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A new era!

Dear readers,

As we begin this new year, it is my great pleasure to introduce DP World as a new strategic partner for Swissterminal Holding AG. DP World has held a 44% stake in our company since 23 January 2020, and this cooperation represents the next step in Swissterminal's growth strategy. With this "good news," we are not only launching a new decade, but also a new era in our company history!

Thanks to this cooperation with our internationally strong partner, we are now well positioned to continue to offer you, our customers, optimum support in the future. Together, we will continue to develop Switzerland as an important hub for worldwide logistics, helping to further provide premium service that is both comprehensive and efficient. You'll find an interview with Rashid Abdulla, DP World's SVP & CEO Europe and Russia, as well as more information about these exciting developments on page 4.

Throughout this issue, we report on Schweizerzug's service expansions, a highly ambitious academic initiative for space travel and the important topic of security. In addition, we are pleased to provide an update on Gateway Basel Nord. You'll also read a report about the New Silk road, a subject I find particularly interesting for both our company and Switzerland as a whole, as well as an interview on container trading with our long-standing employee Kurt Frei and a story about an aid project in Africa. And of course, let's not forget all of our exciting internal announcements.

But that is not all! We have even more news: from now on, we will publish our magazine digitally. As part of our digitalisation strategy, we believe that moving forward without a printed edition is not only logical, but also the correct decision for protecting the environment. From now on, we will offer you both a digital edition to browse on our website as well as a PDF that you can easily download. And while we are on the subject of websites – we have also redesigned ours, and we now present ourselves in a completely new guise! Please take a look, and we look forward to hearing your feedback.

Many thanks for your interest in Swissterminal. We hope you enjoy this first 2020 issue!

With best regards from Frenkendorf,



Roman Mayer

Chairman of the Board and CEO Swissterminal



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Stronger Together

Swissterminal welcomes DP World



swissterminal 

DP WORLD 

■■■ For Swissterminal, an exciting new chapter has begun: The company is delighted to welcome DP World, a leading global trade enabler headquartered in Dubai, as a new shareholder. On 23 January 2020, DP World effectively acquired a 44% share in Swissterminal Holding AG, with the Mayer family remaining the majority shareholder.

We talked with **Rashid Abdulla (RA)**, DP World's SVP & CEO Europe and Russia, and **Roman Mayer (RM)**, CEO Swissterminal, about this new cooperation.

Mr Mayer, congratulations on this new partnership, which reigns in a new era for your company. What's behind the decision to take on a strategic partner?

RM: Our company has been focused on our customers' demands since my father, Alex Mayer, founded the business in 1972. However, our world has changed dramatically over the past decades, especially because of globalisation. For a service provider like us, it's crucial to not only adapt but also drive this change – especially in working to offer clients a viable, efficient and transparent service portfolio. We are happy to say that DP World matches our strategies for future development in every respect.

Mr Abdulla, congratulations to you as well on your new partnership with Swissterminal! What will be the first item on your agenda as a new shareholder?

RA: The first item will be getting to know the business fully and understanding what has made it so successful. This will allow us to build on that success and partner with Swissterminal to work towards our goal: enabling smarter trade across the world. We want Swissterminal to develop and grow through continuous improvement. Our focus is on innovating and optimising our assets, so we can offer solutions to meet our partners' and customers' needs and advance global trade reliably, efficiently, effectively and responsibly.

As new business partners, what is your goal?

RA: Swissterminal represents an opportunity for us to fully exploit our expertise and capabilities to help drive economic growth. Together with Swissterminal, our ambition is to be an industry leader of safety, customer-centric services, quality, sustainability and operational excellence and to be the partner of choice for enabling global trade.

Mr Mayer, what is going to change – for clients and employees?

RM: Both DP World and Swissterminal embrace a strong, goal-oriented focus on individual customer needs. At the same time, it's very important to us to offer our employees a safe and fulfilling work environment. I'm confident that all parties will benefit from our new cooperation. And in terms of business: our recently issued rates and processes will remain valid, and there aren't any structural changes planned.

DP World's business strategy has changed significantly over the past decades. You started out as a local port and terminal operator in Dubai and have since turned into an international multifaceted maritime and logistics operator. How does Swissterminal fit into your portfolio?

RA: Swissterminal complements our European logistics offering, further enabling us to provide a customer-centric trade approach. For us, customer centricity is an ever-evolving process, not a static one. We work in partnership with our customers to continuously improve our operational services. Together with our customers, we keep innovating to drive efficiencies and provide new solutions that allow these customers to deliver value to their clients. Swissterminal also complements our Unifeeder, P&O Ferries, P&O Ferrymasters and DP World Logistics operations, helping our customers manage their supply chains efficiently and reliably.

