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PRESS RELEASE

Ring in the changes: European Shippers' Council supports drive for new business models

ESC agrees with Maersk CEO, Elvind Kolding, that reliability "is not good enough"; that container shipping is "too difficult" and complicated for customers; and for shipping to be more environmentally sustainable it must display greater "transparency", and to follow the adage "what gets measured gets done".

The manifesto on the future business of shipping produced by Maersk Line chimes well with the European Shippers' Council (ESC) view that the liner shipping industry needs to find, with its customers, new business models.

ESC's Maritime Transport Council Chairman, Jean-Louis Cambon, said at a liner shipping conference in London recently, that the sector "requires nothing less than a radical change of mind in container shipping..."

- the recognition that competition has several dimensions to unfold and that **price** is not necessarily the primary and exclusive concern of clients. Solutions to their challenges are their primary concern. Innovation, **green** technology, personalized customer service are equally important attributes of competition.
- the recognition that a satisfied customer base is a far better tool to ensure long-term steady vessel utilization than pricing **flexibility**"

Secretary General for the ESC, Nicolette van der Jagt, commented, "The 'radical change of mind' spoken of by Mr Cambon is what appears to be echoed by Mr Kolding of Maersk Line. But Mr Kolding faces a heavy legacy to try and overcome. Schedule reliability has been getting worse in recent years; slow steaming has been introduced without discussion with customers and extended lead times have caused real problems for many shippers. Also the consequential equipment shortages and changes in services, often without warning, and often at times of rising demand have created difficult conditions for shippers and consignees."

"It will not be surprising that many shippers have become cynical about the true intentions of the liner shipping operators when they speak of improving customer service and reliability."

"Maersk will no-doubt bear the brunt of this cynicism from many shippers as it finally espouses the sentiments shippers have been crying out for decades. But can they practice what they preach?"

"ESC for one, certainly hopes so; and we will support actions which address the fundamental problems with the sector. We hope Maersk can set a shining example for other carriers to follow suit by changing their business models to focus on their customers' long term needs. But shippers are impatient for change, so the pressure is on for changes to take place quickly."

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