

OCEAN

OTHER SECTIONS:

- [Air](#)
- [Compliance](#)
- [Market Notes](#)
- [AIT News](#)
- [Buzz Word](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

[Vietnam becoming largest market in region](#)

It is forecasted that by the end of 2012, Vietnam will top Indonesia to become the largest market in the region for U.S. containerized commodities. The commodities in highest demand will include soybeans and related products, wastepaper and fabrics, including raw cotton.

After growing an estimated 6.7% in 2010, the Indian subcontinent economies are projected to expand 6.5% this year. India is improving its manufacturing capacity in order to boost its export performance and this, in turn, will lead to increased demand for raw materials from the U.S., including wastepaper and scrap metals. U.S. exports to Pakistan and Bangladesh will largely focus on fabrics, including raw cotton, as both economies remain regional stop sources of menswear and other apparel-related goods.



Although some of these growth projections for containerized trade look robust at first glance, it is important to remember they are coming off of two years of historically steep declines. Some of the challenges to reaching this forecasted growth include oil prices, personal income growth in USA and China's currency appreciation. Since the U.S. economy lost 8.75 million jobs during the recession, another determining factor is job availability. In 2010, the U.S. gained on average 75,000 jobs per month for an approximate total of 909,000 jobs for the year.

Source: JOC 3/07/2011

[⤴ Back to top](#)

[Piracy news](#)

Somali pirates have released the MV Asphalt Venture, a Panama-flag oil tanker, after almost seven months of captivity but later reneged on their agreement to free the 15 Indian crew members. In a statement from the ship operator, OMCI Ship Management said that despite concluding a dialogue with the pirates for the full release of crew and vessel after payment of the ransom, the crew were taken off the tanker and forced to accompany the pirates.

The pirates were supposedly unhappy with the amount of the ransom, reportedly \$3.6 million, and were making yet another attempt to extract more money. Reports also said these Indian sailors were being held hostage in a bid to exert pressure on Indian authorities to release pirates captured by the Navy and Coast Guard during recent anti-piracy raids in the Arabian Sea. Following a spurt in piracy incidents off the Indian coast in recent months, the Navy and Coast Guard intensified patrols and managed to arrange about 120 Somali pirates. As of mid-March 2011, it was estimated that African pirates were holding 53 Indian crew members captive on five foreign-flag ships.

Source: JOC 4/18/2011

[⤴ Back to top](#)

[Ocean Port Updates](#)

[Tampa Port](#) continues to see expansion of its container services and terminal facilities, building on its success as the largest port in Florida for cargo tonnage.

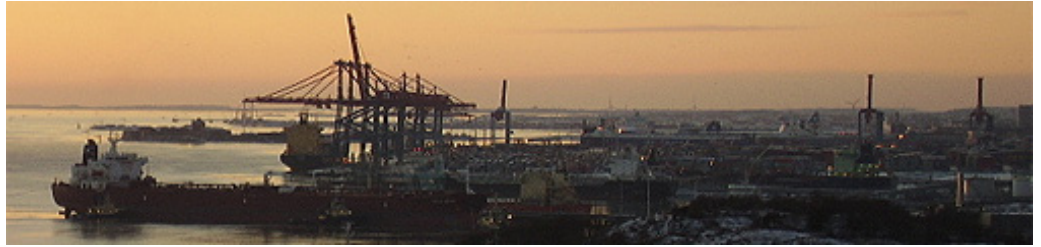
Together with terminal operator Ports America, TPA plans to quadruple the size of the terminal to more than 160 acres over the next several years. A primary driver is to position the port for increased trade with Latin America and Asia as a result of the expansion of the Panama Canal.

Source: JOC 2/21/2011

[Gothenburg](#), the largest port in the Nordic region, is offering financial reimbursement to carriers for their increased fuel costs if they use a cleaner fuel. The port is known internationally for its environmental work. Rail shuttles, onshore power supply for vessels and plans to supply vessels with liquefied natural gas are just a few of its flagship initiatives. For a number of years, the port levied a supplementary charge on vessels with more than 0.5% sulphur in the fuel. The revenue from this

charge, which has been termed an environmentally differentiated port charge, is now being channeled back to shipping lines that choose to invest in clean fuel in their tanks.

