



INTERNATIONAL FREIGHT MANAGEMENT SERVICES

SCI AUSTRALIA

PTY LTD

In This Edition

Abbot Point Expansion

Colombo Port Container Record

A Tale of Two Trades

Plus

Staff Spotlight on Nikki Blade

JANUARY 2016 NEWSLETTER



Contents

JANUARY EDITION

2	Contents / Welcome
3	OOCL Rate Restoration
4	A Tale of Two Trades for Transatlantic Operators
5	CSPD Acquire Stakes In Busan Container Terminal
6	Colombo Port's Container Record
7	Panama Canal Locks Opening for April
8	Green Light to Abbot Point Expansion
9	LA Box Volume Rise
10	Cargo-Ship Collision with Chemical Tanker
11	Trivia
12	Staff Spotlight - Nikki
14	SCI Productions

Welcome Message

Welcome to the January Newsletter for the clients and friends of SCI Australia. This newsletter is designed to be an informative source about the company and the general industry and includes news, forthcoming events and the lighter side of the people who work for SCI.

We hope that you find this newsletter beneficial and the information provided of great value and interest. We appreciate your suggestions and input for future issues.



OOCL Rate Restoration

21st December, 2015

OOCL would like to advise that in order to maintain a high standard of service to customers, there will be a Rate Restoration of US\$150/20' and US\$300/40' from the 20th of January 2016, for both dry and refrigerated cargoes in the base ocean freight for cargoes from South East Asia, South Asia and the Gulf (Singapore, Thailand, Indonesia, Philippines, Vietnam, Cambodia, Myanmar, Pakistan, Sri Lanka and Bangladesh) to Australia.

This increase will be applied in full on top of existing ongoing market rates to all import shipments based on the actual departure date of the vessel named in the bill of lading from the 20th of January 2016, and will be subject to ancillary surcharges applicable at the time of shipment.

Should you have any questions, please do not hesitate to contact your local Sales Executive at OOCL.

Yours faithfully,

OOCL (Australia) Pty Ltd.
The Environment: We take it personally





A Tale of Two Trades for Transatlantic Operators

IT was a familiar story for transatlantic traders in October, with the strong US economy helping to drive eastbound traffic and westbound volumes continuing to feel the brunt of Eurozone weakness.

The latest figures published by Container Trades Statistics show that box numbers on the Europe-North America trade were up 5.1% year on year in October to 367,100 teu, while those heading in the opposite direction from North America to Europe fell 5.8% on 2014 levels to 206,800 teu.

This pattern of contrasting fortunes has been apparent for much of 2015.

Indeed, year-to-date volumes from Europe to North America were tracking 9% above last year at 3.4m teu at the end of October.

In comparison, traffic on the North America-Europe trade was down 6.6% on the first 10 months of 2014 at 2.1m teu.

Freight rates on the CTS index meanwhile continue to reflect the level of demand on either transatlantic trade, but they also show the overcapacity glut that carriers are faced with as a result of the big expansion in trade capacity at the start of the year.

Source: **Lloyds List Australia**
<http://bit.ly/1YO8Zjs>



CSPD Acquire Stakes In Busan Container Terminal

CHINA Shipping Ports Development, the port unit of China Shipping Group, has agreed to acquire a 20% stake in the loss-making Korea Express Busan Container Terminal (KBCT) from parent CJ Korea Express (CJ Korex).

The deal came following an earlier announcement of Busan Port Authority that it will merge the four box terminals, including KBCT, in the city's North Port by July next year, as part of the efforts to boost the local port industry.

"I think CSPD is looking to potential restructuring of KBCT as the government is planning for redevelopment of the northern port of Busan," said Jay Ryu, analyst at KDB Daewoo Securities. "Also CSPD may think it is a good entry opportunity to the Korea market."

CSPD said in a statement that the investment is an important step to expand its global footprint, and will facilitate the liner services of China Cosco Holdings and China Shipping Container Lines in routes that involve Busan, after the two companies merge their containership fleet.

With the aim of outstripping Hong Kong to become the world's second-busiest transshipment port, Busan has been ramping up efforts in building up infrastructure and launching dredging projects at the New Port, scheduled to have 40 container berths by 2020 and the ability to host fully loaded 22,000 teu boxships.

Meanwhile, it is also planning an \$8.5bn budget to develop the North Port into a maritime industrial zone, consisting of businesses ranging from marine equipment manufacturing to cruise shipping.

As a result, KBCT's earnings fell as some shipping companies moved their cargoes from the old port to the new one, Korea Investment & Securities analyst Heedo Yun wrote in a note. KBCT recorded a loss of Won12.9bn (\$109.5m) in 2014. And in 2015, this is expected to widen to about Won20bn, according to Mr Ryu. The deal has made CSPD the second largest shareholder in KBCT, while CJ Korex previously held a 67% stake in the subsidiary.

