



KWE January 2011

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Kintetsu World Express (Saudi Arabia) Delivers for King Abdullah University of Science and Technology (KAUST)

On November 1st KWE Jeddah received 19 large skids containing 25.5 tons of very delicate clean room materials for KAUST University. Saudi ARAMCO, the party in charge of rigging and purchasing for KAUST University entrusted this difficult project to the KWE Jeddah team.

Since the 2 giant magnets were unable to be moved by forklift, KWE Jeddah arranged permission for a 50 ton crane and flatbed truck to be brought onto the airport platform to transfer the cargo from the plane to the truck. This delicate and precise procedure of moving skids weighing 9 tons and valued at over \$12 million dollars is a challenge that KWE took on and successfully fulfilled.

At KAUST University, the team used special air ride materials for moving the skids into the building to its final position inside the laboratory. The entire move from Brussels to KAUST laboratory was successfully completed in 4 days.

In 2011 KAUST will begin building a second and larger clean room - KWE Saudi Arabia is ready and looking forward to doing the job!



How do you move 25 tons of delicate clean room material from Brussels to Jeddah? Call KWE!



European Advanced Manifest Rule (EU24) Is In Effect

Effective Jan 1, 2011, European Union (EU) Regulation 1875/2006 - Entry Summary Declaration (ENS) - becomes mandatory. This regulation requires an advanced electronic declaration of goods being carried into the customs territory of the EU, as well as participating non-EU countries Norway and Switzerland.

The regulation applies to:

- Goods to be imported in to the EU, Norway and Switzerland;
- Goods to be transshipped through an EU port for a destination outside the EU;
- Goods to be re-loaded in an EU port for transit to a destination outside the EU; and
- Freight Remaining on Board (FROB).

The purpose of the regulation is to allow Customs authorities in the EU member states to assess the security risk of goods prior to arrival in the EU.

The timing requirements for sending ENS data vary depending on the mode of transportation used to bring the goods into the EU:

- Short haul flights (with a duration less than four hours) must be filed upon departure
- Long haul flights (with a duration over four hours) must be filed at least 4 hours prior to arrival at the first airport within the EU customs territory
- Containerized Maritime Cargo (except short sea shipping) must be filed at least 24 hours prior to loading at the port of departure
- Bulk / Break bulk maritime cargo (except short sea shipping) must be filed at least 4 hours before arrival at first EU port
- Short Sea shipping maritime cargo must be filed at least 2 hours prior to arrival at first EU port
- Truck shipments must be filed at least 1 hour prior to arrival at first EU port

While it is the responsibility of the carrier to submit ENS data to the appropriate EU member state within the required time frame, KWE will work closely with our customers to ensure that there will be minimal impact on shippers in meeting the ENS requirements. To accomplish this, it is important that complete and timely information be provided in the shipping instructions to avoid cargo delays.

Carriers will need to receive the following information in order to file an ENS:

- Full name and address of shipper and consignee
- Full name and address of notify party where goods are carried under a negotiable "to order" B/
- Container number
- Goods description (general terms for example "consolidated cargo" or "general cargo" cannot be accepted)
- Minimally first four digits of the HS code
- Number of packages
- Cargo gross weight
- Seal number
- UN dangerous goods code where applicable
- Method of payment in case of prepaid, for example "payment in cash", "payment by check", "electronic credit transfer", etc.

KWE will continue to monitor the updates and keep our customers informed.

*A list of acceptable goods descriptions guidelines can be found on the European Union website:

http://ec.europa.eu/taxation_customs/resources/documents/customs/policy_issues/customs_security/acceptable_goods_description_guidelines_en.pdf

KWE Again Honored to Transport Beaujolais Nouveau Wines

KWE France and Japan were once again given the honor of handling the transport of France's famous Beaujolais Nouveau wines. Notably one of the finest, these wines need no introduction – each year, the third Thursday in November is highly anticipated by many looking forward to the first taste of the season's Beaujolais Nouveau.

KWE France shipped nearly 2,000 tons of wine by air and 6 TEUs by sea to Japan with a sales amount of 3.4 million Euro. KWE deployed 214 trucks throughout the Beaujolais area to collect the 1,500,000 bottles of wine. The supply chain process was successfully managed by a specialized team of 6 persons, available 24/7, who closely monitored each step of the process starting from the wine cellars through delivery to the customer's door.