Source: JOC 4/19/2011



[⤴ Back to top](#)

THE PARTING WAVE

A man without a goal is like a ship without a rudder.

- Thomas Carlyle

[⤴ Back to top](#)

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

Copyright © 2011 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#) [Feedback](#) [Unsubscribe](#) [Disclaimer](#) [AIT Home](#)

AIR

OTHER SECTIONS:

- [Ocean](#)
- [Compliance](#)
- [Market Notes](#)
- [AIT News](#)
- [Buzz Word](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

[Chartering an aircraft](#)

Chartering an aircraft was once viewed as a last resort due to the high price tag involved. It was undertaken only in extreme circumstances; to keep a factory from shutting down as a result of poor pre planning on the manufacturer's part or to retain an extremely high valued customer to compensate for an error on the part of the forwarder or logistics provider.

Although an infrequent request among today's logistics shoppers, chartering has become an integral part of the services being offered by global supply chain companies.

The charter process begins when an airplane and crew are secured and contracted to move a specific consignment from one destination to another. While regular commercial airfreight transportation is standardized in both pricing and service, the chartered airfreight can sometimes be extremely complicated depending on several factors – the nature of cargo, the time constraints and the origin and destination of the flight, to name a few. For this reason, the charter contract generally lists many disclaimer clauses to cover exclusions and unknown variables.

Needless to say, careful planning on the part of the shipper, forwarder and air charter broker is required. The broker plays an important role as flight coordinator who watches the loading of the cargo and oversees the final mile of the freight being unloaded at destination. For this reason, the broker needs to establish trustworthy connections with impeccable integrity both at origin and destination. In order to properly service their customers, it is imperative the forwarder has a good long lasting working relationship with air charter brokers.

Statistically, only 2% of total global trade moves via air. Of that 2%, only 10% moves via charter aircraft. These percentages are based on tonnage, of course, but if we look at the dollar values, air charter involvement in global trade becomes almost doubled.

In today's world, the most requests for air cargo charters occur on the medium to long routes due to lack of capacity and transit time requirements. For ready reference, below is a list of airplanes and their cargo capacity:

Aircraft	Payload	Volume
AN12	Up to 17 tons	90 cbm
B737	Up to 15 tons	105 cbm
MD11	Up to 80 tons	600 cbm
B747	Up to 100 tons	605 cbm
AN124	Up to 118 tons	800 cbm



[⤴ Back to top](#)

[Khapra beetle caught](#)

A parcel containing a bag of rice, which included three suitcases, came from Saudi Arabia and was pulled aside for agricultural inspection by US Customs and Border Protection (CBP) agricultural specialists at Dulles Airport in Virginia on March 21.

Due to the diligent US Customs and Border Protection (CBP) agricultural specialists, two Khapra beetle larva, one of the world's most destructive insect pests, were found. One larva was discovered when the inspector was sifting through the rice and the second one was found clinging to the outside

of the burlap bag. The parcels, manifested as clothes, dry dates, spices, coffee, dry food, noodles, sugar and tea, were heading to Rhode Island.

The beetles are capable of tolerating insecticides and fumigants and can survive for lengthy periods without food. Additionally, they have a reputation of destroying more grain than they consume by contaminating the grain with stray body parts and hairs, which causes irritation in adults and sickness in infants.

"If left unchecked, the Khapra beetle could pose a devastating threat to our nation's agriculture, to our economy and to the health of our citizens" said Christopher Hess, CBP port director for the Port of Washington. As a group, CBP specialists inspect tens of thousands of international cargoes on a typical day and seize, on average, over 4,000 prohibited meat, animal and plant products, including 454 insect pests, each day. After a decade of absence, this is the second Khapra scare at Washington. The first discovery occurred on January 21, 2001. Every bug has its day!

