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## ASIAN SHIPPER

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### **APL to start 'market-beating' US-Suez service that cuts out Panama**

GLOBAL container ocean carrier APL will launch an "industry-first" service in July that will connect southeast Asia, the Indian subcontinent and the US east coast via Suez.

The weekly Suez Express (SZX) will deploy eight 4,000 - 4,500-TEU ships with five from APL and its New World Alliance partners while Hyundai Merchant Marine and MOL will provide the other three.

"Market-beating transit times" include Singapore to New York in 21 days, and Singapore to Charleston and Savannah in 24 and 25 days respectively.

Said APL CEO Ron Widdows: "Port and rail congestion in North America are real issues for our customers who are diversifying supply chains throughout Asia as well as the gateways into the US market. Our SZX offers a solution that complements other Suez and transpacific services."

Mr Widdows added that the service supplements APL's existing all-water services and offers more choices as shippers consider how best to move cargo given the challenges they face.

The SZX service will appeal to shippers in fashion, apparel and perishables, with needs for fast and reliable supply chain fulfilment, he said.

The SZX port rotation will be: Singapore, Colombo, New York, Charleston, Savannah, Norfolk, Jebel Ali, Port Kelang and Singapore.

SZX also expects to attract cargo from Bangladesh, India, Indonesia, Thailand and Vietnam through feeders. The service will also be competitive for markets such as Hong Kong, south China and western Australia, said an APL statement.

Bob Sappio, APL's senior vice president for the transpacific, said: "The SZX is in keeping with APL's tradition of raising the bar in terms of transit times, market coverage and reliability. The SZX was developed in response to customers who demand solutions with multiple ports and gateways which maximise product delivery certainty."



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### **Hamburg Sud consolidates S California terminal operations**

GERMANY's Hamburg Sud has announced that all its liner services calling southern California will be handled by ITS Terminals in Long Beach, according to a company statement.

ITS already handles Hamburg Sud's weekly service to South America's west coast and fortnightly service to the Pacific Islands.

Starting June 15, with the port call of the Hansa Rendsburg of the Pacific Southwest to Australia/New Zealand service, all Hamburg Sud services will call ITS. The first Pacific Northwest string vessel of the Australia/NZ service to call ITS will be the Kapitan Afanasyev on June 20.

The statement explained that the consolidation gives Hamburg Sud customers a single terminal location, thereby streamlining the delivery and pick-up of cargoes in the southern California region.



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### **Maersk Supply Service lands US\$10m deal with INPEX Masela**

INPEX Masela Ltd has awarded a US\$10 million contract to Maersk Supply Service, part of the AP Moller-Maersk group.

As an offshore equipment supplier, Maersk Supply Service will charter two of its anchor handling tug supply vessels to INPEX Masela. The project will commence later this month and run for an initial eight-month period, during which time Maersk Supply Service will support INPEX Masela's operations off the Tanimbar Island in Indonesia.

Acting as an operator in the Masela Block of the Timor Sea, INPEX Masela will drill four appraisal wells using the two Maersk anchor handling tug supply vessels, a Maersk statement said.

"While we have worked with and rendered support to several other oil companies off Indonesia, this is the first time in recent years that we are working with INPEX Masela. We see this as the start to a mutually beneficial partnership, and also a very good opportunity for us to further strengthen our market position in the region," said Carsten Plougmann, senior vice president of Maersk Supply Service.

Globally, Maersk Supply Service operates more than 50 offshore vessels, of which Indonesian crew are employed onboard several vessels in the Southeast Asia region.



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### **Cathay freight volume hit by marine competition**

CATHAY Pacific Airways says shippers are increasingly turning to ocean carriers and airfreight would remain weak in the short term because of high oil prices.

But the Hong Kong airline remains bullish on its passenger service adding that it "expects continued stellar growth in passenger traffic in the coming months", according to a report in The Standard, Hong Kong.

Said Cathay chairman Christopher Pratt: "We are facing increased competition and shippers are switching to marine transport due to the high price of fuel."

Together with its wholly-owned subsidiary, Dragonair, the two airlines carried a total of 140,002 tonnes in March, a two per cent drop year on year.

Cathay's chief executive Philip Chen said: "Cargo is a very cyclical business. Cathay will see limited negative impact in the long term."

Mr Pratt also said the airline is "optimistic" about the third cargo terminal at Hong Kong International Airport and does not wish to see a further delay in its construction.



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### **EADS in the red for US\$13.5m in Q1 after Airbus delays**

MAJOR aircraft manufacturer European Aeronautic Defence and Space (EADS) has reported a net loss of EUR10 million (US\$13.5 million) for the first quarter of the year compared to a net income of EUR522 million in the same period last year, mainly due to delivery delays and rising costs of its A380 superjumbo.

Earnings before interest and tax fell to EUR89 million from EUR791 million. "The drop was attributable to a EUR688 million Airbus re-organisation charge and higher costs for the A380. The net loss was less than the median estimate of EUR73 million from analysts in a survey," the company's financial report explained.

The company said sales remained roughly stable at EUR9 billion, compared to EUR9.1 billion in Q1 2006. Airbus handed over 115 aircraft during the quarter compared with 101 planes in the same quarter last year.

"Through the first quarter of 2007, the aerospace and defence market was supportive and fuelled our businesses. But against this backdrop, as expected, Airbus had a challenging time, which only highlights the inevitability of the Power8 restructuring, designed to address challenges that will unfold over the coming years. We are working hard to ensure its steady implementation," said EADS CEOs Tom Enders and Louis Gallois.

