

## COMMERCIAL NEWS

### SHORTAGES OF CONTAINERS POSSIBLE

The Financial Times reports that container shipping demand is rebounding so fast that there might be too few containers available for Asia's exporters during the coming busy season, several container shipping lines have warned.

Denmark's Maersk line, the market leader, Hong Kong's OOCL, one of the most admired operators, and another significant line have all said soaring growth - running at about 23 per cent year-on-year in Asia-Europe trade - has wrong-footed them.

Partly because they had expected only single digit growth, none has ordered enough containers to cope with this year's peak season, which traditionally runs from June to October. The peak is a result of shops' stocking up ahead of northern hemisphere summer holidays and the run-up to Christmas,

The surprise rebound comes after a worldwide container trade slump of about 10 per cent in 2009, making it the worst year in the industry's 54-year history.

Lars Reno Jakobsen, Maersk Line's head of Network and Product said neither the line nor its customers had anticipated the unprecedented surge in demand in most trades. The market had been expecting only single-digit growth just six months ago.

"We already see a very tight equipment situation, he said. "We expect an even more pronounced and serious shortage of containers in the coming months as we enter the peak season.

"Maersk Line, part of the AP Moller-Maersk Group, had ordered new containers and was leasing others," Mr Jakobsen said. It had also reactivated previously laid-up ships - including a series of super-fast ships moored on Loch Striven in Scotland - to rush empty containers from consuming areas back to Asia.

CL Ting, Managing Director of corporate planning for OOCL, said the problems had been exacerbated by strikes in Chinese container factories and the slowing down of most ships in the past two years to save fuel.

Exporters from Asia might find lines turning goods away because of equipment shortages, he warned.

"Equipment shortage certainly will have an impact on booking acceptance in the months ahead, should trade volume stay strong," Mr Ting said.

Another carrier, which asked not to be named, said customers were being encouraged to return empty containers as soon as possible.

"If this is not done effectively then there will definitely be major market shortages of equipment in August and September, resulting in vessels sailing under utilised," it said.

### DOUBLE-DIP RECESSION FEARS SPOOK FORWARDERS

European freight forwarder confidence has been shaken by fears that the euro debt crisis could prompt a double-dip recession.

Danske Bank's monthly European Freight Forwarding index of business sentiment, which surveys 148 companies, dropped from 78 to 70 in May, lower than where participants expected the index to be two months ago.

"Our index shows the euro debt crisis is starting to hit the freight market," Denmark-based Danske Bank analyst Johannes Moller said.

"The market was still strong in May but not as strong as participants expected two months ago, and expectations are sliding for the second month in a row.

"It is still too early to conclude whether the euro debt crisis will lead to a double-dip recession, but the index for this month clearly shows that uncertainty about the future is affecting freight volumes."

The latest index puts a question mark over growing optimism that a sustainable recovery, rather than temporary inventory rebuilding, was the cause for sizeable increases in maritime and airfreight volumes during the 2010 first quarter.

### PORT BOTANY'S APRIL TRADE CONTINUES RECORD RUN

Container trade through Port Botany reached 153,400 teu in April, up 10.7% on the same month last year in the middle of the global freight traffic slump.

More than 1.6m teu moved across the wharves at the port in the first 10 months of the 2009/10 financial year, a 5.4% increase on this time last year.

It is the seventh consecutive month-on-month record for the port.

Much of the growth in April was driven by full import containers, which grew 13.4% to 77,600 teu.

However, the total number of exported boxes fell 4.6% compared with April 2009.

### VOLCANIC IMPACT ON FREIGHT REVEALED

Although the volcanic ash disruption that resulted in massive flight cancellations had a big effect on the recovery in passenger volumes and revenues, the impact on cargo was less severe. Although year-on-year growth for April was not as buoyant as in March it still represented a healthy recovery in trade experienced for much of 2010.

IATA announced that passenger demand slumped by 2.4 per cent as a result of the eruptions of the Icelandic volcano. International scheduled cargo traffic, however, saw 25.2 per cent growth in April, only slightly down from the 28.1 per cent improvement recorded in March.

## PACTRAK: TRACK YOUR SHIPMENT

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Pacific Network's specialised tracking system provides:

- ◆ Customised and Flexible Performance Reporting - On time delivery, transit time reviews, exception reporting
- ◆ Freight Management Reports
- ◆ Management of commercial documentation
- ◆ Customised Tracking options
- ◆ Purchase Order Management - Full or part item level tracking (down to Style, SKU/EANS)

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- Project Management
- Electronic Messaging
- Re-ticketing and other value added services

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## WORLD HOLIDAYS

### HONG KONG

July 1 SAR Establishment Day

### UK

July 12 Orangeman's Day (N Ireland)

### USA

July 4-5 Independence Day

### CANADA

July 1 Canada Day



## STAFF MILESTONES

### MELBOURNE

Kim Lance 16 years

Michelle Timpano 16 years

Justin Turner 4 years

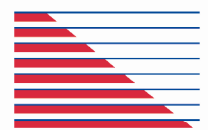
### SYDNEY

Carlos Molina 3 years

Maureen Smith 9 years

### PERTH

Lynette Pileggi 5 years



**PACIFIC NETWORK**  
Global Logistics