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About ICHCA – International Cargo Handling Coordination Association

The International Cargo Handling Coordination Association (ICHCA) is an international, independent, not-for-profit organisation dedicated to improving the safety, security, sustainability, productivity and efficiency of cargo handling and goods movement by all modes and through all phases of national and international supply chains. ICHCA International’s privileged non-government organisation (NGO) status enables it to represent its members, and the cargo handling industry at large, in front of national and international agencies and regulatory bodies. Its Expert Panel provides best practice advice and publications on a wide range of practical cargo handling issues.

ICHCA Australia Ltd is proud to be part of the ICHCA International Ltd global network. To access past newsletters and other useful information go to the ICHCA Australia website at www.ichca-australia.com . We also have an ICHCA international website at www.ichca.com

To join ICHCA please contact Ian Lovell, Company Secretary of ICHCA Australia Ltd on ian.lovell@bigpond.com or telephone 0400 708 182.

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Book Now for ICHCA International Conference 2016

A promotional banner for the ICHCA International Conference 2016. On the left, a shield-shaped logo contains the text 'ICHCA INTERNATIONAL' and 'CONFERENCE 2016 BARCELONA 29 FEB - 2 MAR' with an anchor icon below. To the right, the text reads 'BIGGER SHIPS GREATER CHALLENGES' in large, bold letters, followed by 'WORLD TRADE CENTRE BARCELONA SPAIN | 29 FEB - 2 MAR' and a list of activities: 'Conference', 'Networking', and 'Port Tour' with checkmarks.

ICHCA International Conference 2016 | 29 Feb - 2 Mar 2016 | Barcelona, Spain

Join your peers at the only international event bringing all the stakeholders together to foster best practice in safe container and cargo operations.

[REGISTER TODAY](#)

IMO Secretary General to give first industry address at ICHCA International Conference

In these challenging times for world maritime trade and supply chains, dialogue between industry, regulators and government is more important than ever. The upcoming ICHCA International conference in Barcelona offers a key opportunity to hear first-hand from some of the most senior figures shaping global and European policy, and understand what this means for your business.



***Kitack Lim, Secretary General
International Maritime Organisation
(IMO)***

In his inaugural address this January, IMO Secretary General Kitack Lim called for “strengthened partnerships” between governments and industry, between IMO member states and regions, and between developed and developing nations. Join us in Barcelona for his first industry address and hear first-hand how the head of the key regulatory body for world shipping views the challenges and priorities for safety, security and sustainability in world maritime trade.

[SPEAKERS](#)

[BOOK NOW](#)

[FULL AGENDA](#)



*Désirée Oen, Deputy Head of the
Cabinet of Commissioner Bulc
European Commission (EC)*

The European Commission is active on many fronts with policies and investment to support Europe's maritime transport network & structure. Désirée Oen will give the EU vision on responding to bigger ships and other key challenges, and discuss the evolving relationship between legislators and industry to create Europe's maritime transport infrastructure of the future.

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[FULL AGENDA](#)

Join your peers at the only international event bringing all the stakeholders together to foster best practice in safe container and cargo operations.



ICHCA to Sign MoU with FEPORT at Upcoming ICHCA Conference

ICHCA International has agreed to work with the Federation of European Private Port Operators (FEPORT) on matters of mutual interest. The two associations will sign a formal Memorandum of Understanding on March 1 at the ICHCA International 2016 Conference in Barcelona.

FEPORT President, Günther Bonz, will speak at the conference, where he will express the views of the European private port and terminal operator community on the challenges posed by bigger ships and other key operational issues for the sector. He will be joined by a delegation of senior FEPORT executives and members.

ICHCA International represents the interests of its 160 voting members, over 6,500 associate members and the industry at large in front of key UN regulatory bodies, including the International Maritime

Organization. ICHCA provides a focal point for cross-party dialogue and knowledge sharing among different members of the cargo handling chain and promotes good practice in safe and efficient operations across sea, land and air, including containerised, bulk and other cargo types.

Founded in 1993 and located in Brussels, FEPORT is a policy-led and policy-driven organisation that speaks on behalf of terminal operators and stevedoring companies carrying out activities in the seaports of the European Union and Turkey. Its members include over 1,200 companies with over 400 ports located throughout the EU and Turkey. The Federation promotes the interests of its members by maintaining regular dialogue with all EU institutional and non-institutional stakeholders.

