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The first few months have been very promising. On the 7th of February, I appointed my son Rodolphe to the position of Chief Executive Officer of the CMA CGM Group. Since joining us in 1994, he has demonstrated his ability to lead and has a clear strategic vision for the future of our Group.

We will continue to strengthen our presence across all the continents, including South America, a market with real potential at the heart of our priorities.

On April 1st, we implemented the largest maritime operating agreement ever, OCEAN ALLIANCE. It covers the East-West trades with over 40 maritime services. CMA CGM is the key player in the Alliance, which includes three leading Asian shipping companies, and provides 119 ships out of the 323 deployed.

We will develop APL, acquired in 2016. Its integration is moving forward according to plan.

All these strategic projects enable us to reinforce our service offering, so that we can respond to customer needs more effectively, consolidate our global leadership in transport and pursue our development over the coming years.

« THESE FIRST FEW MONTHS HAVE BEEN VERY PROMISING »

OCEAN ALLIANCE: CMA CGM POWER IS ON

On 1st April, Ocean Alliance launched its operations, which include 40 services covering seven major markets, 323 ships, over 110 ports of call and more.

CMA CGM is a key player in this operational alliance, contributing 119 of Ocean Alliance’s 323 ships. With 755 offices in over 160 countries, the unparalleled expertise of its 29,000 employees worldwide and its global network with over 200 shipping lines, CMA CGM’s service offering is second to none.

The CMA CGM Group and its subsidiaries provide their customers with tailored, competitive solutions, blending this new shipping line offering with its comprehensive intermodal and logistics offering.

REDUCING THE SECTOR’S ENVIRONMENTAL FOOTPRINT: TOTAL AND CMA CGM SHARE THEIR EXPERTISE.

In February, CMA CGM and Total signed a memorandum of agreement to combine their expertise for three years. The purpose of the partnership is to design more environmentally friendly container ships upstream of future energy regulations in the container shipping industry and continue efforts to reduce the sector’s environmental footprint. Total wants to support CMA CGM by becoming its multi-energy provider, from fuels with 0.5% sulphur to 3.5% sulphur for ships with pollution/LNG reduction systems as part of the LNG-powered ship project.

OFFICIAL VISIT OF THE MAYOR OF SHANGHAI

On Tuesday, 4 July 2017, Mr Rodolphe Saadé, Executive Officer of the CMA CGM Group, received Mr Yong Ying, Mayor of Shanghai, who was making an official trip to Marseille for the 30th anniversary of the two cities’ twinship. CMA CGM is the only company that the mayor visited during his stay in France.

The story between CMA CGM and China began in 1992. 25 years later, the CMA CGM Group includes approximately 3,000 employees, 119 services calling into 13 Chinese ports, and 61 offices throughout the territory of China. Mayor of Shanghai paid this visit following that of the Chinese Prime Minister, Mr Li Keqiang, in July 2015. It confirms the position of CMA CGM in China and its recognition as one of the crowning glories of French industry by one of the world’s greatest economic powers.

FIND THOSE NEWS IN DETAILS ON cma-cgm.com
SOUTH AMERICA, A STRATEGIC REGION FOR GLOBAL TRADE

With 422.5 million inhabitants occupying almost 18 million km², South America is a region with huge potential. This mythical area, a dream for the conquistadors, who arrived by boat on the Atlantic then Pacific coasts in the 16th century, is undergoing rapid development in the 21st century.
Trade is active throughout almost the entire continent of Latin America. Brazil, Uruguay and Argentina export frozen meat, poultry and fish in Reefer loaded onto container ships. The company also exports all types of fruit, including melons, grapes, mangoes and citrus fruit. Cotton, tobacco, wood and bauxite set sail for Asia, Europe and North America.

In the other direction, South American countries import consumer goods and spare parts for their processing factory, including those in the free zone of Manaus in Brazil, where motorbikes, mobile phones and TV sets are assembled in the heart of the Amazon rainforest!

In the west of the continent, Ecuador exports vast numbers of bananas, while Peru shares its vast agricultural diversity (apples, pears, asparagus, blueberries, avocados, etc.)

With the world, Chile primarily exports fruits such as pears, avocados and cherries, as well as copper, wood and bottles of wine, while it imports consumer goods and a large number of resins for its plastics industry.

