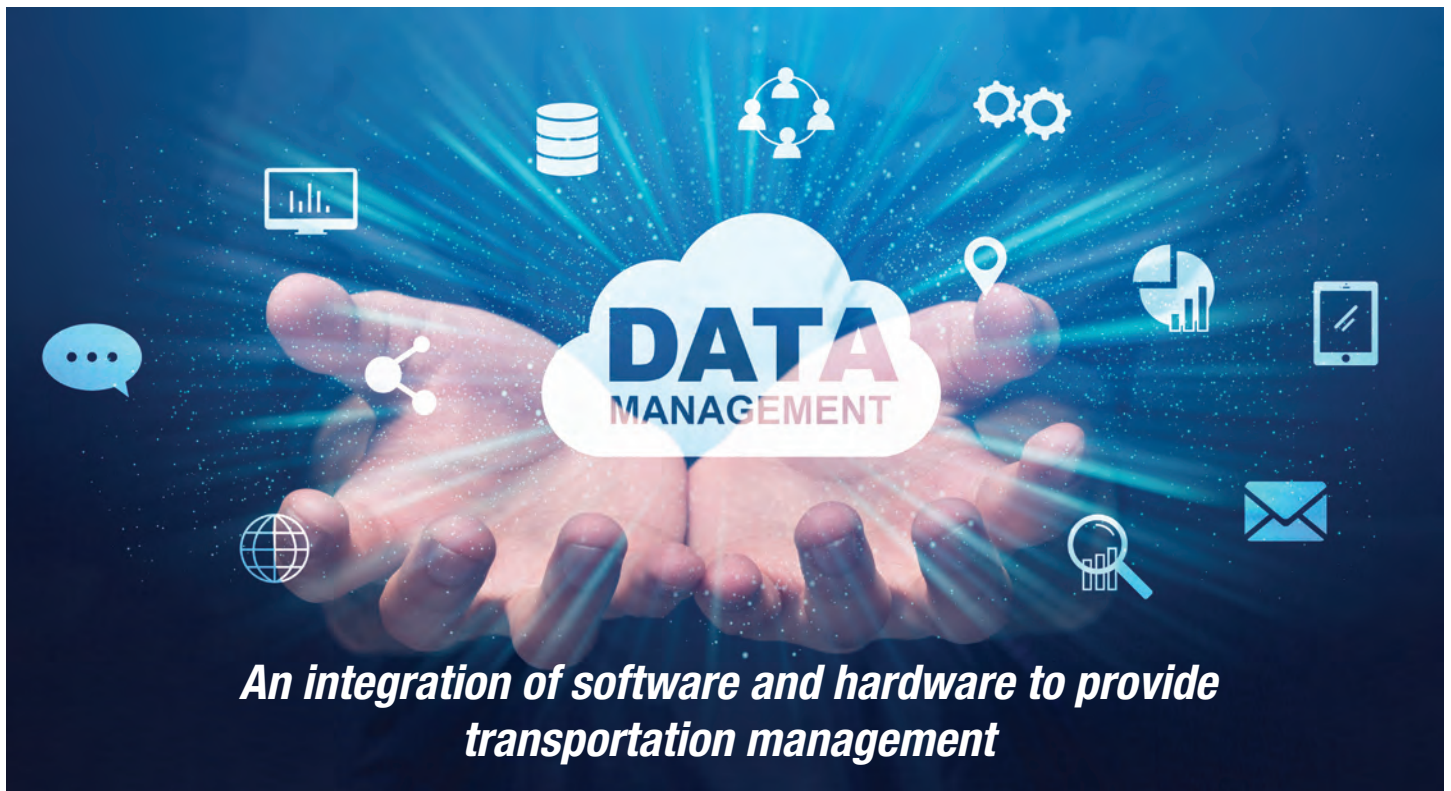
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An integration of software and hardware to provide transportation management

which to hone its performance and raise its customer service levels. The real-time monitoring offered by the system not only makes it easier to pinpoint where each and every consignment is, but also to more clearly identify when it will arrive at its end destination.

Enhanced accuracy

This enhanced accuracy in managing the movement of goods means that an SCCP user is much better placed when it comes to improving both production planning and fulfilling their customer commitments. The SCCP also makes it easier to share information both internally within the customer's own organisation and with external partners, customers and regulators.

