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8,750-TEU ship naming sparks Hapag-Lloyd hopes for growth

DESPITE gloomy talk in the transpacific trades, Hapag Lloyd's top brass struck a positive note for Asia-Europe sea lanes at the recent naming of their new 8,750-TEU mega ship, the Hanover Express, in Hamburg.

"Container transport remains a growth market. And there are no signs whatsoever that this will change," said Hapag Lloyd CEO Michael Behrendt.

"The newbuildings coming on to the market are urgently required to cope with the expected growth," Mr Behrendt said. "Global container transport volume will increase from about 100 million standard containers (TEU) to more than 155 million containers by 2012, according to the forecasting institute, Global Insight. That would mean growth of more than 50 per cent in six years."

Such confidence in the Asia-Europe container shipping market contrasts with gloomy views of lower earnings on US-Asia trade routes next year because of a US housing market slump, rising oil prices and higher North American inland transport costs.

But Hapag Lloyds hopes are pinned on the recovery of Asia-Europe rates this year, and a rebounding European trade boosted by China's continued growth.

To claim its share of the expected growth, Mr Behrendt said Hapag Lloyd would take delivery of 10 new sister ships by 2010, each the same size as the Hanover Express and built by the same Korean Hyundai Heavy shipyard.

The naming ceremony at Container Terminal Altenwerder, in Hamburg, where the ship was berthed, attracted 300 onlookers, including the city's mayor, Ole von Beust, and Hanover mayor Bernd Strauch.

The ship will be deployed on Far East-Europe routes operated by Grand Alliance lines. The Hanover Express will call at Hamburg, Rotterdam, Singapore, Port Kelang and the major ports of China.

The German-flagged ship has a length of 335 metres and beam of 43 metres, making it equivalent in size to three football fields.

With the delivery of the Hanover Express, the Hapag-Lloyd fleet comprises 143 containerships with a total capacity of 500,000 TEU. Hapag-Lloyd transported approximately 2.7 million TEU in the first half of 2007, nine per cent more than in the first half of 2006, the company release added.



ICTSI unit takes over Georgia's Black Sea Batumi CT

BATUMI Sea Port (BSP) has handed over the operation and management of the Batumi Container Terminal in Georgia to a subsidiary of Manila-based International Container Terminal Services (ICTSI), Batumi International Container Terminal (BICT).

This development follows the September 2007 signing of a lease agreement to

operate and manage the Batumi Container Terminal for 48 years. The facility is the first major investment of ICTSI on the Black Sea.

The facility also includes a rail ferry terminal, and a 181-metre general cargo berth, Berth 6. This caters to ships loading scrap metal from Georgia and neighbouring countries, an ICTSI statement said.

BICT said in the release it is now drawing up plans to refurbish two cranes at Berth 6. BICT is also looking into the possibility of handling ro-ro vessels and well as containerships using mobile harbour cranes. Furthermore, BSP and BICT have outlined the preliminary activities required to strengthen the Berths 4 and 5 quay walls.



Schenker picks single locations for Chengdu, Nanjing offices

SCHENKER Express has separately merged both its Chengdu offices and Nanjing offices in mainland China into single locations as part of efforts to integrate BAX Global with Schenker, the land, sea and air freight branch of DB Logistics.

This latest development comes after DB Logistics acquired international shipping company BAX Global in January 2006. DB Logistics is the freight and logistics division of German railway company, Deutsche Bahn AG.

The new address is: Schenker China Ltd, Chengdu Branch, Bax Global Freight Forwarding (Guangzhou) Company Ltd - Chengdu Liaison Office, C-2, 12/F, Chuanxin Mansion, 18 Sec. 2, Renmin South Road, Chengdu 610016. Phone +86 28 8620 0208.

Branch manager of the Chengdu office is Ken Chang, who can be contacted at: ken.chang@baxglobal.com.



Cathay orders US\$5 billion in Boeing long-haul 747s and 777-300ERs

Cathay Pacific Airways announced yesterday its biggest ever direct-purchase commitment for new aircraft - an order for 10 Boeing 747-8 Freighters and seven Boeing 777-300ER passenger aircraft.

Addressing a press conference at the Hong Kong Convention & Exhibition Centre, Cathay CEO Tony Tyler said: "This is a highly fuel-efficient aircraft that consumes

22 per cent less fuel per revenue payload tonne than a 747-200F and 12 per cent less than a 747-499F. Similarly, the 777-300ER is 22 per cent more fuel efficient than a 747-400 per payload tonne."

"I am very excited about the 747-8 Freighter. This is the big one, a mega purchase! The efficiency of both aircraft types is very important in these environmentally sensitive times and when fuel prices are at record highs," Mr. Tyler said.

The airline operates 19 freighters, and before yesterday's announcement already had commitments for eight more - six Boeing 747-400ERF (Extended Ranger Freighters) and two 747-499 BCF (Boeing Converted Freighters) for delivery by 2009. The addition of the 10 new Boeing 747-8F new-generational freighters will enhance the airline's cargo capacity and at the same time allow it to begin a phased withdrawal of its fleet of seven older less fuel efficient Boeing 747-200F "Classic" freighters by 2012.

Mr Tyler told Hong Kong Air Freight magazine that the move would boost traffic its regional unit Dragonair, by providing it more overseas capacity on one hand while the subsidiary airline provided Cathay an efficient mainland China network in return.

He said the focus of the new long haul aircraft would be on North American routes. Despite talk of trouble with the US economy, Mr. Tyler said Cathay's American demand continued to be strong and the airline "could find no evidence of a downturn".



