

ZIEGLER[®]

Excellence in supply chain



PROSPECTS FOR the Sea Transport Market in 2023 & 2030

INTRODUCTION

Welcome to the world of the Fourth Industrial Revolution - an era where businesses are integrating artificial intelligence and advanced automation in everything they do. This digitization is transforming the sea transport industry too. The industry is changing at a rapid pace and the fifth industrial revolution might be on the horizon, especially with the urgency of the climate crisis and the need to make shipping more environmentally friendly.

Predicting the future can be exciting, but it's also risky because there are so many unknowns. Just think about how nobody would have predicted the recent upheavals in our world five years ago, and how these events have completely transformed the shipping market. With the pandemic, sea transport had to adjust to a significant drop in demand, leading to reduced capacity and higher transport costs. There were also shortages of containers and slowdowns in supply chains, which contributed to the surge in inflation in 2022.

While it's impossible to predict exactly what will happen between now and 2030, we can already see some exciting trends emerging. But with every risk comes new opportunities, so we need to take a global perspective when looking ahead. This includes hyper-specialization of economies, geopolitical uncertainties, ecological transitions, and technological innovations. It's going to be an exciting few years ahead, and we're proud to be part of these changes and help our clients navigate through them.

That's why we've put together this e-book, based on our 60 years of experience and expertise in sea freight management. We hope it will help you navigate through this changing and sometimes challenging environment, so you can stay on course and better understand what the future holds. Get ready to join us on this thrilling journey!



THE ENVIRONMENT

Did you know that transportation is one of the biggest sources of greenhouse gas emissions in the world? In fact, it's responsible for almost a quarter of global emissions! And if we don't do something about it, those emissions are expected to double by 2050.

But here's the good news: we can make a difference. Sea transport, in particular, has a big role to play in reducing emissions. And it's not just up to the carriers - it's up to all of us as consumers too. We need to start thinking about the environmental impact of the products we buy, and demand that companies do the same.

Reducing emissions isn't just good for the planet, it's good for business too. Companies that take the environment seriously will be more competitive in the long run. Companies must take into account the environmental impact of a product's entire life cycle in order to limit the energy consumption of production, manufacture better with less, and above all find ways to reduce the environmental impact of shipping.

80%

of all the stuff we buy and sell around the world gets shipped by sea. That's a LOT of goods!

WHAT IS A PRODUCT LIFE CYCLE ASSESSMENT (LCA)?

LCA stands for Life Cycle Assessment, and it's a way to evaluate the impact a product has on the environment. Basically, LCA looks at every step of a product's life - from where the raw materials come from, to how it's made, shipped, used, and even disposed of when we're done with it. By doing this, we can get a really detailed picture of how the product affects the planet.

The environment is a big concern for all of us, especially as we look ahead to the next decade and beyond. One of the biggest challenges we face is figuring out how to make sea transport more eco-friendly. This is a complicated issue that affects everything from how ships are designed and built, to the routes they take, to where products are sourced and manufactured.

Right now, there are a couple of solutions being discussed. One is to slow down ship speeds, but that could really mess up international trade. Another is to use less-polluting fuels, like liquefied natural gas, which has advantages over traditional fuels for sustainability.



Eventually, the European Commission intends to phase out fossil fuels in favor of the adoption of green fuels, but is leaving that choice up to shipowners and fleet operators.

The good news is that the European Union has set a clear goal: to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. That means we have to work together to find new and better ways to make sea transport more sustainable, while remaining competitive and profitable. It won't be easy, but it's worth it to create a better future for ourselves and the planet.

SHIPS NEED TO EVOLVE

The story of sea transport is really interesting because it's all about how ships have changed over time to meet the needs of people who buy and sell things all over the world. Every generation of ships is bigger, faster, more eco-friendly, and more high-tech than the last. And as sea transport continues to evolve, we'll see even more changes to the ships that are the foundation of global trade.

SHIPS POWERED BY THE WIND



Renewable energy could be a really important part of making sea transport more eco-friendly. By using energy sources like wind or solar power, we can reduce fuel consumption by 20 to 40 percent and reduce the amount of harmful emissions that come from traditional fuels. This could be a big step forward in making sea transport more sustainable for the long term.

