法兰德斯中国商会 FCCC VCKK
FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

LOGISTICS NEWSLETTER | 31 OCTOBER 2012

AIRLINES & AIRPORTS

Shift from air freight to sea freight detected

More companies are shipping their products by sea instead of by air in a shift that is seen as a permanent trend. Alfred Hofmann, Senior Vice President for Sea Freight in the Asia-Pacific at logistics firm Kuehne+Nagel, said “it's a trend that can't stop”. Nick Rhodes, Director of Cathay Pacific Cargo, tended to agree with the prognosis. “Our loads are definitely down but it is hard to say how much is due to less production, more competition or a modal shift. A bit of each, I suspect,” he added. Hofmann said the pharmaceutical industry and manufacturers of temperature-controlled products were at the “forefront of change” from airfreight to sea freight. He pointed out that high-technology electronic manufacturers aimed “to convert over 50% of notebook shipments to ocean”. “Tablets go by ocean after the first wave by air,” he told about 600 shipping, logistics and manufacturing executives at the Journal of Commerce TPM conference in Shenzhen. Hi-tech industries began moving shipments from air to ocean about three years ago. At the time, cargo airlines were unsure if it signaled a short-term trend in response to the poor economic conditions or a structural shift. Moving 10 tons of cargo by sea from Shanghai to Los Angeles was slightly more than 5% of the cost of moving the same cargo by air – USD2,600 versus USD46,000. Container line Matson said the transit time to ship a container from Shanghai to Los Angeles was 10 days, compared with four days by air, depending how much cargo owners paid to transport their freight. Logistics firm DB Schenker said shipping freight by sea from Shanghai to Hamburg would take 28 days, compared with four to six days by air.

- Cargo demand at Cathay Pacific Airways rebounded 2.4% year-on-year in September boosted by hi-tech consumer products. Demand from Hong Kong, mainland China and other manufacturing centers, such as Vietnam, began to pick up as a result of large shipments iPhone 5s and other electronic goods.
- Hong Kong Air Cargo Terminals said its cargo traffic rose 2.1% in the third quarter from the same period a year ago. The firm handled 697,791 tons of cargo in the period. Exports decreased 2.3%, while imports and transshipments rose 3.9% and 10.6%, respectively, from a year earlier.

ECONOMIC HUBS

Xian Park to become largest inland port in Western China

The Xian International Trade and Logistics Park will play a vital role in the modernization of China's western areas and will help close the gap with the more-developed eastern coastal regions, said Han Song, Deputy Mayor of Xian. It is set to become the largest inland port in West China and help build an open economy in the whole western area. Foreign trade volume in the park has been increasing at an annual rate of more than 50% since it was set up in 2008 with a planned area of 44.6 square kilometers. The inland port functions through the synergy of three projects – the Xian Railway Container Transport Center, the Xian Comprehensive Free Trade Zone and the Xian Highway Hub. The Xian Comprehensive Free Trade Zone enables northwestern China to have the same advantages in processing trade and free trade logistics that coastal ports have, which has reduced the cost of and time needed for foreign trade done in inland China. Meanwhile, it also provides favorable conditions for inland areas to develop an outbound economy and modern services, such as international trade and outsourcing. The Xian Railway Container Transport Center project is a key link that allows China to promote international container transport in inland China. The Xian Highway Hub project can integrate such functions as transportation management, shipment, logistics and information, and it can provide comprehensive services for logistics enterprises in the region. The park has also established strategic relations with some major coastal ports, such as those in Shanghai, Tianjin and Lianyungang in eastern China, and the border ports of Horgos and Alataw Pass in Xinjiang in western areas of China, the China Daily reports.

As of the end of August, total fixed-asset investment in the park had reached CNY10.3 billion, of which CNY4.2 billion was made during the first eight months of this year, an increase of 78.14% over last year. Total foreign trade volume reached USD519 million, of which USD235 million was made between January and August, an increase of 56.2%, compared with last year. About 58,000 containers were handled during the first eight months of the year at the railway container transport center that serves all of Shaanxi province and the surrounding provinces. Contracts have been signed involving a combined investment of CNY51 billion in a total of 58 projects of various types, including eight foreign invested projects with a total investment of USD350 million. By the end of August, 16 projects had been completed and 39 projects, with a total investment of CNY65 billion, were under construction. Activities to attract foreign investment were held in foreign countries, including Japan, Turkey and the Netherlands. By the end of August, investment worth a total of CNY2.4 billion had been poured into the park to develop infrastructure, including bridges, electricity and water treatment plants. To make up for the shortage of land, the area of the park may be enlarged to 120 square kilometers, according to the management committee.

