Major players in the Rotterdam port in the container sector

HPH-ECT
APMT Maasvlakte II
APMTR
RWG Rotterdam World Gateway
UNIPORT
MAIN EMPLOYERS AND OWNERSHIP

• ECT - HPH
• ECT Euromax - HPH and Cosco Shipping
• APMT Rotterdam - APMT
• APMT Maasvlakte II - APMT
• RWG - DPW APL CMA CGM
  Hyundai MOL
• UNIPORT - Steinweg Handelsveem
Total TEU approx. 12.000.000 in last 2 years.

<table>
<thead>
<tr>
<th>Year</th>
<th># containers</th>
<th>index 2004 = 100</th>
<th>gem. per jaar</th>
<th>% groei</th>
<th>gem. % groei t.o.v. jaar ervoor</th>
<th>per jaar sinds 2004</th>
<th>per jaar sinds 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>5.088.453</td>
<td></td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>5.636.570</td>
<td>110,77</td>
<td>10,77</td>
<td>10,77%</td>
<td>10,77%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>5.846.433</td>
<td>114,90</td>
<td>7,45</td>
<td>3,72%</td>
<td>7,25%</td>
<td></td>
<td></td>
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<tr>
<td>2007</td>
<td>6.488.646</td>
<td>127,52</td>
<td>9,17</td>
<td>10,98%</td>
<td>8,49%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>6.485.464</td>
<td>127,45</td>
<td>6,86</td>
<td>-0,05%</td>
<td>6,36%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5.900.114</td>
<td>115,95</td>
<td>3,19</td>
<td>-9,03%</td>
<td>3,28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>6.746.802</td>
<td>132,59</td>
<td>5,43</td>
<td>14,35%</td>
<td>5,13%</td>
<td>2,66%</td>
<td></td>
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<tr>
<td>2011</td>
<td>7.184.197</td>
<td>141,19</td>
<td>5,88</td>
<td>6,48%</td>
<td>5,32%</td>
<td>3,94%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>7.183.675</td>
<td>141,18</td>
<td>5,15</td>
<td>-0,01%</td>
<td>4,65%</td>
<td>2,95%</td>
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<tr>
<td>2013</td>
<td>7.006.301</td>
<td>137,69</td>
<td>4,19</td>
<td>-2,47%</td>
<td>3,86%</td>
<td>1,87%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>7.386.538</td>
<td>145,16</td>
<td>5,02</td>
<td>5,43%</td>
<td>3,27%</td>
<td>4,76%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7.329.651</td>
<td>144,04</td>
<td>4,89</td>
<td>-0,77%</td>
<td>2,77%</td>
<td>1,73%</td>
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</tr>
</tbody>
</table>
Rotterdams containervolume div. terminals (year = 2014)

- ECT Home 5%
- ECT Delta 47%
- Euromax 17%
- ECT total 69%
- APMT(R) 16%
- Uniport 5%
- RST 10%
INFLUENCE AND BALANCE OF POWER IN PORT & MARITIME INDUSTRY

BEFORE 2014

SHIPPERS

SHIPPING LINES

TERMINAL OPERATORS

WORKERS

PORT AUTHORITIES
• **AFTER 2014:**

  SHIPOWNERS/Terminal Operators

  SHIPPERS

  Terminal Operators

  PORT AUTHORITIES

  WORKERS
TRENDS, DEVELOPMENTS AND COMPETITION

- AUTOMATION
- OVERCAPACITY ON TERMINALS
- MEGASHIPS
- OVERCAPACITY AT SEA
- BALANCE OF POWER IS SHIFFTING
Higher level of automation means shifting terminals costs

Labour costs are variable costs

Automation costs are steady costs

Terminal operators make choice of automation because with bigger ships it is more difficult to get enough Dockers in roster to handle the containers? Pool system is the answer

Why not Pool system? Break the union!
• Overcapacity means lower tariff for handling costs
• Lower tariff and less containers means lower income terminal operators
• With less containers you need less manning on conventional terminals
• With automated terminals lower tariff for handling costs the terminal costs remains the same -> problem on the finance
MEGASHIPS

