Swift and responsive - Improving the reliability of services to cope with growing demand for Trans-Pacific container trade

Despite the fierce competition in global freight forwarding, ZIM Integrated Shipping Services (ZIM) has turned losses into profit in 2017 after four years of business restructuring, and with annual revenue growth higher than the industry average. It has also been recognised as one of the most reliable carriers between Asia and US East Coast.

Nissim Yochai, ZIM's EVP Trans Pacific Trade, said that the company's status as an independent business operator and its successful organisational restructuring had allowed ZIM to make fast and right internal decisions in response to market needs and development; and its strategy to focus on Asia – North America trade lanes has been the key contributor to the company's outperforming revenue growth.

Quick response to market needs

Headquartered in Israel and founded in 1945, ZIM is now ranked 11th in the list of world's leading container ship operators. The company's ships travel between 180 ports throughout the world, providing over 70 lines and services, mostly on a weekly, fixed-day basis, covering major trade routes with regional connections.

ZIM has gone through organisational restructuring four years ago and set up four business units, namely Pacific, Intra-Asia, Latin America and Cross Suez-Atlantic. "Each unit reports directly to the headquarters, allowing decisions in strategies like rates and capacity to be made more quickly, fittingly and efficiently." Yochai took the recent China-US trade conflict as an example, "Customer needs are ever-changing; they may now export their goods from Southeast Asian ports rather than from the Chinese mainland. We must make instant response in order to provide the services they need."

Yochai explained that under the current fierce competition in global cargo forwarding, freight rates have been declining in the past few years. Customers take efficiency and reliability seriously, "but adverse weather conditions like the recent typhoons might cause shipment delays and traffic congestion at ports. The low-sulphur fuel regulations to be imposed in 2020 would force services to be more efficient, as efficiency is the key to help us to be succeeded." He remarked that every business units of the company have to adjust their business strategies to cope with market changes, such as by shifting shipping lanes, in order to ensure efficiency and revenue growth.

Independent business operator with personalised services

"Freight forwarding is like any commodities, it makes no distinction if the merchants provide the same product at the same price. Only personalised services can make a difference." Yochai said ZIM's top management including himself meet frequently with the customers, "So that we could stay close to the market, which is an advantage of being a small independent business operator."

Based in Hong Kong, Yochai is responsible for trans-Pacific trade business involving two business units in Pacific and Intra-Asia, reflecting the significant role that Hong Kong plays. "Hong Kong has always been the freight forwarding and logistics hub in Asia, as well as the 'origins of cargo' in the region. Geographically, Hong Kong is located close to Shanghai." Despite competition from the neighbourhood like Singapore and cities in the Chinese mainland, Yochai believed Hong Kong still possesses advantages in terms of business environment.

Yochai admitted that growth of global freight forwarding business has been tapering off from its peak years ago. "World economic growth today is just around 5% per year on average. Developing countries have better performance, like South America is growing faster than North America. While China has a high single-digit growth, the US, Australia and Canada are growing at a lower single-digit rate." Regarding the growth spots for the company's trans-Pacific business, among the various markets in Asia, Yochai saw the greatest potential in India. Other Southeast Asian countries like Malaysia, Indonesia, Vietnam, Cambodia and Myanmar, being benefited by the moving of production from China and having their own economic growth, are also increasingly demanding for freight forwarding services.

Air freight shipping is very expensive and its payload much less than ocean carriers, said Yochai. "The largest Jumbo 747 has a capacity of just 120 tons, which is around 10 x 20DV containers. Therefore, air freight is only practical for transporting high-value goods." He pointed out that the universal availability of e-commerce and online shopping have driven the demand for air shipping, hence the industry is able to maintain high freight rates and growth. However, certain product categories

環球貨櫃航運跨太平洋區需求增
以星綜合航運靈活應變 提高服務可靠性

like frozen food are increasingly opting for ships with cold chain logistics services due to cost consideration, which is now a growth spot for the industry.

Optimising services with strategic alliance

There have been a number of mergers and acquisitions in the freight forwarding industry in recent years. In September this year, ZIM, Maersk and MSC have entered a long-term cooperation on the Asia – US East Coast trade, with Maersk and MSC operating four loops and ZIM operating one loop. The parties would be operating all five loops together by swapping slots. Yochai remarked that this cooperation model would ensure independence and agility of the company's operation. He will be attending the Asian Logistics and Maritime Conference (ALMC)organised by Hong Kong Trade Development Council on 20 and 21 November, exploring with other industry players the market prospects of liner shipping.

Find Nissim at :

Maritime Forum II –
What's More for Liner Shipping?

