

# Industry Update

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## **KWE(HK) Acquires OHSAS18001 Certification**

KWE proudly announces that KWE Hong Kong (HK) acquired "OHSAS18001 (2007)" certification on March 3, 2009 .

OHSAS (Occupational Health and Safety Assessment Series) is a labor safety and health certification standard established for the purpose of identifying potential hazards, assessing resultant risks, preparing response strategies and clarifying responsible offices and departments.

Introduction of the OHSAS18001 minimizes the risks of industrial accidents, increases employees' satisfaction and motivation levels, and helps to create a favorable workplace environment.



KWE(HK) commenced preparations to acquire this certification from the second half of 2007. Through making adjustments from various perspectives including evaluation standards, the operational and workplace environments of offices and departments subject to evaluation, KWE(HK) was successful to acquire OHSAS18001 certification.

At present, KWE(HK) is the only forwarder in Hong Kong that has acquired all ISO9000, ISO14000, TAPA and OHSAS18001.

## TAPA Predicts Increase in Cargo Crime

The global economic downturn will lead to an increase in incidents of cargo crime, according to the Transported Asset Protection Association (TAPA).

The latest reports from Incident Information Service (IIS) for EMEA region reflects:

- 3,756 incidents of cargo crime during 2008, with a total loss value of more than €170.6million.
- Just over 10 percent of crimes reported in 32 countries in EMEA in 2008 were classified by TAPA as 'major incidents'.
- Over 72 percent of the reported crimes were received from the UK, representing 2,720 incidents.
- Spain and Germany were the second and third highest reporting crime areas with 254 and 207 reported thefts.
- 1,775 incidents of truck theft were reported involving empty vehicles.
- The number of vehicle thefts (laden or unladen) nearly doubled to 2,067. The majority of these incidents occurred in non secured parking areas in the UK, Germany and France.

The unprecedented 50 percent increase to 102 cases in thefts from facilities were reported following a downward trend in recent years. The fraud also rose 24 percent to 31 incidents.

Additional training given to drivers to avoid violent attacks while on route is viewed as a main reason for 47 percent decrease in the number of vehicle 'hijackings'.

The most frequently stolen products in 2008 include consumer electronics, food and beverage, metal, clothing and footwear.

*Founded in 1997, TAPA now has associations in EMEA, Asia and the Americas. KWE, following on from the initial certification of its Hong Kong terminal in December 2001, now has 19 terminals worldwide with Class A certification.*



## KWE TransAtlantic Program

The Canada-UK campaign continues to make progress. KWE Canada and KWE UK teams have been working together to promote service between the two and many customer have gained efficiencies in their TransAtlantic shipments.

The KWE team is providing unique solutions to assist customers achieve better transit times and overall cost savings. A goal of the campaign is to bring awareness to importers and exporters about KWE's capabilities and the resources available to enhance their logistics needs. As a result, during this current market downturn many customers have been able to come to KWE for solid solutions on their TransAtlantic needs.

## IATA Revises Forecast for 2009

The International Air Transport Association (IATA) released a revised forecast for the global air transport industry with losses of US\$4.7 billion in 2009.

IATA forecasts that the year 2009 will be one of the toughest years ever for international aviation. The revised figure for 2009 is significantly worse than IATA's December forecast of a US\$2.5 billion loss in 2009.



In the month of January, global international cargo traffic plummeted by 21 percent compared to January 2008, after back-to-back 17 percent decline in November and December 2009, according to recent statement from Air Transport Association of America.

Regional differences remain significant:

- **Asia Pacific:** Carriers in this region expect to suffer the hardest due to worsening economic condition. The region is expected to see losses of US\$1.7 billion with 6.8 percent fall in demand and 4.0 percent drop in capacity.
- **North America:** Careful capacity management and lower spot prices for fuel are expected to yield the best performance for 2009 with a combined US\$100 million profit.
- **Europe:** The loss is expected to be significant, US \$1 billion in 2009. The outlook for continent's demand is drop of 6.5 percent as a result of 2.9 percent fall in the GDP.
- **Latin America:** The carriers from this region is expected to suffer losses of US\$600 million with drop in capacity by 3.8 percent and traffic plunge by 7.8 percent.
- **Africa:** The loss is expected to be six times the US\$100 million in 2008 with losing market share on long-haul routes and declining demand by 7.8 percent and 6.0 percent fall in capacity.
- **Middle East:** Despite the demand growth in 2009 (+1.2percent), this region is expect to experience a loss of US\$900 million (a slight deterioration from the US\$800 million loss recorded in 2008).

## "Known Consignor Declaration" in Germany

A new "Known Consignor Declaration" form will be used in Germany effective April 1, 2009.

