

Alex Yong

ASIAN SHIPPER

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Maersk to add four slower bunker-saving ships to Asia-Europe net

MAERSK Line is planning to add four bunker-saving vessels in February and March to its Asia-Europe network to cope with port congestion and cut pollution, according

to a company statement.

"While selected corridors will experience a day or two more transit time, we expect a better service reliability," said the statement. "The addition of four vessels will enable us to incorporate additional buffer time in our schedules."

Maersk said the changes would also save fuel. "In the last 12 months, our bunker costs have more than doubled. The additional vessels and schedule changes complement our other efforts to mitigate fuel costs and reduce the environmental impact of our services," the company said.

"We had originally planned to add 17 per cent more capacity to the Asia-Europe trade during 2008. The above necessary measures substantiate a 5 per cent reduction thus rounding off our overall capacity increase to approximately 12 per cent," the company said.



Moody's raises MOL credit to A3 on enhanced profitability

MOL president Akimitsu Ashida has announced that Moody's ratings agency has upgraded the company's senior unsecured and issuer debt from Baa1 to A3.

MOL has reinforced profitability by increasing the efficiency of its ocean shipping business to cope with unsteady freight rates, bunker prices and foreign exchange rates, said Moody's, according to an MOL statement.

"The company also improved stability of its business by increasing long-term transport contracts and other transport contracts with the conditions that allow adjustment of freight rates according to bunker prices," said the statement.

"The company has advanced the diversification of its ocean shipping business by expanding LNG carrier, tanker, car carrier and dry bulker businesses. What's more, its entire business portfolio has been diversified by expanding shipping associated businesses such as terminal, logistics, and air cargo, as well as a real estate business," said the statement.

Despite of the hardships the company faces, MOL has the ability to continually execute management plans and it has well-balanced, sound financial policies, and its capital structure has greatly improved, thanks to its reinforced cash flow, Moody's reportedly said.

"Therefore," the MOL statement concluded, "the company will be able to further improve its capital structure in the future, although it has proactively expanded its fleet under the current mid-term management plan, which covered fiscal 2007 through 2009. Moody's believes that MOL will achieve stronger financial flexibility, even if market conditions deteriorate in the future."



DP World to operate Aden container terminal in Yemen

DUBAI Ports World has signed a memorandum of understanding with authorities to operate the Aden container terminal in the Arab state of Yemen, according to comments made by Yemen's Transport Minister Khaled Al-Wazeer in media reports.

Under the terms of the preliminary agreement, DP World and Aden's port will establish a 50:50 joint venture to develop and operate the container terminal, Yemen's state news agency Saba quoted Khaled Al-Wazeer as telling a newspaper, reports Reuters.

The Reuters report said it was unable to contact DP World officials to verify the claim.

DP World predecessor, Dubai Ports International (DPI), was reportedly first awarded a contract by Yemen in 2005 to develop and manage the Aden container terminal.

However, Saba said that the contract was later suspended after Yemen's parliamentary deputies voiced opposition to the deal that industry sources allege was due in part to the Aden container terminal being a rival of Jebel Ali port in Dubai, which was also operated by DPI, Reuters added.



NZ competition regulator begins probe Qantas price-fixing

NEW ZEALAND's competition regulatory authority, the Commerce Commission, has launched a probe into allegations that airlines, including Qantas, participated in an illegal cartel to fix prices on fuel surcharges, according to media reports.

Qantas Airways has conceded guilt in fixing prices for its international air cargo shipments and to pay a US\$61 million fine to settle a case with the US Department of Justice.

The US Justice Department said the illegal conduct involved fuel surcharges in the international air cargo market between 2000 and 2006.

"The Commerce Commission has opened an investigation into reports on air cargo shipments," a spokeswoman said. "The investigation is looking across the industry."

Earlier Qantas chief executive officer Geoff Dixon said his airline has agreed to co-

operate with the US Justice Department's ongoing investigation, as well as probes launched by antitrust regulators in other countries, including Australia.

"These investigations confirmed that the practices adopted by Qantas Freight and the cargo industry generally to fix and impose fuel surcharges breached relevant antitrust laws," said Mr Dixon.

According to the Qantas chief, more than 30 international airlines were under investigation.

British Airways and Korean Air Lines have already been fined US\$300 million each by US authorities for their role in the conspiracy, after pleading guilty in August 2007 to fixing prices for their passenger and cargo flights.



California's LA/Ontario airport to build US\$125 million cargo centre

A US\$125 million air cargo centre will be built at LA/Ontario International Airport under terms of a 40-year lease approved recently by the Los Angeles Board of Airport Commissioners.

LA/Ontario airport is the 14th-busiest cargo handler in the US, with a throughput of nearly 494,000 tons a year, an 18 per cent increase from 1997, according to airport cargo consultant Michael Webber.

The new one million square foot facility will be built in five phases over 13 years, according to Steve Forrer, an executive vice president of the Annapolis, Maryland-based developer, AeroTerm, reported the Daily Breeze, of Torrance, California.

Construction is set to begin by mid-2008 on 94 acres northwest of the passenger terminal at Ontario airport, Mr Forrer said.

Los Angeles World Airports, the agency that operates Ontario airport and Los Angeles International Airport, stands to make \$81 million on the deal.

The project falls in line with Los Angeles Mayor Antonio Villaraigosa's efforts to divert air traffic from Los Angeles International Airport by building up Ontario airport's presence as a cargo handler.

