



October 2008

# CustomerNEWS



Dear Hapag-Lloyd Customer,

We are pleased to present the October edition of our Customer News, informing you about the latest developments within Hapag-Lloyd.

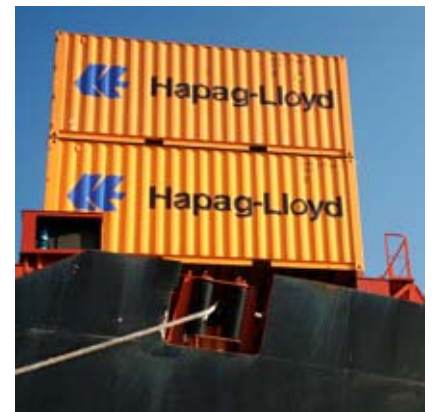
This Customer News covers the following topics:

- New & Enhanced Services
- Security Changes
- Trade Information
- New e-Business Feature: Advanced PDF Shipping Instructions
- Environmental Management: Setting a green Course
- New Hapag-Lloyd Area Denmark

In case you require any further information or have any questions, please contact your local Hapag-Lloyd office or visit our website [www.hapag-lloyd.com](http://www.hapag-lloyd.com).

Kind regards,

Hapag-Lloyd





## ■ New & Enhanced Services

### ● Europe - Australia: New direct Service

Hapag-Lloyd will start along with a partner shipping line a direct service with weekly departures from Europe to Australia at the end of November 2008. 12 modern vessels with adequate reefer capacity will be deployed in this service offering short transit times to ensure an enhanced coverage of the Australian market. Subject to regulatory approvals, this will be the only direct service from Europe to Australia via Suez. It will replace the previous ANS service. Northbound the service will continue to call at Singapore and Colombo. Ports in Malaysia, India and Sri Lanka will be added to the rotation.

The vessels to be deployed in this service will be capable of carrying 2,800 standard containers each on this route with a round voyage time of 84 days. The port rotation will be Tilbury, Hamburg, Rotterdam, Le Havre, La Spezia, Damietta, Fremantle, Melbourne, Sydney, Brisbane, Melbourne, Adelaide, Singapore, Port Kelang, Chennai, Colombo, Damietta, Malta, La Spezia and back to Tilbury. New Zealand is to be called at with an independent service in future improving our presence in this market.

The Australia/New Zealand transport market is continuously expanding. Container volume between Europe and 'Down Under' came to approx. 550,000 standard containers (TEU) last year. According to Global Insight, this total will exceed 600,000 TEU by 2009 with annual growth rates of 4-5%. Southbound cargo is chiefly paper, cardboard, cellulose, chemicals and machinery, while mainly food (particularly meat) and beverages (wine) are shipped to Europe.

### ● Asia - Africa: New Asia - South/West - Africa Express 'upgrades to weekly'

As announced in the last edition of the Customer News, Hapag-Lloyd launched a new service called WSX in July 2008 to serve the growing market between Asia, South and West Africa. The new WSX service has been designed to specifically meet Hapag-Lloyd's existing and future customer requirements for a direct and reliable fixed day service between the two continents.

The WSX service, which begins upgrading to weekly from October, links Asia to South Africa, Ghana, Togo and Nigeria on the following rotation: Shanghai, Ningbo, Xiamen, Shekou, Port Kelang, Durban, Tema, Lome, Lagos (Tin-Can), Durban, Port Kelang and Shanghai.

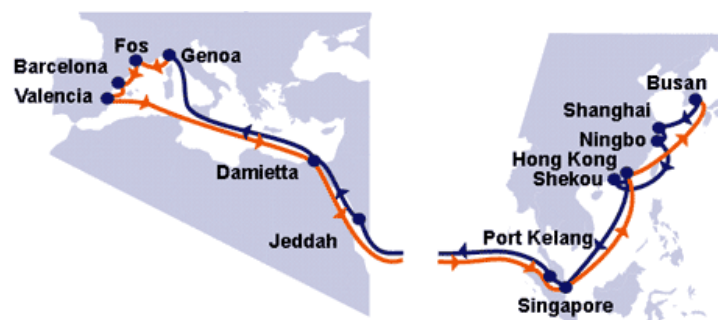
After upgrade the service will deploy 10 vessels with capacities ranging between 2,000 – 2,500 TEU and adequate reefer plugs. Hapag-Lloyd will eventually deploy two vessels in the service, which is jointly operated with partners China Shipping and Maruba Lines.