Swissterminal is an ideal fit because it exhibits two characteristics of family owned operations that are required to efficiently run inland businesses: flexibility and fast decision making.

Why is Switzerland important for your service offering?

RA: We continually review opportunities and strive to be where our customers want us to be – and Switzerland forms part of this key global footprint. With its location in Switzerland, Swissterminal strengthens our offering on the upper Rhine, giving us access to Swiss cargo as well as a wealth of global cargo owners. Given its location at the centre of Europe, Switzerland makes sense for us because it is attractive for European and global trade routes.

Mr Mayer, why is it important to have DP World as a partner?

RM: It feels like the world is becoming smaller, and part of this is a result of digitalisation. We don't want to merely react in this environment; we want to drive forward this development. To do this, it is important to cooperate with a neutral partner – one who operates in the same core business as we do. And most importantly, one that shares the same goals and vision.

Swissterminal expands your hinterland network by five locations. What are the biggest advantages for DP World?

RA: These locations will allow us to offer our customers a choice of solutions, including a genuine multimodal offering. Switzerland has the opportunity to play an important role in encouraging trade in the region. Our aim is to grow our business and implement the changes necessary to make doing business with both DP World and Swissterminal as simple as possible.

You opted for a family company as your new partner. What's the benefit of working with a company that size?

RA: It's not about quantity for us. It's about quality. We wanted a partner that was not only a strong brand in the local market, but also one that offered flexibility and the growth potential to realise our ambitions. Swissterminal is an ideal fit because it exhibits two characteristics of family owned operations that are required to efficiently run inland businesses: flexibility and fast decision making. Our aim is to maintain the existing governance structure, which is agile and puts us in better stead to meet customers' needs.

**Swissterminal attaches utmost importance to reliability and innovation. How does this align with your new partner?**

RM: DP World is wholly supportive of Swissterminal's vision and current strategy. Partnering with a company that is as passionate about reliability and innovation as we are is what will take our business into the next chapter of growth.

What does the future have in store?

RA: We are continuously reviewing market opportunities, and we are in discussions on a number of growth projects, which we expect will expand our service offering further across Europe. We expect to conclude on these discussions and communicate them in the course of this year.

RM: DP World has an excellent track record of working in partnership with companies to help them realise valuable market opportunities. Moving into the future, we expect to continue to create more value for our customers by realising additional market synergies, for example via bundling service offerings. I am very confident in saying that the combined strengths of DP World and Swissterminal will absolutely enhance the industry-leading positions of both companies.

About DP World

DP World is the leading provider of smart logistics solutions, enabling the flow of trade across the globe. Its comprehensive range of products and services covers every link of the integrated supply chain – from maritime and inland terminals to marine services and industrial parks as well as technology-driven customer solutions.

The company delivers these services through an interconnected global network of more than 150 operations in over 50 countries across six continents, with a significant presence both in high-growth and mature markets.

DP World's dedicated, diverse and professional team of more than 50,000 employees from over 120 countries are committed to delivering unrivalled value to customers and partners. The company focuses on mutually beneficial relationships – with governments, shippers, traders, and other stakeholders along the global supply chain – relationships built on a foundation of mutual trust and enduring partnership.

In 2018, DP World handled 91 million TEU across its portfolio, and with the company's committed pipeline of developments, the gross capacity is expected to rise to more than 100 million TEU by 2020, in line with market demand.

Key milestones

- **1991:** Creation of Dubai Ports Authority, 12 years after the opening of its now flagship terminal Jebel Ali port.
- **1999:** Formation of Dubai Ports International, taking DP World onto the global stage and between then and 2004 a number of important concessions in the portfolio were secured in Saudi Arabia, Djibouti, Romania and India.
- **2005/2006:** Creation of DP World and CSX World Terminals, acquisition of P&O.
- **2018:** Acquisition of Unifeeder.
- **2019:** Acquisition of P&O Ferries and P&O Ferrymasters.



On track **schweizerzug** 

FOR THE FUTURE

In recent years, rapidly growing transport demands and a pressing need for more connections throughout Europe have meant Swissterminal's rail freight operators have needed to significantly increase their service offerings to keep the pace. At the forefront of this expansion is Schweizerzug AG.

■ 2019 was a year of considerable growth for Schweizerzug, as the rail freight operator progressed on the execution of its goal: providing customers from Switzerland and neighbouring countries an increasing number of connections to Europe's most important container ports. And with a new round of expanded services in place, Schweizerzug is headed full steam ahead into future growth.

After successfully extending its services in the first half of 2019 with added connections between Switzerland and Belgium, Schweizerzug has now strengthened its network with additional services between Frenkendorf and Neuss and new connections from Niederglatt to Antwerp and Rotterdam. In December 2019, the frequency of services between Frenkendorf and Neuss increased from three to six trains weekly. In line with this service extension, Schweizerzug now links Niederglatt and Neuss directly twice a week, with further connections available to the Port of Antwerp as well as the port of Rotterdam.

