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Ocean Fast Facts

Since most of the United States is baking in the summer heat, July's Ocean Fast Facts would like to cool it down with some containerized statistics from north of the USA border. Increasingly over the past 5 years, ocean cargo from Asia destined for the central USA into markets such as Minneapolis and Chicago rely on cargo routed via the west coast Canadian ports of Vancouver and the increasingly popular Port of Prince Rupert. Occasionally, these ports offer a faster, less congested and more economical choice into the North Central intermodal areas of the USA.

This month's Fast Fact is in the form of a question:

How many TEUs were handled through the Port of Vancouver during 2007?



[Click here to see answer!](#)

Answer: **2,307,289 TEUS**

Source: *Vancouver Port Authority Statistics Overview 2007* http://www.portvancouver.com/statistics/docs/2007_Statistics_Overview.pdf

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Market Notes

Summer Update! Trans Pacific Peak Season Surcharges - PSS Delayed!

As of July 1, Peak Season will not have "hit" Trans Pacific ocean imports. Ocean carriers had initially proposed the start of Peak Season Surcharges (PSS) for June 1 this year. At the time of this writing, most carriers have chosen to delay the start of PSS until July 15. Vessels remain near capacity but the spike in inbound volumes remains manageable. An anticipated "spike" in shipments is expected to occur before July 15; therefore, it does remain important to plan ahead for shipments exiting Asia. AIT customers who anticipate shipments during peak season should forecast as accurately possible and allow up to 10 days to pre-book at origin to ensure container equipment availability.

Currently, the proposed PSS levels are \$320/20' \$400/40' and \$450/40hc, but may vary by carrier. More information will follow in upcoming eNewsletters or AIT customer instant alerts.

REMINDER! China and the forthcoming Olympics: Routing your Cargo around the Games

AIT would like to remind our customers that August 8, 2008 is the start of the Olympic Games to be held in Beijing and surrounding areas through August 24. During the month of July, ocean carriers and local government bodies alike will restrict the movement of cargo in ports and cities near Olympic venues into October. Olympic venues extend as far south from Beijing into Hong Kong; therefore, it is important to plan accordingly. Large cities such as Shanghai will also be impacted.



Additionally, shippers of hazardous cargo will be restricted altogether and cargo will either need to be re-routed or held for shipping until after restrictions are lifted. For ideas on potential routing alternatives, please contact your AIT representative.

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Midwest Flooding! Delays expected

Due to the recent heavy rains in the upper Midwestern USA, rail links between the United States west coast and the Midwest have been severely impacted. Both the Union Pacific Railroad (UP) and the Burlington Northern Santa Fe Railroad (BNSF) report significant delays of 72 hours.

As of the time of writing, some lines in the area of the Mississippi River linking key cities such as Chicago and St. Louis to the west coast have been completely flooded and the railroads have closed lines in these locations. Flood waters are gradually receding and delays should be reduced in the coming days of early July, considering there are no significant rain storm forecasts in the upper Midwest during that time.

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Update! Ocean Export Container and Vessel Space Availability

Ocean container availability and vessel space remains limited, especially in inland locations such as Chicago, Houston, Minneapolis, St. Louis, Denver and Dallas. Additionally, export vessels are full. In order to help ensure container availability and vessel space for your export bookings, it is recommended you allow 7 to 10 days to help secure space for your export bookings, especially for multiple container shipments. Last minute bookings are very difficult to secure with the ocean lines, but if you plan accordingly your chances of loading on earlier vessels improves significantly. Additionally, booking ocean shipments with an LCL service rather than FCL might allow for earlier shipment options. As always, check with your local AIT office to discuss routing alternatives.

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CN Railroad Initiates "green fee" for cargo transiting through British Columbia - Carbon Tax Surcharge

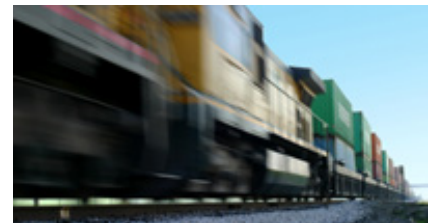
The Canadian National Railroad (CN) has announced that as a result of a new Green House Gas emissions tax in the province of British Columbia, a new surcharge has been implemented and is effective August 1, 2008, for cargo transiting through British Columbia via rail. Any ocean freight moving via the port of Vancouver on intermodal rail services to destinations within the United States and Canada on the CN Rail will be impacted. The surcharge has been announced as follows:

Effective August 1, 2008:

\$7.80 per railcar

\$3.90 per container

Note: 1 railcar = 2 containers



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ILWU and PMA Contract Deadline - July 1

As of press-time, contract negotiations between the ILWU, representing the longshoremen at 29 United States west coast ports, and the PMA (Pacific Maritime Association), representing the ocean freight carriers, have remained positive.

As of June 17, tentative agreements were reached regarding healthcare coverage for ILWU employees. Hopes remain high, and all signs indicate that a strike will be averted at West Coast ports in the USA when the current labor contract expires on July 1, 2008. The Pacific Maritime Association website referenced an article from the Wall Street Journal dated June 20 cited both sides were cautiously optimistic.

