



September 2007

CustomerNEWS

UPDATE

Dear Hapag-Lloyd Customer,

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

This Customer News provides information about the following subjects:

- Service Changes
- Security Information
- Trade Information
- Grand Alliance Cooperation extended for 10 Years
- New Brochures: Reefer & Image Brochure
- 150th Anniversary of Birth of Albert Ballin

In case you require any further information or have any questions, please contact your local Hapag-Lloyd office or visit our website at www.hapag-lloyd.com.

Kind regards,

Hapag-Lloyd





■ Service Changes

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

■ Security Information

● U.S. Legislation to require 100 Percent Container Scanning

The U.S. Congress has enacted H.R.1, the '9/11 Commission Recommendations' legislation which the President has signed.

The legislation includes a provision, which was not a recommendation of the 9/11 Commission, that requires all maritime cargo containers being imported into the United States to be 'scanned' at foreign load ports or they will be denied entry into the country; the effective date for 'scanning' is July 2012.

Although opposed by various U.S. governmental agencies, government security experts, governments of America's trading partners including the European Commission and industry, the so-called '100% scanning' or '100% container inspection' provision was included into the legislation and enacted by congress. Wide spread opposition seems to focus on the feeling that the requirement is unworkable and that congress failed to address fundamental questions about how such a system would work.

Open questions include:

- Who is to perform the container scanning?
- Who is to purchase, operate and maintain the technology?
- Health and safety issues
- Co-operation of other governments
- Reciprocity
- Definition of the scanning requirement
- Who is to take scanning analysis responsibility?

For a deeper analysis of the legislative requirements for '100% scanning' and related fundamental issues, please follow this link to the World Shipping Council's web page: <http://www.worldshipping.org>.

● Update on New Customs Regulations in Mexico

Referring to the information about the Mexican Customs '24 hour rule' for import cargo to Mexico provided in the last Customer News, please be informed about further details concerning these regulations.

According to these rules, complete and accurate manifest data must be provided to Mexican Customs no later than 24 hours prior vessels loading as of September 1st, 2007. This applies to all cargo bound to (or transshipping through) Mexican ports. The new rule serves the same security purpose as similar regulations in the United States and Canada.

Shipping lines as well as 'international cargo agents' (NVOCC's and freight forwarders) have to transmit cargo data, whereas international cargo agents have to transmit House Bill(s) of Lading directly to Mexican Customs via their web portal AMANAC (<https://seguro.amanac.org.mx>). (Shipping Lines are no longer authorized to transmit House Bills on behalf of NVOCC's/freight forwarders). If an NVOCC or freight forwarder is unable to provide the information in the proprietary format (not a standard CUSCAR EDI message) required by Mexican Customs, AMANAC offers a software solution to convert their information before uploading it to their portal. The point of contact for this solution follows:

Carlos Diaz

Email: CDIAZ@AMANAC.ORG.MX

Telephone: 52 (55) 5523-4455

Alternatively, there is an 'agency association' in Mexico for NVOCC's/freight forwarders that is able to file for them.



It is important to note that a CAAT Code (similar to the US SCAC code) must be applied for by NVOCC's or freight forwarders. This Code is assigned by SAT (Tributary Administration Service, a division of Mexico Customs).

NVOCC or freight forwarders must apply for this CAAT code by contacting Mexico Customs. Please note AMANAC requires users of their portal to register ahead of time which typically takes three days to process. When NVOCC's / freight forwarders refer to the carrier's Master Bill of Lading, they need to include the carrier's CAAT code: Hapag-Lloyd 2509, all agencies 2397.

In order to ensure compliance with this new regulation, Hapag-Lloyd will require complete and accurate cargo declarations (Bill of Lading, shipping instructions) three working days prior vessel arrival, or as per our 'export documentation cut-off' as indicated on the booking confirmation notices.

Following information must be provided:

- a) Name and complete address of the shipper, consignee, and notify, as stated in the bill of lading
- b) Quantity of merchandise and measurement unit (piece count and type of piece packaging units). If the merchandise is carried in containers, the amount and measurement unit shall also be specified for each container individually.
- c) Gross weight or volume of the merchandise. If the merchandise is carried in containers, the gross weight or volume of the cargo must be specified for each container.
- d) Merchandise description, avoiding general descriptions that do not allow proper identification of the nature of the merchandise; such as: 'general cargo', 'dry cargo', 'chemicals', 'perishable items', 'bulk merchandise', 'bulk minerals'.
Additionally B/L clause 'said to contain' and 'pallets' as a description of a manifest packing unit will not be accepted.

- e) Number, quantity and dimensions of containers
- f) Seal number(s) for each container
- g) Type of service contracted: 'FCL' (Full Container Load) or 'LCL' (Less than Container Load)
- h) In case of dangerous cargo: IMDG class, division and UN-number, and an emergency telephone number

Due to the extra workload, a Security Manifest Documentation Fee per B/L will be applicable with start of new rule. In case of a correction, a Security Manifest Correction Fee per B/L will apply.

To avoid any cargo delays or customs fines, Hapag-Lloyd must emphasize on a timely receipt of the above information.

If you should need further details, Customs Authorities in Mexico have announced the new regulation in their official Gazette. It can be found on the Mexican Customs website, (<http://www.aduanas.sat.gob.mx>), click on 'Reglas Actualizadas a la Segunda Resolucion' and note section 2.4.5.

• Update on Siscarga System

According to the Brazilian Customs final details regarding the new Siscarga system are supposed to be released soon, with an anticipated mandatory go-live date of November 2007.

