

THAILAND, Bangkok

- NCL, Thailand

NCL's expansion strategy continues, with the opening of Qingdao (former CSM team, 20 staff) and Ningbo (former Sinotrans team) in recent months, with Philippines in preparation. Singapore, Indonesia and Vietnam are already running since longer. Kitti Phua has a commendably committed approach to internationalisation, with a clear direction to support own offices from day one, while aiming to create network effects by having them cooperate with each other. Singapore thereby takes the usual HUB function in particular for LCL. The management team has just recently been extended with Johnson Chang, a Taiwanese with a wide experience in shipping, having worked for several intra asia shipping lines across Asia and the Middle East, living in Thailand since 8 years now.

NCL's LCL division is now operating 16 direct services outbound from Thailand, with most on an exchange basis, also yielding imports. The US is served via the own office in Los Angeles and direct services to Los Angeles and New York. New services planned for 2019 are Nhava Sheva, Keelung and Japan.

The group's SOC based NVOCC business, LG Container Lines, has started particularly well into the year as the 5000 TEU fleet business unit has broken a new record in export volumes from Thailand.

A few very interesting discussions around digital payment, as NCL has created their own crypto currency to manage international capital flows between own branches, without transfer cost. Actual potential to expand the scope by adding network members.

- FM Global Logistics, Thailand

The main business of FM Global in Thailand remains the land bridge to Malaysia, where historically they operated own block trains but due to cost advantages move on the road meanwhile,

with total volumes around 200 FTL per month and a lot of it being consolidation. Apart from this, they are handling all transport modes for overseas, with a focus on South East Asia.

The meanwhile 40 staff team had some changes since I was in Thailand last time 4 years ago and is no longer headed by Melvin the Malaysian, but by a team of smart ladies under the management of Pratteera/Cheng. They no longer operate their own warehouse but outsource the warehousing to a local partner company.

They reported the overall import/export market in Thailand as not particularly strong in recent years, while imports have seen a better development than exports. The cost environment in the country continues to increase at a rate of 5-10% annually, which creates pressure on the cost side.

- AIN / XLP / - Gary Dale Cearley

Brief meeting and get to know each other with Gary who is running 3 networks and his own South East Asia forwarding business. He is American from Arkansas but ended up in Asia Early, being stationed in Korea, Vietnam, Thailand during much of his career. The oldest of his networks are already almost 20 years in. On the project side, he used to be a founding owner of GPLN, but then separated with his partner and opened XL Projects. An interesting observation from back then, as he was trying to avoid using partners that he already had in the previous one.

- Handle Intergroup, Thailand (incl. Subsidiary Consol Link)

Catching up with Somchai and Ochist, old friends and previous partners, when working in AMASS group. Their focus remains on Intra Asia, co-loading out any cargo to other destinations.

Both confirmed that the economic development has been moving slow and especially import/export business has not been doing very well. Discussing the past 4 years development in Vietnam vs Thailand, there is a clear winner. Costs continue to increase 2-5%, main trade lanes like Thailand to Vietnam or Thailand to Singapore have become highly competitive with low to no profitability.

JAPAN, Tokyo

- Mitsui-Soko Express (MSE) part of Mitsui-Soko Group

MSE is the JV partner of Jeena in India, since many years and Jeena was so kind to arrange for the meeting. On the Oceanfreight side they mainly work with own offices, almost no external agents. While their business used to start internationalising with their customers and serving them, many flows are international today, from the Vietnamese plant of the Japanese company to it's US customers for example. Transpacific certainly their strong lane. Total global volumes 50,000 TEU.

On the air side, they seem to have more destinations outside of their own network or limited air capabilities in certain branches, thus work with agents.

European operations are handled in their HQ in Czech Republic, where they had acquired a local company some years back.

Overall certainly a well run company with a 110 year history and diverse activities around international trade and transportation.

Interesting learning points:

- * No traveling at all, branch meetings all via video conference
 - * Favourite shipping line, now again ONE, after initial starting issues, things seem to run well for Japanese clients, alternatively mainly Evergreen and Yang Ming.
- Asahi Logistics, Yokohama

Quick visit and catch up with Sindy Chen over lunch. She is now 25 years in Japan and Asahi is running since 2006. Her focus remains mainly on efficient and responsive import handling for Chinese forwarders and LCL operators. She has given up trying to build exports and focuses on what she is good at, using her vendor network in Japan to meet any requirement for storage, delivery, logistics that her customers request. Simple and effective. While her model has its limits, it works well for her and Asahi is running good. While Japanese economy itself is more and more import driven from a freight perspective, Japanese investments across South East Asia are thriving, which generates volumes.

