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An online box-booking venture is out to woo further shareholders.

By Paul Berrill

Box portal sets sight on growth

Leading container-booking portal INTRA, which boasts most of the major carriers as members, is looking to bring in more operators as shareholders.

The e-commerce platform set up five years ago by top lines including Maersk-Sealand, Mediterranean Shipping Co (MSC), P&O Nedlloyd, CMA CGM and Hapag-Lloyd has shares to spare for carriers to join and sees benefits in expanding.

INTRA is coming of age like other surviving maritime-internet ventures as the process of online transactions gets simpler and acceptance increases. It has grown at 8% per month for almost four years and now processes 62,000 boxes a week.

Despite that, INTRA has just scratched the surface - handling a mere 4% of the container trade on its systems, which allow tenders, bookings, bills of lading and shipment reports to be produced electronically with time and cost savings, as well as improved document accuracy.

Chief executive Ken Bloom is satisfied with progress but says his vision remains for the shipping industry to adopt a single e-commerce portal to simplify and reduce the cost of the booking process. He wants INTRA to be centre stage. He says the airline industry missed its chance and does not want shipping to do so.

But he adds that INTRA's policy of providing services free to its users - both shippers and freight forwarders, who in the past were seen as competitors for cargo - reflects that "our job is not to shape the industry but to support the shape of it. There is no sub-plot to dominate the industry".

INTRA's seven shareholders are said to have invested some \$100m setting up the venture in 2000 but these days development is funded by proceeds from the business. Both investors and another 13 members, who together represent 55% of global container capacity, pay transaction fees that cover the cost of running the operation.

Transaction costs have been cut by 25% as e-commerce and INTRA have evolved, and Bloom says the price will get lower as volumes rise - the main reason for lines to sign up.

Some 7% of INTRA's existing shares are unsold and available for purchase to new shareholders. Bloom said: "I am sure the board would be interested in accommodating more carriers if there was demand beyond the 7%."

With the world's containerised freight trade worth \$4.5bn involving 60 million boxes, he said: "There is nothing but upside potential."

But he added: "Our goal is not to earn a profit, unlike other internet ventures, but to reduce costs for our owners. It is an important point for carriers because they do not have that guarantee if they join other portals."

Nor are there any plans to sell off INTRA.

"Being industry owned means we can control and protect carriers' information. We are not looking to sell information - the sanctity of that information is of the utmost," Bloom insisted.

Competition comes in the form of GT Nexus (GTN) and CargoSmart.

Bloom describes GTN, which has a 30% liner-group share, as a provider of software for import-contract management - more than a portal - and says CargoSmart is a web front end for its owner OOCL's internal-computing system, which is also sold to other lines.

Bloom says there are carriers that use GT Nexus and are also members of INTRTRA but none do the opposite. He adds that most lines that have a logistics product also use INTRTRA.

INTRTRA looks set to expand in any case. Bloom says he does not want to count his chickens yet but TradeWinds calculates that if Hapag-Lloyd's current takeover bid for CP Ships succeeds and CMA CGM brings in Delmas, then its liner-market share will rise to about 58%.

Slowly but surely, Bloom says INTRTRA is also converting business from its own members' website-booking systems, often set up before INTRTRA got up and running, because more than 90% of shippers use more than one line and the ability to compare prices and schedules is a major benefit of using a multi-carrier portal.

Freight forwarders and logistics companies are now INTRTRA's biggest customers. Bloom says 18 of the top 25 forwarding groups use it and forwarders account for at least 55% of its 28,000 customers spread across 75 countries.

INTRTRA's systems are provided across three modes to cater for varied technological abilities and they are modular to allow customers to use or discard elements as they choose.

Around two-thirds of its volume is through the I-Link mode, which allows high-tech shippers or forwarders to work on their own in-house computing system using XML or EDI connections to INTRTRA. This minimises staff training. Other choices are a pure web connection or, in areas where the internet is less secure, a desktop product with software to create documents that can then be emailed.

Expansion is matched closely to the development of INTRTRA'S own network of offices - located in Copenhagen and Valencia in Europe; Charlotte, Miami, New Jersey and San Francisco in the US; Hong Kong, Shanghai and Singapore in Asia; as well as Mumbai, Sydney and Cape Town.

In the early days, Bloom says everyone assumed the internet would create a global economy but he added: "We have learnt that, for shipping, e-commerce is still a local game. Shippers still book with carriers' local agencies and offices."

Processes that may make the business more global, such as electronic invoicing, are still well in the future and online payment is even further away. "We have enough to be getting on with," he said of the 96% of bookings still to be won. In the meantime, the mantra remains: "Act local, think global."

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About INTRTRA

INTRTRA is a leading global provider of e-commerce solutions to ocean carriers and their customers. We work with customers to streamline and standardize their shipping processes. Our professionals specialize in applying their e-commerce knowledge of the shipping industry for our customers in local markets around the world.

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