“ICHCA is delighted to be working more closely with FEPORT,” said David Bendall, Chairman of ICHCA International. “Ports and terminals play a critical role as key nodes in international cargo handling chains and are already a focus within ICHCA. This agreement will help our two associations share knowledge and combine forces on matters of mutual interest at a European and global level,” he said.

Mr Bonz said, “We are very happy to be signing this MoU with ICHCA, which will enable us to connect our work at the European level with ICHCA’s international efforts and initiatives. We are looking forward to co-operating with ICHCA on a number of issues that are relevant to both sides and to strengthening these links in the next few years. Signing the MoU at the conference is just the first step.”



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Genesee & Wyoming Australia Head to Speak at SA ICHCA Lunch

The Managing Director of Genesee & Wyoming Australia, Greg Pauline, will be the guest speaker at the first



IALSA Lunch Invitation
24 Feb 16.pdf

SA ICHCA lunch of the year.

The Adelaide lunch will be on Wednesday 24 February at the Adelaide Pavilion, Veale Gardens, Corner South Terrace and Peacock Road. Mr Pauline will speak on the Challenges and Opportunities In The South Australian Rail Sector. The lunch will start at noon and finish at 2pm.



*Greg Pauline, Managing Director,
Genesee & Wyoming Australia*

Mr Pauline's presentation is particularly relevant in these tough economic times when the South Australian rail freight industry is facing some stiff competition for freight volumes from the other modes.

Mr Pauline will discuss the challenges and opportunities that could arise over the coming years and expand on the actions that need to be taken by governments and industry if the rail industry is to continue to thrive and prosper into the future.



IALSA Lunch Invitation
24 Feb 16.pdf

ICHCA Announces Inaugural Innovation in Safety Award

ICHCA has announced its inaugural Innovation in Safety Award, sponsored by specialist insurance provider TT Club, to highlight innovation in improving safety standards in cargo logistics around the world.

Presentations to the winner of the award, and to the highly recommended entrant, will be made by new IMO Secretary General, Kitack Lim, at a special reception during ICHCA International's Conference in Barcelona.

Both ICHCA International and TT Club have a fundamental commitment to risk reduction throughout the supply chain industry and, in particular safety, within cargo handling operations. This is paramount to the philosophy of the two organisations.

In announcing the opening of the award entry process, ICHCA International Chairman, David Bendall, said, "The world's supply chains are becoming ever-more complex and developing rapidly in new locations. The demands on our cargo handling infrastructure and operations are increasing and safety above all must not be compromised. We are keen therefore that participation in our initiative be industry wide. The Award is open to all those – an individual, team or company – involved in cargo logistics."

Entrants must show that a product, idea, solution, process, scheme or other innovation has resulted in a demonstrable improvement to safety. Empirical evidence or corroborative support to establish enhanced safety in a defined situation or solution to an issue must be presented. The submission must be original and will be likely to have applications in wider industry circumstances, where appropriate.

The deadline for entries is Friday 12 February and full details of the entry process and judging criteria can be found [here](#).

Peregrine Storrs-Fox, Risk Management Director at TT Club welcomed the opportunity to sponsor this unique Award. "TT Club has always emphasised the critical nature of loss prevention in its role as a primary supplier of liability and property insurance to the supply chain industry. As such, we are committed champions of safety awareness and applaud ICHCA's initiative to establish this award. We have worked closely with ICHCA for a number of years in producing safety advisory documents and urge sound practice wherever and whenever possible. We look forward to the wealth of safety innovation that will be encouraged by this award."

Full award details: <https://www.eiseverywhere.com/ehome/ichcaconference/award/>

NorthLink WA Contract Awarded to John Holland

John Holland Pty Ltd has been awarded the first construction contract for the \$1.12 billion NorthLink WA project. Minister for Major Projects, Paul Fletcher, said the contract was a significant step in realising the vision of NorthLink WA. "The Tonkin Highway is a vital link for regional traffic movements to commercial and industrial areas such as Malaga, Kewdale, Perth Airport and the Perth CBD and through to the port and Kwinana industrial areas," Mr Fletcher said.

"The southern section from Guildford Road to Reid Highway will deliver new intersections of Collier Road and Morley Drive. A flyover, to take Benara Road over Tonkin Highway and upgrades of Tonkin Highway north of Guildford Road to freeway standard of six lanes, are also included. Construction is expected to begin in the middle of this year."