Shinye apparently remains market leader on LCL and working in China with 3 players, while Portever seems to be the best and growing constantly.

- Ocean Commerce Ltd, Kenji Nakagawa

Upon introduction by Alfred Cheung, had the pleasure to meet with Nakagawa san, who is the publisher of Japan's shipping newspaper, sailing list and industry related publications, from specific dictionaries, to dangerous goods guidebooks and yearbooks, some with a very strong editorial content.

Was able to benefit from his long experience in the industry, providing me an insight in Japan's shipping industry. He elaborated the Japanese market and how it has changed from being 70% of Asian exports to its different role today, where the majority of production has moved to China, however still 30-35% remains controlled by Japanese companies. This is shaping the industry as Japanese shipping and logistics companies sell their international supply chain services, for example China to the US and Europe to the Japanese decision makers located in Japan. An activity that meantime is larger than the local import and export shipping market.

With the dependence on China becoming evident in the current trade war with the US, Japanese companies are since longer talking about China+1, as they require alternate locations to manage the risks. One of the main area of foreign investment has thus been Vietnam over recent years.

He also outlined the significant challenges inside the country, stemming from labour shortage, deflation and negative interest rates. The need for innovation and automation, especially in ports but also in the service sector, that results from this is significant. In fact two Japanese ports now have congestion surcharges, despite local volumes having not increased but declined.

- Jochen Loehnert, Former President and Chairman of Propellerclub Tokio

Acquaintance with Jochen thanks to Axel Scherrer, honorary president of the Propellerclub in Switzerland and old friend that had built up Natural Freight Japan in his younger years.

Side note, as it is a story to remember: Axel is approaching his 80s now and I remember like yesterday my first contact: It was end of Oktober 2005 in London, I just left a meeting where I was instated as country manager for a new office of Orient Overseas Container Line to be established in Switzerland. Just back at my desk and I had Axel Scherrer on the telephone, congratulating me to my new role (of which I only just had learned), wishing me a good start and offering his firms headhunting services for any recruitment requirements. He ended up introducing me to the Propellerclub and years later introduced me into CMA CGM. We have since become friends, help each other on different occasions with our respective personal networks and it remains a pleasure to learn from him.

Anyway, Jochen is in Japan since 26 years, having been in Africa and the Middle East before, he ended up here under Fracht AG, hired by the famous Mr Reisdorf himself, who also moved him from Saudi Arabia to Japan, back in the days.

Today, Jochen is 67 and acts as an executive advisor to the Fujiki group and in particular its NVOCC division within their Sankyo Corporation.

Apart from making an introduction to Fujiki group and facilitating the meeting further below, he provided an exciting overview on Japanese culture, the shipping industry in particular and the changes over recent years.

- Sankyo Corporation, Fujiki Group

Meeting with Kozo Fujiki, third son of the Fujiki family and as rumoured by other sources, soon to become head of the family business, beyond the Sankyo Corporation activities.

Sankyo was established in 1953, founded by the Fujiki group with investments from NYK and Mitsubishi, later also Mitsui OSK joining. Commencing with stevedoring and terminal services, the company has over its long history expanded in various fields. During the 1990s they have acquired Clearfreight and Roadrunner in the US, which are still part of the group.

Strong links with the Teo family in Singapore (PIL owner) also resulted in their investment in Singamas around the turn of the century.

The last joint venture was with Rhenus group (70/30) enabling them to enter the Japanese market, however seems it is not adding much value for Sankyo themselves.

Their specialisation is certainly on food logistics and project cargo, however their NVOCC division is also handling general business. They are looking to expand their business beyond the Clearfreight network and thus the visit timing was very adequate.

For our members they are certainly a partner, whose various divisions can support any potential requirements in the Japanese market, while not conflicting with own offices of the group overseas, as their internationalisation has been limited compared to other Japanese logistics groups.

Essential on the overseas side, is certainly communication, which has been hampering the progress of local firms often. Thus in this case we will benefit from Jochen, as an experienced manager and freight forwarder that can build the bridge for international projects and get things done internally.

Kozo Fujiki, educated in the US, seems very dynamic and open in his approach to bring the group forward, explore new markets, and fields of activity.

- Konoike Group

Unfortunately, we lastly have not been able to meet in person.

However Konoike group is a very strong one inside Japan, active in many fields. Unfortunately, their success is also the difficulty of a potential membership, as they already operate own offices in most Asian countries and beyond, which will make reciprocal cooperation for members difficult to impossible.

