



Staff Writer

TRISTAR ADDS LNG 28TANKER TO ITS FLEET

TriStar Group has recently added the Liquefied Natural Gas (LNG) Tanker, Tristar Ruby, to its shipping fleet. Formerly known as the British Ruby, this tanker is a significant milestone as it becomes the first LNG vessel to join the TriStar fleet of 30 ocean-going tankers. The Tristar Ruby has been secured on a long-term time charter with BP Shipping.

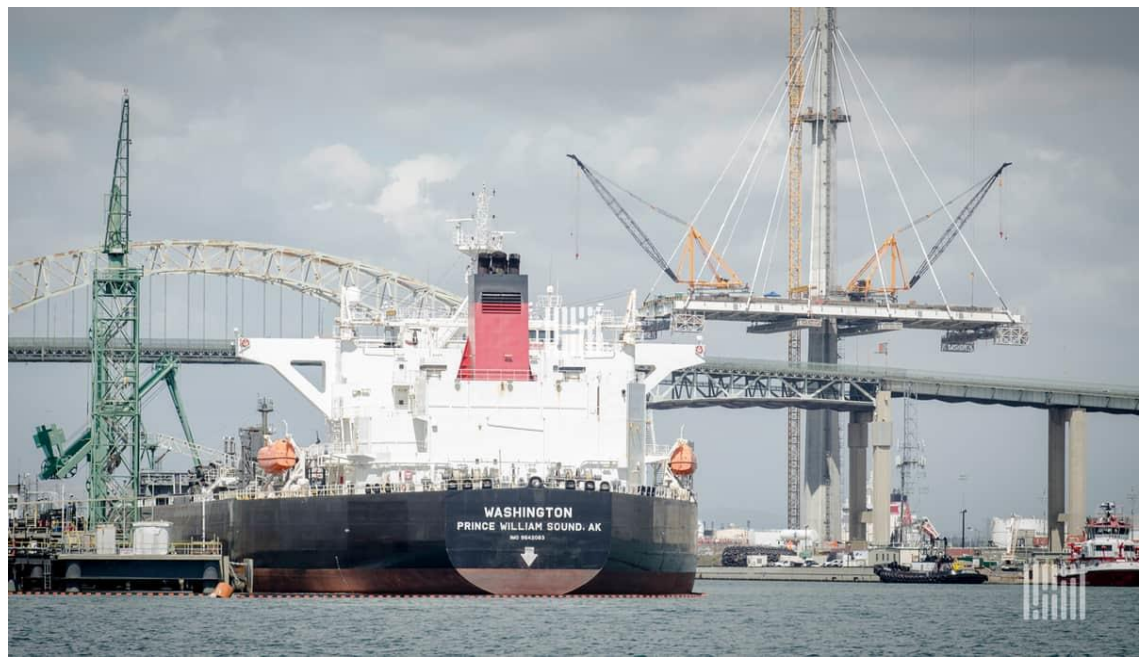
Built by Hyundai Heavy Industries in 2008, the vessel boasts a cargo carriage capacity of 155,000 cubic meters. It has been chartered by BP Shipping since its delivery and actively trades worldwide. Technical management of the Tristar Ruby will be handled by Wilhelmsen Ship Management, while commercial operations will be overseen by Tristan.

Eugene Mayne, the Group CEO of Tristar, expressed his excitement about this new venture into LNG shipping, emphasizing the group's commitment to safety, operational excellence, and maintaining high standards of service.



Source: https://issuu.com/logisticsnewsme/docs/fullmag_lnme_0120_issuu_1, January 1, 2020

Tristar, headquartered in Dubai, is a global integrated energy logistics business. Specializing in end-to-end fuel logistics solutions, the company serves blue-chip clients, including international and national oil companies and NGOs. Their comprehensive energy logistics platform covers road and maritime transportation, specialized warehousing, fuel farms, commercial aviation refueling, and remote fuel supply operations.



Source: <https://www.freightwaves.com/news/six-trends-changing-logistics-in-2020>, February 18, 2020

Kayla Matthews

Trends changing logistics in 2020

New emissions standards for maritime shipping

January 1, 2020, marked the commencement of the first calendar year in which new maritime regulations for sulfur dioxide (SO_x) came into full effect. Since at least 2005, when the International Maritime Organization (IMO) ratified Annex VI, freight-carrying ships have been under scrutiny for heavy crude oil emissions. This marked the initiation of a process to tighten emissions standards for ships at sea.