The Luftfahrt-Bundesamt (LBA), the German Authority for Aviation Security, revised the security declaration of the "Known Consignor". The new form and the corresponding information leaflet can be downloaded on the LBA website ([www.lba.de](http://www.lba.de)), please look for keyword "Luftfrachtsicherheit" and "Reglementierte Beauftragte".

KWE (Deutschland) GmbH, as a regulated agent, will assist our customers in case of any questions. Customers who have already signed a "Known Consignor Declaration" with KWE do not have to sign the new declaration form as long as the old form is still valid.

## New Wood Material Requirements in Canada

Canada is changing wood packaging material requirements from China. Effective September 1, 2009 Canada will no longer accept phytosanitary certificates due to high rates of non-compliance.

Previously, the certificates were acceptable in lieu of the IPPC mark. However this practice will soon be changing and a valid International Plant Protection Convention (IPPC) mark will be the only accepted treatment certification method.

A phased-in approach for enforcement of the new IPPC requirement from China has been announced and outlined below by CBSA and CFIA:



### Phase I

The Canadian Food Inspection Agency (CFIA) is notifying Canadian importers that as of September 1, 2009, a valid IPPC mark is the only accepted treatment certification method for wood packaging material from China.

### Phase II

As of June 1, 2009 importers will be granted a three-month grace period whereby wood packaging material accompanied by a Chinese phytosanitary certificate in lieu of an IPPC mark will be allowed to enter Canada. The phytosanitary certificate is subject to a verification of the certificate's authenticity by Canadian Food Inspection Agency (CFIA) and China's General Administration of Quality Supervision, Inspection and Quarantine.

### Phase III

Effective September 1, 2009, the new policy change will be fully enforced. The Canada Border Services Agency will refuse the entry of any wood packaging material certified with a Chinese phytosanitary certificate in lieu of a valid IPPC mark"

Importers will be granted a three-month grace period from June 1, 2009. During which, wood packaging material accompanied by a Chinese phytosanitary certificate is subject to verification by CFIA and China's General Administration of Quality Supervision, Inspection and Quarantine.

CFIA's new policy for Chinese wood packaging will be fully enforced from September 1, 2009. Any wood packaging material certified with a Chinese phytosanitary certificate in lieu of a valid IPPC mark will be refused.

## Hactl Receives ISAGO Registration from IATA

Hong Kong Air Cargo Terminals Limited (Hactl) became the world's first cargo terminal operator to obtain ISAGO registration.

Hactl officially received the notification from the International Air Transport Association (IATA), confirming its status as the world's first air cargo terminal operator to have successfully obtained the IATA Safety Audit for Ground Operations (ISAGO) registration.

Hactl demonstrated outstanding operational and service integrity in conforming with ISAGO standards during corporate and stations audits which was held in May and October respectively.

Mike O'Brien, Director Programme Implementation/Auditing of IATA believes Hactl's new entry to the ISAGO registry will be a significant boost to their audit programme as the company has been independently recognised for its leading position and safety excellence in the region for many years.

He further noted that Hactl has taken a pioneering role in embracing ISAGO, which helps in promoting and ensuring high-levels of security and safety throughout the whole air cargo handling process. He believes that ISAGO is the solution for ground handlers to reduce accidents and injuries, contributing to cost saving and further efficiency among the industry players.

With TAPA certification and (ISAGO) registration, Hactl is committed to offering their customers risk-free and safe cargo handling allowing the airlines can focus on their core business.



## Rate Restoration in Hong Kong

Rate Restoration (R/R) service will be implemented for Hong Kong/South P.R.C to Intra-Asia shipment.

The rate will be applied as follows:

### Ex Hong Kong / S.P.R.C to Philippines

USD 75 per 20'  
USD150 per 40' / 40' HQ

### Ex Hong Kong / S.P.R.C to Vietnam, Thailand and Indonesia

USD 50 per 20'  
USD 80 per 40' / 40' HQ

### Ex Hong Kong / S.P.R.C to Penang & Paris Gudang, Malaysia

USD 30 per 20'  
USD 50 per 40' / 40' HQ

## Japan Joins Anti-Piracy Battle at Gulf of Aden

Japan has deployed two navy destroyers to fight against piracy off the coast of Somalia.

Considered the world's most dangerous waters, the Gulf of Aden has been plagued by piracy with more than 100 vessels being attacked last year. Many shipping companies have been avoiding the Gulf of Aden and sail around Africa despite additional costs.

The two Japanese destroyers, Sazanami and Samidare carrying two SH-60K patrol helicopters and a pair of speedboats are expected to reach Somali waters in early April. Together they carry about 400 sailors, including specially trained commandos.