A European Union report recently estimated that 15 percent of the world's commercial fleet will be using wind power by 2030, while the British government predicts that number will reach 45 percent by 2050. There are lots of cool ideas in the works, like using kites, rigid sails, flexible sails, or suction wings to harness the power of the wind. With all these innovations coming in the next few years, sea transport could look very different than it does today !

INCREASING TECHNOLOGY IN SHIPPING



Technology for monitoring ship operations and performance has continued to improve. The ships of the future will be equipped with advanced technology to measure everything from maintenance needs to performance. These ships will also be able to communicate with a team on land to manage their operations. This is all thanks to the Internet of Things (IoT) technology that connects ships, ports, containers, and cargo to collect and analyze data in real-time. But with great technology comes great responsibility: there is also an increased risk of cyber attacks. We've seen examples of this before, like when Maersk lost hundreds of millions of dollars due to a malware attack. Unable to process shipping orders, the company's revenue stream was frozen for weeks. In the future, cybersecurity will be just as important as all the other advancements in shipping.

BIGGER SHIPS



The maritime industry is looking to the A380 aircraft as inspiration for their own big bet. While the A380 failed to revolutionize air transport, the industry is betting that bigger ships could be the way to go. The Ever Apex, owned by Evergreen Marine Corporation, is currently the world's largest container ship with a capacity of over 24,000 TEUs. By maximizing the space on these massive ships, transportation costs can be reduced. However, this also means rethinking trade routes and canal crossings to ensure these ships can operate efficiently. The industry is taking a page out of the A380's book, but applying it to maritime transport.

BETTER OPTIMIZED SHIPS



Shipping companies are under pressure to reduce their carbon footprint, which means they need to find new ways to build more environmentally-friendly ships. One solution being explored is making ships more streamlined, with more efficient propellers, route planning and hull coatings. Fuel is also a big issue, and many are looking to use liquefied natural gas (LNG) which can reduce CO2 emissions by up to 25% compared to diesel engines. Other fuels like ammonia, methanol, and biofuels are also being explored. It's clear that the trend is towards greener shipping, with companies investing in their fleets to comply with the International Maritime Organization's (IMO) Low Sulphur Regulation, which came into force on January 1, 2020 and will be reinforced by the 2023 regulation, which imposes further GHG reductions. This is not only better for the environment but can also be cost-competitive.

SHIFTS IN SOURCING THAT ARE RESHAPING WORLD TRADE

The world has become more connected than ever, thanks to globalization and international trade agreements that have made it easier to move goods around the globe. However, there has been a shift in recent years towards more protectionist policies, with some countries moving away from free trade and imposing barriers to trade. This has led to changes in the way we source goods and an evolution in supply chain models. As sea transport continues to play a crucial role in global trade, it will also need to adapt to these changes and find new ways to move goods efficiently and sustainably.

RELOCATING SOURCING

The COVID-19 pandemic has shown us how much we rely on China for important goods, like masks, and how vulnerable our global supply chains can be. Some people are advocating for bringing production back home to ensure we have what we need and to create jobs. However, this is not just an economic issue, but a political one too. When events like terrorist attacks, natural disasters, or political tensions occur, they can disrupt global supply chains and make it difficult to get the products we need. While bringing production back to Europe may seem like a good idea, it can also have downsides, like longer lead times, overproduction, and higher costs. The key will be finding the right balance between local and global production to ensure we have what we need, while also being efficient and environmentally responsible.

ENTER NEARSHORING TO BRING PRODUCTION AND CONSUMPTION CLOSER TOGETHER

There's an idea being thrown around for how we source goods and get them transported across the ocean. The principle is to bring production closer to the destination country, but still being located outside of the destination country. Called "nearshoring", instead of moving production to a far-off country like China, companies might start moving their factories to places closer to where their products will be sold, like Morocco. This keeps costs low and makes it easier to make quick decisions based on market demands. Plus, it reduces the environmental impact of shipping goods across the world.

OMNISHORING: DIVERSIFY YOUR RELOCATION

This model aims to diversify sourcing across different locations in order to reduce the risks inherent to dependency on one territory. Imagine a company that makes clothes only in one country, like China. That's a big risk because if something happens in China, like a problem with the factory or the government, the company could lose everything. So, instead of having all its factories in one place, the company decides to spread them out across different countries. This means they can make their clothes in different places, using different methods, which reduces the risk of something going wrong. For example, they might make some clothes in a nearby country for small orders, then use factories further away for big orders, and finally go back to nearby factories for small restocking orders. This way, they have factories in different countries doing different things at different times.

