

SUMMARY OF PRESENTATION

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Impact of the e-Commerce on Maritime and Port Logistics: ASEAN e-Commerce Market

Keywords: e-commerce, ocean shipping, demand forecasting

B2C international e-commerce sales are projected to grow from \$1.3 trillion in 2014 to \$4.2 trillion in 2021. This is nearly a threefold lift in online revenue. B2B international e-commerce is growing at an even faster pace, as both consumers and businesses increasingly pursue the convenience and cost benefits of online purchases.

The rapid growth of e-commerce has redefined the model of international logistics. In the B2C segment, the consumer demand for speed of delivery have led to a heavy reliance on air transportation integrated with a complex network of fulfillment centers and last mile deliveries. In the B2B segment, ocean shipping remains the more common option for international transportation due to cost considerations as order sizes are often larger and bulkier.

In both segments, shippers and logistics players have looked to technology to improve day-to-day operations. Innovation and convergence across key aspects of transportation is rapidly occurring: cargo shipping, fulfillment and customs compliance. As the industry looks to further digitize, standardize, and ultimately streamline complex transportation processes, logistics-focused technology is becoming increasingly important.

As cross border e-commerce sales become a significant share of global wholesale and retail, substantial volumes coupled with high data availability and artificial intelligence technologies advancement will likely lead to a higher usage of ocean shipping as the international transportation mode. The economies of scale of shipping will make it a preferred option based on cost considerations, while fulfillment lead times could be shortened via predictive technologies applied on demand patterns.

For the container port, focus will shift to improving the network connectivity to key e-commerce origin/destination markets, as well as building an ecosystem within or near the port which is conducive for local fulfillment. Terminal operators can also improve their respective service offerings by expanding their control of the supply chain beyond the terminals into hinterland logistics and possibly last-mile delivery in key markets.