Source: **Lloyds List Australia**
<http://bit.ly/1JcShIK>



Colombo Port's Container Record

CONTAINER volumes handled at Sri Lanka's Colombo Port have surpassed 5m teu so far in 2015, marking a new record in the port's history.

The numbers have already met the port authorities' container volume target of 5.2m to 5.4m set for the year.

Colombo Port, which has three container terminals, handled 4.9m teu of container traffic in 2014. The port expected to see volume growth of 5%-10% this year over 2014.

Port authorities reported that 3,854 containerships have called at Colombo Harbour so far this year, compared to 3,742 in 2014, almost a 3% increase.

Over the past eight years, the government of Sri Lanka has expanded the Port of Colombo to cater to the increasing demands of the international shipping industry. Upon completion of the project, which is being done in two phases, the port will have capacity of about 12m teu.

The Asian Development Bank provided \$300m in funding for the project. According to the latest project data sheet submitted to the ADB in July 2015, the project includes the establishment of a new marine operations centre, the relocation of a submarine pipeline for oil and the provision of navigational aids and construction of shore utilities.

Earlier in December Colombo International Container Terminals signed a strategic co-operation agreement on container logistics development with China's Zhanjiang Port Group, which will tie in with China's One Belt, One Road initiative.

Source: **Lloyds List Australia**
<http://bit.ly/1OpHsiu>



Panama Canal Locks Opening for April

A widened Panama Canal will be open for business soon after its expected inauguration in the second quarter of 2016.

The new locks that will allow containerhips of up to 14,000 teu, nearly three times the amount currently accommodated, to transit the Panama Canal, were expected to be operational in April 2016, but it appears the commercial operation target may be missed.

Lock reinforcements are scheduled to be completed in mid-January 2016 and will then be tested, Panama Canal Authority (ACP) chief administrator Jorge Quijano said in a statement.

Mr Quijano made no reference to the April 2016 commercial operation date in his latest update but instead said that next April a chartered vessel will be used for transit trial tests in the Atlantic locks, based on his discussions with the contractor consortium Grupo Unidos por el Canal (GUPC).

After the April transit trial tests, “a date for expansion’s inauguration will then be selected, expected to be in the second quarter of 2016,” Mr Quijano said. He added that the first-ever expansion of the waterway is 96% complete. “Subsequently, the commercial opening date will be selected,” Mr Quijano said, adding that “the opening will be soon after the inauguration.”

The expansion of the Panama Canal is the largest since its original construction and includes the creation of a new, larger set of locks and the widening and deepening of existing navigational channels.

It will create a new lane of traffic along the canal through the construction of the new locks, doubling the waterway’s capacity. Works on the expansion of the waterway started in September 2007. The opening of the expanded canal was originally set for 2014 in time for the canal’s 100th anniversary.

Source: **Lloyds List Australia**
<http://bit.ly/1OpHG9h>



Green Light To Abbot Point Expansion

Canberra has approved the final environmental impact statement for the expansion of Abbot Point port, 25km north of Bowen in north Queensland, albeit with strict conditions. The project involves capital dredging 1.1 million cubic metres of seabed near the Great Barrier Reef Marine Park, to create ship berth pockets and apron to support the development of coal export facilities at terminal T0.

Dredging can only be done with a cutter suction dredge and in areas identified as 'dredging footprint'. A polyethylene liner or equivalent must be installed on the internal sides of the dredge material containment area (DMCA) to minimise potential lateral seepage. The DMCA must not be located on the Caley Valley wetlands or within the Great Barrier Reef World Heritage Area.

Moreover, before dredging can begin, a Dredge Management Plan and an Onshore Environment Management Plan must be submitted to and approved by the federal environment minister.

The dredging works are said to be vital in order to export coal from Adani's proposed \$16bn Carmichael Mine in the Galilee Basin, 400 kilometres from Abbot Point. However, Queensland's development minister Dr Anthony Lynham said despite the approval, there will be no dredging at the port until Adani demonstrates financial disclosure.

Abbot Point's one operating terminal (T1) was acquired by the Adani Group by way of a long term lease from the State Government in 2011. T1 is being operated by Abbot Point BulkCoal (ABP) under a long term operations and management agreement acquired by Adani as part of the sale from North Queensland Bulk Ports. APB is a Glencore subsidiary.

The Port of Abbot Point straddles the boundary of the GBRWHA. The offshore port area is within the GBRWHA while the onshore coal terminals are adjacent. The Great Barrier Reef Marine Park begins at the limits of the port boundary. The EIS was open for public consultation for four weeks and the government received more than 55,000 submissions.

Source: **Lloyds List Australia**
<http://bit.ly/1NTaeZj>



LA Box Volume Rise

The Port of Los Angeles handled a total of 709,968 teu in container traffic in November this year, an increase of 7% compared to the same period last year. This is the first time the port has seen an increase in volumes handled in the past three months compared with the year-ago data.

