



UNECE Conference on Hinterland Connections of Seaports

# PORT PARADOXES



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# INTRODUCTION

- Paradox is maybe not the correct word, but it defines what I am trying to share with you.
- At my 10 minute presentation some points won't seem to have a connection with our today's topic.
- At the end I hope that we all will come to the same conclusion.



## Message from Our UTIKAD Chairman

- Our Associations Chairman Mr. Kosta Sandalcidis wanted to take part at this important conference.
- He is also the head of the FIATA Land Committee and FIATA 2008 Conference is starting tomorrow in Canada.
- He asked me to bring you all attendants his best wishes for a fruitful successive conference.



# EU is Damaging the Future of Trade

- Bureaucracy is rising
  - To Many voices
  - Good salaries and they want to pay back
  - Decisions side effects are bringing unexpected results
- Changes are sometimes radical and extremely difficult to reverse.



## One example from UTIKAD

- I am since 1972 in transportation sector and from 1999 at the board of UTIKAD.
- We have at our Association nearly 380 members. These are consisting of big global logistics players and mid sized, or small forwarders.
- Ten months ago one of our board members has resigned. He was working at a extremely big global company and told us having received instructions from his companies HQ and lawyers. His board membership was seen as a danger of an competition breach inspection.
- This month another big European companies General Manager Chairwoman at UTIKAD received instructions to leave the board of the Association.



# Turkish Competition Office

- In my 10 years duty at UTIKAD I can assure you that we had no meeting, where anything might have been understood as a competition breach, or crime.
- All our activities were to enable easier access and more efficient work at the transportation sector.
- Four years ago we have by our own decision contacted Turkish Competition Office to get us investigated.
- The topic here was to stop, or to reduce kick back and we were printing yearly small booklets providing as advisory port, demurrage, LCL & warehouse costs.
- After a six months investigation we were allowed to continue with these advisory lists.



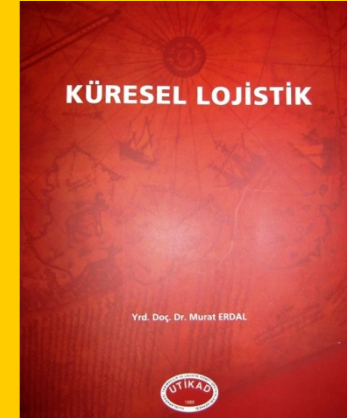
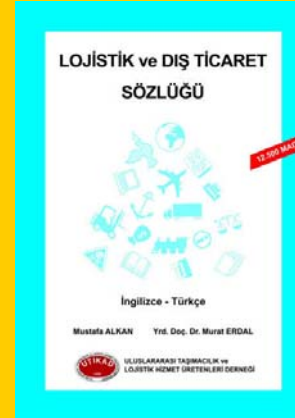
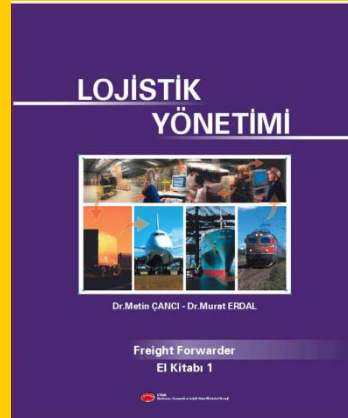
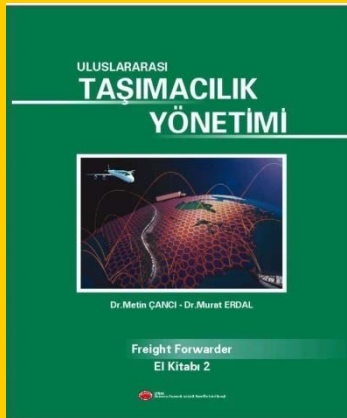
## We are no Crooks!

- Highly challenged with many rivals.
- In a big struggle to find solutions to provide better and cheaper way outs.
- Multimodal transportation, documents covering such deliveries and assisting UN and ICC can be counted to our continuing historical success.



Here and with next few slides I will give you a brief idea what the loss of big company board members will mean for the future of the transportation sector.

