

# The Journal of Commerce

2019 ANNUAL  
Review & Outlook

## Taking the helm



**19th Annual TPM Conference: 3 - 6 March 2019 | Long Beach, California**

**CONTRACTING CAUTION**

Rocky peak, low sulfur  
to shape Pacific contracts

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**IT'S ABOUT TIME**

Shippers need to manage  
hours, not just assets

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**SPACE EXPLORATION**

Technology's true value  
for shippers? Finding capacity

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**UP IN THE AIR**

Online giants building  
air cargo capacity

**P136**

and adding new vessel string options, Safmarine customers are seeing new markets open and their business grow. This is the winning formula for helping customers succeed in 2019.

**SeaCube Container Leasing**

**Robert Sappio**

CEO  
www.seacubecontainers.com



There should be no surprise that container leasing would emerge each year as a source of significant change and

challenge impacting the logistics industry in 2019. The year just completed saw record production of new equipment as both lessors and carriers sought to catch up with lagging production in 2016 and 2017. Leasing companies remain the main buyers of the equipment.

The building of refrigerated

equipment will remain strong, trying to catch up from two years of slower production. We anticipate the reefer market in 2019 to outpace overall prevailing market trends. This will be further exacerbated by possible conversion from bulk reefer to containerized reefer as a result of bulk reefer carriers reducing capacity because of financial operating expense implications.

As a result, there may be a shortage of reefer containers in the year ahead. An aggressive company like ours will continue to have a primary focus on the reefer markets, and we will continue to make significant investments in this equipment asset class, allowing us to meet our customers' needs.

IMO 2020 compliance regulations will create significant cost structure challenges to vessel operators, and capital expense management will be a high priority for all lines. Container leasing and financing solutions will afford carriers a variety of options with assisting carriers with improved cash flows and capital preservation benefits. A leasing company can assist carriers with sale

lease-back opportunities, which will afford vessel operators the ability to raise operating income by selling equipment with a lease-back structure without disrupting operations.

In 2019, container leasing, like all aspects of the industry, will continue to rely more and more on technology as a means for survival. SeaCube will continue to invest in technology with the goal of bringing it to our customers in a manageable, cost-effective way.

◀ We anticipate the reefer market in 2019 to outpace overall prevailing market trends.

*Robert Sappio*

**Sealand – A Maersk Company Americas**

**Craig Mygatt**

Managing Director  
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There is plenty of activity in the digital arena with new platforms coming online regularly.

Undoubtedly,

the information flow will become quicker and more transparent, benefiting shippers managing challenging supply chains and removing “black holes” of information.

Over-the-road trucking and rail still need improvement, but expect the gap to close quickly. With all the excitement around digitalization, we cannot lose the importance of people. A strong customer service-oriented culture combined with training, tools, and online

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capabilities is the winning formula.

When situations occur, and they do, helping customers through the challenge and successfully steering the result is what creates differentiation and value. With shipping lines looking to move upstream in the supply chain, this will only become more important. Hire and invest in your colleagues to set up for success. Customers will reward you with their trust and business.

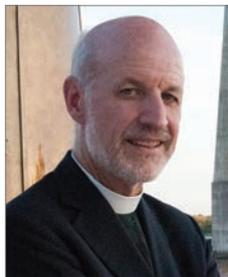
**Seamen’s Church Institute**

**Rev. David M. Rider**

President and Executive Director  
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Autonomous ships and maritime security are hot topics. While important, let’s not forget how seafarers fit in the discussions. The maritime industry is rapidly changing, and autonomous ships may soon appear on the horizon. Autonomous ships are not, however, going to replace seafarers anytime soon. Emerging shipping technologies, including complex vessel designs, propulsion systems, and operations will require more and more highly skilled seafarers.

The need to attract skilled men and women for seagoing careers is also a maritime security concern. Maritime security is all about addressing threats to the uninterrupted flow of maritime commerce. One of the biggest threats to uninterrupted flow of maritime commerce is recruiting and retaining enough men and women who have the skills to operate



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the increasingly complicated ships that are needed to sustain maritime commerce. In other words, we need to make seagoing careers more attractive options for skilled men and women.

There are a number of ways to make seagoing careers more attractive. One of them is to provide free internet access to seafarers at sea. Today’s entry-level seafarers consider internet access like a human right. Having access to family and friends through the internet while on long sea deployments can be both a blessing and curse. But the benefits of keeping seafarers in the loop back home and thereby reducing the stress of transitioning between home life and sea life far outweigh any distractions they might cause.

Seafarers bring their humanity to work with them, including family stressors, economic challenges, and other realities that pre-exist anything that happens in the workplace.

Keeping seafarers connected to home by phone and social media alleviates the stresses of juggling home life and sea life. Emerging technologies are not limited to ship design and operation. They must also be used to make seagoing careers more attractive.