

KONECRANES®

LIFT TRUCKS QUARTERLY

September 2017



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MACRO ECONOMIC TRENDS

GLOBAL ECONOMY ON FIRMER FOOTING, PROJECTED GROWTH AT 3.5 % IN 2017 AND 3.6 % IN 2018.



REAL GDP GROWTH

Q2 GDP went up in France & Euro Area, down in UK, and remained the same in China and US.



INDUSTRIAL PRODUCTION

Industrial production levels have gone up year-on-year in most economies, went down in UK.



INFLATION

Inflation fell in India, Euro Area, Japan, US and Brazil, went up in Russia, remained the same in China.



CURRENCIES

In July, Euro appreciated against most major currencies, depreciated against Swedish Krona.



CAPACITY UTILISATION

Capacity utilisation went up in EU, went down in US.



POLICY INTEREST RATES

Policy interest rates remained unchanged in July for major economies.



PURCHASING MANAGERS INDEX

PMI went up in Russia, China, France, and UK. Went down in Brazil, India, US, Eurozone, Germany, Italy and Spain.



KEEP READING





HOWE ROBINSON CONTAINER INDEX AND BALTIC DRY BULK

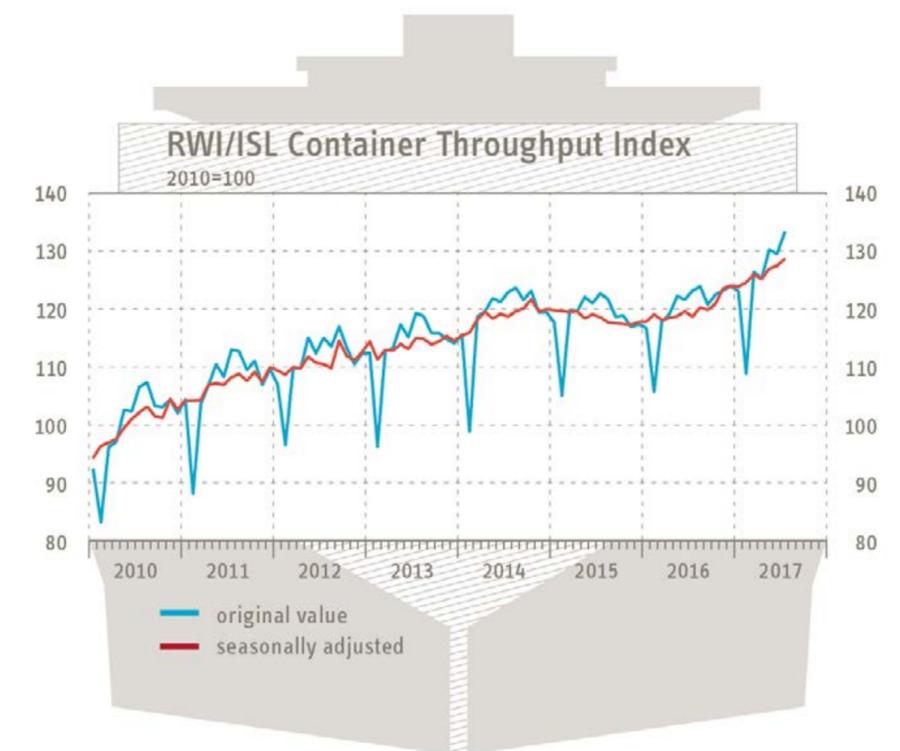
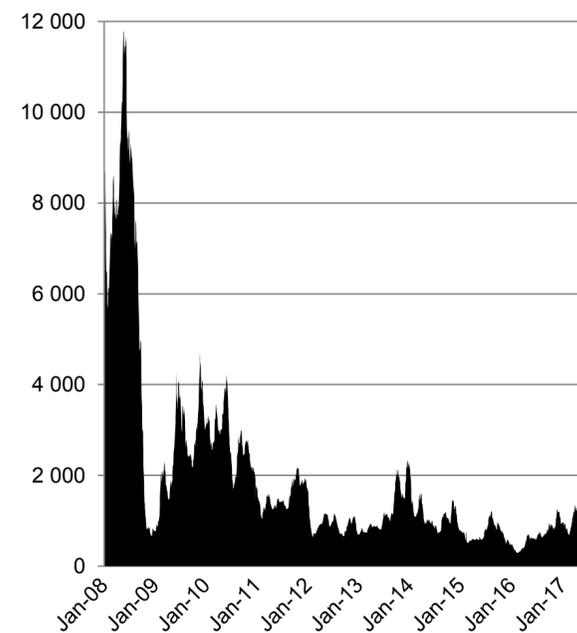
TRAFFIC ON INDIA'S MAJOR PORTS GROWS BY 4.13% YOY

