



The Logiskills Group

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In this issue

Upcoming Events

[Ferry Closure Chaos Continues](#)

[P&O agrees £3.33bn offer from Dubai Ports](#)

[BAX Global acquired by Deutsche Bahn](#)

[Asia-Europe Container Rates fall below \\$1,000](#)

[P&O Cold Logistics acquired by Versacold Holdings](#)

[EFL Appoints Groep H. Essers as Belgian Agents](#)

[UPS announces rates and service adjustments for 2006](#)

Upcoming Events

Transport, Logistics & Supply Chain Congress Middle East 2005
December 5-6, Dubai,

Dear Garvan,

Welcome to Irish Freight & Logistics Monthly, a newsletter for Ireland's growing freight and logistics community.

You have been included within our mailing list because we consider you to be a valuable contributor to the industry.

We are aware of the communities need for an electronic platform for company announcements and press releases. We invite you to forward details to us for consideration in the next edition.

We hope you enjoy the newsletter and will strive to enhance it, so please send any feedback and suggestions to editor@logiskills.ie

Please feel free to forward this to any interested colleagues who can register to receive it from our home page at www.logiskills.ie

• **Ferry Closure Chaos Continues**



The Irish Ferries dispute is already having a serious impact on imports and exports in the run up to Christmas. Around 30% of freight capacity across the Irish Sea has been eliminated.

Export goods badly hit by the ferries dispute include meat, milk and other dairy products. International businesses may, therefore, have to look elsewhere for business.

"Hugh backlogs" are expected by John Whelan, the Irish Exporters Association's chief executive, who added that Irish manufacturers were already struggling to get their goods across the water.

Forwarders are reporting a dramatic fall off in trailer availability with many relying on their agents for assistance. An increasing number of calls are being received from desperate customers anxious for alternative transport options from their forwarding

UAE

Exhibition and conference
"Outsourcing in rail
transport", December 14,
2005, Scherbinka, Russia

5th Annual Aviation
Conference January 19-
20, 2006, Amsterdam,
The Netherlands

4th Intermodal Africa
2006 February 2-3, 2006,
Namibia

Maritime Law Conference,
February 13 - 14, 2006,
Singapore

African Airports World
2006 February 28 - March
3, 2006, Johannesburg,
South Africa

TransRussia 2006 11th
Moscow International
Transport and Logistics
exhibition and conference,
21-22 March 2006,
Moscow, Russia

Logistics Megatrends
Forum Bangkok 2006
March 28-29, 2006,
Bangkok, Thailand

2nd Indian Ocean Ports,
Logistics and Shipping
2006 The Seychelles,
March 30-31, 2006

Transport Events
Management Organizer of
ports, shipping, transport
logistics and supply chain
management related
conference and exhibition
events

TLS Asia Pacific 2006 2nd
Annual Total Logistics &
Supply Chain Congress.
April 4-5, 2006, Kuala
Lumpur, Malaysia

International Transport
Forum April 11-14, 2006,
Moscow, Russia

3rd Trans Pan Pacific
2006 April 25-26, 2006,
Dalian, China

SIL 2006 May 23-26,

partners.

The Irish Exporters' Association has expressed fears that Irish Ferries could close its routes on the Irish Sea with the loss of over a quarter of freight capacity off the island.

The Isle of Inishmore and Ulysess have been stranded in Welsh ports since last week as a standoff involving ships' officers continued.

They have been refusing to sail the ships since the company began to implement its plan to replace the unionised seafarers with agency workers on lower rates of pay.

The MV Normandy sailed back to France on Monday, November 29th, without any passengers.

• P&O agrees £3.33bn offer from Dubai Ports



Ports and ferries group P&O said today that it had agreed a takeover bid from Gulf-state backed Dubai Ports World, valuing the company at £3.33 billion sterling. The price offered by DP World is higher than many analysts had been

expecting and comes amid reports that a bidding war may break out for P&O.

Temasek, which already owns the world's second biggest ports group, the Port of Singapore Authority and Hutchison Ports - the world's largest Operator.

Denmark's AP Moller-Maersk, the Danish shipping giant which recently bought P&O Nedlloyd, has also been seen as a potential bidder. But only DPW is thought to have tabled a serious offer.

P&O operates 29 terminal container terminals and logistics operations in more than 100 ports, while it also runs ferries between the UK and France, Belgium, the Netherlands, Ireland and Spain.

The ferries arm has struggled in recent years but DP World, which does not have any operations in this area, said it wanted to restore the business to strong profitability in 2006.

The takeover will inevitably place a question mark over its ferries business, which has been pruned dramatically to stem losses.

2006, Barcelona, Spain

Round table Problems encountered in repairs of private rail cars, April 2006, Moscow, Russia

P&O Irish Sea operates a daily service on the Dublin-Mostyn route and the Dublin-Liverpool route as well as a weekly Dublin-Cherbourg service.

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- **[The National Institute of Transport and Logistics](#)**
- **[Irish International Freight Association](#)**
- **[Irish Exporters Association](#)**

• **BAX Global acquired by Deutsche Bahn**



Deutsche Bahn AG signed a purchase contract to acquire a 100 percent shareholding in BAX Global Inc. from the US-based The Brink's Company. This will allow Deutsche Bahn to significantly expand its position as an international logistics services provider in the key growth markets in the Asia/Pacific region, and also in China and the USA. DB's Chairman and CEO Hartmut Mehdorn: "BAX fits our strategy perfectly and is an ideal complement to our logistics subsidiary Schenker. With these two companies, DB AG is now one of the leading companies in the transportation and logistics sector."

