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### Northport gears up to handle greater cargo volumes in 2007

MALAYSIA's Northport plans to expand its facilities and improve its service offering in 2007, in a bid to strengthen its position as a national gateway port and regional transshipment hub.

To realise these expansion goals, the board of Northport (Malaysia) has just awarded MYR500 million (US\$142 million) to finance a number of development projects. A major portion of the funds will be used to build a 350-metre-long berth to handle growing TEU traffic and larger containerships.

The additional berth will be supported by super post panamax gantry cranes and ancillary port equipment.

Other initiatives this year will include upgrading the port's existing IT capabilities and networking systems. Special attention will also be paid to staff training and re-training

programmes, port authorities told the Shipping Gazette.

From January to November 2006, the port handled 2.5 million TEU and 7.5 million DWT of non-containerised cargo. Port authorities expect that this year's growth will be in line with national growth.

Growth in the port's throughput is fostered by the expansion of the economy, be it the national or global trade. The prognosis for the Malaysian economy remains good, based on forecasts made by the government and the Malaysian Institute of Economic Research.



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### **Westports box throughput soars 26 pc in 2006**

WESTPORTS Malaysia was up more than 26 per cent, handling 3.7 million TEU last year compared to 2.9 million TEU in 2005 mainly due to a robust showing in imports and exports trade where for the first time, the port processed more than a million boxes, Bernama News Agency reported.

The report quoted a company statement saying that the port's container throughput in 2006 accounted for 58 per cent of Port Klang's total turnover and 28 per cent of the country's total.

Westports has set a target of 4.2 million TEU for 2007 and is aiming to become a five million TEU port by 2010.

The port's achievement in 2006 included 1.1 million TEU of local boxes, reflecting a growth of 13 per cent compared with 949,000 achieved in the previous year.

Transshipment activities at the port notched a 31 per cent growth from 1.8 million TEU in 2005 to 2.3 million TEU in 2006.

In the last quarter, the port handled 963,662 TEU, which is the highest quarterly achievement in 2006 compared with 767,838 during the same period in 2005. Furthermore, the port surpassed last year's third-quarter achievement of 954,333 TEU.

Currently, Westports has 25 main line operators and 27 feeder operators, linking 300 ports worldwide.



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### **Karachi Port Trust to award deepwater terminal tender in March**

THE tender to operate the Karachi Port Trust's (KPT) deepwater terminal is to be awarded in March, group general manager for planning and development Jamshaid Zaidi told The News International.

Currently the port trust has short-listed four parties, which have two months to submit their bids/proposals before the contract is awarded in March.

The short-listed parties include the usual suspects; Singapore's PSA International, Hong Kong's Hutchison Port Holdings, UAE's Dubai Ports World and Danish shipping giant Maersk-APM.

The Pakistani port group will invest US\$350 million into the terminal, while the contract winner will be required to cough up \$200 million for the initial phase of the terminal's development.

This first phase will see the development of four berths and a 1.5 kilometre quay wall, enabling it to cater to the super post panamax class vessels.

For the second phase KPT will inject a further \$1.08 billion into the terminal, where a further six berths will be added and the quay wall will be expanded to 3.75 kilometres.



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### **ABC becomes first Russian carrier to join Cargo 2000**

AIRBRIDGE Cargo (ABC) has become the 22nd airline to join Cargo 2000 and is its first Russian member.

"It has always been our intention to join Cargo 2000 once we had the management team and processes in place to support the implementation of Cargo 2000's quality system," said Stan Wraight, vice president of the Volga-Dnepr Group responsible for scheduled cargo operations.

As the all-cargo airline of the Volga-Dnepr Group, ABC carried more than 80,000 tonnes of cargo in 2006, generating sales revenues in excess of US\$230 million. The airline currently operates 10 flights a week out of Frankfurt and four per week from Amsterdam to Russia, providing daily and twice daily services to Moscow and five flights a week to Krasnoyarsk.

ABC also operates seven services a week to and from Shanghai and four flights a week to and from Beijing in China, in addition to four services a week from Nagoya to Russia and Europe, and three flights serving Hong Kong from Frankfurt and Amsterdam, a statement issued on behalf of Cargo 2000 said.



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### **Hong Kong-Zhuhai Airport management JV achieves early success**

JOINT venture company Hong Kong-Zhuhai Airport Management (HKZAM) has met with early success having taken over Zhuhai Airport (ZHA) last year.

The Hong Kong Airport Authority has taken 55 per cent share in the joint venture operation with the Zhuhai municipal government taking the rest. The JV company will pay US\$31.9 million immediately for the 20-year management franchise.

The pairing, according to a Hong Kong Airport Authority statement, has managed to increase flight frequencies, expanded and diversified services, while also improving ground links within the past three months.

Zhuhai Airport, on the western side of the mouth of the Pearl near Macau, has suffered low capitalisation and management inefficiencies, reported The Standard of Hong Kong newspaper.