WA Transport Minister, Dean Nalder, said Tonkin Highway carried more than 70,000 vehicles per day and completion of the southern section would result in freer-flowing traffic, with impacts similar to the \$986 million Gateway WA project.

The Australian Government is contributing \$894 million, and the Western Australian Government \$223 million, to the NorthLink WA project.

AMSA Request for Information on Current Weighing Equipment Accuracy

AMSA is looking at what standard(s) of accuracy are to be applied to weights obtained as (or part of) the verified gross mass that is provided by the maritime shipper on the maritime shipping documents. This forms part of the current creation of the consultation draft of MO42 which is expected to be made available in mid-February.

Currently this gross mass is already provided by the maritime shipper and the shipper is responsible for ensuring that at the point the container is loaded onto a ship under the order, it matches the gross mass they provided on the maritime shipping documents.

Any measurement that is obtained on equipment in compliance with the national trade measurement legislation will be accepted as being (or being part of) the verified gross mass. Currently any such measurement would provide the maritime shipper with a container gross mass that he can be confident 'matches' the actual gross mass of the container when it is loaded onto a ship.

Where the measurement is not required to be in accordance with national trade measurement legislation, and the person obtaining the measurement does not wish to voluntarily comply with that legislation, AMSA is looking to select a suitable minimum standard of accuracy for the measurements under MO42.

The standards of accuracy in MO42 are to be applied to all measurements obtained for the purposes of the Order – whether obtained using method 1 or method 2.

Any information on accuracy of weighing equipment can be sent to cargoes@amsa.gov.au.

ACEP International Database

The recently adopted Guidelines for Approved Continuous Examination Programme (ACEP) Schemes will require all companies operating fleets of containers to publish the data on their scheme on an international database that will be partly open to the public.

ICHCA worked on this development, which was headed up by the USA's maritime administration (US Coastguard). This group was chaired by Ken Smith of the USCG and a member of ICHCA's International Safety Panel Technical Panel.

After much debate at IMO, the proposal from BIC (Bureau International des Containers et du Transport Intermodal) to run the scheme on IMO's behalf was accepted. ICHCA "sampled" the data by acting as a member of the public during the database's development and contributed, along with member comments, to a further intersessional IMPO correspondence group, once again chaired by Ken Smith, to improve the scheme proposal and develop a "Users Guide".

This Correspondence Group has now concluded and Mr Smith has submitted the final report for consideration by the CCC (Carriage of Cargoes and Containers) sub-committee of MSC (Maritime Safety Committee).

Any member who is not attending IMO but would still like to see a copy of the report should contact the Technical Adviser on rawab@broughmarine.co.uk.

While BIC's ACEP database is still in the roll-out phase, it is already operational and can be accessed at www.bic-acep.org.



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IMO to Bring Ships' Lifting Appliances Into SOLAS

After a very long campaign, ICHCA is delighted that IO's Maritime Safety Committee (MSC) has finally approved the work to develop mandatory SOLAS requirements for safety of on-board lifting appliances and winches.

A set of accompanying guidelines will also be developed to encompass such matters as: Application; Definitions; Design, construction and installation; Examinations and inspections; Maintenance; Documentation; Training; Operation.

While this outcome was fiercely resisted in some quarters of IMO delegations, ICHCA won the day with support from New Zealand in particular, which chaired the Inter-sessional Correspondence Group on this topic.

This Group, now re-convened under the co-ordination of Japan, is currently charged with developing the SOLAS Amendment and Draft Guidelines and will report back to MSC sub-committee SSE (Ship Systems and Equipment).

Many members have assisted ICHCA with producing data and information for this important topic and several are working with us in the Correspondence Group.

ICHCA's data revealed that there were over 200 incidents in the last 10 years over and above those reported to IMO. Many of these led to serious injuries to shoreside and seagoing personnel, with nine fatalities.

ICHCA Internal Correspondence Groups: Invitation to Participate

From time to time ICHCA convenes internal Correspondence Groups (CGs) drawn from interested members and/or members of the ISP Technical Panel to assist with developments, publications etc.