- MEGASHIPS cause problems
- Upgrading scale costs more than savings
- Size of port calls effects hinterland
- If Megaships are out of the window automated terminals can not bring them back easily. Manned terminal can do that
- Not enough containers for megaships.
- Container shipping lines are working together to reduce costs
- Effects physical health of lashers
MEGASHIPS

- More lashing in less time
- Normal amount of lashing spread over several ships/days and so teams
- Now friction: no increasing manning level in shifts because amount of lashing remains the same and so also budget
- No longer job rotation because of automation
- More wear by pressure of work and so physical damage
MEGASHIPS/SHIPPERS

- Because of overcapacity in container lines tariffs drop to € 150 per container (Asia-Europe) on the spot market.
- If contracts between shippers and shipping lines expire in 2016 lower income for shipping lines and at the same time big investments in Megaships.
• Shipping lines lay off ships to minimize overcapacity and to increase tariffs
• Shipping lines cancel sail off different ports to reduce costs
• Bargaining power of shippers is different then in 2000 (now less) because shipping lines are working together on routes to fill up the ships to reduce costs
COLLECTIVE BARGAINING

- No employers association
- No Sector CLA’s
- No Sector research between union/employer
- 48 CLA’s include 1 Sector CLA
- Unions: FNV Havens and CNV Vakmensen
• In 2000 3500 employees (include office staff)
• In 2016 3500 employees (include office staff)
• After the transition of containers from MV to MV II a reduction of approximately 800 jobs

• Blue collar in 2000 2200 in total
• Blue collar in 2015 21500 in total
• The reduction of 800 jobs
STRUGGLES IN THE CONTAINER SECTOR
IN THE LAST 15 YEARS

- Port Package I, II (2003 and 2006)
- CLA’s (ECT, APMTR, LASHING COMPANIES)
- Recognition at APMT MV II 2013
- Recognition at RWG 2015
- Job security Container Section (2015, 2016)
- PENSION STRUGGLE NATIONAL WIDE
LACK OF COORDINATION/RESPONSIBILITY

- No employers Association
- Port Authority: clients of the port are our counterparts
- Employers and Port Authority only driven by competition
- Divide and conquer strategy of employers
COORDINATION ON UNION’S SIDE

• ITF, ETF and IDC coordination network
• Sometimes difficulties with Works Counsils about strategy and goal
• Vision on their own company and no vision on the sector
• Very narrow thinking: “if we are cheaper, faster and more flexible/automated we can win”
• Ideology of competition: tomorrow somebody else is cheaper, faster, flexible/more automated
The unions from Belgium, France, Germany, The Netherlands and the UK decided to establish the North Range Port Unions’ Coordination Board to work together on common collective targets, to develop a common approach to automation and to jointly counter the effects of overcapacity on port workers.
THE DAMAGE OF AUTOMATION/ROBOTISATION

- Radiomen deck
- Radiomen wall
- Crane driver
- Gate inspections
- Gate documentation
- SC-driver
- Tug master (FTF)
- Planners
- Checkers
- Labour pool workers
- Lashing gangs- job rotation
CHALLENGES FOR TRADE UNIONS

• Green field terminal versus Braun field terminals

• **Green field terminal:**
  • How to organise the new Dockers?
  • Most of them are not familiar with Dockers society
  • How can we meet them on the terminal?
  • No collectivity, lunch breaks, one man positions
  • If we wait till they are not happy the damage is already done

• **Braun field terminal**
  • Current dockworkers become the new ones
CHALLENGES FOR TRADE UNIONS

• Less workers, less income for the union less power
• Different type of workers, no dockers tradition mentality, different approach to organise
• Megaships
• Overcapacity will last for at least 10 years
WHY AUTOMATION?

• Rule of thumb: a dollar spent on terminal operation leading to faster vessel turn around is 10 dollars saved on vessel operation.

• An automated terminal and its infrastructure is built for 25-30 years, so the design has to be able to cope with the demands in 25 years and beyond:

  • As example: ECT Delta (designed in 1987) was designed for 200 berth moves per hour and 100 moves at the landside at the same time.

  • Today the demand has increased to 400 berth moves per hour, and the landside demand (simultaneously) increased to 150 moves per hour……

• The perceived risk of an upfront investment is easily paid back by the hugely greater revenues of an automated terminal.