The Trader Perspective:
Logistical changes

Most people on the fringe of logistics consider it an inconvenience.
Two cartoon clips to remind us what producers and consumers think ... how simple moving things around is:
SECRET

• A modern trader, indeed successful ones, historically earn up to 50pct of their profits on *mining* logistical advantages

• Traders constantly look for inefficiencies to create new business.

• Logistical success is not shared
Revolution in logistics

• 1/ every place in the world is reachable cheaper than 15 years ago.

• 2/ “half” of the world steel trade makes economic sense because of logistics

3/ technology make cardboard boxes between Guangzhou and Walmart Kalamazoo traceable
• East bound container cargo value USD 200K and west bound with scrap USD 8K. (one direction logistical cost 1pct, the other direction 10pct)

• Commodity traders look for logistical opportunities to produce when logistics are cheapest or match the needs of the logistics provider to lower costs and increase margins
Logistic providers are pushed...

- To adapt to producers and/or customers
- Christmas and summer holidays periods create bottlenecks (gifts and barbeques)
- Logistics makes crazy things viable!
  - environment
- total economic distortion
Reliability and Traceability

• What is the future?

• APPS, micro-chips, GSM senders (technology that is invisible)

• Smart logistics that is both reliable and information rich .... on demand.
Where is Vawancia Mr. Michael?
Who in this room?

• Thought that our customers would be able to online see the position of every chartered vessel, intended vessel?
  ... we need to take advantage of that!

• Trading based on exclusive knowledge and secrets is disappearing quickly.
Traders are logistical solution providers

• However we do not in most cases invest in the logistical future.
• Do we have to rely upon non-traders to invest in the logistical future?
• Both traders and logistical providers must become innovators!