

Interview with Sten Tuhkunen, Shipping Specialist, Nizi International S.A.

We sat down with one of Antwerp XL 2019's visitors, Sten Tuhkunen, Shipping Specialist at Nizi International S.A., to get his industry insights and predictions for Antwerp XL 2020 and the industry at large.

AntwerpXL Insights

What made the event particularly effective in your opinion?

Antwerp XL is popular in the industry because it's well attended and well planned. It's a great opportunity for networking with senior decision makers and is a go-to event for finding new contacts and keeping up with the old.

For us Antwerp XL is an opportunity to meet with Agents, Forwarders, Warehouse Providers and Carriers whose services we use both regionally and globally.

How well were you able to network with industry professionals and do business?

The event provides direct access to key players and decision makers across the industry which is extremely important. It's also a global event so I'd recommend Antwerp XL to any organisation operating in Europe and beyond.

What key trends do you expect to be prominent at AntwerpXL 2020?

A few things come to mind; IMO2020 sulphur cap and surcharges, bunker prices, discussions on the advantage of Scrubbers versus use of low Sulphur fuel and other alternative fuel types.

I'm sure it'll be informative and, equally, transformative as it was last year.

Industry Insights

What challenges do you think the world of breakbulk will face in 2020?

As well as the IMO2020 sulphur cap and generally increasing operational costs, politics will play a major role in reshaping and establishing new cargo flows and shipping requirements.

The other big challenge is the economic slowdown. End of 2019 we experienced the slowdown in the automobile industry for steel producers which is already affecting the market. It's going to be an interesting year.

What do you think will be the most prevalent industry trends in the next 12 months?

We're a trading and distribution company of ferroalloy and raw materials for the foundry, steel and other metal industries. Since we act as shippers and charterers for materials shipped, we monitor freight rates on a daily basis and key industry indicators affecting these such as bunker surcharges, trade capacities and seasonal trends. We've already seen IMO2020 having a huge impact on our logistics requirements at the beginning of the year and we're expecting it to continue to do so throughout 2020.

It will also be interesting to see how liner and breakbulk carriers react to the sluggish start to the year as we will continue to see the costs increase for owners with tightening shipping requirements.

What are the biggest challenges that the global breakbulk industry will face in the next 12 months?

Challenges will include imbalances in fuel prices and the increase in operational costs, which will continue to cause a problem for owners, especially when trying to remain IMO2020 compliant. I'm sure we'll see more Liner-to-Liner discussions, mergers and acquisitions as owners continue to be drawn closer together to maintain market share throughout the year.

Are there any trends, specific to your region, that are set to become more prominent?

We're expecting overall transportation costs to increase. It's yet to be seen if the Carriers will be able to manage the required cost increases and it will be interesting to see if they pass this to the consumer.

Vessels are needing to be retrofitted with scrubbers in order to respond to IMO2020. This has meant that the containerised business is going through a period of reduced capacity.

What are the biggest issues specifically for your organisation?

For ocean logistics, the disruption to global trade, with the China/US trade talks and Brexit, has already had an effect on cargo flows on specific trade lanes and created new business flows re-routed geographically in order to maintain the supply chain.

What new industry innovation or technology has impressed you the most?

Even after the hype one or two years ago, Blockchain remains interesting, but we've not yet experienced the full effect of it. I'd have expected this to have taken on more role by now, but my feeling is that not many carriers are concentrating on this in view of other priorities.

What will have the most influence on the industry in 2020?

Very simply, climate change. Climate change regulations will play an ever-growing role in vessel operations, fuel types, engine types and new build designs.