Cargo traffic on India's 12 major ports increased by 4.13 % to 221.95 million tonnes (MT) in April–July, data from ports' authority IPA reveals. Behind the increase in movement was higher demand on sectors like iron ore, petroleum oil and lubricants and containers. Containers traffic grew 6.16 % to 44.06 MT.

The busiest port was the Kandla port which handled 36.10 MT during the three months, followed by the Paradip port at 32.93 MT and JNPT at 21.84 MT.

India's 12 major ports, namely Kandla, Mumbai, JNPT, Mormugao, New Mangalore, Cochin, Chennai, Ennore, V O Chidambaranar, Visakhapatnam, Paradip and Kolkata (including Haldia), handle approximately 61 % of the country's total cargo traffic. ■

Baltic Dry Index





GLOBAL SECTOR SUMMARY

WHAT ARE THE LATEST NEWS OF GENERAL MANUFACTURING, MINING AND PORTS? READ MORE ABOUT FORECASTS OF DIFFERENT INDUSTRIES.



KEEP READING

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- GENERAL MANUFACTURING
- INTERMODAL & RAIL
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AUTOMOTIVE

PHILIPPINES, VIETNAM TO BECOME FASTEST GROWING CAR-HUBS IN SOUTHEAST ASIA

Philippines and Vietnam will be the two fastest-growing car production hubs in Southeast Asia, according to BMI Research. From 2016 to 2012, output will surge 300% in the Philippines to 359,000 units and almost double in Vietnam to 112,000 units. On the demand side, sales in six major Southeast Asian countries grew 5% on the year to 1.62 million new vehicles for the six months ended June 2017 to top 1.6 million for the first time in three years. Only 6% of households in the Philippines own a car and 2% in Vietnam. Car purchases are forecast to increase by 15% a year in the two countries over the next five years.



GENERAL MANUFACTURING

CHINA ESTABLISHES GREEN MANUFACTURING ALLIANCE

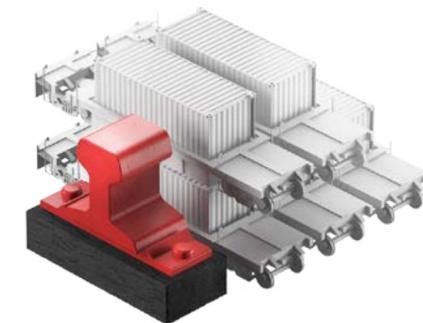
The total industrial output of green manufacturing in the Yangtze River Economic Belt – China's most advanced manufacturing hub – will reach RMB 5 trillion by 2020, according to Ministry on Industry and Information Technology. China will help create 500 green manufacturing demonstration plants, 50 industrial zones and promote over 5,000 green products. Once known as the "world's factory" for producing cheap goods, China is moving into an advanced manufacturing stage in a time when the real economy matters like never before.



INTERMODAL AND RAIL

BY 2020, FLIGHTS TO OVERTAKE TRAINS FOR LONG-DISTANCE TRAVEL IN INDIA

Indian Railways has released a blueprint where it projects that by 2020 domestic airlines will overtake rail transport as India's most preferred mode of long-distance travel for upper-class passengers. The projection raises the first official red flag over the national transporter losing its upper-class clientele to the booming domestic airlines sector. Apart from airfares coming closer to rail fares, proactive government policies like UDAAN, which provides for air travel of less an hour for INR2,500, will also provide impetus to the civil aviation sector.





