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### Dear Garvan,

Welcome to the **April** edition of Irish Freight & Logistics Monthly. You have been included within our mailing list because we consider you to be a valuable contributor to the industry.

We hope you enjoy the newsletter and will strive to enhance it, so please send any feedback and suggestions to [editor@logiskills.ie](mailto:editor@logiskills.ie)

Please feel free to forward this to any interested colleagues who can register to receive it from our home page at [www.logiskills.ie](http://www.logiskills.ie)

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## Green Shoots for Irish Shipping Sector?



The Irish ports and shipping sectors began to show positive signs of recovery towards the last quarter of 2009 following a record fall in volumes earlier in the year, according to the Irish Maritime Development Office (IMDO) as recently reported by

IFW.

In its latest report, Irish Maritime Transport Economist, the IMDO identifies underlying weaker consumer confidence as the cause of a decline in demand for shipping volumes across all the key market segments.

The report also suggests that the oversupply of residential property, especially in parts of the country where demand is likely to remain weak for many years, will result in continued low shipping volumes for construction materials.

This resulted in bulk volumes falling to levels last seen in 1995. Unitised segments also saw almost five years of volume growth dissipate over the course of 18 months, with lo-lo falling back to 2003 levels and ro-ro back to 2005 levels.

Lo-lo volumes fell by 21% last year on an all-island basis and ro-ro volumes dropped 9%.

IMDO director Glenn Murphy said: "While the trend for 2009 was negative, we observed that the pace of decline in economic activity moderated significantly from last spring onwards with some volume recovery in several of our domestic shipping segments recorded to the year end.

"The market segments most heavily hit were those related to the construction industry, which suffered severe difficulties in 2009.

"This resulted in breakbulk volumes in commodities such as timber, aggregates, steel and plaster falling by as much as 49% to pre-boom levels."

Jim Power, chief economist at financial services group Friends First, added: "It is largely recognised now that the return to positive economic growth will be export-led and as such, the initial stages of our recovery will be mainly influenced by a recovery in the global economy and in particular, by our major trading partners."

## Global Forwarders Claim Recovery Is Not All Restocking



Forwarders believe current growth in ocean cargo volumes is down to strengthening consumer demand rather than inventory re-stocking, as shipping lines have claimed as reported by IFW.

Ceva Logistics chief operating officer Bruno Sidler said he believed it was in the interests of shipping lines to claim short-term re-stocking as the cause, because it would justify them keeping capacity scarce with another forwarder contact operating on the transpacific trade agreed.

Sidler said: "A lot of people were saying the surge in demand was just people filling up their depleted stock, but that's not true anymore. We really see genuine demand, especially in the hi-tech sector.

Sidler said that current ocean capacity was still fairly tight and lines were using uncertainties about what is fuelling the current volume growth in order to avoid bringing laid up vessels into service to "keep capacity scarce".

With demand for space on ships high and supply tight, they could keep rates up, he said.

Container volumes on the westbound Asia-Europe trade in February showed a "spectacular" 55% increase on the same month last year, according to the European Liner Affairs Association (ELAA).

Research also indicated that volume growth was down to more than just inventory re-stocking, sources

claimed.

Analyst The Conference Board's future US economic activity index, which provides data on economic trends based on data from housing, jobs, manufacturing and financial markets, increased by 1.4% in March with a 0.4% increase in February and a 0.6% increase in January.

Ken Goldstein, economist at The Conference Board, said: "The indicators point to a slow recovery that should continue over the next few months.

"Strength of demand remains the big question going forward. Improvement in employment and income will be the key factors in whether consumers push the recovery on a stronger path."

But earlier this month, Maersk Line chief operating officer Morten Engelstoft said he believed the volume growth experienced in the first two months of the year would soften because it was largely down to re-stocking, and that lines needed to be cautious about reintroducing tonnage.

### TPN and P&O Ferrymasters Launch German Benelux Service



Logistics operators P&O Ferrymasters and The Pallet Network (TPN) have launched a less-than-container-load service from Germany and the Benelux to Ireland.

The twice-weekly service, which started on 1 April, is based around daily collections with shipments cross-docked at Rotterdam Europoort onto 45ft curtain-sided containers.

From Dublin, domestic operator TPN will distribute to the end customer.

Rob Hogerwerf, P&O Ferrymasters' general manager at its Europoort office, said: "Ever-changing market conditions and evolving customer needs mean we are constantly devising supply chain solutions to meet those needs.

"With this LCL service, we are giving customers extra flexibility and creating cost efficiencies for them."

### Redhead and Paletsystem launch Spanish Service



A partnership between French firm Astre Group's international pallet network, Paletsystem and UK firm Redhead International has opened the way for a new pallet service to and from Spain as reported by Irish Trucker.

Redhead are using the services of Paletsystem's Madrid and Barcelona's depots to run a twice weekly service between the two countries. Using the Madrid and Barcelona hubs, twenty Paletsystem members will distribute goods across both Spain and Portugal. Redhead has depots in the UK and Ireland and will have the full contingent of their operation involved in providing the service.

Austin Duffy, Redhead marketing manager, says: "Our new Spanish pallet service will provide companies in the UK and Ireland with a quick and efficient way of getting palletised goods to destinations throughout Spain and Portugal. With a maximum weight of 1,000kg, customers will also be able to take advantage of significantly lower prices, particularly for one- and two- pallet consignments," he adds.

### Irish Route Optimisation Offers Up to 20% Reduction in Distribution Costs



Tranzaura an innovative Enterprise Ireland client company based in Limerick providing technology solutions to the transport sector is delighted to announce in partnership with the CILT that they will be holding a series of information evenings across Ireland in May. Tranzaura bring route planning and route optimisation software solutions to the Transport and Distribution sector in Ireland. Their software will allow Irish transport companies and fleets to achieve up to 20% savings on their annual distribution costs.

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Sincerely,

The Logiskills Team