EXPRESS DELIVERY

Fedex to build new freight hub at Pudong Airport

The new 134,000-square-meter Fedex international express and cargo hub to be built at Pudong International Airport in Shanghai by 2017 will be capable of handling 36,000 parcels and documents per hour. The new facility's annual sorting capacity may reach more than 90 million items, meeting demand in the next 20 years. Shanghai aims to be the world's top air cargo hub by 2015, with a throughput of more than 5 million tons. Major domestic airlines have based 80% of their freight capacities at Pudong airport, which now ranks No 3 by cargo turnover worldwide, after Hong Kong and Memphis in the U.S. Li Derun, President of the Shanghai Airport Authority, said the facility will further raise the airport's handling capacity and help build it into a global cargo hub. Freight handled by DHL, FedEx and UPS accounts for 10% of Pudong airport's total cargo volume while the value makes up more than 40% of the total, Li said. A slower global economic recovery saw a 6% fall in cargo handled at Shanghai's two airports in the first nine months of this year.

- United Parcel Service has announced the opening of three new healthcare distribution facilities in the Asia-Pacific region, two of which are to be located in China, in Hangzhou and Shanghai. The third facility will be located in Sydney, Australia."Asia is our fastest-growing market for healthcare, and we are seeing increased activity in the region, especially in China," said Bill Hook, Vice President of UPS Healthcare Logistics.
- A draft amendment to the Postal Law, submitted to the bi-monthly session of the Standing Committee of the National People's Congress (NPC), would legally authorize postal administrations at the municipal level to supervise the industry.

LOGISTICS INDUSTRY

Anji-CEVA No 1 in automotive logistics in China

Anji-CEVA Automotive Logistics, founded as the first company of its kind in China in 2002, has become the biggest in its field. Automobile production in China has grown from 3.29 million units in 2002 to an estimated 19.85 million units this year. Anji-CEVA, which helps manage the supply chain for the industry, is set to generate CNY3.7 billion of sales at an annual compound growth rate of 52.7%. The company is a joint venture between Dutch-based CEVA Logistics and Chinese partner Anji Logistics based in Shanghai. It employs more than 10,000 people. "Ten years ago, when the company was first registered, it was hard for authorities to define who we were," Xu Qiuhua, President of Anji-CEVA, said during ceremonies marking the company's 10th anniversary. "At that time, China had warehouse and transport companies but no idea about third-party logistics." Chinese automakers used to handle all the logistics themselves. But the increasing complexity of the supply chain forced them to outsource some of those management functions to professionals. Anji-CEVA provides logistics services to several vehicle manufacturers, more than 400 auto-parts suppliers and over 1,000 car dealers in China. The company also serves over 200 overseas auto parts suppliers in more than 20 countries. Investment bank Morgan Stanley has predicted that China will become the world's third-largest market for contract logistics by 2016, worth CNY1.1 trillion. According to the 2012 State of Logistics China Survey, logistics costs are equal to about 18% of China's gross domestic product (GDP), almost double the level in Western countries. Anji-CEVA is trying to address poor supply-chain efficiency by providing end-to-end logistics solutions for more customers, said Martin Thaysen, Executive Vice President of CEVA China, the Shanghai Daily reports.

