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## *WEEKLY NEWSLETTER*

Week 43 October 20<sup>th</sup>, 2013

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#### PMI heads for 7-month high

*Xinhua | 25-October-2013*

British bank HSBC Holdings Plc said that China's manufacturing Purchasing Managers' Index will rise to a seven-month high of 50.9 in October, up from 50.2 in September, suggesting the overall economic growth momentum is likely to be extended after the recovery seen in the third quarter.

Stronger domestic demand supported a rise in the output sub-index to 51 — a six-month high — compared with a reading of 50.2 for the sub-index in September, HSBC's flash PMI data showed.

New orders and export orders also are stronger.

A reading above 50 means expansion in the manufacturing sector.

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#### Tianjin applies for China's second FTZ

*Xinhua | 24- October -2013*

North China's Tianjin is applying for the a free trade zone of its own after the first such zone went operational late last month in Shanghai.

Zong Guoying, head of the Tianjin Binhai New Area (BNA), confirmed to Xinhua on Thursday that the BNA had completed a draft plan for the zone, and all documentation was with the central government.

"We are optimistic that the plan will get approval but we are not certain," said Zong, also the vice mayor of Tianjin.

"No matter what, we will continue to open up," Zong said, noting that the Tianjin BNA would explore a "negative list" approach for investment.

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#### Express rail service to boost China-Europe trade

*Xinhua | 14-October -2013*

A regular express train from Poland to southwest China's Sichuan Province is expected to be inaugurated by the end of this month, authorities with Sichuan's Chengdu City said on Thursday.

The first one-way express rail service in the opposite direction -- from Chengdu to Lodz in central Poland, crossing Kazakhstan, Russia and Belarus -- began running on April 24.

The rail transport is organized by China's Chengdu Hatrans YHF Intermodal Logistics, and Lodz-based logistics firm Hatrans is the train operator in Poland.

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### Cooperation between Taiwan, Shanghai FTZ proposed

*Xinhua | 27-October -2013*

The Chinese mainland and Taiwan adopted 19 joint proposals at the Ninth Cross-Strait Economic, Trade and Culture Forum, including one encouraging the island's cooperation with the newly built Shanghai Free Trade Zone (FTZ).

The proposal, announced by the Kuomintang (KMT) Party's vice chairman John Chiang, states that comprehensive cooperation should be conducted between a pilot free economic area in Taiwan and the Shanghai FTZ as well as another three pilot economic areas in eastern China's provinces of Fujian and Jiangsu.

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### China sets up first state-level IOT alliance

*Xinhua | 24-October-2013*

Chinese enterprises and research institutions on Thursday established the country's first state-level industrial alliance for the Internet of Things (IOT).

IOT refers to digital networks of physical objects that are linked by the Internet and interact through web services. Everyday goods will be connected to the Internet and be identified by other devices.

Launched by the China Electronics Technology Group Corporation, the alliance will conduct research on IOT

polices, technologies and industrial development, as well as promote innovation and provide public services.

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### China's tax revenue rises 9 pct in first three quarters

*Xinhua | 21-October-2013*

China's tax revenue, a major source of the government's fiscal income, grew 9 percent year on year in the first three quarters, the Ministry of Finance (MOF) announced Monday.

During the January-September period, the government collected tax revenue totaling 8.44 trillion yuan (1.38 trillion U.S. dollars). The growth was 0.4 percentage points higher than the rate seen in the same period last year, the data showed.

The ministry attributed the steady growth to a low comparison base, improving economic strength, as well as the booming property market that has lifted related tax incomes.

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### **Rising Chinese demand fuels Australia's Victoria state exports**

*English. news .cn | 21-October-2013*

Soaring demand from China has triggered a surge of exports in Australia's Victoria state.

As surging demand for Victorian grain, beef and lamb was registered in China, the value of the state's farm and food exports has hit a record high of 9.4 billion dollars, Australian newspaper the Age quoted a report as saying on October 17.