This global trade, which links South America to every other continent, attracts large numbers of operators. All the main shipping companies operate there. The Group has a presence everywhere, in the North and the South, on the Atlantic and Pacific coasts, with 23 shipping lines. Seven operate links with Europe, another seven serve Asia, and nine are intra-American, linking different ports in South America and also sailing to the Caribbean and North America. This year, CMA CGM will expand its offer in this part of the world.

Despite the recent economic crises that have halted growth in some States (Venezuela, of course, but also Argentina and, more recently, Brazil), South America remains an area of fantastic opportunities for businesses from around the world. Although the region’s growth has slowed for two years in a row, it should start to increase progressively in 2017.

It is from this vast area that CMA CGM operates a number of shipping lines towards the rest of the world. The company is supporting the economic growth of the continent, whose wealth it transports across all the world’s seas, with a large number of shipping lines serving every continent.

This spring, CMA CGM has decided to take a further step by opening three new inter-American lines.

Imports/Exports

DIVERSIFICATION

Trade is active throughout almost the entire continent of Latin America. Brazil, Uruguay and Argentina export frozen meat, poultry and fish in Reefer loaded onto container ships. The company also exports all types of fruit, including melons, grapes, mangoes and citrus fruit. Cotton, tobacco, wood and bauxite set sail for Asia, Europe and North America.
The Group wants to accelerate its development in a bid to stand out and increase its growth in the area. It currently has 156 ships operating in this area. This represents about 60 ports of call. Although some of them meet global standards, others are ageing and congested (such as Callao in Peru) or do not have deep water basins. “Thankfully, we have a suitable fleet; our wide-beam ships, such as the CMA CGM Tanya, are short and not very deep. They can access every port in South America and that is a real advantage!”, according to Grégory Fourcin, Director Latin America Lines. CMA CGM is particularly involved in Brazil despite the economic difficulties there: the Group has established its regional headquarters in Sao Paulo and purchased the Brazilian company Mercosul Line, a cabotage specialist. CMA CGM has now positioned large-capacity ships throughout South America so that it can be more competitive on the market. Well established on both sides of the continent, the Group has many assets which enable it to attract shippers and continue its expansion...
Reefers
UNMATCHED EXPERTISE

Fruit, vegetables, meat, shellfish, wine… all this precious everyday merchandise crosses the oceans on CMA CGM’s ships, well protected in refrigerated containers, the famous “Reefers”. Number two in the Reefers sector with a fleet of 320,000 TEU, CMA CGM provides shippers with a very large number of services to every market in the world. Reefers represent a quarter of the throughput of merchandise in South America! “We are specialists in the transport of avocados from Chile, Peru and Colombia,” stressed Eric Legros, manager of the Reefer department. “The fruit is kept at a temperature of approximately 5°C to prevent it ripening too quickly. But we also monitor CO₂ levels in the container, as they have to be high enough for the avocados to “sleep” during transport. If CO₂ levels rise dangerously, a small hatch in the box is opened to let in a bit of fresh air”, he continued.

CMA CGM’s Reefers transport huge amounts of foodstuffs from the East and West coasts of South America. “For farmers who have spent 11 months watching their crops, and protecting them from parasites, insects and bad weather, it is essential that their bananas or mangoes reach their destination in perfect condition”, recalls Eric Legros. “CMA CGM offers maximum reliability. We are fast and punctual so we can supply European, Asian and North American supermarkets at just the right time.” And if the plantations are not in close proximity to the coast, CMA CGM uses its intermodal capacities (barges and lorries) to go and fetch these sun-drenched fruits that are so popular with consumers in the Northern hemisphere.

Reliability
UNWAVERING

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NEW SHIPPING ROUTES FOR 2017!

The Group is reinforcing its service provision among South America, the United States, Northern Europe and the Mediterranean, and will increase its port coverage in South America.

1. A shipping line linking the East coast of the United States (New York, Baltimore, Charleston and Port Everglades) to the West coast of South America (Cartagena and Buenaventura in Colombia, Guayaquil in Ecuador, Cali in Peru, San Antonio and San Vicente in Chile) will open this spring.

