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NOL's quarterly results show 50pc profit increase

SINGAPORE's NOL Group, which owns the container shipping line APL, has reported a 50 per cent rise in net profit for the third quarter of 2007 due to increased freight rates and a substantial growth in volume.

Net earnings in the three-month period up to the end of September amounted to US\$191 million compared to \$127 million in the same period last year.

Revenue surged by 15 per cent quarter on quarter from \$1.76 billion to \$2.03 billion.

In the same period, APL posted a 19 per cent growth in revenue with freight rates moving up because of increases levied in key trade lanes, NOL said.

APL carried 1.7 million FEU, an 11 per cent increase over the same period in 2006 mainly due to volumes rising on the transpacific and intra-Asia trade lanes.

"Our group has delivered a strong profit performance in the third quarter. This was due to continuing double-digit growth in our container volumes, freight rate restoration in key shipping trades," said NOL president and CEO Thomas Held.

"The strength of our third quarter performance is shown by the fact that 3Q07 earnings exceeded those for the first half of this year," he added.

NOL's logistics arm, APL Logistics, reported a 2 per cent improvement in revenue quarter on quarter.

In its outlook statement, the group said: "Over the first nine months of this year, improving market conditions have led to robust volume growth and higher freight rates in key trade lanes. We expect these conditions to continue through the rest of the year."

"Barring unforeseen circumstances, we expect this momentum to continue into 2008."



New contracts help Geodis post 32pc higher revenue in third quarter

GEODIS, a European logistics operator, has announced that revenue grew by 31.6 per cent in the third quarter over the same period last year.

A statement from the group said all geographical segments contributed to the increase, with revenue growing on average by eight per cent in the company's home market of France.

In France, the groupage and express businesses recorded growth of 9.1 per cent like-for-like on the back of 9.3 per cent revenue growth in the first half of the year.

Higher revenue was attributed to a steady rise in volumes and the policy of passing on higher fuel costs to customers.

Logistics third-quarter revenues in France rose by 4.4 per cent year on year. The improvement, which reversed the trend observed in first-half, was driven by new contracts.

Freight forwarding and industrial projects revenues in France grew 17.7 per cent at the end of September 2007. Geodis Bourgey Montreuil's full truckload revenues were up 3.6 per cent on the back of new contracts in the automotive sector and robust momentum in the manufacturing sector, a company statement said.

Revenue outside Europe in the third quarter rose 17.9 per cent and 22.1 per cent, versus 6.4 per cent and 14.9 per cent respectively in the first half. Asia made a strong contribution to the increase with revenue growth of 37 per cent in the third quarter compared with 18 per cent in the first half of the year, led by China and Hong Kong.



Panalpina achieves 33pc profit growth in first nine months

GLOBAL freight transport and logistics group Panalpina has posted a net profit of CHF158.8 million (US\$137.2 million) for the first nine months of the 2007 calendar year, representing an increase of 33.3 per cent over the same period a year ago.

A statement from the Swiss logistics giant said, "Substantial new business wins in the major strategic key industries helped to further increase market shares in all areas."

In the first nine months of the year the group's gross revenue grew 13.9 per cent year on year to CHF7,712.8 million, gross profit increased 16.4 per cent to CHF1,352.7 million, and Ebit was up 33.1 per cent to CHF224.4 million.

Contribution margin (gross profit) increased 11 per cent in Central and South America, 14 per cent in North America, 16.8 per cent in the Asia Pacific region and 18 per cent in Europe, Africa, the Middle East and the CIS.

Panalpina reported strong demand for airfreight on the Europe-Africa and in the Latin America-to-North America routes. Demand for ocean freight, it said, was especially strong on its intra-Asia and Latin America to North America routes.

As a result, the group's airfreight tonnages increased 8.7 per cent and ocean freight volumes were up 15.1 per cent. In terms of gross profit, airfreight grew 19.2 per cent, ocean freight by 8.8 per cent and supply chain management activities by 21 per cent, the statement said.

The group said this was driven in part by landing "substantial" new ocean freight

contracts in the third quarter with a global telecommunications solutions provider and a leading car manufacturer, as well as major airfreight contracts with a global sports apparel manufacturer, a world-leader in mobile communication and a global player in healthcare and lifestyle technology.