Additionally, the new direct connection to Deurganckdok-Kai 1742, operated by MPET in Antwerp, provides customers with even more options. With this service, they benefit from daily connections to the seaports of Rotterdam and Antwerp, without any additional surcharges.

Each of these service extensions represents a significant step in opening up not only more capacity but also more flexible transport options: two items that are at the top of customers' wish lists.

"Our range of services will only attract customers if we recognise their requirements and wishes at an early stage and serve them accordingly," explains Roman Mayer, CEO Schweizerzug AG. "By expanding the frequency on par with growing demand, we intend to precisely meet these market demands."

In addition to offering customers significantly more flexibility and room to grow their businesses, Schweizerzug's most recent network expansion also further promotes shifting freight to rail, which is in line with the European Union's goals for the future. Rail transport has a much lower environmental footprint than lorry transport, and as a result, the EU wants to shift 30% of road transport at distances of over 300 kilometres to trains and barges by 2030 and to reach 50% by 2050.

"Responsible business is engraved into the very identity of Swissterminal, and we are constantly working to systematically reduce negative and enhance positive impacts on the environments of which we are a part," notes Mayer. "Through the continual expansion of Schweizerzug's services, we are not only contributing to competitive rail freight, but also making a contribution to the promotion of climate-friendly transport!"

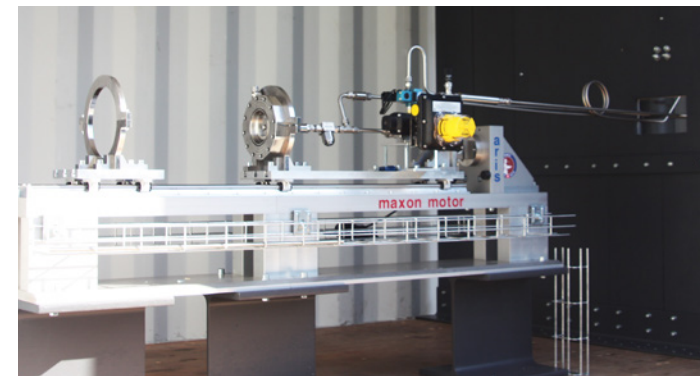
"By continuing to grow, innovate and optimise Schweizerzug's connections, we are confident we can make a real difference in shaping the future of European transport."



A tiny test facility capable of doing big things: this is what Akademische Raumfahrt Initiative Schweiz (ARIS), a non-profit, student-led rocket science association, has created. It doesn't look like much from the outside – just two metal shipping containers – but inside, you'll find a high-tech rocket engine that's propelling the students' visions further into the future.



REACHING FOR THE STARS



The engine's combustion chamber is equipped with multiple sensors to gather information about temperature, pressure and force.



The engine's fluid supply system conducts the liquid oxidizer necessary for combustion.

- Initiated and led by students from ETH Zürich, Lucerne University of Applied Sciences and Arts (HSLU) and Zürich University of Applied Sciences (ZHAW), ARIS brings together young people fascinated by space and engages them in engineering challenges. Since founding ARIS in 2017, the students have launched two rockets at the Spaceport America Cup and won two prizes. Now, after two years, two rockets and two prizes, the association's members are working to complete their next mission: designing their very own rocket engine.

"When building our previous two rockets, we bought the engines off the shelf, but our goal is to take ownership over all our rockets' subsystems," explains Christoph Germann, a project manager at ARIS and engineering student at ETH Zürich. *"Developing our own engine is one part of this goal, and in order to achieve it, we've partnered with Swissterminal."*

Using two shipping containers partially sponsored by Swissterminal – one 20-ft open-side container and one 10-ft container – ARIS created a rocket engine testing facility. The shipping containers enclose all of the engine equipment and provide a protective shield that enables the students to safely test the engine equipment on the ground.

"The containers' standardised sizes were a big advantage in designing this engine test facility," shares Christoph. *"We knew exactly how much room we were going to have before the containers arrived, which allowed us to start the design process early."*

To minimise damage in the event of an accident, the students divided the 20-ft container into two compartments using a metal shield wall. In the first compartment, the engine's combustion chamber is mounted on a test stand equipped with multiple sensors, allowing the students to gather information about temperature, pressure and force. The second container compartment houses the engine's fluid supply system, which conducts the liquid oxidizer (fluid) necessary for combustion. The fluid compartment also includes various sensors. All of the data collected from both the fluid compartment and combustion chamber is wired to a control box, which is housed in the adjacent 10-ft container. After the control box processes the data, it is then transmitted to the students, who monitor the engine's performance remotely from the safety of a control centre.