Source: *Air Cargo News* 04-04-2011

[⤴ Back to top](#)

[Shifting patterns and demands for pharmaceuticals](#)

In a recent article from *Air Cargo News*, Niklas Prager, CEO of Sweden-headquartered Envirotainer, observes several trends in the pharmaceuticals logistics market.

He remarked that the industry is moving away from passive solutions to active solutions, and within the active solutions they are moving away from dry ice – suitable for commodities in the 2-8° C range – to heating and cooling technology, which can also cater to the 15-25° C 'room temperature' bracket.



He is seeing more interest in the room temperature segment which prior to now had not been a focus for either regulatory authorities or shippers. However, 15-25° C is just as important as 2-8° C, which is extremely tightly regulated.

Alongside this shift in awareness, new materials for transporting pharmaceutical products are being developed. One example is Envirotainer's RAP container, now available in a composite that offers proper insulation and is stronger and more durable than aluminum.

In terms of handling pharmaceuticals, Prager noted that while emerging markets such as Brazil, China and India are seeing growth in healthcare traffic, their infrastructure is not as strong as in more developed areas. This growing concern is being addressed through increases in storage facilities and the introduction of door-to-door control of goods.

However, in emerging markets one issue that needs sorting is Customs' inability to get on a par with the cold chain perspective – a problem that leads to delays and unnecessary expenses. Prager is confident that although countries like the US with experience in pharmaceutical logistics will find practical solutions for increasingly strict security regulations, places like India or Brazil will not be able to adapt as easily.

[⤴ Back to top](#)

[Airport Updates](#)

[Madrid-Barajas Airport, Spain](#) is commissioned to build a new cargo terminal in 2015 which will, when complete, make Madrid airport Europe's largest hub for air cargo to and from Latin America. The new facility, estimated to cost USD \$138 million, is expected to create 400 direct jobs and up to another 1,000 indirect posts in other services, along with leading to strong growth in Iberia's cargo handling business in the 2015-2030 period, tripling the estimated tonnage from 175,000 tons expected in 2015 to 650,000 tons projected for 2030.

Source: *Air Cargo News* 03-21-2011

[Chicago Rockford International Airport](#) has received conditional clearance from the US FAA to handle B747-8 freighter operations. The approval is pending full certification of the aircraft and some infrastructural modifications being made to the airport and these are already under way.

Source: *Air Cargo World* 04-18-2011

[Warsaw's Frederic Chopin International Airport](#) has seen a sustained upward trend in its air freight throughput over the last couple of years and this pattern looks set to continue.

Przemyslaw Przybylski, airport spokesman, noted the gateway processed a 23.3% increase in tonnage over the first three months of 2011 when compared to 2010. He said the cargo volumes at Chopin airport have been



growing continuously since 2009 and it looks like 2011 will again be a record breaker. Przybyiski observed that the top five destinations for cargo were Cologne, Leipzig, Chicago, Seoul and Shanghai with LOT, UPS, European Air Transport, Sprit Air and Air Contractors being the main carriers serving Warsaw during the three months under review.



Source: *Air Cargo World* 04-25-2011

[⤴ Back to top](#)

PREPARING FOR TAKEOFF: A THOUGHT TO PONDER

*Gliders, sail planes, they're wonderful flying machines.
It's the closest you can come to being a bird.*

- Neil Armstrong

[⤴ Back to top](#)

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

Copyright © 2011 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#) [Feedback](#) [Unsubscribe](#) [Disclaimer](#) [AIT Home](#)

COMPLIANCE

OTHER SECTIONS:

- [Air](#)
- [Ocean](#)
- [Market Notes](#)
- [AIT News](#)
- [Buzz Word](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

Intellectual Property Rights (IPR)

Customs data shows that the number of IPR seizures increased dramatically (from 14,841 in fiscal year 2009 to 19,959 in fiscal year 2010) while the value of the seizures dropped from \$260.6 million to \$188.1 million. There was a 41% increase in low value (under \$1,000) with an increase in seizures at mail facilities and in the express shipping environment. US Customs and Border Protection (CBP) believes that the continued growth of websites that sell counterfeit and piratical merchandise directly to consumers is the driving force behind the increase in low value seizures.



