CPN CARGO PARTNERS NETWORK

VOLUME 2, ISSUE 4, JUNE 2017

... WELL CONNECTED

the CPN Bulletin

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First Global Logistics
Shipping And Forwarding

EFS LOGISTICS
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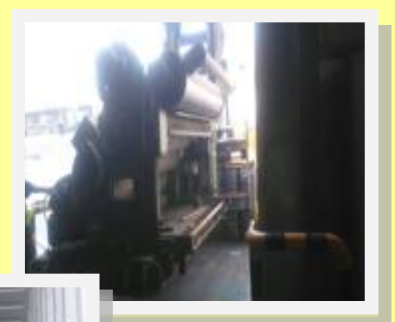
Successful Production Line Machinery Project, undertaken by CPN Companies First Global Logistics and Express Forwarding Services

First Global Logistics, Egypt and **Express Forwarding Services** of **Saudi Arabia** were awarded by one of the biggest Pulp & Paper companies in the Middle east the shipping of their new Production lines Machinery from **Riyadh**, **KSA** up to **Alexandria**, for their new Plant in Egypt .This nomination came after hard competition with other multinationals and many proposal phases.

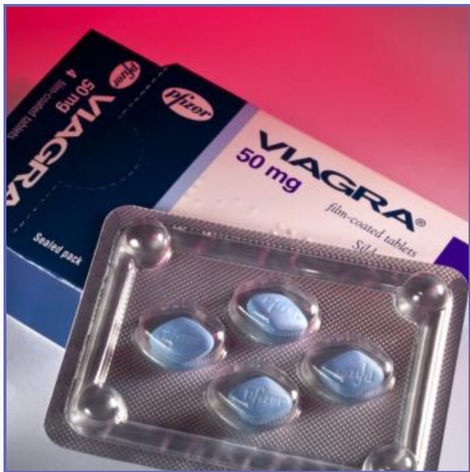


The scope of shipping for this project was from door supplier in Riyadh to final place of delivery in Alexandria, Egypt The first freight was successfully shipped (Production line 1) from April 2017 covering the following areas:

- Cargo survey @site .
- Machinery dismantling following technical protocols
- Cranes/Fork lifts/Labors mob-demo @ supplier's site
- Loading / stuffing/ lashing & securing
- Trucking Empty & full crates from Jeddah port to Supplier address & trip full back
- All road permits & approvals for OOG
- All customs clearance & documentation formalities at origin/destination
- On carriage from Alexandria port to client's Plant

The 1st Job was accomplished by shipping 18 containers (11*40'Hc + 3*40'OT OOG + 4*40'OT IG)
Total Weight : 330.00 tons total CBM : 1081.00 M3 .

Forwarders warned again: don't pay the price for misdeclared shipments



By Gavin van Marle in Singapore
08/02/2017

Forwarders have been warned of the potentially high cost of doing business without proper checks on new shippers. The reminder came from the **WCA** freight network at its annual conference in Singapore.

Andy Robins, WCA customer relations manager, told *The Load Star* that several recent cases had underlined how simple background checks could have prevented forwarders from becoming liable for a huge environmental pollution fine and unpaid customs duties.

One case involved a sea fright shipment from the US to Rotterdam. The cargo was misdeclared as “scrap metal” and on arrival in Rotterdam it was found to contain radioactive waste. The US freight forwarder had put its name on the bill of lading, making it liable for part of the disposal costs. It had also failed to check with the consignee in the Netherlands that it was expecting to receive the shipment.

Mr Robins said: *“The named consignee was only contacted once the shipment arrived in Rotterdam, and knew nothing about it. Basically, it was from a bogus shipper in the US which then disappeared.”*

The shipping line – in this case, **CSAV** – was fined by the Dutch authorities and tried to recoup part of that from the US forwarder, which eventually settled a bill of $200,000 and also had to pay $1.2m for the disposal costs. *“The forwarder was entirely innocent but had to cough up – it should have done a proper check on the shipper,”* he added.

In a second case, a consignment of **Viagra**, shipped by air from India to the UK, had been misdeclared as “medical supplies” that were not subject to duty.

The shipment – between two **WCA** members – was under a delivered-at-place (DAP) incoterm, which means the consignee was set to collect the goods from the UK agent’s warehouse. However, UK Customs inspected the shipment and found it to contain dutiable goods, leaving the UK agent potentially liable for £1,800 in duties.

“The deal between the companies was that the UK agent was not allowed to contact the consignee, and there are some relatively good reasons for that, but what we are saying is that, as the receiving agent you take quite a big risk when you accept a shipment for an unknown consignee. “What we are advising now is that it is better to say you will contact the shipper, but only to verify them, and not to discuss charges,” Mr Robins said.

