



## NILS HAUPT

HEAD OF CORPORATE COMMUNICATIONS AT HAPAG-LLOYD



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Cristian, effective July 1st VGM was introduced worldwide. Did you face major problems regarding the new regulation? How many containers have not been declared at all?

Defining and enforcing a "No VGM - no load" policy was not popular. We did not load containers where VGM was not declared. Customers told us that "other carriers" still do. On the first day, 200 containers were rolled or left behind due to missing VGM. Hapag-Lloyd took the regulation very seriously from the first moment which will help us in moving to the next phase very smoothly.

### WHAT KIND OF CONSEQUENCES DID YOU TAKE IF CONTAINERS VGM HAS NOT BEEN DECLARED?

Our customer service teams actively works to trace containers that have their VGM missing prior to the defined cut-off. Containers missing VGMs after the cut-off have been rolled to the next available vessel. There could have been charges for the account of the cargo owner (i.e. storage, roll fees, among others).

### THE INTERNATIONAL MARITIME ORGANIZATION (IMO) DID NOT DICTATE THE FORMAT IN WHICH THE DATA MUST BE TRANSMITTED. DO YOU SEE THIS AS AN ADVANTAGE OR A DISADVANTAGE?

We saw it as an advantage. It allowed the creation of a VGM specific message: VERMAS. VERMAS came out of the joint efforts from industry key players (SMDG group of which Hapag-Lloyd is an important contributor) who also initiated updates to existing EDI messages.

### WHICH TRANSMISSION FORMAT HAS BEEN PREFERRED BY THE CUSTOMERS OF HAPAG-LLOYD?

Hapag-Lloyd's own webVGM is the preferred channel used by our customers receiving 40% to 45% of VGMs, followed by VERMAS and VGM EXCEL. Our tools have received positive feedback for the simplicity of the design and usage.

### WEIGHING ITSELF IS BASED ON NATIONAL CERTIFICATION AND CALIBRATION. DID YOU EXPERIENCE ANY MAJOR QUALITY DIFFERENCES IN THE DIFFERENT COUNTRIES YOU OPERATE IN?

It is a bit early to draw final conclusions. The first objective is to ensure that 100% of our cargo has its gross mass verified. The control is an authority matter and we see that countries are still working on the mechanisms. Our local presence and expertise is key in this case to identify what is required at each country.

### DOES VGM REALLY MEAN THAT SECURITY AND SAFETY ARE INCREASED?

Yes. A correct VGM has benefits the entire supply chain, especially in terms of the safety of workers: knowing, as an example, that a container's verified weight is 30 tons; you take necessary actions to manipulate it and to plan its position which would usually be different if it would weigh 12 tons.

### ARE THE SHIP AND THEIR CREWS NOW SAFER?

Certainly there is an understanding of the effort to ensure we can calculate the vessel's stability as good as possible. We know from experience: proper and optimal stowage leads to more safety for crew and

vessel. Not only crews; all operators and people involved can now prepare their operations much better.

### DID THE NEW VGM REGULATIONS SO FAR DELAY SHIP DEPARTURES – OR EVEN PREVENT THEM?

We had some incidents but support and actions were taken on time. Our management and staff took decisions on a case-by-case basis. It is important to emphasise that our underlying message is "no VGM - no load" since the first day, so from this point of view we would not delay a vessel, but instead not load the container that doesn't have the verified gross mass declared.

### AUTHORITIES SEEM TO CONTROL/CHECK THE CORRECT WEIGHTS – WHAT KIND OF EXPERIENCES DID YOU UNDERGO REGARDING COOPERATION WITH DIFFERENT AUTHORITIES?

While some authorities informed about control, discrepancies and tolerances, most are still working on this. This is a general learning process, the spirit of the regulation is to improve safety by operating containers with better information and we see that this is on a very good way.

### HOW MANY QUESTIONS AND COMPLAINTS DID YOUR CUSTOMER SERVICE FACE REGARDING THE INTRODUCTION OF VGM?

The volume of questions was incredibly high, higher than originally expected. Our teams globally had to act more as consultants for many of our customers and in some cases even work with local authorities in addition to caring about our own part as a carrier. Many face-to-face meetings with our customers took place, as well as conference calls. The



main objective was to ensure compliance as of July 1. It really showed that sharing information internally and externally was a key success factor. It was very critical for us that all our staff would know about VGM at a very early stage for which information and internal trainings were specially created by the project team members.

**HOW MUCH INSECURITY DO YOU STILL FEEL IN THE MARKETS AND WITHIN YOUR CUSTOMER BASE?**

We did our homework. Our effort is to ensure we can have all our containers loaded with a VGM. We started with full enforcement from day 1 – and we did this globally. Today we have a 99% compliance rate, which means that most of our loaded containers are already 100% compliant. There is still a learning curve and adjustment phase for everybody- not only for us but for all stakeholders and some loose ends need to be adjusted.

**ARE REGULATIONS STILL DIFFERING FROM COUNTRY TO COUNTRY? WHICH MAJOR DIFFERENCES DO YOU SEE?**

As with any new global regulation that is left to each country to establish its own

implementation guidelines, interpretation of how it should be implemented and enforced vary from country to country. Some countries have implemented special certification models, a specific requirement on how to declare, how the calculation can be done and even contents or text that shall be included in the declaration or transmission. This has an impact on doing the implementation on time but also to the customers. Global customers struggle to accommodate them into their processes as well.

**WHAT WERE THE BIGGEST OBSTACLES AND HURDLES YOU HAD TO OVERCOME PRIOR TO INTRODUCTION OF VGM?**

We saw the industry reacting very late to the requirement; we had to work with players who underestimated the impact and understanding of the regulation which affected their readiness so we had to work on support, providing training and general information which has been needed to safeguard a very high compliance rate from day 1, where 95% of our containers starting transit that day were VGM compliant.

**ABOUT THE AUTHOR**

Nils Haupt started out as a law student at J. W. Goethe University Frankfurt before beginning his career as a freelance PR and copywriter. He then had a short stint as an editor and producer before carving out a career in PR and Marketing Communications. He has 12 years’ experience in this line of work, and has more recently worked in Corporate Communications. He has been with Hapag-Lloyd since 2014, in which he fulfils his role as Head of Corporate Communications.

**ABOUT THE ORGANISATION**

With a fleet of 170 modern container ships and a total transport capacity of 952,000 TEU, Hapag-Lloyd is one of the world’s leading liner shipping companies. The Company has around 9,300 employees at 365 sites in 120 countries. Hapag-Lloyd has a container capacity of 1.5 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 128 liner services worldwide ensure fast, reliable connections between all the continents. Hapag-Lloyd is one of the leading operators in the Transatlantic, Latin America and Intra-America trades.

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