

Alex Yong

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## ASIAN SHIPPER

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### Vanguard to build and operate big Antwerp consolidation warehouse

CONFREIGHT, a Vanguard Logistics Services unit and a European provider of neutral ocean freight services to the logistics industry, has been awarded a 35-year concession on a 70,000-square metre lot on which it aims to build and operate the single largest consolidation warehouse in Antwerp.

"This is a significant signal that we are delivering on the promise we made to invest in the Confreight/Vanguard facilities in Europe," said Owen Glenn, chairman of the OTS Logistics Group, which acquired Confreight in March.

The facility is located at Schomhoeveweg because of nearby major road links. The 38,750-square metre warehouse will be equipped with modern sprinkler, access control and monitoring facilities and a special area will be set aside to handle hazardous cargo compliant with 'the most advanced statutory and environmental requirements,' a statement from the OTS Logistics Group said.

A recent groundbreaking ceremony signalled the start of construction and the new facility should commence operations in September 2008.

"We wanted to start from the ground up and build something completely new," said Hans Mikkelsen, regional managing director for the group in Europe. "The new warehouse will increase our European space to nearly 90,000 square metres."



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### **MOL improves life jacket safety features**

IN a bid to improve operational safety, MOL has introduced a new life jacket for seafarers, which was developed in co-operation with life jacket manufacturer Koa Kako Co.

The new jacket has been designed to provide seafarers with improved mobility and fit, while enhancing performance and maintenance features.

The new inflatable jacket integrates a lightweight and portable radar reflector to speed up detection of seafarers, who have fallen overboard or are adrift on the open sea, an MOL statement said.

MOL said the improved micro prism reflective material used in the design of the life jacket offers six times the reflective performance set by international standards. This US-developed material also improves safety and visibility when seafarers are working on deck.



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### **India's to expand air cargo with five new-freighters**

INDIA's Department of Posts (DoP) is seeking funds from the national Planning Commission to buy or lease at least five more freighters to expand air cargo services to other states, reports The Hindu newspaper.

According to an unidentified senior DoP official, the Planning Commission approved the proposal in principle. The official said the DoP is calling for the

immediate approval of funds to add at least one more aircraft for the cargo service soon, while the remaining four freighters could be added in stages, to improve mail and parcel delivery in the country.

"We have urged the Planning Commission to incorporate our proposal in the final draft of the 11th Five-Year Plan, to be released soon, so that necessary funds for the ambitious project could be earmarked," said an unidentified senior DoP official in the report.

It said the request comes on the back of the successful launch at the end of August of the DoP's maiden Air India Boeing 737-200 cargo flights to seven north-eastern states. Flight serving Kolkata, Guwahati, Imphal and Agartala to use Kolkata as a hub.

The requested aircraft funding comes as the demand for the air cargo service is more than twice the existing capacity. "State governments in the northeast, where plane do not stop over now have asked us to add their capitals to the route. The demand is huge and we want to expand our service in the region," said the official.

The report also noted that the DoP also intends to introduce its air cargo service to the northern, western and southern regions by using Delhi, Mumbai and Chennai as hubs.



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### **Korean Air quarterly revenue up 8pc on increased demand**

KOREAN AIR, South Korea's flag carrier, has announced its third quarter operating revenue increased by 8.1 per cent to KRW2.9 trillion (US\$3.2 billion) over the KRW2.3 trillion earned last year.

Operating income increased by 45.2 per cent to KRW281.4 billion and net income increased 3.9 per cent to KRW131.7 billion year on year. The operating margin income increased 3.1 per cent to 11.9 per cent.

Strong results were attributed to more international passenger revenue and the 6.8 per cent growth in US dollar yield. Increased traffic during the summer high season and American Thanksgiving also helped.

Expanded sales in overseas markets, sales increases for first and business class and the addition of charter flights to popular holiday resort destinations have drove international passenger revenue up by 9.8 per cent to KRW1.3 trillion in the third quarter of 2007. For domestic passenger operations, the load factor and yield have both improved despite a slight decrease of 1.3 per cent in revenue compared to the same period last year.



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### **SAS exercises options for two 737s**

SAS Scandinavian Airlines has exercised options for two Next-Generation 737-800 aircraft, which are scheduled to be delivered to the airline in 2009.

The carrier said in a statement recently that the airplanes will be used to grow its domestic and intra-European routes. The airline has also specified that it wanted both planes to have fuel-saving blended winglets.

"We have a long history of being environmentally conscious, so we are delighted with the emission-reducing improvements of the 737 family, said SAS president Mats Jansson.

"SAS has ambitious targets to strengthen its position in the northern European market. With these additional airplanes we can increase frequencies and add routes to our network, thereby serving our customers better."

The SAS fleet has 88 Boeing 737s. Two new B-737-700s were delivered earlier this year.

"The 737 has undergone continuous improvements to meet evolving market demands," said Marlin Dailey, Boeing vice president of sales for Europe, Russia and central Asia.



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### **'K' Line, posts profit of US\$3.8 million, up 114pc**

"K" LINE's first half net profit rose 114 per cent to JPY440 billion (US\$3.8 million) from JPY206 billion in the first half of last year, the Japanese shipping line announced.