MINING

CLEAN ENERGY TRANSITION TO INCREASE DEMAND FOR MINERALS AND METALS

A new report by the World Bank uses wind, solar, and energy storage as key examples of low-carbon technologies to examine the types of minerals and metals for which demand will increase as the world works to keep the average temperature rise at or below 2°C. Mineral and metals expected to see heightened demand include e.g. aluminum, copper, lead, lithium, manganese, nickel, silver, steel and zinc. Countries with capacity and infrastructure to supply the minerals and metals required for cleaner technologies have a unique opportunity to grow their economies if they sustainably develop their mining sectors, says Riccardo Puliti, Senior Director of World Bank.



OIL AND GAS

OPEC CUTS BOOST FUEL OIL, HISTORICALLY CHEAPEST REFINERY PRODUCT

The price difference between high-quality North Sea crude, popular for making products like gasoline, and key Middle East grades that churn out more fuel oil has collapsed. OPEC pumps mostly heavy, sour crude, meaning its production cuts are hitting the market disproportionately since they restrict supplies of fuel oil-rich feedstock. The market for fuel oil used to power ships and generate electricity, will soon face a serious challenge. From 2020, ships will have to restrict the amount of sulfur emissions to 0.5% from 3.5%. Demand can only be maintained if the majority of the merchant fleet fits scrubbers, which seems unlikely.



PULP AND PAPER

LARGE INDIAN WPP MILLS BENEFIT FROM SOLID PRICES, FALLING PRODUCTION COST

In India, writing and printing paper (WPP) mills have seen a sharp increase in their top and bottom lines over the last six quarters. Mills are required to make large capital investments in clean technology, which the smaller ones cannot afford. This has benefited the larger players. Firm process of WPP and falling production cost due to investments in efficiency are bolstering the sector's profitability, according to a report by CRISIL. In contrast to the subdued global demand growth for WPP – less than 1% – Indian consumption is buoyant at 5–6% y/y, driven by rising literacy, growing school enrolment rates and higher promotional spends. That has led to supply constraints.





PORTS

CHINA INVESTS USD 20.1 BILLION IN THE YEAR TO JUNE TO EXPAND PORT NETWORK, UP 101.6% Y/Y

Chinese companies have announced plans to buy or invest in nine overseas ports in the year to June 2017, in projects valued at a total of USD 20.1 billion. This level of activity represents a sharp acceleration from the USD 9.97 billion in Chinese overseas port projects in the year-ago period. The locations of the ports in which China is investing cluster around three “blue economic passages”: China-Indian Ocean-Africa-Mediterranean Sea; China-Oceania-South Pacific and Europe via the Arctic Ocean. The route from China to Europe via the Arctic Ocean could cut the journey time by several days.

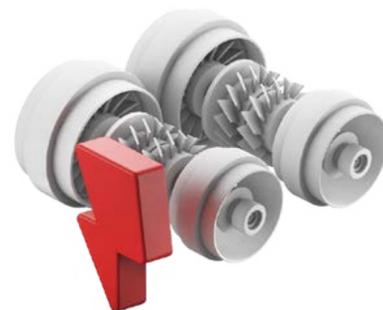


POWER

WASTE TO ENERGY: Declining landfill capacity bolsters WTE potential in South Africa. Increased fees and bans of certain waste types at landfill sites have boosted the economic potential of waste.

FOSSIL FUELS: Batteries and renewables to replace gas as south Australia’s main power source. Declining renewables and energy storage costs will increasingly squeeze out gas-fired generation in South Australia as early as 2025.

WIND POWER: Statoil unveils world’s first full-scale floating wind farm in north-east coast of Scotland. The wind farm is a trial which will bring power to 20 000 homes.