United Eagle launches Chengdu-Guangzhou daily service

CHINA's first private air carrier United Eagle Airlines inaugurated a new daily service from western city of Chengdu to Guangzhou on October 28, Logistics Week reported.

The service deploys A319s, takes off from Chengdu at 0755 hrs, arrives in Guangzhou at 0955 hrs, then returns at 1045 hrs and is back in Chengdu at 1255 hrs.

On the same day, the carrier also starts a winter-spring flight schedule and resumes the thrice-weekly service from Chengdu to southern city of Sanya.

The Chengdu-Sanya flight departs Mondays, Wednesdays and Sundays at 1655 hrs reaching Sanya at 1905 hrs, then leaving Sanya at 2010 hrs, returning to Chengdu at 2235 hrs.

United Eagle commenced operations in 2005 and is based at Chengdu Airport and has four Airbus planes operating more than 30 domestic routes.



SAS Cargo boosts capacity to Bangkok and Dubai from Scandinavia

SAS Cargo has added capacity to Bangkok and Dubai from Scandinavia since October 31 at the start of its winter traffic programme.

The carrier announced it has added two more weekly flights to Bangkok, which amount to a 30-ton capacity increase each way. For the Dubai service it has added three weekly flights, raising capacity 45 tons each way.

The new capacity to Dubai is intended to supplement the current thrice weekly SAS all-cargo service between Gothenburg and Dubai. This brings the number of weekly frequencies on SAS passenger and cargo aircraft between Scandinavia and Dubai to six.

"This will especially benefit customers with a demand for express products and

special products," said vice president Nils Pries-Knudsen.

The carrier said the new direct route between Stockholm and Bangkok will complement its five weekly flights from Copenhagen to Bangkok. It expects the new departures from Stockholm will save Swedish shippers a day's shipping.

"Extra capacity is important for us. Bangkok is an important hub and will improve our products to the southeast Asian region," Mr Pries-Knudsen said. @FAXTEXT =Also, SAS Cargo has appointed Dnata Cargo as local sales and handling agent (GSA and GHA) for the United Arab Emirates.



Continental Airlines to speak at Goldman Sachs conference 2007

CONTINENTAL Airlines has announced it will address the Goldman Sachs Industrials Conference 2007 8:45am American Eastern Time Wednesday November 7.

The carrier said a live webcast will be available at continental.com in the "About Continental" section under Investor Relations Investor Updates & Presentations. The webcast will be archived on the web site within 24 hours of the presentation and will be available on continental.com for at least two weeks.



DHL launches disaster response team for Middle East and Africa

DEUTSCHE Post World Net says its DHL Disaster Response Team (DRT) for the Middle East and Africa has been officially launched in Bahrain.

The group's third dedicated DHL Disaster Response Team comprises over 40 volunteers, who will be tasked with setting up an airport logistics operation in the immediate aftermath of natural disasters, to ensure that relief supplies are efficiently sorted, stored and distributed to victims.

In partnership with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), two DHL-trained teams were earlier created for missions in the Asia Pacific region, as well as for the America/Latin America/Caribbean regions.

"Thanks to the third Disaster Response Team, which will be stationed in Dubai, the company can now provide skilled support to humanitarian relief operations around the world. A total of 200 employees are now on call 24 hours a day around the

world, ready to quickly create a logistics infrastructure at airports," said Monika Wulf-Mathies, executive vice president.

The Disaster Response Teams are composed of volunteers specialising in the areas of goods handling, warehouse management, inventory and customs.

"Our team for the Middle East/Africa has 13 different nationalities. Once the UN or a government contacts us, we can provide support for up to three weeks," said DHL Mideast-Africa development manager Paul Dowling.



SF Express builds distribution facility in Shandong Airport

CHINA'S leading local express service provider SF Express has started building a regional distribution centre in Weifang Airport in the north eastern province of Shandong province, Logistics Week reported.

SF Express signed an agreement with the airport in June to invest CNY76 million (US\$10 million) on building the facility for sorting and distribution of express parcels from inside Shandong and neighbouring provinces and cities like Shanghai, Beijing, Tianjin, Jiangsu and Zhejiang. Covering 1.7 hectares and a floor area of 8,850 square metres, the facility is scheduled to start operations in the later half of next year.