The transport giant attributed its strong performance in the first half fiscal 2007 (April through September) to robust growth in economies of the US and Europe where high consumer spending prevailed despite signs of a slow-down in the American housing market.

The overall operating results in the container business increased in both operating revenues and profit year on year because of the progress in raising freight rates, supported by strong cargo movement in the European services and on north-south routes despite a negative impact from soaring oil prices, the company said.

First half operating income rose 162 per cent to JPY616 billion from JPY235 billion in the first half of last fiscal year while ordinary income rose 159 per cent to JPY637 billion from JPY246 billion year on year.

"K" Line said revenue rose 25 per cent to JPY6.4 trillion from JPY5.1 trillion year on year.

In the rapidly developing BRIC countries and the Middle East, expansion continued because of brisk capital expenditures and increasing consumer consumption, said the company.

"The Japanese economy was supported by strong business performances and improvement in the employment environment," said a company statement.

All of which drove dry bulk freight markets higher while rate restoration made steady progress on all trade lanes, said "K" Line, adding that there was extra benefit accruing in the US dollar currency fluctuation which helped to offset rising oil prices

Cargo movement in the containership business steadily grew supported by an expanding world economy, particularly in European services which increased 20 per cent compared with the same period last year thanks to an expanded EU, a stronger euro and a constantly growing Russian economy.

Supply and demand relationship for cargo spaces continued to be tight. The company's tonnage movement in the north European route increased 16 per cent compared with the same period last year helped along by the introduction of large 8,000-TEU containerships in this service since 2006.

In the North American services, though cargo movement of general consumer goods was brisk, said "K" Line, tonnage of housing and related-items was hit by a sluggish US housing industry. "As a result overall cargo movement grew only by mid-single digits compared with the same period of the previous year," said the company statement.

On the other hand there was no opening for new service routes and some shipping companies decreased capacity, resulting in a tight supply and demand relationship. "K" Line tonnage movement in North American routes increased 17 per cent from the same period a year earlier thanks to enhanced cargo space in the US east coast service in the second half of last year.

In other north-south service routes, cargo movement rose 31 per cent against the same period last year due to two newly opened services in Europe, and the South American east coast, and a newly launched large vessel in the Asia-South Africa service, as well as strongly expanding cargo movements.



### **Shenzhen to hold global shipping summit November 23**

THE second 2007 Global Shipping Summit is to be held at the Shenzhen Convention & Exhibition Centre from November 23 to 24, Xinhua reported.

The event is organised by shipping information provider shippingchina.com and is said to be a platform for business connection between the top players in world's trade and shipping.

The event this time is also said to cover a wider range of industries from all parts of the supply chain. More than 500 participants from carriers, suppliers, and forwarders from home and abroad are expected to attend.



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### **China logistics market value hits US\$267.5 billion**

THERE have been more than 20,000 logistics companies in China and market value of the logistics industry has reached CNY2 trillion (US\$267.5 billion), said the vice-president of China Federation of Logistics & Purchasing (CFLP), Dai Dingyi.

The logistics industry in China has developed rapidly in recent years and total logistics value in the first half of this year increased 25.6 per cent year on year, while added value of logistics industry grew 17.2 per cent, Mr Dai said.

Cargo transportation volume of the industry came to 10.5 billion tons, an increase of 11.9 per cent, he added.

Mr Dai also announced that the CFLP will hold the 2008 International Logistics Enterprises Co-operation Summit in Beijing January 10-11.



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### **Foshan foreign trade value up 27pc in first nine months**

FOREIGN trade value of Foshan city in Guangdong province rose 27.5 per cent to US\$28.07 billion in the first nine months of this year, Xinhua reported.

Exports increased 29.2 per cent to \$19.4 billion, while imports grew 23.9 per cent to \$8.6 billion, the report said.

In September alone, foreign trade value of Guangzhou's neighbouring city came to \$3.35 billion, an increase of 8.8 per cent, the report said.



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### **Grand Alliance expected to offer new FE-North Europe 'EU 5' loop**

GRAND ALLIANCE member lines Hapag-Lloyd, NYK, OOCL and MISC, are expected to start a new Far East-North Europe loop, called the EU 5, though it is not known when this will happen.

It is believed the EU 5 will call at Shanghai, Ningbo, Xiamen, Shekou, Singapore, Amsterdam, Hamburg and Le Havre, as well as Port Said in both directions to offer Far East-Eastern Mediterranean and Eastern Med-North Europe connections, according to AXS-Alphaliner News.

The report said the EU 5 will progressively deploy up to eight containerships, ranging in size from 3,800-5,000 TEU. The Grand Alliance has yet to confirm the report.

AXS-Alphaliner News said the additional loop would take advantage of the spare tonnage made available through the displacement of newbuildings, the seasonal suspension of a transpacific string and by cascading from the China-US East Coast "NCE" service.

The report added the EU 5 will join the Grand Alliance's four existing Far East-North Europe loops and add to the slot allocations on three NWA services, bringing the number of weekly loops provided by Grand Alliance carriers on the Far East-North Europe route to eight.



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