More Asia/Europe rate hikes

CMA CGM, Maersk Line and Zim Line have joined the growing list of ocean carriers to have announced further freight rate increases from Asia to Europe.

With effect from July 1, 2009, CMA CGM will ask customers not yet locked into long-term contracts for another USD300/TEU. Fuel surcharges will also be more rigorously quoted separately, and increased from USD281/TEU to USD333/TEU. Moreover, the carrier said that a peak season surcharge may be introduced on August 1, 2009.

Maersk Line will also be asking its customers to pay an extra USD300/TEU from July 1, but has been clearer on its peak season surcharge, which will be USD150/TEU between August 1 and October 31.

Zim Line will additionally ask its customers to pay an extra USD300/TEU on July 1, but the increase to the eastern Mediterranean and Black Sea will only be USD250/TEU.

Ocean carriers appear to have been encouraged by their success with increases implemented on April 1, as APL also announced an increase of USD300/TEU to both the Mediterranean and Northern Europe on June 15 and July 1, respectively.

Its eastbound rate for scrap commodities, such as paper, was raised by USD100/container on June 1.

Hanjin announced a USD250/TEU increase to the Mediterranean on June 1, and a USD300/TEU increase to Northern Europe on July 1.

According to the latest information produced by Drewry Shipping Consultants, spot rates from China to the UK reached an average of between USD300-USD350 per TEU (including BAF and CAF) in May, for example, compared to USD250 per TEU in March, suggesting a USD50-100 per TEU increase was obtained.

Ocean carriers still have a lot of catching up to do. As identified in *CI's* Freight Rate Indicators last month, westbound freight rates from Asia to Europe declined by an average of 50% in Q1 09, compared to the same period last year.

This is partly supported by information since circulated by the European Liner Affairs Association, which shows that average westbound rates in February were only 44% of the level recorded in the same period of 2008. January's level was 45%.

The corresponding figures for the eastbound tradelane were 59% and 66% respectively.

These figures disguise the carnage that has been taking place in the Mediterranean, however, where a market share war in the eastern region appears to have devastated westbound rate levels.

CMA CGM could introduce a peak season surcharge

Real-time freight audit tool launched

New York-based Container Shipping Technologies (CST) has launched what it claims to be the first real-time ocean freight invoice audit tool.

CST's RightRate is a web-based vessel/voyage invoice control system that automatically monitors the accuracy of ocean freight invoices on behalf of shippers, ocean carriers, third-party logistics providers and NVOCCs.

The technology identifies discrepancies and resolves them in real-time, including invoicing errors that are under-billed or over-billed. This ensures accurate billing, improved earnings and helps avoid the time and cost of an invoice-compliance audit.

Steve Ferreira, founder of CST, said: 'We believe in our system so much that we offer a money-back guarantee if our customers' return on investment is less than forecasted using RightRate.'

The system is hosted by CST which holds user carrier contract information in a database. On receipt of freight manifest EDI data from the shipping lines, the system performs a real-time check against the contract rates for the carriers and alerts them by exception of any errors.

In this manner invoice queries can be resolved prior to final invoicing, thereby providing an effective pre-audit service.

Ferreira told *CI:* 'The unique feature of this product is the niche focus on ocean freight.

'Other systems and freight audit services being multimodal fail to take account of the inherent complexities in ocean freight invoice auditing which include multiple charge elements and frequent contract amendments.

'We have come from many years experience in the provision of ocean freight invoice auditing services to develop this unique system.'

China ups Brazil's chicken quota

Brazil Foods (BF), the world's largest exporter of chicken, is preparing to take advantage of China agreeing to increase its imports of Brazilian poultry.

It will be welcome news for those ocean carriers plying the Far East/east coast South America trades where load factors are understood to have fallen in recent months and where a number of service strings have been consolidated and/or removed. All of the chicken is moved in containers.

China's decision could lead to a huge boost in trading volumes as according to the Brazilian Association of Chicken Exporters (ABEF) only 1,000 tonnes of chicken was exported from Brazil last year. This was well down on the 12,000 tonnes moved in 2007.

While BF would not comment on exact figures issued by ABEF, it said that by the end of next year Brazil could be exporting as much as 150,000 tonnes of chicken to China.

BF's optimism follows recent meetings between Brazilian and Chinese officials and the latter agreeing to allow chicken to be imported from 13 additional Brazilian states [previously only four were recognised by the Chinese Government as disease free].

The agreement brings China fully in line with the World Organisation for Animal health guidelines.

A spokesperson for ABEF told *CI:* 'We are delighted with the new initiative made with China, and are confident we will see major increases of our chicken exports to the region in the near future.'

BF was formed by the May 2009 merger of two of Brazil's largest chicken producers, Sadia and Perdigao, and the new entity is targeting China and other Asian markets for sales.