CBP uses enforcement and partnerships in its battle to protect IPR. CBP values its partnership with rights holders and has published "Intellectual Property Rights Enforcement: How Businesses Can Partner with CBP to Protect their Rights."

This IPR Guide for industry was published on March 31, 2011 and can be found by visiting the following link: http://www.cbp.gov/linkhandler/cgov/trade/priority_trade/ipr/pubs/ipr_guide.ctt/ipr_guide.pdf

The resource discusses three ways that IPR owners can work with CBP to protect their rights:

- Recording trademarks and copyrights with CBP in order to maximize their protection. This can be done using the "e-Recordation" process: <https://apps.cbp.gov/e-recordations/>
- Submitting allegations of infringing shipments or conduct to CBP using the e-Allegations process: <https://apps.cbp.gov/eallegations/>
- Sharing information with CBP so that they can make quick and accurate infringement determinations. This would entail providing CBP with product identification guides and product training sessions.

The guide also includes contacts and online resources.

Additional IPR resource materials can be found by visiting the following link: http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/pubs/

[⤴ Back to top](#)

Counter Piracy Contact Group Confronts Maritime Crime in the Horn of Africa

State Department Press Release
March 25, 2011

The United States joined more than 60 nations and international organizations at the United Nations in New York on March 21, 2011, for a meeting of the Contact Group on Piracy off the Coast of Somalia.

In a communiqué following the meeting, the Contact Group called for a renewed international commitment to combating piracy, both at sea and on land in Somalia, through robust and integrated military, law enforcement, and development activities. Among their recommendations, the Contact Group called for:

- Reinforcing international naval patrols in response to more aggressive and widespread pirate activity in the Gulf of Aden, Arabian Sea, and Indian Ocean and providing sufficient military capability to sustain counter piracy operations.
- Expanding the capacity of the international community to prosecute suspected pirates captured at sea, as well as their leaders and financiers, through national prosecutions and innovative additional mechanisms, including the development and sharing of information to counter enabling networks providing arms, equipment, and funding to pirate gangs.
- Intensifying implementation of a full range of industry-developed self-protection measures by

ship owners and operators to prevent pirate attacks and safeguard merchant mariners.

- Strengthening the capacity of Somalia and other countries in the region to combat piracy on their own, in particular through contributions to the UN Trust Fund Supporting Initiatives of States Countering Piracy off the Coast of Somalia.

Full text of the Contact Group's Communiqué is available on the Department of State website: <http://www.state.gov/t/pm/rls/othr/misc/158773.htm>

[⤴ Back to top](#)

Export training

The Small Business Administration (SBA) offers a number of resources to assist small and medium sized companies. While their topics range from marketing and sales to human resources and technology, the organization's website also features a number of podcasts to assist exporters:

- [Intellectual Property Rights: Protecting and Enforcing Your IPR in Foreign Markets](#)
- [Where Will Your Next Customer Come From? Look Around the World](#)
- [Competing in the Global Market: SBA's International Trade Programs](#)
- [Exporting to Russia](#)
- [Exporting to Uganda](#)
- [Exporting to Bahrain](#)
- [Exporting to Cameroon](#)



[⤴ Back to top](#)

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

Copyright © 2011 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#) [Feedback](#) [Unsubscribe](#) [Disclaimer](#) [AIT Home](#)

MARKET NOTES

OTHER SECTIONS:

- [Air](#)
- [Ocean](#)
- [Compliance](#)
- [AIT News](#)
- [Buzz Word](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

[Airline Updates](#)

[Cargoitalia Airlines](#) is four months ahead of the national deadline set by Italian customs to become the first airline in Italy to submit the new Entry Summary Declaration (ENS) message, as part of the new EU Customs Import Control System (ICS) regulations. All airlines in Italy are required to meet the ICS program, which is being progressively introduced throughout the EU member countries, by July 2011.



Under the ICS, the Customs office at first point of entry is responsible for assessing all inbound shipments and for taking preventative action against any identified risk.

