

Week 41, 2018

EDITORIAL

Welcome to PCW, it's Thursday the 11th of October. This week I had a quick trip to Hamburg, a city that has been one of my favourites in Europe since 1980, when I started my shipping career in Aarhus, Denmark. Back then I was glad of a chance to practice my German, a compulsory subject in my school.



Hamburg is not only a great city, but it is also a fantastic place for shipping and shipping history and I can certainly recommend a visit and a harbour tour if you ever have the time. Seeing almost anything from the 'water-side' always beats seeing it from the 'land-side'. See <u>this video</u> I shot yesterday of the scenery in Hamburg.

I was in Hamburg this week to maintain my network. One's personal network and contacts these days are paramount for almost anything. How to get attention from employers these days? Perhaps because you studied at Harvard? No, so did thousands of others. Maybe because you possess exceptional IT skills? So do thousands of others, and so on. Networking, in all aspects, is running the world and it's the old saying that 'it's not what you know but who you know' that decides.

Just take a look at some appointees in the political establishment as well as the board of directors of some companies and so on. Being skilled in politics and networking will get you further in big organizations than mere job skills, because you will always be stepping on someone else's toes, which could make them jealous if you are cleverer. At least, that often seems to the case.

You may, of course, also meet people who respect your capabilities, but it is difficult. In freight forwarding and shipping, networks are playing an ever-greater role as a platform through which smaller and medium sized companies can band together and compete against the bigger players who, more often than not, are actually working as banks, financing their customers' requirements and not being chosen necessarily because they are particularly capable.

So, my advice to anyone is to always maintain and keep your network close as you never know when you might need someone's help and the people you meet on the way up, you also will meet on the way down. A good rule of thumb is to keep in touch, even when you don't need help. I have very little respect for people who only approach you when they need help and that goes for both business and private life.

Business in this week's issue of PCW starts off with an interview with one of the many network organizations out there who are

catering to freight forwarders worldwide. We then pay a visit to one of the most popular countries in Asia for tourists and expats, i.e. Thailand, where we speak to a local project freight forwarder.

Finally, we do the long-haul on Emirates via Dubai to South America and speak to a company in Uruguay that introduces their capabilities in shipping and also mid-stream operations. Of course, we have the usual intel for you as well as wise words and a rather interesting video from the Taiwan Strait which I recommend you look at.

Until next week, I remain, Yours sincerely, Bo H. Drewsen



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THE GLOBALINK AND GLOBAL VALUE NETWORKS

MR. BILL SIEMENS PRESIDENT

Tell us about The Globalink Network. When were you established?

We established The Globalink Network in January of 2002, making us a little over sixteen years old and one of the older networks in the business. Due to the Globalinkg network filling up, we established our second network, The Global Value Network, four years ago and it's been building nicely.

The function is the same for both. Our first function is to help companies grow their worldwide agency business for less money, in less time and with far less risk than doing this all in-house. Our second function is to partner with our members to help them increase capabilities, revenues and profits.



How many members do you currently have and representing how many countries?

We are about two hundred companies (not locations, which often get counted as members) in roughly eighty five countries.

The 'how many members' questions are tricky for two reasons. There aren't apples-to-apples comparisons out there as these are counted differently from network to network. Secondly, focusing on numbers of members can be misleading when it comes to the value of a network. There is a myth out there that more members means more business, and in fact forwarders find that this isn't always the case, after wasting considerable time and money.

There are a number of networks out there and, according to my sources, not a week goes by that a new invitation to a network is not received by the average freight forwarder. Why should a potential member choose your network?

You are right, the industry is approaching a saturation point, which brings all kinds of negative craziness with it.

A company should only join any network, if that network can explain how they can hope to see a return on that investment. If that explanation is vague or filled with hyperbole about quality, use common sense and run for the hills. Picking a bad network is a really expensive waste of time and may preclude the opportunity to get into a really good one.

We have a long and consistent track record of success and member retention and a reputation for innovation and integrity. We don't promise or imply that you will get business if you join us, because that speaks to a philosophy of 'something for nothing' that just doesn't work in life. We offer a proven and effective agency sales tool and if you use it you will get a return on your investment. This tool is built on the foundation that good relationships build good business.

