Gulf Shipper

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Are We a Nation of Compulsive Shoppers and Drunks?

In Mid May I participated in a panel at *II SEACARGO AMERICAS* in Miami. It's title was "Meeting the Changing Demands of International Trade: Manufacturer and Retailer Requirements." Beginning as a discussion of supply chain challenges and what shippers expect from their logistics providers (be they carriers, brokers/forwarders or others in the transport equation,) it soon "metastasized" in carrier service issues (or "non-service.") The two carriers on the panel, **Dole** and **Seaboard** were the exception. I went into a discussion of what we at the **National Customs Brokers & Forwarders Association of America** (**NCBFAA**) were doing to address carrier service issues, having formed a Carrier Services Subcommittee which has since morphed into a "Best Practices" committee, even mentioning a Houston meeting in the first quarter of this year wherein the two transnational carriers present were shocked (like Claude Rains in "Casablanca") that there were problems, i.e., unwarranted demurrage, detention, *per diem*, delivery order liability issues on steamship line store/door moves, general scapegoating of brokers/forwarders; and that we were moving forward with additional meetings, the next in Chicago in June in conjunction with our board of directors meeting. There was some pointed discussion on service issues and the benefits/advantages of properly executed confidential service contracts (as long as all parties were upfront about projected volumes and service levels.) With anticipated double-digit volumes arriving again this year from the Pacific Rim it is expected that once more there may be congestion problems and supply chain bottlenecks. The alternative of serving U.S. Gulf and East coast points via the Panama Canal to address this congestion is fraught with its own challenges. It involves reversing the trend of "up-sizing" vessels into the 8,000 TEU range (the Germans even now looking into 18,000 TEU "monsters,") and adding more vessels into a string from the Pacific (increasing the capital cost,) but finding it difficult to wring more revenue from the trade.

Most telling was the PowerPoint presentation by Stuart Jablon of **Dole Ocean Cargo Express**. He indicated that imports were at all time record levels with no end in sight; and that there was continued outsourcing of manufacturing to Asia & Latin America. Mr. Jablon took his two teenage daughters shopping at **The GAP** and other mall stores, finding basically nothing from the U.S.A. in any of the locations. For **The GAP** it was the Dominican Republic and Turkey; **Hollister**: Korea, Peru, Cambodia; **Payless ShoeSource**: China, Brazil; **Starbucks Coffee**: Ethiopia, Sumatra, Guatemala (but then I don't think the climate anywhere in the U.S. is conducive to coffee growing); **Pier 1 Imports**: Indonesia, Thailand, India, U.S.A.

More pointedly, Mr. Jablon compared and contrasted the Top 10 Importers 1997 vs. 2003. There were some interesting observations. **Dole Food Company** in 1997 was the top importer with over 106,000 TEUs moved. That was followed by **Wal Mart Stores**, **Chiquita Brands**, **Target Stores**, **Honda Motor**, **Payless Shoe Stores**, **JC Penney**, **Mattel**, **Canon** and **Michelin Tire**. In 2003 the ranking were flip-flopped with **Wal Mart** pulling into first place at 471,600 TEUs imported. This was followed by **Home Depot**, **Target Stores**, **Dole Food Company**, **Chiquita Brands**, **Lowe's**, **K-Mart**, **Heineken**, **Interbrew** and finally, **Ikea** (some wag recently noted that 1 in 10 Europeans have been conceived on an **Ikea** bed.) So as Mr. Jablon rightly concludes, we have become a nation of shoppers and drunks.