Source: Air Cargo News 03-21-2011

[Lufthansa Cargo](#) had an excellent 2010 and its success has continued into 2011. Over the course of the first three months of 2011, the German freight carrier reported a 19.9% rise in freight and mail over same quarter of 2010. While the load factor was down year-over-year, Karl Ulrich Garnadt, chairman and CEO of Lufthansa, pointed out that almost all the additional capacity had been sold and the cargo load factor remained high. He also observed that traffic had been generally stimulated by recovering German exports and Lufthansa's Cargo is excellently positioned in the world's growth market.

Source: Air Cargo Week 04-18-2011

In a somewhat related story, Lufthansa is expanding its route network in Asia. On April 20, the carrier began offering customers once-weekly flights from Frankfurt to Dhaka. The flights to the Bangladesh capital have assumed growing importance as a production base for the international fashion industry. Lufthansa's direct flights to and from Dhaka will shorten the transport time for customers and link them into Lufthansa Cargo's global network.

Source: CargoNewsAsia 04-20-2011

[American Airlines Cargo](#) has launched non-stop service from New York to the Hungarian capital of Budapest. The daily service will allow customers to use a range of services into and out of Budapest including its expedited, confirmed and priority products. The traffic is expected to be split evenly between inbound and outbound flights, with the movement of electronics and car parts expected to be key commodities out of Hungary. American has also restarted its daily non-stop summer service between Dublin and Chicago.



Source: Air Cargo Week 04-11-2011

[Qatar Airways](#) has launched new B777F freighter service to Hanoi in Vietnam and Kozhikode and Bangalore in India as new destinations in its growing freighter network. The Doha-based carrier additionally reached the historic milestone of 100 destinations on April 6th when it inaugurated A320 services to the Syrian city of Aleppo. Other route launches planned for this year are Shiraz on June 5, Venice on June 15, 3 flights a week to Montreal on June 29 and Kolkata on July 27.

Source: ACW 04-18-2011

[⤴ Back to top](#)

[Ocean Carrier Updates](#)

[OOCL's](#) total revenue increased 17.2% in the first quarter from \$1.134 billion to \$1.329 billion. Likewise, there was an increase in container volume by 12.6% in the first quarter to 1.18 million TEU equivalent units from a year earlier. OOCL load factor declined 2.9% from the previous year because the Hong Kong based carrier's loadable vessel capacity increased 16.8% over the same time period

in 2010.

Source: JOC 4/19/2011

Mediterranean Shipping Company (MSC) plans to apply a general rate increase on the Far East-Asia-India subcontinent trade lane as well as to the Far East-Asia-Canada lane. The proposed hike of \$150 per 20' and \$300 per 40' begins on May 1. The Geneva based carrier will also increase rates by \$480 per TEU and \$600 per FEU on cargo shipped from the Far East-Asia to Canada, as of May 1st.



Source: JOC 4/15/2011

Evergreen Line, Wan Hai Line, and Interasia Lines launched a new weekly Taiwan-Madras Truck service beginning on April 29 from the port of Taichung, Taiwan. For this new TMT service, Evergreen Line will provide one ship, making it the first it has called at a port in East India. Wan Hai will deploy two vessels and Interasia Lines will supply one vessel. The service was developed in order to meet the demand for intra-Asia trade with India. The annual economic growth rate from Far East to India each year has been reported between 8% to 9% and India exports surged 37.5% to an all time high.

Source: JOC 4/19/2011

[⤴ Back to top](#)

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

Copyright © 2011 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#) [Feedback](#) [Unsubscribe](#) [Disclaimer](#) [AIT Home](#)

AIT NEWS

OTHER SECTIONS:

- [Air](#)
- [Ocean](#)
- [Compliance](#)
- [Market Notes](#)
- [Buzz Word](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

[Illinois Manufacturers' Association presents \\$29,000 grant to AIT Worldwide Logistics](#)

Wednesday, April 20 – The Illinois Manufacturers' Association presented AIT Worldwide Logistics with an Employee Training Investment Program (ETIP) grant check in the amount of \$29,000. Julie Starsiak, director of membership for the IMA, presented the check to Vaughn Moore, president; Joe Kayser, vice president of finance; Will Isherwood, director of human resources; and Sandra Armas, manager of human resources.

