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Maersk to raise rates across trades, upgrade Europe-C America coverage

THE world's largest container shipping line, Maersk Line, has announced it will increase rates on the southbound Europe-Oceania and on the Asia-West Africa trades this year and will also revise its Europe and Caribbean, Central America port coverage.

The Europe-Oceania trade, cargo from the United Kingdom, North Europe, Scandinavia, Baltic and the Mediterranean to Australia-New Zealand and South Pacific islands will be subject to a rate hike of US$200 per TEU from April 1.

This will be followed by a rate increase of $200/TEU from July 1, and a further rate increase of a $200/TEU from October 1.

The company also said in a statement that it will implement a peak season surcharge of $140 per container from the United Kingdom, North Europe, Scandinavia, Baltic and the Mediterranean to Australia.

"The above increases are a consequence of the rate erosions experienced in 2006. We intend to restore the rates to a level where we can address the cost increases and continue to offer a reliable and efficient coverage for the entire trade," the release said.

This latest rate hike comes just days after the shipping line announced it was raising rates on the Asia-West Africa trade.

This means that cargo shipped by sea from Japan and South Korea to West Africa (excluding Gambia, Guinea, Liberia, Mauritania, Mali, Senegal and Sierra Leone) will be subject to a $200/TEU rate increase, starting April 1.

This will be followed from October 1 by a rate hike of $200/TEU for the South Korea trade and $100/TEU for cargo from Japan.

Containers shipped from mainland China, Taiwan, and Southeast Asia to West Africa (excluding Gambia, Guinea, Liberia, Mauritania, Mali, Senegal and Sierra Leone) will be affected by a rate rise of $100/TEU from April 1, and another rate increase of $200/TEU from June 1, followed by $200/TEU from September 15.

Furthermore a peak season surcharge will be applied from July 1 to December 31 of $200 per TEU from Japan and South Korea. In addition, cargo from China, Taiwan and Southeast Asia will be subject to a surcharge of US$200/TEU from August 2007 to the Chinese New Year 2008.

In a separate development, Maersk Line said it will upgrade its Europe to/from the Caribbean/Central America coverage.

In January 2007, the company plans to introduce the fixed-day, weekly Central America and Caribbean Express (CRX) service.

The CRX port rotation will be: Southampton, Zeebrugge, Rotterdam, Algeciras, San Juan, Rio Haina, Kingston, Moin, Manzanillo and Southampton.

The CRX will provide fixed-day, weekly sailings from Northern Europe and Spain to the Caribbean and Central America, as well as sailings from Costa Rica, Panama and Jamaica to northern Europe.

It will also offer reefer container capacity, and connect up with Maersk's dedicated feeder network in Central America, the Caribbean and Europe.

TOP

COSCO up JV with its unit in Tianjin FTZ

Cosco Shipping Co., Ltd. (Coscol) says it will set up a joint venture business with its wholly-owned subsidiary Coscol (HK) Investment & Development Co. in the Tianjin Free Trade Zone.

The two companies plan to invest a total of US$98 million in the new company, Xinhua reports.

Coscol will purchase a 70 per cent stake in the JV for $35 million, while its Hong Kong based subsidiary will spend $15 million on purchasing the remaining 30 per cent interest in the new company.

State media added that the rest of the firm's registered capital will come from the net book value of two of Coscol's ships.

TOP

Port of Zhongshan handles 1m TEU Jan-Nov '06

IN the first 11 months of the year, the Chinese port of Zhongshan handled a total of 1.02 million TEU.

Zhongshan's container throughput volumes were said to have got off to a weak start during the first half of 2006, but recovered in the later stages of the year with its growth rate peaking at 38.7 per cent in September, Xinhua reports.

The port is expected to handle 1.1 million TEU of boxes for the year as a whole.

The port of Zhongshan is the third largest container port in Guangdong province and tenth largest in China. However, the report warned that its relatively small handling capacity compared to the rival port of Guangzhou will jeopardise its future growth.

TOP

Hauliers in Malaysia may introduce flat-rate for all boxes

THE Container Hauliers Association of Malaysia (Cham) is sticking to its guns in imposing a controversial flat-rate haulage tariff for all containers regardless of whether they measure 20, 40 or 45-feet from the first of the year.

Various industry groups affected by this decision, including freight forwarders and shippers, oppose the move as they claim it will lead to a doubling of existing haulage rates, reported Kuala Lumpur's Business Times.

It said that from January 1, the haulage fee for all container sizes will be based on the 40-footer rate, which varies dramatically from locality to locality. Yet tariffs are mostly in the range of MYR700 (US$198.17) to MYR1,000 per TEU with a doubling of rates for 40-foot boxes.

A Cham spokesman was cited saying local shippers are given rebates of between 10-40 per cent per 40-foot unit, depending on the individual hauliers.

"Thus, the fear that the single box-rate tariff would effectively see a rate hike in 20-

foot container deliveries by 100 per cent is unfounded. I don't think hauliers will ask for full 40-footer rates," he said.

"Besides, majority of hauliers deal with forwarding agents who get a certain margin and they have their own choice of hauliers. Cham and the Association of Malaysian Hauliers (AMH) represent 45 out of the more than 100 hauliers licensed to operate in the country."

The report said that both Cham and AMH intend to introduce the new tariffs unilaterally without prior consultation with those footing the bill.

Opponents say the "unjust" move will effectively be a form of price-fixing, and weaken their international competitiveness. They include the Federation of Malaysian Manufacturers, the Malaysian National Shippers' Council, the SMI Association Malaysia and the Malaysian Plastics Manufacturers Association, the Malaysian SMR Rubber Processors Association, the Federation of Rubber Trade Associations of Malaysia and the Malaysian Concentrate Latex Processors Association.

