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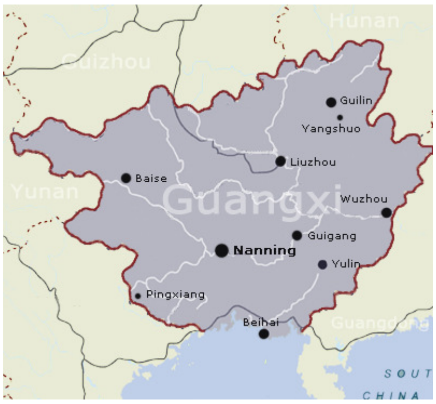
Guangxi Province to strengthen Pan-Beibu Gulf transport network

>> Macro-Economics

>>Nanning: Guangxi territory in Southwest-China plans to facilitate the construction of its Beibu Gulf transport network as part of the highlighted project of its 12th five-year plan. These enhancements comprise highway, port and logistics construction, as well as relevant preferential policies.



The investment in highway construction will exceed CNY200 billion (US$29.5 billion) this year, covering 31 extension routes and new expressways covering 3,249 kilometres. In 2012, Guangxi will complete building 14 highways connecting neighbouring countries with 5,000 kilometres of highway. In sea freight infrastructure, the quasi-province, known as an autonomous region, has invested CNY6 billion to facilitate the development of Beibu Gulf Port, which has been undergoing 26 enhancement projects to upgrade its throughput to exceed 300 million tons by the end of 2012.

Guangxi will also improve its logistics park facilities and establish closer ties with all regions and countries of Pan-Beibu Gulf Economic Co-operation Zone. In preferential policies, the province will support all items of port, checkpoint, sea- and land freight developments, such as offering 50 % reduction off the tolls of container trucks and setting up electronic checkpoints.

The Guangxi Province is the very province cornered in southwest China and being considered the most important market gateway between China and ASEAN.

China first half trade value grows 40.9% to US$ 1.62 trillion

>>Beijing: China's import and export trade value increased 40.9 % year on year to US$1.62 trillion from January to July, according to the figures released by China's Ministry of Commerce. Exports grew 35.6 % to $850.49 billion

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and imports were up 47.2 % to $766.56 billion and, given this growing tendency to balance, the trade surplus fell 21.2 % to $83.93 billion. Trade between China and ASEAN countries grew 43.2 % and was up 40.1 % to India and 70.7 % to Russia, which all showed higher growth rates than the traditional leading markets of the US, Europe and Japan.

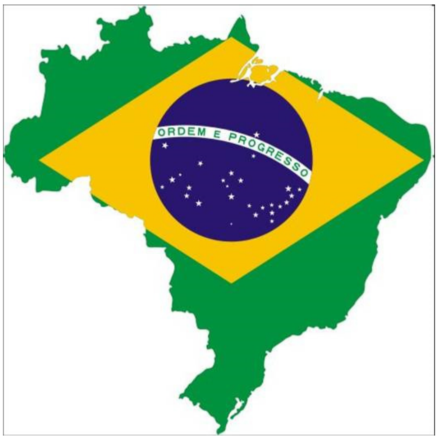
In July, China's import and export value increased 30.8 % year on year to $262.31 billion. Exports grew 38.1 % to $145.52 billion while imports increased 38.1 % and imports were up 22.7 % to $116.79 billion.

China boosts Brazil trade 54.6% to US$32.5 billion

>>Global: Brazil has become China's 10th largest trading partner, with bilateral trade value of US$32.51 billion from January to July, up 54.6 % year on year.

This surpassed the trade volume between China and Singapore, $32.3 billion, Russia, $30.7 billion, the Netherlands, $30.3 billion, Thailand, $29.2 billion and the UK, $26.6 billion. Meanwhile, bilateral trade volume between China and Argentina increased 44.08 % year on year to $7.63 billion in the first seven months.

Brazilian exports to China grew 25 % year on year to $16.73 billion, while Argentine exports to China were up 39.37 % to $3.82 billion. Chinese exports to Brazil were up 63 % to $13.13 billion and to Argentina up 49.17 % to $3.8 billion.



>> Shipping Companies

CSCL unsure but confident, first half profit up 134% to US$172 million

>>Shanghai: The China Shipping Container Lines (CSCL) has declared a 134.3 % increase in first half net profit to CNY1.17 billion (US$172.03 million), compared with CNY3.41 billion net loss in the corresponding period last year. Profit attributable to shareholders was drawn on a 79.5 % increase in revenue to CNY16.02 billion against last year's first half sales of CNY8.9 billion. Cargo volume of the group grew 11.6 % over that of the same period last year, thus idle shipping capacity was fully utilized.

Freight rates of all trade lanes were restored to their prior level. The revenue per TEU from Europe-Mediterranean trade lanes increased 183.8 % as compared with the same period last year. Revenue per TEU from the Pacific trade lanes and Asia Pacific trade lanes saw a significant rebound and the revenue per TEU from domestic trade lanes also recorded an increase over that of the same period last year.