The figures were released in the report Victorian Food and Fibre Export Performance 2012-13 by its Agriculture Minister Peter Walsh.

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### **China buoys up New Zealand exports amid market declines**

*English. news .cn | 24-October -2013*

China edged closer to overtaking Australia as New Zealand's biggest trade partner by buoying up New Zealand exports amid falls in other major markets in the quarter ending September.

New Zealand exports were up 9.4 percent in the September quarter, while imports rose by 8.4 percent, Statistics New Zealand announced Thursday.

Export values hit 12.1 billion NZ dollars (10.18 billion U.S. dollars) led by the largest export group of milk powder, butter, and cheese, which saw values rise by 20 percent, or 551 million NZ dollars, while import values rose to a record 12.7 billion NZ dollars, said a statement from the government agency.

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### **Western Chinese auto export growth shrinks as currency strengthens**

*shippinggazette | 24-October-2013*

Technical barriers and the appreciation of Renminbi have caused a slowdown in the export of Chinese-made automobiles this year from the western China region, putting an end to continuous annual growth, Xinhua reports.

From January to August this year, automobile exports via customs checkpoints in Xinjiang fell 12.1 per cent year over year to 14,154 vehicles. The value also fell 16 per cent to US\$550 million.

In August, auto exports fell 40.7 per cent year on year and 39.8 per cent over July to only 1,579 vehicles.

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### Yangshan's main navigational channel open to two-way traffic

*shippinggazette | 23-October-2013*

Port of Shanghai's Yangshan terminal has started to allow sailings in both directions on its main navigational channel, which has expanded the terminal's capacity that had been restricted by the navigational channel.

The 28-nautical mile Yangshan channel handles 100 ships moving a day in and out of the terminal, which comes to 14.15 million TEU a year, reaching 52 per cent of the designed capacity.

Enabling simultaneous movement in two directions will reduce dwell time from three and a half hours to one hour and 45 minutes, while the berth utilisation rate will increase from 72 per cent to 84 per cent, reports Xinhua.

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### Tianjin's 300,000-tonne capacity ship channel soon to be completed

*Shippinggazette | 25-October--2013*

The second phase of Tianjin's 300,000-tonne capacity navigation channel, which started construction in 2012, will be completed by the end of the year, Xinhua reports.

The channel will enhance Tianjin's port capacity, said Xinhua. The first phase was the dredging of the existing 250,000-tonne channel to 21 metres. The second phase involved dredging to 22 metres.

After completion of the phase two, tankers and bulkers of 300,000 tonnes, drawing 20 metres can use the channel.

Four state-of-the-art dredgers are working day and night at the navigational channel to ensure the project is finished in time, said Xinhua.

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### Mega-Ships Drive Investment in US West Coast Infrastructure

*JOC Staff |24-October-2013*

West Coast ports today are capable of handling the water and landside demands that the current generation of big ships are making on their infrastructure, but they must spend billions of additional dollars to accommodate even bigger container ships that will call there in the next few years.

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### **Konecranes: Third quarter order intake down, profitability improved from the beginning of the year**

*Konecranes Plc | 24-October-2013*

Figures in brackets, unless otherwise stated, refer to the same period in the previous year.

#### THIRD QUARTER HIGHLIGHTS

- Order intake EUR 412.9 million (458.0), -9.9 percent; Service -6.3 percent and Equipment -8.8 percent.
- Order book EUR 1,018.9 million (1,085.1) at end-September, 6.1 percent lower than a year ago, 5.6 percent lower than at end-June 2013.
- Sales EUR 502.9 million (529.8), -5.1 percent; Service -1.7 percent and Equipment -6.3 percent.
- Operating profit excluding restructuring costs EUR 32.4 million (37.0), 6.4 percent of sales (7.0).
- Restructuring costs EUR 23.6 million (0.0).