Among the famous French vintners are well known names such as Albert Bichot, Georges Duboeuf and Mommessin, Among the famous Japanese customers are Mercian, Suntory, Godo Shusei, Royal of Japan, Asahi, Seven-Eleven, Jalux and Nippon Liquor.



Many consider this year's Beaujolais Nouveau wine the best tasting compared to the previous 50. To our friends in Japan who have enjoyed this season's vintage, a hearty THANK YOU from KWE for trusting us with the transport of this fragile and valuable treasure!

KWE Windsor Customs Brokerage Office Celebrates 20 Year Anniversary

KWE Canada is pleased to announce the 20 year anniversary of the Windsor Customs Brokerage office! The KWE Windsor office is strategically situated at one of the busiest border crossings in North America, on the Canadian side of the world famous Ambassador Bridge. The city of Windsor is located across the river from Detroit, Michigan. More than 25% of the commerce between the United States and Canada make the crossing here, delivering automotive goods and an ever expanding range of electronics, raw material and perishables to consumers and manufacturers on both sides of the border.

The Windsor office was established on December 10th, 1990. Since then the office has successfully grown to a staff of ten under Manager, Mrs. Dian Wollison's strong leadership.

With advanced technology KWE Windsor has expanded its services to support clearances throughout Canada in addition to the local border clearance. With 24/7 operations Monday through Friday, live and pre-clearances are conducted ensuring that KWE customers enjoy a seamless service. The Windsor office has also begun to play a pivotal role in Customs Consulting. As the need for importers to become more compliant increases and with constant changes of new Canadian regulations, KWE's consulting team has stepped up to meet the challenges by providing our customers with solid solutions.

The Ambassador Bridge opened in 1927 to usher in a new era for Canada-US cross-border trade. Prior to the existence of the bridge, railcars and tractor-trailers were transported across the Detroit River by ferry. The ferry still operates to this day, carrying hazardous cargo that is not allowed on the bridge. In addition to the Ambassador Bridge, a tunnel was built under the river-bed in 1930. Although the tunnel is used for some commercial traffic it is mainly used by the general public.



More than 10,000 trucks a day cross the Ambassador Bridge between Detroit, Michigan and Windsor, Ontario!

Kintetsu World Express (Canada) wishes to convey its appreciation to the KWE Windsor team and to our customers for their wonderful support!

KWE FYI

KWE FYI is a section within our Industry Update featuring items and trends of interest relevant to transportation and logistics, global trade and future developments that may have impact in these areas



Ocean Market: A Look Back at 2010

The Asia-US container trade emerged from the Asian Lunar New Year holidays surprisingly strong, with healthy U.S. retail sales and business inventory replenishment suggesting the beginnings of recovery.

Tight vessel capacity and a shortage of container equipment were prominent during the first half of 2010. At one point global recession had parked upward of 540 container vessels worldwide in layup and sparked unprecedented service consolidation.

By the end of June, volumes had reached 2.75 million 40-foot containers (FEU), a 17% increase over the same period a year earlier. The growth trend continued through August, but has since begun to moderate.

Dry container production in Asia - mainly in China - dried up during 2009, forcing factory closures by the world's major equipment suppliers. Pulling those ships back into service, reopening factories and recruiting and training new workers has taken time but significant progress has been made in restoring capacity to the transpacific trade.

In the transpacific market specifically, 14 services had been launched or restored by Q3, Alphaliner reports a 17% increase in transpacific capacity during 2010, with 9% growth in Q3 alone. TSA member lines have varied widely in their individual economic and competitive decisions to adjust capacity, but member lines' combined average weekly capacity at the end of August 2010 was 6% above levels at the same time a year earlier. A number of carriers introduced 'extra loaders' into service, ships added to an existing vessel rotation purely to meet surging demand eastbound and return empty containers from US port areas to Asia quickly.

The Asia - US growth trend continued through August but quickly after began to show signs of weakening caused by mixed signals in the economic data. The results in Q4 show that consumers are saving and paying off debt rather than spending, and when they spend they continue to look for value and discounts. Businesses have invested in IT and office equipment to improve productivity, maintaining existing employees but not hiring new workers.