Current CGs in session are:

- Code for Packing of CTUs – Development of Material for Promoting a Culture of Safety in the Supply Chain
- Best Practice for Preventing the Use of Counterfeit Refrigerants
- Safety Information Signs in Airports and Marine Terminals
- Global ACEP Database and User Guide
- Safe Mooring Systems
- IMO Type Portable Tanks
- SOLAS Amendment and Guidelines for On-board Lifting Appliances and Winches.

ICHCA is establishing a new CG to consider issues around lashing of containers. Other recent groups deliberated on Thorough Examinations, Ships Lifting Appliances and ACEPs but these are not operating at the moment.

Any member wishing to join a group should contact the Technical Adviser of rawab@broughmarine.co.uk

Global Economy: Menacing Clouds Cast Shadow on Global Economic Developments

(Article courtesy of BIMCO)

2015 never really took off, even though the global economic activity looked stronger earlier in the year. The negative indicators seen at the end of 2014 were not overcome, and we saw a significantly lower level of growth for global GDP in 2015 than in the previous five years. This was primarily due to the struggling emerging markets and developing economies, led by changes in China's economic focus.

As BIMCO's hope for a bounce-back in 2016 wanes, shipping should brace itself for yet another challenging year. Despite this, the International Monetary Fund has forecast higher GDP growth rates for 2016 across the board. As China re-evaluates its future growth and direction, the shipping industry can expect an uncertain and lower level of support from one of the most important drivers of shipping demand growth in recent times.

What could turn this around?

Europe and Japan, in particular, look like they might provide positive surprises in 2016. The European Central Bank and Bank of Japan are continuously seeking to boost their economies to bring on the sustainable recovery that everyone needs.

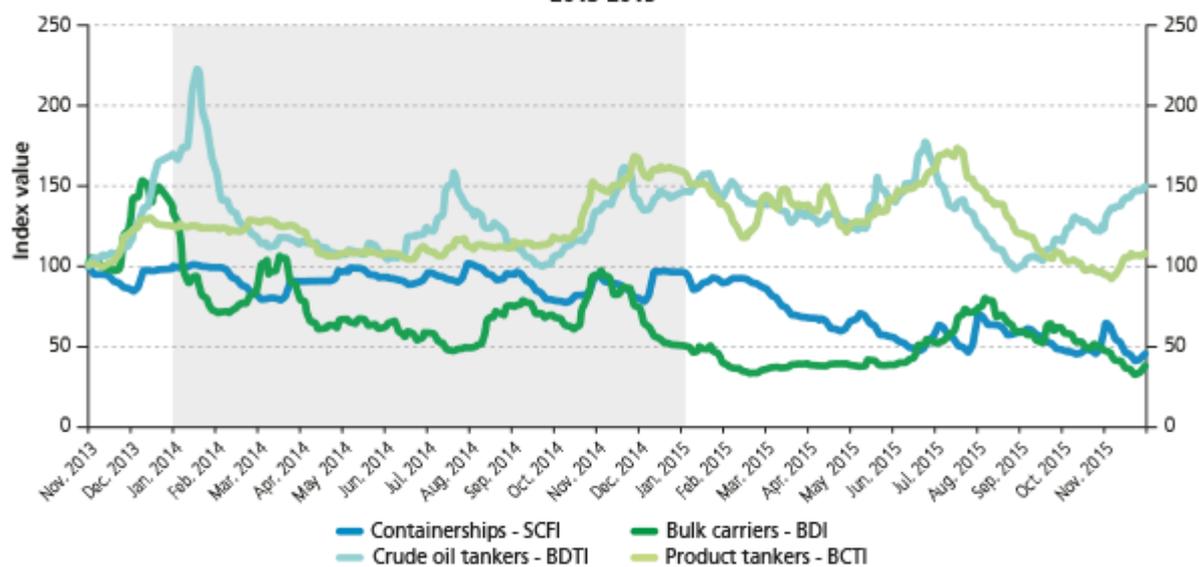
In the US unemployment rates are low and GDP growth is high. This means that higher interest rates may be just around the corner. This could raise prices but could also lead to some "cooling off" for investments and consumption across the globe.

The unpredictability of China's market forces is really causing some concern. We cannot rely on the usual market forces or conditions within some Chinese industries, which is bringing more volatility in shipping demand. What seems certain is that the rebalancing of its economy from investment to consumer-driven growth will also drag down economic growth. This transition is long overdue and – more positively – its greater sustainability should support a steadier level of growth in shipping demand in the future.

