

CBS



**EXECUTIVE MBA
IN SHIPPING & LOGISTICS**

COPENHAGEN BUSINESS SCHOOL

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The next intake for the CBS Blue MBA is September 2021. This webinar was created collaboratively by CBS Blue MBA Alumni Association and AGEPOR – Portuguese Ship Agents Association.

Vespucci Maritime

Liner Shipping Transformation Where are we heading to?



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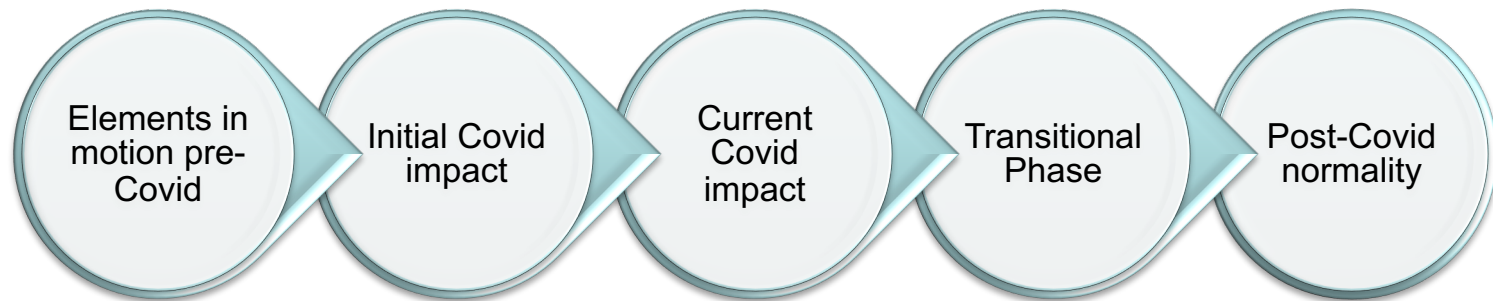
25 May 2021

Lars Jensen
CEO

Vespucci Maritime

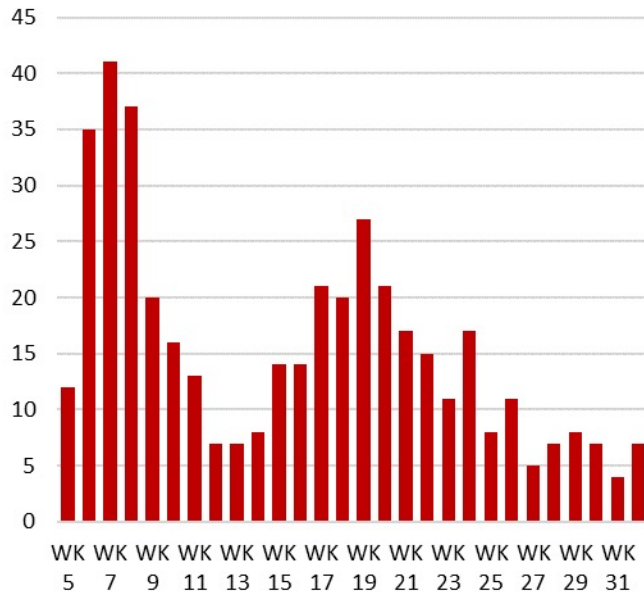
Lars.Jensen@Vespucci-Maritime.com

We need to understand the full chain of events

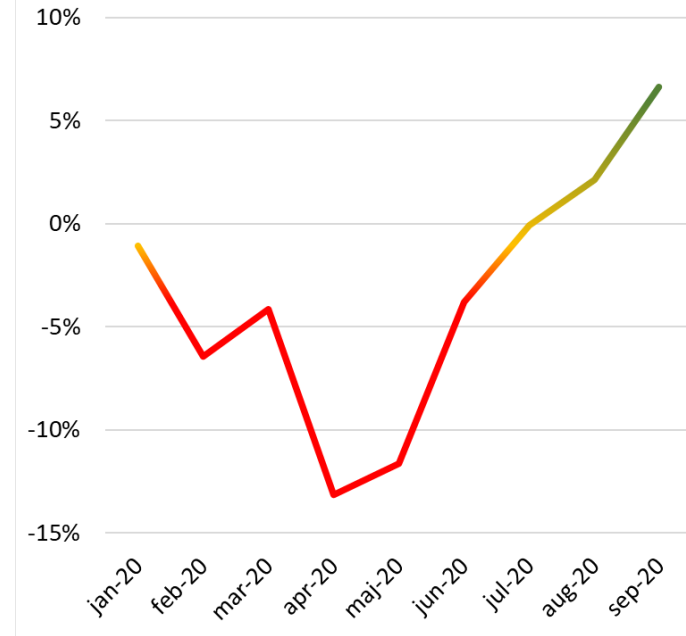


Initial Covid impact

Pacific + Asia-Europe
No of weekly blank sailings



Global demand growth
(year-on-year)



