

# ALMC panelists express doubts about even bigger vessels

*Inefficiency, no demands and costs for ports cited as reasons*

- 23 Nov 2017
- NEWS
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MCKINSEY SAID CONTAINER SHIPPING COULD SEE SELF-DRIVEN 50,000 TEU VESSELS BY 2067.

THE world's major shipping companies have in recent years battled it out for the crown of “owner of the largest ship in the world.”

But how much larger can ships become? Will 50,000 teu vessels come to the market?

Not according to the panel of speakers at the Asian Logistic and Maritime Conference in Hong Kong.

Ocean Network Express chief executive Jeremy Nixon dismissed the possibilities of such ships.

With more vessels of 20,000 teu and larger entering the fleet, there was no demand for larger ships, he added.

“It just does not make any sense,” he said.

Zim vice-president Nissim Yochai voiced similar views.

He said the Airbus A380, the world's largest passenger airliner, had not been that successful.

The time taken to load and unload a 50,000 teu vessels would cause inefficiencies, Mr Yochai added.

When 20,000 teu ships were first introduced, terminals across the world had to spend billions of dollars upgrading capacity, said Hutchison Port Holdings managing director Eric Ip.

Mr Ip said the port industry frequently sent messages to shipping companies and shipbuilders asking them not to build bigger ships, as “20,000 teu is enough,” he said.

The discussion came after McKinsey released a report in October which indicated that container shipping could see self-driven 50,000 teu vessels by 2067, with standardised unmanned floating containers following alongside as trade grows to two to five times greater than current levels.

These changes could take place as digital technologies, big data and the internet of things make a significant impact on the industry, McKinsey added.

Mr Nixon admitted that there was room to improve digitalisation within the shipping industry, including his own.

He pointed out there was some work still being done manually that needed to be automated to increase efficiency.

He added that the industry should develop an ecosystem that allows industry participants to exchange information more easily and efficiently through digital processes.

Meanwhile, Mr Yochia stressed the cost-saving aspect of digitalisation.

By introducing the digitalisation to the business, companies could be more flexible and efficient, Mr Yochia said. This was essential small and mid-sized players.

But Mr Nixon noted that the critical point was to achieve a standard for the ecosystem that everyone can participate and adopt.