Logistics industry urges Hong Kong government for more support

The Hong Kong government should give more support to the logistics sector if the city is to thrive as a regional distribution hub, industry trade groups say. Their call comes amid growing industry concern that buildings in Kowloon used for logistics purposes are being demolished and the sites redeveloped as upmarket offices, putting further pressure on supply. Dr Paul Tsui, Chairman of the Hong Kong Association of Freight Forwarding & Logistics, said the logistics industry had urged the government to consider releasing more land dedicated for logistic operations, but only two sites in Kwai Chung had been earmarked and tendered for development. Tsui said both sites were being built as single rather than multiple-user projects, which only put more pressure on small and medium-sized logistics companies because they could not use the buildings. He said that before the administration of Chief Executive Leung Chun-ying took office, the Transport and Housing Bureau was looking at other locations such as Tuen Mun to provide more land to the industry. Sunny Ho, Executive Director of the Hong Kong Shippers' Council, said shipping and logistics, according to the government, was one of the four pillars of the Hong Kong economy and therefore it should be given adequate support. Ho said there needed to be "commitment at the top and policy support in order to get more land for the industry", adding that new infrastructure was needed. Meanwhile, Agility Logistics officially opened a new 13,000 square meter logistics center in Tin Shui Wai that will act as a regional distribution center across Asia for high-technology and retail companies. James Gagne, Agility's Chief Executive for Greater China, said it took more than a year for the company's logistics team to find a site for the complex. Gagne expects the center, which was about 10% to 15% full since the soft opening last month, to be 70% to 75% full by the first quarter of next year. He also said Hong Kong, as a free port, still offered advantages over the mainland for companies looking to set up a regional distribution center, such as more connectivity to the region and few export restrictions, the South China Morning Post reports.

- Work began on a new cold-chain high-tech industrial park with a total investment of USD800 million in Jiaozhou, Qingdao, by the China International Marine Containers (Group). Covering an area of 5.8 hectares, the park contains five integrated sections, including an industrial management headquarters, a research academy, a refrigerated container factory, and equipment manufacturing centers. When complete, the park's total output value is estimated to reach CNY15 billion, with an annual production of 100,000 cold boxes.

PORTS & SEA TRANSPORT

Qingdao expects rise in cargo throughput

Qingdao, the seventh-busiest port by cargo volume in 2011, expects to see its cargo volume increase in double digits this year. The port handled 372 million metric tons of cargo in 2011. Its goal for this year is more than 400 million tons of cargo and 14.5 million TEU of containers. "We are very confident about achieving this year's goal," said Chang Dechuan, Chairman of Qingdao Port (Group) Co. He added that Qingdao port will lower its charges to help shipping liners weather this difficult period. Qingdao, unlike other ports, faces the problem of having relatively little capacity. With 1.3% of China's port shoreline, it handled 6.9% of the country's total cargo transported by sea in 2010. To expand its capacity, Qingdao port plans to invest CNY30 billion by 2015 in the 400,000-ton Dongjiakou ore terminal, which is expected to become operational later this year. In addition, the port also intends to build a 300,000-ton oil terminal and a coal terminal whose capacity "is still under discussion", Chang said. Chinese ports handled a total cargo volume of 792 million tons in August, up 2% year-on-year – the smallest increase since the beginning of this year, according to the Ministry of Transport. In the meantime, Chinese ports' container throughput reached 15.11 million TEU in August, up 3.9% year-on-year, according to official data.

Shenzhen port operators seek new revenue sources

Faced with stagnant growth, port operators in Shenzhen are investing in faster-growing ports in other parts of the country and diversifying their business. "Shenzhen port companies are already investing in other mainland ports. They think northern ports have greater growth potential," said Ma Yongzhi, Vice Director General of the Shenzhen Port Administration. In the first eight months of this year, container throughput at Shenzhen,China's second-busiest port and the world's fourth-busiest, grew 1.4% to 15.09 million TEU, according to official data. At Ningbo, China's third-busiest port, throughput rose 8.7% to 10.8 million TEU. "I won't rule out the possibility of Ningbo surpassing Shenzhen in future," said Bank of China Analyst Matthew Xu. "A lot of industries are shifting from the Pearl River Delta to the Yangtze River Delta and central China including Chongqing, which benefits Ningbo. What the Shenzhen port companies are doing is to find a new source of growth. Investing in other areas is the only way for the business to grow." Shenzhen Yantian Port Holdings paid CNY1.36 billion for a 35% stake in the port of Caofeidian in Hebei province in August last year. It said the aim of the investment was to create a new profit growth driver. "The company will use this investment to extend its business to the Bohai Sea, which is of great strategic importance and will benefit the company's long-term development," it said. In the first half of this year, Yantian Port booked its first profit of CNY32.54 million from Caofeidian. This was a significant portion of overall group profit, given that it dropped 23.62% to CNY179.79 million in the period. Caofeidian's cargo throughput jumped 70.8% to 23 million tons in the first half. In contrast, the container throughput of Yantian International Container Terminals, a joint venture between Yantian Port and Hutchison Port Holdings, dropped 7.95% to 1.31 million TEU. It also invested in other ports and even in toll roads. Yantian Port's toll-road subsidiary in Xiangtan, Hunan province, made a significant contribution to its revenue of CNY160.3 million in the first half. While revenue from Shenzhen's port operations fell 12.84% to CNY150.26 million, Xiangtan's rose

25.25% to CNY10.04 million.