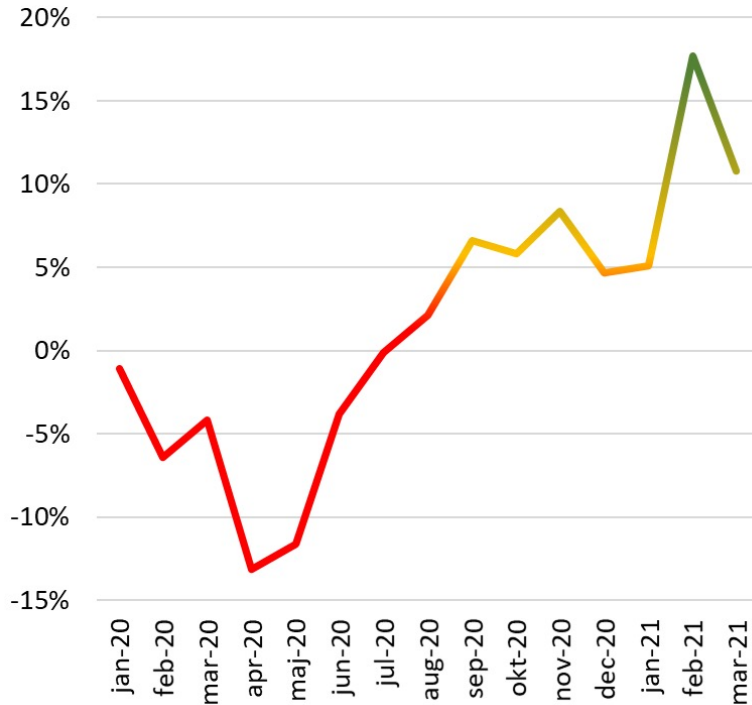
Consolidation works

A harbinger of developments to come in the fragmented parts of shipping ?

