



# The Logiskills Group

## Irish Freight & Logistics Monthly

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Upcoming

**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](mailto: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](http://www.logiskills.ie)

#### • **FIATA call for transparency on charges**



At this year's FIATA World Congress in Moscow it has been pointed out that freight forwarders and logistics service providers offer more and more services to their clients in order to facilitate world trade and the supply chain.

More and more specialized tasks and responsibilities are assumed by freight forwarders which makes them the transport organizers "par excellence". Hence, freight forwarders claim a fair remuneration for their interventions and responsibilities. In many cases this is based on the level of the ocean freight rates. However, compensations have been eroded due to the fact that surcharges are not included in the ocean rates.

FIATA feels that surcharges that have a permanent character, such as BAF (Bunker Adjustment Factor) and CAF (Currency Adjustment Factor) must be included in the ocean freight since they do not respond to the idea of a surcharge which is by definition not permanent.

## Events

World Shipping (China) Summit November 1-2, 2005, Pudong Shangri-La, Shanghai

"OAO "Russian Railways" on the Transport Market: Cooperation and Partnership" 3rd International conference, November 2-3, 2005, Moscow, Russia

Asia Logistics Awards 2005 November 3, 2005, Shanghai, China

IATA e-freight Conference November 1-3, 2005, Geneva, Switzerland

International Autotransport Forum November 1-4, 2005, Moscow

Rail # tec, 5th International Rail Summit in Dortmund November 7-9, 2005, Dortmund, Germany

Intermodal Transport & Logistics 2005 8-10 November, 2005, Bilbao, Spain

IV Insurance and Reinsurance Rendez-vous November 13-15, 2005, Saint Petersburg Russia

International Bills of Lading November 14-16, 2005, London

3rd Thai Ports and Shipping 2005 Imperial Queen's Park Hotel, Bangkok, 24-25 November 2005

Round table Raising quality of transport and forwarding services in freight rail. Service improvement for cargo owners. November 23-24, 2005, Moscow, Russia

Transport, Logistics & Supply Chain Congress Middle East 2005

of a surcharge which is by definition not permanent.

FIATA calls upon shipping lines, shipping agents (and terminal operators) to reconsider the system of surcharges with questionable names and purposes (Import Administration fee, Peak Season Surcharge, Original Surcharge, Administrative ISPS-add on surcharge) charged to freight forwarders, and to include them in the rates or to absorb them themselves. Indeed, clients of freight forwarders are often not prepared to remit these additional to freight forwarders. In some cases, e.g. ISPS, they should be considered as normal operational costs of a terminal. FIATA also asks for transparency and justification of these extra charges, which could make them more acceptable.

### • China: The Logistics Challenge



Forwarders and logistics operators shipping within China are being faced with increasing challenges. The Chinese transportation and supply chain market is traditionally characterised by low efficiency, governmental control with limited foreign competition.

"To operate a successful logistics business in China, be prepared to face the reality of administrative complexity and government interference", Mr Fushing Pang, TNT China's senior vice president for strategic development, recently commented.

Road and air infrastructure is improving, although upgrades, heavy investment and rapid improvements, especially in coastal areas, multi-modal, and national highway networks are required urgently.

Road transport accounts for 74% of China's overall transportation and without GPS monitoring to provide visibility, cargo security is poor, with goods and trucks disappearing in transit. 5.4 million trucks are registered to more than 2 million truckers – three quarters of which are small-scale operators.

Licences and permits are required for nearly everything in China, and requirements differ from province to province. One operator reported that in order to do business in one Chinese province, they needed more than 17 different licences and nationwide they need more than 200 licences.

Locals still dominate the market, with around 80% of the market in the hands of Chinese companies, more than

December 5-6, Dubai, UAE

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

Round table Operating private tractional rail stock: problems and prospectives in the market. January 26, 2006

CIS Logistics and Supply Chain Management January 31- February 1, 2006. Prague, Czech Republic

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half of which are state-owned enterprises.

#### • P&O Ferrymasters invests in Irish trailer fleet



P&O Ferrymasters has announced a major fleet investment of 500 new Krone sliding roof tautliner trailers to support its growing Irish business.

The new trailers include the new 'Load Lock' system that provides a versatile locking configuration to secure a wider range of consignments than conventional trailers. The trailers will be used across P&O Ferrymasters' Irish business' client base.

The investment is part of a broader investment by P&O Ferrymasters, which is also dedicating 120 new Mega trailers into its wider European business.

