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Panalpina's Q1 profits rise 109pc driven by high global demand

GLOBAL transport and logistics group Panalpina has reported that first quarter net earnings grew by 109 per cent over the same quarter a year ago to CHF53.4 million (US\$43.75 million) driven by strong demand from global markets.

In the first three months of the year, the group's gross profit increased by 18.9 per cent to CHF432.9 million, up from CHF364 million for the same period last year.

Ebit rose by 93.9 per cent year on year to CHF74.2 million, up from CHF38.3 million in the first quarter of 2006.

"These very satisfying figures, which are even above our expectation, were positively impacted by an overall growth of customer business, the full deployment of business wins already contracted in 2006 and 2007 and a very favourable

development of project-related business," said chief executive Monika Ribar.

In the first quarter of the year, all of the group's key activities contributed to the increase in gross profit, with air freight up 25.3 per cent, ocean freight up 6.1 per cent and supply chain management up 24.2 per cent.

Airfreight tonnages rose by 13 per cent, while ocean freight volumes grew by 12.9 per cent year on year.

Net forwarding revenue at CHF1,95 billion registered 6.6 per cent growth over the first quarter of 2006. The company said in a statement that the growth was slowed down by "external factors such as rate development, lower fuel surcharges and, in the case of North America, by negative currency impacts".



TT Club sees accidents rise as congestion builds and rich world prevents port growth

THE inability of ports in the developed world to expand because of a confining regulatory environment is leading to more accident claims as more cargo is thrust through inadequate facilities, warned the TT Club maritime insurers group.

Speaking at a recent Containerisation International conference in London, TT Club chief executive Paul Neagle said China alone has 639 new deep water berths that will be operational by 2010.

But there is no corresponding growth in the developed world, he said, where harbours face increasing restraints on expansion over traffic congestion, planning permission, dredging and waste-disposal, issues which have sunk or stalled expansion plans across the world's consumer economies.

"In the absence of capacity expansion, operators must move risk management further up the agenda or expect to suffer a surge in accidents and claims," said a TT Club statement.

The TT Club reported a spike in personal injury and equipment accident claims in 2006, most caused by human error. It warned that growing volumes on ever-larger ships will intensify pressure on people and practices and leave operators exposed to higher risks and costs.



Port of Tacoma selected for Intermodal Radiation Detection Centre

THE US Department of Homeland Security (DHS) formally announced that a Rail Test Centre (RTC) for intermodal radiation detection is to be established at the Port

of Tacoma.

A port statement said the RTC, which was authorised in the SAFE Port Act of 2006, will identify and evaluate radiological/nuclear detection solutions for major US port intermodal rail facilities, such as those at the Port of Tacoma.

With four on-dock intermodal yards, more than 70 per cent of the Port of Tacoma's import containers are moved from shipping terminals to mainline railways, destined for major markets in the US midwest and east coast.

The announcement of the establishment of the RTC was made by US Senator Patty Murray at a news conference attended also by officials from the Department of Homeland Security, the Port, Customs, Coast Guard, and the International Longshore and Warehouse Union.



US regulators clear Atlas for DHL-Polar Air tie-up

ATLAS Air Worldwide Holdings, the air cargo services company, and DHL, the package express giant owned by Germany's Deutsche Post, have received key regulatory approval for DHL to acquire a 49 per cent of Atlas' subsidiary, Polar Air Cargo Worldwide Inc, according to an Atlas statement.

"We are pleased to have finalised the terms of our strategic partnership with DHL," said Atlas CEO William Flynn. "Our partnership with DHL will reinforce our leadership position as an outsource provider of air cargo services and will greatly enhance the value of our company."

The US Department of Transportation had finally issued orders approving the deal, said Atlas. The company said it is still working on securing approval from the Federal Aviation Administration and foreign regulators.

Atlas Air and DHL announced last November they had agreed to a 20-year commercial arrangement that will give DHL access to Polar's six Boeing 747-400 Freighters and other benefits. Atlas Air estimated the deal would bring in up to US\$3.5 billion in revenue. DHL will also get a 25 per cent voting interest in Polar in exchange for \$150 million.

Under the terms of the 20-year deal, DHL will have access to lift capacity through Polar's current fleet of six Boeing 747-400 Freighters, plus access to additional available ACMI aircraft from Atlas Air.



Hactl and SkyTeam Cargo renew ground-handling agreement

HONG KONG Air Cargo Terminals Limited (Hactl) has renewed its standard ground handling agreement with air cargo alliance SkyTeam Cargo, according to a company statement.

Under the agreement, SkyTeam Cargo member carriers, including Air France Cargo, Alitalia Cargo, KLM Cargo, Korean Air Cargo and Northwest Airlines Cargo jointly renewed their appointment of Hactl as the cargo terminal operator at Hong Kong International Airport.

Air France Cargo and Korean Air Cargo both continue to use Hactl to provide them with air cargo documentation handling services on top of physical cargo handling.

Alitalia Cargo continues to commission Hactl as its one-stop shop provider in providing ramp service, complementing documentation handling and physical cargo movement.

Hactl's business partnership with the five SkyTeam Cargo member carriers started since they commenced Hong Kong operations, well before the alliance was inceptioned in 2000.

