

# Back to the future

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by Michael Grey |

The human judgement and experience required of mariners throughout the ages is unlikely to be rendered superfluous by the dramatic digital shake-up taking place in the shipping industry

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WITH EVERY VOYAGE A SERIES OF CRISES, WEATHER, 'EVENTS' AND SHORT-TERM VOLATILITIES CROWDING IN, SHIPS HAVE ALWAYS NEEDED CLEVER PEOPLE TO EXERCISE HUMAN JUDGEMENT.

WILL data scientists, scruffy looking oiks wearing trainers but without neckties, take over the shipping world? Should traditional shipbrokers fear for their 'disintermediation', with manipulators of Big Data producing software that will enable a five-year-old to fix a product tanker with half a dozen keystrokes on his dad's smartphone?

The International Maritime Industries Forum and Maritime London held a seminar on the "effects of e-commerce on shipping" the other evening, a warm-up act for the 42<sup>nd</sup> IMIF Annual Dinner and jolly interesting it was too. It is a very topical topic, with technology moving at a breakneck speed and if many of us can barely comprehend what is happening around us, we probably need all the help we can get.

So we listened to Søren Meyer of Maersk Tankers introducing us to the "digital tanker" with 160 of these babies all connected up to the internet, with two-way data flows between ship and shore, driving down costs and enhancing safety, their crews all bearing digital tablets, with digitised manuals and all the electronic advice they need. Then there were the chartering teams ashore, armed

with a staggering amount of data about the ships, their voyages, cargoes and information on no fewer than 19 different markets modelling the situation in each, 12 weeks on. There is a requirement for different skillsets, too, the aforementioned data scientists giving the impression of an IT department on steroids, and something of a cultural change in what we all imagine what Maersk people look like.

Norton Fulbright's Nicholas Berry ranges far beyond the maritime world in his day job, and he seems to think that what we are seeing in technology is nothing short of a revolution, which offers all sorts of disruption to the way we do most things today. His definition of "blockchain", which I have struggled to comprehend for several months, as "a shared version of the truth" illuminated a dark part of my life. Nevertheless, the ability to use data flows in a more constructive fashion surely makes the decision making process of, say, the underwriter assessing a risk, more of an automated process. Clearly, with the ability to store enormous amounts of data, the cumulative "wisdom" that can be made available will be simply staggering.

### **Complexity of a fragmented industry**

James Johnson of Braemar ACM spoke of advancing technology in the chartering market, although he was at pains to point out that data was more of a "support tool" for business, rather than a wholesale replacement for the shipbroker's judgement and experience — the human value-added. Even online transactions, he suggested, were some way off. Maybe he was giving support to his threatened colleagues, but he was right to stress the complexity of a fragmented industry with a vast number of different contracts, carriers and companies, let alone ships. Technology, however offered a lot of help, accelerating the speed of transaction and offering smarter scheduling. Just knowing where ships were through automatic identification system tracking was a useful advance.

You can get quite bewildered by the language of this new technology and not being one of nature's "thought leaders" (which I am told is a compliment if you are so described), it is easy to become depressed at one's future prospects amid all this disruption. But you probably should take comfort from the knowledge that there remains a place for judgement and experience in a digital world and the biggest of Big Data still needs the human brain. And with ships, which do not run on rails, with every voyage a series of crises as weather, "events", short-term volatilities and changing circumstances crowd in, you still need clever people to massage the analytics in real time. Mind you, I heard muttering about "artificial intelligence" from the back of the room.

The IMIF, now run by a new management council, has been around since the desperate days of 1975, when, in the wake of the first Arab oil shock, the world was awash with vast numbers of unwanted giant tankers, and we were deafened by the groans of owners and shipbuilders and the distress of the lenders. A lot of people are far too young to remember all this stuff, so it was delightful, following the dinner, to hear from Otto Norland, who must be one of the last of the original IMIF members.

He is writing his autobiography and his account of all the things he has seen in a long finance career ought to be made compulsory reading, when you consider the repetitive nature of so many maritime industry crises. He recalled the formation of what was basically a crisis committee, bringing owners, bankers, shipbuilders and governments together, but few of the original members, surely, would have thought that it would be considering many of the same problems 42 years later.

A sad absentee at the dinner was Jim Davis, chairman of the IMIF for 35 years, who is unwell, but Otto remembered his predecessors, starting with Sir James Dunnett, an irascible ex-civil servant who

bit my head off at their first press conference when I dared to ask him what the point of the IMIF was. Then there was BP's Ron Ilian and World-Wide's Helmut Sohmen, before the long reign of Chairman Jim. He was rather fond of repeating, amid the terrible jokes, George Santayana's famous saying that "those who cannot remember the past are condemned to fulfil it". Industrial amnesia, you might think, still lives.

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