### ● Asia - Mediterranean: Enhanced Mediterranean Service

Hapag-Lloyd and its Grand Alliance partners have enhanced its service between Mediterranean and Asia (EUM) to proactively cater for our customers needs. Valencia has been added as a port of call in the current EUM service mid of August 2008.

Port rotation for the enhanced Mediterranean service is: Busan, Shanghai, Ningbo, Shekou, Hong Kong, Singapore, Port Kelang, Jeddah, Damietta, Genoa, Fos, Barcelona, Valencia, Damietta, Singapore, Hong Kong, Busan. Eight vessels with the capacity of approximately 6,000 TEU are deployed in the service.

### Port Rotation of EUM



### ● North America - Australia/New Zealand: Restructured Services

Since end of August 2008 Hapag-Lloyd offers enhanced services from North America to Australia/New Zealand. This service restructure provides customers with three services off the US West Coast to Australia / New Zealand:



- a weekly Pacific Southwest String (WAS 1) calling Long Beach, Auckland, Melbourne, Sydney, Tauranga, Suva (3x per month), Honolulu (1x per month), Oakland, Long Beach
- a second fortnightly Pacific Southwest String (WAS 2) offering Long Beach, Tauranga, Sydney, Melbourne, Brisbane, Long Beach
- a fortnightly Pacific Northwest String (WAN) sailing from Seattle, Vancouver, Long Beach to Tauranga, Sydney, Melbourne, Adelaide and return via Auckland, Papeete, Ensenada to Oakland and Seattle

Combined these three services offer a direct call into Adelaide (WAN) and Brisbane (WAS 2) every fortnight as well as continued coverage of the Pacific North West via the fortnightly WAN Service.

- **Mediterranean:**  
**Mediterranean hub changed to Cagliari, Italy**

With the objective of further improving our products, Hapag-Lloyd has restructured its transshipment activities in the Mediterranean by moving the transshipment hub from Gioia Tauro to the modern Cagliari International Container Terminal (CICT) as of mid September.

CICT belongs to Eurogate / Contship Italia Group and went into service only in 2003. With a quay length of around 1.5 Kilometres, the terminal is equipped with 7 gantry cranes and one mobile crane, ensuring a high level of productivity with an annual handling capacity of 1.5 Million TEU.

This step has been taken by Hapag-Lloyd together with the Grand Alliance members as well as other shipping lines that cooperate with Hapag-Lloyd.

Involved services are: EU2 (Europe - Middle East / Red Sea part), AEX (Asia – Mediterranean - North America East Coast Express), Indian Ocean Service (IOS), Med Pacific Service (MPS), Joint Mediterranean Canada Service Route A (MCA) and Mediterranean Gulf Express (MGX).

A comprehensive and efficient feeder network has been established to connect main Mediterranean locations with Hapag-Lloyd mainliners in Cagliari: 11 new feeder loops with 17 vessels will provide extensive coverage of main areas, namely:

East Med (Turkey, Lebanon, Israel, Egypt), Greek ports, Adriatic ports (North Italy, Croatia, Slovenia, Albania), Tyrrhenian ports in North and South Italy including Sicily, Malta, Tunisia and finally a dedicated loop to the Black Sea.

The new feeder network and our mainliners will both operate in a congestion-free and a more efficient structure therefore ensuring best possible transit times and optimized productivity on transshipment operations for the benefit of our customers.

- **Service Changes**

Since the last edition of the Customer News Hapag-Lloyd has implemented further service changes in order to streamline the scope of our network. All service changes are highlighted in the annex 1.

- **Security Changes**

- **New Customs Regulation in China**

Since the last edition of our Customer News there have been various meetings between carriers and Chinese customs in order to exchange views. In August data elements (manifest fields list) were published by customs. However, the XML (EDI) format and operational guidelines have yet to be published. The XML format is expected to be published in October and the operational guidelines by end of November. Customs expect to complete their own system development by November when both internal and external testing will be conducted.

Customs will allow three months grace period from January 1 till March 31, 2009 when carriers will not be penalized for errors or failure to comply. However, there is no official announcement to this effect. Hapag-Lloyd will continue to monitor the development and keep you posted in due course.

- **AEO Certificate for Hapag-Lloyd**

Hapag-Lloyd AG was the first German liner shipping company to be awarded the AEO Certificate end of July 2008 introduced by the EU at the beginning of this year.