STEEL

NEW U.S. CURBS ON STEEL IMPORTS COULD SPARK TRADE WAR

Following a “section 232” investigation into whether steel imports pose a risk to national security, Donald Trump mulls imposing tariffs or quotas to help revive the U.S. steel industry. The U.S. steel industry argues that the massive amount of steel that China produces pushes down the global price of the metal, forcing American producers to lower their prices. China’s steel industry association has urged Beijing to get tougher with the Trump administration and to threaten retaliation if Washington moves to curb Chinese steel imports. The Japan Iron and Steel Federation noted there is a risk of a global trade war. ■



REFERENCE
SRI TRANG LOGISTICS, THAILAND

BEST-IN-CLASS MACHINES ENSURE SUCCESSFUL LOGISTICS OPERATIONS

WE MET OUR CUSTOMER SRI TRANG
LOGISTICS IN THAILAND AND GOT TO HEAR
HOW KONECRANES REACH STACKERS ARE
PERFORMING IN THEIR LOGISTICS PROCESS.



KEEP READING

Sri Trang Logistics is a fast-growing logistic provider in the region of south-east Asia. Since 2008 it has been a container seaport operator in Kantang, Trang Province, Thailand, and in 2016 it officially begun its railway container yard operation in Thung Song, Nakon Sri Thamarat. Around 16,000 TEUs pass through the ports every year.

Rubber is the main material that goes through the company's both locations due to the substantial amount of rubber production in the area. Rubber is typically transported in baled sheets, which are then containerized or as liquid latex transported in containerized tanks.

CAPABLE AND FLEXIBLE

Four Konecranes reach stackers, model SMV 4531 TC5, are working in the two ports in Kantang and Thung Song, primarily assisting with container lifting. Stacking up to five containers high and across three rows, calls for a flexible reach stacker with large lifting capacity. Mr. **Apichart Parnitchkul**, CEO of Sri Trang Logistics explains:

“If you produce and transport some of the highest volumes of natural rubber in the world, you need best-in-class machines and partners to do that successfully and consistently”.

“With TRUCONNECT®, we are able to focus on driver productivity, ability and maintenance”, says Mr. **Atthapon Mebusaya**, Maintenance and Procurement Manager of Sri Trang Logistics.



A common challenge for machine owners is after sales service, but Mr. Apichart Parnitchkul points out that “Even though our company is located in the far down south of Thailand, we have no issues with technical support such as spare parts, on-site technician and technical support. All of the communication is established between Konecranes and Sri Trang Logistics to ensure the machines highest uptime and customer satisfaction.”

VALUABLE INSIGHTS WITH REMOTE MONITORING

All the reach stackers are equipped with TRUCONNECT® systems, as Sri Trang Logistics acknowledge that remote oversight of usage and maintenance issues can be the difference between productive machines and downtime.

“The most difficult part of my job is to have an accurate evaluation of each machine and their activities, but now I can access Konecranes web

portal at any time to check on the machines in all of our branches. It is extremely valuable to have all that information at your fingertips. Every day I also receive a report of each machine’s performance and activities.” Says Mr. **Atthapon Mebusaya**, Maintenance and Procurement Manager.

He continues, “With TRUCONNECT®, we are able to focus on driver productivity, ability and maintenance. When it comes to productivity and ability; each month we have a driver KPI meeting to discuss how efficient the operation of the machine is. After each meeting each driver will redesign the way to operate the machine and the outcome is outstanding improvement. For maintenance, we are able to plan PM in advance and effectively, without, or with the least, interruption of the seaport operation.”

For any mechanic, including Mr. **Kitiwat Thongpradab** at Sri Trang Logistics, the biggest challenge is to keep the machines in perfect working condition at all times.



I can access Konecranes web portal at any time to check on the machines in all of our branches. It is extremely valuable to have all that information at your fingertips.

Atthapon Mebusaya

Maintenance and Procurement Manager, Sri Trang Logistics





Also for him the sensors on the machines come in very handy:

“I love to fix and look after the heavy machines. With Konecranes machines, whenever something is not working as it’s supposed to, I can see what the error is on the MD4 screen in the cabin, making it very easy to find the cause and quickly get the machine ready to continue its work.”