Rebound in container and cargo traffic in Shanghai

The ports of Shanghai, Ningbo and Shenzhen defied international gloom to surprise analysts with a strong rebound in cargo and container throughput last month. Shanghai, the world's busiest port, processed 2.91 million TEU in September, a record month for the facility, according to the Shanghai International Port (Group), the city's port operator. The container volume was a 5.6% increase on the same time last year, following year-on-year falls in August and July. September's throughput was also 11.6% higher than that of August. Shanghai's cargo throughput rose 10.1% year-on-year to 44.42 million tons last month. Ningbo processed 20% more containers, or 1.59 million TEU, in September compared with the same time last year. Its cargo throughput soared 23.5% to 40.8 million tons. The ports of Mawan and Chiwan in west Shenzhen posted a 5% year-on-year rise in container throughput, after suffering a 7% decline in the first eight months of the year, JPMorgan Analyst Karen Li said. Part of the reason for Shanghai and Ningbo's strong performance was bad weather in July and August, which hurt trade in the Yangtze River Delta where the two ports are located, she said. Despite the bullish data, Sunny Ho, Executive Director of the Hong Kong Shippers' Council, remains pessimistic about trade in the Pearl River Delta. “Manufacturers in the Pearl River Delta are not seeing any encouraging signs. The worst time for them will be the first quarter of 2013,” Ho said. Industry analysts attributed the cargo volume recovery to Christmas orders placed by retailers in Europe and the United States, and export boosting measures adopted by the Chinese government.

Prosperity and confidence dropping in shipping industry

The Shanghai International Shipping Institute reported its Chinese shipping industry prosperity index decreased by 16.37 points from the second quarter to the third quarter, dropping to 78.17 points. A score above 100 on the index indicates prosperous times for the industry. The Institute’s shipping confidence index slumped by 19.37 points from the second quarter to the third quarter, falling to 44.05 points, and more than 63% of shipping businesses that were polled in the survey said they were pessimistic about the industry’s prospects. In the first half of the year, listed Chinese port companies posted a combined net profit of CNY6.41 billion, edging down 0.5% year-on-year. The nine biggest Chinese shipping enterprises, including China Cosco Holdings Co and China Shipping Container Lines, reported an aggregate loss of nearly CNY8 billion in the first half of the year. Wei Jiafu, Chairman of Cosco Group, China’s biggest ship operator, has asked for government aid on several occasions. In the survey conducted by the Shanghai International Shipping Institute, 28% of shipping corporations said the government should take steps to prevent listed shipping companies that have posted losses in consecutive years from being delisted. The report advised them to strengthen their ability to make profits and reduce their expenses by postponing the delivery of new vessels and combining relatively inefficient shipping routes. The Ministry of Transport said it will help privately owned shipping and port enterprises become stronger competitors overseas by offering them favorable tax, financing and insurance policies. The Ministry also said it encourages private shipping and port companies to cooperate with state-owned companies, the China Daily reports.