Thanks to this status, which stands for special reliability and trustworthiness, Hapag-Lloyd will in future enjoy more rapid customs clearance in the ports in Germany. In addition, the process of AEO certification is intended to ensure increased security in the transport chain.

The AEO (Authorized Economic Operator) Certificate has been available for companies based in the EU and with Customs-relevant business since the beginning of 2008. The EU is also negotiating for recognition of AEO status with third countries such as the USA, China and Switzerland.

- **US Mandatory Automated Export System (AES)**

The US Department of Commerce and Census have issued a final rule in the Code of Federal Regulations, requiring the mandatory use of AES export reporting for US shipped cargo. Details of internal transaction numbers (ITNs) or exceptions may be viewed at <http://www.census.gov/foreign-trade/aes/>. The new rules not only revise mandatory electronic reporting requirements for principal parties of interest (PPI's), but for the carriers as well. This includes strict timing requirements prior to carrier arrival and loading. The regulation will be enforced by Customs and Border Protection (CBP) at US ports of exit. This regulation now has penalty provisions which have increased to \$10,000 per incident, both for the shipper and carrier.

The regulation which became effective July 2, 2008 and was enforced after September 30, 2008 has resulted in both systems and process changes for Hapag-Lloyd. Our changes are intended to ensure that your cargo is loaded to an intended vessel when properly identified and to prevent the incurring of such penalties and added handling costs.

This will rely largely on your ability to provide timely documentation prior to the carriers loading operation. Our customer service personnel will remind you of the requirements at time of booking and via our booking confirmations which will note the documentation cutoffs. Hapag-Lloyd will require the documented evidence to reference the specific AES ITN number obtained, or the specific exemption citation that you might be allowed, by noon, 2 business days prior vessel's arrival. Without the timely provision of this information, your cargo will not be able to connect to the anticipated exporting vessel, and will be subject to all associated costs.

- **New Terminal Security Fee**

**Catania, Italy:** A terminal security fee of 8.00 EUR per container, applicable to all import and export units, but excluding transshipments, was implemented effective August 18, 2008.

- **Trade Information**

- **Hapag-Lloyd customized Tariff Items**

The Liner Shipping conferences serving Europe will be deregulated as per October 17, 2008. Correspondingly, Hapag-Lloyd is reviewing all of the freight components.

The separate Hapag-Lloyd customized tariff items will be introduced step by step. This process has been started with the implementation of the Hapag-Lloyd Bunker Charge (BUC) as announced in the June edition of the Customer News and will be continued with the alignment of Terminal Handling Charges in Europe and the introduction a global Currency Adjustment Factor (CAF) formula.

- **Terminal Handling Charge (THC) in Europe**

Hapag-Lloyd has implemented new Terminal Handling Charges for North Europe as well as parts of the Western Mediterranean as of October 1, 2008.

In the past we had various THC's in each European port and for each trade, as agreed in the individual conferences. Hapag-Lloyd has decided to harmonize these different charges and to simplify procedures leading to one THC for every country in North Europe and parts of the Western Mediterranean.

Over the past years the container terminal capacity in North Europe has tightened and the terminal costs have increased considerably. Furthermore the energy costs for power provision have increased on the terminals in addition to reduced times and the costs for monitoring of reefer containers by the terminal operators have augmented. As a result, Hapag-Lloyd has adjusted the THC levels to reflect the developments in the terminal contracts and will implement a separate THC for reefers.



### – Hapag-Lloyd Currency Adjustment Factor

The Hapag-Lloyd Currency Adjustment Factor (CAF) concept has been introduced effective from October 1, 2008 on all applicable trades.

Our CAF formula is based on a weighting of costs and currencies over a monthly period to ascertain the appropriate amount. The costs and currencies are calculated per trade and are dependent on currency exposure and costs in applicable currencies for each particular trade.

Rates of exchange will be monitored on a weekly basis and resulting CAF amount will be announced at the end of each month with 30 days notice.

Your local Hapag-Lloyd office will inform you about the new THC levels as well as the CAF amounts which are relevant for you.

### • War Risk Surcharge inbound to Poti, Georgia

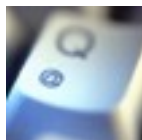
The port of Poti, Georgia has reopened and full import & export service to Poti has been resumed. However, due to the political situation in Georgia, Hapag-Lloyd was forced to introduce a War Risk Surcharge of 175 USD per TEU as of beginning September 2008.