HKZAM say their goal is to fully realise Zhuhai Airport's ability to contribute to the growth

and development of the regional economy.

Speaking on the joint venture the Zhuhai mayor Deng Weilong said the co-operation would actively contribute to establishing the airport as an aviation hub for the region.

"The success of the co-operation and the ongoing improvement of the external environment of Zhuhai Airport will further expand its service area while the airport's steady business growth will bring new momentum to Zhuhai's economy," he said.

Said HK Airport Authority CEO David Pang: "With the mainland's burgeoning economic growth, air cargo and passenger volumes have enjoyed annual double-digit growth in recent years. The joint venture not only enables the two airports to complement each other but also increases our competitiveness and sustains growth, thereby creating a win-win situation for both.

HKZAM general manager Vivian Cheung said ZHA plans to increase throughput from 10,000 tonnes of cargo in 2005 to 50,000 tonnes of cargo by 2010.



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### **Deutsche Post to sell off reverse logistics subsidiary**

DEUTSCHE Post has reportedly agreed to sell 100 per cent of the shares of its reverse logistics partner Vfw AG to private equity investor Monitor Clipper Partners. The transaction, subject to antitrust clearance, is expected to be closed in the first quarter.

Reverse logistics is the process of removing new or used products from their initial point in a supply chain, such as returns from consumers, over stocked inventory, or outdated merchandise and redistributing them.



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### **CBP appoints new port director for Texan ports**

US Customs and Border Protection (CBP) has appointed Terry Estell as its New Area Port Director, to replace the outgoing Harold Woodward, who has now taken a similar posting in Miami, according to an official statement.

In his new role, Mr Estell will now takes responsibility for providing support and guidance to ports of Houston, Galveston, Freeport, Corpus Christi and Port Arthur.

Mr Estell previously served CBP as a port director in Vancouver, Canada, a pre-clearance location for the department.

His other experience with CBP includes serving in the Chief Inspector's Advisory Board to the Customs Commissioner. He also represented the United States on agency matters in Asia, Africa and Central and South America.



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## Evergreen enters logistics market in western China

TAIWAN's Evergreen Group has signed a co-operation agreement with the Chongqing Shangshe Group to set up a logistics and distribution centre in Chongqing to provide third-party logistics (3pl) services in western China.

The two sides plan to establish a joint venture company which will be responsible for the construction and operation of the new logistics centre. It will also be Evergreen's first joint venture in Western China.

Chongqing Shangshe Group will hold a 51 per cent stake in the new firm, while the Evergreen Group will hold a 49 per cent equity interest, Xinhua reports.

A total of CNY200 million (US\$25.6 million) will be invested in the new logistics centre, which will cover a total area measuring 153,334 square metres, including up to 100,000 square metres of warehouse space, a 30,000-square-metre storage yard and car park and 6,000 square metres of offices.

Once the logistics centre begins operations, it is expected to handle cargo worth in excess of CNY10 billion, according to comments made by an Evergreen official.

The Chongqing Shangshe Group recorded an annual sales income of about CNY18 billion in 2006, the report added.



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## Guangdong box prices fall, export volumes up from Jan-Nov 06

OVERCAPACITY in China's container manufacturing industry led to an 11.4 per cent fall in the price for box exports produced in Guangdong during the first 11 months of 2006.

This is despite the city's box export volume rising 11.9 per cent year on year during the same period, Xinhua News Agency reports.

An expert cited in the report forecasts that by the end of 2007 China will be producing six million TEU, far exceeding world demand. As a result of oversupply in the market and stiff competition among container manufacturers, the price of empties has been declining since the second half of 2005.

The government is expected to impose tighter quality control standards on container manufacturers, who will also be encouraged to produce more specialised containers to widen the product range. Box makers may also be advised to form partnerships with the large shipping lines to create more stable demand.



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## China plans to continue heavy spending on nation's ports

CHINA's Ministry of Communications says development of the nation's port sector has not

yet overheated despite vast sums of money being poured into such facilities since a period of rapid development began in 2003, turning them into the busiest building grounds in the world.

Shen Yihua, the Deputy Director of the ministry's Water Transport Department, Transport Planning and Research Institute, said China's ports are unable to cope with demand for cargo transport, pointing to insufficient capacity and a lack of specialised terminals and deepwater.

Statistics show the total capacity of the mainland's seaports came to 2.52 billion tons in 2005 but the actual volume of sea freight reached 3.38 billion tons while there was also a 15 million TEU shortage of container capacity during that year.

A report by Xinhua noted that the State Council has published the National Coastal Ports Layout Plan, to define the roles of the mainland's various ports as a national guideline to port investment.

According to the plan, the ratio between the capacity and throughput of Chinese coastal ports will be 1:1 by 2010, which indicates that the growth of ports is in accord with the growth of the economy.

The Water Transport Department also plans to introduce new measures to prevent excessive competition among ports to avoid superfluous investment, the report said.



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