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### **OOCL merges two all-water US east coast services for winter season**

*Shippinggazette | 21-October-2013*

HONG KONG's Orient Overseas Container Line (OOCL) has announced that its all-water Savannah New York Express (NYE) and South China East Coast Express (SCE) Asia loops to US east coast will be merged into a new NYE/SCE Combo for the winter.

"Market conditions will continue to be monitored while

this service arrangement runs until approximately May of 2014," said the OOCL statement.

Specifically, the NYE's last sailing will be that of the 4,922-TEU Hyundai Grace 052E departing Kaohsiung on October 28. The SCE's last sailing will be the 3,320-TEU ZIM Haifa 39E departing Xiamen on October 24.

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### **China-Australia AADA rates to increase US\$300/TEU from November 17**

*Shippinggazette | 21-October-2013*

The Asia Australia Discussion Agreement (AADA) quasi-conference of carriers will increase rates US\$300 per TEU and US\$600 per FEU on all cargo from Hong Kong and mainland China to Australia from November 17.

"This increase will apply in full on top of existing ongoing market rates and will be subject to accessorial surcharges applicable at the time of shipment," said the AADA statement.

AADA members are ANL Singapore, China Shipping (HK), Cosco, Hamburg Sud, Hanjin Shipping, Hapag-Lloyd, Hyundai Merchant Marine, "K" Line, Maersk, MSC, MOL Line, NYK and OOCL.

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### Emirates Far East-Mideast rate to rise US\$500/TEU from November 1

*shippinggazette | 21-October-2013*

Emirates shipping Line has announced a rate increase of US\$500 per TEU and \$1,000 per FEU on all westbound cargo to Middle East region from Far East and South East Asia from November 1.

Emirates, registered in Dubai but administered from Hong Kong, said it was making the increase "in light of recent developments" and "in line with market conditions".

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### Japanese owners gearing up for major LNG fleet expansion

*Seatrade Global | 21-October-2013*

Japan's top shipowners are gearing up for a major expansion of their LNG shipping fleets according to the Marshall Islands Registry.

Senior officials from International Registries Inc (IRI), which administers the Marshall Island's Registry, have been meeting with Japanese shipowners in Tokyo this week and said that LNG was the "hot topic".

Speaking to Seatrade Global from Tokyo, Bill Gallagher, president of IRI, said: "We've met with a number of owners this week all they are all in the planning stages

for new orders. From what we have been hearing here you are going to see a rapid expansion of the Japanese LNG fleet.

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### KMTC to Open India Agency

*JOC Staff | 25-October-2013*

Ocean carrier Korea Marine Transport Co. is establishing its own shipping agency in India to help expand operations in the country.

The new local subsidiary, KMTC (India) Pvt. Ltd., will start operating on Nov. 1.

The carrier in a trade notice said the Indian unit will initially handle agency functions at Mumbai and Nhava Sheva (Jawaharlal Nehru Port), with its existing third-party agent Seahorse Ship Agencies covering all other locations.

"KMTC is fully committed to providing quality services to the Indian trade and looks forward to the trade's continued support by availing our ever expanding services in India," KMTC said.

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### Vice premier vows support for logistics industry

English.news.cn | 25-October-2013

Chinese Vice Premier Wang Yang said on Friday that the country will continue its efforts to tackle high costs and low efficiency in the logistics industry.

Wang made the remarks at a briefing about the logistics situation in the cities of Beijing, Shanghai, Guangzhou, Wuhan and Chengdu, noting that logistics is a basic and strategic industry supporting the country's economic and social development.

He said that the logistics sector's boom in recent years had made people's lives more convenient, but that it is still challenged by the problems of expense and difficulty in delivering.

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### Load Delivered Logistics Opens West Coast Operations

JOC Staff | 20-October-2013

Load Delivered Logistics has opened its Los Angeles-based operations.

The expansion allows the Chicago-based third-party logistics provider to meet the shipping and logistics demands of its customers on the West Coast, including popchips and Mary Ann's Baking Co., and further develop its work in the food and beverage industry.

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