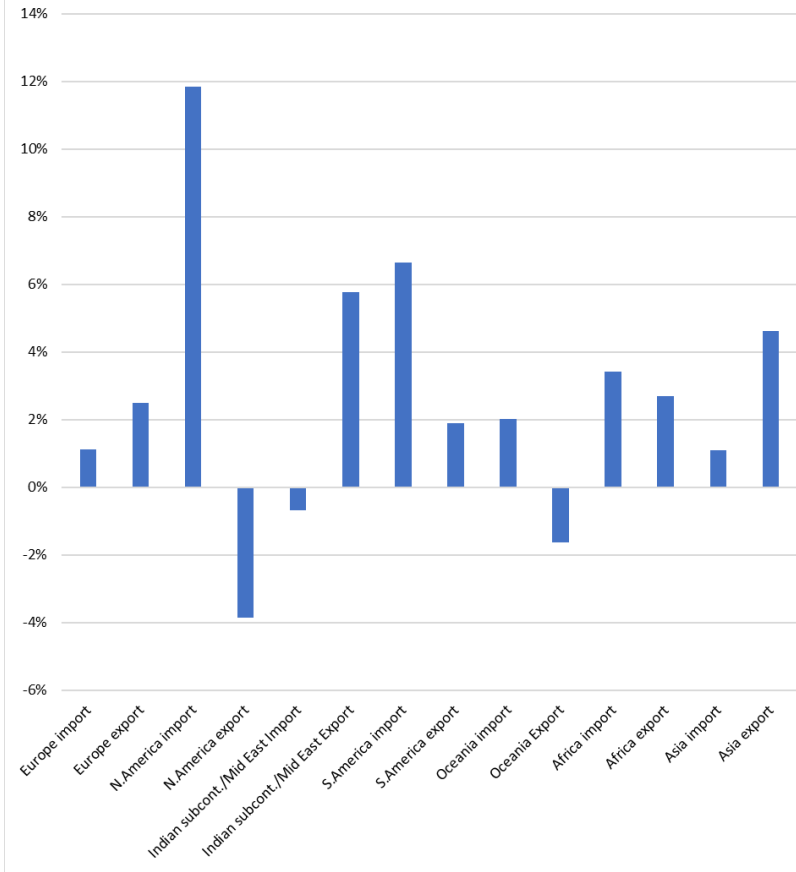


Then the market picked up

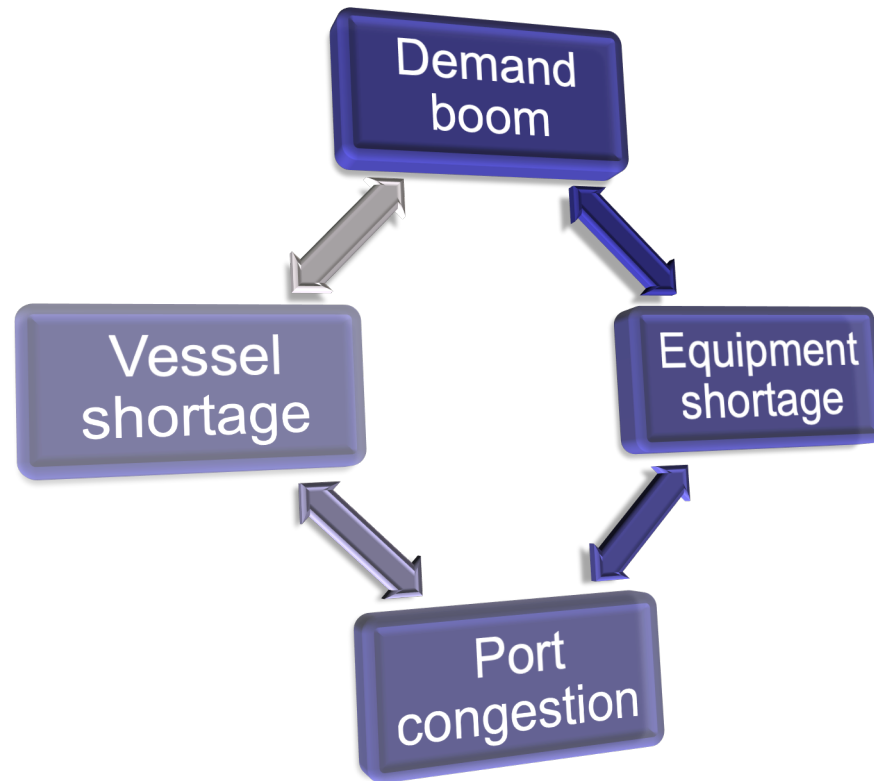
Global demand growth 2020-2021
(year-on-year)



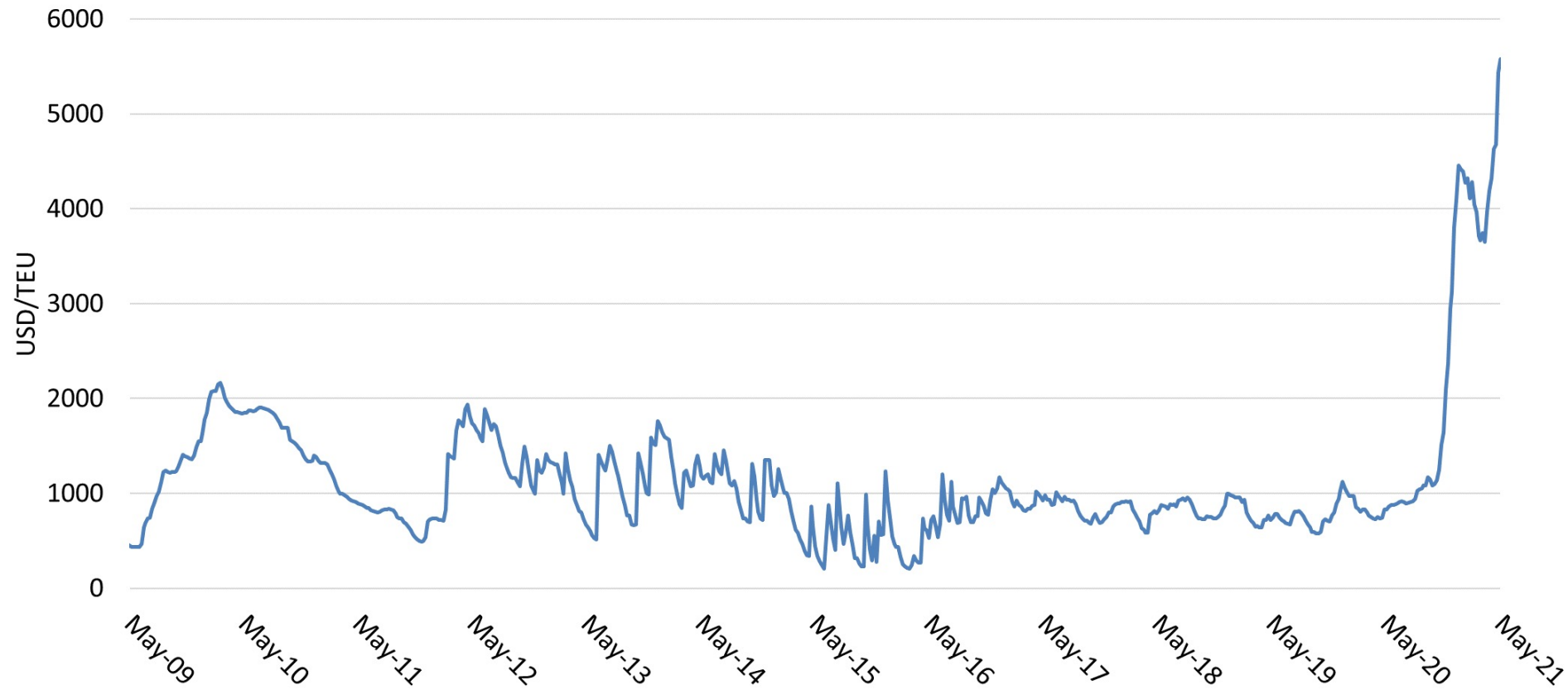
Average annual demand growth Q1 2021 versus Q1 2019