Sinotrans and Guangzhou Baiyun Airport sign transshipment deal

SINOTRANS recently signed a transshipment agreement with Guangzhou Baiyun Airport Co., Ltd. and Guangdong Airport Management Group, Xinhua reported.

According to the agreement, Sinotrans will provide transshipments to Guangzhou Baiyun Airport and promote it among overseas carriers.

Sinotrans will contribute seven per cent of the airport's international cargo volume, estimated at more than 15,000 tons this year and 20,000 tons in 2008, said the report.

To speed up its development process towards becoming an air cargo hub, the airport has built relations with big forwarders like Schenker, Cosco Air Service and the Hong Kong's U-Freight Holdings.



SIA Cargo launches e-freight initiative with London and Amsterdam

SINGAPORE Airlines (SIA) Cargo has taken a step towards achieving a paperless environment for airfreight worldwide through the exchange of information electronically.

The paper-free era for SIA Cargo began with the simultaneous launch of e-freight shipment services between Singapore, London and Amsterdam. The carrier said it also plans to start e-freight trials between Singapore and Hong Kong from November 16.

The launch of the e-freight initiative is the culmination of several months' work with the International Air Transport Association (IATA) to promote the use of electronic information exchange within the global airfreight industry. SIA Cargo also revealed in a statement that it has been engaging key industry players such as freight forwarders, ground handlers, customs and airport authorities at several locations to prepare a pilot programme.

"Pushing for cost efficiency is a key priority, and the e-freight initiative will benefit all in the supply chain by eliminating documentation that costs over a billion dollars a year. I thank all the key industry players for their dedication, teamwork and commitment to make this historic project a success," said SIA Cargo president Goh Choon Phong, in a company release.

"Moreover, replacing paperwork with electronic information is also in line with our corporate mission to keep our operations environmentally friendly," he added.



New Maersk CEO: Box trade not growing enough, not profitable enough

CONTAINER shipping is not growing fast enough and not profitable enough AP Moller Maersk's new CEO Nils Smedegaard Andersen told the Financial Times of London within hours of assuming office.

"When you have a problem that cannot be fixed in a few months, it's because it's a composite problem," said Mr. Anderson, the ex- Carlsberg brewery CEO who was picked as Mr Fix-It to restore the world's biggest container line market share that had been eroding under its old management.

"What we have to do is really focus on holistic solutions. Improving returns is the first priority," said Mr Anderson.

The container division, he said, will concentrate on finding the right routes and pricing. "We just have to get better and better all the time. There's no way you can take a quick decision and everything is good. This is about improving the way we work day-to-day," he told the London newspaper.

Losses at the container division depressed last year's earnings at the group, which produced pre-tax profits for 2006 of US\$6.05 billion on \$44.5 billion revenue.

Mr Andersen arrived after a management shake-up in June when two senior executives, Tommy Thomsen and Knud Stubkjaer, were sacked with CEO Jess Soderberg, two years ahead of his scheduled retirement.

This followed what many considered a botched integration of computer systems in the 2005 merger with P&O Nedlloyd, once the world's third largest container line.



Cosco Pacific obtains 20pc in major Egyptian container terminal

COSCO Pacific, which has terminal investments in Hong Kong and China has acquired a 20 per cent stake in Egypt's Suez Canal Container Terminal (SCCT) in Port Said, according to a company release.

The SCCT statement did not disclose the amount involved, only saying that The Hague-based APM Terminals will hold 55 per cent in the facility that serves the Suez Canal.

Under the agreement the IFU-Danish Development Bank will no longer be a shareholder, and the shareholdings of other parties will remain the same: Suez Canal Authority (10 per cent), National Bank of Egypt (five per cent) and the Egyptian private sector (10 per cent).

"Our port has successfully attracted an important new partner in the Chinese terminal operator, Cosco Pacific, and added new liner services through Cosco shipping lines. Cosco will become the third liner customer of SCCT in 2008, joining our clients CMA CGM and Maersk Line," said SCCT managing director Jens Floed.

"The new agreement will increase SCCT's container handling volumes and open the door to new Chinese business in the region, strengthening SCCT as the largest terminal operator in Egypt and market leader in the eastern Mediterranean. SCCT is in the process of starting Phase II, which will increase terminal capacity from 2.5 million TEU to 5.1 million TEU raising our total investment to US\$730 million," he said.

SCCT serves as an important link between the Far East and Europe trade. After the completion of Phase II the total quay wall length will be 2,400 metres and liner customers will have the use of 24 post-panamax quay cranes and the total number of refrigerated plugs will be doubled to 3,000



Maanshan port throughput to reach 81 million tons by 2020

ANNUAL cargo throughput of Yangtze port of Maanshan in Anhui province is expected to reach 81 million tons by 2020, according to the newly-released General Plan of Maanshan Port (2003-2020), Xinhua reported.

The General Plan of Maanshan Port (2003-2020) recently passed inspection by the Ministry of Communications (MOC), making Maanshan the first river port to acquire approval from the MOC for its general plan, the report said.

According to the plan, Maanshan port consists of seven port areas, including the newly-added Jiangxinzhou port area with quay length of 4,900 metres, which accounts for a quarter of the total quay length of Maanshan port, the report said.



AMB Property builds logistics facility in Ningbo

GLOBAL developer and owner of industrial real estate, AMB Property Corporation, has announced that it will set up a logistics centre at the Beilun port area of eastern China's port of Ningbo, Xinhua reported.

Construction of the logistics centre, which is AMB's first distribution facility in China, has already started and is scheduled to be finished by June 2008.

The facility will be built according to international standards and consist two nine-metre-high warehouses, covering a total floor area of 37,000 square metres. Each of the warehouses is separated into three sections, which cover a floor of 6,000 square metres.



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