incident involving a container ship or at a container port.

Today, estimates are broadly based on average container values and insurers' market share. Unfortunately, studies estimating the average container value show variances from $20,000 to more than $200,000. This wide range is explained by the difference in values based on the goods and trading lane. Computer chips and flat-screen televisions are more valuable than cotton shirts; machinery export values from Germany would exceed those related to manufactured goods from China. Furthermore, an insurer's market share and exposure would likely vary from port to port based on its customer base. Without taking these factors into consideration and given the large discrepancies, statistical averages are practically useless.

This scenario, one can assume, leads to imprecise reinsurance coverage purchases. This was not seen as a primary concern for the industry, given the relatively small exposure traditionally involved and the soft market. However, with container vessels growing in size and ports increasing in volume and capacity, I believe this issue is only a single major event away from redefining marine insurers' agendas and prompting a much stronger demand for detailed shipment information from policyholders.

Fortunately, given available technologies, government demand for electronic filing of shipment manifest data and the new ACORD standard for this insurance data, the logistics industry should be well-prepared to respond to these new requirements. The insurer will simply become another mandatory destination for the electronic bill-of-lading information already disseminated by shippers and transportation intermediaries.

OOCL (USA) Inc.

Peter Leng

President

www.oocl.com

Development of the Asia-U.S. trades in 2007 caught a lot of people by surprise. Ocean-borne imports grew marginally after years of robust growth. The subprime mortgage crisis, record fuel prices and the weak dollar lowered consumer confidence and slowed imports. On the flip side, strong currencies among our trading partners and diversion of agriculture products from bulk carriage to containers yielded double-digit export growth, also unseen for many years.

Carriers will continue to struggle with rapidly rising rail, truck, fuel and labor costs that are built into contracts, to be adjusted or further negotiated. Adding to the burden are new security- and environmental-compliance requirements. Forecasts call for moderate growth in the eastbound trans-Pacific this year, while the westbound trade will continue to boom — to the extent that demand will outstrip supply when the cube/weight discount of the heavy outbound cargo is taken into consideration. That's particularly true for cargo originating at inland points. Shippers exporting from North America will have to bear a much higher share of the round-trip costs to secure space, equipment and needed services.

As we witnessed in 2007, carriers must dedicate assets first and foremost to the more remunerative Asia-Europe and intra-Asia trade lanes. Supply and demand will right itself much more quickly and efficiently than before because of the global coverage of all major carriers.

This will be a challenging year for carriers and customers alike.

Orion Marine Corp./ ConFlo Lines

Peter Schauer

Chief executive

www.orionmarine.com

Having been privileged to voice my opinion in this forum for many years, I find myself compelled to repeat some of my observations. No matter how sophisticatedly this industry has evolved in terms of hard- and software, the central issue remains the quality of those involved with trade and logistics. I am, of course, referring to personnel engaged on both sides of the aisle, shippers/terminal operators and carriers. They seem to be struggling and curiously at odds with the daily challenges presented to them. It is a fact that the vast majority of them have never set foot on a ship nor observed terminal operations. Those more familiar with these matters are retiring or otherwise dropping out of the industry. This leaves a serious gap, and jobs that require a certain degree of expertise will remain unfilled.

The problem arises when questions go beyond the shipment of a 40-foot container from New York to Tokyo. Questions on matters such as Hazmat Class 1, intermodal transport to Afghanistan, out-of-gauge cargo or shipping terms such as f.i.o. and c.i.f. What is "force majeure," dead-freight, deviation? Where is N'Djamina and who is serving Pohnpei? Also, what countries are under embargo, what is carrier liability, and what are minimum packing requirements? These and many more issues will inevitably arise and need competent and reliable answers.

It is still the norm that personnel are expected to "learn as they go." This is unfortunate. Many young people are overwhelmed by the sheer complexity, the lack of training and supervision, poor advancement prospects and inadequate compensation. Fewer people speak or understand one foreign language, let alone two or three. Thus, both linguistic and cultural misunderstandings occur. At least mid-level maritime personnel should be rotated throughout the world to gather better understanding.