China urged to allow transshipment of outbound cargo by foreign carriers

Key Chinese ports such as Shanghai could boost container volumes and revenues if they are allowed to let foreign carriers tranship international cargo at Chinese hub ports, according to Tom Behrens-Sorensen, Co-founder and Partner at Navisino Advisors (Beijing). He added that stakeholders including Shanghai International Port Group in Shanghai “have been lobbying for it to happen”. Under current cabotage rules, foreign shipping lines are banned from transporting domestic cargo, similar to the situation in the United States. China's cabotage regulations include moving international containers from ports such as Qingdao or Yantai and transshipping them through Shanghai for onward shipment overseas. Behrens-Sorensen said the change would bring economic benefits for ports and shipping lines. “The potential savings would run into billions of U.S. dollars.” Shanghai's Yangshan port was an “obvious place to run trials where it could happen” because it was offshore and a controlled environment. Container ships operating Asia-Europe services from Bohai ports such as Qingdao and Tianjin would be able to load U.S.-bound cargo and tranship it at Yangshan to North American services. “Today they can't do that,” Behrens-Sorensen said. Charles de Trenck, Founder of consultancy Transport Trackers, said transhipment had not been on ports' radar “because volume growth was so strong”, but with throughput increases dipping below 10% to 15% in recent years, “it is now making more sense as a complementary strategy”, the South China Morning Post reports.

Shipping companies report mixed results

Three of China's largest shipping companies posted mixed third-quarter results with China Cosco Holdings posting a CNY1.53 billion net loss, while two subsidiaries of rival China Shipping reported net profits. China Cosco plunged deeper into the red with a CNY6.4 billion net loss in the first nine months of this year which reflected poor container shipping and dry bulk markets in the first part of this year. This was despite CNY808.3 million in government subsidies received between January and September this year, more than double the CNY317.8 million it received last year. By comparison, the firm saw a CNY4.77 billion net loss in the first nine months of last year. Container shipping revenue soared 26.5% to CNY11.5 billion out of the total China Cosco third-quarter revenue of CNY19.1 billion. But the dry bulk division, which contributed CNY3.4 billion of the CNY4.8 billion total losses in the first half, stayed in the red. China Cosco's third-quarter report also showed short-term borrowings nearly doubled to CNY5.64 billion by September 30, compared with the beginning of this year.

By comparison, China Shipping Container Lines posted a 204.2% rise in net profit to CNY991.1 million in the third quarter compared with a year earlier, but it remained in the red for the first nine months of this year, posting a CNY289.9 million net loss, considerably less than the CNY1.58 billion net loss reported between January and September last year. Total operating revenue climbed to CNY9.28 billion in the third quarter against CNY7.19 billion a year earlier. Total operating revenue in the first nine months rose to CNY24.59 billion, up from CNY21.17 billion in the same period last year. China Shipping Development, which specializes in oil and dry bulk cargoes such as coal, reported a net profit of CNY89.2 million for the third quarter, down 31.8% against CNY130.8 million last year, but the company also remained in the red between January and September with a CNY406.2 million net loss against an CNY815.2 million net profit last year.

DNV advises Chinese shipyards to invest in European counterparts

Det Norske Veritas (DNV) says the time is ripe for Chinese shipyards to invest in European counterparts as a way to raise their design capability and meet the challenges being posed by tougher environmental regulations. Besides a few big shipyards with a strong design capability, “Chinese yards in general lag behind the industry leaders such as South Korea and some European countries in customer service and diversification”, Remi Eriksen, CEO of DNV Maritime and Oil & Gas, said. Many European shipping operators are struggling financially at the moment, which has reduced their market values, making them vulnerable to takeover, and open to investment approaches. Recently, Aviation Industry Corp of China (AVIC), one of the largest state-owned aerospace companies, acquired Deltamarin, a Finland-based ship design company. AVIC has expanded steadily into shipbuilding in recent years, and currently controls several shipyards in China. Investment in European shipyards would assist Chinese firms to meet new environmental regulations. The European Commission announced on October 1 that it is to establish its own system next year to curb carbon emissions from the shipping industry, which might include a fuel or carbon tax, mandatory emission reductions per ship, or inclusion in its Emissions Trading System (ETS), a system it imposed on the aviation sector. There is currently no regulatory mechanism on greenhouse gases from the shipping industry, which experts suggest accounts for 3% of the world’s total carbon dioxide emissions. In addition, Chinese shipyards need to improve their energy-efficiency technologies, the China Daily reports.