"Another major advantage of using containers as the test infrastructure is the mobility factor," says Christoph. **"We're not allowed to test the engine here at our home base; we have to move to a more remote spot. The containers are very easy to transport, and that makes our testing process a lot more efficient."**

ARIS's innovative use of containers is just one example of a much larger trend. More and more used containers are finding second lives as homes, box offices, pizza joints, swimming pools and more. Today, containers are loved by the hip and the practical, artisans, DIY-ers, construction workers and engineers, as they are practical, affordable and flexible. Christoph comments:

"Containers not only make it easy to conduct a mobile operation, but they also make expanding a facility simple."

Like Lego blocks, containers can be stacked or shaped to build lightweight, strong structures, and additional containers can be easily added to grow a facility.

As the ARIS students continue to reach for the stars, Christoph believes containers could be a building block of many future projects. **"While we are finishing the development of the first engine model, another team at ARIS is currently working on scaling it up, with the goal of increasing the thrust and reducing the weight."** He adds: **"With more projects like this still to be developed and more people joining our association, we will need an easily expandable facility to help us safely, efficiently and affordably test our innovations. Shipping containers are perfectly suited for our requirements – and with Swissterminal, we have found the best partner."**

Safety, accountability and responsibility are hot topics across a multitude of industries. Today, more and more people demand businesses take a proactive approach to safety, and many employees want to be more involved in the topic themselves. The question of safety and accountability is also a major concern for container specialist Swissterminal AG and their staff of over 70 employees. This is why every single employee, even those with a pure desk job, will now complete a basic training course on the International Convention for Safe Containers, 1972 (CSC).

Safety concerns us all



■ ■ Switzerland has still not ratified CSC, which is the standard for the safety of freight containers in international maritime transport. However, since September 2017, Swissterminal has been a pioneer in training CSC approved "Specialist Inspectors for Sea Containers." With this new initiative, the family-owned company is once again demonstrating the importance it attaches to a professional and safe working environment as well as quality assurance.

"One of our essential tasks is to communicate the most important aspects of safety to our employees. This is why, in addition to the ISO standard for containers, the CSC standard is the most important basis for us in the handling and transport of sea containers," emphasises Jürg Wiggli, member of the Swissterminal AG management board. *"The ISO standard specifies the mass and strength of the steel. Whereas the CSC is about ensuring the safety of the people who work with the containers."*

The CSC basic course for all Swissterminal AG employees focusses on the day-to-day business in terminal operations and distinguishes between depot and transport operations. In container transport, the boxes are only inspected externally, but in the depot, a standardised inspection process is carried out, similar to a MOT roadworthiness and safety test for a car. *"We completely check the container from top to bottom, and this guarantees that it is in a safe condition and complies with the CSC when it goes on its next journey,"* summarises Wiggli.



In addition to the basic course for all staff members, Swissterminal also offers further CSC training courses for "Specialist Inspectors for Sea Containers" given by its own trainers. This three-stage course is based on existing practices in depot operations and terminals, and it is geared to the requirements of inspectors in various fields of activity. The training to become a gate inspector (pre-checker) takes three months, while a shipping company inspector takes five months and a leasing inspector six months. The standards of the German Federal Association of Container Service Companies (Bundesverband der Container Service Betriebe BCSB) in Hamburg are also taken into account. This is the professional association for depot operations in Germany, Austria, Switzerland and the German-speaking part of France.

At the end of November 2019, Swissterminal began its most recent internal training course, which will conclude in April/May 2020 with an examination according to the BCSB standard. In addition to legal questions, the curriculum also includes, for example, cargo safety and data exchange in relation to containers and their parts (Container Equipment Data Exchange, CEDEX). Anyone wishing to train as a specialist inspector does not need a particular educational qualification or vocational training, but they should be physically and mentally fit.

Twelve tenacious participants have already registered for the gate inspector exam in Frenkendorf. There will also be one candidate for the shipping company inspector and an additional candidate for the leasing inspector exams. The examination process is complete when qualified BCSB examiners in Düsseldorf, Bremen or Hamburg scrutinise the candidates' know-how. The shipping company inspectors need a basic knowledge of English and a technical qualification, whereas the leasing inspectors need advanced English skills and must be able to negotiate confidently.

Swissterminal attaches great importance to offering ongoing training for container safety.

This enables the inspectors to acquire further specialist knowledge, depending on the requirements of their individual companies. This includes, for instance, detailed design know-how on the structure of flats, reefers or tank containers. Providing safety qualifications for all staff remains a permanent focus for Wiggli and his team: *"Because after all, knowledge is lost more quickly than it is gained."*

Safety is of utmost importance for Swissterminal.