Reproduced from the Load Star,

VOLUME 2, ISSUE 4, JUNE 2017

DIGITIZATION !!!!

The maritime industry and broader ocean supply chain are suffering from major and costly inefficiencies due to ineffective data sharing and poor cross-industry collaboration, according to a new report and industry survey released today by the Business Performance Innovation (BPI) Network in coordination with Navis and XVELA, both part of Cargotec.

The study is based on a global survey of more than 200 executives and professionals from terminal operators, carriers, logistics providers, vessel owner as, port authorities, shippers, consignees and other members of the global ocean supply chain.

This news surfaced just reports of increased ocean carrier cooperation and digitized offerings are taking hold while the industry copes with capacity challenges. From what is being seen, there is a desire among big carriers to accelerate digitization and collaboration efforts in order to achieve greater efficiencies and visibility across the supply chain.

The study indicates that importers, exporters, container carriers, terminal operators, vessel owners and other stakeholders suffer from poor visibility and predictability around shipments and are losing money due to a lack of partner synchronization and insufficient data insight.

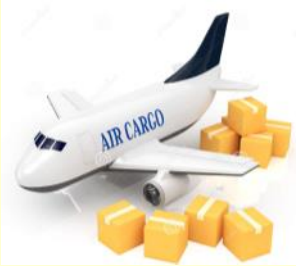
However, there is recognition, particularly among industry leaders interviewed, that digitization and mindset shifts are afoot, and will be a boon to all players in the industry. *"Everyone benefits from collaboration and data sharing,"* says Andreas Mrozek, Global Head Marine & Terminal Operations for the Hamburg Sud Group, one of the world's largest container shipping lines. *"It starts with the customers and moves to the carriers, then the terminal operators, vendors, freight systems, truck companies, and keeps going down the line. Closer collaboration is a compelling value proposition for each supply chain partner."*

Ninety percent of survey participants said real-time data access and information sharing was important to increasing the efficiency and performance of the shipping industry. Some 82 percent said the industry needs to improve supply chain visibility.

The push for improvements will likely come from a combination of forces, according to industry executives. Shippers will push for better operational visibility; alliances will demand better ways for their carrier members to share information to improve efficiencies and customer service; and terminals and port authorities under pressure to increase utilization and optimize existing infrastructures.

Extracted from Logistic Management, June 21, 2017

Above average air cargo growth trends



Global air cargo traffic increased 8.5 percent year on year in April, down from 13.4 percent in March; but well above the average annual growth rate of 3.5 percent over the past five years, the **International Air Transport Association** said. All regions, except Latin America, reported higher traffic, with Europe and Asia-Pacific accounting for more than 70 percent of the annual increase, according to the industry body.

Capacity growth, measured in available freight tonne kilometers, slowed to 3.9 percent in April from 4.2 percent in the previous month.

"Over the whole year, air freight is headed for a healthy growth rate of 7.5 percent, supported by strong pharmaceuticals and e-commerce," **IATA** said. However, there are signs the cyclical growth peak has passed particularly given that the inventory-to-sales ratio stopped falling at the end of last year. *"Demand eased in April. Growth rates, however, are still much more robust than anything we have seen in the last six years,"* said **Alexandre de Juniac**, **IATA's** CEO and General Director. *"That's good news, but it should not be taken as a message that all's well in air cargo. The industry's antiquated processes need modernization".*

- European airlines posted a 12.9 percent increase, down from the 18.2 percent surge in March, but way above the five-year average of 3.5 percent. International traffic grew 13.1 percent as the weak euro continued to boost exports. Capacity was up 6.9 percent.
- US carriers' traffic grew 7.3 percent, outpacing a 2.1 percent increase in capacity. The strength of the US dollar continues to boost the inbound freight market, but is keeping the export market under pressure.
- Volume at Middle East carriers rose just 3.1 percent, sharply down from 13.6 percent in March, largely due to weakening traffic with Asia.
- Latin American airlines' traffic contracted 1.9 percent in April as demand skirted a seven-year low and was down 18 percent from the peak in 2014. The region's carriers reduced capacity by 0.2 percent, which limited the negative impact on their load factors.
- African airlines grew traffic by 26 percent and capacity by 17.7 percent driven by surging demand on Asian trade lanes that has risen by 55 percent in the first four months of the year.

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SEND US YOUR FEED BACK

We are always open to your comments and suggestions. Let us know what topics you would like to see discussed in our Bulletin and your impressions about this new era of communication we are initiating. By getting better communicated, the impact of our interactions will increase and be potentiated. Keep in mind the increases challenges that globalization imposes to us and, in consequence, apply this valuable formula: *"Act locally; but think Globally"* [Not a CPN member? If you are interested to receive this Bulletin, please send an email to subscribe to cpn@cargopartnersnetwork.com]

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