

SHIPPER UPDATE

EC confirms anti-trust guidelines

The European Commission has confirmed its interpretation of the law regarding what ocean carriers can and cannot do together once liner conferences become illegal in the EU in October 2008.

As expected, its advice is cautiously worded, so open to interpretation, particularly with respect to the information that ocean carriers can and cannot exchange via their new trade association in order to better assess past supply and demand trends.

Chris Bourne, executive director of the ocean carriers' lobby forum European Liner Affairs Association (ELAA), remarked: 'There are no surprises in the document. The guidelines will allow the ship-

ping lines to proceed with their plans, which are now well advanced, to establish a trade association for the liner industry in Europe.'

He continued: 'The guidelines adopted by the EC represent a satisfactory outcome of five years of lobbying and discussion with the Commission,



Chris Bourne: Not surprised

particularly with DG Competition, but also with the full support of DG Transport and Energy.'

On the face of it, ocean carriers, therefore, appear to have got what they want – namely the opportunity to continue exchanging information on past cargo flow levels by trade-lane, plus vessel capacity changes and freight rate trends. This will enable them to ensure that average vessel utilisation remains reasonably high, so keeping freight rates above where they would otherwise be.

But, putting a positive spin on this development, Nicolette van der Jagt, general secretary of the European Shippers' Council, said: 'If an exchange of

information is assessed to reduce competition by reducing autonomous policy decisions by undertakings, by revealing actions or intentions of competitors, this is not allowed.'

She continued: 'This is going to be a challenge for industry; carriers, who are part of the ELAA's data exchange system and intend to have discussions on the data in their future trade association, have to carefully assess their own behaviour. Some of this makes it clear that carriers will be walking on very thin legal ice.'

Judging by these two reactions to the EC's guidelines, it seems that the EC's guidelines may not prevent the legal challenges they were designed to prevent.

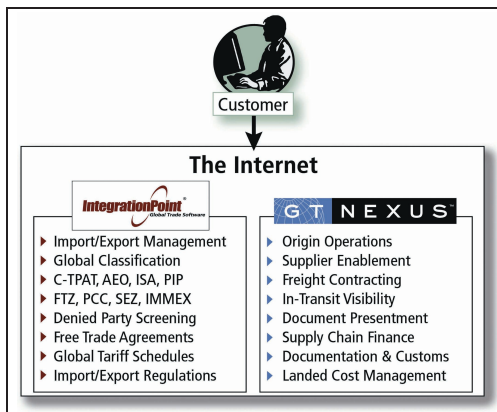
IT tie-up to provide comprehensive solution

The global trade portal GT Nexus has announced a strategic partnership with the Charlotte (NC)-based company Integration Point. The deal provides shippers with an IT solution automating and streamlining many logistics and shipping activities.

Through its recent expansion, GT Nexus alone can already provide shippers with automated solutions simplifying a diverse and wide range of activities across the supply chain.

These include, among others, vessel bookings, shipping instructions and service comparisons across multiple ocean carriers, supply chain visibility down to SKU level, and financial management of the goods bought and sold (through agreements with banks).

Under the new tie-up, the automation of cross-border



regulatory compliance is being added to the product offerings. A joint company statement explained: 'Integration Point's global trade management system allows users to securely access up-to-date global trade compliance information, such as free trade agreement regulations, denied party lists, multiple country tax and compliance requirements, etc.'

'By integrating critical information from otherwise separate systems, such as logistics,

ERP, warehouse management and local country databases, Integration Point [in partnership with GT Nexus] creates a global trade network.

'The system utilises the organisation's own transactional trade information, so that users have up-to-date information to make proactive trade decisions.'

Both GT Nexus and Integration Point deliver their solutions 'on-demand' on the Internet. As the companies pointed out, with the on-demand model several benefits accrue to customers.

They just pay for the services they need, when they need them; there is no supporting hardware to buy, manage and maintain; and the platform can be integrated to internal systems and external partner systems.

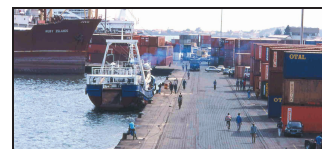
Dakar imposes fee

'A sudden and significant increase in berthing delays and congestion at Dakar' is how the Europe West Africa Trade Agreement (EWATA) notified importers and exporters that an emergency surcharge was being imposed at Senegal's largest port.

The new surcharge, which was introduced on July 1, 2008, means that shippers/consignees routing cargo through the port have to pay EUR200/GBP160 (USD313) per TEU.

According to EWATA, the situation will now be carefully monitored and the surcharge reviewed, depending on whether the situation changes.

The members of EWATA are CSAV, Delmas, Libra, Maersk Line, Nile Dutch Africa Line, OT Africa Line and Safmarine.



The port of Dakar, Senegal