SECOND DEGREE RELOCATION

Here's a cool new term that professors and researchers at ESCP-Europe are using: "de-localization". It's basically when a factory decides to move from one country to another, but doesn't go back to its original country or move closer to it. So, for example, a factory that used to be in China might move to India or Vietnam instead. This kind of move is usually based on things like saving money, finding better raw materials, or avoiding political problems. It's like a global game of musical chairs, where factories are constantly trying to find the best place to set up shop.



THE ARCTIC PASSAGE

THE ARCTIC PASSAGE



Here's a paradox for you: while we need to reduce the pollution caused by ships to combat climate change, the melting of Arctic ice is creating new routes for ships to use that were previously impossible. This new route, called the Northeast Passage of the Arctic, will let ships travel shorter distances between Asia and Europe by the year 2040 or 2050. But there are lots of questions to consider before using this new route. Ships will need new systems to watch out for danger and respond to emergencies, because the weather and waters will be very difficult to navigate. The ships themselves will need to be designed and equipped to handle the extreme cold and changing weather conditions.

Russia is very interested in this new route and wants to increase how much cargo ships can carry through the Northern Arctic Sea Route. They plan to invest 11 billion euros over the next ten years to make this route navigable all year round. However, some shipping companies are already saying they won't use this new route because of concerns about the environment, cost, and public image. It's a complicated issue with lots of factors to consider!

MULTIMODALITY AND THE NEW SILK ROAD



China's "One Belt One Road" strategy includes the New Silk Roads, which are new transportation routes (rail and sea) from China to increase its influence. The project involves huge investments and will likely impact maritime transport in the next decade. The maritime aspect of the New Silk Roads involves Chinese investments in port infrastructure and terminal management in Europe. The goal is to improve transportation by connecting Asia, Europe, and Africa to China with large ports, rail lines, airports, and industrial parks.

India has launched its own project, the Freedom Road, in response to China's influence. The project, led by Japan and India, emphasizes sustainable development through low-cost shipping lanes with a low carbon footprint. These new shipping corridors could connect ports in India to Myanmar and Djibouti. Many countries, including the US, Europe, India, and China, are working on establishing new transportation routes. There are many geopolitical, ecological, and economic factors to consider, but these projects will shape the future of trade.

GREEN SHIPPING ROUTES



Imagine a sea route that connects major ports using zero-emission ships, reducing shipping emissions and promoting a greener future. This is what "green corridors" aim to achieve by encouraging the decarbonization of maritime transport through public and private actions. These new shipping routes provide an opportunity to address the issue of climate change while significantly reducing shipping emissions. While the Asia-Europe Green Corridor is under study, the most promising is the one linking Australia to Japan, which already has favorable production conditions for green hydrogen. Companies in Australia have already announced plans to build around 30 GW of hydrogen electrolysis capacity by 2030. With the potential to become a large-scale laboratory for promoting green shipping, green corridors could be the way forward for a more sustainable future.



OUR EXPERTISE IN SEA FREIGHT

Strategically located around the world, Ziegler offers an advanced range of sea and inland waterway solutions.

We offer expertise in global supply chain and distribution, from groupage to customized containers, from full single or multi-stop to triangular trading solutions.

We have extended this expertise to specific solutions such as temperature-controlled transport, oversized transport (OOG), undivided bulk transport, conventional transport and ship chartering.

Aware of the industrial stakes and the permanent evolution of the markets, we develop customized solutions adapted to all sectors of activity.



- LCL import and export
- FCL import and export
- Real time tracking of FCL containers
- Consolidation
- Deconsolidation
- RORO, industrial and conventional project
- NVOCC : GREEN OCEAN LINES

180 000 shipments/year
210 000 TEU/year

Ziegler Group owes its success to its amazing employees, who are experts and passionate about what they do. They strive to provide customers with innovative, customized, and responsive multimodal transportation services. It is because of their dedication that Ziegler is known for its expertise and has been able to grow and thrive as a company.

RECOGNIZED KNOW-HOW

Ziegler Group has been around since 1908 and has become the top player in the transport and logistics industry, providing custom solutions for air, sea, road, rail, customs, and logistics.

With over 3,200 employees worldwide and a network of 154 branches in 16 countries, we have a strong global presence to meet our clients' needs.

Our exclusive agent network also extends our reach to the rest of the world.