THE BEST VALUE

Sri Trang found that the Konecranes reach stackers in combination with remote monitoring system TRUCONNECT® and being backed with after sales support, offered them the best values for their operations. Mr. Atthapon Mebusaya, Maintenance and Procurement Manager and Mr. **Tossaporn Mebusaya**, Operation Development and Corporate Strategy Manager concludes:

“One of our main criteria to choose the supplier was the service capabilities and we are very confident with Konecranes after sales set-up”. ■



Mechanic Mr. Kitiwat Thongpradab (on the left) at Sri Trang Logistics regards the maintenance of Konecranes machines easy because the causes of errors can be quickly identified.

BUILT FOR YOUR WORLD

KONECRANES®

What is your world like? Your lifting loads? Climate challenges? Productivity levels? We love our customers, and want them to succeed in the particular worlds' where they work. So tell us about your world. We're listening.



EXPLORE OUR CUSTOMERS' WORLDS

Petur
Faroe Ship
Faroe Islands





HOW TO UTILIZE IOT DATA ANALYTICS FOR BUSINESS INTELLIGENCE?

AS COMPANIES SEEK TO LEVERAGE DATA TO IMPROVE PROFITABILITY OR BOOST OPERATIONAL EFFICIENCY, ANALYTICS MAKES IT POSSIBLE TO GAIN INSIGHTS ON BUSINESS AREAS THAT WERE PREVIOUSLY OUT OF REACH.



KEEP READING



IMPACTFUL DECISIONS WITH IOT DATA ANALYTICS

ALUN JONES, DATA SCIENTIST AT KONECRANES, TALKS ABOUT HOW ORGANIZATIONS CAN BEST USE IOT DATA ANALYTICS TO ARRIVE AT MORE IMPACTFUL BUSINESS DECISIONS.

According to McKinsey, the potential economic impact of the IoT could reach \$11 trillion per year in 2025. The technology research firm Gartner identified IoT data analytics as one of the key IoT-related technologies that should be on every organization's radar in 2017 and 2018, second only to security. To identify target-rich, high-value data that can be used to generate business intelligence, the following steps should be taken.

1. BE AWARE OF WHAT YOU ALREADY HAVE.

It makes sense to know if some of that information is already available or accessible even if it isn't immediately apparent. If you don't know, then find out: Build a data map for your enterprise.

2. THINK LIKE A CUSTODIAN, NOT AN OWNER.

The term "data owner" can be misleading as it appears to imply not only ultimate responsibility, but also the ability to utilize data for one's own purposes. Both are not necessarily true of data use within a business. A data custodian, meanwhile, is responsible for the technical environment and controls around data.

3. EVERY ACTION IS PART OF THE VALUE CHAIN.

The siloed approach to data access makes unifying the analytics layer a challenge. To generate scalability and real-time performance, however, all types of analytics – descriptive, diagnostics, predictive and prescriptive – must be brought together into a single engine.



The potential economic impact of the IoT could reach \$11 trillion per year in 2025.



Alun Jones, Data Scientist





THE ROLE OF CLOUD ANALYTICS PLATFORMS

In terms of using cloud analytics platforms to derive value from IoT data, it's important to remember that not all data is created equal. Companies should think of ways to get data from a device into a position where it can be analyzed; the priorities of that data need to be determined as well.

Next, it's also essential to gather data from numerous sources as interoperability is key in a heterogeneous environment. Last, it is advisable to have distributed data sources so that the cloud is there by default. Cloud simply means off premises; there will be distance between individual data sources and the computer power performing the processing. Processing IoT data close to the source results in less network delay than transferring it to the cloud, processing it there, and sending back the actionable result, such as computing and analysis at the edge.

DELIVERING VALUE

As far as the barriers to widespread IoT value delivery are concerned, these could be overcome in two ways.

- First is technical. This covers everything from data gathering and low power or no power devices. (At the moment, for example, sensors and devices need power to drive them or the transmission of data.) Data architecture and cost of hardware should likewise be considered.
- Second is the people aspect. Gatekeepers need to change. Management must improve its ability to understand and interpret the output from analytics. Individuals need to collaborate, even with those outside their respective enterprises. Normal business practices mean that things are driven on short-term departmental measures – this must be reconsidered as well.

Overall, harnessing IoT data analytics for business intelligence is not a one-time exercise. Rather, it's a continuous process. ■

Source: Industrial Internet Now



Konecranes smart connected lift trucks solutions take advantage of digital-industrial data, providing insights for optimizing operations and maintenance.