No one disagrees with this. We limit membership to two for most countries and we demand and enforce high standards. We're one of very few networks that actually measure quality and provide our members with continual feedback about it. Our website is built on the LinkedIn model, with loads of communication and relationship building tools and we provide very responsive support and communication with our members.

As to partnering with our members, we are in the process of rolling out tools that instantly provide revenue to our members and with other programs we make it easy for members to discount or remove their membership dues from one year to the next. We've been talking about industry disruption at our meetings for over six years now, and at our upcoming meeting in April we will be rolling out more tech based tools than any network in the industry, period.

What kind of value added services do you provide to members?

For us it starts before you even join. We make sure companies understand that sales is sales, and that it takes a sales effort to get a return. It says right on our website that 'waiting and hoping is not a strategy'. Once members join, we have a series of videos that help in developing a sales strategy and provide input and ideas on how to build this business. As I said, we have a quality measurement tool that loads right into our directory, which helps to raise quality overall.

Also as I said, we are in the process of rolling out a whole series of tech related tools, like a mutual airfreight trading platform (lowers costs, provides instant rates and airfreight credits and discounts), a blockchain based Bill of Lading (faster, less risky, no courier costs), a network pay platform (faster, no bank fees) and a mobile network app. There is a truck load of value added in here, not to mention the ability for our members to receive credits against their membership costs and come out ahead money wise.



Communication is key these days and in order to compete with the global players there's no doubt that members must work together on many levels. What plans do you have in store for your members in the future in order to facilitate easier and closer communication and cooperation?

We totally re-wrote our website last year to become a communication tool. There are several ways that members communicate with each other and we provide an agent-to-agent CRM right in the directory to help track and follow-up.

Some networks try to build everything in house and end up with dated and inferior solutions as things are just moving too fast. We have always collaborated with those on the cutting edge and have been the first to experiment with tools and programs as they come up, and we will continue to do so. For example, we were one of the first networks to have Freightos speak to our group and we were one of the first to have IATA discuss their payment program some years ago. We have lots of examples.

I think our new mobile app will greatly enhance member communication and we'll see how it goes and how to make it better.

There is a famous saying that there is no free lunch – what is the membership fee normally to become part of your network and how does one go about applying? Do you have any restrictions on the number of members you allow?

Actually, with the saturation that I discussed early on, it might appear that free lunch is being served and unless people see value it always comes down to price or lack of price.

We're not the most expensive but we get told we're too high all the time. What short-sighted forwarders neglect to see is that if there is little or no revenue, there is nothing to support all the claims and promises such a network puts out. Common sense rules.

We charge \$2300.00 for one office for Globalink and \$2,000 for one office for Global Value, and have done so for six years now.

Its easy to apply. It can be done right on our website under 'JOIN US' and you must supply three forwarding references from outside your country, which we will contact and investigate. Our members are all given a chance to comment and we don't recruit multinationals or members in more than two continents.

Unfortunately, companies under four years of age need not apply and we only allow two members for most countries, based on GDP. Fortunately, Global Value being newer means it still has many openings and both networks work on the same proven model. We believe bigger is not better when it comes to building relationships.



What recommendations to you have for forwarders as they approach network participation?

I recommend common sense. A network should tell how you will get a return on this investment. If a network claims they're different, they need to say how, exactly. If they tell you it's quality, then what do they mean by this vague word, and how does that translate into specific programs? In the end, what does any given network bring to the table that is different from everyone else and how will it help you build your business?

It takes one to know one, as the saying goes.

Can you tell us about your own background in freight forwarding and logistics?

Sure, I graduated cum laude with a degree in international politics and after two foreign service internships, I found out about freight forwarding.

I started in the business in 1976, trained with a company called Four Winds and then in 1977 I went to Jeddah, Saudi Arabia, where I set up their offices there. After a year I returned and in 1981 I set up my own forwarding company called Royal Forwarding. We sold that and a warehousing business in 1989 and since then I've started and run other companies and worked in the industry in senior sales management. I've seen the business from both the USA and overseas and got into the network business in 2002.

Do you also host conferences where members can meet each other?

We hold one conference each year for each network, back-to-back at the same hotel. We have a few members in both and we encourage members of both networks to get to know each other. For some it's like two networks in one.

