



Welcome to the August 2008 newsletter.

Summary

One month after the Reserve Bank Governor Alan Bollard cut the official cash rate, the NZ Dollar now sits at around 0.72 against the US Dollar, 0.78 against the Australia dollar and 0.47 against the Euro. Looking back at the exchange rate since the beginning of the year, the Kiwi dollar has had a slow downwards slide over this time and it will be interesting to see where these rates finally settle – if at all.

Leading the news articles for the past month are four articles relating to factors in the New Zealand economy that are favourable to Kiwi exporters. The first details the expected winners from an easing in monetary policy, the second article details the volume of Fonterra's exports which interestingly make up 25% of the national total. The remaining two articles cover the trade deficit reduction due to an increase in exports – specifically oil and dairy.

Next up were the WTO recent trade talks or perhaps more importantly, the collapse of the latest round. Although the sticking point was agriculture, the greater loss is the potential dissolution of the WTO which has proved effective in providing a stable platform for global trade.

Locally, the commerce commission is taking three airlines to court for poor disclosure in a price-fixing probe. Air New Zealand has started direct flights between Auckland and Beijing and we've included an article about the public's access to the port. Of interest in the article is the potential direction of the port over the next ten years. There's also an article from the Ports of Auckland detailing the closure of the Port during the recent storms and the omission of a vessel to New Zealand due to the closure.

Spotted in the news recently was an announcement by NOL that they have submitted an indicative non-binding bid for Hapag-Lloyd. At this stage, this would appear to be the biggest change to impact on NZ shipping in the next 6-12 months and we'll keep you up to date as more information comes to hand.

Lastly in General News is the announcement of a New Zealander as the new chair of the World Customs Organisation.

In the Export and Import News, the BAF increases continue to come through thick and fast. Looking ahead to September, there is still upward pressure on the BAF level however based on the recent drop in world oil prices, one would expect to see a plateau or decrease in BAF in October. It's worth noting however that there is likely to be another attempt at implementing a Rate Increase for the Asia trade lanes in October. On the subject of Rate Increases, tucked away in a nondescript article was an announcement by Maersk of their intention to implement a rate increase from Europe in October of this year.

Read on...

This month's profile

Below is the container ship Cap Pasley seen in March this year at Tauranga port. The name Cap Pasley is taken from the cape which forms the western end of the Great

Australian Bight. Launched on the 25th of August, 2007 at the Hyundai Mipo dockyard in South Korea, the Cap Pasley has a gross tonnage of 22,914 tonne. At 187 metres by 27 metres wide, her capacity is 1819 TEU with a sea speed of 21 knots. Leased by Hamburg Sud, the Cap Pasley plies her trade between North Asia and New Zealand.



General News

- **Export sector expected to be the big winner.** The monetary policy easing which is now officially under way is expected to work mainly through the exchange rate and the export sector.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10523369
- **Fonterra dairy exports rise to quarter of entire national total.** Dairy giant Fonterra now accounts for a quarter of all national export earnings, the co-operative says.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10523783
- **Exports reduce trade deficit for June.** New Zealand had a \$223 million trade deficit in June, a better performance than economists had predicted.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10523912
- **Trade gap narrows thanks to oil and dairy exports.** The trade gap narrowed last month, driven by sharp increases in exports of oil and dairy products.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10523986
- **Trade talks failure a blow to NZ – experts.** The WTO talks were virtually doomed before they started, according to a Wellington business leader who attended the fruitless talkfest in Geneva that ended overnight (NZ time) in frustration once again.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10524318
- **Trade talks failure a \$1b blow.** The collapse yesterday of World Trade Organisation talks aimed at liberalising international trade has pushed a billion-dollar prize out of New Zealand's grasp and left business leaders bitterly disappointed.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10524494
- **Regulator takes big airlines to court.** The Commerce Commission is prosecuting three international airlines for poor disclosure in a price-fixing probe linked to overseas cartel investigations involving Air New Zealand.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10521967
- **Air NZ's new Beijing service takes off tonight.** Air New Zealand's non-stop service to Beijing is taking off tonight, as the airline looks to expand its operations into the world's fastest growing economy.
http://www.nzherald.co.nz/section/3/story.cfm?c_id=3&objectid=10522303