The current gridlock was created



Freight rates shot up to extreme levels Example : Asia-North Europe (SCFI index)

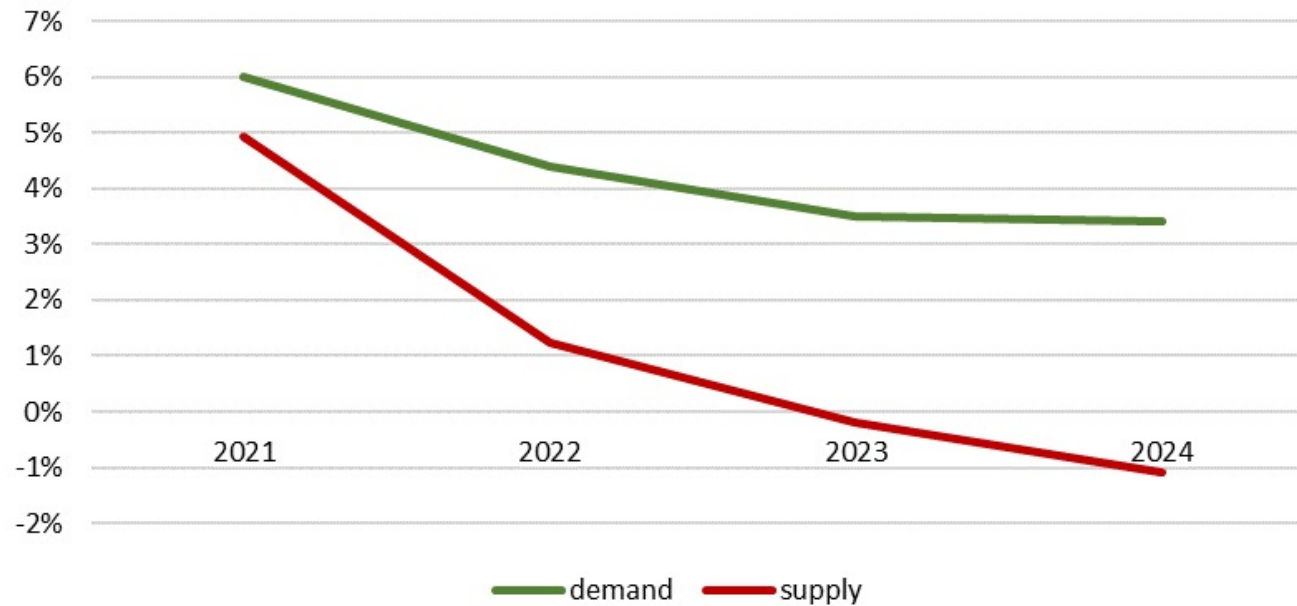


But – what lies ahead?



We are entering a global up-cycle in favor of the carriers

Demand set to outgrow capacity in the coming years



Neither the pandemic nor the Suez incident were "black swan" events



Further Pandemic Spread



Small disturbance -> large effect

Normal operational disruptions:

- Engine malfunction or other vessel breakdown
- Short-term port closure (port strike, weather etc)
- Containers lost overboard

Added new element: Crew positive with Covis resulting in vessel quarantine

How much do we want to pay for resilience?

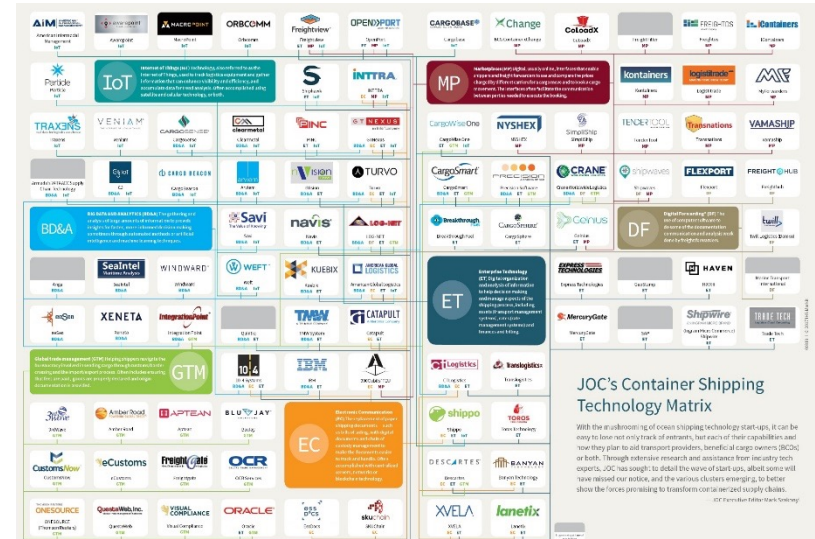


The new dynamics

- Main carriers on major trades: A de-facto oligopoly
- Blank sailings are here to stay because they work
- We will see more consolidation in the regional trades amongst carriers
- We will see more consolidation in the forwarder segment
- There will be increased need to handle nonconformances as there will be less overcapacity