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Container Freight Station (CFS)

A carrier-designated facility at which export LCL (less than container load) cargo is received from consignors for consolidation and loading into containers or at which (import) LCL cargo is unloaded from containers and delivered to consignees.

Source: International Directory of Trade, 7th ed. Edward G. Hinkelman, 2006.

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The Parting "Wave"

The AIT Ocean Systems team hopes you are enjoying your summer and we thank you for your continued support!

Happy 4th of July!

Preview August 2008 AIT Ocean Newsletter:

A look at BAF = What's Up?

If you have any questions or comments regarding the Ocean eNewsletter, please contact [Kevin Krause](#) from the AIT Ocean Department.

AIR

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Getting Caught - Airlines Admit Price Fixing

Whether you are an industry insider or just an interested bystander fascinated by the airline and air cargo industry, you have undoubtedly read about the allegations of price fixing faced by many of the global airlines over the past year. Past editions of this eNewsletter have intentionally avoided reporting on this particular story. If the airlines did collude to fix the price of airline seats, cargo rates and/or fuel surcharges, and if agreeing to pay such sizable fines is some measure of guilt, then we have reasoned that it is not necessary to kick them when they are down or go out of our way (as others in the media have) to throw the first stone.



Nonetheless, the US Department of Justice, the European Union and other governing bodies continues to pursue this case and the industry media have continued to report their findings. To some, this public embarrassment and resulting future distrust is justified. Collusion is simply unlawful in any society that promotes fairness in competition. Coming together in a secluded room to manipulate prices and therefore eliminate competition is intended to overturn the laws of supply and demand.

Honesty and integrity are more than tag lines; they are and should be a way of life. As a freight forwarder, we need a viable, profitable, growing and healthy airline industry. Without airlines our freight doesn't fly, and without forwarders their planes fly empty. As headline observers, we have seen the financial losses borne by the carriers since 9/11. We know today that increased fuel costs are literally crushing carriers into bankruptcy and have caused several to go out of business, cancel unprofitable flights and park fuel inefficient planes.

As forwarders, while we do pass along many of the fees and surcharges applied by the carriers to our customers, we also know that the fuel surcharges applied do not compensate the carriers for their entire fuel bill. We act as instruments to assist air carriers in covering their costs, allowing them to remain viable in an ever-changing environment. We sincerely believe and hope this issue will get filed under "lesson learned."

The three headlines below appeared in the news this last week of June 2008 regarding the price-fixing investigations:

Four carriers plead guilty to cartel charges

Air France-KLM, Cathay Pacific Airways and two other international carriers have agreed to pay US\$504 million dollars in fines to settle US charges they conspired to fix air cargo prices.

The US Justice Department said that as well as the above named, a subsidiary of Danish carrier SAS and Martinair Holland had pleaded guilty to similar charges.

Air France-KLM will pay the largest fine among the four airlines charged, totaling US\$350 million. Officials said the penalty was the second highest ever applied in a US criminal antitrust investigation.

"Air France is committed to compliance with all laws, including US antitrust laws. We have taken thorough steps across the organization to prevent a recurrence, as Air France is committed to the highest standards of corporate governance," the chief executive of Air France-KLM, Jean-Cyril Spinetta, said in a statement.

Hong Kong-based Cathay Pacific agreed to pay a US\$60 million fine, while SAS will pay a US \$52 million penalty and Martinair will pay US\$42 million.

*Jack Handley
Impact Publications
Friday, 27 June 2008*

Airlines fined \$504m in US probe

Five airlines have agreed to pay fines totaling \$504m (£253m) for conspiring to fix prices for air

cargo rates, the US Justice Department says.

The airlines include Air France and KLM, now operated by a single holding company, which is to pay \$350m.

The other airlines involved are Cathay Pacific, Dutch airline Martinair and Scandinavia's SAS.

The payments come after a wide-ranging inquiry into the air cargo industry by the department's anti-trust division.

A statement by the department said the fine imposed on Air France-KLM was the second-highest levied in a criminal anti-trust prosecution to date.

BBC News

DOJ Nabs 5 More Airlines

Five more airlines have reached plea agreements worth a total of \$504 million with the U.S. Department of Justice for conspiring to fix rates and fuel surcharges earlier this decade, the agency announced today.

The total number of airlines that have agreed to pleas with the DOJ is now 9, with fines totaling more than \$1.2 billion, the highest total amount of fines ever imposed in a criminal antitrust investigation.

Qantas's former highest-ranking executive employed in the U.S. pleaded guilty, agreed earlier to pay a fine and to serve 8 months in jail for his role in the conspiracy.

Major international airlines - Société Air France (Air France), Cathay Pacific Airways Limited (Cathay), Koninklijke Luchtvaart Maatschappij N.V. (KLM Royal Dutch Airlines), Martinair Holland N.V. (Martinair), and SAS Cargo Group A/S (SAS) - have agreed to plead guilty and pay criminal fines totaling \$504 million for participating in a multi-year conspiracy to fix prices for air cargo rates and fuel surcharges, the Department of Justice announced Thursday. Of the \$504 million in fines, Air France-KLM, which now operates under common ownership by a single holding company, has agreed to pay a \$350 million criminal fine, the second highest fine ever levied in a criminal antitrust prosecution.