Rates have shown steady improvement with negotiation of the new 2010-11 contracts which substantially restore eastbound rates to 2008 levels. However, mixed signals in the U.S. have caused container lines to hesitate in further restoring capacity and services to the market.

Marine bunker fuel prices continue to exhibit volatility, although not to the same degree seen in the past two years. Prices in the \$440-460 per metric ton range account for more than half of total fixed operating cost per sailing and place pressure on carriers to scale operations precisely or risk losses that may not be fully recovered for a period of months.

Industry forecasts expect Asia-US cargo growth slowing to single digit growth in 2011 based on current trends. Carriers will also see delivery of some new vessels that had been delayed in 2009-10. This will require very careful fleet planning and close monitoring of trade trends in the coming year.

Carrier News

Emirates Will Fly Daily Between Dubai and Geneva

Geneva Airport proudly announces that effective June 1, 2011 Emirates will operate a daily flight to its Dubai hub.

This excellent news confirms the attractiveness of Geneva Airport and the strength of its market for new long-haul routes. The service to Dubai will allow passengers to reach this dynamic destination more easily and to benefit from the airline's outstanding network of connections throughout the Middle East, Asia and Africa.

Emirates will be increasing its international network in June 2011 with the launch of non-stop, daily flights between its Dubai hub and Geneva.

Geneva, one of the most important banking and financial cities in the world, will become Emirates' 26th destination in Europe. Geneva is also home to over 300 international governmental and non-governmental organizations, such as the United National Office in Geneva (UNOG), the World Trade Organization (WTO) and the World Health Organization (WHO).

Beginning June 1st, EK 089 will leave Dubai each day at 0855hrs and arrive in Geneva at 1410hrs. From Geneva, EK 090 will depart at 1540hrs, arriving in Dubai at 2359hrs.

The service will operate with a combination of Boeing 777-200LR and Boeing 777-300ER aircraft, in a three-class configuration, offering Private Suites in First Class, lie-flat seats in Business Class, and a spacious cabin in Economy.

Emirates expect to use the full 15-20-tonne cargo capacity per flight. There is a strong demand out of Geneva for transporting valuable cargo such as luxury watches, high-end fashion goods, electronics, chemicals and pharma products. Diplomatic cargo and relief shipments for the International Red Cross are also commonly transported.



New Investors for China Cargo

EVA Airways and Singapore Airlines Cargo are each taking a 16 percent stake (\$49 million each) in Shanghai-based China Cargo Airlines.



China Cargo was established in 1998 and operates hubs at Shanghai's Hongqiao and Pudong airports with a mixed fleet of Airbus A300, MD-11 and B747-400 freighters.

China Cargo is among several carriers from China and Taiwan, including Air China Cargo, China Southern Airlines and Yangtze River Express, that are allowed to operate cargo flights across the Taiwan Strait. An additional carrier, China Postal Airlines, has just been granted permission to fly the route. China Postal began flying in 1996 and operates 17 B737 freighters.

SIA Cargo's president, Tan Kai Ping, commented, "We are excited about the joint venture. It affords SIA Cargo greater participation in the booming cargo transportation sector in China, and we look forward to working closely with our new partners."

EVA said that the investment, via subsidiary Concord Pacific, is part of restructuring efforts made by China Cargo, which is merging with Shanghai Airlines Cargo International. Shanghai Airlines Cargo was set up in 2006. EVA is one of its founding shareholders, with a 25 percent stake worth \$25 million.

Update: Bunker Adjustment Factor (BAF) and Inland Fuel Charge (IFC)

WESTBOUND (from USA to Asian destinations)				
	January 01 through March 31, 2011			
	20' dry	40'-45' dry	20' reefer	other reefer
BAF – West Coast	420	525	591	739
BAF – East Coast	834	1042	1110	1387
IFC – Pure truck	72	72	72	72
IFC – Truck/Rail	248	248	248	248
EASTBOUND (from Asian origins to USA)				
	January 01 through March 31, 2011			
	per 20'	per 40'	per 40HQ	per 45'
BAF – West Coast	294	368	414	466
BAF – East Coast	582	727	818	920
IFC-Truck	72	72	72	72
IFC-RIPI	124	124	124	124
IFC-IPI	248	248	248	248



January Holiday Schedule

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Martin Luther King Jr. – USA

All offices open