

Higher performance and reliability in container handling

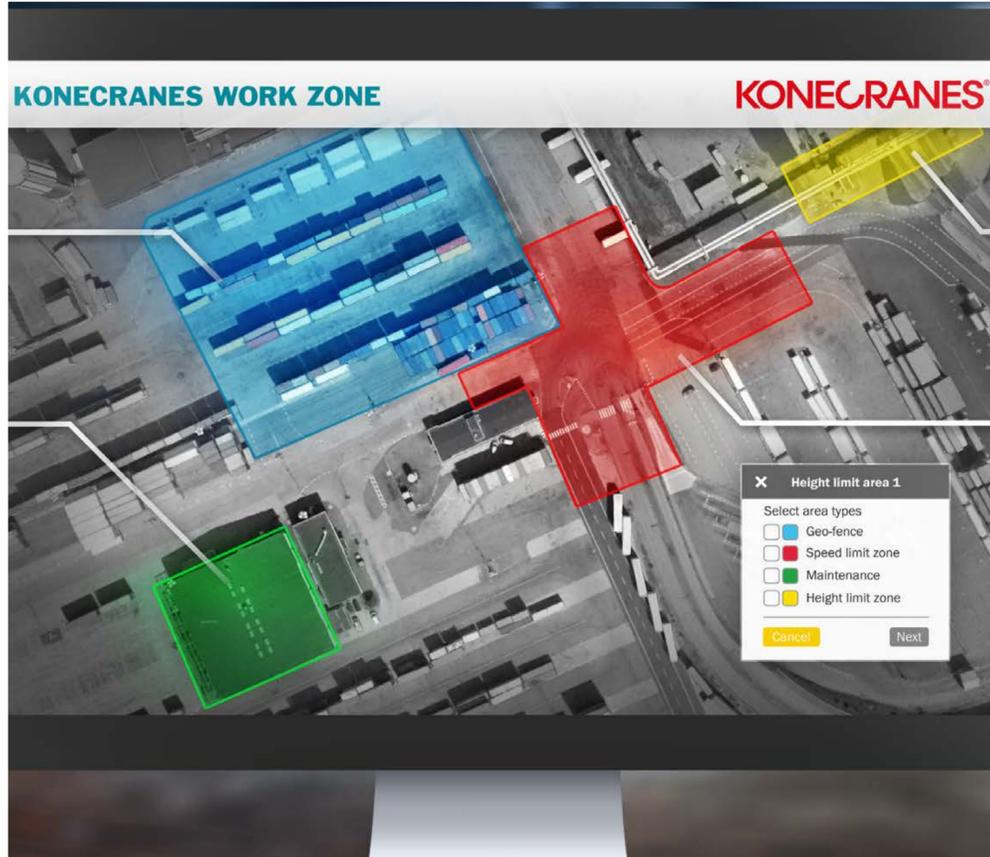
Operating 24/7 at the Port of Naples, Co.Na.Te.Co. S.p.A. faced big challenges when they needed to increase both performance and reliability of the port and their volume of container handling.

Technical Manager Luigi Coscione describes the impressive results his company has achieved with Konecranes Lift Trucks.

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○ **Global sector summary**

What is the latest news in automotive, pulp & paper and waste-to-energy?

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Automotive

Mexico's role as car hub faces challenge

The US-Mexico trade agreement reworks existing NAFTA rules by increasing the minimum amount of car components that need to be made in North America from 62.5% to 75%. The deal is likely to force some auto makers to rethink their strategy for many Mexican-built models, threatening the country's role as a go-to producer of lower-priced small cars and sedans for the US market. Under the new agreement, many of those Mexican-built models may not meet the tougher content requirements, potentially forcing them to be subject to a 2.5% tariff. The Mexican government anticipates about 32% of the vehicles manufactured in the country won't meet the new content rules to qualify for free trade levels of US-made content.