Cathay has agreed to pay a \$60 million criminal fine; Martinair has agreed to pay a \$42 million criminal fine; and SAS has agreed to pay a \$52 million criminal fine. The plea agreements are subject to court approval.

*Michael Fabey / Traffic World
www.aircargoworld.com
June 26, 2008*

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Northwest Airlines helps natural disaster relief efforts in China

WorldPerks® Customers Contribute Millions of Miles

EAGAN, Minn. - (June 3, 2008) - In the wake of the May 12, 2008 earthquake in China, the outpouring of support by North American WorldPerks® members for relief efforts in that area has prompted Northwest Airlines (NYSE: NWA) to also offer WorldPerks members in Asia the opportunity to contribute miles to the relief effort.

As of June 3, 2008, the Salvation Army has received more than 10.7 million miles through the AirCares® program at Northwest Airlines. Northwest matched the first million miles contributed to The Salvation Army. Other charities have received more than 3.1 million miles. Northwest also sent an e-mail to WorldPerks members reminding them of the opportunity to donate miles or money to its AirCares partners.

Northwest invited WorldPerks members in Asia to contribute mileage to its AirCares partner Médecins Sans Frontières (Doctors Without Borders). The miles will be used to provide transportation for MSF doctors who are traveling to the region and wherever their help is needed most. Northwest matched the first one million miles. In one day, Doctors Without Borders received more than 11 million miles.

NWA Cargo Ships Supplies

NWA Cargo, working with the U.S. relief organization AmeriCares, utilized the capability of the NWA freighter network to move a large shipment of relief supplies to the area of China affected by the earthquake. AmeriCares is one of Northwest's AirCares charity partners.

The shipment, known as a BLU-MED portable facility, is a 15-bed portable hospital that has the capacity to serve 250-300 patients per day. An identical facility provided medical services to over 90,000 people in Pakistan after the 2005 earthquake. The shipment, consisting of nearly 25,000 pounds of equipment, also includes tents, beds, and other supplies, including an 8000-pound, 125-

kilowatt portable generator.

The shipment departed Los Angeles (LAX) on Saturday, May 31, made a connection at the freighter hub in Anchorage (ANC), and arrived in Shanghai (PVG) on NWA flight 913 on the morning of Sunday June 1. It will be forwarded by truck to Chengdu (CTU) for distribution to the Sichuan Provincial Health Department.

The successful movement of the relief shipment was the result of great effort and teamwork by NWA Cargo personnel in Los Angeles and Shanghai, with support by NWA Cargo Headquarters and Cargo Operations Control in MSP.

Northwest has long supported the disaster relief supply shipment efforts of AmeriCares, partnering with them during the China River flood, the Yangtze River flood, the tsunamis and now again with the China earthquake efforts. AmeriCares is known for its timely responses to disasters by being able to get the needed relief supplies where they are needed.

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[United, US Airways suspend merger talks](#)

United Airlines and US Airways have suspended their talks on a merger because of concerns about labor opposition and integration costs.

The two carriers have been in talks for a few months. United was also in talks with Continental Airlines on a merger.

The merger talks follow Delta Air Lines and Northwest Airlines' agreement to merge to counter skyrocketing fuel prices, a weak US economy and growing competition from European carriers.

US airlines are hoping mergers or alliances could give them more power to reduce flights and raise fares.

The airlines also face a renewed sense of urgency to cut costs as jet fuel prices have more than doubled since the start of last year.

www.cargonewsasia.com

May 30, 2008

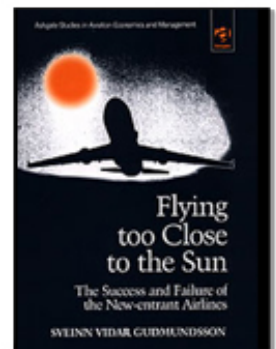
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[Book Review: Flying Too Close to the Sun - The Success and Failure of the New-Entrant Airlines](#)

by Sveinn Vidar Gudmundsson

This month's featured book, brought to our attention by Ashgate Publishing in the UK, examines post deregulation airlines in the United States. How many millionaires and investment groups intoxicated over seeing their name on a Boeing jet and a row of painted tails have gotten into the "airlines business" only to find themselves unsuccessful, unable to compete, locked out of gate slots and relegated to off-line airports due to lower landing costs? The companion book to this one day would probably address the older legacy carriers (Pan Am, TWA, Republic) that couldn't keep up with these newer lost-cost - low-fare carriers' perhaps a case of mutual destruction.

Since deregulation in the United States, most jet operating new-entrant carriers have failed. Theories on competition had been put to the test and reality turned out to be different to the vision. To begin with, many new-entrant airlines were successful, but were not able to create sustainable strategies to survive as incumbent carriers adjusted to the new operating environment. This book explains the complex issues that led to the almost total failure rate of the 'first wave' new-entrant airlines.