That number is expected to continue to grow because Ontario is one of three airports that serve as a major hub for UPS, Mr Webber told the airport commission last month.



Emirates Skycargo clinches two awards from separate groups

MIDDLE Eastern airfreight carrier, Emirates SkyCargo has been named "Air Cargo Carrier of the Year" and "Best Carrier to the Middle East" at two separate international award ceremonies.

The carrier clinched the Air Cargo Carrier of the Year award at the inaugural Supply Chain Asia Logistics Awards in Hong Kong, which was attended by more than 300 senior industry executives, a statement from the airline said.

It said that by winning the prize, Emirates SkyCargo beat rivals Cargolux, Cathay Pacific Cargo, Lufthansa Cargo and Singapore Airlines Cargo, which had been shortlisted.

Emirates SkyCargo also received the Best Carrier to the Middle East award, for the 10th consecutive year, at the annual conference and gala dinner of the Italian Association of Airfreight Forwarders (ANAMA) held in Milan. The event honoured airlines for their commitment to customer service and performance quality during 2006.

Emirates SkyCargo Italy was also ranked second in the Best Carrier to Australia category at the event, which it said was attended by more than 200 air cargo leaders and airlines.



Rate hike, low dollar, US export surge boost CSCL profit outlook

BY raising its rates, China Shipping Container Lines (CSCL) will boost earnings, predicted Li Shaode, the chairman of Asia's second-largest container line, adding that his profits will surpass the CYN3.18 billion (US\$430 million) expected, reported Bloomberg

"Fewer empty boxes help cut costs on US routes," said Mr Li.

China Shipping raised rates for shipments from Europe to Asia by \$500 a container in October. Also helping is the low dollar that boosts US exports that fill eastbound boxes, which mostly return empty to Asia, he said.



CTSA hike rates due to higher costs, fuel prices, weak dollar

CONTAINER shipping lines participating in the Canada Transpacific Stabilisation Agreement (CTSA) have devised a 2008 rate programme that takes in account rising operational costs, a weaker US dollar and soaring world fuel prices.

These factors will affect next year's rate negotiations as the 11-member discussion group seeks to implement full, floating bunker fuel surcharges to improve cost recovery.

"As inland transport, cargo handling, equipment and other operating expenses continue to rise, local currency costs accelerate further against US-dollar-denominated freight rates. Asia-Canada container lines in the Canada Transpacific Stabilisation Agreement (CTSA) have adopted a 2008 rate programme that addresses both challenges, as well as soaring world fuel prices, the leading operating cost component for ocean carriers," a CTSA statement said.

Starting May 1, CTSA lines will raise west coast rates by US\$400 per FEU and inland point and east coast rates by \$600 per FEU. In addition, a \$400 per FEU peak season surcharge will be in effect from June 1 to October 31.

CTSA member lines have also adopted a voluntary guideline 12 per cent currency adjustment factor (CAF) that will be implemented from January 1 from all Asia origins except Japan, which will introduce that CAF one month later.

The CTSA release said, "The currency surcharge is intended to address rising local currency operating costs, given the recent sharp appreciation of the Canadian dollar relative to the US dollar in which freight rates are assessed."

This action was prompted by the findings of an internal CTSA survey which found that from January to November 2007 the exchange rate shifted from C\$1.16 to C\$0.93 in relation to the US dollar, which the members said "has had a significant impact on carrier costs. This weighted average reflects the ratio of west coast to east coast cargo, and costs related to empty equipment positioning".

CTSA member lines said the rates as adjusted will in turn be subject to full, floating bunker fuel surcharges, assessed separately from base freight rates in cases where surcharges have been capped, mitigated or folded into all-in rates.

CTSA members also announced that from January 1, the fuel surcharges will be imposed of US\$755 per TEU, \$950 per FEU, \$1,065 per 40-foot high cube, \$1,220 per 45-foot container and \$21 per weight/measure.

The 11 CTSA container lines serving the trade from Asia and the Indian Subcontinent to ports and inland points in Canada are: APL, HMM, Cosco, "K" Line, Evergreen Line Joint Service Agreement, MOL, Hanjin Shipping, NYK, Hapag-Lloyd, OOCL, and Yangming.



Chiwan CT gears up marketing of Sea-Rail Intermodal

NOW that the Sea-Rail Intermodal rail transport links have been established between Shenzhen and Kunming, marketing of the major service has moved into high gear.

The Sea-Rail Intermodal Transportation Project group has now met with China Merchants Holdings International (CMHI), CCT and SCT at the Shenzhen Mailen Club on November 30.

The meeting drew 50 representatives from a dozen shipping lines. Officers of the Sea-Rail Intermodal Transportation Project explained their operations, procedures, cargo sources and outlined their plans.

This meeting is a significant, said a CCT statement, because it shows that the western ports have officially started marketing the Sea-Rail Intermodal Transportation Project. It also means the passage of cargo between Shenzhen and western ports and into inland cargo origins has commenced in earnest.



Hyundai Heavy Industries wins US\$737 million deal for nine box ships

SOUTH KOREAN shipbuilder Hyundai Heavy Industries has landed a KRW679.8 billion (US\$737 million) contract to build nine containerships for an unnamed Singaporean company.

The world's biggest shipbuilder said in a filing to the Korean Exchange that the firm is required to deliver the vessels by December 2011, according to media reports.



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