Where is your office located?

Our headquarters are in Oceanside, California, we have an office in Los Angeles and an employee in the Philippines.

Finally, tell us why you decided to establish a network of this kind? Also how is best to get in touch with you for more information?

Having run small forwarding companies, I had constant concerns as to what was going on with my agents and concerns about getting paid. I was too busy to stay up with the cutting edge developments in the industry and never really wanted to build this business as it was always a bit risky. Now, however, I actually see that building one's agency business is a very important strategy to diversify one's revenue streams and product offerings, which is a survival technique for the years ahead. Remember the travel agents?

I would love to hear from you at my email, bsiemens@glvnet.com



YONGSUN GLOBAL FREIGHT Bangkok Thailand

MR. KRAI J. VADHANA Managing Director

Who are the owners of Yongsun Global Freight?

Mr. Manthep J. Vadhana, Mr. Krai J. Vadhana and Ms. Jutharat Amonsriserm.



There is a lot of competition in Thailand in particular in freight forwarding, with many players both foreign and local competing. Tell us about your strengths in this field. What is your specialty and where in particular do you believe that customers would benefit from contacting you?

Fast & committed service. By contacting us, I believe my customers will benefit from our reliable service as we commit to what the customers require. We're special in handling import shipments to Thailand. That is our key strength. One of my customers is Thailand's second biggest ceramics importer, which contributes to us a volume of around five to seven hundred containers a month. Another strong area for the company is the food industry. Our reference customers include Lotte, Jagota Brothers Trading (Thailand's tenth biggest food importer) and Sunsweet, etc.

Do you need a license to establish your own freight forwarding company in Thailand?

No, in Thailand there's no need to have a license to establish a freight forwarding company.



Thailand has a strategic location, between Laos, Myanmar, India etc. Can you organise transshipments into Laos if needed?

Yes, indeed. As mentioned, some of our customers include Celestica (Thai-Laos/ Savannakhet) and Lotte (Thai-Myamar), for example.



Could you provide us with some examples of project cargoes that you have transported recently?

SCG Dry Mortar Cement Plants in 2016. SCG is the biggest cement manufacturer in Thailand. We were assigned to handle both customs clearance and transport to both Lampang and Konkhaen provinces and the container volume was eighty to a hundred for each plant. The project value was twelve million Euros for each plant.



Do you have offices abroad as well or do you belong currently to any international networks?

No, we don't have overseas offices, but the company belongs to three international networks which are Cross Ocean, Alfa, and X2 Logistic Networks.



How does the customs clearance in Thailand work generally? Would you have some good advice for foreign companies dealing with projects to your country in this regard? Is there anything they should prepare in advance?

In Thailand, the customs process generally works as with other countries. You need to pay the import duty and tax before you can move the cargo out of the customs territory. My best advice to other partners worldwide is to start communicating on the projects before the cargo departs the original countries.

This ensures that all necessary documents for customs clearance in Thailand are issued properly and are suitable for clearance once the cargo arrives in Thailand. Otherwise, the importer may need to pay an unnecessary storage charge at the destination terminal/port waiting for re-issuing the correct documents.



What's the best way to get in touch with you for more information or a quote?

Please send inquiries to any of the following emails.

j.krai@yongsun-globalfreight.com (Krai) a.jutharat@yongsun-globalfreight.com (Bell) k.peerachet@yongsun-globalfreight.com (March) support cs04@yongsun-globalfreight.com (Lyn)



BOTISOL SUPPLY CHAIN SOLUTIONS Montevideo, Uruguay

MR. LIVIO DI GIOVANNI CEO MR. IGNACIO WEISS COO

Please tell us, when was Botisol founded? Does the name Botisol have a specific meaning?

Botisol was founded in 1998 by the Weiss family and re-routed by Livio and Ignacio to the logistics sector in 2016. The name is the legal entity and we decided to retain it because of the importance this name has for the family.

As the name doesn't imply any commercial function, we decided to add the tagline, 'Supply Chain Solutions'.



What is your main focus in logistics and cargo transportation?

Botisol Supply Chain Solutions is a freight forwarding and supply chain management services provider. We take pride in providing our customers with transportation and logistics solutions that support the way they want to do business, wherever they are in the world.

