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Tusdeer signs US$443m deal for third container terminal at Jeddah

THE Saudi Port Authority has signed a deal with Saudi Trade and Export Development Company (Tusdeer) to build and operate a container terminal at Jeddah Islamic Port (JIP) to handle 1.5 million TEU a year and the largest containerships in the world.

The SAR1.66 billion (US$443.14 million) project will expand JIP capacity 45 per cent and maintain Jeddah's lead as a regional hub, reported AME Info, a Mideast business news portal. The terminal, to be completed in three years, will also form part of a land bridge after the completion of the Saudi Railways link from the Red Sea to the Gulf.

Tusdeer chairman Mohammed Zainal Alireza said the terminal would be built on reclaimed land along the re-export zone in JIP and is expected to handle up to 2 million TEU annually. It will include a handling and storage area of 400,000 square metres. Dredging starts mid-2007, the report said.

Tusdeer has entered into a joint venture with the builder of Port of Tanjung Pelepas, Malaysia's Seaport Terminal, which holds a 20 per cent stake in the JV. The UK's Drewry Shipping has been commissioned to conduct a market survey and demand analysis on projected container traffic into Jeddah.

The facility will have post panamax quay cranes, berth depths of over 18 metres and a 16.5-metre navigation channel to accommodate 14,000-TEU containerships or larger.

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Chittagong port seeks rule changes to ease box congestion

THE Chittagong Port Authority (CPA) has urged the Bangledesh shipping ministry to change its rules to prevent businessmen from storing imported goods on the docks to ease congestion, The Daily Star of Dhaka reported.

Importers usually keep their imported goods on port premises for 35-40 days, which has resulted in container congestion.

In a letter sent to the ministry, the CPA called for new tariffs to clear containers from port premises. The letter, quoted Kamrul Hossain, operations director of the port, as saying developed countries demand importers clear containers from the docks in five to six days.

The CPA has formed a 10-member committee to find ways to ease container congestion at the country's premier seaport. The committee has suggested measures for traders to clear their imported goods from the port within the shortest possible time.

The eight-kilometre long port jetties have the capacity to hold 10,000 containers but the port currently stores about 18,000 containers.

Importers pay US$4.50 a day for keeping one TEU at the port after 28 days from offloading their goods. They can keep containers for four days free of charge and then pay $1.50 each day after four days.

TOP

Future upgrades at Tanjung Beraus include containerabilty

PORT officials at Malaysia's Tanjung Beruas Port (PTB) are looking to upgrade services that will enable it to handle containers, Bernama reports.

With today's nine-metre draft, the port is unable to handle containerships, but port officials are hoping to turn this around.

Malacca Port chairman Datuk Yap Pian Hon said he saw great potential for the port, particularly in the area of container transshipment.

"Malacca currently has 16 industrial areas with about 600 factories, and they use land to transport their respective products whether it is to Klang Port or the Port of Tanjung Pelepas. This involves a great deal of cost for these companies," he said.

The decision to upgrade comes after the group assigned a consulting firm, BinaFikir, to carry out a market survey and to look into the commercial viability of the port.

Mr Yap said the findings of BinaFikir's research have since been passed on to the port's board, who will then present it to the Ministry of Transportation and the Economic Planning Unit of the Prime Minister's Department.

TOP

Korean Air finalises purchases of 25 Boeing aircraft

KOREAN Air has finalised a purchase order for 25 airplanes valued at US$5.6 billion at list prices from US aircraft manufacturer, the Boeing Company.

The order includes 10 777-300ERs, five 747-8 freighters, five 777 freighters and five Next-Generation 737s. The deal also contains options for a further eight aircraft, namely four 777-300ERs, two 747-8Fs and two 737-900ERs.

"Introducing the next generation hi-tech airplane is one of the strategies to effect a strengthening of global competitiveness and enhance customer service," said Korean Air chairman Yang-ho Cho.

The 777-300ERs are intended to replace the 747-400 passenger airplanes Korean Air is converting to 747-400 Boeing Converted Freighters (BCF) while the 747-8 freighters and 777 freighters will provide additional air cargo capacity. The 737s will be deployed on domestic and regional routes.

A joint company statement described Korean Air as a "key" 747-400 Freighter operator and an important customer of the 747-400 BCF.

"Korean Air continues to develop a tremendous cargo base to complement its successful passenger operation," said Boeing Commercial Airplanes vice president for sales, Larry Dickenson. "Our great relationship is built upon years of success and trust, as well as our ability to provide the airplanes that fit the airline's business model," he said.

TOP

DFDS Transport adopts new name, DSV Air & Sea

FDS Transport has commenced the New Year with a name changing ceremony involving all 19,000 employees across its worldwide offices for the new corporate brand - DSV Air & Sea.