Source: The Wall Street Journal



General manufacturing

Chinese factories eye Southeast Asia to avoid US tariff threat

Manufacturers in China are considering moving production to Vietnam and other low-cost countries in Southeast Asia as they fear being swept up in the widening trade dispute between Washington and Beijing. The Trump administration has already announced or imposed 25% tariffs on \$50bn of high-technology products and industrial machinery and is proposing to implement 10% tariffs on a further US\$200bn of Chinese exports. China has been reacting to Trump's measures with its own tariffs against American imports. There is a risk is that the Trump administration could extend tariffs to countries such as Vietnam to stop this sort of "tariff jumping".

Sources: Financial Times; Forbes



Pulp and paper

Strong demand and higher prices set pulp, paper and forest firms in the US on course for bumper year

After finding its footing in Q1/2018, the US pulp, paper, and forest products industry really started taking off in Q2/2018, reporting record-breaking results that could well be the harbinger of even stronger performance later in the year as more of the announced price increases are reflected in balance sheets. In a rare display of industry well-being, every one of the 18 publicly traded firms whose quarterly results are tracked by PPI Pulp & Paper Week reported higher revenues. The industry's overall Q2/2018 profit margin came in at 7.4% – well above the Q2/2017 margin of 5.5% and comfortably above its average of 6.3% for the past five years.

Source: RISI



Ports

Container terminals keep adding capacity ahead of growth in demand, but the gap is falling

The Container Terminal Project Pipeline 2018 market report by DS Research identifies 350 expansion projects that should add 260M TEU container handling capacity by 2023 (3.4% CAGR). It forecasts that 40–70% of the planned capacity will actually be built. Box terminal supply has been getting ahead of demand for some years now. A closer balance is expected in the future, as terminal operators tend to be more hesitant regarding new terminal investments today. Over the next five years, the gap between new capacity and demand growth is expected to be close to 50M TEU, with container port demand increasing by 210M TEU (4.3% CARG) until 2023.

Source: WorldCargo News



Waste-to-energy

Africa's first waste-to-energy plant opens in Addis Ababa

Africa's first waste-to-energy facility has officially opened in Addis Ababa, Ethiopia. Construction began in 2014 at an estimated cost of US\$118 million. Called Reppie, the plant is owned by Ethiopian Electric Power Corporation, will generate up to 25MW of non-fossil fuel power through a controlled combustion process consuming 1,400 tons of waste daily. It is expected to deliver consistent power when hydroelectric generation is significantly reduced by low river flows and replace several expensive diesel-powered plants that have been used to cover power shortages. The facility will eventually employ around 1,500 people directly and indirectly.

Sources: Ventures Africa; Waste Management World



Steel

EU steel buyers grapple with safeguard implications

Before the start of the European summer holiday period, the European Commission announced provisional safeguarding measures on imports of steel. Any steel brought into the European region, over and above specified tonnages, will incur a 25% tariff. The quotas are set for a period of 200 days from July 19. This may restrict buying options in the market and give local producers increased pricing power. MEPS (International) Ltd notes uncertainty surrounding how the quotas will operate. Many buyers worry about whether foreign steel, ordered now, will be subject to the 25% tariff when it comes to port. Concerns are also being raised that exports from the EU to the US might decrease, because of the US Section 232 tariffs.

Source: MEPS





Prolonged period of slow global growth amid significant uncertainties

	GDP GROWTH RATE	POLICY INTEREST RATES	INDUSTRIAL PRODUCTION	CAPACITY UTILIZATION	PURCHASING MANAGERS' INDEX	INFLATION
EUROPE & MIDDLE EAST	↓	→	→	→	→	→
AMERICAS	→	→	↑	↑	→	→
APAC	→	→	→	No data	→	→



Howe Robinson Container Index and Baltic Dry Index

US ports want tariff exemption on purchases of Chinese-built cranes

The American Association of Port Authorities (AAPA) wants the multi-million-dollar container cranes that US ports have on order and are considering purchasing from Chinese factories, because there are no American-made alternatives, to be exempt from proposed tariffs.

