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## ASIAN SHIPPER

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- Vietnam joins WTO resulting in tariff changes
- Singapore's PSA global volume up 18.6pc to 51.2m containers in 2006
- Port of Antwerp TEU throughput up 8pc in 2006
- Cathay Pacific's rise in volume exceeds its capacity growth
- Dragonair carries 2.6pc more air freight in 2006
- Korean Air to fly Rain aboard promotional plane for HK
- AADA to implement rate restoration in February
- ICTSI enters terminal operation business in China
- Maersk and Safmarine raise rates on Asia-South Africa run



### Vietnam joins WTO resulting in tariff changes

WTO tariffs will soon apply to Vietnamese products when customs rules are officially gazetted in the wake of the January 12 accession of Vietnam to the World Trade Organisation.

Taxes were immediately cut on 1,820 categories of products. The Vietnamese Ministry of Finance has promulgated Decision 78 on adjusting the tax rates to implement the WTO protocol, but changes only become effective when published in the official gazette in 15 days. Thus, customs cannot yet apply the new rates, said Nguyen Van Can, head of the Import-Export Tax Collection Inspection Department.

The US government welcomed the accession and said the event "marks the beginning of a new era in the political and economic relationship between our two countries," said an official statement reported by Xinhau News Agency.

"This is an historic day for and the rules-based global trading system. "This is an important milestone in the continuing process of expanding commerce and raising living standards

around the world," said US Trade Representative Susan Schwab.



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## **Singapore's PSA global volume up 18.6pc to 51.2m containers in 2006**

SINGAPORE's global terminal operator, PSA International has described 2006 as a record setting year in terms of container volume handled across its facilities both at home and abroad.

PSA's container throughput grew by 18.6 per cent to 51.29 million TEU. At its Singapore terminals, PSA achieved a growth of 7.6 per cent to handle 23.98 million TEU, while its overseas terminals saw 27.31 million TEU pass through their berths, an increase of 30.2 per cent over the year before.

"2006 was a good year for world trade flows and we are happy to report increased volumes in our port projects globally," said PSA International group CEO Eddie The. "We look forward to growing our leadership position in 2007."

PSA said 2006's strong performance has encouraged the group to take active measures to expand the handling capacities at many of its terminals, including PSA Singapore Terminals and PSA HNN Terminals in Antwerp. PSA operates 20 terminals in 11 countries across Asia and Europe.



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## **Port of Antwerp TEU throughput up 8pc in 2006**

CONTAINER cargo through the Port of Antwerp grew by eight per cent last year to seven million TEU, 500,000 more TEU than the previous year, which was attributed to the trade between Europe and North America.

Overall Antwerp expects to have handled 167.3 million tonnes of cargo in 2006, representing an increase of more than four per cent against the figure for 2005. Port authorities noted that the EU-America trade was as important as the growing trade from the Far East.

An example of how strong the growth in the container trade was last year is the Deurganck dock which handled 800,000 TEU and set a high level of utilisation for the facility in Flanders during its first year of operation.

From August onwards, the growth in imports of steel from China and India was described as "explosive" with the trade peaking in the last quarter of 2006 as steel imports rose by 29 per cent year on year from 3.5 to 4.5 million tonnes.



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## **Cathay Pacific's rise in volume exceeds its capacity growth**

HONG KONG-BASED Cathay Pacific Airways has released results for the whole of 2006, which show both cargo and passenger growth remaining above the airline's rise in capacity.

For the year as a whole, the carrier transported 16,727,757 passengers, up 8.4 per cent on the previous year and ahead of a cumulative passenger capacity increase for the year of 7.7 per cent. The load factor for the year was 79.9 per cent.

In December 2006 Cathay Pacific carried 108,842 tonnes of cargo, a rise of 3.7 per cent in the same month a year ago and above a 3.6 per cent gain in capacity, measured in available cargo/mail tonne kilometres. There was no growth in the cargo load factor during the month, a statement from the airline said.

"Our performance in December was helped by the recent launch of a twice-weekly Beijing freighter service and five extra flights a week to and from Shanghai, where demand remains strong," said Cathay Pacific cargo director and general manager Ron Mathison.

During 2006 Cathay carried 1,198,703 tonnes of cargo, an increase of 7.2 per cent compared to the volume airlifted in 2005. Capacity growth lagged behind at 5.2 per cent.

A total of 1,495,023 passengers were flown in December, up 5.9 per cent on the same month in 2005. The passenger load factor was 81.2 per cent, up one percentage point year on year, while capacity, measured in available seat kilometres grew by 3.3 per cent.

"December was a good month and business was particularly strong over the Christmas holiday peak. The load factor was high at 81.2 per cent and we were pleased to see demand in the front end holding up," added Cathay Pacific revenue, sales and distribution general manager Ian Shiu.



