

## ARTICULOS –COMISION MARITIMA FETEIA

[Zim Integrated Shipping Services Ltd. \(ZIM\)](#) has announced the creation of Ship4wd, a digital freight forwarding platform offering a self-service end-to-end shipping solution.

The independent digital multi-function freight forwarder is set to target US and Canadian small and medium-sized businesses (SMBs) importing and exporting from China, Vietnam and Israel by offering a direct solution for shipping cargo through an advanced one-stop-shop digital platform.

“Ship4wd undertakes to manage the entire logistic chain end-to-end, harnessing our core assets as a leading global carrier with a unique customer-centric approach to provide the optimal digital solution for the SMB segment, backed up by a wide network of vendors including ZIM,” said Eli Glickman, CEO and President of ZIM.

“The global need for digital services via personal mobile phones and tablets is increasing, especially among small and medium businesses, and Ship4wd is the ultimate solution. We are confident that with Ship4wd’s excellent team it can become a significant player in the multi-billion dollar freight forwarding industry as it will meet a much-needed demand for its services in the market.”

According to a statement from ZIM, the platform will offer customers the optimal solution, either the most economic or the fastest option- according to their preferences.

Additionally, it will cover both sea and air shipping services up to the final destination, including land and rail transport, with associated logistic services.

Carmit Hoshen-Glik, CEO of Ship4wd, added “We believe it’s time for international shipping to become simple, easy and trustworthy for SMBs. Our promise of unremitting reliability and support from industry professionals will offer a much-needed solution for small businesses and entrepreneurs relying on relatively small shipments for their ongoing business.”

Ship4wd will go live on 18 October 2021.

ZIM has also been expanding their digital footprint by [partnering with the Data Science Group \(DSG\)](#) to establish a ‘Center of Excellence’ which will develop artificial intelligence (AI) solutions from the design stage to implementation. Announced in August 2021, ZIM said the center will provide it with a “decisive competitive edge” in the global arena of AI.

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Expectations that one of the world’s major container carriers will not offer services to some customers including some freight forwarders could be seen as an abuse of its dominant market position and a denial of service, says freight forwarder association Clecat.

Clecat director general Nicolette van der Jagt told *The Loadstar* shipping lines were already denying services to forwarders in some ways, which seemed a form of discrimination.

“The [ocean] alliances’ market share is very large; it is a concentrated market now [and] they have market power,” she said.

“I wonder to what extent this is an abuse of their dominant position? We will look at it and see if we can challenge this with the European Commission.”

According to Clecat, [Maersk](#) is entering the freight forwarding market from a position of dominance. Ms van der Jagt said her members had reported for some time that carriers were insisting on forwarders agreeing to carrier haulage as a condition of accepting cargo – a situation first reported by *The Loadstar* following complaints from Australian forwarders. Forwarders in Australia, and now in Europe, fear carriers are forcing them to hand over commercially sensitive information on their customers before they can access the shipping lines’ services, giving the carriers vital information which could later be used by the lines to move cargo directly.

“This is a trend to get all the business door-to-door, putting others out of business, and it raises the question again – is this an abuse of their dominant position?” asked Ms van der Jagt.

Maersk has denied that it is targeting forwarders, with a spokesperson telling *The Loadstar*: “The company [Maersk] is continuously developing solutions for the current tough market situation, for forwarders as well as other users.”

The spokesperson added that Maersk is currently negotiating contracts with customers and is aware that it cannot offer space to all those that need it. As a result Maersk is giving a greater priority to those that will take door-to-door or will use more of Maersk’s integrated services. Freight forwarders around the world have reacted to the news that Maersk is likely to prevent forwarders loading cargo out of Asia to Europe and the US.

Robert Barceló, senior manager, business development at Port Everglades, said: “Florida, home to over 1,000 freight forwarders and NVOs, is not particularly rich in BCO’s. It has long been a market dominated by freight forwarders. Alienating such a key sector could have dire effects, especially in the Latin American markets.”

Elton Tan, of EFM Global, had a broader perspective: “Shipping services are just part of one chain of the entire logistical and supply chain management. Shippers will continue to use freight forwarders because forwarders are mostly nimble; we form our own network of offices around the world to provide tailor-made, customised services for each shipper or consignee. “That position cannot be undermined simply because the carriers want to cut the cake and eat it as well.”

According to Mr Tan, his clients tell him that dealing with carriers the size of Maersk and CMA CGM is “like dealing with an automated machine that has no intelligence”. They say carriers will succeed with larger shippers, but small and medium-sized customers will always prefer an intermediary.

Mr Tan added: “My personal experiences with handling bookings through CMA and Maersk is a very telling sign why my shippers and consignees will never depend solely on liners that offer full freight forwarding services.