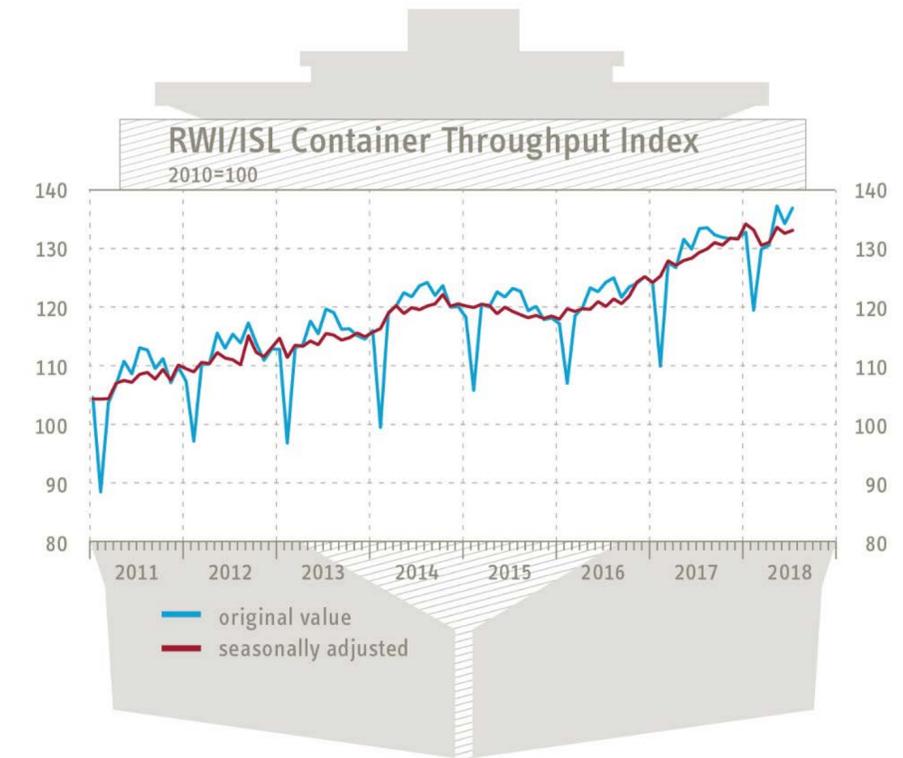
“The impact of expanding Section 301 tariffs on cargo and equipment moving through American ports would be significant,” says AAPA president and CEO **Kurt Nagle**.

Mr. Nagle also requests that the United States Trade Representative exempts cargo-handling yard equipment at ports with Harmonized Tariff Schedule

codes that are specifically referenced in the Section 301 tariffs expansion proposal. Worth US\$4.6tn a year, cargo activities at America’s seaports are significant drivers of the US economy, supporting more than 23m jobs and generating over US\$320bn in annual federal, state and local taxes.

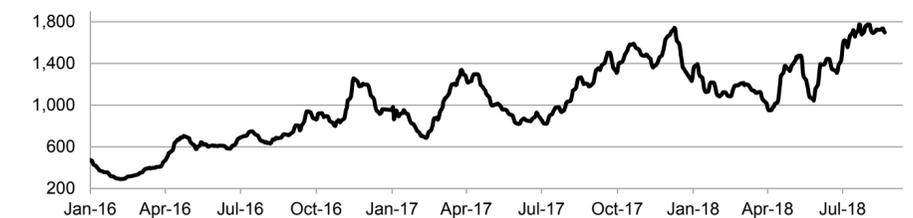
All but 1% of the nation’s overseas trade moves through its maritime facilities.

Source: Port Strategy



RWI/ISL computations based on data provided by 88 ports. July 2018: flash estimate.

Baltic Dry Index



Sources: Asiasis; Capital Link



SERVICES BASED ON GPS TECHNOLOGY

Work Zone for safer lift truck operations



Developed by Konecranes, Work Zone is a suite of location-based services designed to improve the safety of lift truck operations, especially in busy, high-traffic environments.

It includes different applications of geofencing. This is a big step for the lift truck industry and shows the future of Smart Connected Lift Trucks.





User-defined alerts to chosen recipients

Geofencing, a part of Work Zone, is a safety and yard efficiency product which uses GPS technology to create virtual fences around real-world areas. It provides information about height restrictions, speed limits or other safety matters. Alerts can appear on the driver's display or get sent by SMS or email to chosen recipients.

