

## **New Survey Finds Shipping Industry Concerned About Impact of Trade Protectionism and Cyber Threats, But Mostly Optimistic About Growth**

### ***Industry Respondents Say Technology Spending Will Increase as Companies Seek to Improve Process Efficiency, Customer Experience, and Supply Chain Collaboration***

**SAN JOSE, Calif.—November 13, 2018**—The global maritime industry is cautiously optimistic about the global business environment for world trade, but also concerned about the potential impact of trade tensions, cyber security, fuel costs and other headwinds to industry recovery, according to a new benchmark survey and study developed by the Business Performance Innovation (BPI Network) in partnership with Navis.

Some 82 percent of survey participants anticipate either improved profitability over the next 12 months or continued stabilization and reduced losses, according to the [Navis Business Bellwether report](#). Growth is expected to come from all regions of the world, with particularly robust activity in Asia and the Middle East/Africa.

The Navis Business Bellwether report is intended to be an ongoing benchmark survey of the shipping industry to monitor sentiment and priorities across a variety of economic, business and operational issues. The inaugural survey was conducted in September and October of 2018 and includes responses from more than 175 industry professionals and executives. The report also includes commentary from select industry leaders.

“A return to industry growth and improvements in shipping supply and demand have resulted in increased optimism among maritime industry executives and professionals,” said Dave Murray, head of thought leadership for the BPI Network. “At same time, the industry appears to be very focused on raising operational performance and profitability through improvements in process quality and efficiency and increased investments in technology.”

While just 12 percent of respondents are “very optimistic” about the global business environment, another 46 percent express cautious optimism. Some 41 percent say they are either somewhat or very concerned.

Underscoring this tempered optimism, Brian Hibbert, CIO of International Container Terminal Services, said he does not expect rapid improvement in the industry’s business performance. “I would not expect a significant change in profitability in the next 12 months. I expect more activity when it comes to mergers and acquisitions in the terminal operating space as companies try to optimize their portfolios to achieve a profitable position,” Hibbert said.

### **Trade Wars a Big Concern**

Topping the list of industry concerns is the rise in trade protectionism and new tariffs. One third of all survey respondents said they were “extremely concerned” about trade tensions, with another 36 percent saying they were concerned. Cyber security was also high on the list, with 29 percent indicating extreme concern and another 37 percent expressing concern.

Only 11 percent of respondents were extremely concerned about an economic slowdown. However, when assessing potential risks to the industry, economic growth ranked high and just

below trade protectionism. Other top risks include rising fuel costs, a lack of process efficiency, continued industry consolidation, and labor disruption.

### **Technology and Process Improvement**

Technology investments will increase over the next 12 months, according to the survey. Some 90 percent of respondents said their organizations would raise technology spending, including 56 percent who said the increase would be 6 percent or greater. Adoption of new technologies was also cited as one of the top three priorities of companies for improving performance, behind only improving process efficiency and quality and bettering customer service and satisfaction.

The top areas for increased technology spending, in descending order, include automation, business intelligence, planning and management systems, big data analytics, and SaaS applications and cloud services. Much discussed technologies like Blockchain and IoT sensors were significantly lower on the priority list.

At an industry level, respondents point to the need for improved collaboration and operational planning across the supply chain as the most important priority, followed by supply chain visibility. Most see the industry's capacity to share data as needing dramatic improvement. Respondents were virtually unanimous about the need for standardization of data interfaces to improve data sharing and collaboration.

"The study indicates that there seems to be a dichotomy between the high priority to improve performance and industry health by leveraging new technology, and slow progress to date towards achieving digital transformation," said Andy Barrons, Chief Strategy Officer and head of portfolio product management at Navis. "We are also seeing that data standardization is needed, and the industry culture and the capacity to share data needs more improvement."

"This (data sharing) will continue to improve and evolve. Data sharing within the maritime supply chain has been established and is already mature, said Mark Wootton, CIO at Yilport. "The criticism may be that it is generally based on outdated technology and protocols and these need to be updated, but the core concepts, message contents and process flows have not changed dramatically. Where there is a new need is in the integration of operational technology, sensors/IOT and integrating these into traditional terminal management systems."

"Trustworthy platforms need to be set up which permit data collaboration without interfering in and negatively impacting the business model of the individual business partners," according to Andreas Mrozek, Global Head of Marine & Terminal Operations (OPS), Hamburg Sud. "Once having such data pool(s) available, advanced technologies will greatly help to improve planning and execution of vessel operation, terminal operation, truck operation, rail operation and many other aspects. On top of that, sufficient investment into infrastructure in bottlenecks (for example terminals) will unlock significant value in the maritime transport chain."

Download the study at [www.bpinetwork.org/navis-business-bellwether](http://www.bpinetwork.org/navis-business-bellwether)

**About the BPI Network**

The Business Performance Innovation (BPI) Network is a peer-driven thought leadership and professional networking organization reaching some 50,000 heads IT transformation, change management, business re-engineering, process improvement, and strategic planning. It is dedicated to advancing the emerging roles of the Chief Innovation Officer and Innovation Strategist within today's enterprise. The BPI Network brings together global executives who are champions of change within their organizations through ongoing research, authoritative content and peer-to-peer conversations. These functional area heads (operations, IT, finance, procurement, sales, marketing, product development, etc.) and line-of-business leaders are advocates for innovation as a fundamental discipline and function within 21st Century organizations. They seek to demonstrate where and how new inventive solutions and approaches can advance business value, gratify customers, ensure sustainability and create competitive advantage for companies worldwide. For more information, visit [www.bpinetwork.org](http://www.bpinetwork.org).

**About Navis, LLC**

Navis, a part of Cargotec Corporation, is a provider of operational technologies and services that unlock greater performance and efficiency for the world's leading terminal operators and ocean carriers. Navis combines industry best practices with innovative technology and world-class services to enable our customers to maximize performance and reduce risk. Whether tracking cargo through a port, automating equipment operations, or managing multiple terminals through an integrated, centralized solution, Navis provides a holistic approach to operational optimization, providing customers with improved visibility, velocity and measurable business results. [www.navis.com](http://www.navis.com).

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