We shall continue the dialogue as there might be markets where cooperation can be complementary, as well as particular requirements from Members for services in Japan, that they might be better in serving than others,

- Oceanlinks, Japan

Visit to my old friends of Oceanlinks whom I met first 2013, upon introduction from our previous Korean partner Cube Line, at Amass, that has meanwhile vanished (even bad companies can end up bringing good things sometimes). Whilst it took quite some time back then to establish the relationship and start cooperation, we have developed a good trust relationship over the years. Have brought them into CWN back in the days and kept pushing them for potential expansion as their opportunities are many.

Their previous overseas manager, Denis, has meanwhile left and is working for Amazon Japan today, however the groups General Manager Masahiro Ogawa is still there and the owner Junichori

Kita as well. Business has been developing well for Oceanlinks, in particular their warehousing business, having them operate multiple own warehouses in Osaka, Kobe and Nagoya. Further they have established a trading company in China and seem to do quite some trading of luxury goods into the Chinese market, which is also running very good.

Main purpose of the visit was the complaint from Sanjeev Mohindru of EMU Lines during our last encounter, that he intends to work with Oceanlinks but they are not replying and similar has been reported by Weegin of Penanshin.

They remain a very conservative company in the way they work and things are moving slow, but took the time to outline the advantages of EMU and Penanshin, also as a gateway to Europe, urging Masa to reach out to both, finally making the switch from Freightlinks in Singapore (which apparently continues to decline). He promised me to do something, especially as he is interested to approach the Japan to Italy market, where he sees a lot of demand.

In Dubai he is still working with Reliance, sending them 1000 cbm per month with not one gram of nomination, having them consider an own dubai branch at some stage. Explained the situation in Dubai from my view and thus have again made the case for cooperation with AMASS Dubai. Also informed JP to follow up and give it another try as the volumes is indeed interesting.

For both Thailand and Philippines, they are not happy with their current solution, thus made introductions to NCL (who is looking for a Japan partner anyway) and TMI, both OceanX members.

Have invited Oceanlinks to join OceanX as LCL member and offered to continue helping their development wherever I can.

- CMA CGM, Japan & Group

Catch up with Erik Meltzer, previously with OOCL as sales manager France, where we met first and joined CMA as french commercial director in 2012, shortly before I left the group. He is now since almost 3 years in Japan as commercial director for CMA CGM group.

Quickly updated each other on our activities, learnt a bit more about what is going on inside CMA CGM these days and the challenges of European carriers and European individuals in Japan.

Understand the team of CMA CGM people to enter CEVA will grow further and there are quite some synergies supposed to be enforced.

HONG KONG, SAR CHINA

- Nick Coverdale, NVO2NVO & agreefreight.com

Lunch meeting with Nick, who is an old common sense practitioner in shipping and forwarding, that started agreefreight.com a few years back, attempting to build a marketplace for oceanfreight between carriers and forwarders. Unfortunately, carriers have continued to move slow and failed to cease the opportunities of digitalisation, why has started to use his technology building NVO2NVO in order to establish a marketplace for NVOCCs to exchange FCL rates and LCL cargo.

He is also following the industry digitalisation and the startup scene, often with a critical view, which makes him a highly exciting conversation partner on many subjects. He has been following Flexport from the beginning, critically questioning some of the figures they publish and thereby become a bit of an expert in that area too.

He has joined OceanX as a vendor and some of our members, e.g. NVO Consolidation, have started using his marketplace, offering their services.

We are still discussing the potential to cooperate closer, i.e. have a white label version of his tariff tool available for OceanX members providing a network internal marketplace, while enabling members to also participate in his public marketplaces.

Further discussions to be held on the subject.

- Ted Wang, IEM

Seeing Ted Wang, former OOCL Europe Director and EXECO member of OOCL and his wife Bianca for Afternoon Tea in Island Shangri-La HKG.

Besides updating each other on our various activities, we discussed two mutual cooperations, one with his container trading company IEMUSA in a potential strategic partnership with OceanX.

- Meg Yim, OceanX Ambassador & Procurement Consultant

Meg remains active in many fields apart from helping in OceanX. She is the regional procurement director of Raminatrans and advises Investors on industry related startup.

She agreed to join Munich fair and support OceanX on the stand, while using the opportunity to combine with other activities.

Further we discussed potential procurement solutions for our members. In fact there remain the following options:

1.) She establishes a more open procurement consultancy and OceanX would form a strategic partnership, sending anyone with needs for procurement support to there.

2.) OceanX partners up with one of our friendly marketplace platforms, establishing a white label version (OceanX Ratemarket, powered by XXX), enabling a win-win, where we integrate existing technology and members can share rates with members, while optionally also use the marketplace.

3.) OceanX partners with a tariff management provider in a similar arrangement as under 2.) where using the system to display rates to members will be free and a premium version is available to members beyond this.

