



# The Logiskills Group

## Irish Freight & Logistics Monthly

September 2006

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### Dear Garvan,

Welcome to the September edition of Irish Freight & Logistics Monthly.

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)

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#### • **Irish Ports Struggle To Handle Freight**



New figures released by IBEC show that Irish ports are struggling to manage the growth in port trade. IBEC has called on the Government to urgently give the green light to additional freight-handling capacity.

There was 434,000 freight units shipped through Irish ports in the three months from April to June this year. This represents an annual growth rate of 8.6% in volume terms.

For the island as a whole, freight volumes grew by 6% which was in line with the increase for the first three months of the year. In the Republic, the LoLo traffic growth rate almost doubled compared with Q1 from 5.9% to 11%.

For Ireland as a whole, LoLo (load-on load-off) growth in Q2 was more moderate, at 8%, due to slower growth in

## Upcoming Events

Logistics Ireland 2006 6th  
October 2006, Dublin

4th European 3PL Summit  
October 3-5, Brussels,  
Belgium

SCM Logistics World 2006  
October 16-19, Singapore

23rd German Logistics  
Congress 18-20 October,  
Berlin, Germany

SITL Italy Exhibition,  
October 24-26, Verona,  
Italy

2nd Annual Total Logistics  
& Supply Chain (TLS)  
Congress Middle East  
2006 November 6-7,  
Dubai, UAE

Shipper Forum 2006  
November 20-21,  
Amsterdam, the  
Netherlands

Auto Logistics & SCM  
World China 2006  
November 28-30,  
Shanghai, China

Intermodal Transport and  
Logistics 2006 December  
5-7, Hamburg, Germany

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For Ireland as a whole, LoLo (load-on load-off) growth in Q2 was more moderate, at 8%, due to slower growth in Northern Ireland. LoLo growth also outstripped the rate of increase in RoRo (Roll on Roll off) in the Republic at 11% compared with 5.6%.

This freight data series, which was published for the first time earlier this year, is collated from returns from the main Irish seaports.

IBEC Transport Director Reg McCabe welcomed the strong freight numbers as a welcome indicator of domestic economic buoyancy, but warned that there is growing evidence of bottlenecks in the Republic's ports, which are struggling to handle the freight volumes.

Mr McCabe added that in the absence of decisions, growing congestion in ports will result in reduced efficiencies and increased costs for the freight industry.

## • Exports Rose by 3% In First Half



Seasonally adjusted figures from the Central Statistics Office show that exports climbed by 5% in July compared with June, to E7.7 billion. Imports were down 3% to E4.9 billion.

Detailed figures for the first six months of the year show that exports rose by 3% compared with the first half of 2005, but imports climbed at a faster rate of 6%.

Exports of medical and pharmaceutical products were up 8% in the first half, but chemicals exports dropped 4%. Exports to the US rose by 7%, while exports to Germany were up 8%. Exports to Belgium were up 6% to almost E6.6 billion, making it Ireland's second biggest export market, overtaking Britain.

On the imports side, petroleum and related products jumped by 25% to E1.8 billion, but other transport equipment, including aircraft, fell 55%..

Imports from China were up 26% to just over E2 billion, but US and Japanese imports fell 17% and 16%

## • IEA Highlight Pharmaceutical Export Standards

## Quick Links...

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



Life Sciences Ireland, a new industry division within the Irish Exporter's Association, highlighted that Life Science companies are continually challenged by the need to rapidly

develop sophisticated medical products using new technologies and healthcare techniques. Such developments pose a heavy demand on regulatory control systems both in Ireland and internationally. These new products can only be effective if they are distributed in a controlled and safe manner.

The enlargement of distribution and access channels on a global scale, growing use of the internet and penetration of substandard and counterfeit medicines into many markets is making the manufacturer's task and that of the regulatory bodies in Ireland and abroad more and more daunting.

Mr. Ger Downey, IEA Southern Region Chairman stated at the launch today, "We are not as a nation putting sufficient resources into the supply chain systems needed by the life sciences industry to ensure it remains competitive in the longer term. In my view it is vital to step up to a higher level of Good Distribution Practice for the sector and we need all the players from airlines to freight forwarders, shipping lines and third party providers to all move up to the higher standard with us."

"One objective of Life Sciences Ireland and its Accel assisted training programme is to give pharma/chem and medical device companies and their service suppliers in the supply chain including logistic specialists, airlines, shipping lines, freight forwarders and road haulage companies the opportunity to exchange information, leverage collaboration and strengthen vital links with regulatory bodies for the industry and other agencies"

The term "Life Sciences" encompasses multinational and indigenous manufacturing companies operating in pharmaceuticals, chemical, diagnostics, medical devices, biopharma and biotechnology.

Running parallel to Life Sciences Ireland is the "Accel Life Sciences Ireland Project". This is a project that is aimed at providing training in the areas outlined above and is part funded under the Accel Training Programme by the Department of Enterprise, Trade & Employment. Up to €16million has been granted for funding to approve projects for the period 2006 – 2008.



The European Union announced Monday that it will outlaw a system dating back to the 1870s which has allowed shipping companies to fix freight rates in exchange for ensuring regular services.

The ruling means that the so-called "block exemption on liner conferences" will end in October 2008, opening the industry to the Union's more restrictive competition rules.

The move risks sparking a war with the maritime transport industry, which is crucial for world trade. About 75 percent of EU exports and imports, in terms of volume, are carried out by sea, or around 45 percent in terms of value.

"The European shipping industry will benefit from the more competitive market that will result from the repeal of the block exemption and the EU economy as a whole stands to benefit from lower transport prices and more competitive exports," Internal Markets Commissioner Charlie McCreevy said.

It said it believed the ban would correct the "market distorting effects" of price fixing and result in lower prices for sea containers.

An independent study for the commission published in November 2005, found that transport prices would drop and service reliability improve if the liner conference system, essentially a cartel arrangement, were pulled apart.

It also found that there would be no negative effect on EU ports, employment, trade, developing countries, or small liner shipping carriers if the system, which dates from the 1870s, were ditched.

The shipping industry vehemently opposes any changes to the arrangement as it believes that the dramatic growth in world trade over the last decade would not have been possible without it.

#### • **Freight Forwarders Take Action On Security**



FIATA, the International Federation of Freight Forwarders Associations, has set up a special Working Group to deal with matters of security. The creation of the Working Group was announced at the 2006 FIATA World Congress, held in Shanghai from 18 to 21 September and attended by 1100 participants from 86 countries.

