



# How technology is, and isn't, changing the industry...

# How it could change it, and how it will change it

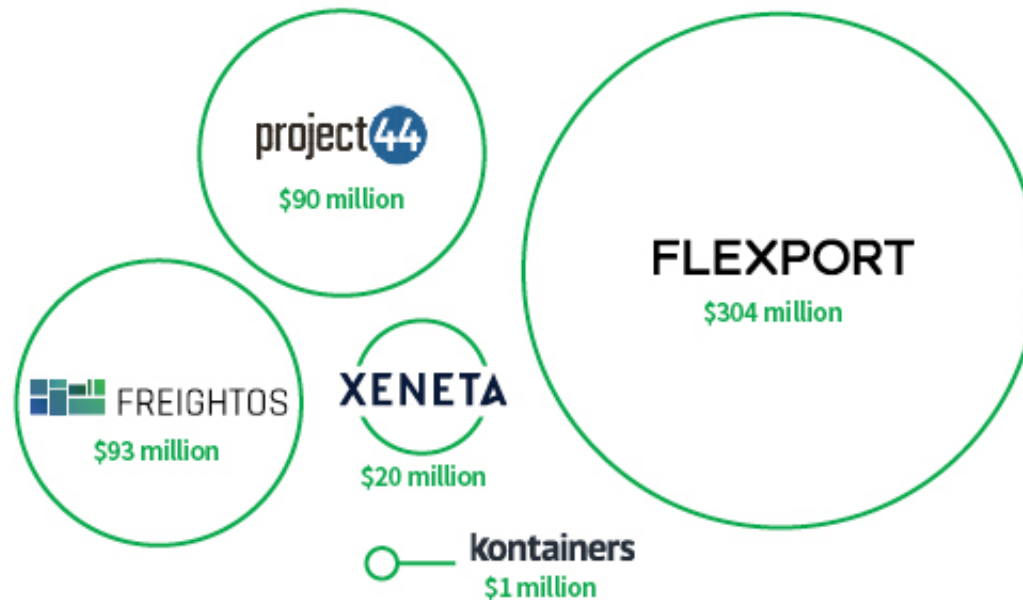
Presented by

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2019 Georgia Foreign Trade Conference

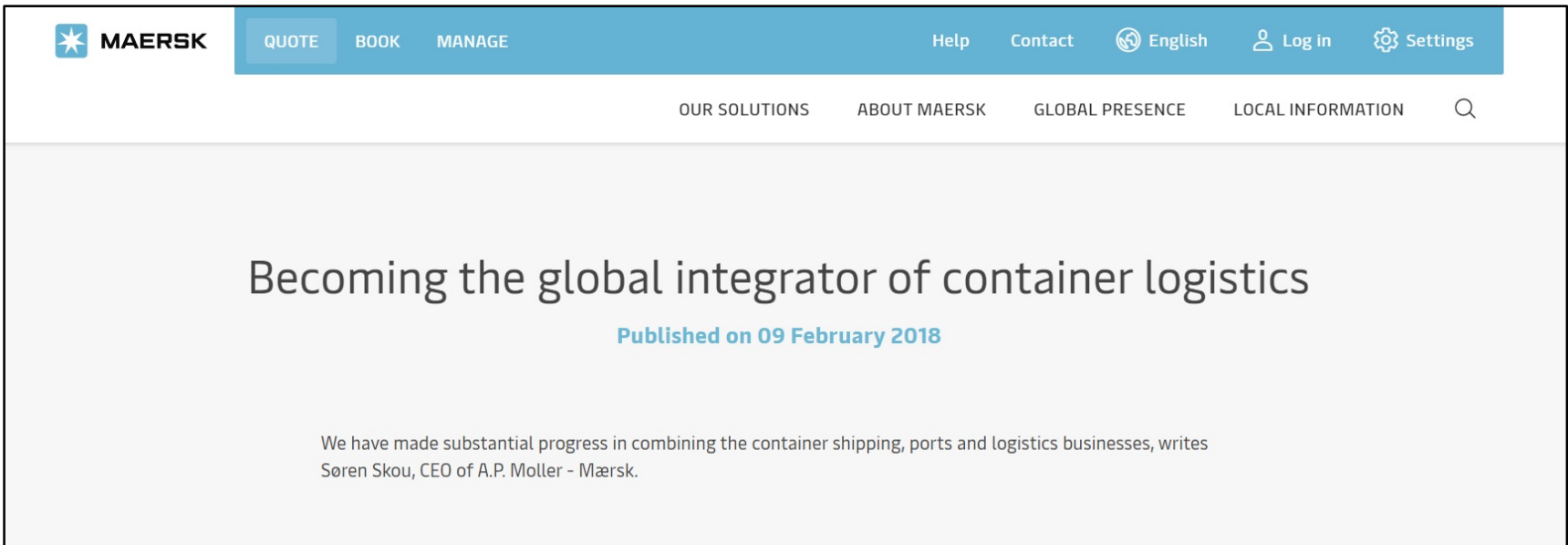
Feb. 4, 2019, Sea Island, Ga.