In short, a "new normal" has arrived, lowering the GDP-to-trade multiplier generated by global economic activity.

The dry bulk market experienced a troublesome 2015 as the ongoing decline in Chinese coal imports was not countered by any significant upswing elsewhere. Whereas iron ore imports were on a par with 2014, steel export from China reached a new high, benefitting mid-sized ships. For 2016, much depends on what Chinese steel mills will do. Will they continue production above domestic consumption – or substitute domestically mined ore with imported ore? The jury is still out.

Freight rate developments 2013-2015



Source: BIMCO, Baltic Exchange and Shanghai Shipping Exchange

Dry bulk: The supply-side was pushed lower as demand faded

At the end of November, the Baltic Dry Index hit 498, a new all-time low. For most of the year, the majority of ships have traded below OPEX levels, resulting in financial losses for many companies.

The horrific first half of 2015 brought around a new half-year record for scrapping. Improvements in the freight market during Q3 regrettably cooled down demolition market activities. Nevertheless, fleet growth recorded a twelve-year low.

In 2016, BIMCO expects the supply-side to grow by around 2% (2.6% in 2015E) – and that this will be helped by a new record level of scrapping. On the demand-side, growth is forecast to remain level. Challenging market conditions in China will be likely to affect the level of risk.

Tanker: after the perfect storm a steadier year awaits

Both the crude oil tanker and oil product tanker markets enjoyed an extraordinarily strong freight market throughout 2015; ignited by the drop in oil prices that began in mid-2014 and supported by a relatively low supply-side growth in 2015. It was the best year for all oil tankers since the market crashed in late 2008. Strong refinery margins meant that the demand for all oil tankers was high all year – with a momentary pause for much-needed refinery maintenance. Going forward, the significant building of oil stocks in 2015 may slow tanker demand growth somewhat in 2016.

BIMCO expects Iran's return to the crude oil export market in 2016 to disrupt current trade patterns. As Iran rebuilds its market share, it will seek to take the place of neighbouring and West African competitors in supplying European and Asian markets. Time will tell if this will also bring higher tanker demand, but BIMCO does not expect that to happen.

The multi-year slide in the crude oil tanker fleet growth was reversed in 2015. BIMCO expects the crude oil segment to see a fleet growth of around 4.5% in 2016 (2.3% in 2015E). As the demand-side growth is unlikely to reach the same high level, downward pressure on freight rates will follow.

We expect similar market conditions to develop for oil product tankers, with supply-side growth staying high while the demand-side is likely to soften after the winter market. For the full year, freight rates are predicted to be lower in 2016 compared to 2015. BIMCO estimates that supply growth for the oil product tanker segment in 2016 will be around the same level as in 2015 – which was 5.5%.

Container: growth on key trade lanes is needed to restore market dynamics

Disappointing European demand for containerised goods versus the strong growth of imports into the US slowed the demand for container ships significantly. At the same time, 900,000 TEU worth of ultra large container ship capacity was delivered. Overall, the market imbalance worsened as the supply-side rose to a four-year high (8.0% in 2015E) while the demand-side growth rate hit a three-year low. The lack of head haul volume growth on the Asia to Europe trading lane was particularly worrisome as it accelerated the heavy cascade of ships clogging up other parts of the network.

The revival of time charter rates in the first part of the year was not based on a strong improvement in the fundamental market balance, and both spot and time charter rates dropped as the year passed. Going forward, what is needed to revive European imports of containerised goods is for the Euro to strengthen against the Renminbi and for retailers to begin restocking again.

Towards the end of 2015, idled container ship capacity reaching a high not seen since 2010 at over 1 million TEU, as ships of all sizes were swiftly removed from over-supplied trade lanes. But it did not prove to be enough to counter the drop in demand and subsequent revenue erosion.

What remains crucial for the industry is to improve the fundamental market balance in 2016. As the lower “new normal” GDP-to-trade multiplier limits the potential upside of the demand-side, careful management of deployed capacity by the individual operators is still of utmost importance. Last year did not ease the imbalance as more than 1.6m TEU was delivered in 2015. After a record for new capacity entering the market in last year, 2016 is set for a much lower influx at around 3.5%. This is not sufficient and means the challenging market conditions for container shipping will extend for another year.



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