First half costs totalled to CNY14.4 billion, an increase of CNY2.3 billion or 19.3 % year on year. The increase was attributed to container and cargo costs amounting to CNY5.4 billion, an 18 % increase mainly because of the increase in laden containers. Port charges also went up 8.8 %, the result of the increase in the number of voyages. With the increase in the volume of loaded containers, stevedoring charges for laden and empty boxes came to CNY3.3 billion, an increase of 22.7 %.

Due to the rapid increase in container prices, container management costs mounted to CNY1.2 billion, up 13.8 %. Vessel and voyage costs came to CNY6.01 billion, an increase of 25 % because of rising fuel costs. Fuel itself cost CNY3.7 billion, up 49.6 % on the year before.

China Cosco Holdings half year profit up 174% to US$ 507.3 million

>>Shanghai: Chinese shipping giant China Cosco Holdings Company Limited increased its first half net profit 174.9 % to CNY3.45 billion (US$507.3 million) year on year, compared with CNY4.6 billion loss in the same period last year.

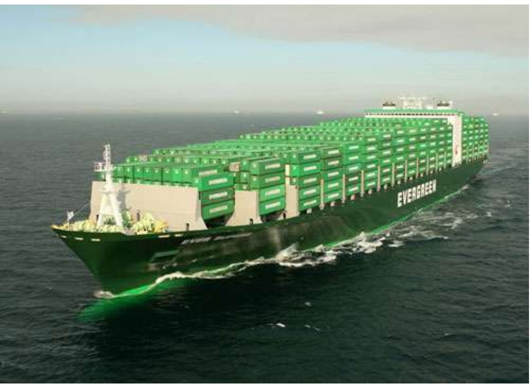
The profit attributable to shareholders was drawn on CNY45.55 billion in revenue, an increase of 55.5 % over the same period last year. Total cargo volume reached 2.95 million TEU, up 25.3 % year on year. Container shipping revenue, excluding income from chartered vessels, reached CNY17.2 billion, up 95.5 %.

The company took a tough line with shippers in freight rate talks and levied surcharges while increasing the number of vessels, lowering their speeds as well as reinforcing cooperation with the CKYH Alliance in the inland regions in Europe and America. Cosco also said it optimized its cost structure and focused on the balance of box sizes and box types and "perfected the integrated sea and railroad transportation network for the inland markets".

Till June 30, Cosco Holdings operated 150 containerships with a total capacity of 597,030 TEU, an increase of 7.7 % year on year, or up 6.4 % compared its fleet at the end of 2009. The company took delivery of 11 new container vessels with a total capacity of 69,627 TEU and as of June 30 had 43 container vessels on order with a capacity of 345,206 TEU. Its dry bulk business reached 140 million tons in the first half, up 8.2 % year on year, generating CNY16.75 billion in revenue, up 51 % year on year.

In 1H 2010, revenue of the logistics business was CNY6.77 billion, an increase of 16 % year on year. The group's container terminals handled 22.43 million TEU, up 18.7 % year on year. The group aimed to strengthen the terminal business and actively to increase its controlling stake in terminals. It also expanded its terminal network, diversified its terminal investment portfolio and increased its enterprise value.

In container leasing, the group continued to be the No 2 player in the world, accounting for 14 % of global market share. The average leasing rate in the first half was higher than the industry average.



Evergreen Marine ranked world’s fourth biggest container carrier

>>Global: The largest shipping company of Taiwan, Evergreen Marine Corporation, has increased its container handling capacity to 615,000 TEU after leasing 15 vessels in the second quarter of the year, making the carrier the fourth largest of the world.

Another shipping company from Taiwan, Yangming Marine Transport Corp. advanced one spot as the world's 16th largest shipping line with handling capacity reaching 315,700 TEU. Wan Hai Lines Ltd slightly enhanced its cargo handling capacity by leasing a 900-TEU ship, but remains in the 21st position. Evergreen is expected to deploy the additional 15 vessels in the third quarter for between two months and three years.

>> Shipbuilding

Singamas reverses first half loss into profit of US$ 10.19 million

>>Hong Kong: Hong Kong based container box producer, Singamas Container Holdings Ltd has reported a net profit of 137.2 % to US$10.19 million for the six months ending June 30, reversing a loss of $27.37 million a year earlier. The robust result was attributed to a dramatic upturn in demand for new containers amid improving global trade. Moreover, the world's No 2 shipping container maker, after Shenzhen's China International Marine Containers (CIMC), expects gross profits to increase from the 8.4 % posted in the first half, according to company president and CEO Teo Siong Sengits.

The company expected to manufacture 550,000 TEU this year, rising to 600,000 in 2011, stated Mr Teo, adding that he hoped to make a dividend payout by the end of this year.