Production at Chinese shipyards declines

Production at Chinese shipyards declined steeply during the first three quarters of the year. Finished capacity dropped by 18.5% from last year to 41.58 million DWT, and new orders decreased by 46.9% year-on-year to 15.41 million DWT, according to the latest data of the Ministry of Industry and Information Technology (MIIT). Chinese yards’ order book stood at 121 million DWT by the end of September, down 19.4% from the end of 2011. Sun Bo, Senior Executive of the China Shipbuilding Industry Corp, said that last year there was still a demand for more sophisticated vessels, but this year market demand was weak for all kinds of vessels. He added that a recovery is unlikely to happen within the next three years, and only big shipyards with lots of orders are likely to survive. Tan Zuojun, former General Manager of the China State Shipbuilding Corp estimated that at least half of China’s more than 3,400 shipyards will go bankrupt within the next three years. Some industry analysts were even more pessimistic about the industry's prospects, saying that only 300 of the biggest yards in the country will still be operating when the market starts to improve.

- Cosco Pacific said third-quarter profit was little changed from a year earlier as a trade slowdown pinched cargo volumes. Net income rose 3.9% to USD98.2 million, the Hong Kong-based company said in a statement to the city's stock exchange. Excluding a contribution from a stake in a container maker and non-recurring items, profit fell 0.5% to USD76.6 million. Volume growth at the company's container terminals slowed to 9.2%, from 11% in the first half. Cosco Pacific's terminals handled 14.6 million containers in the third quarter.
- Cosco Container Lines and China Shipping have agreed to jointly operate shipping routes from north and northeast China to Fujian province and Shantou in Guangdong province. The two shippers, with a combined market share of 80% in the domestic coastal container trade, would each deploy ships to jointly operate the routes. The two companies and their parent companies would also cooperate in other fields.
- The Ministry of Transport is considering trying out a carbon trading system or a carbon tax for the domestic shipping industry. A final plan has yet to be devised, but the measures are likely to call for slowing down the speed of ships. Zhang Shouguo, Deputy President of the China Shipowners' Association, warned that if a carbon tax is levied, some weaker shipping companies will close down, noting that the price of shipping in China has already dropped below cost.
- Chinese shipyards saw a rebound in new orders in September. They received orders for 34 new vessels, totaling 1.92 million DWT, accounting for 60% of the world's total new-order volume and an 81% increase from the same period last year.
- Chinese shipping companies have opened their first China-Russia container route, shipping more than 100 containers filled with consumer goods, computer components and ironware products from Ningbo to Russia's Vostochny. Container ships ply the route weekly, departing Ningbo port every Thursday. After arriving at Vostochny port, cargoes will be unloaded and transferred via railway to East Europe.
- Orient Overseas (International) (OOIL) could be heading for a total turnover of around USD6.4 billion this year after the parent of Orient Overseas Container Line (OOCL) reported revenues of USD4.47 billion in the first nine months of the year from its box shipping business. This was 7% higher than last year and followed a 10.9% rise to USD1.59 billion in container shipping revenue in the third quarter. OOCL Logistics generated USD230 million in revenue in the first half of this year. OOCL's total container volume climbed 5.1% to 3.95 million TEU in the first nine months. Average revenue per TEU grew 7.2% between July and September.

RAIL TRANSPORT

Port operators to increase rail links to inland cities

Shenzhen ports in Shekou and Chiwan are planning to strengthen their rail freight links with China's western cities by setting up containerized cargo services to Chengdu, Chongqing and Kunming, Erik Yim, Managing Director of Shekou Container Terminal (SCT), said. The new railway freight services could start next year and would augment services between the two western Shenzhen ports and Changsha. He and other transport experts said further development of China's high speed rail network would be important to the growth of containerized cargo services because freight trains could use the tracks previously used for passenger services. "If railway conditions can be improved, we hope that we can have a daily service from Changsha within two years," he said. Rail freight experts are forecasting significant growth in containerized import and export cargo moved by rail, while operators DB Schenker Rail and DHL Global Forwarding are exploiting international containerized rail. Frederic Campagnac, General Manager of rail transport consultant Clevy China, said: "Chinese container rail has a lot of room for development." Campagnac said around four million TEU per year is moved by rail, a figure that has remained stable for about five years. He added that just 1% of containers moved from Chinese ports are transported by rail compared with 85% by road. Sunny Ho, Executive Director of the Hong Kong Shippers' Council, said that "so far the Chinese government has not given containerized rail a priority". But he added that development of high-speed rail will leave the old capacity free to cater to cargo services.

