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Indian private container trains run out of steam

INDIA's government plan to induce the private sector to participate in the state-dominated railway freight business is coming unstuck, according to The Financial Express of India.

Only three small companies have entered the deal last year and they report a combined share of the business of less than 10 per cent. They are also unhappy with the 10-month delay in executing the contract between themselves and Indian Railways, said the newspaper.

Even a year after the agreement was signed, the project has not taken off the way it was expected to," said an official from Srei Infrastructure Finance Ltd, a leading infrastructure equipment and project lender that has provided INR10 billion (US$260 million) to the project.

Operators say Indian Railways has been increasing haulage charges at regular intervals, which cuts into their margins. Then, the railways decided to ban the private railway movements of iron ore, coal, coke and minerals.

Operators are also worried by the lack of rolling stock and inland container depots (ICDs). Industry sources told The Financial Express that it would take at least two years for the much-touted project to gather momentum.

The ministry had granted licences to private companies in January 2006, for running container trains, a service thus far had been the monopoly of the state-owned Container Corporation of India.

South Africa sees private sector help needed for US$1.1b Ngqura CT

SOUTH Africa's government has decided to bring in a private sector partner for the greenfields development of two large container terminals at the Port of Ngqura near Port Elizabeth on the Indian Ocean, reports Business Day.

Private companies could contribute expertise to the project, said Public Enterprises Minister Alec Erwin, who estimated the project will cost ZAR8 billion (US$1.14 billion). International shipping networks are expected to provide funding for the project, which is aimed at easing congestion at the country's other ports, especially Durban.

Initially, two terminals with a capacity to handle up to three million TEU were planned with a possible expansion to include a fourth.

Agility wins US$127m job to provide US mess halls in Kuwait

LOGISTICS major Agility Defense & Government Services (DGS), formerly PWC Logistics, has announced its US$127 million contract from the US Defense Logistics Agency (DLA) to supply mess hall facilities for American soldiers and sailors in Kuwait.

The one-year contract with a two-year renewal options involves Agility DGS building and providing food services for 11 mess halls.

"In addition to proven expertise in transportation and logistics services, Agility has the global network and turn-key infrastructure necessary to provide the US military worldwide performance-based logistics solutions," said Toby Switzer, CEO and president of Agility DGS International.

"Agility's work in Kuwait further extends our scope of work for the US Department of Defence, which includes major contracts for contingency logistics, transportation, and end-to-end supply chain support missions around the world," Mr Switzer said.

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TUI to heavily invest in Boeing 787s

GERMAN tourism company TUI has unveiled plans at the company's annual general meeting to create one of the biggest fleets of Boeing 787 Dreamliners "with the earliest delivery dates in Europe."

The announcement was made by chief executive Michael Frenzel who said that the fleet will comprise 11 Boeing 787s from an earlier agreement with the US aircraft manufacturer and 12 aircraft ordered by merger partner First Choice Holidays, reports AFX News.

Last December, TUI said it had outstanding orders for 65 Boeing aircraft worth more than EUR3 billion (US$4 billion), including 24 previously ordered planes.

This aircraft fleet expansion comes at a time when Hapag-Lloyd, a member of the group's shipping division, has placed an order for eight 8,750-TEU containerships with South Korean shipbuilder Hyundai Heavy Industries. The newbuildings will be delivered between December 2009 and the first half of 2010 to serve the trade to and from Asia

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Northwest to emerge from bankruptcy protection

NORTHWEST says it has received US court approval to exit bankruptcy, which it expects to take place at the end of the month.

"We are pleased to have completed our restructuring successfully. We are now focused on emerging from Chapter 11 as a strong, publicly traded company," said Doug Steenland, Northwest president and CEO.

This development comes as a federal judge approved Northwest's re-organisation plan, giving the company time to meet all the closing conditions of the plan and negotiate US$750 million in funding with debtors.

Northwest expected to emerge from Chapter 11 at the end of a restructuring lasting 20 months that has seen the airline cut costs by US$2.5 billion, largely due to renegotiating labour contracts; returning to profitability and continuing fleet renewal, said a report in The Malaysia Sun.

"I am pleased that we plan to share with our employees some $1.6 billion in claims payments and anticipated profit sharing through 2010," said Mr Steenland.

Northwest expects to be worth around $7 billion once it emerges from bankruptcy protection, following in the footsteps of Delta Airlines and UAL Corp's United Airlines which have also recently exited bankruptcy protection.

U-Freight wins comprehensive logistics deal with Guangzhou airport

GUANGZHOU's Baiyun International Airport will ease bureaucratic burdens and provide a minimum cargo throughput for U-Freight in exchange for the logistics major's focus on the airport to help make it the air cargo hub of Southern China it hopes to become, according to a company statement.

