

# NVOCC Relevance and Importance in Asia

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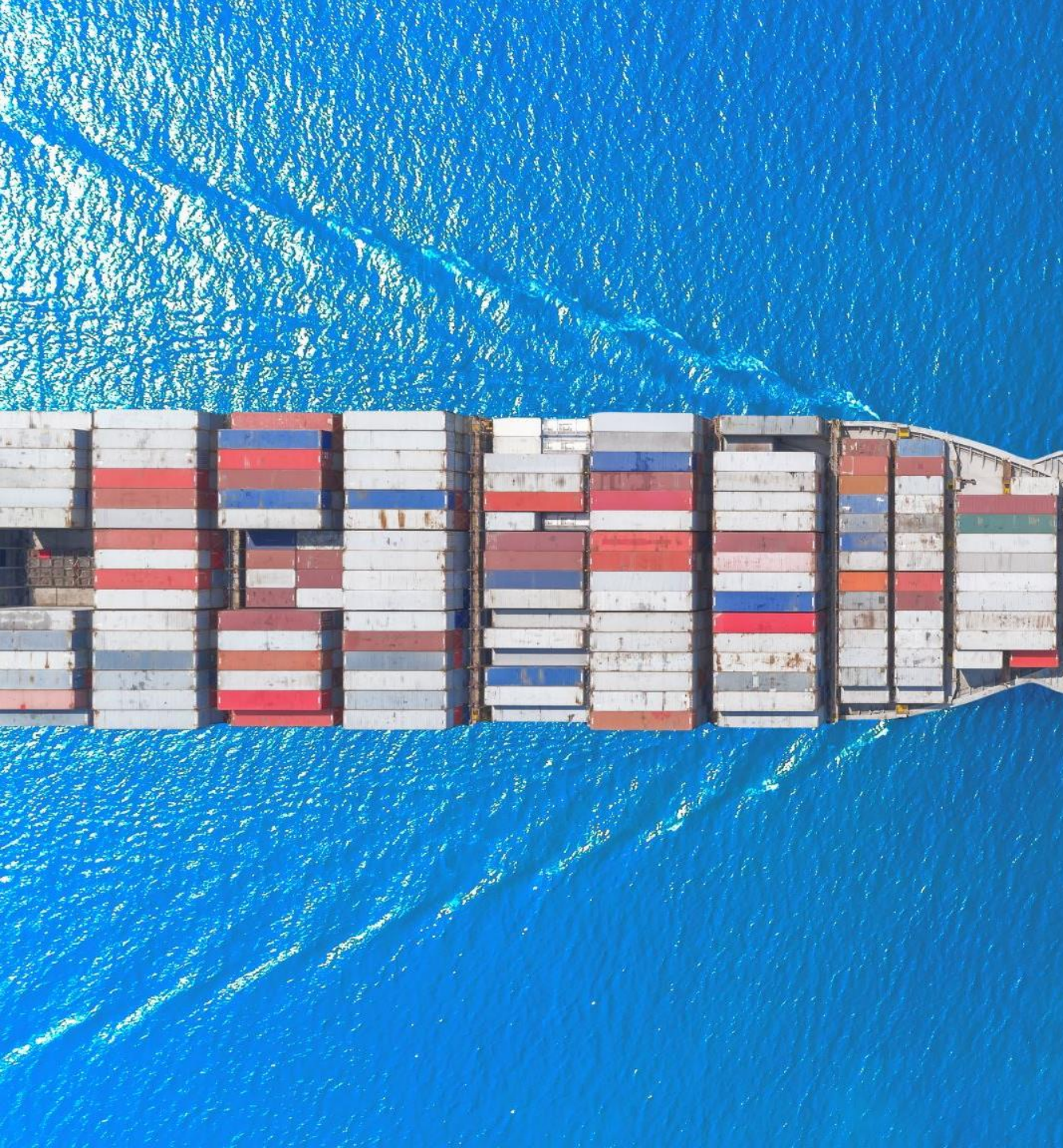


# NVOCC Relevance and Importance in Asia

- NVOCCs started over 4 decades ago with the advent of feeder routes to serve the expanding container business of the mainline carriers.
- NVOCC Lines developed a niche for themselves in the short sea route with direct port to port operation taking advantage of the growing regional trade.
- Growth of independent feeders and the globalization in early 90's further propelled this with the size of vessels ever increasing and the corresponding increase in feeder network and feeder operators.







# NVOCC Relevance and Importance in Asia

- During the last two decades, supported by the global growth and the increased feeder vessel capacity NVOCC Lines have expanded their operation to cover all the major markets in India Sub-continent, Middle East, South East - Asia, Far East & Red Sea region.
- NVOCC Lines now operate as a regional carriers in many trade and control a significant market share with the support of the Feeder operators.
- During the recent Covid Pandemic, NVOCC Lines played a significant role as regional carriers to minimize the impact of supply chain disruption that were faced globally in this region.

# NVOCC Relevance and Importance in Asia

NVOCC Lines are important from a regional context as they insulate the impact of global supply chain shocks in terms of equipment.

NVOCC along with the common feeders provide increased frequency to the Trade.

Feeder operators with the support of NVOCC Lines are now present in all major longhaul tradlanes of Asia in partnership with the global / regional carriers and supporting the Trade expansion.

Asia as a global economic powerhouse for manufacture and an ever expanding consumer base in China , India, South East Asia, Middle East fuel accelerated demand growth for logistics solution

Deglobalization and regional cooperation is a reality.

# NVOCC Relevance and Importance in Asia



Reliable Feeder operators



Recognition by Ports / Terminals / Government



Level playing field



Terminal Tariff – local and transshipment



# **NVOCC Relevance and Importance in Asia**

NVOCC Lines not only support the trade with dry containers, but also provide service of Reefers, Special equipment (open tops / flat racks) and ISO tank containers.

NVOCC along with feeders serve tradelanes vacated by the mainline carriers within the global framework providing logistics support to the trade.

# NVOCC Relevance and Importance in Asia

## Future

- Global Trade flow is changing and will change further.
- Routes currently served by NVOCC lines will see increased cargo flow.
- NVOCC are expanding their horizon to East Africa / Mediterranean ports.

## Challenges

- Common Feeder operator becoming regional carriers.
- Tariff restriction in the markets.
- Global carriers increased footprint in this market with the changing trade flow.



# Colombo Port

Colombo Port based on its geographical location will stand to benefit from the growth of India as an expanding global manufacturing hub in a deglobalizing world.

Colombo Port should benefit with the manufacturing growth of India despite the creation of mega ports just like how the growth of China spurred the growth of port in the region.

Regional ports in Indian Sub Continent (India / Pakistan / Bangladesh / Male) use Colombo as one of the transshipment hub.

Feeder operators will increase their capacity to meet this growth and this will benefit local trade as well as NVOCC operators in this region.





**Thank you**