EADS also said that the group's Q1 revenues were affected by a negative US dollar impact.

EADS's main competitor, Boeing announced last month that its first-quarter profit surged 27 per cent to US\$877 million from US\$692 million.



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### **Continental plans early launch for nonstop New York-Mumbai service**

CONTINENTAL Airlines has decided to launch its non-stop flights between New York's Newark airport and Mumbai earlier than planned following a positive market response.

Subject to government approval, the four-times-weekly service will now begin on October 1 (eastbound), instead of a daily service from October 30 as announced earlier in March,

An airline statement said the new service will depart New York Liberty on Sundays, Mondays, Fridays and Saturdays. The frequency will increase to a daily service starting October 28 subject to government approval.

"We have received strong support for the nonstop New York to Mumbai service and are pleased to be able to move up its start date," said Jim Compton, Continental's executive vice president for marketing.

Continental's New York-Mumbai flights will be operated by Boeing 777-200 aircraft. Flight CO48, will depart New York Liberty on Sunday and Monday at 0720 hrs, arriving at Mumbai at 0740 hrs the next day; on Friday and Saturday, the same flight will depart New York Liberty at 0800hrs arriving Mumbai at 0820hrs the following day.

The return flight CO49 will depart Mumbai's Chhatrapati Shivaji International Airport on Mondays, Tuesdays, Saturdays and Sundays at 1145hrs, arriving New York Liberty at 0630 hrs the following day. Flying times will be 14 hours 50 minutes eastbound and 16 hours 15 minutes westbound.



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### **Hyundai Heavy wins US\$976m order for 8 containerships**

SOUTH Korea's Hyundai Heavy Industries, the world's largest shipyard, has announced that it has won a KRW904.9 billion (US\$976 million) from a Marshall Islands company to build eight containerships.

The contract calls for Hyundai Heavy to deliver the vessels by November 10, 2010, the shipbuilder said in a statement, without identifying the name of the client.



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### **New World Alliance, CMA CGM to start Asia-US east coast service**

THE New World Alliance (TNWA) and CMA CGM will launch an all-water service to move cargo from major Chinese export hubs to key US east coast destinations via Panama.

The introduction of the new service, (named ESX by TNWA and SAX by CMA CGM) will enable both parties to offer comprehensive port coverage and competitive transit times from central and south China to Savannah and New York.

From June 4, the ESX/SAX service will deploy eight vessels (one from APL, two from CMA CGM, three from HMM and two from MOL) ranging from 3,500 TEU to 3,800 TEU on a weekly service operating on a 56-day rotation.

The port rotation of the new service is: Ningbo (Mon/Tue), Shanghai (Wednesdays/Thursdays), Chiwan (Fridays/ Saturdays), Hong Kong (Saturdays/Sundays), Manzanillo, Panama (Fridays/Fridays), Savannah (Mondays/ Tuesdays), New York (Wednesday/Fridays), Norfolk (Fridays/ Saturdays) and Ningbo (Mondays/Tuesdays).

TNWA member lines APL, HMM, and MOL, serve more than 40 ports using more than 100 containerships in the major east-west container trades.



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### **2007 China International Logistics Expo to be held in June**

THE 2007 China International Logistics Expo will be held in Guangzhou from June 19 to 21.

The exhibition is organised by Guangdong Provincial Logistics Association and Guangzhou Logistics Association.

Logistics associations in other Chinese cities and provinces including Hong Kong, Macau, Zhongshan, Dongguan, Zhuhai, Xiamen, Qingdao, Ningbo, Dalian, Hunan, Hubei, Sichuan and Guangxi will be invited to attend.

A global supply chain and road transportation summits will also be held at the time. Representatives from the Council of Supply Chain Management Professionals (CSCMP) and Hong Kong Productivity Council (HKPC) will give presentations to the forum.



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### **HK-Guangdong JV to develop mainland supply chain management services**

GUANGZHOU's Guangdong Foreign Trade Group Company and Hong Kong's Grand Dragon Holdings have signed an agreement in principle aimed at developing supply chain management services on the mainland.

A company statement said that under the agreement the two will "spearhead development of state-of-the-art supply chain management services in China, especially in the Pearl River Delta region".

A Guangdong Foreign Trade Group spokesman said: "With the continual rapid growth of the Chinese economy, there is an increasing need for innovations in supply chain management in China, not only in the Pearl River Delta area but also in other regions.

"Improvements in supply chain management in China have become more feasible now due to the increasing sophistication of industry, rising consumer demands and a more conducive regulatory environment which encourages innovations."

The Grand Dragon chairman said: "There are so many opportunities, and we have started mapping out our strategy and drawing up our business plan. Our first effort will be to develop and enhance our abilities to cater to the chemical and automobile industries, as well as to develop warehousing services in the Nansha Bonded

Logistics Centre."

Guangdong Foreign Trade Group is one of China's leading state-owned companies with a total asset of over CNY10 billion (US\$1.30 billion) and is ranked 89th in the top 500 enterprises in China. It was established in 2000 with the merger of several top foreign trade enterprises in Guangdong province. Apart from foreign trade, the group is also active in logistics, investment and construction.

Grand Dragon Holdings is an integrated transportation and logistics services provider active in NVOCC, international freight forwarder, trucking, warehousing, coastal feeder operations and container storage and maintenance and repair.



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