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KLM Aiming for Greener Fuel



From pond scum to green gold? KLM hopes to start powering aircraft with fuel derived from algae by the end of the year. KLM and Dutch technology company, AlgaeLink, recently signed an exclusive contract to produce the fuel for the test project. The algae kerosene will initially be mixed with conventional jet fuel. The ultimate goal of the project is to power 50 turboprop planes in KLM's fleet with 100% of the bio-jet fuel by 2010.

KLM expects to save millions of dollars a year in fuel costs and carbon dioxide fines by switching to the carbon dioxide-neutral fuel.

In 2012, European airlines will be required to pay extra for CO2 emissions. According to AlgaeLink, algae fuel is CO2 neutral and cost-effective once crude oil passes the \$100-per-barrel mark. The biofuel producer also claims that its algae fuel is more environmentally friendly compared to other biofuels as it does not contribute to deforestation.

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NWA Becomes Sponsor of Great River Greening

Northwest Airlines announced that it has signed on as a corporate sponsor with Great River Greening to restore urban natural resources throughout Minneapolis/St. Paul. NWA will commemorate this sponsorship by participating in a Great River Greening tree planting event on May 31.



Northwest Airlines, through Great River Greening, is partnering with the Longfellow Community Council to beautify the Midtown Greenway in Minneapolis. The Greenway is a publicly-funded walking path and bicycle trail that runs through the center of South Minneapolis, providing green space and eco-friendly transportation along former railroad lines.

This partnership is part of Northwest's EarthCaresSM program. "Northwest Airlines is dedicated to opportunities to do our part to conserve natural resources and protect the environment. We are pleased to offer partnering opportunities to our employees to promote positive environmental change," said Tim McGraw, director of corporate environmental and safety programs.

Northwest's team of volunteers will plant prairie seed, oak trees and shrubs to increase wildlife habitat, which will be highly visible to pedestrians and bicyclists who use the Midtown Greenway. The site is six blocks from the significant natural areas of the Mississippi River Gorge.

Great River Greening is Minneapolis/St. Paul's largest organization to engage volunteers in hands-on conservation work. "This is a great collaboration between Northwest Airlines and Great River Greening, said Executive Director, Deborah Karasov. "This partnership demonstrates Northwest's commitment to our state of Minnesota, our communities and environmental preservation."

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Going Green is a team sport

Featured web site of the month:



Past editions of our e-Newsletter have made mention of the Harvard Business Review web site, discussing an article titled, "You are only as Green as your Supply Chain." We direct your attention to this site once again to share with you the following discussion, "No Company Is an Island."

HBR Green Wrap-Up: No Company Is an Island

by Gregory C. Unruh

Posted on April 17, 2008 3:26 PM

For the twelve weeks from January 23 to April 16, 2008, HBRGreen hosted six discussions on the emerging intersection of business and the environment. Leaders of the business world asked provocative questions and readers from around the globe answered with robust and lively commentaries, bringing an unparalleled level of insight and experience to the conversation.

What did we learn? We learned that going green is more than a slogan. It's a complicated business practice that requires a sustained and unified effort from a diverse set of companies, customers, suppliers, workers, nonprofits, governments, and NGOs. Indeed, no facet of doing business remains untouched.

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If you have any questions or comments regarding the Air eNewsletter, please contact [Joseph Hoban](#) from the AIT Air Department.

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COMPLIANCE

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Internet Purchases & Medication/Drugs

Just because an item can be purchased via the internet doesn't mean that it can be imported into the US. The following link discusses the procedures and pitfalls associated with importing goods purchased over the Internet from foreign sources:

http://www.cbp.gov/xp/cgov/trade/basic_trade/internet_purchases.xml

As this link explains, in virtually all instances, individual citizens are prohibited from importing prescription drugs into the United States.

http://www.cbp.gov/xp/cgov/travel/clearing/restricted/medication_drugs.xml

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Solid Wood Packaging (SWP) Update

The following is a message sent from Mark Grzeszkowiak, Chief Agriculture Specialist, Chicago, to the local members of the industry:

In September 2004 the USDA amended its import wood packing regulations adopting the standard set by the United Nations (UN), Food and Agriculture (FAO), International Standard for Phytosanitary Measures (ISPM) 15. The effective date set was in September 2005. A three step phase in period followed. Enforcement phases have been in effect for pallets and crating since February 2006 and for dunnage since July 2006.

Please visit http://www.cbp.gov/xp/cgov/trade/priority_trade/agriculture/wpm/ or http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/index.shtml for more information.

Shipments with non-compliant wood packing must be re-exported. There are no provisions for destruction or treatment in the United States.

This can become an extremely expensive and time-consuming mitigation.

It is becoming increasingly difficult to accomplish the re-export because of TSA regulations restricting the use of passenger aircraft to move freight to "known shippers." As Europe moves into its enforcement of ISPM 15, it will also become increasingly difficult to have returning violative wood transit other countries.