2. Furthermore, a new shipping line linking the Gulf of Mexico (New Orleans and Houston in the United States; Altamira and Veracruz in Mexico) to the East coast of South America will also open this spring. This will be an extension of the Brazil Express line that moors in Brazilian ports (Navegantes, Santos, Rio, Salvador de Bahia, etc.) and then continues on to the CMA CGM hub in Kingston (Jamaica). This service then returns to Brazil via Manzanillo in Panama, Cartagena in Colombia and Manaus in Brazil, an inland port on the Amazon River.

3. May 2017 will see the launch of a service to the entire West coast of the Americas, from California (Oakland and Los Angeles) to Chile via a number of Central American ports, and to Peru and Ecuador via Buenaventura (Colombia) in both directions. This new line will have a carrying capacity of 350 TEUs and 120 Reefer plugs.

CMA CGM TO PURCHASE MERCOSUL LINE FROM MAERSK LINE

CMA CGM and Maersk Line announced this agreement on June 17th. By purchasing Mercosul Line, one of the leaders of the Brazilian domestic transport market, CMA CGM will reinforce its services to and from South America, and in particular to Brazil, especially in cabotage and “door to door” services. This transaction is subject to Brazilian regulatory approval and the conclusion of Maersk’s purchase of Hamburg Süd. The integration of Mercosul Line is planned in the fourth quarter of 2017. Until then, Mercosul Line will pursue its activities without modification. Today, Mercosul Line has a fleet of four ships; it employs 92 people onshore and 150 aboard its ships. The company made 128 million dollars in turnover in 2016.
INNOVATING AT CMA CGM: PARTNERSHIP SIGNED WITH OGEU

CMA CGM is always innovating. This time, it has gone to the very heart of the earth for its new project, with the decision to invest in mineral water. The Group has acquired a stake in Beaupré spring water, part of the OGEU Group, the fourth largest French bottler, and has formed a partnership for the exclusive non-European distribution of all the Group’s still and sparkling water. Spotlight on a project in action.

Jacques Saadé strongly believes in the potential of French water and in that of the Beaupré spring in particular. He believes in this sector and thinks it will experience very high demand around the world.

Elie Zeenny
November 2016, CMA CGM and the family-owned OGEU Group signed an agreement for the non-European distribution of all the water brands of the 4th largest French bottler. It covers all the Group’s still and sparkling waters: OGEU, of course, as well as Plancœt, Chevreuse, Saint-Lambert, Pyrénées and recently Quezac sparkling water, which the OGEU Group has just acquired. All these bottles will now be loaded onto the Group’s ships bound for Asia, the Middle East and Africa. This agreement takes the form of a joint venture called “Aqualink International”. As an extension of this partnership, CMA CGM has purchased a stake in the Beaupré spring water production plant, owned by the OGEU Group; these crystal-clear waters spring forth in the Var, in the foothills of the Provencal mountain ridge of Sainte-Baume near Marseilles, the location of the historic headquarters of the CMA CGM Group.

With CMA CGM, OGEU’s priority will be to distribute to the huge Chinese market, where the family-owned CMA CGM Group already has a well-established network of about 3,000 employees in 61 cities. But the company also has very strong ambitions for the other Asian countries, the Gulf and West Africa. OGEU can make use of CMA CGM’s fleet of 536 ships and its service to 420 ports of call. Joining together with CMA CGM has given the OGEU Group a new logistical firepower that will support its growth.

« True to its tradition of innovation, CMA CGM is investing in the Beaupré spring to provide it with the resources it needs to grow. »

Elie Zeenny

WATER: AN EVER GROWING NEED

“The intuition and vision of Jacques Saadé is that the world will have an increasing need for drinking water” stated Elie Zeenny, Group Central Director and responsible for the project. “French water is famous for being among the best in the world and is particularly popular abroad.”

For Jean-Hervé Chassaigne, President of the OGEU Group, “The cross-expertise of our businesses, the common vision of development and the shared values that guide us are the foundation for this meaningful new merger between our two family-owned Groups.”
CONSTANT INNOVATION

The Group is not looking to use this two-level partnership with OGEU to diversify, merely to support the activities it believes in. “We have always worked like this”, recalled Elie Zeenny. “It is our entrepreneurial spirit and our need to innovate that are pushing us to support ambitious businesses. It makes a lot of sense for us to invest in the Beaupré spring”, stressed Elie Zeenny. “Like with Traxens in the connected container business or Aquaviva reefers designed by the company Emyg for transporting live lobsters. It also supports the regional ecosystem and initiatives that resonate with our ambition and vision, as what could be better than bringing French - and Provençal - water to the rest of the world?” An internal CMA CGM Group team was created in start-up mode for this project, led by Elie Zeenny. “We like to work flexibly so we can be more creative.”