Enforcement authorities in ports are now intensifying compliance verification, and this development is significant news for shipping and logistics companies. The increased scrutiny is a response to the need for stricter adherence to the new regulations governing SO_x emissions.

According to the IMO, the shift to higher-

quality, lower-sulfur fuel is anticipated to result in a substantial 77% reduction in SO_x emissions per year, amounting to around 8.5 million tons. Sulfur dioxide is directly linked to environmental issues such as acid rain, climate change, and health concerns, including premature death and respiratory and cardiovascular diseases.

However, making this transition comes at a cost, potentially raising the price of fuel oil from \$400 to \$600 per metric ton. While it represents an expenditure made for crucial environmental and health reasons, the financial impact may still create a ripple effect within the shipping industry and beyond. Companies are now navigating the complexities of both compliance and cost implications associated with these stringent regulations.

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Those who in supply chain
know the impossible is
possible
Dave Waters

**Without date you are just
another person with option**
Edwards Deming

Beware of little expenses. A
small leak will sink a great
ship.
Benjamin Franklin

Automation helps distribution centers run more smoothly

One report predicts a 12.6% CAGR for warehouse automation technologies through 2024. One of the cited reasons is the low - 3.8% - rate of unemployment in the U.S, making it more difficult to find and retain talent in logistics and distribution.



Warehouses and distribution centers have a great deal to gain from automating critical processes, such as:

Machine vision inspections significantly reduce the rate of errors, including cutting down on the likelihood of shipping damaged, incomplete or incorrect items to customers.

Robotic automated guided vehicles (AGVs) reduce repetitive motion and lifting injuries in warehouses by raising, transporting and preparing heavy shipments without human intervention.

Compared with human warehouse workers, robotic order-pickers can locate bins and identify products faster and with greater accuracy.

Global demand for refrigerated shipped goods skyrockets

Shipping companies are gearing up to meet rising global demand for refrigerated shipped products - including foods, beverages and pharmaceuticals - through 2020 and beyond.

Some reasons for this growth include shifting consumer preferences, such as the rising demand for non-local foodstuffs. Plus, globalization has significantly expanded the accessibility and diversity of perishable goods available for shipment. Research shows that refrigerated shipping containers should expect a compound annual growth rate (CAGR) of 10.2% through 2025, which is faster than the growth of any other container market segment.

To answer this challenge, companies are expanding their fleets of refrigerated trucks and shipping containers, not to mention climate-controlled warehouses.

Green initiatives call for a circular supply chain

Companies everywhere are heeding consumer demand for greener products and processes. Research shows that products marketed as sustainable accounted for half of the growth of the consumer packaged goods (CPG) market between 2013 and 2018.



Therefore, the world's supply chains are becoming circular rather than linear. For instance, manufacturers are looking at ways to improve product longevity and the ease with which they can recover, repair and resell goods.

The circular economy also impacts shipping and packaging choices. Governments throughout the world are taking steps to cut waste from supply chains and boost recycling and reuse for commonly used products.

European Union member countries must now recycle half of their packaging waste. In California, businesses cannot use plastic bags and must recycle 25% of their plastic containers. In Japan, companies must reuse all packaging materials.

One might choose to look at these regulations as a burden. However, reusing products for longer, rather than buying new, provides financial benefits as well as environmental ones.