Additionally, the information generated also enables a customer to better manage their costs and cash flow as they can readily monitor and analyse their performance, benchmarking their operations against their own chosen set of Key Performance Indicators. In this way, the SCCP provides a very convenient way by which to identify strengths, weakness and bottlenecks while also supporting subsequent decision-making with rapidly accessible and reliable data.

At the same time, the system also streamlines the way in which a company can interface with its numerous LSPs and related partners. Instead of having to chase up a host of different supply chain players located across the globe via phone calls that might be missed, forgotten or misinterpreted - or by emails that might get lost in the fog

of an ever-filling inbox - the SCCP provides the customer with a very clear, single point of contact by which all relevant parties can be reached.

As a result, the SCCP can simultaneously smooth the links between both upstream and downstream players while facilitating better internal communications and reporting. Or, as the YSXnovation representative puts it, "our platform infrastructure is designed with a good understanding of the supply chain and applies technology for the visualisation and automation of the supply chain."

Keeping it safe

Unsurprisingly, given the significant amounts of potentially sensitive data flowing through its system, YSXnovation takes cyber security very seriously. In addition to using cutting-edge encryption software, the company is also registered with all applicable data security bodies while complying with all relevant legal requirements. At the same time, its use of blockchain technology means every platform participant is provided with an immutable digital ledger that cannot be falsified later as every transaction is irreversibly recorded and timestamped.

Moreover, in the light of the recent Microsoft global IT outage that, among other things, caused chaos across airports around the world, shippers will no doubt be relieved to know that YSXnovation maintains back-ups in multiple high-security data centres. "Data security is a priority for our platform," the representative says. "We have applied data encryption, system back-up ➔

and recovery, access control, redundant structure, automatic fault detection and recovery for our professional and reliable platform's continuity."

Having been founded by chemical logistics experts and veterans, YSXnovation is also fully aware that matters of health, safety, the environment and quality (HSEQ) will always be of key concern to tank container users around the world. As such, it only works with reputable LSPs to ensure service quality and maintain safety. In line with this, the company is also a member of the China International Freight Forwarders Association and the China Federation of Logistics & Purchasing Aviation Logistics Committee.



As well as boasting all certifications and approvals required by Chinese law, including those pertaining to the transport of dangerous goods, YSXnovation also places great weight behind its wider commitment to environmental and social governance. "Yishixin ensures HSEQ at our workplace and supply chain platform, including the recycling of all our hardware," the representative states.

Intelligent terminals

When it comes to hardware, a key component of the SCCP is the company's Intelligent Terminal System (ITS), which the YSXnovation representative describes as "an integration of software and hardware to provide transportation management" and which offers "multiple benefits for standard containers and tank containers" alike. Employing a range of technologies, including RFID and GPS in line with individual customer requirements and circumstances, the system works through the use of tracking units attached to the exterior of a tank, box or reefer container as well as optional internal elements as required. Consequently, each container can then be monitored in real time, with the customer able to keep full tabs on such key information as, inter alia, location, temperature and humidity.

Moreover, thanks to the system's bi-directional telecoms, themselves supported by remote Over-The-Air (OTA) updates for continuous product optimisation, customers are also able to enjoy automatic temperature and humidity adjustments; upload data on a scheduled basis; and receive real-time alerts should a unit become involved in an incident or undergo any other unplanned change in status. Able to operate equally well in both hot and cold environments, the ITS's tracking components boast ultra-long battery lives backed by visible and self-adjusted battery level warning systems, a two-year warranty and around-the-clock online customer support. ➔



Further bolstering its service offering, YSXnovation has also just unveiled its new Intelligent Depot Management System (IDMS). This, the representative explains, "integrates modern information technology, IoT, sensor technology and intelligent algorithms to improve and enhance efficiency and safety at the overall depot management level". Imbued with the ability to offer real-time data acquisition, transmission and analysis, the IDMS similarly enables the customer to remotely monitor container position and status.

While the future remains unwritten, it seems highly probable that online logistics platforms, such as the SCCP, will become an ever greater feature of the logistics landscape. As such, the YSXnovation representative cautions potential users to closely examine the capabilities and commitments of any such platform provider prior to signing up to their services, urging companies to "choose a reliable and trustworthy platform" with a high capacity for long-term technological development. In line with this, companies interested in seeing what YSXnovation and the SCCP could do for them are invited to visit the YSXnovation website (<https://www.yishixin.cn>), where they cannot only find out further information on pricing, but also sign up for a free trial of the system's capabilities. ■

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