NEW PROSPECTS

Thanks to the discovery of a new source on the site of the Beaupré spring in May 2015, the bottling of a mineral water called Sainte-Baume, from the name of the nearby mountain, will begin next month. “We wanted to become involved because we believe in this site’s potential”. “This high-quality water is intended for distribution everywhere, both in France and abroad. “We are going to support OGEU so it can innovate and modernise its plant in the Var. Our stake is a real demonstration of this desire to grow, but we are not going to stop there; we are also targeting other products from the Provençal region, including wine, flavoured water and fruit juice”, concluded Elie Zeenny.

AN ENDURING LEGACY

The history of the OGEU Group began in 1820 in the village of the same name at the foot of the Pyrenees. The business, currently managed by Jean-Hervé Chassaigne, is the fourth-largest bottled water company in France and the country’s leading regional water producer. The OGEU Group has six bottling sites and three breweries. Its waters come from different areas, such as the Pyrenees, the Alps, Brittany, Gévaudan, the Vallée de Chevreuse and Provence, with almost 300 million litres a year sold in France and abroad.
DOLE
THE WORLD’S #1 IN FRUITS AND VEGETABLES

Dole Food Company is a leading company in the production and distribution of fresh fruits and vegetables. This multinational is active on a global basis. So that we can eat quality foods every day no matter the season, Dole has perfected an extremely demanding logistics system. In this adventure, the CMA CGM Group is a select partner.

There’s something sunny in the Dole logo: the O is a shining sun that looks like a pineapple!

Founded on the island of Oahu in Hawaii in 1851, the fruits and vegetables multinational currently operates in over 90 countries.

Throughout its history, Dole has developed a variety of growing and packing techniques that has allowed it to rise.

Now, fruits and vegetables are grown and sent to the four corners of the earth, mainly on vessels in refrigerated containers.

For CMA CGM, Dole is a vital customer on lines that link South America to Europe and the Middle East...
QUALITY, QUALITY, AND QUALITY

To become a fruits and vegetables multinational, you need a strong supply base, skilled field workers, packing and conditioning staff, and stevedores for shipping. The key word is quality and control of production and the supply chain.

Since 1901, Dole’s motto is: “Quality, quality, and quality.” In 1907, Dole was one of the first companies to advertise throughout the United States to promote its Hawaiian pineapples. The famous pineapple slices in syrup arrived in 1911: Henry Ginaca, a Dole engineer, invented a machine that peels and cuts pineapples at the speed of 100 pineapples per minute! Then came the entry into new product lines: bananas in the 1950s (with the purchase of carrier ships and the creation of plantations in Costa Rica and Nicaragua), citrus fruits in the 1970s, vegetables and packaged salads in the 1990s, organic fruits in the 2000s, etc.

Today, Dole reigns over the world of fruits and vegetables. To maintain its leading position, Dole needs exemplary control of the supply chain and ever more efficient and innovative ships...

How would you describe your company?

We are the world’s leading producer and distributor of fresh fruits and vegetables. Heavily present throughout our value chain, we own a large portion of our supply base: these strategic elements, among others, allow us to have control over our business.

At Dole, we are experts and hard-working. We want to provide the world with high-quality fruits and vegetables. As a company we are passionate about promoting healthy nutrition as well as constantly increasing sustainability in the supply chain.

How do you constantly maintain the quality of your products?

Our commitment to quality is very strong. We have developed programmes in areas as diverse as food safety, crop protection, quality control, transport technology and high-tech production. We are constantly improving through research and innovation. Our employees’ health and safety of our workers is of great importance to us, as is preserving the environment and respect for communities.

Finally, Dole is committed to promoting healthy nutrition: we want to share how essential it is to have a balanced diet rich in fruits and vegetables...

What type of products do you deliver? From where? To where?

