

# RAM Intermodal for Rigtank Russian tank container boom?



Rigtank joins 3,000 organisations in over 70 countries using asset management software from RAM Intermodal

Panama-based tank container operator Rigtank has selected RAM Intermodal's Tank Operating Software to replace its current spreadsheet system, to manage costs and asset management, and to ensure that industry best practice is followed.

Established in 2016 and with agents in Brazil, Belgium, South Korea and the USA, Rigtank is on a growth trajectory. It has tripled the size of its fleet, and plans to start opera-

tions in Houston Texas this year.

"RAM Intermodal's software will allow us to standardise our procedures and take the business to the next level," said Rubens Martins, CEO at Rigtank. "The difference between it and spreadsheets is severe. We will have more control over the fleet and will be able to focus on strategy rather than administrative tasks. One of the most significant time-savings will come from automatic billing." The

software will be hosted on the cloud, and training for three users will be provided on-site in Brazil, with further online training if required.

"It's fantastic to see new customers coming from regions outside of Europe and North America," said Richard Shaw, sales director at RAM Intermodal. "Our new business has originated from those areas traditionally, but there has been a steady increase in enquiries from Asia, Africa, South America and Australasia, and now over 20% of our customer base is headquartered across those continents."

The Rigtank deal follows a major success in the US, where box leasing giant Textainer selected RAM Intermodal software to manage its fleet of 3.2M TEU, in accordance with US corporate governance requirements under Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).

Russia's United Wagon Company (UWC) has established Unicon 1520, a new rail freight company to provide tank container and general container shipments. Unicon 1520 will specialise in transport services and multimodal logistics of bulk, including hazardous cargoes in the 1,520mm broad gauge network, stated UWC.

Tank containers for chemical, petrochemical freights and liquefied hydrocarbon gases, as well as container flat cars with increased load capacity, including those manufactured by railway holding UWC itself, will form the core of the new company's fleet.

Unicon 1520 will provide ship-

ping services both inside and outside Russia, in the CIS countries, Southeast Asia and the Middle East. Dmitry Boyvkin, first deputy CEO for general management at UWC, said: "We see a high potential of growth in container shipment, including transportation of bulk cargoes by tank containers. The creation of a specialised operator will only further promote flat cars with increased load capacity."

Victor Ivanov, executive director at Unicon 1520, added: "If a freight owner chooses container shipments, they are offered a customised logistics solution, and can fully benefit from additional

competitive advantages by saving the transshipment costs – these are zero – while having their cargoes reliably protected from contamination and the delivery terms respected."

Market experts forecast a stable trend towards more containerisation of cargoes in segments with high write-off rates of tank cars within the next five years. Unlike a freight car, a tank container is more practical in terms of the range of cargoes that can be shipped. Therefore, said UWC, tank containers could be used to carry some 4.5 Mtpa of petrochemical freight currently shipped by other modes.

## Strong Q1 for CAI

Box leasing company CAI International had a strong Q1 2017, lifting its average owned container fleet utilisation rate to 95.7%, compared to 94.3% in Q4 2016. Compared to Q1 2016, CAI's revenue increased by 22%, with

lease-related revenue rising 4%.

"We are excited about the momentum we had during the quarter and what we expect for the remainder of the year," said Victor Garcia, CAI president and CEO. "The results reflect our ongoing efforts to increase utilisation of our fleet in order to increase revenue, reduce costs, and improve profitability. The efforts over the past two quarters are now benefiting us, and we expect continuing improvement over the course of the year."

Utilisation of CAI's owned container fleet is currently running at 96.9%. The company spent US\$61M on new boxes in Q1 2017, and is committed to a further US\$56M for purchases in Q2, all of which are booked for lease.

"Per diem rates are currently three times the level they were this time last year, and the relative returns are much improved," said Garcia. "We expect that the improvement in returns will continue for the rest of the year, as we expect supply to be constrained due to limited availability of capital in the industry."

Used box prices have also turned. CAI was selling containers at a loss last year, but expects to report a gain on used sales by Q2 2017. Prices reached breakeven in March and are rising.

During Q1, CAI recognised US\$2.2M of income from insurance payments on losses related to the Hanjin bankruptcy, while booking a loss of US\$1.3M relating to a US lease where the customer "sold the containers we had on lease without paying for the units".

## Folding boxes stack up

Holland Container Innovations (HCI) is making progress with its 4FOLD folding container. With the 4FOLD design, four folded containers can be bundled, and have the same dimensions as a standard container, reducing empty box positioning costs.

Sinotrans, the largest forwarder in China, is testing four 4FOLD units on rail services between Kazakhstan and China. "Sinotrans is a market leader and a great team-up for Holland Container Innovations, as it has all the potential to break open the market in China for 4FOLD," stated HCI.

Another operator, Multimodal Container Services (MCS), will start operating 4FOLD containers between Shanghai and Moscow, via Vladivostok. Containers will be stuffed in Shanghai and transported by sea to Vladivostok, and then to Moscow by rail. "Return cargo is available up to Vladivostok. However, between Vladivostok and Shanghai, no cargo is available," said HCI. "4FOLD will be folded in Vladivostok and shipped as a bundle to Shanghai, saving THC and slot cost. MCS is of a great value because it will be the first time 4FOLD will be operated on the Russian railway."

In the ocean freight sector, ZIM has agreed to use 4FOLD for a trial period of six months

in the trade between Israel and Germany, after which ZIM will review the possibility of using the folding containers in the transpacific Asia to US trade.

Emirates Shipping Line signed a contract to operate 4FOLD between Shanghai and Nava Sheva (JNPT), India, with the containers being folded in Nava Sheva for the return leg. After this first roundtrip, Emirates will operate 4FOLD between China-Dubai and China-Kenya.

In Indonesia, Samudera has successfully started to operate 4FOLD units on its domestic services between Jakarta and Pontianak. In another trial, Transworld Group's Indian subsidiary group Shreyas Relay Systems is currently performing two roundtrips with 4FOLD units on its domestic coastal service. The group offers door-to-door services, enabling it to keep the folding boxes under its own control.

Finally, in Turkey, 4FOLD is entering a new market with trucking company Tirtas, to use folding containers on truck services throughout Europe.

HCI is working with China's CXIC Group to build the 4FOLD containers, and is now working on a redesign that will cost less to produce, in part through the use of fewer and cheaper parts.

CARU Containers has a stake in HCI, and acts as the preferred leasing partner for the 4FOLD 40ft high cube container



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