

Press release 20 February 2017

On 20 February 2017, the book “Liner Shipping 2025 – How to survive and thrive” was published.

Global Liner Shipping is undergoing the largest transformation since the invention of the container itself. The core business models and business cultures which made the shipping lines successful are now failing. Shipping lines are facing a critical few years in which to begin their transformation, otherwise they will likely not be part of the landscape in 2025.

The current increase in the number of new online shipping “experiments” announced by the major container lines is only the beginning. It is not yet clear what the prevailing technological platforms will be – nor is clear what the exact growth rates will be for supply and demand. However, despite these uncertainties, major underlying changes are transforming the industry irrespective of these developments.

Digitization and automation will continue to gather momentum – but shipping lines must first focus on getting solid process management in place. Essentially, digitization is not about IT – it is about fundamental business processes and models, and without this baseline, IT projects will yield sub-standard results at best, and fail at worst.

The digitization and automation will further drive commoditization on many trade lanes, shifting the competitive differentiator away from being able to ship cargo and onto being able to help customers when exceptions occur.

Consolidation amongst the main carriers will continue, with 6-8 main global carriers left by 2025 – but still organized in 3 main alliances. Similarly, feeder operators will consolidate and get larger in order to unlock the value inherent in combining volumes to small outports.

Demographic shifts, combined with near-sourcing partially driven by 3D printing and robotic manufacturing, will result in a wider geographic dispersal of the supply chains. This will disfavour the mega vessels and alter the way liner networks are designed. It will in turn result in a negative pressure on major transshipment terminals, resulting in some terminals growing much larger and some being drastically reduced.

These are only some of the key trends which the industry will be challenged by. The fundamental drivers are the same irrespective of the precise supply and demand forecast, and therefore shipping lines, terminals, cargo owners and forwarders are faced with a set of key strategic questions which they must confront if they are to emerge successfully in 2025.

Link to the book:

https://www.amazon.com/Liner-Shipping-2025-survive-thrive/dp/1543045162/ref=sr_1_1?ie=UTF8&qid=1487606275&sr=8-1&keywords=liner+shipping+2025

About the author:

Lars Jensen, born 1969, is CEO and founder of SealIntelligence Consulting as well as a range of other niche consultancy services in the liner shipping industry focusing on cyber security, liner network design and maritime training. Prior to launching his own string of companies starting in 2011, he was employed at A.P.Moller-Maersk from 1998 to 2010. During this time, he held a number of management positions including Director of Global Market Intelligence, Director of eCommerce and Director of Maersk Line’s experiment with a purely online container carrier. In 2014, Lars published the book “Culture Shock in Maersk Line” depicted the 15-year transformation the company had been through.