Key Logistics Trends to Watch in 2020



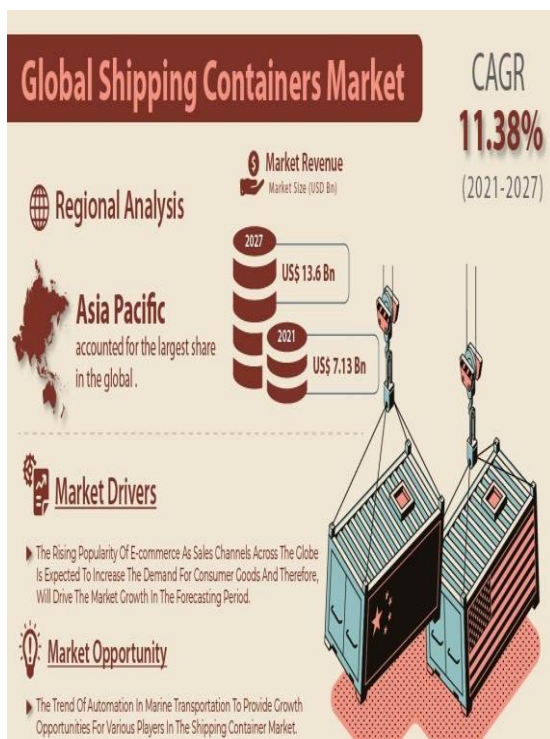
The digitalization of the industry has impacted various sectors, and logistics is no exception. Digital literacy and consumer awareness play a crucial role in shaping personalized purchasing decisions. The integration of digitalization in logistics not only significantly reduces procurement and supply chain costs but also enhances overall revenues. It empowers organizations to make better and faster decisions, fostering seamless collaboration with partners.

Supply chain visibility is a key benefit of digitalization. Knowing the real-time location of goods is essential for meeting customer demands. Reports indicate that 71% of supply chain professionals believe that a lack of visibility adversely affects their business. End-to-end visibility is crucial for responding to unexpected events and making informed decisions. It also facilitates better collaboration with partners, making information visible for improved business processes, decision-making, and forecasting. Logistics safety has become a paramount concern in an era of increased connectivity and data storage on the cloud. The rise in cybersecurity issues has led companies to prioritize the safety of consumer data. Logistics providers are now focusing on offering secure logistics solutions to address these concerns.

The push for eco-friendly logistics has gained momentum due to the industry's significant environmental impact. Logistics contributes to 11% of global emissions, with 8% attributed to freight traffic. Companies are aligning with sustainable development goals to reduce carbon footprints. Implementing better vehicle loading practices can decrease energy demands and promote eco-friendly logistics operations. Many companies are taking proactive measures to evaluate and improve environmental safety across various logistics operations.

Automation and the Internet of Things (IoT) have become indispensable in the logistics industry. Logistics 4.0, driven by automation and IoT, addresses issues such as transportation delays, operator errors, cargo monitoring, and IT failures. The integration of IoT has also played a role in reducing thefts in the industry. Implementing automation and IoT is crucial for staying competitive and efficient in the evolving logistics landscape.

To navigate the current changes in logistics, companies must embrace digitalization and consider the aforementioned points. These steps are essential for ensuring efficient and sustainable logistics operations, ultimately leading to increased customer satisfaction.



Kayla Matthews

Trends changing logistics in 2020

Emerging technologies shaping the future of logistics

Artificial intelligence stakes its claim

Artificial intelligence (AI) has demonstrated superior capabilities in predicting outcomes and making projections compared to unaided human cognition, as indicated by research findings. Cognitive scientists Richard Nisbett and Lee Ross explicitly state, "Human judges are not merely worse than optimal regression equations; they are worse than almost any regression equation."

In the realm of shipping and logistics, numerous opportunities abound to harness the power of AI, including:

More accurate predictions for customer demand, providing extended lead times and creating opportunities for distributors and shippers to engage in predictive shipping.

Substantial predictive insights into back-office functions, such as identifying potentially risky language in business contracts. Optimization of shipping routes and enhancement of last-mile delivery efficiency, ultimately helping companies save money on fuel costs.

As AI continues to evolve, its application in these areas presents a promising avenue for improving operational efficiency, reducing risks, and maximizing cost savings within the shipping and logistics sector. The recognition of AI's predictive prowess underscores its potential to revolutionize various aspects of the industry, offering valuable insights and strategic advantages to those who embrace its capabilities.

The top logistics trends of 2020

New technologies, consumer expectations, and regulatory demands are driving

significant changes in the global supply chain. Each of these trends holds individual importance, but collectively they contribute to the rapid maturation of the global supply chain. Navigating this evolving landscape necessitates novel approaches and ways of thinking. While the challenges are evident, it's crucial to recognize that these shifts also present financial and competitive opportunities for those agile enough to adapt. Embracing innovation and strategically responding to these developments can position businesses to thrive in an increasingly dynamic and competitive supply chain environment.



