SchedNet E-News Page 1 of 7

Alex Yong

ASIAN SHIPPER Brought to you by HKSG GROUP

Tuesday, January 16, 2007



- **■** Schenker opens logistics hub at Rostock, Germany
- DHL to manage spare parts delivery in UK for AGCO
- Cathay, Air China to forge Shanghai JV from mid-2007
- Lufthansa Cargo sells control of logistics arm to finance house
- <u>UPS names Abney COO, Gershenhorn to head UPS</u> International
- **Ningbo-Zhoushan port to handle 12m TEU by 2010**
- **■** IMO establishes maritime security division
- **Zhejiang seaports to handle 12.35m TEU by 2010**
- Chongqing export processing zone to become 1 of 7 bonded areas
- Three Indian non-logistics firms seek slice of rail container action





Schenker opens logistics hub at Rostock, Germany

EUROPEAN land transport service provider, Schenker, has opened a new logistics centre at Rostock, Germany.

"This investment will enhance the quality of our European network. Customers will benefit from this expansion of our partial load and complete load shipments, which makes sense in economic and ecological terms," said Hans-Joerg Hager, CEO of Schenker Deutschland.

A company statement said the infrastructure at the Rostock port was the decisive factor in choosing a site for the new facility, as well as the large number of ferry

SchedNet E-News Page 2 of 7

lines and roll-on/roll-off services there.

"The opening of the logistics centre in Rostock means a boost for our northbound and eastbound transport operations to Scandinavia, Russia and the Baltic," said Winfried Palmen-Drean, head of the Schenker branch office in Guestrow and responsible for the new site.

Schenker will purchase a further 35 rail-capable trailers in the first quarter with a view to meeting demand for multimodal transport.



DHL to manage spare parts delivery in UK for AGCO

DHL Exel Supply Chain will manage UK in-bound parts delivery for suppliers of agricultural equipment and replacement spare parts for global manufacturer, AGCO Corporation.

AGCO's spare parts organisation provides supply, distribution and repair solutions for its brands, Massey Ferguson, Fendt, Valtra and Challenger, from its six warehouses in Europe.

DHL's has been tasked with collecting parts from up to 70 UK-based suppliers according to AGCO Part's schedule, consolidating them at its facility in Birmingham, where all components are checked and delivered daily to AGCO's Desford warehouse, a report by Farming UK magazine said.

"Being able to provide access to 110,000 parts is no mean feat, especially when we promise a premium VOR delivery service for dealers," said Mike Daniels, general operations development manager at AGCO.

"Delivering this level of service is vital to our end customers, who cannot afford to lose a valuable day or even hours when it comes to harvest time. We are confident that DHL's management of our supplier deliveries will further enhance our industry-leading position in the global agricultural equipment sector."

One of DHL's main objective will be to make sure there are parts readily available at the warehouse seven days a week. To ensure this level of service is maintained, DHL has appointed an implant manager at AGCO's new European base in Warwickshire.



Cathay, Air China to forge Shanghai JV from mid-2007

AIR China and Cathay Pacific are organising a 50-50 Shanghai joint venture that aims to be the mainland's biggest airfreight enterprise after it starts operations in the second quarter.

SchedNet E-News Page 3 of 7

"The establishment of the joint venture with Cathay will lay a solid foundation for our cargo business," said Air China vice president Fan Cheng as reported in the UK's Aircargo magazine.

"We are now busy preparing for the joint venture programme and hope to realise practical progress in the cargo business partnership with Cathay in the first half of 2007," Mr Fan said.

The report also said that Air China had also been in talks with China Eastern Airlines for more than half a year to create an air cargo conglomerate by merging freight units.



Lufthansa Cargo sells control of logistics arm to finance house

GERMAN private equity firm Buchanan Capital Partners has acquired a 51 per cent stake in Lufthansa Cargo's wholly-owned subsidiary, time:matters GmbH, for an undisclosed amount.

The partnership, involving re-investment on Lufthansa's part, aims to give the Neu-Isenburg-based logistics company the financing needed to expand in global markets.

"With the buyout, we are taking time:matters nearer to becoming the European market leader in courier, same-day and emergency logistics by 2010," said Roland Busch, Lufthansa Cargo board member for finance and human resources, who retains his seat on the advisory board of time:matters. All 45 of time:matters staff will remain.

"The new ownership structure generates a tailwind to help us take the company to the next level and realise growth potential. We are looking forward to a good future with strong partners who are injecting not only capital, but outstanding industry contacts and expertise," said Franz-Joseph Miller, managing director of time:matters.

"Since its spin-off five years ago, time:matters has achieved yearly revenue growth of more than 30 per cent and has evolved into an established specialist for express and emergency logistics," Mr Miller said.

The Starnberg-based mid-market finance house intends to pursue the private equity model that focuses on growing profitable medium-size companies using longer-term partnerships and co-operation, according to the Lufthansa statement.

Typically, Buchanan Capital Partners, a member of the Buchanan Capital Group, either takes minority stakes in medium-size firms or acquires a majority holding in buyouts.



SchedNet E-News Page 4 of 7

UPS names Abney COO, Gershenhorn to head UPS International

UPS is appointing David Abney chief operating officer, replacing John Beystehner who retires after 36 years.