"This is a strategic decision to support the Irish business with new and more versatile trailers that can deliver more cost effectively. At the same time, we will be taking out the older units to make way for the new kit that can do simply do more in terms of the kinds of payload that they can deliver," said Ian Meyrick, general manager for the Irish division.

#### • MacAndrews increase capacity on Ireland-Spain service



MacAndrews has introduced the largest ship that it has ever operated in over 250 years of providing shipping services between the Ireland and Spain.

Velazquez now operates MacAndrews' weekly service between Bilbao (Friday) arriving in Dublin (Monday) and onward to Liverpool (Tuesday), Greenock (Friday) and a return to Bilbao (Monday).

The introduction of the 822 TEU capacity UK-flagged Velazquez represents a significant investment by MacAndrews in its weekly container shipping services between Spain, Ireland and the UK.

With 150 reefer plugs, Velazquez will also play a significant role in MacAndrews' increasing commitment to carrying fresh produce between Iberia and the UK/Ireland. Furthermore, with a speed of 18.5 knots, Velazquez supports MacAndrews' efforts to ensure

schedule integrity on these services – a key factor in its ongoing efforts to attract temperature-controlled cargo away from overland services to an ocean freight alternative.

#### • **Vehicle Logistics Ireland (VLI) Launched**



Irish owned Autocar Logistics has formed a partnership with Walon UK to create a new joint venture company called Vehicle Logistics Ireland (VLI).

TJ Crosbie, managing director of the new joint venture company, said: "We are delighted to form this strategic alliance with Walon UK. Our combined resources will ensure that we can provide a professional and cost effective service to all our customers. We recognise a change in the strategy operated by the main distributors in servicing their customer base throughout Ireland and Vehicle logistics Ireland is ready to adapt to that change."

VLI will provide vehicle distribution and technical services to the growing automotive industry in both Northern and Southern Ireland.

The new joint venture will utilise Walon's advanced Vehicle Tracking & Management System (VTMS) which tracks vehicles through the logistics process in real-time enabling customers to view the status of their vehicles via a dedicated website facility.

With a fleet of over 500 car transporters and a network of 25 logistics centres throughout the UK, Walon UK is responsible for over 1.2 million vehicle movements each year on behalf of vehicle manufacturers, importers, fleet operators and dealerships.

#### • **Globe Air Cargo wins Ethiopian Airlines GSA contract**



Globe Air Cargo has recently been contracted as Ethiopian Airlines' cargo GSA, giving freight forwarders access to the largest pan-African network of any airline.

Globe Air Cargo will be responsible for selling the airline's cargo capacity from the UK and Ireland to Africa. Ethiopian currently operates six Boeing 757 flights a week from London Heathrow to Addis Ababa, and plans

to introduce B767 aircraft on the route later in the year to increase its capacity.

In addition to its main hub in Addis Ababa, Ethiopian serves Abidjan, Accra, Bamako, Brazzaville, Bujumbura, Cairo, Dar Es-Salaam, Djibouti, Entebbe, Harare, Hargiesa, Khartoum, Kigali, Kilimanjaro, Kinshasha, Lagos, Lilongwe, Lome, Luanda, Lusaka, Nairobi, N'djamena and Zanzibar.

Ethiopian is supporting its cargo business with the opening of a brand new cargo terminal in Addis Ababa in November 2005 with a throughput capacity of 100,000 tonnes a year.

- **GLS opens parcel shops throughout Europe**



General Logistics Systems B.V., Amsterdam (GLS), is expanding its parcel shop network in Europe. The first drop points have already been set up in Austria, Hungary, Ireland and Portugal.

With the parcel shops, GLS offers private and commercial customers with sporadic shipments the possibility of sending consignments quickly, reliably and at attractive prices. Going shopping and sending parcels at the same time – GLS parcel shops are a practical and time-saving alternative to public postal office counters.

Following a shop-in-shop-system, the parcel drop points are integrated into news and tobacco shops as well as shopping centres. Shop operators also profit from the parcel shop idea: by offering this additional service they increase the attractiveness of their business.

- **Exel awarded Roche Stores contract**



Exel has been awarded a logistics contract to design and implement a new central distribution solution for department store group, Roches Stores.

Until recently each of Roches Stores' eleven retail outlets across Ireland has accepted deliveries directly from approximately 400 suppliers - based mainly in Ireland and the UK. Under the new logistics model, suppliers will now deliver merchandise to Exel's shared-user consolidation centre near Dublin Airport, from where orders will be picked and packed according to store

requirements and distributed in one daily consolidated delivery to every outlet.