“The freight forwarding community around the world has always been the ‘unpaid salesman’ for carriers. They are hoping their systems will be the ‘salesman’ and businesses will just flow in, but it’s just wishful thinking.”

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## Spot freight rates by major route

Our assessment across eight major East-West trades:

Route	23-Sep-21	30-Sep-21	7-Oct-21	Weekly change (%)	Annual change (%)
Composite Index	\$10,377	\$10,361	\$10,130	-2% ▼	289% ▲
Shanghai - Rotterdam	\$14,356	\$14,558	\$14,807	2% ▲	568% ▲
Rotterdam - Shanghai	\$1,626	\$1,625	\$1,604	-1% ▼	24% ▲
Shanghai - Genoa	\$13,646	\$13,618	\$13,765	1% ▲	422% ▲
Shanghai - Los Angeles	\$12,424	\$12,172	\$11,173	-8% ▼	175% ▲
Los Angeles - Shanghai	\$1,404	\$1,383	\$1,320	-5% ▼	155% ▲
Shanghai - New York	\$15,849	\$15,849	\$15,110	-5% ▼	210% ▲
New York - Rotterdam	\$1,107	\$1,105	\$1,116	1% ▲	103% ▲
Rotterdam - New York	\$6,179	\$6,192	\$6,209	0%	179% ▲

Source: Drewry

## Unlocking the paper-jam

When Malcolm McLean laid the foundations for what's now become the global containerisation phenomenon, his vision was for standardisation across the entire supply chain. If goods of all types could be loaded into metal boxes, all 20 feet long and eight feet high, then the vessels that carry them and the port infrastructure required to handle their shoreside movement could also be standardised. Trucks and trains could hook up with ships and the boxes easily transhipped to their final delivery point.

McLean's vision is now a reality but when he sat down to develop his ideas, he probably hadn't reckoned on the forest of paperwork that is now obliged to accompany each container journey. Today, a single cargo move can require up to 36 original documents and 240 copies to be exchanged between almost 30 different parties. Although McLean has managed to streamline the movement of goods, his creation has spawned a paper monster that urgently needs taming.

Back in the 1980s, container shipping adopted the UN Electronic Data Interchange (EDIFACT or EDI) and ANSI X12 protocol to help solve the issue – at least in part. As a shared common language, EDI transformed the industry allowing documents to be created and exchanged electronically. This significantly cut down on paper documents and, consequently, time was saved and costs, duplication and errors were reduced.

However, as containerisation has grown and expanded into almost every corner of the globe, this common language has morphed into a range of dialects and nuances. Sadly, it is no longer common anymore. The very reason for EDI being adopted in the first place – its standardisation properties – has been eroded to the extent that it can no longer be relied upon for every element of every global supply chain.

As a relatively elderly standard, EDI cannot manage real-time operations and the current demand for “smart” shipping. Today’s carriers and customers require much more transparency and control which can be delivered through new technologies such as the Internet of Things and smart containers. To be truly effective, data needs to flow in real-time and that requires a modern protocol.

Container shipping has begun to respond to this issue with a partial adoption of API – Application Programming Interface. Adoption is sporadic and patchy so far, but a concerted push by the major carriers would pave the way for a global transformation.

Whereas EDI facilitates the exchange of data, API allows individual software applications to talk to one another – more comprehensively, flexibly, and in real-time. It does tend to be more expensive, however.

But the major stumbling block with API is that a standard needs to be created agreed and adopted for each type of document. Bills of lading are probably the most important and prolifically used document in the container supply chain. Around 90% are still exchanged in hard copy meaning thousands are being printed and exchanged by hand each day.

Conversely, the airline industry has universally adopted the e-Air Waybill (e-AWB), the sister document for air cargo, and a multi-lateral agreement means that paper air waybills have all but disappeared. To make this work in shipping, the industry needs a central body to develop a standard document that is then adopted and used worldwide. With that in place, API will manage the data exchange and ensure information is fed directly into the software systems of all parties involved, including carriers and customers.

It is encouraging to see the Digital Container Shipping Association (DCSA) taking the lead in this space. They have already created an API standard for bills of lading along with a number of other relevant documents. We now need a concerted push to have these standards adopted and used across the world.

It's highly likely that API standards will replace EDI in the coming few years and container carriers of all sizes need to be ready. API requires a different set of skills and capabilities which are not likely to be available in house for any but the very largest shipping companies. Similarly, the processing software used by a carrier must be compatible with API technology as software engineers will need to integrate any number of APIs with their software. Selecting a software partner is an important decision, and one that will become even more relevant as new technologies and protocols start to come on-stream.

Malcolm McLean revolutionised the shipping industry to create containerisation. It's very likely that API will transform containerisation into a more streamlined and effective global supply chain.

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