TOP

Chittagong Port inefficiency hits Bangladesh economy

THE Bangladeshi Port of Chittagong is again coming under fire for its lack of efficiency with importers having to wait to take delivery of their containers at the port.

Port authorities fear the congestion will become "serious" ahead of the holy festival of Eid-ul Azha, but vessels are already queuing at the outer anchorage to enter the port to load and discharge cargo.

This comes as the port has been embroiled in a standoff in recent weeks, involving disgruntled port workers who were angry with the government for appointing a private firm to operate the port's gantry cranes in a bid to speed up vessel turnaround times from four to three days.

In a report by Dakha's Financial Express, the port's inefficiency is costing Bangladeshi taxpayers US$1.1 billion each year, or two per cent of GDP.

The newspaper said official corruption is largely to blame for Chittagong Port's congestion woes, making it one of the least efficient and most expensive to use in Asia.

A recent study by Transparency International Bangladesh (TIB) said that corruption at the port costs the state BDT7.83 billion (US$113.34 million) annually, a burden which is shared by not only importers and exporters but consumers as well, while detering foreign investment.

The benefits of stamping out corruption and improving port efficiency are considerable given that an official study on the Dhaka-Chittagong Economic

Corridor Development (DCEC) found the country would experience 30 per cent increase in exports by making the port more efficient.

However, efficiency improvements reach beyond the port's boundaries as it would require investment in road, rail and inland waterway connections to the port as well.

The present situation of capacity shortages to handle containerised cargo, lack of deepwater facilities and inefficient operations means that there is no guarantee shipments will be delivered on time from the port, which is a further disincentive for foreign investment.

China Postal Airlines launches Shanghai-Osaka line

CHINA Postal Airlines has started its second international service that connects Shanghai Pudong International Airport to Osaka.

The new five times weekly service uses a Boeing 737-300 freighter. The service departs every Tuesday, Wednesday, Thursday, Friday and Saturday at 0300 hrs from Pudong and arrives in Osaka at 0450 hrs. The flight then heads back for Shanghai, leaving at 0610 hrs and landing at 0810 hrs.

A Xinhua News Agency report said the service is intended to speed up postal package delivery times between the two destinations and moves are afoot to cut transit times further.

China Postal Airlines launched its first international route in August, linking Beijing to Seoul. In January 2007, the carrier plans to begin a daily chartered airfreight service from Tianjin to Seoul to meet demand primarily from South Korean electronic products manufacturer Samsung.

Established in 1997 and reorganised in 2002, China Postal Airlines has since become a joint venture business between China Post and China Southern Airlines. The carrier now operates a fleet of 13 freighters, offering almost 30 flights each week to more than 10 cities on mainland China.

Korean Air looks to a 14.3pc profit hike this year

KOREAN Air has predicted a 2007 operating profit increase of 14.3 per cent in an official statement to the Korea Exchange, based on cheaper fuel because of a stronger won, extended routes in China and emerging markets, according to a Reuters report.

"We plan to increase mid and short routes, which are more profitable, in Asia emerging markets, especially in China, as we regard the country as our second home," said Shin Jin-chul, a Korean Air spokesman.

Korean Air has already announced its intention to establish a joint venture cargo airline with China's Sinotrans Air Transportation to service China.

Korean Air, the world's top air cargo carrier, said it saw a KRW640 billion (US$690.5 million) in operating profit this year with sales up 3.6 per cent to KRW8.6 trillion.

Last year, the airline said it expects a KRW560 billion profit and KRW8.3 trillion in sales. In the third quarter 2006, Korean Air posted an 18 per cent fall in net profit on higher jet fuel costs.

Korean Air also said it was aiming to post KRW240 billion in pre-tax profit this year, up 33.3 per cent from last year's expected KRW180 billion, before foreign exchange conversions.

TOP

Boeing and Airbus win new orders year closes

AS 2006 drew to a close, the battle between rival aircraft manufacturers Boeing and Airbus continued to rage as carriers made preferences known in fresh purchases for new planes to serve the ever-growing aviation market.

Singapore Airlines has signed an Airbus A380 purchase contract for an additional nine orders and six new options with the first to be delivered this October, according to the Centre of Asia Pacific Aviation.

The airline also signed an agreement with Airbus to lease 19 new A330-300s. The A380 will carry 555 passengers. The Boeing 787-9 carries 250 to 290 passengers.

Royal Jordanian Airlines has announced its selection of the 787 Dreamliner as the mainstay of its long-haul, wide-bodied fleet.

"We're proud to have one of the Middle East's most respected airlines become the first carrier in the region to select the Dreamliner. The Middle East is a high-value market for Boeing and we believe the 787's technological advantages are well suited to the region," said Boeing Middle East sales chief Lee Monson.

Royal Jordanian serves a route network of 52 destinations on four continents. The airline currently serves its long-haul network with nonstop direct flights from Amman to Bangkok in the Far East and to New York, Chicago and Detroit. Royal Jordanian will add direct service to Montreal in June.

Air New Zealand also said it doubled its order for the new Boeing 787-9 Dreamliner to eight aircraft. The airline has also secured options over eight further production slots.

Air New Zealand strategic development general manager Nathan Agnew said: "These new aircraft will provide Air New Zealand with a solid platform to realize its growth ambitions over the next decade."

"Given their capability to fly direct to South Africa, India, South America, Asia and deep into China and North America, we will have some exciting opportunities to pursue," said Mr Angnew.

The airline has said it plans to launch at least one new international route every year. The first Boeing 787-9 is due to start service in 2011 and the last of the eight aircraft is scheduled for delivery in 2013. The Dreamliner would use 20 per cent less fuel compared with similar aircraft now flying, he said.

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