The State of Illinois Department of Commerce and Economic Opportunity's Employer Training Investment Program was established to help Illinois employers remain competitive by upgrading their employee's skills. This program potentially reimburses Illinois companies up to 50% of eligible and approved training costs. The State allocates funds to assist Illinois-based companies become more competitive and expand into new markets with the goal of improving economic conditions and the job market within the state of Illinois.

"AIT has invested more and more time and resources into employee training and development efforts," said Isherwood. "Receiving this grant funding assistance is incredibly rewarding and will only further AIT's continued investments in these important areas."

Over the past two years, AIT has made an ongoing commitment to enhance its leaders in order to realize company goals and individual career development opportunities. This journey began by eliciting the help of the Carroll-Keller group, a Lombard-based training and consulting team dedicated to helping organizations improve performance and bottom-line profitability.

Carroll-Keller formulated a program strategically aligning all members of management with AIT's overriding vision and goals. During this process, Janine Sergay and Darryl Harris facilitated classes targeting the areas of behavioral interviewing, strategic planning, coaching and mentoring and performance management.

Under the leadership of Sheri Wozniak, director of accounting services, Isherwood, Kayser and the human resources department, AIT is now at the stage of learning how to effectively implement these new tools in order to become more engaged and aligned with AIT's goals.

The current grant money will be utilized in designing and hosting eight individual training sessions ranging in topics from AIT's vision to employee development and aligning goals with actions.

Founded in 1893, the IMA is the oldest and largest statewide manufacturing trade association in the United States. The IMA's mission is to strengthen the economic, social, environmental and governmental conditions for manufacturing and allied enterprises in the state of Illinois, resulting in an enlarged business base and increased employment.

As a member of the IMA, AIT went through an extensive application process in order to be considered for the grant opportunity.

"This is a very exciting time at AIT," said Wozniak. "This grant will allow our entire organization to come together and prepare for our future success."



[⤴ Back to top](#)

[Hats off to you, Xentris Wireless](#)

AIT Worldwide Logistics recently designed an ad in support of its longtime business partner, Xentris Wireless.

The ad, which ran in the March/April 2011 edition of Retail Merchandiser, accompanied a feature story on Xentris titled, "Riding the Wave."

[Click here](#) for the article

[⤴ Back to top](#)

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

Copyright © 2011 AIT Worldwide Logistics, Inc. All Rights Reserved

[eNewsletter Home](#) [Feedback](#) [Unsubscribe](#) [Disclaimer](#) [AIT Home](#)

Buzz Word

OTHER SECTIONS:

- [Air](#)
- [Ocean](#)
- [Compliance](#)
- [Market Notes](#)
- [AIT News](#)
- [Fast Fact](#)

[<< Return to eNewsletter Home](#)

PREDICT

Predictive Risk-Based Evaluation for Dynamic Import Compliance Targeting (PREDICT) is the Food and Drug Administration's (FDA) new automated import entry review system. Tests showed that PREDICT could improve FDA's ability to identify the higher risk imports. Those shipments that pose a greater risk to human health could be targeted for further review while lower-risk imports could be allowed entry without manual review.



PREDICT has been deployed in Los Angeles, New York, San Francisco and Seattle, and FDA's goal is to have full nationwide implementation by the end of 2011.

[⤴ Back to top](#)

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

FAST FACT

OTHER SECTIONS:

- [Air](#)
- [Ocean](#)
- [Compliance](#)
- [Market Notes](#)
- [AIT News](#)
- [Buzz Word](#)

[<< Return to eNewsletter Home](#)

There are how many ships active on liner trades at present?

- A. 3,900
- B. 4,785
- C. 5,968
- D. 8,673

[Click here to see the answer!](#)

Correct Answers: C. 5,968

Today, there are 5,968 ships active on liner trades with a total of 15,055,708 TEU capacity.



[⤴ Back to top](#)

If you have any questions or comments regarding the AIT eNewsletter,
please contact the AIT Marketing Department.