FURTHER SETBACKS FOR GATEWAY BASEL NORD

The plans for Gateway Basel Nord (GBN), a trimodal terminal at the intersection of rail, Rhine and road, were controversial from the outset. Now rulings by the Federal Administrative Court and the Federal Supreme Court have put the brakes on the project – at least for the time being.



■ ■ In July 2019, the Swiss government committed to investing CHF 83 million in the first phase of the highly disputed Gateway Basel Nord project. The total cost for this first phase will amount to CHF 130 million, according to the project leaders. The first phase comprises the construction of a new bimodal terminal for container loading between road and rail. In addition to the federal government, the government canton of Basel-Stadt also pledged to contribute a total of CHF 115 million to a second phase of the project that comprises the extension to a trimodal terminal. However, the decision to use public funds for this project has aroused significant concerns about unfair competitive advantage.

In September 2018, Swissterminal lodged a formal complaint against the project's federal subsidies. In its decision of 8 October 2019, the Federal Administrative Court upheld Swissterminal's appeal against the federal subsidies for Gateway Basel Nord, instructing the Federal Department of transport to re-evaluate its decision.

In its judgment, the Federal Administrative Court criticised the Federal Department for excluding Swissterminal and other affected businesses from the proceedings. It said that among other things, Swissterminal was denied the opportunity to comment on the project that's to be subsidised and the federal government's investment contributions. Now the Federal Office of Transport must reassess the whole project, and Swissterminal must be appropriately included in the decision.

At the beginning of 2020, the project initiators faced another setback. In its decision of 21 January 2020, the Federal Supreme Court heard an appeal by Swissterminal and found that Port of Switzerland (Schweizerische Rheinhaefen/SRH) had once again violated the rights of Swissterminal. RHS wanted to withhold its decision from Swissterminal not to put the access of Gateway Basel Nord to the port basin out to tender. Swissterminal currently also operates in the Rhine port of Kleinhüningen but will lose this location in 2029, as Port of Switzerland will not renew the development rights contracts.

In its decision of 20 February 2019, the Basel-Landschaft Cantonal Court stood behind Port of Switzerland and dismissed the Swissterminal complaint. However, Swissterminal then went to the Federal Supreme Court. This court has now overturned the previous decision by the lower Basel-Landschaft Cantonal Court, instructing RHS to reassess Swissterminal's request in accordance with the considerations of the Federal Supreme Court. The courts will now review whether RHS may grant Gateway Basel North access to the port without a public invitation to tender.

Many market players worry that the highly subsidised project would hit private, family-owned companies particularly hard and eventually drive them out of the market.

“Tax millions donated by the state would tip the balance of equality in the market. If Gateway Basel Nord comes, competition will be gone.”

Even though we have not heard the last word on this, the recent decisions by the Federal Administrative Court and the Federal Supreme Court are an important milestone and mean that the project will once again be under scrutiny.

Mr Mayer, what consequences do you expect the judgment of the Federal Administrative Court to have on the Gateway Basel Nord project?

The decision by the Federal Administrative Court and the Federal Supreme Court mean that the Gateway Basel Nord project is to likely to be delayed by several years.

What's next?

The authorities and project operators should consider the ruling an opportunity to pause for reflection. This halt means everyone once again has the opportunity to discuss the GBN project's overall purpose fundamentally.

And what does that mean for Swissterminal?

Our opinion is well known: Gateway Basel Nord is not needed. We are confident that this ruling is an important milestone and that both policymakers and public authorities will realise that GBN would undermine competition – and that the project does not meet current market demands. And if new infrastructure does have to be built, then not only the construction but also the operation should be put out to competitive, public tender. This is an imperative for the efficient use of tax revenues and a legal obligation.

QUICK FACTS:

Why is the Gateway project so controversial?

- Over CHF 200 million in government funds will be used to create massive overcapacities (at roughly the same level of demand).
- This large-scale project – subsidised with millions in taxpayer funds – will destroy the existing private market structures. Private companies will be driven out of the market.
- GBN advocates' claims regarding the shift from road to rail and future demand are based on incorrect figures.
- GBN would lead to a significant additional burden on the population (additional traffic, air and noise pollution, dangerous goods risk).
- GBN would destroy valuable and protected nature reserves and habitats. An important species corridor for the whole of Switzerland, listed in the Federal Inventory of Dry Meadows and Pastures (TWW) and designated as a biotope of national importance, will be lost.
- The existing terminal market, which is decentralised and operated by private companies, has great potential in reserve, which today lies fallow due to lack of demand.

On route to the New **SILK ROAD**

The New Silk Road is the infrastructure project of the century, and Switzerland has laid the first foundation stone to be part of this undertaking. However, other European countries such as Germany, France and Great Britain criticise China's strategic geographical plans. What are the opportunities and threats for Switzerland?