As part of the agreement, U-Freight is making a commitment to move a large volume of airfreight through the airport, as well as help introduce foreign airlines to make direct connections with Baiyun International.

U-Freight opened its first office in Guangzhou in 2002, adding an operations facility at the new airport in 2005.

"From the start, we have supported the government's development of the new Baiyun International airport. The agreement that we have signed recently will enhance the status of the airport and help it to fulfil its crucial role in supporting the further economic development of the Pearl River Delta," said U-Fright CEO Simon Wong.

In exchange, U-Freight will benefit being able to operate 24 hours a day and from simplified customs clearance, which will include a "safe and honest forwarder system" and a "green channel" for cargo security.

Baiyun International is now one of China's largest airfreight gateways, but most air cargo from the booming Pearl River Delta region is still routed through Hong Kong.

Construction of a third runway is due to start next year which will allow the airport to handle 350,000 aircraft annually as well as two million tonnes of cargo by 2010.

In China, U-Freight's network now extends to multiple facilities in most of the country's key trade gateways, said a company statement. The company operates under a number of brands in China including U-Freight China, U-Ocean, Shanghai Rijin, Dalian China Express and Shanghai Renaissance - each servicing different trades, types of industry and modes of transport.

Grand Alliance revamps Asia/USEC services

GRAND Alliance members Hapag-Lloyd, NYK and OOCL have announced that they are reconfiguring their transpacific services during the peak summer season to meet customer requirements more effectively.

As a result, amendments will be made to the East Coast South (ECS) and East Coast North (ECN) container shipping services to provide more diverse loading options and faster transit times from south, north and central China.

Starting from the middle of June, the South China East Coast Express (SCE) will serve Taiwan and south China by calling at Kaohsiung, Shekou, Hong Kong, New York, Norfolk and Savannah.

At the same time, the North and Central China East Coast Express (NCE) will serve Korea as well as north and central China by calling at Busan, Dalian, Xingang, Qingdao, Ningbo, Shanghai, New York, Norfolk and Savannah.

Each service loop will deploy eight ships with capacities ranging from 3,500 to 4,400 TEU. Transit time from Hong Kong to New York, and Shanghai to New York, will be 23 days and 21 days respectively.

The Grand Alliance consortium also comprises Malaysia-based MISC, which does not provide transpacific services.

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Guangdong shippers' association protest 340pc jump in THCs

THE Guangdong Association of Foreign Economy and Trade Enterprises (GDFETEA), the name of the Guangzhou-based shippers association, has called on shippers, traders and forwarders to refuse to pay the 340 per cent increase in terminal handling charges (THC) imposed by international shipping organisations, Xinhua reported.

The shippers' association also asked members to collect evidence that proves shipping companies' are imposing THCs and said its members retained the right to withdraw the previous THC payments.

At a meeting called "Seminar of Strategies on the THC", association president Cai Gaosheng said shippers used to rely on the government to fight against THC, but today industrial associations must play more a important role.

Mr Cai said the main reason shipping companies gain the upper hand in such disputes is that shipping companies are individually large in size but collectively small so they can easily reach agreements while shippers are collectively large but individually small, making joint action harder.

Mr Cai said shippers should unite and reach consensus to form an effective counterpoint to shipping companies.

Quasi-conferences, including Intra-Asia Discussion Agreement (IADA), Informal South Asia Agreement (ISAA), Informal Rate Agreement (IRA), the Intra-Asia Discussion Agreement (IADA), Informal Rate Agreement (IRA) and Informal Red

Sea Agreement (IRSA) are raising THCs for import and export cargo to and from Guangdong, Guangxi, Hainan and Yunnan by 340 per cent, the shippers say.

The Ministry of Communications has said that agreements by ISAA and IRSA involving Chinese ports were in vain and their agreements on raising THC in South China starting from mid-May must be cancelled.

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Beihai port container throughput surges 104pc in Q1

The cargo throughput of Beihai port in Guangxi surged 85.25 per cent to 1.23 million tons in the first quarter of this year, including 11,300 TEU containers, up 104 per cent year on year, Xinhua reported.

The rapid development of Beihai Export Processing Zone has boosted the growth of throughput in Beihai port in the first quarter as many companies in the export processing zone chose Beihai to export cargo, the report said.

Beihai port delivered some new types of products in the first quarter of this year, including nickel ore and fuel oil.

The port also saw breakthroughs in throughput of minerals and fireworks in the first quarter, the report added.

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