The potential costs of receiving a shipment containing uncertified, or fraudulently certified wood packing are staggering and for some companies, too much to bare. Yet, violations continue to be discovered at alarming rates.

I have asked several importers that had uncertified or infested wood packing in their shipments why they have not built in guarantees into the purchase or shipping contracts that include of the use proper wood backing. Generally, they say that the manufacturer or shipper is unwilling to take on the liability at the prices negotiated. In other words, they are not willing to pay the extra expense to use treated and certified wood packing and they then left holding the bag when it is discovered. There are also some importers who are not aware of the requirement.

The consequences for importers are much too high not to take precautions. This is particularly true for just-in-time deliveries or custom orders that simply could not be replaced by air shipping enough to get by until the replacement load arrives...

Asian Longhorned Beetle, and Emerald Ash Borer are just two examples of timber pests that can be attributed to wood packing material. Sustained environmental pressure of timber pest introductions is likely to cause more outbreaks here in the United States. These outbreaks cost billions of dollars in damage, cost of eradication or control, and impact to local and export industries and the communities they help to support.

For more information on export certification of wood packing material produced in the United States, please visit the following links:

American Lumber Standard Committee (ALSC)

http://www.alsc.org/WPM_summary_mod.htm

National Wood Pallet and Container Association

<http://www.palletcentral.com/ExportTreatment/ExportTreatmentProg.asp>

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10 + 2 Status

It appears that CBP will not take any further action on 10+2 until they consult with Congress. Instead of the Ways and Means Committee sending a letter to CBP with a list of things to fix, there will be a series of meetings taking place between Congressional staff and CBP over the next several months in order to devise a program that is satisfactory to everyone on the Hill and the industry.

Exactly how 10+2 will be implemented is currently undecided. As to exactly when CBP will publish its final rule, it might be assumed that there is an unofficial deadline of December, since that is the deadline for the Bush Administration to finalize any outstanding rules before the next President comes into office.

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GSP to expire at year's end

The Generalized System of Preferences (GSP) program expires on December 31, 2008, and unless Congress renews the program, all benefits will cease as of January 1, 2009.

GSP's last extension was finalized approximately 10 days before it was scheduled to expire in 2006. In the past, it has been expired before it was renewed retroactively months later.

Let's hope that Congress acts timely.

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If you have any questions or comments regarding the Compliance eNewsletter, please contact [Paul Codere](#) from the Customs Brokerage Department.

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PARTNER NEWS

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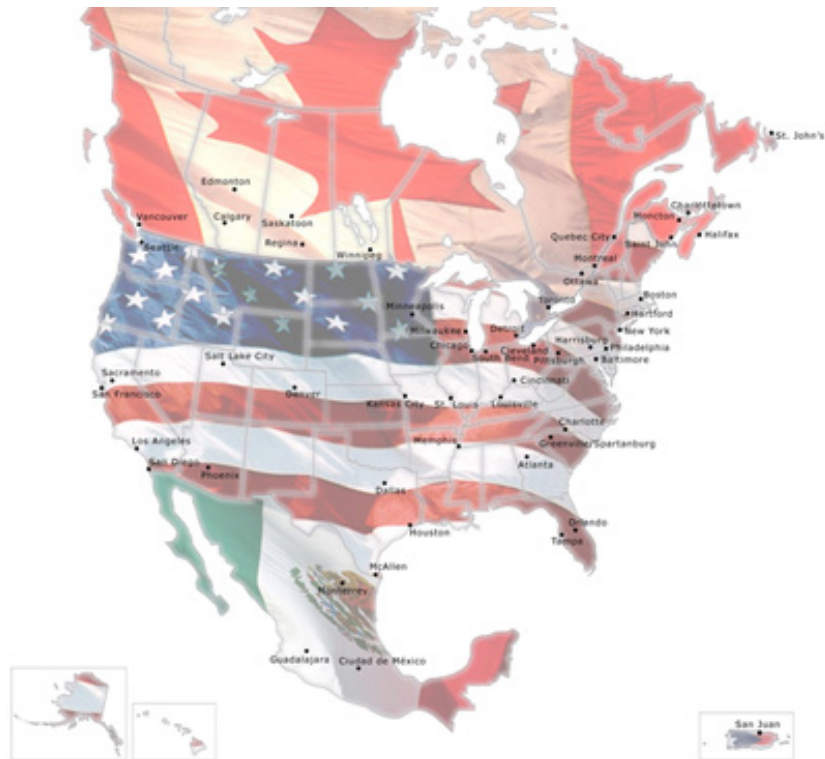
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Exclusive "Trans-border" Partnerships

The "trans-border" markets of Mexico and Canada and AIT's two excellent partners in transportation will be featured this month: **Braniff Transport** in Mexico and **Tri-ad International** in Canada.

AIT Network Map



[Click to enlarge](#)

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Partnership in Mexico: Braniff Transport

AIT is proud to be partnered with Braniff Transport in Mexico. Our cooperation has grown dramatically in the last 2 years, as Mexico's economy and infrastructure continue to develop and expand.