■ ■ **China has a vision:** to build a trade and logistics network that will create new land and sea links between Europe, Asia and Africa, spanning the continents. President Xi Jinping presented the project in 2013 as the ***“New Silk Road”***, which is now known as the ***“Belt and Road Initiative (BRI)”***. BRI already comprises more than 100 countries, which together account for two thirds of the world’s population and one third of the world’s economic output. The project is backed by investments worth billions in roads, railways and ports. The World Bank estimates the total value of the investments in the infrastructure programme at over half a trillion Swiss francs.

China and Switzerland

In spring 2019, Switzerland took an important step towards joining the initiative. During his visit to Beijing, then Federal President Ueli Maurer signed a declaration of intent with Jinping, which focuses on finance and the economy. The two countries intend to expand their cooperation along the route through trade, investment and project finance.

Since Maurer and Jingping's meeting, the opportunities and threats of China's mammoth project have been a hot topic for discussion in Switzerland. There is talk of enormous economic potential, and a wide variety of companies are hoping that the Chinese infrastructure project will open up new business opportunities. But the ambiguities and challenges that need to be resolved are just as great. A closer look at rail freight highlights this.

Rail freight in focus

The concept of rail freight as an economical alternative for the transport of goods between East and West is at the centre of BRI. Although this freight mode takes much longer than by air, it is considerably faster than by sea (see *info box*). However, this concept is far from mature, as Prof. Dr. Armin Schwolgin, emeritus professor at DHWB Lörrach and its delegate for China, explains: ***“There are various technical challenges, mainly due to different track systems in the countries to be crossed.”***

There are now three main routes for freight trains connecting China with the rest of the world: the northern route runs from Dalian via the Chinese border station Manzhouli via Russian territory to the west. The middle route crosses Mongolia and meets the northern route in Russia. The southern route crosses the western Chinese province of Xinjiang through Kazakhstan and then further west via Russian territory. According to Schwolgin, however, the Iron Silk Road is not yet a closed system: ***“There are three independent systems: the Chinese network with standard gauge, the Russian network with broad gauge and the standard gauge in Europe, which, however, does not include Spain and Ireland. These complex interfaces must be carefully managed.”***

In addition to the technical aspects, the imbalance in the level of traffic on the routes poses a further problem. ***“While just under 90% of the containers on the trains are loaded westwards, only 20% are loaded eastwards. The remaining 80% run empty. This high proportion of empty containers must be reduced, but currently nobody is addressing the problem,”*** says Schwolgin.

The China specialist also sees challenges in relation to the geopolitical, legal and financial framework conditions. The security situation in some BRI countries and China's lack of intercultural competence are also factors that should not be underestimated when it comes to the realisation of projects.

However, the Swiss Institute of Economic Research (KOF) at ETH Zurich sees opportunities for the Swiss financial market to benefit from BRI, as local financial institutions could act as lenders and investors. In addition, it expects positive growth impulses from the planned infrastructure projects, e.g. for seaports and airports. However, Schwolgin is concerned it is questionable who exactly will earn money from the associated investments. Proponents of the initiative argue, however, that improved infrastructure will fundamentally lead to changed trade routes and lower trade costs, thus making global value chains more efficient.

A relationship with tradition

A cooperation between China and Switzerland in the course of the New Silk Road could be obvious for historical reasons alone. After all, Switzerland was one of the first countries in the world to recognise the People's Republic of China in 1950. According to experts, this is the reason for China's "historical interest" in Swiss companies.

Another important cornerstone for this is the conclusion of a free trade agreement between the two countries in 2014, which provides for a gradual reduction of Chinese import duties by 2023. Since then, Swiss companies have increased their exports to China by around 30%, while imports from China have risen by 7%. This means that the People's Republic is now Switzerland's third most important trading partner after the EU and the USA. In terms of exports from Switzerland, China ranked third in 2018 with a share of 10%. In addition, the Swiss export economy is currently shifting in favour of the USA and China. Nevertheless, there is still great untapped import and export potential on both sides – and BRI might bring opportunities to tap the full potential.



Rail freight avoids considerable detours in comparison to sea transport. A comparison of the sea and rail routes between Chengdu in Western China and Nuremberg, Germany shows: the route by rail is approximately 10,000 km and takes an average of 15 days. The route by sea via Shanghai and Hamburg, on the other hand, is over 23,000 km and takes about a month.

■ ■ ■ In the era of the job-hopper, an employee with over 30 years of experience at the same company is a rare find. After 31 years in container trading at Swissterminal AG, Kurt Frei began his well-deserved retirement at the end of November 2019. But before he headed off into this new chapter of life, he discussed his professional experience with us – and shared what he believes is most important in container trading today.