- Our "Logistics Management", "International Transportation Management" and "Global Logistics" books are read at 17 Universities and educational centers in Turkey.
- New books concerning transportation are prepared.





# PROFESSIONAL CONTACTS HELP THE TRADE

- Utikad Board Members follow up in Ankara to solve sector problems.
- Rail problems were delegated to TCDD Turkish Railways.
- Mr. Kosta Sandalcı has attended to CREAM Project meetings.
- Solutions for in port remaining loaded FCL's
- Talks with and for ports for high demurrage and customs overtime expense problems.





## What WEAKER UTIKAD, CLECAT, FIATA will means to the Sector:

- This will reduce above activities in time.
- The danger of a EU decision to big private companies has such an not wanted impact worldwide.
- These companies became so big with mergers which were allowed by the same EU decisions. If this is not paradox, what is paradox.



# Today's Global Trade Request

- **Cost (More Marketing?)**
  - Cheaper with better Quality
- **Speed (New machinery & systems?)**
  - Faster Handling & Delivery
- **Security (Electronically & Staff?)**
  - From environment to payment everything must be under protection



# Better Marketing

- Here, first I want to thank to the Greek Government for the 6 months multiple visa. Germany, Spain, France and Italy are giving me the same time.
- Rotterdam Port is today one of the best marketing ports and they are doing this together with their government. They give me 1 year visa.



# Paradox Sample for Marketing

- Invitation from CLECAT, Belgium gave me 3 days visa.
- Same year at the Black Sea Meeting in Istanbul and Antwerp port had a big stand at the fair area. Unluckily for them I was a chair holder and speaker inside.
- After my speech they have apologized.
- If the Governments do not work as a team at all directions, the port efforts will be useless.



# Below changes result is Productivity Increase

- Ports are Privatized
  - From Governmental Market Control to the Free Trade
- Port Competition has Started
  - Marketing
    - International & Domestic
- Bigger Capital Investment
  - New Inventions, Machinery and Method's



# Port Types

- Lucky Ports
  - To the sea expandable
  - Good inland connections
- Traditional Ports
  - Well known (for liners visit is a must)
- Geographical good located Ports
- Monopoly Ports (mostly governmental=
- Logistical Ports
  - New breed of Ports exceeding the number of operations according customer needs.





# Space is a very important factor

- For logistical operations more and more space is needed.
- On one side warehousing is a big cost, but the ports see here a big chance to increase their capacities.
- This is increasing labor within the port area and making the unions more powerful.
- Good hinterland connections are important, but not enough. Velocity is important. Many customs officials are damaging the flow by unnecessary inspections.
- Even goods in transit are vulnerable.



# History

- When I started this business we had only Charter Party bulk shipments.
- Containers has brought a new successful dimension to the business.
- Today the shipments are getting more and more smaller, but the request of time limitation is rising. Everybody is asking “Just in Time” where even at air the companies don’t start anything for a lost cargo in 19 days.



# Worldwide View

- USA with its FMC rules had a very good price limiter. Any changes are to be registered and only one month later to be active. This compared with other countries is a big competition breach.
- Same is happening with the conference lines. They are negotiating everything and are immune to competition rules.
- I would suggest EU to make a pressure to the usage of 45 feet Intermodal units.



## 45' Intermodal Units will be the future of Fast Port operations with little Investment

- Captain João Soares from Portugal has made through a very nice presentation in 2004 in Casablanca the importance of the usage of EILU's (European Intermodal Loading Unit).
- 33 Euro palettes and 4 line stacking and 88 cbm storage area are very important and time and space saving equipment.





# ILU – Intermodal Loading Unit



**45' ISO Top Lifting Position**

45'

40'

**Piggy-Back handling system**

**Possible to adjust with 40' twistlock position in 3 ways**



# LONG TERM SOLUTION

- If we are speaking hinterland connections train will be one of the most important carriers.
- If this will be the case, it is a big necessity to think today at the rail investments to be capable of carrying stacked two high cube containers.



My 10 minutes are over.  
Thank you for listening me.

Arif DAVRAN