BAX Global offers worldwide air and sea freight forwarding services, domestic transportation services and supply chain management, and has a strong blue-chip customer base, primarily in the fields of electronics and consumer goods. In the first three quarters of 2005, BAX generated revenues of USD 2.04 billion with over 12,000 employees. In the comparative period of the previous year, the figure had been USD 1.75 billion. The operating income in this nine-month period rose to USD 47.2 million from USD 30.1 million in the previous year. BAX Global is one of the top 20 US logistics companies. BAX Global is the Number 1 in the USA in the heavy general cargo business. Worldwide, BAX maintains more than 500 offices in over 130 countries.

DB Logistics, the Transportation and Logistics Division of Deutsche Bahn AG, will increase its business volume as a result of the acquisition of BAX (revenues in 2004: approx. USD 2.4 billion) to just under EUR 15 billion. At the same time, its level of internationalization will further increase. "In combination with our Business Unit Schenker, BAX will allow us to take a significant step forward. This means we will increase the Group's earnings power and secure jobs in Germany and Europe," said Dr. Norbert Bensel, the Member of the Board of Management responsible for DB Logistics at Deutsche Bahn AG, commenting on the acquisition.

The closing of the transaction is expected to take place in a few weeks.

- **Asia-Europe Container Rates fall below \$1,000**



The IFW has recently reported that container rates on the Asia-Europe route have crashed through the psychologically important US\$1,000 barrier for the first time since 2002. The lowest reported rate encountered so far was \$900 per teu with transpacific rates down to \$1,550.

Container lines expect a 25% year-on-year rate drop, with another 10-15% slide expected in 2007. This comes against a backdrop of high operating costs and a large amount of new tonnage coming on-stream over the next few years.

Additional consolidation is inevitable, with market leader Maersk Sealand likely to lead the way, following the acquisition of P&O Nedlloyd.

Maersk which operates 550 container vessels has now increased its power to dictate rates. If it were to acquire another line, it could command a market share in excess of 25%.

- **P&O Cold Logistics acquired by Versacold Holdings**



The biggest British ferries group P&O, the target of a takeover approach from Dubai Ports, announced the sale of its cold logistics arm to Versacold Holdings of Canada for £183m sterling.

The disposal of P&O Cold Logistics, the third-biggest cold storage and distribution operator in the world, would help reduce debt and was expected to complete in December, the company said in a statement.

Peninsular and Oriental Steam Navigation Company had said on Monday that it had been approached by a third party concerning a takeover, following press reports that it could face a £3 billion bid from its Middle East rival Dubai Ports World.

P&O Cold Logistics employs 3,000 people across 50 sites in the US, New Zealand, Australia and Argentina.

'As P&O continues to focus on its fast growing international ports business, it is time to look to another owner to take the cold logistics business to the next stage,' P&O CEO Robert Woods said.

The division accounts for about 8% of total group turnover, while the unit posted sales of £109m and operating profit of £9.3m for the six months to end of June 2005. Its total sales for 2004 stood at £205.6m, while operating profit for the year was £18.4m.

Versacold is one of Canada's leading suppliers of public refrigerated warehousing services and is the sixth largest supplier in North America, in terms of storage capacity.

• EFL Appoints Groep H. Essers as Belgian Agents



Leading Irish freight forwarding and logistics company EFL International distribution Ltd has strengthened its operations to and from the Benelux region, with the appointment of a new agent in Belgium.

Groep H. Essers has been appointed to assist with the development and expansion of EFL's services to and from this important market.

Under the agreement, EFL and Essers will provide weekly departures between Belgium and Ireland leading to a significant increase in the warehousing and distribution services available to customers of both companies.

Founded in 1928 Groep H. Essers has grown steadily and now operates a total of 444,000 sq. m of warehousing, comprising state of the art technology.

Headed by Ivo Marechal, managing director, Groep H. Essers is headquartered in Genk, with additional facilities in Charleroi, Brussels, Antwerp, Tessenderlo. As well as its extensive coverage of the Benelux region, the company also operates door-to-door full load and groupage services to Germany, Italy, Austria, Spain, Switzerland, Portugal, Scandinavia and eastern Europe

"We are delighted with the appointment of Essers as our new agent in Belgium. Its local expertise will further strengthen our European network as we continue to improve our service capabilities," commented Chris Radley, Director of EFL International Distribution.

• UPS announces rates and service adjustments for 2006



EXPRESS delivery company UPS announced it would raise rates 3.9 per cent for its commercial ground services and 5.5 per cent for air and international services starting next year.

The company will also reduce the index used to determine its air fuel surcharge by two per cent. UPS said the move will directly benefit customers as fuel prices moderate and the index pushes the air fuel surcharge below the current 12.5 per cent cap.

UPS said the New Year would also bring changes to its premium air services.

UPS 2nd Day Air AM guarantees will be brought forward earlier from noon to 1030, and Saturday deliveries will be able to be shipped via 2nd Day Air on Thursday. More zip codes will also be included in UPS' Next Day Air Early AM delivery.

"UPS delivers value through continuing improvements to our integrated global network and expanded package, freight and supply chain capabilities," said Kurt Kuehn, UPS senior vice president of worldwide sales and marketing.

The new rates will take effect January 2, 2006.