Said Hactl customer service chief Lilian Chan: "Hactl has been providing world-class cargo services that exceed the expectation of the alliance, and our consistently high level of service has been the basis of SkyTeam's choice of Hactl. We are confident that Hactl will continue to support the business growth of SkyTeam Cargo in Hong Kong by providing more personalised and flexible cargo solutions, leverage on their global network for mutual growth."

Apart from the five SkyTeam Cargo member carriers, Hactl currently provides cargo-handling services for over 80 international airlines at its headquarters at SuperTerminal 1, Hong Kong International Airport.



Sichuan starts Yichang service to Wenzhou, Jinan

SICHUAN Airlines has launched two new services from Yichang City's Sanxia Airport in Hubei province.

The Yichang-Wenzhou service and Yichang-Jinan service are both operated daily by an Embraer Regional Jet (ERJ), mainland publication Logistics Week reports.

For the Yichang-Wenzhou service, flight 3U8939 departs Yichang at 1015hr and reaches Wenzhou at 1210hrs after one hour and 55 minutes of flight time. The return flight 3U8940 takes off from Wenzhou at 1300hrs and arrives in Yichang at 1500hrs the same day.

For the Yichang-Jinan service, flight 3U8945 departs Yichang at 1540hrs and lands in Jinan at 1740hrs, after a two hour flight. Return flight 3U8946 departs from Jinan at 1825hrs and returns to Yichang at 2035hrs the same day.



WTSA to raise 'protein' rates on US-Asia shipments

SHIPPING lines participating in the Westbound Transpacific Stabilisation Agreement (WTSA) have announced that they will be increasing freight rates for refrigerated shipments of beef, pork and poultry transported between the US and Asia.

From July 1, WTSA shipping lines will raise the so-called "protein" rates by US\$400 per FEU for port-to-port cargo, and by \$600 per FEU for inland point and minilandbridge intermodal shipments. For rates constructed as a port-to-port rate plus inland add-on, the water portion will be raised by \$400 and the inland add-on by \$200, a statement issued on behalf of members lines said.

Local shipments to Busan will see another US\$150 per FEU added to existing inland add-on charges, or to through rates, on top of the overall increase described above. For all other inland Korea destinations the additional charge will by \$400 per FEU.

Finally, in cases where carriers provide US west coast container freight station (CFS) services to exporters for frozen cargo, the west coast CFS charge will be raised to US\$550 per FEU.

WTSA members include APL, HMM, Cosco Container Lines, "K" Line, Evergreen Marine Corp., NYK Line, Hanjin Shipping, OOCL, Hapag Lloyd Container Lines and Yangming Marine.



Zim to join Transpacific Stabilisation Agreement

ZIM Integrated Shipping Services will become the 14th member of the Transpacific Stabilisation Agreement (TSA), a research and discussion group of container lines that serve the Asia-US trade.

"We're pleased by Zim's vote of confidence in TSA's new structure and the shift in how we engage with the shipping community to provide improved insight into market dynamics shaping the transpacific trade," said TSA chairman Ron Widdows, who is also chief executive officer of Singapore-based carrier APL. "We believe this new, more transparent approach, with growing carrier and shipper support, will enable shippers to better plan for their supply chain needs and carriers to more efficiently plan their services to meet those needs."

Mr Widdows expressed confidence that by providing timely information TSA will help carriers cope with the common problems of terminal congestion, labour negotiations and rail infrastructure shortcomings in the Asia-US freight market in the short-and long term.

Based in Haifa, Zim operates a fleet of 100 vessels with a capacity of 240,000 TEU, calling at 180 ports.

A statement from TSA said that Zim joins the group at a time when analysts and shipping lines anticipate robust cargo volumes in the 2007 peak season, with utilisation levels expected to reach mid- to high 90 per cent levels by June, and remain at or above these levels throughout the peak season.

TSA members include APL, HMM, "K" Line, CMA CGM, Cosco Container Lines, MOL, Evergreen Marine, NYK Line, Hanjin Shipping, OOCL, Hapag Lloyd, and Yangming Marine.



EPCglobal Hong Kong completes EPC/RFID pilot for GSL

EPCglobal Hong Kong has wrapped up a pilot programme of EPC-based RFID (Electronic Product Code/RFID) technology that is designed to improve inventory management by improving supply chain visibility.

The pilot programme was conducted in partnership with Group Sense (International) Limited (GSL), a Hong Kong manufacturer of consumer electronic devices. The test findings will enable GSL to explore future applications of RFID technology, in a bid to improve customer service offerings for its major retail customers in Hong Kong.

Between November 2006 and March 2007, the pilot tracked in real-time the movement of 1,000 cartons of electronic dictionaries tagged with EPC/RFID labels from GSL's production floor in Dongguan, China, through to its Hong Kong warehouse in Kowloon Bay, from where they were dispatched to local retailers in Hong Kong.

When the EPC labels attached to the cartons were scanned by RFID technology, the information was instantly updated on the Hong Kong EPCnetwork. The process enabled multiple parties involved in the production process at GSL to monitor by individual item the movement of the electronic dictionaries through a common network.



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