Part of the group includes Argelan Ships Services (<u>https://arge-</u> <u>lan-ss.com/</u>), a company created as an additional line of service as both companies are actively interrelated with the operations that take place in our country and the river plate.



Our focus is to provide logistics solutions tailored to the customer, seek innovative options and take care of the environment. A clear example of this was the historic operation of rails transshipment performed in Nueva Palmira. We avoided the use of three hundred trucks and thereby avoided the consequent deterioration of roads and environmental pollution.



I can see from your excellent website that you promote Uruguay as a hub. Can you tell our readers more about that?

At present, our country is positioned as an extremely attractive site for the development of logistics activities, not only through the support of the advantageous legal framework currently in force in Uruguay, but also through the development of Value Added Logistics (VAL) operations from its CDRs installed in free zones, free ports/airports and extra-port (or fiscal) warehouses.



These centers are pushing for sustained professional improvement and development of the storage systems, movement of goods, information systems, lay-out of facilities and development of state-of-the-art operational procedures, with the processes certified based on the ISO 9001, ISO 14001 and OSHAS 18001 standards, to name a few. That makes it possible for a hub to reach the excellent standard of services described below.



Here is a list of the main advantages offered by Uruguay as a regional distribution center to the companies that have decided to centralize their logistics operations in our country:

Centralization of inventories with a high flexibility in terms of volume and design. Long-term collaborative supply strategies. Reduction of administrative costs through centralization of the regional fixed structure.

Reduction of the safety inventories in each country of destination, resulting in a reduction of financial costs. Shelter during potential uncertain and turbulent periods for the global economy.

Added to the aforementioned advantages, the key strength of CDRs is their potential for implementing just-in-time operations, reducing lead times for final customers and replacing the delivery directly from the manufacturer with deliveries from centers located just a few hours away from the end market. This has opened new opportunities replacing 'traditional' logistics with 'speed to market' logistics, with a rapid response capacity in volume, production and client times.



Would you be able to provide us with some examples of project cargoes that you are proud of having handled recently?

We are proud of all our jobs, especially thanks to the sense of trust that we receive from all our clients.

Some of our biggest projects were the discharge of the Antel Arena stadium roof with ninety structure 6094 m3. Also, the direct transshipment of 7816 m/tons of railway from vessel's hold to river pontoon for later navigation up to Paysandú before being discharged into trucks and finally delivered to five different workshop areas around the country. Our proposal to use the pontoon instead of the traditional trucks was very well received by customer since we were able to move all the cargo in one single shipment.

This is the purpose of our company: the innovation of logistics.



Do you need a licence to establish a logistics company in Uruguay?

There is no legal requirement for establishment of a logistics company in Uruguay, but there is one official chamber, AUDACA, the national freight forwarder association that recognizes companies operating in the logistic sector. Botisol is proud to be part of AUDACA as of this year. Membership requires a minimum of two years of activities in the logistics sector.

Uruguay is strategically located with easy access to huge markets both north and south of the country. Can you tell us about your country's business relationship in the region?

Uruguay is geographically at the center of a market inhabited by

more than 215 million consumers, with the highest per capita income in the continent, and a GDP of US\$ 600 billion.

Mercosur has its best gateway in Uruguay, greatly enhanced with the conditions that the Mercosur agreement has created for the development of trade and business among countries all over the world.



There is easy access to a large market, especially to the core of the business region. In addition, regions and countries in the world are connected by an extensive and reliable communications network, together with strongly competitive financial and business support services.

The economic and political stability allows Uruguay to be an ideal platform for business opportunities not only for the area, but also for the world at large.

Furthermore, Uruguay is known for having an open and cosmopolitan society that contributes to its overall success.

I visited Montevideo and Fray Bentos many years ago and I recall having, in my opinion, the best beef and red wine ever. Is that still likely and could you tell our readers about places to visit and things to do if they have days over in Uruguay?

Of course. For all who have the opportunity to visit our country, I suggest they visit the traditional Montevideo 'port market', strategically located in front of the port and where the 'old city" is located. Be sure to taste our typical 'asado' and the recognized Uruguayan wines. Punta del Este is our first seaside resort, offering excellent beaches and ocean water, Uruguay offers four hundred kilometers of beaches starting at Montevideo and ending at Rocha at the border with Brazil.