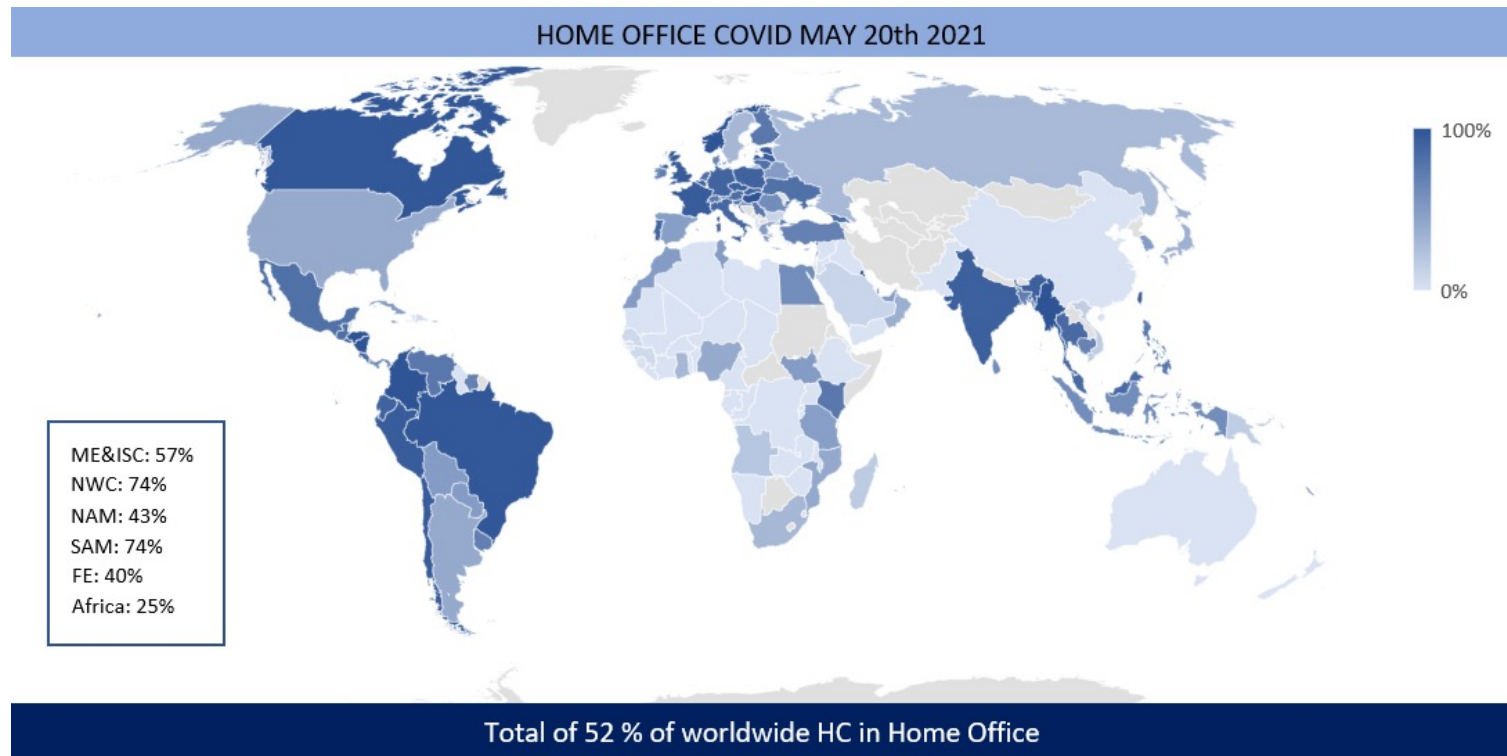
Pandemic serves as an accellerant

- Explosion in digital initiatives in the past years
- Many in pilot testing phase prior to the pandemic
- Right now: “Battle test”
- Will result in rapid weeding out between what adds value and what does not
- Also now: clear identification of manual barriers in need of digitization