4.) A 4th option, is already in existence, where members can upload excel tariffs, promotions or links to their tariff management to the OceanX portal, enabling members to obtain the data directly from the source.

While all of these options have their pro's and con's, in particular 2 & 3 have the challenge that uploading the rates from an existing tool might be an effort, that can be avoided otherwise. The number of solutions available continues to expand.

Further, OceanX does intend to only facilitate on the rate side, not issue any kind of revenue model through this.

We shall review further in detail and make a decision on how to proceed here, prior to April.

- Patrick Yang

Quick catch up with Patrick Yang, who is a „privatier“ today, spending his time travelling, photographing and painting, but still likes to keep a foot in the market as he occasionally misses it.

He outlined an interesting opportunity to create a smaller regional container line in South East Asia, for which he would have a supporting vessel owner on hand.

- Jürgen Wüpper & Anne Thiessen

Several meetings with Jürgen and Anne over the days, as there remains potential for joint cooperation, albeit, nothing has yet realised.

- Soeren Nordic Shipping, Sören Hössermann

Quick update with Sören on Nordic Shipping. Their crewing, vessel operations and building services are going well. They

currently have an older Con-Ro ship, the Oleander for sale and I have been reviewing potential interest with the members active in the segment, while none has a need currently.

Their neutral, digital initiative for crew recruitment online, as a marketplace concept is taking off, with now also NSB joining and thus hopefully becoming the norm, as a network of licensed crewing operators is established.

- Honour Lane, Wicky & Koony

Report on Japan market and introduction to Fujiki Group, Sankyo Corporation. Understood that they have requirements in Philippines too, thus ensured introduction to Transmodal too.

Brief discussion on digitalisation with Koony, where things are still moving slow, main issue being the carrier side, that is not ready. Thus Honour Lane as a leader in the market, still requires a back office to facilitate the link between their system and those of the carrier, using their webportal's, a shocking truth in 2019 and a pro on their agenda for the upcoming contract season. For tariff management, they still use Catapult and are basically satisfied with the product. However, as the input into Catapult is still manual, they only update FAK rates and bullets for specific partners, customers and commodities are not included.

HLS would be very interested on two facilitation through OceanX:

1.) To establish a gateway for shipment and T&T information between members. Described the Your EDI solution and they would be interested to use that, without having concerns in regards to data integrity.

2.) To establish an OceanX rateplatform, where they would provide their rates for members to access.

Transpacific Trade negotiations are starting. Trump and the trade war remain the big question marks, but they are convinced that some solution would be found and also are positive on the volume impact which might see a drop but not a significant one,

as demand still being strong. For them, Q3/4 and the tradewar have been positive elements, as their longstanding relationships with shipping lines and their scale enabled shipping any priority cargo on time and thus they were able to satisfy customers when others couldn't. Picking up some cargo from disappointed Flexport clients, where this was not the case, can be seen as proof of their business model.

We briefly touched on the 45HQ subject and they will push it again with Jason, as shippers are returning and cargo volumes are picking up.

- Adrian Pinna, Raymond Fung, etc

Exciting dinner organised by Adrian Pinna again, who was not on top of his game, due to a cold he had caught the days before. Apart from Adrian, Chris St Amand, Raymond Fung, Karen Lam and XO Alfred Cheung attended. Further were present 3 customers: Dorel, Gap and Wayfair. In particular the last one being highly exciting, as the Amazon of furniture is just starting to take off.

Some solution on the trade dispute will be found, volumes will be impacted, however not too much.

Interesting discussions with Alan, a Scotsman, that just joined from Amazon UK (and before Tesco and Apple), moved to Boston in order to help scale the supply chain of Wayfair. Also the logistics head at Wayfair being an highly interesting gentleman.

- Daisy Yao, Lucky Freight

Lunch meeting over hot pot with our friend Daisy of Lucky Freight. They continue to be the unspectacular, reliable partner in LCL for China, with a strong position in the South and gradually improving in the rest of the country. Saying what they do and doing what they say.

We discussed various market developments, in particular the decline in South East Asia lane profitability, especially high

volume lanes. The need to increasingly grow the product scope and provide door to door service, overcoming the traditional port/port or playing exporter vs. importer business model.

Amazon FBA business has become a very low margin game, with many players and very little earnings.

Daisy confirmed that digital sales in China remains highly limited, as clients use it to obtain transparency on prices, however still continue working with the partners that they have the relationship (Alibaba does not buy you lunch).

Daisy will not attend Sao Paulo this year instead decided to go to Munich, where she will have a good luck and likely might join with an own stand or substand in 2 years time.