### • Middle East Congestion

Due to ongoing congestion problems in Middle East and the resulting higher operational costs Hapag-Lloyd will implement a congestion surcharge of 100 USD per TEU to all Middle East cargo effective October 2, 2008.

The severe congestion in Middle East has a large impact on transshipment cargo via Jeddah e.g. Hodeidah. As a consequence, we currently cannot accept any cargo to Yemen until further notice.

### ■ New e-Business Feature: Advanced PDF Shipping Instructions



Hapag-Lloyd is proud to offer their customers an advanced service to submit their Shipping Instructions electronically with simple and easy to use 'intelligent' PDF documents.

The PDF documents are pre-filled with booking data sent via e-mail and can be edited with Adobe Reader. This new feature is particularly suitable for customers who currently do not exchange Shipping Instructions electronically with Hapag-Lloyd. Interested customers will receive a PDF document for each shipment, so that they may electronically exchange Bill of Lading Instructions with our company.

The benefits for the customer: The PDF document already contains pre-filled booking data (e. g. ports of loading and discharge, acceptance and delivery places, vessel, ...).

Additional information can be easily added to the advanced PDF with the free Adobe Reader software (at least version 7.0.9). Another advantage is the use of templates: Recurring data for the same regular business do not have to be keyed in every time. Instead, it can be imported automatically into the document by a simple mouse click. Pre-filled fields (e. g. the fields containing the actual booking data) will be preserved and not overwritten with the template data. This saves a lot of time and avoids copy errors as well. Also, specific typing mistakes (e. g. syntax of the container number) are automatically recognized and corrected.

Furthermore, the proactive e-mail solution serves the customer's export team as a gentle reminder to send B/L Instructions to Hapag-Lloyd.

The PDF layout is structured according to the final B/L allowing for easy data insertion. As soon as the PDF Shipping Instruction has been finalized, it can be sent to Hapag-Lloyd: The "Send" button within the document opens up an e-mail message in the customer's e-mail system (e. g. MS Outlook) automatically. This e-mail to which the Shipping Instruction is attached is pre-addressed to a special Hapag-Lloyd mailbox. Within Hapag-Lloyd the mail will be processed automatically as an EDI message. This improves data quality and the B/L cycle time.

The pre-filled data in combination with the easy to use template function enables our customers to complete Shipping Instructions within minutes. An e-mail account and the free Adobe Reader software is all that the customer needs to start.



For further information please contact your local Hapag-Lloyd Sales or Customer Service representative. A handling guideline is available on [www.hapag-lloyd.com](http://www.hapag-lloyd.com) – directly after the log-in to the Hapag-Lloyd online business section.

#### ■ Environmental Management: Setting a green Course

Shipping is by far the most environmentally friendly way of moving goods. Nevertheless, the industry is working on finding other ways to further increase its lead over other modes of transport and reduce emissions even more.



The new IMO emissions resolution to be approved this autumn is proof of this (see June edition of the Customer News). Customers are also increasingly considering logistics provider's involvement in environmental protection when making their choice. The number of customer questions related to this topic doubled at Hapag-Lloyd from 2006 to 2007 from 20 to over 40.

In environmental protection Hapag-Lloyd is traditionally one of the forerunners. The new fuel-saving thrust-fin is being used for the first time on the Hapag-Lloyd newbuilding 'Kuala Lumpur Express' which was named end of April 2008. The fin developed by shipbuilders Hyundai Heavy Industries, is several metres wide and sits behind the propeller on the rudder horn, reducing hydrodynamic loss caused by propulsion of the ship.

Hapag-Lloyd also took a leading role in the industry by allowing containerships to sail more slowly, reducing fuel consumption and emissions. Consumption is down by around 50 per cent, when the ship sails at 20 knots instead of 25. Reducing from 23.5 to 20 knots would reduce heavy oil consumption by 35 per cent. Emissions of CO<sub>2</sub>, sulphur, and nitrogen oxides are reduced at the same rates.

During dry-docking the underwater areas of Hapag-Lloyd ships are given a biocide-free silicone coating. Not only is it clearly more economical to apply than standard underwater coatings, but it also reduces ships' resistance in the water, which in turn reduces fuel consumption up to 6 per cent.

In the past ships' engines have become more and more efficient. Thanks to technical advances the specific consumption of main engines has been reduced around 30 per cent since the end of the 60s with the same performance. In the 'Colombo Express' class for example the engines are electronically controlled ensuring optimized and more economic operation.