Source: <https://www.cbme.com/magazines/logistics-news-me-march-2020/>, March 5, 2020

Kasun Illankoon

Dulscos Group in the sustainability driving seat with new biofuel initiative that saves up to 200,000 kg of CO₂e each year

The more biofuel in the mixture, the cleaner it burns

Dubai-based Dulscos Group, a leader in People Solutions, Environmental Solutions, Talent Solutions, and Energy Recruitment Solutions, is taking the lead in environmental sustainability by saving up to 200,000kg of CO₂e annually through the use of greener, cleaner biofuels in its company vehicles. As part of a new partnership with the Middle East's largest biofuel producer, Neutral Fuels, Dulscos People now powers 75% of its vehicles in Dubai and Abu Dhabi with a special biodiesel blend fuel.

Launched in the lead-up to COP28 UAE, this initiative aligns with Dulscos Group's commitment to supporting the UAE in the fight against climate change, currently achieving a 4.5% reduction in greenhouse gases. With plans to increase savings to over 6% by the end of 2023 through a more effective biofuel blend, Dulscos People aims to expand the scheme to its operations in Ras Al Khaimah. In the first 10 weeks of the initiative, launched in late July 2023, Dulscos saved 17,600kg of CO₂e.

equivalent to taking four fossil-fueled cars off the road for a year. Neutral Fuels, the only biofuel producer in the UAE with Emirates Authority for Standardization and Metrology (ESMA) certification, collects waste cooking oil and transforms it into various blends of green fuel. Currently, 135 Dulscos People vehicles use biofuel, with plans to phase out fossil fuel across the entire fleet. Dulscos Environment, the sister company, plays a crucial role in producing the fuel by providing over 450,000 liters of used cooking oil to Neutral Fuels. The environmental arm of Dulscos Group offers world-class recycling, treatment, and waste management services, aiding businesses, industries, and residential communities in meeting their green goals. Antony Marke, COO of Dulscos People, emphasized the group's 100% commitment to supporting government initiatives on climate change, including the Net Zero 2050 agenda. The partnership with Neutral Fuels reflects Dulscos's dedication to operating a sustainable business and leading by example, contributing positively to the UAE's Circular Economy Policy.

The partnership signifies a significant step towards a more sustainable future, and Neutral Fuels is proud to be part of this initiative. Neutral Fuels, the sole biofuel producer in the UAE with Emirates Authority for Standardization and Metrology (ESMA) certification, is actively involved in collecting waste cooking oil and transforming it into various blends of green fuel. Currently, 135 vehicles from Dulscos People's fleet utilize biofuel, and there are ambitious plans to phase out fossil fuel consumption across the entire fleet.

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With 2023 being designated as the Year of Sustainability and the upcoming COP28 conference, the focus on sustainability has never been more prominent. Marke highlighted DulSCO's pride in partnering with like-minded organizations, such as Neutral Fuels, in a unique, 360-degree, win-win system. This collaboration involves not only using biofuel products in their vehicles but also actively contributing to the production of the fuel—a shining example of DulSCO's positive contribution to the UAE's Circular Economy Policy.

Simultaneously, DulSCO Environment, the sister company, contributes to the biofuel production process by supplying over 450,000 liters of used cooking oil to Neutral Fuels. The waste cooking oil is collected on behalf of DulSCO's environmental solutions arm, which provides top-notch recycling, treatment, and waste management services. These services, in turn, assist numerous businesses, industries, and residential communities in meeting their green goals.

Antony Marke, COO of DulSCO People, emphasized the group's unwavering commitment to supporting government initiatives on climate change, including the Net Zero 2050 agenda.

Neutral Fuels, in alignment with its commitment to promoting environmental sustainability, produces high-quality, low-carbon biodiesel from locally sourced, waste-based raw materials. Currently producing over 35 million liters of biodiesel annually, the company has achieved a remarkable reduction of over 60 million kilograms of carbon dioxide emissions to date. This reduction is equivalent to the carbon sequestered from more than 990,000 tree seedlings grown for 10 years.

Cavalier Supporting the Frontlines

Source: <https://www.cavlog.com/news/num/1/start/3/post/cavalier-supporting-the-frontlines/>, 21st April 2020

During the COVID-19 pandemic, Cavalier is pleased to announce that, as an essential business, our operations have not experienced any interruptions. Not only are we persistently engaged in the crucial tasks of logistics and transportation, but we are also honored to contribute to the delivery of much-needed supplies and pharmaceutical materials worldwide. Let us share the account of one such impactful delivery.