With their Headquarters at Mexico City International airport, Braniff Transport is one of Mexico's largest transportation companies, offering a comprehensive menu of logistical services.

They also have full service offices in:

- Monterey
- Guadalajara
- Cancun
- Toluca
- Laredo and Nuevo Laredo

Mexico's Core Markets





Aerospace

From 1990 to 2006, Mexico ranked in the top 30 aerospace markets for U.S. exporters - a key, ever-advancing sector within aviation. During this period, export sales from the U.S. to Mexico grew by an annual average of 23.87%. Over the last few years, there has been significant investment in manufacturing facilities by Bombardier, Honeywell, Ellison Surface Technologies, Hawker Beechcraft and Airpas Aviation, among others. Aerospace groups have announced that they will invest an additional \$279M into the sector over the next few years. The Mexican government is working to attract more aerospace manufacturing investments - creating opportunities for U.S. suppliers.



Automotive

The automotive industry continues to be the one of the most important industrial and manufacturing sectors in Mexico. Between 2006 and 2007, the Mexican auto parts industry and vehicle production and assembly reached record production levels, even after signs of economic slowdown in the principal export market in the United States. In 2001, Mexico was the ninth largest producer of automotive vehicles in the world, manufacturing 1.92 million units (including trucks and buses); however, after a slowdown in production due to economic events, it came back and grew to 1.6 million in 2005 and to over 2.1 million in 2007. Mexico surpassed the two million-unit annual production mark during 2006. As a result of new investments in their assembly lines and the launching of innovative vehicle platforms, Ford, Volkswagen, and Nissan significantly increased their production. General Motors announced that they will start operations of their new plant in the city of San Luis Potosi in the month of April with a production of 30 automobiles per hour and could be increased to 60 units per hour by the end of 2008.



Oil & Gas - Energy

This sector includes the sub-sectors of Oil and Gas (OGM), Electric Power Systems (ELP), and Renewal Energy Equipment and Services. With the start of a new administration and the publication of the National Infrastructure Program 2007-2012, the mentioned sub-sectors have been identified to be a priority for Mexico's Federal Government. The demand for imported equipment and services for the energy sector increased by eight percent from 2006 to 2007. U.S. exports to Mexico also have grown at an average of 8.5 percent during the same period. The total market grew at an average of 5.0 percent annually from 2006 to 2007. The competition will continue to come from Japanese, French, Chinese, Taiwanese, German, and Canadian companies. Mexico's Energy sector will continue to be a priority during the period 2007-2012; therefore, large budgets are expected to be assigned to each of the three major government agencies responsible for the maintenance and investment of energy infrastructure. Government Owned-Petroleum Company (PEMEX), the Federal Electricity Commission (CFE) and Luz y Fuerza del Centro (the federally owned Mexico City power company) have been authorized by the Mexican Congress a total budget of over \$35 billion during 2008.



Technology

The fixed and mobile markets in Mexico have enjoyed constant growth over the years, more than doubling GDP growth. Fixed lines have reached over 20 million users, and mobile communications today have over 56.5 million subscribers. Telecommunications services are becoming more readily available due to the increased penetration of fixed lines, lower rates and an explosive growth in the wireless subscriber base. Cable TV and wireless industries will be more aggressive and will show strong innovations in the near future. Technologies such as PLC, WiMAX, WiFi, and cable will be the tools for increasing penetration and offering newer services. The industry sees the coming of more mobility in the country along with smarter devices.

Please contact your AIT representative for more details on our services to and from Mexico.

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Partnership in Canada: Tri-ad International

AIT's partner north of the border is one of the most respected logistic companies in the Toronto market, a twenty year old, privately owned forwarder named Tri-ad International.

With their corporate headquarters in Toronto, Tri-ad also has full service offices in Montreal, Ottawa and Vancouver that provide complete coverage to any zip code in Canada.



Canadian Core Markets



Energy

Canada is one of the few developed nations that are a net exporter of energy. Most important are the large oil and gas resources centered in Alberta, but also present in neighboring British Columbia and Saskatchewan. The vast Athabasca Tar Sands give Canada the world's second largest reserves of oil after Saudi Arabia, according to USGS.

Western Canada is one of the world's richest sources of energy, the industrial heartland of Southern Ontario and Quebec has fewer native sources of power. The eastern Canadian ports thus import significant quantities of oil from overseas, and Ontario makes significant use of nuclear power.

Canada is the leading export market for 35 of 50 U.S. states, and is the United States' largest foreign supplier of energy.



Manufacturing

The general pattern of development for wealthy nations was a transition from a primary industry based economy to a manufacturing based one, and then to a service based economy. Canada did not follow this pattern; manufacturing has always been secondary, though certainly not unimportant. Partly because of this, Canada did not suffer as greatly from the pains of deindustrialization in the 1970s and 1980s. Central Canada is home to branch plants for all the major American and Japanese automobile makers and many parts factories owned by Canadian firms such as Magna International and Linamar Corporation. Central Canada today produces more vehicles each year than the neighboring U.S. state of Michigan, the heart of the American automobile industry. Manufacturers have been attracted to Canada due to the highly educated population and lower labor costs than in the United States.