Sazanami and Samidare are setting out to protect Japanese vessels in response to soaring pirate attacks off Somalia. It is estimated that about 2,000 of Japanese vessels sail through waters near Somalia every year.

Japan is amongst at least 20 countries that are trying to combat piracy in the region, including United States, Russia, India, Germany and Iran.

Officials from Gulf of Aden said piracy has been reduced in the Gulf of Aden since August 2008.



## WTO Foresees a Unprecedented Drop in Global Trade

The World Trade Organization (WTO) has predicted the largest decline in global trade volume since World War II.

The drop forecast is 9 percent by volume, even higher at 10 percent among developed countries and 2-3 percent decline among less-developed countries.

The International Monetary Fund (IMF) has forecasted a trade decline of nearly 3 percent, but the WTO's forecast was far more depressing.

Japan suffered another record drop in exports last month while imports also fell much more than expected. The export volume for February suffer dramatic decline by 49.4 percent year-on-year. This figure reflects the worst performance since Japan began keeping comparable trade statistics in 1980.

China also reported 26 percent fall in export in February from a year earlier, and 28 percent from January.

## Carrier News

- **China Airlines** will increase the number of flights to New York and Frankfurt, and add new flights to Sydney and non-stop flights to Vienna for the summer schedule.



An extra non-stop flight to Frankfurt began departing six times per week, beginning on March 29. At the same time, CAL's Taipei-New York frequencies will increase from three to four flights per week, and Taipei-Frankfurt frequencies will increase from five to six flights per week.

China Airlines will further increase frequencies to Sydney from four to seven flights per week. Together with its three weekly flights to Brisbane, CAL will offer highly convenient service to Australia, with 10 flights per week.

- Due to market instability in transatlantic trade, **Maersk Line** has announced a general rate increase, effective April 1.



The filed increases are as follows between Northern Europe and the East Coast and Gulf Coast of North America:

- USD 160 per 20' dry container
- USD 220 per 40' container/high cube/45' container/reefer

The filed increases are as follows between Northern Europe and the West Coast of North America:

- USD 200 per 20' dry container
- USD 300 per 40' container/high cube/45' container/reefer

The increases apply equally to all Eastbound and Westbound cargo moving between the US and Canada and Northern Europe.



- **Polar Air** has stopped operating B747F service between Incheon to Narita from March 2009. There were 5 flights a week on the lane. It is expected that approximately 150 Tons of supply a week has been reduced between this lane.

- On June 1st, **Air Canada** will start daily flights between Geneva and Montreal/Toronto. This service will be operated by Boeing B767-300 with 14 tons of cargo capacity."

- **Emirates Airline** released a plan to increase the number of flights across its network by 14 percent in 2009.

The new services includes flights from Dubai to Durban, South Africa in October, the first A380 flight between Dubai and Incheon in November, and the Singapore service in December which will initially run four times weekly.

- **Nippon Cargo Airlines (NCA)** began providing "AIR-AIR" service to Chubu via Narita from March 29, 2009.

**UPDATE : Bunker Adjustment Factor (BAF)  
Inland Fuel Charge (IFC)**

WESTBOUND (from USA to Asian destinations)				
	April 01 through June 30, 2009			
	20' dry	other dry	20' reefer	other reefer
<b>BAF – West Coast</b>	226	283	318	398
<b>BAF – East Coast</b>	455	569	608	760
<b>IFC – Pure truck</b>	44	44	44	44
<b>IFC – Truck/Rail</b>	153	153	153	153
EASTBOUND (from Asian origins to USA)				
	April			
	per 20'	per 40'	per 40HQ	per 45'
<b>BAF</b>	328	410	461	519
<b>IFC-Truck</b>	38	38	38	38
<b>IFC-RIPI</b>	66	66	66	66
<b>IFC-IPI</b>	132	132	132	132

## Holiday Schedule – April 2009

4	April	<b>Ching Ming Festival</b> – Hong Kong, Taiwan
6	April	<b>Tomb Sweeping Day</b> - China
10	April	<b>Good Friday</b> – Australia, Canada, France, Germany, Hong Kong, Ireland, Singapore, Philippines, UK, South Africa
13	April	<b>Easter Monday</b> – Hong Kong
22	April	<b>Voting Day</b> – South Africa
27	April	<b>Freedom Day</b> – South Africa

*Recently we have been seeing announcements from several carriers regarding pending Fuel Surcharge changes. The continued fluctuations of the global barrel prices are the driving force behind these possible and anticipated changes. KWE will continue to monitor the situation and provide updates as soon as more specific information is available. If you have any questions, please feel free to contact your local KWE office or Sales representative*



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