Mr Abney, 51, also becomes president of UPS Airlines and vacates the presidency of UPS International, position to be filled by Alan Gershenhorn, 48, now the Brussels-based operations chief of UPS Supply Chain Solutions for Europe, Asia, the Middle East and Africa.

As COO, Mr Abney will be responsible for international operations, US package operations, global transportation, labour and freight activities, a company statement said.

"David and Alan honed their managerial skills with a broad range of assignments around the world. They have helped break new ground for our company and have successfully led us into new areas of growth and opportunity," said UPS chairman and CEO Mike Eskew. "They are extremely well prepared to help lead this company going forward."

Mr Abney has served as the president of UPS International since 2002. He began his UPS career in 1974 as a shop floor loader and advanced through a variety of jobs. He has worked in US package operations, rising to become Utah district manager, and then directed freight and logistics in the United States, Canada and Latin America.

Mr Gershenhorn, who also started as a loader, became the head of non-operating functions for UPS Supply Chain Solutions in 2004, after joining UPS in 1979 in southeast Texas. He then moved through operations, engineering and marketing, becoming president of UPS Canada. He now joins the management committee.



Ningbo-Zhoushan port to handle 12m TEU by 2010

CONTAINER throughput at the port of Ningbo-Zhoushan is forecast to reach 12 million TEU in 2010, according to a recently released port development plan by authorities in charge of seaports in Zhejiang province.

To support the transport and handling of such large volumes, the plan calls for the construction of several distribution facilities for containers around the port of Ningbo-Zhoushan by 2010, said Xinhua News Agency.

Aside from the port of Ningbo-Zhoushan, authorities also intend to develop the three other three major ports in the province, namely Wenzhou, Taizhou and Jiaxing.

During January to November 2006, seaports in the province handled 465 million tons of cargo, with Ningbo-Zhoushan's throughput being the second largest among all domestic ports in China, the report added.

SchedNet E-News Page 5 of 7



IMO establishes maritime security division

THE International Maritime Organisation is setting up a new sub-division within the UN secretariat's maritime safety division to reinforce the high priority given today to security matters.

IMO secretary general Efthimios Mitropoulos said the new body will address the issue of facilitating maritime traffic, under the leadership of Nicolaos Charalambous of Cyprus, who became the new deputy director from January 1, according to an official release.

Mr Mitropoulos said the formation of the new sub-division reflects the continuing need for the IMO, and the global maritime industry, to sustain efforts to enhance and improve levels of security in all aspects of ship and port operations, while at the same time facilitating the movement of people and goods by ship.

Separately, Miguel Palomares of Spain has stepped up to become the new director of the secretariat's Marine Environment Division following the retirement of Jean-Claude Sainlos

Stefan Micallef of Malta now becomes the deputy director of that division and head of its sub-division for pollution response and technical co-operation co-ordination.



Zhejiang seaports to handle 12.35m TEU by 2010

SEAPORTS in China's Zhejiang province are expected to handle 12.35 million TEU by 2010, Xinhua reports.

According to the latest provincial port development plan, cargo throughput will grow at a rate of 6.7 per cent annually between now and then to total 610 million tons in 2010.

The aggregate amount for 2010 is expected to comprise of 92 million tons of coal and 150 million tons of petroleum-related products, the state media added.



Chongqing export processing zone to become 1 of 7 bonded areas

SchedNet E-News Page 6 of 7

THE Chongqing export processing zone has received central government approval to be one of seven export processing zones to launch pilot projects aimed at establishing themselves as bonded logistics centres.

Chongqing becomes the first of its kind to expand its range of functions in the southwest China region, Xinhua reports, which it says gives the Yangtze River City an edge over competitors.

In addition to providing bonded logistics services, the seven export processing zones have also been granted official approval to operate technological development and maintenance services, Xinhua added.



Three Indian non-logistics firms seek slice of rail container action

THREE companies in India, Reliance Industries, Cargill and Kribhco, not chiefly noted for logistics activities, are expressing keen interest in bidding for private container rail operations.

Quoting unnamed government officials, the Financial Express of India reported that the three have queried the railway ministry about investing in the private container business, with a view to building their own logistics support arms.

Other firms, like Transport Corporation of India, Mitsui OSK Lines (MOL), Hyundai Merchant Marine and NYK Lines have expressed interest in India's container business too.

The ministry has accepted applications for container rail permits since December 1 and will continue until January 31.

A ministry official said: "We have received about 20 queries from a number of companies. However, none has applied for a licence until now."

The ministry is expecting fewer applications this year. Nonetheless, the ministry is upbeat about this second round of bidding. Railway container transit costs as little as a third of road haulage, and the bidding has sent a positive signal to other parties and will lead to a greater number of applications, the official said.



ASIAN SHIPPER

To subscribe, please click http://www.schednet.com/news/subnews.asp?banner=no
To unsubscribe, please click http://www.schednet.com/news/unsubnews.asp?banner=no

SchedNet E-News Page 7 of 7

No virus found in this incoming message. Checked by AVG Free Edition. Version: 7.5.432 / Virus Database: 268.16.12/630 - Release Date: 1/15/2007 8:28 PM