Much of the Canadian manufacturing industry consists of branch plants of United States firms, though there are some important domestic manufacturers, such as Bombardier. This has raised several concerns for Canadians. Branch plants provide mainly blue collar jobs, with research and executive positions confined to the United States.



Relations with the U.S.

Canada and the United States share a deep and common trading relationship. The United States is by far Canada's largest trading partner, with more than \$1.7 billion CAD in trade per day in 2005. 81% of Canada's exports go to the United States, and 67% of Canada's imports are from the United States. By comparison, in 2005 this was more than U.S. trade with all countries in the European Union combined and well over twice U.S. trade with all the countries of Latin America combined. Just the two-way trade that crosses the Ambassador Bridge between Michigan and Ontario equals all U. S. exports to Japan.

Bilateral trade increased by 52% between 1989, when the U.S.-Canada Free Trade Agreement (FTA) went into effect, and 1994, when the North American Free Trade Agreement (NAFTA) superseded it. NAFTA continues the FTA's moves toward reducing trade barriers and establishing agreed upon trade rules. It also resolves some long-standing bilateral irritants and liberalizes rules in several areas, including agriculture, services, energy, financial services, investment, and government procurement. NAFTA forms the largest trading area in the world, embracing the 406 million people of the three North American countries.

Please contact your AIT representative for details on our services to and from Canada.

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If you have any questions or comments regarding the Partner News eNewsletter, please contact [Larry Georgen](#), Manager Global Network.

Cities around the world

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Bogotá, Colombia

Bogotá - officially named **Bogotá, D.C.** (D.C. for "Distrito Capital", which means "Capital District"), formerly called **Santa Fe de Bogotá**, is the capital city of Colombia, as well as the most populous city in the country, with 7,033,914 inhabitants (2007). Bogotá and its metropolitan area, which includes municipalities such as Chía, Cota, Soacha, Cajicá and La Calera, had an estimated population of 8,244,980 as of 2007. Bogotá's altitude makes it the third-highest major city in the world after La Paz and Quito. In terms of land area, the city of Bogota is the largest in Colombia.



"Bacatá" (which means "planted fields") by the Muiscas, was the center of their civilization before the Spanish explorers colonized the area, and it sustained a large population. The European settlement was founded in August 6, 1538 by Gonzalo Jiménez de Quesada and was named "Santa Fé de Bacatá" after his birthplace Santa Fé and the local name. "Bacatá" had become the modern "Bogotá" by the time it was made the capital of the New Kingdom of Granada, which was then part of the Viceroyalty of Peru, and later of the Viceroyalty of New Granada. The city soon became one of the centers of Spanish colonial power and civilization in South America.

In 1810-11 its citizens revolted against Spanish rule and set up a government of their own, but had to contend with internal divisions and the temporary return to power of Spanish military loyalists who retook the city in 1816. In 1819 Simón Bolívar recaptured it after his victory at Boyacá. Bogotá was then made the capital of Gran Colombia, a federation combining the territories of modern Panama, Colombia, Venezuela, and Ecuador. When Gran Colombia was broken up, Bogotá remained the capital of New Granada, which later became the Republic of Colombia.

In 1956 the municipality was joined to other neighboring municipalities forming a "Special District" (Spanish: Distrito Especial). The Constitution of 1991 confirmed Bogotá as the Capital of Colombia, gave it the name "Santa Fe de Bogotá", and changed the category from Special District to "Capital District" (Distrito Capital).

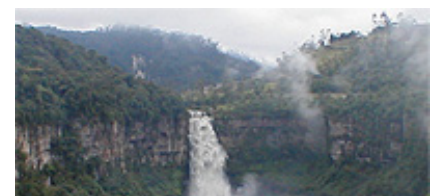
In August 2000 the name was officially changed back to simply "Bogotá". The local government consists of a Capital District. Samuel Moreno Rojas was elected Mayor of Bogotá for the period 2008-2011.

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Location

Bogotá is located near the geographic center of Colombia, on the east of the Savannah of Bogotá (Sabana de Bogotá), 2640 meters (8661 feet) above sea level. Although "sabana", as it is popularly called, is literally "savannah", the geographical site is actually a high plateau in the Andes mountains. The extended region is also known as "Altiplano Cundiboyacense" which literally means "high plateau of Cundinamarca and Boyaca"

The Bogotá River crosses the 'sabana' forming Tequendama Falls to the south. Tributary rivers form valleys with flourishing villages, whose economy is based on agriculture, livestock raising and artisanal



production.

The 'sabana' is bordered to the east by the Eastern Cordillera of the Andes mountain range. Surrounding hills, which limit city growth, run from south to north, parallel to the Guadalupe and Monserrate mountains. The western city limit is the Bogotá River. The Sumapaz paramo (moorland) borders the south and to the north Bogotá extends over the mentioned plateau up to the towns of Chía and Sopó.