Date : 20 Nov (Tue)
Time : 14:30 – 16:00
Venue : Room A

環球貨櫃航運業競爭激烈，以星綜合航運有限公司(ZIM Integrated Shipping Services Ltd.)在過去4年重組業務架構後，不但成功於2017年把業務轉虧為盈，按年收入增長優於行業整體，更屢獲評為其中一間往來亞洲至美國東岸最可靠貨櫃航運公司。

該公司跨太平洋航線執行副總裁(EVP Trans Pacific Trade)容海迅(Nissim Yochai)指出，保持獨立營運商的身份及其成功的業務架構重組，令內部決策快而準，適時迎合行業發展所需，而聚焦往來亞洲及北美航線的策略，亦是收益增長優於同業的關鍵。

迅速回應市場需要

總部設於以色列的以星綜合航運有限公司成立於1945年成立，目前全球排名第11位。船隊連接全球180個港口，並於每周提供固定航期、覆蓋超過70條主要貿易航線的服務網絡。

自4年前，以星綜合航運進行業務架構重組，並分為太平洋(Pacific)，亞洲區內(Intra-Asia)、拉丁美洲(Latin America)及跨蘇彝士—大西洋(Cross Suez-Atlantic)4個業務部門。「每個部門的同事直接向總部匯報，在制訂業務策略，例如收費、運載量等，可使決策更為即時、貼近市場及具效率。」容海迅以近期中美貿易摩擦為例指：「客戶對服務的需求不斷改變，例如不經由中國內地港口出貨，改由東南亞港口，我們必需要即時作出應對，提供所需要的服務。」

ZIM's EVP Trans Pacific Trade Nissim Yochai attributes the company's growth in the US market to the fast and right internal decisions in response to market needs and development.

以星綜合航運有限公司跨太平洋航線執行副總裁容海迅表示，該公司近年在美國市場佔有率有約6至9%增長，全賴靈活及貼地的業務策略。

他強調，環球貨櫃航運業的競爭激烈，運費連年下跌。客戶十分重視高效率及可靠性，「但近期天氣不穩如颱風，都會令航班延誤、港口擠塞，加上2020年的低硫燃油規管等，都會迫使航線提高效率，高效率是幫助我們成功的要點。」他指出公司各部門均需要就市場變化，作出即時業務調整策略，包括轉換航運路線，以確保效率及收入增長。

獨立營運商 服務人性化

「貨運有如一般商品般，假設運費相同，則用哪一家供應商都一樣；唯有人性化的客戶服務，才能令服務有所不同(make a difference)。」他續提到，公司高級管理層包括他自己，都不時與客戶會面，「這樣才能貼近市場，那也是小型獨立營運商的優勢。」

派駐香港的容海迅，負責跨太平洋航線業務，涉及太平洋及亞洲區內等兩個業務部門，亦反映香港的角色舉足輕重。「香港一直是亞洲貨運及物流中心，也是亞洲區內貨物的來源地(origins of cargo)，而且在地理上亦靠近上海。」他認為，雖然香港面對鄰近城市包括新加坡及中國內地城市的競爭，但從營商環境而論，仍然具有優勢。

他亦直指，環球貨櫃航運業不復當年的高增長：「今日全球經濟按年增長平均只約5%，發展中國家表現較突出，例如南美經濟增長勝於北美，內地保持較高單位數字增長，美國、歐洲及加拿大只有較低單位數字增長。」談到跨太洋業務的增長點時，他在眾多亞洲區內市場中，特別看好印度市場增長的潛力，其他如馬來西亞、印尼、越南、柬埔寨、緬甸等東南亞國家，則受惠於內地廠房搬遷，以及本身的經濟增長，對航運服務需求上升。

由於空運運費高及載貨量遠不及遠洋輪船：「最大隻的Jumbo 747，載貨量只是120噸，大約只是10隻20DV貨櫃，所以現在只用飛機運載貴價的貨物。」容海迅指出，電子商貿、網上購物的普及，帶動對空運的需求，至令運費高企及行業保持增長；但個別產品類別例如冷凍冷藏食品，則基於運費的考慮，逐漸選用船運的冷鏈物流，成為航運業的新增長點。

策略聯盟 優化服務

近年，航運業出現不少收購及合併，今年9月以星綜合航運與馬士基航運(Maersk)及地中海航運(MSC)在亞洲及美東岸航線上，達成長期合作協議，馬士基航運及地中海航運將營運四條航線，以星綜合航運則營運一條航線。三家公司透過艙位互換方式，在五條航線上進行合作。容海迅表示，此合作模式仍然可以保障公司營運的獨立性及靈活性。他亦將出席於11月20及21日由香港貿發局主辦的「亞洲物流及航運會議」(ALMC)，並於航運論壇上，與多位業者一起探討班輪航運的市場前景。