Monitor and reduce downtime

In addition to helping increase safety, Work Zone can monitor and reduce downtime. It also provides the management and operations integration needed to monitor and control an entire fleet of Konecranes lift trucks by computer. Konecranes Work Zone is available to all customers using Smart Connected Lift Trucks.

WHAT DOES WORK ZONE DO?

- Provides safety and yard efficiency based on GPS technology
- Creates computer-defined areas – virtual fences – around real-world areas
- Allows you to control lift trucks, along with their height restrictions, speed limits and other safety matters, inside virtual fences
- Triggers user-defined alerts on drivers' operating displays



CUSTOMER STORY:
Co.Na.Te.Co. S.P.A (Conateco)
ITALY

Higher performance and reliability in container handling

Container handling company Conateco, Consorzio Napoletano Terminal Containers, is located at the Port of Naples and covers 100,000 m² with a 300-meter pier.

The core business services of Conateco include the loading, unloading and stacking of containers in the customs area. Their three biggest customers are MSC, COSCO and MAERSK. Soon, Conateco will also handle MESSINA Line containers.

In a facility running 24/7, the company has 300 direct employees, but including transporters and agents, over 2,000 people are indirectly employed in company operations.





Increasing the size of the fleet the level of performance

Conateco was previously owned 50% by COSCO and 50% by MSC. In 2016, the ownership changed and MSC is the sole owner. After the acquisition, Conateco needed to increase the performance and reliability of both the port and the container handling used there.

In the past, the company had relied on Fantuzzi vehicles, which then passed to Terex. The whole fleet has always been Reggiane – Terex – Konecranes branded. With a long history and good experience with Konecranes machines, Conateco decided to buy Konecranes Liftace lift trucks to increase the size of the fleet, providing better performance and reconditioning the older units.

Several rental machines and maintenance for the complete fleet

Konecranes wanted to meet the needs of COSCO in the best possible way, and proposed a big package, including four reach stackers and an empty container handler on rental agreement. The company also bought a new reach stacker to be delivered later.

To ensure best performance over the long-term, the offer also included service and maintenance for the complete fleet. Maintenance services and operations are provided by Menichini Industriale e Navale Srl and by Movincar S.p.A.

○
○
● **Efficient operations 24/7**

Conateco was not used to renting their lift trucks. But in order to recondition the older units, the Konecranes solution of renting new units was a good option. In case older units broke down, the rentals could still continue their daily work at the port.

“Conateco is the best test area to experiment with the performance and life cycle of lift trucks. We are available to our customers 24 hours a day, working in four shifts, and can offer continuous container handling and support services,” says Mr. **Luigi Coscione**, Technical Manager, Conateco “After only 16-18 months of operation, we have already passed 4,000 working hours. We have gone from 16 containers an hour to 20 containers an hour, arriving at a peak of 25-30 with the last vessels.”

“We’ve had very positive feedback on Konecranes lift trucks and none of our current vehicles have broken down. The few problems that have appeared, have been quickly settled under warranty,” says Mr. Coscione.

Future – new lifting needs for the new terminal

Conateco will expand its operations in the future in a new Levante Terminal, which will be on the east side of the Port of Naples. The terminal area will triple and feature a new one-kilometer pier.

“There will be investments of many millions in this terminal, and most probably, our choice of lift trucks will be Konecranes again,” says Mr. Coscione.

“There will be investments of many millions in this terminal, and most probably, our choice for lift trucks will be Konecranes again.”

Luigi Coscione
Technical Manager,
Co.Na.Te.Co. S.p.A.
(Conateco)