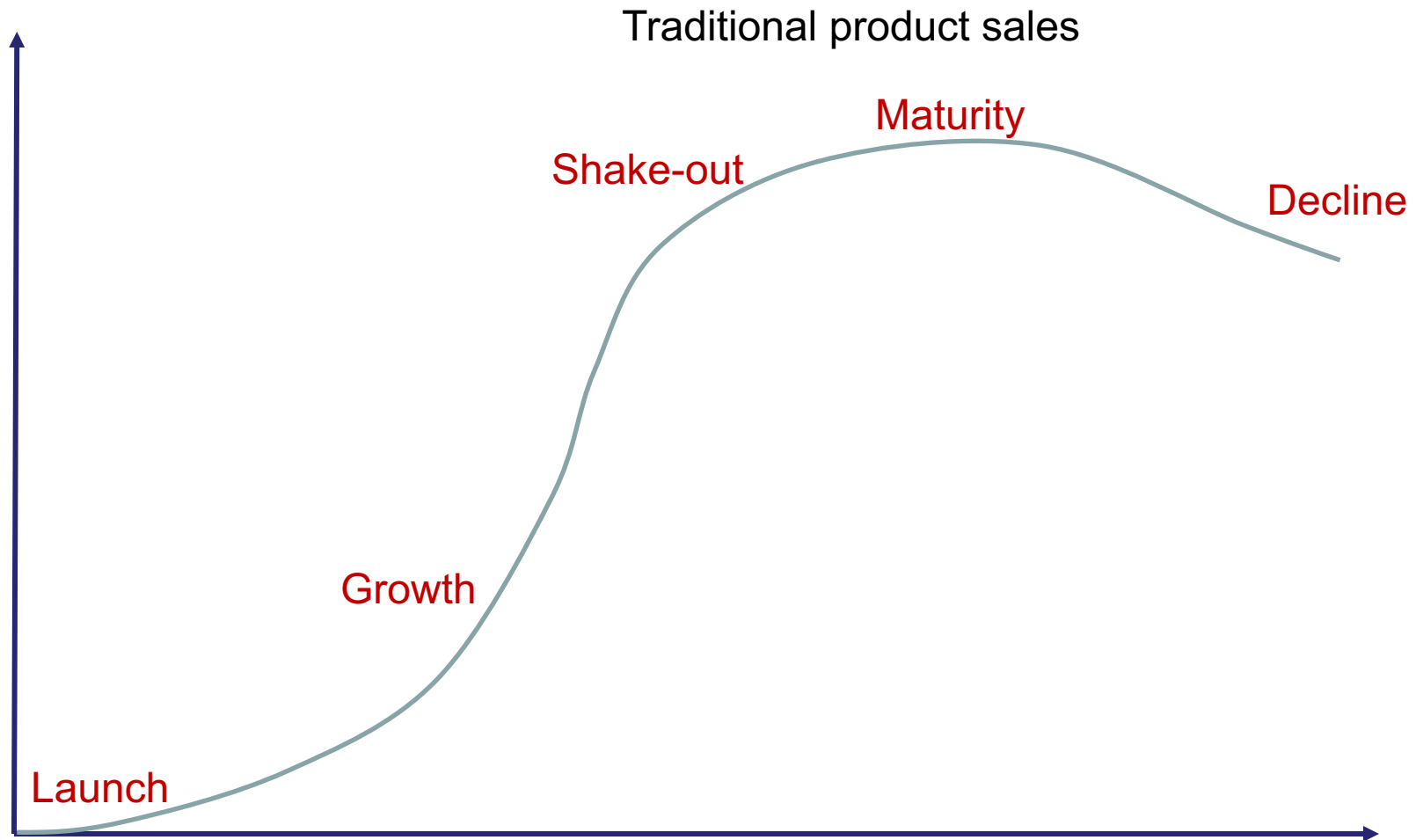


How to suddenly work remotely?

- Internal processes – hand-over between countries, agencies, 3rd party agents
- External processes with customers
- External processes with authorities