Our commitment to the environment is mirrored here again by an award. In 2007 Hapag-Lloyd became the first shipping line in the world to be awarded the Germanischer Lloyd 'GL Excellence – 5 Stars', demonstrating our fulfilment of high standards for the environment, safety at work, security and quality.

#### ■ New Hapag-Lloyd Area Denmark



With effect from October 1, 2008, Hapag-Lloyd has by mutual agreement taken over the container shipping activities of Fellowship I/S in Denmark. The employees hitherto active for Hapag-Lloyd are also taken over by the shipping line. Area Denmark continues to be managed by Henrik Allerup, reporting directly to Region North Europe. The address in Holte in Denmark and phone nos., etc. remains unchanged.

"Fellowship was already active for Hapag and North German Lloyd, so it is one of our really traditional partners. Its management and employees have contributed a great deal to upholding Hapag-Lloyd's excellent reputation in Denmark. We are thus very satisfied that there will now be a smooth transition and customers will retain their previous contact persons," stated Ulrich Kranich, executive board member of Hapag-Lloyd AG.



**Annex 1: Service Changes**

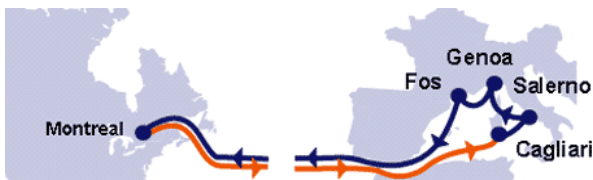
**North Atlantic Trade**

**Mediterranean Gulf Express / MGX**



- The port call at Gioia Tauro was replaced by Cagliari beginning of September 2008.

**JMCS Route A / MCA**



- The port call at Gioia Tauro was replaced by Cagliari beginning of September 2008.

**Asia-Mediterranean-North America East Coast / AEX**



- The port call at Gioia Tauro was replaced by Cagliari beginning of September 2008.

**Med Pacific Service/ MPS**



- The port call at Gioia Tauro was replaced by Cagliari mid of September 2008.

**Zephyr Container Express / ZCX**



- A port call at Genoa was added end of August 2008.



**Europe - Asia Trade**

**Indian Ocean Service / IOS**



- The port call at Gioia Tauro was replaced by Cagliari mid of September 2008.

**Europe - Asia Loop 2 / EU 2**



- The port call at Gioia Tauro was replaced by Cagliari end of August 2008.

**Intra Asia Trade**

**West Japan-Korea-Thailand-Philippines Service / CBW**



**Japan-Central-China-Thailand-Vietnam Service / CBC**



- Two new Japan - Thailand services (CBW / CBC) have replaced the Japan Thailand Vietnam Service (JTV) mid of September 2008 to further enhance the Intra Asia product portfolio.

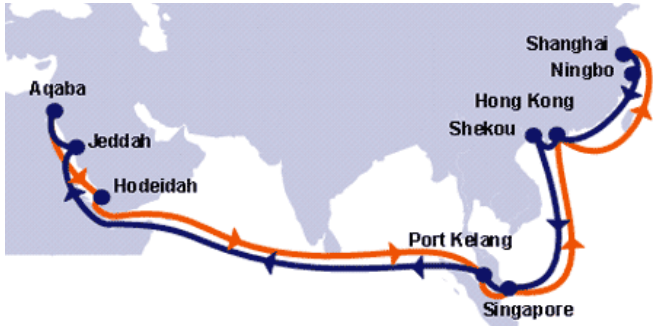
**Singapore Qingdao Service / RSQ**



- The port call at Shanghai was dropped beginning of September 2008.



**China Red Sea Service / CRS**



- The eastbound port call at Jeddah was dropped mid of September 2008.

**Inter North & Latin America Trade**

**Brazil Express Loop 1 / BX1**



**Brazil Express Loop 2 / BX2**



- Two new Brazil Express services (1 & 2) have replaced the Brazil Eastcoast Express (BEX) beginning of September 2008 offering an extended service coverage between North and Latin America.

**Intra Latin America Trade**

**Mexico Chile Service / MXP**



- Port calls at Mazatlan, Lazaro Cardenas, Puerto Caldera and Paita were dropped mid of September 2008.



**Australia / New Zealand Trade**

**Oceania Service / OCE**



- The rotation of this service changed as to Napier being served before Tauranga on the eastbound leg end of August 2008.

**Australia / New Zealand via Panama / ANP**



- Port calls at Timaru and Napier were added end of August 2008.