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## **Dragonair carries 2.6pc more air freight in 2006**

BUILDING on reports that 2006 was a record-setting year for leading airlines based in the Asia Pacific region, Dragonair carried 395,384 tonnes of air freight, an increase of 2.6 per cent compared with the previous year.

Passenger numbers grew by 8.3 per cent year on year to 5,568,508.

"Despite the high oil price and increased competition, 2006 was Dragonair's best year ever in terms of passenger numbers and cargo shipments," said CEO Kenny Tang. "More than 425,000 customers flew with us than in the previous year, mainly due to increased economic activity between Hong Kong and the mainland.

"As well as healthy growth in the Hong Kong and mainland markets, we also saw increasing demand out of the US and Australia towards the end of the year, helped by the global sales and marketing network of our partner airline Cathay Pacific. That should continue going forward. Elsewhere, our cargo operation performed satisfactorily, and again was underpinned by the strength of the mainland market."

"We are confident about the market in the year ahead, although the operating environment will remain tough. We expect healthy growth to continue in 2007 as more synergies come through from being part of one of Asia's strongest airline groups. Among the highlights for us this year will be our joining of the Oneworld Alliance," added Mr Tang.

Dragonair is a Hong Kong-based airline and part of the Cathay Pacific Group.



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## **Korean Air to fly Rain aboard promotional plane for HK**

SOUTH KOREA's national flag carrier, Korean Air, is sponsoring the six-month world tour of national singer and actor Rain as part of the company's ongoing effort to help outstanding Koreans attain worldwide recognition.

Rain began January 12 with Hong Kong being his first stop, where he was to give three shows over the weekend at the Asia World Expo.

The star arrived in Hong Kong on January 10 on a special promotional aircraft provided by Korean Air that displayed his image wrapped around the aircraft exterior, flight number: KE603.



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## **AADA to implement rate restoration in February**

MEMBER lines of the Asia Australia Discussion Agreement (AADA) plan to implement a rate restoration next month.

Effective February 12, the AADA will levy an increase of US\$100 per TEU and \$200 per FEU for both dry and refrigerated cargo. The rate change will apply to all outward shipments originating from China, Hong Kong and Taiwan to ports and points in Australia.

"This increase will apply in full on top of existing ongoing market rates and will be subject to accessorial surcharges applicable at the time of shipment," a release issued on behalf of AADA shipping lines said.

AADA members include: ANL Container Line, China Shipping Container Line (HK), Cosco Container Line, Hamburg Sud, Hanjin Shipping, HMM, "K" Line, Maersk Line, MSC, MOL, NYK, OOCL, and Gold Star Line (HK) (Zim Line).



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## **ICTSI enters terminal operation business in China**

INTERNATIONAL Container Terminal Services Incorporated (ICTSI) is purchasing a 60 per cent stake in Chinese port operator Yantai Gangtong Container Terminal Company (Gangtong Container Co.), which manages the terminal in the mainland's Shandong province.

This marks the first foray into the mainland terminal operation market for the Philippine-based global port operator.

ICTSI signed a joint venture contract worth an undisclosed sum with the Yantai Port Group Company and SDIC Communication that enables the other two parties to retain a 20 per

cent interest each in Gangtong Container Co.

The deal is subject to regulatory approvals in China, particularly as the management is seeking to convert Gangtong Container Co. into a Sino-foreign joint venture.

Located within the Port of Yantai, Gangtong Container Co. operates container berths 38 and 39 of the Yantai Gangtong Terminal, including a 280,000-square metre container yard and back up area.

Yantai Port is ranked 10th among all the ports in China, after handling 1.16 million TEU in 2006, an increase of 68.4 per cent over the volume handled in 2005.

Yantai lies at the eastern tip of the Shandong Peninsula, bordering the Yellow Sea and Bohai Bay. With a population of 6.5 million, Yantai registered a GDP of about CNY240 billion (US\$30.76 billion) in 2006, up 19.2 per cent over the year before.



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### **Maersk and Safmarine raise rates on Asia-South Africa run**

THE world's largest ocean carrier, Maersk Line, and its subsidiary Safmarine, have announced rate increases for 2007 on the Asia to South Africa trade.

Starting April 1 the increase will be US\$150 per TEU from the Far East to South Africa, including the Indian Ocean islands. The rate increase will remain the same from July 1, but the increase will fall to \$100 from October 1.

The two shipping lines also said they will apply a peak season surcharge from August 1 to November 30.

A joint statement from the two carriers explained that transportation costs had increased significantly in the last few years. "The announced rate increases will assist in compensating for these increases and enable us to continue to maintain and develop our reliable and dedicated services on the Asia-South Africa trade.



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