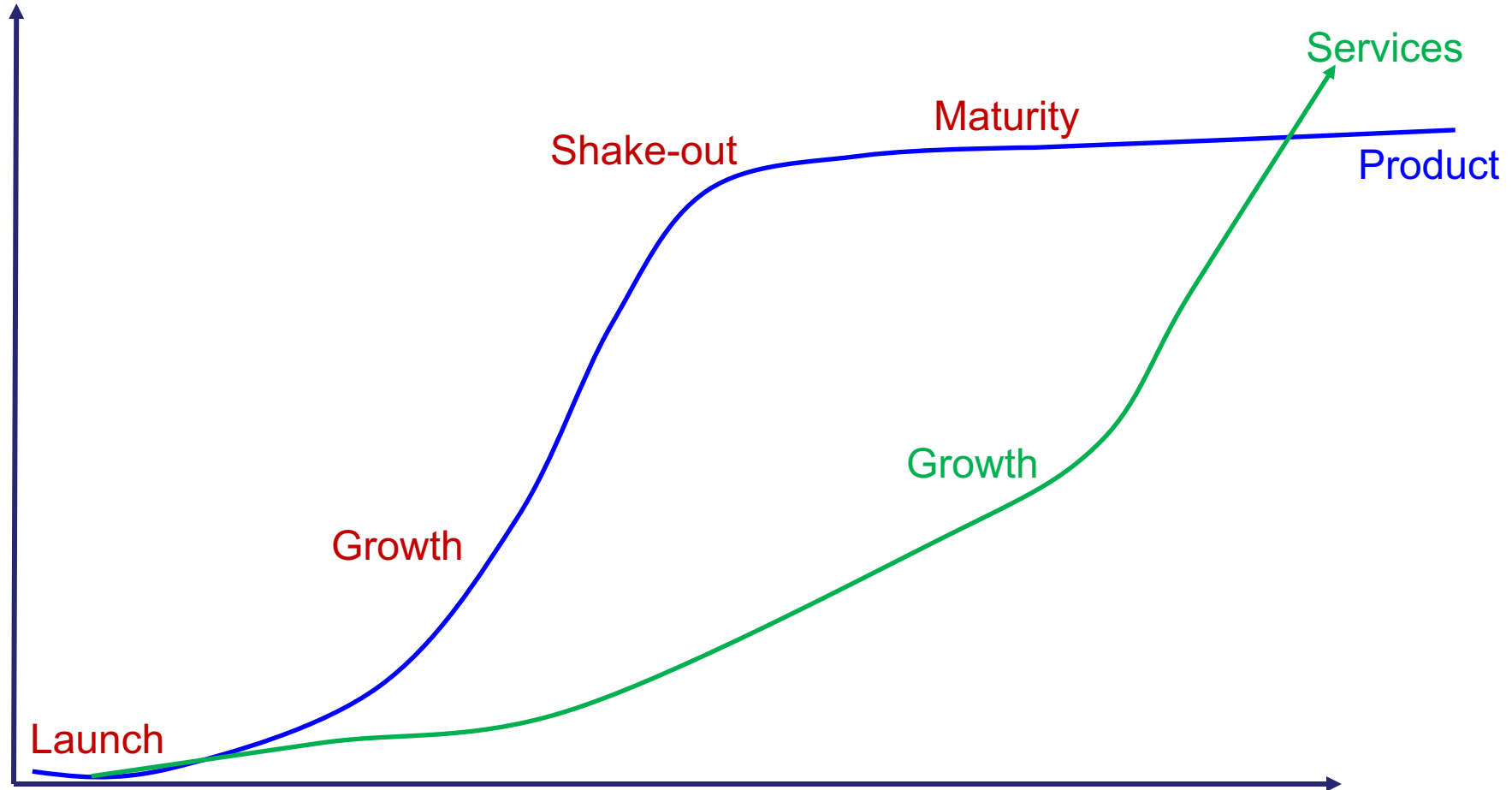


Industry lifecycle



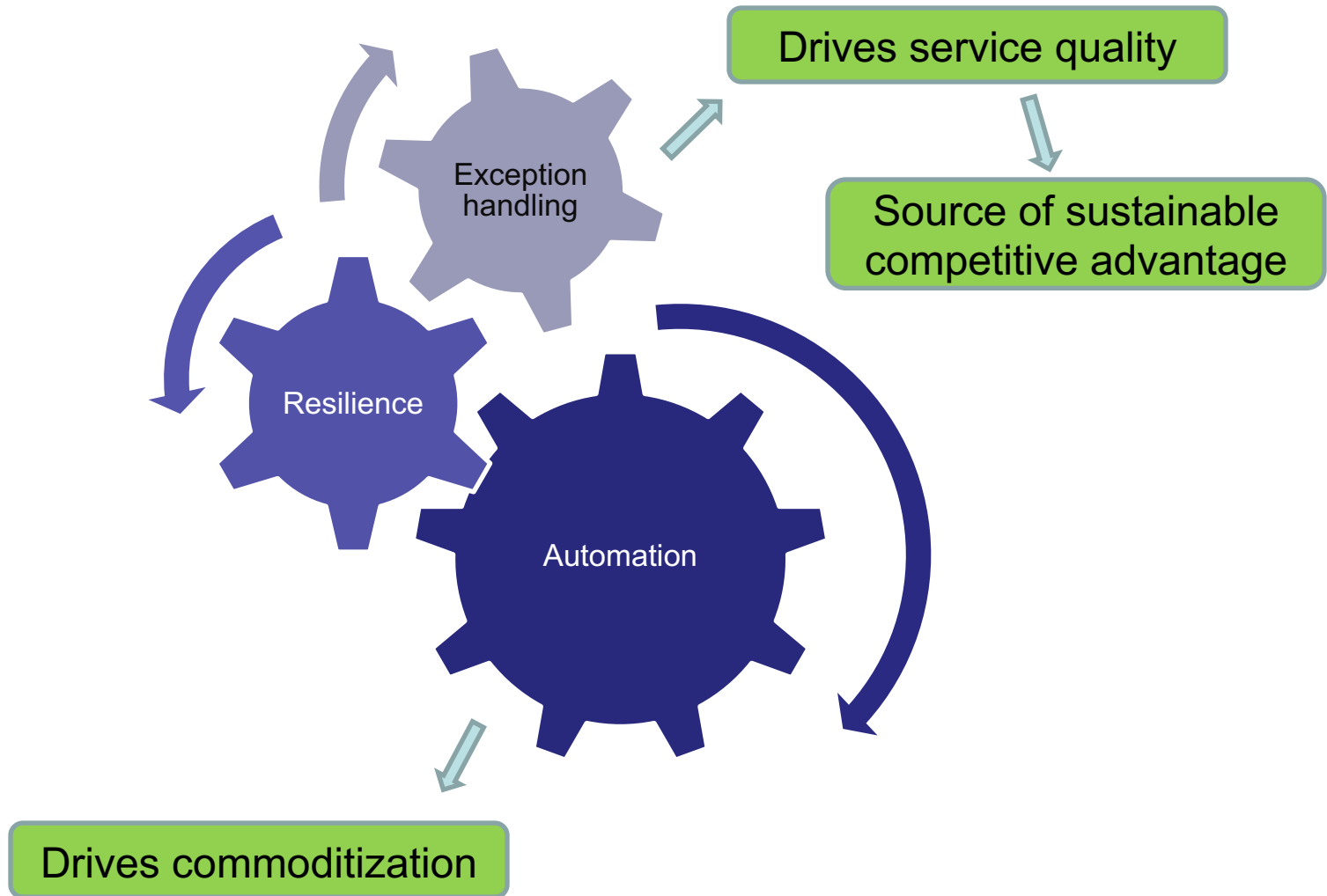
Industry lifecycle

Inclusion of services – and the physical part of the industry is not entering decline