Imports for the month grew to 358,432 teu, up 7.6% compared to the previous year. However, exports dropped 5.7% to 142,020 teu in November. “We’ve seen container volumes at and above 700,000 teu for the past six months, which demonstrates consistency and the strength of our supply chain partners,” said Port of Los Angeles executive director Gene Seroka.

“With larger vessels coming into the transpacific trade this month, including the CMA CGM Benjamin Franklin, we can further show the gains we have made this year in terms of effectively moving greater volumes through our port.”

While the headline reads Long Beach pushes ahead of Los Angeles for the October performance, the results for the two west coast ports show them neck-and-neck for November.

The Port of Long Beach handled a total of 619,699 teu in container traffic for November this year, 6.6% more than the same month last year, marking its fifth straight month of cargo volume growth. For the first 11 months of 2015, the Port of LA posted overall volumes of 7,534,181 teu, down 1.9% compared with the same period in 2014.

The latest Global Port Tracker, published by the National Retail Federation and Hackett Associates, predicts that US imports during December and January will rise 0.4% and 18.5%, respectively, the latter of which is against the weak numbers recorded at the start of 2015 as the labour problem on the US west coast intensified.

Source: **Lloyds List Australia**
<http://bit.ly/1R4xbxa>



Cargo-Ship Collision with Chemical Tanker

A cargoship carrying 560 tonnes of bunker fuel sank after a collision with a chemical tanker in the eastbound lane of the Singapore Strait traffic separation scheme. Six of its crew are missing.

Anti-pollution vessels have been put on standby. The collision between the 10,386 dwt, Antigua and Barbuda flagged cargo ship Thorco Cloud and the 37,438 dwt, Cayman Islands registered Stolt Commitment tanker occurred at 2014 hrs on Wednesday. The vessels were in Indonesian waters six nautical miles northwest of Batam Island, according to the Maritime and Port Authority of Singapore.

The MPA added that the tanker sustained only slight damage and was in stable condition. The MPA dispatched two patrol ships to carry out search and rescue operations, while Singapore's Police Coast Guard sent out five vessels and rescued five of the 12 cargoship crew. A sixth crew member was picked up by the chemical tanker.

The Singapore Civil Defence Force, which deployed two ships to help search and rescue activities, subsequently ferried the six crew members to Singapore General Hospital.

The MPA had also notified the Indonesian authorities, which then started their own search and rescue operations for the remaining cargo ship crew members. "MPA is assisting the Indonesian authorities to survey and mark the sunken freighter to ensure navigational safety," it said in a statement.

The port authority has sent navigational broadcasts warning vessels to keep clear of the incident area and to report any sightings of the missing crew members. It said: "There is no disruption to shipping traffic in the Singapore Strait. While there are currently no reports of any oil spill, MPA has also put on standby anti-pollution craft."

Source: **Lloyds List Australia**
<http://bit.ly/1PtQ0tH>



How Good is Your Trivia Knowledge

1. A Chameleon's Tongue is how many times it's body?
 - a) 1.5
 - b) 2.5
 - c) 5
 - d) 10

2. Pinocchio is Italian for "Pine Head"

3. The longest Conga in history is said to have had how many people?
 - a) 3,034
 - b) 4,567
 - c) 11,971
 - d) 119,986

4. The largest crater on the moon is how long in diameter?
 - a) 183 miles
 - b) 267 miles
 - c) 288 miles

5. The human body contains how much water?
 - a) 60%
 - b) 75%
 - c) 80%
 - d) 85%

1) a (2) true (3) d (4) a (5) b



Staff Spotlight

Our Staff Spotlight this month is Client Service Team Member, **Nikki Blade**

Favourite Sports Team:

Brisbane Lions (AFL), North Queensland Cowboys (NRL), Canberra Brumbies (Rugby Union), Liverpool FC (EPL), Seattle Seahawks (NFL)

Ideal Holiday:

Anywhere with an ocean view and good waves that I can surf in the morning.

Hobbies:

I've been dancing for 20 years, so I choreograph and teach for workshops and musicals in my spare time.

What is Playing in Your Car Right Now:

Whatever radio station that doesn't bore me with the same music over and over.

Where Have You Travelled To:

USA (twice), Canada, Vietnam, Singapore, Cambodia, New Zealand

If A Genie Gave You A Wish What Would You Wish For:

Be able to eat whatever I want without the consequences.

Best Advice Anyone Has Ever Given You?

Life is too short to not follow happiness.



(Nikki Blade on the Right)



Feedback

Should you wish to discuss any of the issues contained in this newsletter please contact your CSO or any of the people listed below:

Mile' Jurcic' (Melbourne)

Mark Hingston (Brisbane)

Thank you for continued support.
SCI Australia Pty Ltd

*Disclaimer

As this information originates from external sources, SCI Australia cannot be held liable for the accuracy of this information.