Kurt Frei,
Manager Trading, Swissterminal



“Advising the customers is everything”

Mr Frei, the container is still a steel box – but apart from that, a lot has changed over the past three decades. Looking back, what changes do you think have been particularly significant?

The first thing that comes to mind, of course, is communication. We used to work with telex at Swissterminal. Young people don't even know what that is anymore. Then came fax, but that is also obsolete, since we now communicate by e-mail. As a result, the pace has increased significantly. We used to send Polaroid images of containers all over the world and had to wait a long time for answers. Today everything is digital. Of course, we can react much faster and answer more questions in less time, whether they are questions about repairs or sales. At the same time, our customer portfolio has also changed dramatically.

What has changed exactly?

When I started at Swissterminal, we worked with about 120 to 140 container owners, i.e. shipping companies and leasing companies. Through mergers or liquidations, our customer base has been greatly reduced. There are not as many owners today who buy or have containers repaired as there were back then. Today there are only about 30.

This of course would have a major influence on container trading in particular.

Exactly. In the past, there were many more channels when it came to buying something directly. Today containers destined for the second-hand market are bought up by globally active organisations and then traded on. We now buy most of our containers from these companies and no longer mainly from leasing companies or shipping companies. In effect, we have taken on an intermediary role.

A role like that is not always easy. How do you convince customers to buy from you at all?

There are many “pen pushers” in the industry, i.e. salespeople who see nothing but the documents on their desks. Some have no idea at all about the containers they are selling. We, on the other hand, are close to the market and know what we are talking about. We go out and look at all the containers in our fleet. We also invite customers to come and choose their containers on our premises. That way, there are no nasty surprises in terms of quality, as can happen, for example, with anonymous online purchases. This is comparable to buying a used car – you want to know what you are getting.

How do you guarantee the safety of repaired or sold containers?

If desired, we can deliver them with a valid CSC approval plate (*editor's note: International Convention for Safe Containers approval plate*).

This proves that a container repaired by us has been inspected and approved for international transport for a period of 30 months. We guarantee that it is in perfect condition and issue a certificate. Many shipping companies require this for sea transport. In addition, we are happy to advise our customers on the purchase of new containers.

What are the different options, apart from the different models?

Completely new containers are of course comparatively expensive, while used containers may show strong signs of use. But there is something in between: boxes that have only been used to a limited extent and are as good as new, but much cheaper. These options can be viewed and compared directly on our premises, and customers can choose their container themselves. We also offer repairs and maintenance. This is not possible on the Internet. We, on the other hand, guarantee quality, as we have done for generations.

Now the next generation of container traders is taking over. What would you like to pass on to your successor Luisa Trovato?

I can't stress it often enough: advising the customers is everything. In the past, the market environment was much simpler, and we had fewer competitors. Today, the pie is no bigger overall, but more and more market players want a slice. Swissterminal's service must therefore be what makes us clearly stand out from the competition. Of course, price is also very important, but in the end, the whole package has to be right for the customer. The most important thing is to be able to give expert advice on the advantages and disadvantages of the products and to offer good quality.

Finally, a personal question: What are you most looking forward to in this new phase of your life?

I am very much looking forward to being able to set my own daily routine. I have different hobbies that I am involved in, and I do a lot of sports. In the future, I will no longer have to get on my bike in the evening (laughs). But still, I will continue to structure my day and take on tasks in the future, albeit no longer full-time.

Many thanks for the interview, Mr Frei.

Swissterminal supports Children's Hope School in Africa

FROM FRENKENDORF TO KENYA



The flat buildings are purple or green with corrugated iron roofs to protect against the tropical rains. Initially, two brick school buildings, two traditional Makuti houses with palm roofs and ten toilets were built. ***"One year later, we built another children's home and 24 children in need moved in, that was in March 2018,"*** reports Meyer. She was surprised to see that often two or three of the little ones voluntarily sleep together in one bed because they are ***"so used to it from home"***. However, CHS believes it is important that each child should have his or her own bed in the future.

A major problem faced by the school is frequent power cuts. Therefore, solar lamps were purchased so that the pupils could also do their homework in the evening when it is dark. The next project for CHS is to install a solar panel that converts sunlight into electricity.

■ ■ Hope is not necessarily what first comes to mind when you look at Swissterminal's container terminal in Frenkendorf. The Swissterminal headquarters in Frenkendorf stands for quality, innovation and speedy handling – but hope? Admittedly, for this you have to search a little on the 54,000 m² site with storage capacity for 7,000 TEU. Swissterminal CEO Roman Mayer leads us to a steel box belonging to the non-profit organisation "Children's Hope School" (CHS), which is based in Strengelbach and provides aid for Kenya. At the moment, the box is filled with relief supplies and is waiting for "various permits" before it starts its journey to Kenya.