The report said the facility is able to meet the growth of the company for the upcoming 10 years and will turn Weifang Airport into its hub in northeast Asia.

The Weifang Airport is operating two all-cargo lines. The Weifang-Shanghai line is run by China Postal Airlines and offers 12 weekly services. The other is the Beijing-Weifang-Hangzhou-Shenzhen line, operated by SF Express by chartering a Yangtze River Express Airlines' Boeing 737 aircraft and offering 14 services a week. The airport handled 8,189 tons of cargo from January to September this year.



TSA lines to raise rates US\$400 per FEU on east-west Pacific

Transpacific Stabilization Agreement (TSA) shipping lines plan to raise rates by US\$400 per FEU to the US west coast, and by \$600 per FEU for inland destinations as well as impose a \$400 peak season bunker surcharge from June to October next year, said a TSA communique.

"Freight rates continue to lag operating costs," said the organisation headed by Ron Widdows, also president of Singapore's American President Line. "Limited cost recovery in 2007-08 adds to current rate pressures and record fuel prices make floating bunker charges a top priority."

"Fuel prices are far too volatile, and ocean carriers are far too exposed to lock in a single price for a year," said Mr Widdows in a Reuters report.

"We're at a point where service levels are at minimum and, for some carriers, financial viability is threatened if we are not to share costs more equitably," he said.

The TSA statement also said other operating costs such as inland rail, truck and port charges are expected to rise as high as 8 per cent.

The TSA, which plans take steps similar to those taken by the Westbound Transpacific Stabilization Agreement (WSTA), represents 14 shipping lines serving the Asia-US route: NOL's American President Lines, CMA CGM, Cosco Container, Evergreen Marine, Hanjin, Hapag Lloyd, Hyundai Merchant Marine, "K" Line, MOL, NYK, OOCL, Yangming, MSC and Zim.



Rate increase pushes up Evergreen's quarterly profits 12,800pc

TAIWANESE shipping company Evergreen Marine has experienced skyrocketing third-quarter net income to TWD5.21 billion (US\$160.71 million), from the TWD40.5 million in the same quarter last year, Bloomberg reports.

The 12,864 per cent increase in third-quarter earnings comes on the back of higher freight rates, as demand in Europe for Asian goods soars, said Bloomberg.

The report said that Evergreen Marine and other container shipping lines increased rates to Europe on July 1 by up to US\$300 per container and on top of this introduced a peak season surcharge of US\$135 per TEU from August 1.

It noted that according to Drewry Shipping Consultants in London, container freight rates on the East Asia to Europe trade rose 15 per cent in the first half compared to the corresponding period a year ago.

Profit growth comes despite Evergreen Marine's third-quarter sales falling 18 per cent from a year earlier to TWD6.74 billion, according to a filing made by the company to the Taiwan Stock Exchange. Evergreen reported in a filing made earlier this week that its profit for the first nine months of the year has swelled to TWD6.84 billion, the report added.



Swedish Club fetes 25th anniversary in HK, plans to grow in Asia

THE SWEDISH Club, a mutual marine insurance company owned and controlled by its members, has unveiled plans to strengthen its presence in Asia as the firm celebrated its 25th anniversary in Hong Kong.

Events to mark its 25th anniversary included a reception for the shipping community at the Hong Kong Club last month, as well as a marine insurance seminar in mid-November.

When the Hong Kong office opened in late 1982 it was part of the expansion of the Gothenburg-based P&I and hull insurer's international business, when its business in Asia focused Hong Kong and Singapore. Today, its focus has expanded to include other markets in the region, particularly mainland China.

"The major change over the past decade has been the rise of China as a world economic power. China was always our key market for portfolio growth, but few could have envisaged the sheer scale and pace of the advances made in recent years," said managing director Ruizong Wang.

"The club's Asian portfolio has grown very well over the past 25 years. The business administered through 'Team Asia' based in Hong Kong and Japan, now represents one-third of the club's total P&I entry for owned tonnage, around 85 per cent of P&I entry for chartered tonnage and half the total tonnage entered for freight, demurrage and defence," said Mr Wang.

Mr Wang said the Swedish Club's portfolio now consists of 841 vessels of 23.3 million GT entered for P&I, 4.2 million GT entered for charterer's liability, 515 vessels entered for FD&D and 1,929 vessels entered for hull and machinery cover.



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