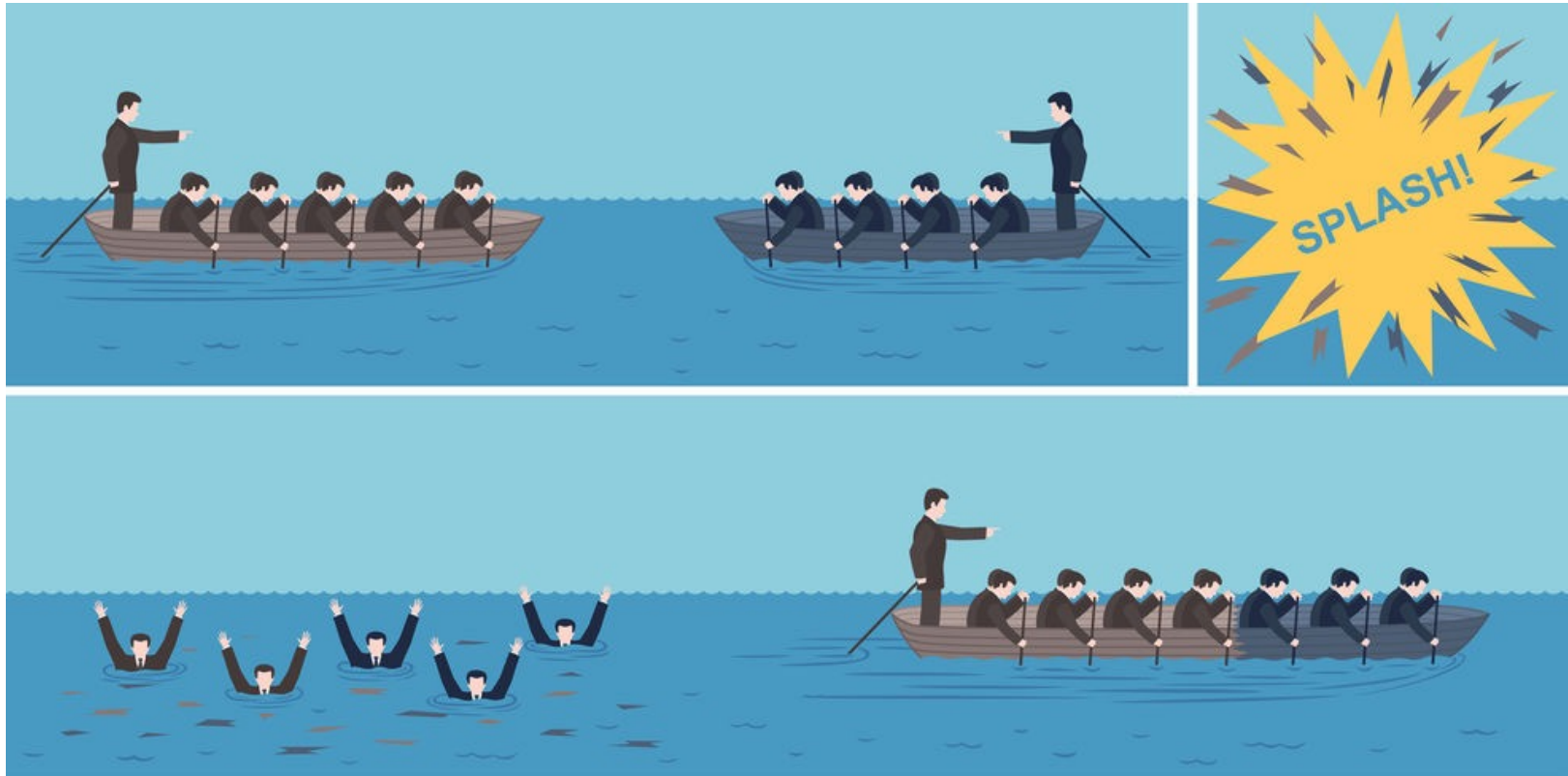


Digitalization

It is a "must have" – but will not make you long term competitive



But this might lead to fewer employees !



And the remaining employees might need a **different skillset**

3 ADDITIONAL ISSUES GOING FORWARD

THEY ARE **OPPORTUNITIES**
AND **THREATS** AT THE SAME
TIME

Carbon Neutral Shipping



Government Interference



Tradewars





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