[SEE HOW IT WORKS!](#)



60 SECONDS WITH

**ANDREAS FALK
SALES & MARKETING
DIRECTOR, KONECRANES
LIFT TRUCKS**

WHAT IS “BUILT FOR YOUR WORLD”?

At Konecranes we have always taken pride in our work. We bring passion to our products and a dedication to quality. This truth about our team is expressed in the phrase: “**Lift Trucks with Heart**”.

Our new campaign – “**Built for Your World**” – underlines an equally powerful commitment: to study and understand our customer’s various “worlds”. Africa is not Asia, Europe is not the USA, the timber world differs from the port world. To operate a lift truck in heat and humidity is different from driving in a foggy, windswept landscape in the far north.

WHAT DOES IT MEAN TO YOU?

To us it means this: Listen to our customers stories. Listen to you. Study. Learn. Keep the customer’s world at the center of all we do.

WHY NOW?

Konecranes Lift Trucks is not the same organization it was even a few years ago. We are far bigger, more muscular, and

serve diverse industries. The growing footprint of our organization has brought into focus that we must become even more of a learning organization.

To best serve our Brazilian or Chinese or South African customers (or wherever you live) we must learn everything there is to learn about your unique world. Konecranes has long been an expert on lift truck design and production. “Built for your world” conveys this promise: we will remain the industry’s best listeners of the customer.

WHAT DOES THIS MEAN FOR KONECRANES LIFT TRUCKS AS AN ORGANIZATION?

To “build for the customer’s world” is a company-wide commitment – engineering, production, after-sales support, finance and administration are all tasked with listening well. When a sales team is simply intent on selling, you end up with a lesser organization. When a sales team is also listening carefully for the entire organization, solutions which advance customers will flow out of every department.

DOES THIS IMPACT KONECRANES LIFT TRUCKS PRODUCT OFFERING?

Just as before, we offer a broad, complete, complementary range of solutions. We are committed to apply what we learn to develop new solutions, and offer the best and most suitable solution for every customer.

WHAT DO YOU NEED FROM YOUR CUSTOMERS?

Every company likes to talk about itself, but we know that the world that matters most to you is **your** world, not ours. How can you help us support you? Tell us about your world. Tell us about your challenges, problems, and opportunities. No company stays successful for long if they operate at a distance from their customers. Many companies build lift trucks, but one company alone leads by fully focusing on your world. **Tell us about your world. We’re listening.**

TECH TODAY

LUGGAGE WITH BRAINS MAKES TRAVELLING SMOOTHER

The next generation of travel gear makes traveling experience more effortless and enjoyable than ever before. Related gadgets and GPS and 3G technology of smart luggages takes suitcases to the next level.

Bluesmart is one of the first super-smart luggage. After the crowdfunding, Bluesmart soon delivers orders of Series 2, which is a generation two of the Bluesmart luggage.

What makes the luggage smart? The companion iOS or Android app lets you lock the luggage from your smart-phone or automatically based on distance. The app also displays the bag's weight thanks to a built-in scale, and it will even tell you if it's overweight for the specific airline you're flying.

And with the GPS, you'll know where to find your bag even if the airline manages to lose it.

While traveling you have time to amuse yourself with your favorite devices until the battery runs out. The Bluesmart saves your long travelling day with a hidden battery with two USB charging ports. That's enough to charge most new phones more than five times.

[CHECK THE DETAILS](#)

EVENT CALENDAR



IANA INTERMODAL EXPO

17-19 September
Long Beach, CA, USA,
Stand 420

[READ MORE](#)

BREAKBULK AMERICAS

17-19 October
Houston, TX, USA,
Stand 949

[READ MORE](#)

TOC AMERICAS

17-19 October
Peru, Lima,
Stand C10

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If you have questions about Lift Trucks or about this newsletter please contact us:
communication.lifttrucks@konecranes.com

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WELCOME TO
MEET US AT

BREAKBULK AMERICAS

17-19 October
Houston, TX, USA,
Stand 949

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