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Climate

The average temperature on the 'sabana' is 14.0°C (57°F), varying from -8°C (18°F) to 23°C (74°F). Dry and rainy seasons alternate throughout the year. The driest months are December, January, February and March; the rainiest are April, May, September, October and November. June and July are usually rainy periods and August is sunny with high winds. Hailstorms are common during the rainy season, and can be very strong, especially in October.

Frost usually occurs in dry season. During this period, the temperature falls below -4°C (24°F) at night and ascend to 25°C (77°F) in the day. The lowest temperature ever recorded was -8°C (17°F) inside the city and -10°C (14°F) in the nearby towns of the savanna. The highest temperature ever recorded was 28°C (82°F).

Climatic conditions are irregular and quite variable due to the El Niño and La Niña climatic phenomena, which occur in and around the Pacific basin and are responsible for very pronounced climatic changes.

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Demographics

The largest and most populous city in Colombia, Bogotá has 7,881,156 inhabitants in its metropolitan area (2005 census).



Similar to the demographics of Colombia as a whole, the vast bulk of the city's population are mestizo in origin (those of mixed Amerindian and white European descent), in addition to a smaller population of white European descent. The population of Afro-Colombians in Bogota is smaller than cities along the coast such as Cartagena, where Afro-Colombians have historically resided.

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Government

Bogotá is the capital of the Republic of Colombia, and houses the national legislature, the Supreme Court of Justice, and the center of the executive administration as well as the residence of the President of the Republic. The Principal Mayor and District Council - both elected by popular vote - are responsible for city administration.

Each of the 20 localities are governed by an administrative board elected by popular vote, made up of no less than seven members. The Principal Mayor designates local mayors from candidates nominated by the respective administrative board.

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Economy

Bogotá is Colombia's largest economic center, followed by Medellín, Cali, and Barranquilla. Most companies in Colombia have their headquarters in Bogotá (for example, Bavaria, Avianca), is the site of Colombia's main stock market, and it is home to many foreign companies doing business in Colombia and the greater South American continent. Bogotá is a major center for import and export of goods for Colombia and the Andean Community in Latin America.

Bogotá is the center of Colombian business. It has a busy banking, insurance sector, and a Stock exchange.

Engineering firms provide services for many regions of Colombia and Central America. Bogotá



houses the central governmental institutions and military headquarters. It is the centre of the telecommunications network and has the biggest industrial facilities in the country.

Bogotá also receives money from exports like flowers and emeralds. In downtown Bogotá, millions of dollars in domestically produced rough and cut emeralds are bought and sold daily. Other important industries include financial services, especially banking. Bogotá is headquarters to major commercial banks, and to the Banco de la República, Colombia's central bank. Bogotá is also a printing and publishing centre. The city is a major convention destination with many major convention centres: Centro Ferial de Convenciones Corferias, Centro de Convenciones y Eventos Cafam, Centro de Convenciones Gonzalo Jiménez de Quesada, among others. Because of its status as site of the country's capital, it is home to a number of government agencies, which represent another major component of the city's economy.

The city's industrial base includes staples of the Colombian economy such as GM Colmotores, Compañía Colombiana Automotriz, and Ecopetrol.

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Transportation

Bogotá's growth has placed a strain on its roads and highways, but within the past decade significant efforts to upgrade the infrastructure have been undertaken. The TransMilenio rapid transit system, created during Enrique Peñalosa's mayoral term, is a form of bus-rapid transit that has been quickly and affordably deployed as an appropriate stopgap measure to compensate for the lack of a metro system. Despite the city's chronic congestion, many of the ideas enacted during the Peñalosa years are regarded worldwide to be cost-effective, efficient and unique solutions. In addition to TransMilenio, the Peñalosa administration and voter-approved referenda helped to establish travel restrictions on private cars during peak hours, "Car Free Days" on Sundays, a massive system of bicycle paths and segregated lanes called 'ciclorutas', and the removal of thousands of parking spots in an attempt to make roads more pedestrian-friendly.

Private car ownership, despite being under 25%, forms a major part of the congestion, in addition to taxis, buses and commercial vehicles. However, due to the cicloruta system, bicycles have become an increasingly important form of transportation as well.



Buses remain the main means of mass transit. There are two bus systems: the traditional system and Trasmilenio. The traditional system runs a variety of bus types, operated by several companies on normal streets and avenues.

The buses are divided into two categories: "ejecutivo", which is supposed to be a deluxe service and is not supposed to carry standing passengers, and "corriente" or normal service. Bus fares range, as of March 2008, from \$1100 to \$1250 (US\$ 0.60-0.70 approx.)

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Airports

Bogotá's principal airport is El Dorado International Airport, west of the city's downtown, at the end of Av. el Dorado. Due to its central location in Colombia and in Latin America, it is a natural hub for domestic and international airlines.

El Dorado is heavily congested, as it handles more passengers than its optimal capacity. Work on a major expansion of El Dorado airport started in September 2007. When completed, this will expand capacity from the current 8 million passengers a year to 16 million.

A secondary airport, Catam, serves as a base for Military and Police Aviation, also Guaymaral Airport, for private aviation activities.

Source: wikipedia.com

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