On Friday April 3rd 2020 the international department at Cavalier Logistics' Dulles, Virginia office received a message from one of our customers, Project Hope - a charitable nonprofit organization. They were donating desperately needed N95 respirator masks, gloves and lab coats to hospitals in New York, New Orleans, Los Angeles and Puerto Rico which are battling the coronavirus pandemic.



Source: <https://cointelegraph.com/news/amazon-patented-a-blockchain-system-for-supply-chain-tracking>, MAY 30, 2020

ADRIAN ZMUDZINSKI

Amazon Patented a Blockchain System for Supply Chain Tracking

The internet is programmable information, The Blockchain is programmable Scarcity.

Amazon's patent – dated May 26 – describes a “distributed ledger certification” system. The document explains that the tracking solution would ensure that consumer goods that are sold on its ecommerce site are authentic. The abstract reads:

“Features are disclosed for an interface for verifiable tracking of an item through a supply chain using a distributed electronic ledger.”

In the detailed description section of the patent, its author explains that the system at large aims to improve “trust through an enterprise services platform that allows parties to map their global supply chains.” The tracking solution would render the position of the items moving along the supply chain from production to the end user visible. The system described in the document may also allow participants such as manufacturers, couriers, distributors, end users, and even secondary users to add events to the ledger after registering with a certification authority.

The certification authority could also apply rules for testing and certification such as ensuring item quality through the supply chain or requiring certain certification steps before the item can continue moving forward.

A tracking solution that fits modern supply chains

The document explains that traditional tracking solutions mapped a limited portion of a supply chain, usually the one accessible to its developer. The patent's author also claims that such systems do not fit the modern fragmented supply chains:

“The increasingly distributed and modularized physical supply chain where each entity works with multiple customer-facing channels, has led to limited adoption of these siloed tools. The features described break this mold by building a lower-level set of open standards and services that provide a trustworthy framework for participants to use.”



Source: <https://www.modernretail.co/retailers/the-pandemic-has-forced-nordstrom-to-invest-more-in-its-off-price-e-commerce-business/>, June 01, 2020

The pandemic has forced Nordstrom to invest more in its off-price e-commerce business

Off-price retailers have historically ignored e-commerce. The coronavirus crisis, however, has highlighted the shortcomings of that approach.



Anna Hensel

Nordstrom has been cautious in allocating resources to enhance the e-commerce facet of its off-price Nordstrom Rack business. The majority of the chain's sales continue to originate from its physical stores, with only \$1 billion out of nearly \$5.2 billion

Looking ahead, CEO Erik Nordstrom emphasized the company's commitment to a "continued shift from what was predominantly a mall-based business toward a more diversified model that includes digital and off-price." He also highlighted the importance of "integrating physical and digital capabilities in off-price."

in revenue for Nordstrom Rack coming from online sales last year. Similarly, competitors in the off-price sector, such as TJX Inc. and Burlington Stores, have reported minimal contributions from e-commerce to their overall sales. Burlington, for instance, decided to close its e-commerce business in March, representing just 0.9% of sales—a decision that proved costly when stores were mandated to close in March and April.

Nordstrom's recent earnings report underscores the potential sales loss incurred over the past two months by not prioritizing investments in Nordstrom Rack's e-commerce platform earlier. The investor call last Thursday revealed a significant 45% decline in sales for its off-price Nordstrom Rack business, while the full-price business experienced a slightly lower decline at 36%. Chief Financial Officer Anne Bramman attributed the comparatively better performance of the full-price business to its more established e-commerce presence. This highlights the importance of strategic investments in online channels, especially in times when physical store operations face disruptions.

In mid-April, the department store chain took proactive measures to enhance its Nordstrom Rack e-commerce business by introducing fulfillment from the store for the first time. This strategic move aimed to increase the product offerings on its website. The company reported that a significant 25% of Nordstrom Rack online sales during the quarter were fulfilled from the store.

“Ecommerce is the powerful means to connect the unconnected to global trade.”