We mainly sell fresh fruits in the United States and Europe. But we also have customers in the Middle East, Asia and South America. Tropical fruits such as bananas and pineapples come mainly from Costa Rica, Colombia, Ecuador, Peru, Honduras and Guatemala. Other fruits, such as apples, lemons, grapes, kiwis and berries come from Chile, South Africa, Peru, Argentina, Egypt and India.

Why rely on CMA CGM?

Over the past five years, our shipments have increased significantly in volume: that is why we are calling on a shipowner such as CMA CGM with 18,000 TEUs ships that meet our needs. Thanks to CMA CGM’s large capacities, we can continue to develop with peace of mind...

For Dole, what are the challenges of the future?

As in every industry, there are many challenges! Concerning shipping, the greatest challenge is perhaps shipping transit time, which is vital for the quality and freshness of our products.

To continue to fulfill our mission in the best possible conditions, we need to provide consumers with ever-shorter lead times! I hope that CMA CGM can help...

“"Our fruits and vegetables must arrive perfectly fresh to the consumer"”

Victor Esquivel
President of Dole Europe
CONTAINERS IN FLUX

Many containers are used, new or recycled, once their odyssey is over. One of the subsidiaries of the CMA CGM Group has become a specialist in this type of transformation.

Containers are entitled to a new life after a lifetime spent travelling the world’s oceans! Once transformed, they become a pop-up shop, a bicycle garage, a cosy home, somewhere to recycle glass bottles, etc. Within the CMA CGM Group, the subsidiary Progeco has spent the last few years reinventing these large metal boxes that can no longer go to sea. “The only limit is the customer’s imagination”, stated Laurent Uzan, Director General of Progeco. “When a customer has an idea, they approach us, often through the Group’s commercial agencies. Our damage survey centre in Dunkirk then takes over and designs one or more prototypes, depending on the customer’s request. Our teams monitor the project from start to finish, from creation to installation, for the finishing touches. The Group’s strength is that it combines technical and logistical skills with special access to raw materials.”

Turnkey projects

For Carglass, for example, Progeco created 41 mobile points of sale in an attractive red, colour mobile mini-shops that Carglass sets down on hypermarket car parks, close to its customers, who can come and have their windscreen repaired. “We started with a 40-foot high cube container that we shortened to 30 feet. Inside is an office area with kitchen and toilet, as well as a storage area for new windscreens. One key feature is that thanks to an internal generator, these mini-shops are fully energy autonomous and can be placed anywhere”, stressed Laurent Uzan. As well as these points of sale, some containers will even become fully-fledged workshops; Progeco and its customer have turned two containers placed side by side and joined together along their width into a mini-garage big enough for a car to enter. “Once the container is transformed, we can still change it; we listen to all the customer’s ideas”, stated Laurent Uzan.

Recycled containers for recycling

Progeco has been involved in a wonderful ecological adventure in Hauts de France. At the request of the Conseil Régional, the Group subsidiary has installed an initial glass sorting station prototype in Denain (around 20 being planned for 2017); it is created from two 20-foot containers joined together, plus a skip container for removal. People scan their bottles, which are then either recycled locally in a short cycle or smelt down. “This project was fairly complicated, because not only did we have to create the structure of the container, we also had to integrate the entire electronic system for scanning the bottles, the conveyors, etc.”, explained Laurent Uzan.

New ambitions

In the future, the CMA CGM subsidiary wants to turn containers into housing units. “The containers are like the bricks in a modular construction; it’s a bit like playing with Lego. It opens up a huge number of architectural possibilities. It’s also very cheap to build using containers”, continued the Managing Director. Progeco’s ambition is now international; supported by the Group’s logistical strengths, the business can install its transformed containers almost anywhere on the planet. To provide the best possible support to our customers from design to installation, Progeco wants to invest in a new production centre and will create its own design firm. These strong, mobile and modular metallic boxes continue their life long after leaving the decks of the ships...

Progeco, a fully-owned subsidiary of CMA CGM, has more than 35 years’ experience and 300 employees. The business has 15 depots in Europe.

Its activities are based around:
1-Rental and sale of new and second-hand containers.
2-Storage and handling of containers.
3-Repair and optimisation of containers and spare parts.
4-Transformation of containers for “overland” uses that are as varied as possible.

THE EXPERTS
SHIPPING THE FUTURE

CMA CGM