Children's Hope School gives hope to 220 children from the poorest backgrounds in Kenya. They are aged between three and 16, and four of them are disabled. They all attend a primary school with a kindergarten, which CHS established in Umoja near Ukunda and is continuing to expand. Ulrich Winkler, a member of Swissterminal management until his retirement, initiated the contact. The aid project began five years ago, when the organisation bought an 8,800 m² property south of the port city of Mombasa. In the tropical climate, the soil is red and the vegetation lush green.

CHS President Jacqueline Meyer regularly visits the school to assess the situation and discuss the next steps with the staff. In addition to the school principal and ten teachers, the team includes two assistants for the handicapped children, a gardener, a cook, an assistant cook and a night watchman.

The organisation also plans to build classrooms, an office, student accommodation and a medical outpatient clinic. This is because CHS is not only committed to education, but also to health. In its statutes, CHS states its goal as ***"to help children in need and young people, primarily in Kenya"***. They should ***"be able to achieve a better and sustainable future for themselves and their families through nutrition, training and an introduction to health care"***. Doctors have already cured worms, malaria and colds during routine screenings at the school. Annual visits to the dentist are also part of the CHS programme. Other important topics are hygiene in everyday life, nutrition and HIV/AIDS prevention.

More than a third of Kenya's population lives in extreme poverty, with most families living off a mere CHF 1 (under €1) per day according to CHS figures. Clearly, with an average birth rate of 4.7 children per woman, this will certainly not cover school costs, visits to the doctor and adequate nutrition. This is why CHS provides the children at the school with two meals a day, even during holidays. Popular nutritious dishes are "Githeri", a stew made from corn and beans, or the cereal porridge "Ugali".

The container in Frenkendorf may not seem remarkable at first sight. But its content is of tremendous significance for CHS.

In House

New Entries / Births / Anniversaries /
Apprenticeship / Retirement

01

Jaron Eneas, welcome!

21 September 2019: Jaron Eneas, son of Fabrice Marti (finance and human resources) and his partner Noemi. We wish the happy parents and the little newcomer all the best and many happy hours together.

01



02

Maëlle, welcome!

29 April 2019: Maëlle, daughter of Etienne Jehl (technical worker) and his partner Mélanie. We wish the happy parents and the little newcomer all the best and many happy hours together.

02



03

Liss Paula, welcome!

03 September 2019: Liss Paula, daughter of Kathrin Tschamber (disposition at terminal Birsfelden) and husband Matthias. We wish the happy parents and the little newcomer all the best and many happy hours together.

03



04



05



06



04 – 05 – 06 – 08

- 04 – 15 years / Hartmut Bäuerle (joined 01.06.2004)
- 05 – 20 years / Dobrivoje Masic (joined 18.10.1999)
- 06 – 30 years / Jörg Paulicke (joined 01.08.1989)
- 08 – 31 years / Kurt Frei (joined 01.02.1988)

We would like to express heartfelt congratulations to all of our longstanding employees celebrating their anniversaries and would like to thank every one of them for their commitment, engagement and loyalty to Swissterminal Group.

07



08



07

Three questions for Damjan Talovic, apprentice

Why did you decide to for an apprenticeship in the forwarding industry?

I was already familiar with the international passenger and transport industry through my family, and forwarding and logistics services are also part of this sector. I now have the pleasure to deepen my knowledge and to get to know the practice personally.

What was it like beginning an apprenticeship at the Swissterminal? And how do you like it so far?

Thanks to the company's excellent preperation and training plan, my transition into the role went very smoothly, and above all, I felt welcomed. The first department I was assigned to work in was the reporting department. The day-to-day business is interesting, varied and requires specific expertise, especially in relation to direct customer contact. I am able to do some work independently, and this leads to small "success experiences." I am expanding my know-how on a daily basis and am always thirsty for more knowledge.

Which business unit are you particularly interested in and why?

I am very interested in customer service because I enjoy communicating with people, and the work is diverse. I like to process e-mails or answer questions by phone. The work is very varied and often stressful, but I can deal with that. I enjoy the fast pace.

08 – 09

Retirement

In June 2019, we said say goodbye to two longtime employees who entered into well-deserved retirement. Ms Claudia Kühnle (Head of Terminal Birsfelden) worked for 15 years and Mr Ruedi Altermatt (Electrical Engineer, Technical Purchasing, Trainer "Special Inspector for Sea Containers") for 39 years at Swissterminal. In November, we said goodbye to Mr Kurt Frei (Manager Trading), who worked for 31 years at Swissterminal. We sincerely thank our colleagues for their continuous commitment and dedication. We wish Ms Kühnle, Mr Altermatt and Mr Frei all the best in this next stage of life, with good health and lots of exciting experiences.

09



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