- Arancha Gonzalez

This strategic shift mirrors a broader sentiment among retailers, particularly in the aftermath of store closures in the U.S. that lasted for up to two months in some states. Companies not invested in e-commerce felt the impact the most, a category that included many off-price retailers. Recognizing the sustained trend of online shopping among Americans, off-price retailers like Nordstrom Rack are now compelled to increase investments in their e-commerce ventures. To succeed, they must navigate the challenge of recreating the "treasure hunt" experience online and devise effective strategies for marketing products in an environment where inventory is constantly changing.



Nordstrom Rack's e-commerce business surpasses that of other off-price retailers, even though the bar set by competitors is not notably high. According to TJX Inc. CEO Ernie Hermann, e-commerce constitutes around 2% of the company's sales, indicating that TJX's e-commerce business, given its \$39 billion revenue last year, is likely below \$1 billion annually.

However, Nordstrom, alongside its competitors, has been cautious in fully embracing digital transformation for Rack due to a unique set of challenges. Off-price retailers, in particular, grapple with the significant challenge of inventory volatility, as highlighted by Jason Goldberg, Chief Commerce Officer at Publicis.

Goldberg explained that unlike traditional retailers such as Nordstrom, off-price retailers stock their shelves by purchasing excess inventory at the end of a season, leading to less visibility into inventory levels ahead of time. This limitation poses challenges for creating digital content, especially when promoting items with limited quantities.

Despite these challenges, Nordstrom Rack enjoys better visibility into inventory, primarily sourced from the full-price Nordstrom business. This advantage enables Nordstrom Rack to leverage content created for products initially featured on the full-price site when promoting them on the off-price site. Nordstrom's strategy includes combining full-price and off-price teams across various functions, aligning with the company's plan to use Nordstrom Rack to clear excess inventory that couldn't be sold during store closures.

However, both Nordstrom Rack and other off-price retailers must address short-term changes in shopping behavior.

With consumers trying to minimize in-store visits, off-price retailers face the challenge of providing real-time, accurate in-stock information due to the rapidly changing nature of their inventory.

Conversely, the economic impact of the pandemic may drive consumers towards price-conscious shopping, potentially benefiting off-price retailers.

But, Nordstrom Rack and other off-price retailers will also have to figure out how to address short-term shopping behavior changes. For example, customers who are trying to limit their visits to stores as much as possible may want to see what is in-stock at a store before visiting, to ensure that they can still find what they are looking for. That may be something that's more difficult for off-price retailers to do, given that in-stock inventory changes very quickly.



On the flip side, with tens of millions of Americans out of work due to the pandemic, shoppers are likely to become more price conscious, and thus may be more interested in shopping from off-price retailers. Goldberg noted that according to Google Trends data, search volume for "TJ Maxx open" and "Nordstrom open" was roughly the same through the end of April. Then in mid-May, as more states started to issue ease stay at home orders, there were more people starting to search to see if TJ Maxx was open versus if Nordstrom was open.



"If you're Nordstrom and you buy some new evening gown you want to sell, you buy thousands of those gowns, and you are going to have it in stock for a significant period of time, so you can invest a fair amount in content for the digital shelf," Goldberg said. But off-price retailers have less visibility into inventory levels ahead of time, because they stock their shelves by buying excess inventory at the end of a season from other retailers. That also may mean they only have ten units of a certain item to promote, far less than a retailer's usual line.

"That's kind of an early indication that even much more so than usual, apparel demand is shifting to that value oriented off-price merchandise," he said.

However, a notable change occurred in mid-May when several states began easing stay-at-home orders. At this point, there was a noticeable surge in people searching to determine if TJ Maxx was open compared to those searching for the status of Nordstrom.

Goldberg interprets this as an early indication that, more than ever, apparel demand is gravitating towards value-oriented off-price merchandise. This trend underscores the impact of economic uncertainties on consumer preferences and emphasizes the potential for off-price retailers to meet the growing demand for budget-friendly shopping options.



Nordstrom Rack does have better visibility into inventory ahead of time compared to other retailers, because most of its inventory comes from the full-price Nordstrom business, and especially so now. Nordstrom said during the call that the company will be using Nordstrom Rack to clear some inventory that it couldn't sell while stores were closed.

**BAD COMMUNICATION
IS KRYPTONITE FOR
SUPPLY CHAIN.**