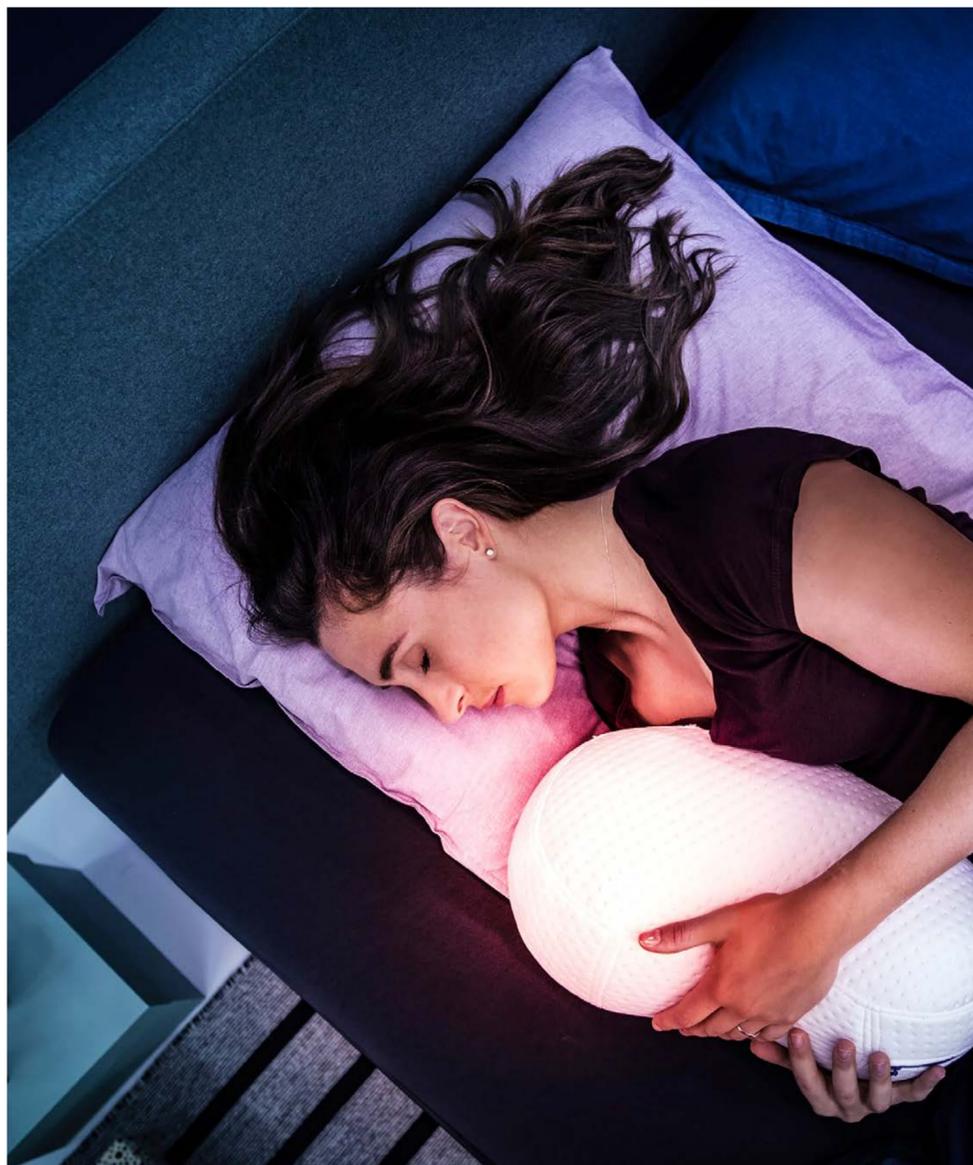
TECH TODAY

Sleep robot that calms your busy head and lulls you to sleep

Is it hard for you to calm your mind, full of thoughts, when you want to go to sleep? Do you want to avoid sedatives and stop sleeping problems that interfere with your everyday life?

Maybe you should share your bed with Somnox. It looks like a pillow, but Somnox is a sleep robot that simulates breathing with you to help you fall asleep. You just need to hug Somnox, so it can feel your breathing.

Little by little, Somnox slows down your breathing, to give you a more meditative state of mind and help you fall asleep. You can also listen to relaxing music or a guided meditation from its speaker. With the Somnox app, you can set the breathing rhythm and sounds on a timer, so you don't need to use Somnox all night.



At around US\$530, this innovative device is more an investment than an impulse buy. But if it really works, it's more healthy, and cheaper in the long run, than sleeping pills.

[Watch the video](#)

EVENT CALENDAR



TOC AMERICAS

13–15 November
Panama City, Panama
[Stand C6](#)

[Read more](#)

MEET US AT
TOC Americas

13–15 November
Panama City, Panama
Stand C6

[Read more](#)

Thank you for reading
and have a great autumn!

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

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