If you want some history, Colonia del Sacramento is one of the most famous cities in Uruguay, not only for its beauty but for its history. The historic center of Colonia del Sacramento is one of the 'jewels of South America', showing the post-colonial era with buildings of the time that are very well preserved and were declared a world heritage in 1995 by the UNESCO.



What's the best way to get in touch with you?

We and our team are available 24/7 through the following contacts who will aim to assist you and your company with all your needs.

Livio Di Giovanni - <u>Idg@Botisol.com</u> Ignacio Weiss - <u>iw@Botisol.com</u> Sales team - <u>sales@Botisol.com</u> Operations team - <u>ops@Botisol.com</u> Web site: <u>www.Botisol.com</u>



SHIPPING NEWS

Editors note: NYK is a Japanese shipowner of high repute. However, their chairman has recently mentioned in no uncertain terms that the company will have to reform in order to survive in the future. I wish our politicians (in the EU in particular) would learn from that, as without reform and adaptation, there can be no future. <u>Read more...</u>

SHIPPING NEWS

Editors note: As we all, forwarders included, scramble to find areas for growth and income potential, one continent springs to mind: Africa. Here is an interesting article about Africa and its maritime potential. <u>Read more...</u>

SHIPPING NEWS

Editors note: Saving costs is paramount and not least for shipowners who if they could no doubt would be pleased to have ships sailing without expensive captains and crews, here is an interesting article about just that. <u>Read more...</u>

PLANTS & PROCESSING

SWEDISH TOOL-STEEL MANUFACTURER ORDERS TEMPERING FURNACE

JGEF Furnace of China manufactured and installed a protective-atmosphere horizontal tempering furnace for a tool-steel manufacturer in Sweden. The furnace will help the company achieve a pre-vacuum protective atmosphere for tempering, and the atmosphere in the furnace chamber will reduce the oxidative decarburization reaction of the heat- treated workpiece. *Read more...*

PUBLIC PARKS & RECRIATION

HUGE FINNISH INDOOR ACTIVITY PARK IS OPENING IT'S FIRST SUPERPARK IN SINGAPORE

SuperPark, a Finnish indoor activity park will be opening in Singapore, and it promises a whole load of fun, rain or shine. With over 20 different activities that requires you to get off your ass and play around, you'll also be getting some exercise in. <u>Read more...</u>

OIL & GAS

MAP TA PHUT OLEFINS LETS CONTRACT FOR CRACKER DE-BOTTLE-NECKING, EXPANSION

Map Ta Phut Olefins Co. Ltd. (MOC), a joint-venture of Siam Cement Public Co. Ltd. subsidiary SGC Chemicals Co. Ltd. and Dow Chemical Co., has let a contract to McDermott International Inc. to provide process technology for the upgrade and expansion of an existing olefins cracker at MOC's petrochemical plant in Rayong Province, Thailand. <u>Read more...</u>

TUNNEL BORING

CHINA ENTERS HIGH-END MACHINERY MAKING WITH LARGEST EXPORT-BOUND TUNNEL BORING MACHINE

Chinese firm CCCC Tianhe Mechanical Equipment Manufacturing Co rolled out China's largest export-bound slurry tunnel boring machine (TBM) on Saturday, marking what officials call a milestone in China's push for high-end machinery exports in a world that has been dominated by developed countries. *Read more...*

FEATURED VIDEO



Editors note: Sunset in the Taiwan Strait Filmed from the bow of the container ship CMA CGM Andromeda by a passenger onboard

PHOTO OF THE WEEK



Editors note:

First emptying the bottle then using it as bottle-post is what I would call "full use" indeed. Picture provided by a passenger on a container ship in the Atlantic heading to Panama.

QUOTE OF THE WEEK

"YOU CAN'T BUILD A REPUTATION ON WHAT YOU'RE GOING TO DO"

- Henry Ford -

PROVERB OF THE WEEK

"IF THE PLAN DOESN'T WORK, CHANGE THE PLAN RATHER THAN THE GOAL"

- Ancient Vietnamese Proverb -



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