

IFFCBANO

History of Ocean Shipping – My View

History of Ocean Cargo Shipping and the Rise of Logistics

- I. Renaissance
- II. Let the Good Times Roll
- III. The Game of Thrones
- IV. Era of Destruction
- V. Here and Now and Forward

The Renaissance

- Everyone had their role
- Shipping was new and containerization was new
- NVOs were just birthed and finding their way
- Tariff pricing
- Service was everything and pricing was a detail not a differentiator

Let the Good Times Roll

- Transpacific was taking off and starting to boom and then other trades followed
- Global demand was growing and Supply was low
- Carriers were making money and having fun, entertaining//Container to Brasil was \$6500
- Technology was minimal//Pre internet

Game of Thrones

- Carriers were getting cocky and egos were growing
- Conquering market share
- Vessel sizes tripled//Panama Canal
- Focus on slot cost/Forget about slot revenue
- Supply grew uncontrollably and demand could not keep up
- Pricing plummeted//Industry became unique in its pricing

Era of Destruction

- Service levels plummeted along with Carrier profitability
- NVOs/Forwarders rose to better service the BCO and clients with Flexibility, Reliability, Aggressive pricing and became more of a force
- Technology/Internet was upon us making business move faster and efficiently
- Alliances of desperation
- Carrier consolidation borne out of destruction

Here and Now and Forward

- Now what does this room think of the future
- Carriers seem combining logistics versus traditional carrier – Maersk, CMA
- Venture Capital money flooding this industry looking for the future – Blockchain and how to make the client experience better and more self service
- The market needs to be healthy and profitable for sustainability

The End