The demise of the South America market was noted, payments remain risky and Lucky is working mainly with MSL today.

Further, we exchanged different market news on some partners and I made an introduction to our member Transmodal as she is interested in cooperation in the Philippines.

- Luck Wen & Andrew Kuk, CargoPlus

Cargoplus is continuing its expansion among Chinese forwarders, constantly expanding with new customers. The team has now 47 employees and is planning to open a small branch in Shenzhen to support some of their southern china customers. Hiring and retaining staff, still remains a challenge. Spreading the knowledge of the complete system capabilities to too many employees is still risky, as it traditionally leads to IP theft. Thus the organisation is built slightly siloed by functionality.

Some ownership changes in Cargoware/Walltech it seems, which further helps their development.

English version of their software and UI still requires further improvement to facilitate proper internationalisation.

Interesting side discussion on last mile services and online sales of fresh produce in China, on the example of some delicious organic strawberries from Dandong (near the North Korean Boarder). In order to win over then local shop: 1) superior quality 2) extreme packaging & cargo protection (environmentally friendly) 3.) be so attractive that people accept 10% loss 4.) in case of more than 10% be fast and kind in solving the issue.

- Lionel Louie, Cargosmart

Despite busy schedules we managed to catch up again, this time over early morning coffee. Lionel remains one of the smartest guys in the tech scene, albeit one of the less noisier ones.

They continue to explore blockchain application in many small but practical approaches, to solve real world problems and show the true potential and value of the technology. Lastly aiming to create trust for it in the longer term.

He agreed that there are still very few really good applications of the tech around and too much hype, but that the technology has large potential, once there will be networks of different blockchains interacting with each other.

We discussed different approaches on the cloud side, as for example the port of antwerp, managing data as per instruction of the data owner, which is an interested angle.

Questioned on the fact that carriers seem to underestimate the value of data and the importance of visibility for the end customer with today essentially other companies making money off their shipments visibility, he agreed that carriers did not have a data business model.

A bit further in, talking about the potential of IoT, intelligent containers etc. he confirmed that the carriers are no longer the strong guys and the wrong ones to wait for.

Briefly touching on the INTTRA sale, he advised that they receive applications from INTTRA staff, as after recent management

meeting with the new owners it seems clear that they do not really know what to do with it.

We also briefly touched on the „omnichannel“ future, as TMS SaaS providers that help customers to manage multiple vendors compete with OneStopShop providers that offer free TMS to hook clients to them. He agreed that the future will have more channels and different models of cooperation.

On the future of CargoSmart in the new setup in a Cosco/OOCL world, he confirmed that IT within those firms will become Cargosmart over the coming years and thus Cargosmart an industry technology provider, offering services beyond these firms, not unlike to what Cyberlogitec or others are doing.

Looking at the WiseTech acquisition of ContainerChain announced after our meeting, it seems ever more relevant to provide technology solutions to different parts of the logistics industry.

- Edmon Fung, ISCA

Interesting meeting with Edmon Fung upon introduction by Alfred Cheung. Edmon has built up OYM (<http://www.oym56lm.com>) over the past 6 years, the leading platform for warehousing space in China with already 12,000 facilities and aiming for a further expansion to 80,000 this year, which will constitute 10% of China warehouse capacity. Once the community has reached this size, they work on commercialisation of the platform, its premium and other offerings.

They are currently starting expansion in South East Asia and cooperation between OYM and OceanX might be interesting in this regard.

We will invite Edmon to present his platform during our next annual meeting in Chengdu.

- Transmodal Philippines, Carlo

Brief catch up over lunch with Carlo, the brother in law of Den, who is managing the CFS and customs clearance business of Transmodal group.

The group is doing well, still holding 3 of the 10 CFS licenses for Manila and remain a key player. Irene has stepped back gradually, and lets her daughters take the reign.

Carlo has a background in telecommunications, as he previously was involved in a venture trying to launch a philippine smartphone brand. Thus we had an interesting side discussion on digitalisation.

Jollyboxes, and consolidation of removals on HKG, Singapore and middle east lanes, remains one of the largest businesses in the Philippines.

- ICEE Guangzhou

Meeting with Mr. Jiang, Ms. Gu and Alfred Cheung. Detail as per meeting minutes from Alfred. In principle a simple setup, Alfred, Alex and Ruben will act as moderators for the Cold Chain summit that will be part of ICEE on July 25th in Guangzhou.

RH's role to be on behalf of OceanX partnership with Cool Logistics and OceanX members will have the opportunity to present case studies to an audience of Chinese market leaders in import, export and logistics that are interested to find joint venture partners and develop cool logistics in China.