CMA CGM receives new mega container carrier

>>Global: French shipping group CMA CGM has taken delivery of the 13,830-TEU CMA CGM Corte Real built by Daewoo Shipbuilding and Marine Engineering (DSME) in South Korea, the third in a series of eight vessels of similar-size. The CMA CGM Corte Real is now the largest vessel sailing under the British flag. She will join the CMA CGM Christophe Colomb and the CMA CGM Amerigo Vespucci on the FAL5 service (French Asia Line) linking Asia to North Europe.

CMA CGM said these large capacity vessels allow the CMA CGM Group to meet the growing volumes on this trade lane that have been experiencing a rebound, registering 20 % growth westbound between Asia and North Europe for the first half of 2010 compared to the same period last year and nine % growth eastbound.

The CMA CGM Corte Real started its rotation on August 17 from Ningbo before calling at the ports of Shanghai, and heads to Singapore.

Daewoo may win Shell as first floating LNG vessel operator

>>Global: Daewoo Shipbuilding & Marine Engineering , the leading shipbuilder from Korea, states that its venture, the Papua New Guinea energy, may beat Royal Dutch Shell to become the first operator of a floating liquefied natural gas production vessel. The venture could begin using a floating LNG unit in 2014 to process gas from an onshore field, Kim Jin Seok, chief executive officer of DSME E&R Ltd., the shipbuilder’s oil and gas arm, said in an interview yesterday in Seoul. Shell is due to receive the first of as many as 10 floating LNG plants in 2016 for use off Australia. The Daewoo' s venture expects to receive government approval for its plans by next month and will likely order the first of a three series floating LNG vessels from Daewoo this year. Using floating LNG technology will cut production costs for the venture by about 50 percent and avert the need to buy land from hundreds of owners for a 340-kilometer (211-mile) pipeline to an onshore facility.

The floating unit will be able to process 3 million metric tons of LNG a year and store 235,000 cubic meters of gas. First Daewoo Order The floating LNG unit will be the first such ship to be ordered from Seoul-based Daewoo, the world' s second-biggest shipyard. Daewoo declined to comment on the price of the vessels. Shell' s ships, which will be larger than aircraft carriers, may cost as much as $5 billion each, according to estimation.

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>> *China Ports*

China Merchants wins US$ 500 million Colombo terminal deal

>>Global: China Merchants Holdings (International), one of the biggest terminal operators, has won a contract to build Colombo's new container terminal. Sri Lanka Ports Authority chairman Priyath Wickrama said special meeting of the cabinet has approved the order and construction would commence within six months. China Merchants will take a 55 % stake in the US$500 million project, China Merchants managing director Hu Jianhua told media in the course of announcing the terminal operator's interim results in Hong Kong. Sri Lanka, 31 kilometres from India, wants to exploit its deep water and shipping location to rival Singapore and Dubai as a cargo hub serving India.

Sri Lankan President Mahinda Rajapaksa plans to spend $1 billion a year on infrastructure including ports, roads and power plants. Colombo's three other terminals handle 4.5 million TEU annually.

Shanghai port July volume up 20% while Hong Kong and Singapore increase too

>>Shanghai: The port of Shanghai handled 2.57 million TEU in July, up 20 % year on year and 21.4 % over the June volume. The Shanghai Containerized Freight Index (SCFI) reached 1,213.08 in mid-August, up 0.33 %, close to the record high of 1,255.27 in 2004. This index was launched by Shanghai Shipping Exchange to show the market freight rates of individual routes.

The global surplus capacity of major carriers has fallen from 11.7 % at the outset of the year to 2 %. But an analyst from SCFI states that the third quarter is a traditionally peak season, so the trade volume will remain high, but freight rates will not have big changes. This is mainly because market players are uncertain whether the demand will continue to grow in the fourth quarter. Figures from the Marine Department last week show Hong Kong port handled 2.1 million TEU in July, an increase of 9.7 % over the 1.9 million in July of last year.

Singapore's Maritime and Port Authority also reported a 13.5 % increase in container movement in July, having handled 2.5 million TEU compared to 2.2 million TEU in July of last year.

Beibu Gulf, Guangxi to build two new berths

>>Nanning: Tieshan port district, on the Beibu Gulf (also know as the Gulf of Tonkin) on the Guangxi provincial coast, has started building its third and fourth berths to upgrade itself as one of the major port districts for trades between China and ASEAN states.

These two CNY1.8 billion (US$265 million) valued berths are designed to handle 100,000-tonne bulk carriers with an annual throughput of eight million tons and are to be ready late 2011.

Also, construction of a new rail line connecting Hepu county, located along the North-eastern Beibu Gulf shore, and Tieshan Port has also commenced. With a length of 26.85 kilometres will involve an investment of CNY3.34 billion this new rail route is part of Beibu Gulf's integrated logistics project.

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