Campagnac said China United International Rail Containers, whose shareholders include New World Services with a 30% interest, had opened eight container rail terminals. These facilities, including terminals in Kunming, Chongqing, Dalian, Qingdao and Wuhan, handled 20% more containers in the year to June 30. Yim said container volumes have risen by about 10% a year since rail container services to Shekou and Chiwan started in 2008. About 20 shipping lines, including Cosco Container Lines, Maersk, CMA CGM, APL and Taiwan's Yang Ming Marine use the service. DHL Global Forwarding will start dedicated weekly container rail services next month from Shanghai to Poland in conjunction with China Shipping Container Lines which is providing the containers. The service would be 90% cheaper compared with shipping cargo by air and less than 10% more expensive that ocean freight. Transit time would be 19 days from Shanghai to Warsaw compared with 30 to 32 days by sea. A second service would start next year. The imbalance in trade between China and Europe meant freight trains returning to China would be less than 30% full. Ho said the development of containerized rail gives exporters more options to transport their products to Europe rather than relying solely on ocean freight where transit times had lengthened as lines cut ship speeds to save fuel and money, the South China Morning Post reports.

ROAD TRANSPORT

Trucking business in Yangtze delta improves

After a lackluster first half of the year, business has started to improve at Hangzhou Yongliang Logistics Co, which operates 800 trucks that carry cargo nationwide. In August, demand picked up, especially in the Yangtze River Delta region. Anhui Expressway Co, for example, which operates five expressways in the region, said it saw 19% more vehicles in August than in the same period last year.

FOUNDING MEMBERS

ABInBev ageas AGFA ahlers BARCO

BEKAERT belgacom DEME KBC PICANOL GROUP umicore

STRUCTURAL PARTNERS

Deloitte. De Wolf & Partners GROUP T ING JONES DAY MOORE STEPHENS

Port of Antwerp Port of Zeebrugge Provincie Oost-Vlaanderen Provincie West-Vlaanderen UNIVERSITEIT GENT vito vision on technology

Your banner at the FCCC website or newsletter

Companies interested in posting a banner/an advertisement on the FCCC website, FCCC weekly newsletter or bi-weekly sectoral newsletters are kindly invited to contact the FCCC at: info@flanders-china.be

Organisation and founding members FCCC
President: Mr. Bert De Graeve, C.E.O., NV BEKAERT SA
Vice-President: Mr. Stefaan Vanhooren, President Agfa Graphics, Member of the Executive Committee of the Agfa Gevaert Group, NV THE AGFA-GEVAERT GROUP SA
Secretary and Treasurer: Mr. Dirk Mampaey, Senior General Manager Corporate Services, NV KBC Bank SA
Executive Director: Ms. Gwenn Sonck
Members of the Board of Directors and Founding Members:
Mr. Bert De Graeve, C.E.O., NV BEKAERT SA
Mr. Jozef De Mey, Chairman of the Board, NV AGEAS SA
Mrs. Elisabeth Schraepen, Public Affairs Manager, Belgium and Luxembourg, NV AB INBEV SA
Mr. JP Tanghe, Senior Vice President, NV BARCO SA
Mr. Kris Verheye, Vice President Corporate Division, NV BELGACOM SA
Mr. Johan Verstraete, Vice-President Marketing, Sales & Services Weaving Solutions, NV PICANOL SA
Mr. Luc Maton, General Manager Asia Region, NV AHLERS SA
Mr. Marc Stordiau, Member of the Board of Directors, NV DEME SA
Mr. Stephan Csoma, Senior Vice-President Government Affairs, NV UMICORE SA
Mr. Dirk Mampaey, Senior General Manager Corporate Services, NV KBC Bank SA

Membership rates for 2012:
- Large enterprises: €875
- SMEs: €350

Contact:
Flanders-China Chamber of Commerce
Voldersstraat 5, B-9000 Gent
Tel.: +32 9 264 84 86/82 – Fax: +32 9 264 69 93
E-mail: info@flanders-china.be
Website: www.flanders-china.be

Share your story:
To send your input for publication in a future newsletter mail to: info@flanders-china.be

Flanders Investment & Trade
Government of Flanders - Belgium

This newsletter is realized with the support of the Federal Government of Belgium, the Flemish Government, the Walloon Government and the Government of the Brussels-Capital Region.

The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com or mobile phone +86-13901323431. Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.