- **Fight looms on public's port access.** Aucklanders will stay locked behind their port's red iron fence for at least 10 more years under a Ports of Auckland plans. http://www.nzherald.co.nz/section/1/story.cfm?c_id=1&objectid=10522775
- **Weather wise.** Ports of Auckland has been 'battening down the hatches' with the rest of New Zealand since a string of bad weather began lashing the country last week. <http://www.poal.co.nz/newsroom/Enote/eNEWS080801/01Aug08eNewsWeb.html>
- **NOL submits indicative non-binding bid for Hapag-Lloyd.** Singapore, 22 July 2008: Neptune Orient Lines Limited ("NOL") today confirmed that it has submitted an indicative non-binding bid to acquire the Hapag-Lloyd container shipping business. http://www.apl.com/press_releases/html/press_release_20080722.html
- **New Zealander new chair of the World Customs Organisation.** Customs Minister Nanaia Mahuta is congratulating New Zealand Customs Service Comptroller and Chief Executive, Martyn Dunne, who has been elected chairperson of the World Customs Organisation. <http://www.beehive.govt.nz/release/new+zealander+new+chair+world+customs+organisation>

Export News

- Domestic trucking fuel surcharge for August – 11.8% (subject to change).

Australia & Pacific Islands

- PFL to Fiji: 24 August, BAF increase to 30.02%
- Hapag Lloyd to Fiji: 28 August, BAF increase to 30.02%
- Sofrana to Tonga & Samoa: 8 August, BAF increase to 53.9%
- Maersk to Fiji and Noumea: 25 August, BAF increase to US\$525/20' & US\$1050/40'.

North Asia

- Tasman Orient: 1 August, BAF increase to US\$750/20' & US\$1500/40'.
- OOCL: 1 August, BAF increase to US\$700/20' & US\$1400/40'.

South East Asia, Indian Sub Continent and Middle East

- OOCL: 1 August, BAF increase to US\$800/20' and US\$1600/40'.
- Maersk: 1 August, BAF increase to US\$725/20' & US\$1450/40'.
- Hapag Lloyd: 10 August, BAF increase US\$425/TEU.
- Tasman Orient: 1 August, BAF increase to US\$750/20' & US\$1500/40'.

Europe

- CMA CGM: 1 August, BAF set at US\$744 per TEU.
- Maersk: 1 August, BAF increase to Mediterranean of US\$725/20' & US\$1450/40'. To North Europe, increase to US\$734/20' & US\$1468/40'.
- Marfret: 5 August, BAF increase to US\$740/20' & US\$1480/40'.
- OOCL: Le Havre and Fos Emergency Port Congestion Surcharge – withdrawn 1 August.

South America

- CMA CGM to Caribbean, Central and South America: 1 August, BAF set at US\$744/TEU.

Import & Customs News

- Domestic trucking fuel surcharge for August – 11.8% (subject to change).

North Asia

- Tasman Orient: 1 August, BAF increase to US\$750/20' & US\$1500/40'.
- OOCL: 1 August, BAF increase to US\$700/20' & US\$1400/40'.

South East Asia, Indian Sub Continent and Middle East

- OOCL: 1 August, BAF increase to US\$800/20' & US\$1600/40'.
- MOL via Singapore: 1 August, BAF increase to US\$800/20' & US\$1600/40'.
- Maersk: 1 August, BAF increase to US\$725/20' & US\$1450/40'.
- Tasman Orient: 1 August, BAF increase to US\$750/20' & US\$1500/40'.

Europe

- CMA CGM: 1 August, BAF set at US\$744 per TEU.
- Hapag Lloyd: 1 August, revised BAF from North Europe to EUR 552/TEU and from Mediterranean ports to US\$854/TEU.
- Maersk: 1 August, BAF increase from Mediterranean to EUR 460/20' & EUR 920/40'. From North Europe, BAF increase to EUR 466/20' & 932/40'.
- Swire: 1 August, BAF increase to US\$626/TEU and CAF to 6.3%.
- OOCL, Le Havre and Fos Emergency Port Congestion Surcharge – withdrawn 1 August.
- **Maersk: 1 October, GRI to be implemented.**

All the best for the coming month,

Glen McLuckie

Managing Director

PH +64 9 275 5160

MB 021 764 604

EM glen@marchlogistics.co.nz

WEB www.marchlogistics.co.nz

SUBSCRIPTION SERVICES

This monthly newsletter is brought to you by March Logistics (NZ) Ltd. For more information, visit our website <http://www.marchlogistics.co.nz>

To unsubscribe from this email newsletter or to advise a change of email address, simply reply to this email with your request details.

If you are not the original recipient of this message, and would like to receive our free email newsletter, email us beinformed@marchlogistics.co.nz

Copyright March Logistics (NZ) Limited, 2008

Disclaimer: March Logistics (NZ) Ltd does not accept any responsibility or liability whatsoever and howsoever incurred or suffered by any party for any direct, indirect, consequential, accidental or punitive loss or damage, including but not limited to loss of

revenue, loss of profits, loss of market, loss of goodwill, caused by or arising out of the use and/or reliance on the information in this newsletter or any articles, or for any errors or omissions or their consequences.