## Money is pouring into startups



- Not by itself changing the industry, but it's making everyone more open to the reality and potential for technology to create value
- The actual impact more falls into the category of how tech could impact the industry, because the impact of startups like these is still unclear

# Tech driving major restructurings



The screenshot shows the Maersk website header with navigation links: QUOTE, BOOK, MANAGE, Help, Contact, English, Log in, and Settings. Below the header are links for OUR SOLUTIONS, ABOUT MAERSK, GLOBAL PRESENCE, and LOCAL INFORMATION. The main content area features a large heading: "Becoming the global integrator of container logistics" with a sub-heading "Published on 09 February 2018". Below this is a quote: "We have made substantial progress in combining the container shipping, ports and logistics businesses, writes Søren Skou, CEO of A.P. Moller - Mærsk."

- Technology is a driving force behind one of the major restructurings and strategies being implemented in the market today
- Idea is that controlling assets and linking assets to data can deliver untapped value to customers and to themselves
- Moving into traditional 3PL space, influencing other carriers, and combined with carrier consolidation, is this helping drive 3PL consolidation?

## The Amazon effect on logistics



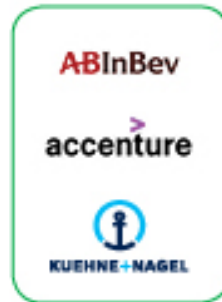
- Huge and growing DC footprint, over 160 sorting and logistics centers, 135 million square feet
- 40 Boeing 767 aircraft in Amazon Air currently
- Marketplace, i.e. non-Amazon products, make up over half of sales; shows Amazon is, among other things, a large and rapidly growing 3PL
- The odds are growing that Amazon will make a bigger move into international logistics, XPO, CEVA, Panalpina possible acquisitions?

## How technology isn't changing logistics

- The market continues to dominate;
- The big issue this year - IMO2020 – is regulatory-driven but affecting the market, starting with what will happen after CNY?
- Maersk, earnings and valuation still dominated by traditional issues
- Vessel orders cause panic by investors
- How much can forwarding really be digitized?

# How important is blockchain?

## CONSORTIA



## STARTUPS



- Blockchain is making headway in finance, food supply chains but is it transformational?
- What is the role of standards?
- Widespread skepticism about data quality, security, cost, adaptation

## Going back to the basics



- Improving core data is becoming a key area of technology development

# Big data and AI coming to ocean freight

## KUEHNE+NAGEL

[Media Releases](#) [Spotlight](#) [Multimedia Library](#) [Media Contacts](#)

15 November 2018

[Kuehne + Nagel Group](#)

### **Kuehne + Nagel is expanding its digital seafreight platform Sea Explorer into a smart gateway for all liner services in container shipping**

- A path finding algorithm provides extensive coverage between 1,200 ports to and from every corner of the world
- Realistic lead times on direct services can be compared with announced transit times from carriers
- Data-driven insights unlock new possibilities for a more reliable and sustainable seafreight supply chain planning
- Full transparency of quality and sustainability for each operating service loop based on Big Data technology
- Customers can leverage real-time service information to make best informed decisions

Schindellegi / CH, November 15, 2018 – Kuehne + Nagel's Sea Explorer provides digitally enabled service insights to the world's largest seafreight service network. With the implementation of service connections and transshipments, the company further expands its seafreight platform. Sea Explorer is now offering smart connections between more than 1,200 ports around the globe through an advanced pathfinding algorithm. More than 63,000 port pairs are connected either by 750 direct weekly services or by a multitude of transshipment options.

- Early example of Predictive analytics used in ocean freight



## How technology will change the industry

- Technology will drive compliance with environmental mandates
- Marine terminals at LA-Long Beach going zero-carbon by 2030 pursuant to California's mandate to achieve across the board carbon neutrality by 2045
- Maersk announced in October its goal to achieve carbon neutrality by 2050. To achieve that, carbon neutral vessels must be commercially viable by 2030?
- IMO committed in April, 2018 to cut CO2 emissions by at least 50 percent by 2050 compared with 2008 levels.

# Thank you!