The move is designed to more closely align the corporate branding strategy of the global group of companies to the holding company DSV A/S.

This follows a string of acquisitions in recent years, including JH Bachmann and the latest purchase, Frans Maas, which have driven the need for a common group identity.

DSV Air & Sea is one of three divisions within the DSV group, which also encompasses DSV Road and DSV Solutions and now shares the DSV logo

In 2006 the group expanded in Asia through the establishment of DSV in Taiwan and India, bringing operations in the Asia Pacific region to 900 employees in 40 offices.

"We are very pleased with developments in the region over the past seven years from when we started in Hong Kong, which today acts as the regional office for the set-up in Asia," said Peter Minor, regional director for Asia, DSV Air & Sea.

"We look positively at a new 2007 and believe our growth will be as evident in this year as in the past and with the new DSV name, giving us all a new strong platform to support our customers in their growth in the region."

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Stephens named 'Best Boutique' in Institutional Investor survey

FOR the second year in a row, the airfreight and surface transport research team at Virginia's Stephens Inc., has taken the award for being the "Best Boutique or Regional Firm" in the 2006 Institutional Investor survey.

The company was chosen by the financial publication from a survey of analysts and portfolio managers at US-based asset management companies and hedge funds who identified the boutique or regional firm that they believe had done the best research work over the year.

The publication also asked respondents to identify the sources of independent US equity research they found most valuable, said a report in the Arkansas Business News.

Stephens' airfreight and surface transport team comprises senior analysts Thomas Albrecht and Alexander Brand, and associate analysts Neal Deaton, George Pickral, Mark Rosa and Kevin Sterling. The team focuses on truckload, less-than-truckload, specialty rail, airfreight, logistics and transport suppliers.

Founded in 1933, Stephens is an investment banking and securities brokerage firm, which employs 19 analysts and 15 associate analysts for its research department which provides equity research in a wide range of industries covering 220 stocks.

TOP

Anti-terror bill passes, puts world trade at risk, says Homeland Security

THE Democrat-controlled US House of Representatives voted 299-128 to enforce rigorous screening of every container for explosives and nuclear materials within five years for ship cargo and three years for airfreight.

But prospects for the comprehensive container inspection bill are less certain in the Senate because of opposition from Republican and Democrat senators who together with Homeland Security officials, see the bill resulting in the throttling of trade to the United States.

The Homeland Security Department said no affordable technology for such levels of rigorous screening exists, and such measures risk stopping world trade into the US. "Inspecting every container could cause ports to shut down," a Homeland Security spokesman told The New York Times.

The bill is expected to run into Senate trouble where members are more sensitive to trade issues. Many Republicans and even Senate Democratic committee chairmen have said they were not convinced that specific mandates should be included in the bill.

The bill, based on the findings of the recent 9/11 Commission report, would require that all sea containers entering to be scanned for nuclear weapons and explosives.

Estimates for air cargo screening run to US$3.6 billion over the next decade, and ship inspections would cost even more.

Democrats, who won control of the US Congress in November, were jubilant: "Today marks a giant leap forward toward a safer and more secure America," said Mississippi Democratic Congressman Bennie Thompson, new chairman of the House Committee on Homeland Security, who introduced the bill January 5.

TOP

WTSA agree to put up metal scrap rates

MEMBER lines of the Westbound Transpacific Stabilization Agreement (WTSA) have agreed to increase freight rates for metal scrap rates for 2007 starting from February 15.

A WTSA statement said the metal scrap rates will be increased by US$100 per FEU and US$80 for each TEU on port-to-port cargo and west coast/east coast local door moves to Asia, and by $150 per FEU and $120 per TEU for inland point or mini-landbridge intermodal cargo.

The WTSA's 10 major container lines said in a statement that "despite continued strong industrial demand for recycled scrap in Asia, rates remain low to the point that some carriers in the trade have stopped soliciting scrap shipments to certain destinations - notably, China - because current rates do not adequately cover transport, equipment and cargo handling costs.

"This is particularly true for intermodal US cargo, with westbound carriers anticipating rail rate increases of as much as 20 per cent in 2007."

WTSA members include: APL, Hyundai Merchant Marine Co., Ltd., K Line, Cosco Container Lines, Ltd., NYK, Evergreen Marine, OOCL, Hanjin Shipping, Yangming and Hapag Lloyd.

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China raises ship tax

CHINA has introduced a new combined tax to replace the license tax and a tax on ships from January 1, 2007.

Under the new tax arrangement, a ship owner will be taxed CNY3 - CNY6 (US$0.38-0.77) per net tonnage of each vessel annually. The new tax is therefore between CNY1.0 and CNY1.80 higher than before, Xinhua reports.

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