As previously communicated, Siscarga is a new Brazilian information system for customs control that will be implemented in all Brazilian ports. The system will maintain a database containing information about all cargo onboard vessels calling Brazilian ports. The new customs regulations will affect ocean carriers and shippers with cargo bound for Brazil including foreign cargo remaining on board ('FROB') destined from another country. We will keep you closely informed about the developments in this matter.



- **Terminal Security Fees**

St. Petersburg

The Terminal Security Fee for exports and imports to St. Petersburg, Russia will be terminated with effect of August 15th, 2007.

New Terminal Security Charges (TSO / TSD) for following ports will be implemented with effective September 21st, 2007:

Caucedo, Dom Repub	USD 4.50 per 20'/40'
Puerto Quetzal, GT	USD 7.00 per 20'/40'
Kingston, Jamaica	USD 2.00 per 20' USD 4.00 per 40'

These charges will be applicable for all trades in Latin America as well as for exports and imports, but not for transshipment cargo.

- **Trade Information**

- **On Dock Service at New York Container Terminal (NYCT)**

Hapag-Lloyd is pleased to offer a new on dock service between Cleveland, Columbus, Chicago, Detroit, and New York Container Terminal (NYCT). Cargo loading or discharging at Global Terminal and New York Container Terminal may use this new 5 day per week service. Further details will be available in the coming months.

- **Terminal Situation in Southampton**

In an earlier Customer Info from July 2007 we have reported about congestion problems in Southampton. Consequently, Hapag-Lloyd together with its Grand Alliance partners had decided to temporarily suspend Southampton calls of Loop EU 4. Due to the fact that the congestion situation has not eased in the meantime, the decision has been reviewed with the conclusion to further expand the suspension of Southampton calls of Loop EU4 until end of November 2007 for the time being. At the same time we will continue with additional capacities on the remaining Southampton services.

We will continuously review the situation and keep you informed.

In addition to the above, spot measures (such as change of rotation, change of the United Kingdom port) are being taken in the daily business to further minimize schedule disruptions.

- **Introduction of 'Yard Occupancy Surcharge' for ECT Terminals**

Due to ongoing congestion problems in Rotterdam terminal operator ECT announced the implementation of a 'Yard Occupancy Surcharge' for ECT Delta Terminal and the Home / Hanno Terminal.

The surcharge is applicable to all containers which will be stored for more than 14 calendar days at the terminal after completion of discharge of the vessel. The one-time fee of EUR 55 per container will be implemented in two steps: For cargo originating USA, Canada or Puerto Rico it will be effective October 1st, 2007. For all other trade lanes the 'Yard Occupancy Surcharge' will be applicable as of September 15th, 2007.

In line with this surcharge introduced by ECT Hapag-Lloyd will implement a 'storage destination charge' to cover these additional costs.

To avoid any delays and additional costs, we kindly ask you to arrange a fast delivery of all import containers.

- **Sulphur Pollution Surcharge / Adjusted BAF Regulation**

Under a new EU convention, vessels operating in the Baltic and North Sea have to use fuel oil (MFO) with a sulphur content not exceeding 1.5%. In order to fulfill the EU requirements, Hapag-Lloyd AG introduced a new Sulphur Pollution Surcharge of 5 USD per TEU (or EURO 4 or GBP 2.50) for any Baltic and North Sea (incl. English Channel) services.



At the same time, Hapag-Lloyd AG will reduce the current BAF levels for all cargo originating from / destined for the ScanBaltic area by 5 USD per TEU (or 4 EUR, or GBP 2.50 – depending on the respective applicable BAF currency). The new BAF regulation as well as the Low Sulphur Pollution Surcharge came into effect mid of August 2007.

Both regulations are applicable for all direct services as well as any transshipment feeder services.

■ **New Tariff for FEFC Eastbound Trade**

The eastbound trade between Europe and East Asia has seen substantial growth during the last few years and is a major trade in its own right. Despite this welcome trend there is a disparity in the total trade, resulting in an increasing need to use available capacity for repositioning empty equipment to East Asia for immediate deployment in the westbound trade. Furthermore, the capacities are based on the dominant westbound leg resulting in huge overcapacities in the weaker Eastbound trade.

These are the main reasons why the eastbound rate levels have decreased drastically during the last years. Freight rates in the eastbound trade are no longer sustainable and erode the recent westbound rate increases. Costs have increased dramatically and the overall roundtrip situation has to be improved for the long-term viability of the trade.

In order to regain stability for the trade, Hapag-Lloyd fully supports the initiative of all FEFC member lines to introduce a new tariff with effect from October 1st, 2007. The tariff will include elements for ocean freight (there are different rate levels for several cargo segments) THCs in Europe and East Asia, outport additional and surcharges such as BAF and CAF. This transparent tariff structure will bring back the much-needed stability to the trade and enables Hapag-Lloyd to provide customers high quality requirements.

■ **Grand Alliance Cooperation extended for 10 Years**

The member lines of the Grand Alliance will continue their successful cooperation and have signed an agreement on August 1st extending their cooperation up to 2017.

“We have enjoyed a very close partnership and been able to respond to market changes rapidly and together realise cost savings. Our customers benefit from our modern tonnage, excellent port coverage and attractive transit times. There was thus no doubt about our wanting to continue our successful cooperation for a further ten years,” the CEOs confirmed at the signing of the agreement.

One of the key aspects for the future cooperation is to offer a higher frequency of sailings in fast growing markets to meet increasing customer needs. Depending on customer demands, Grand Alliance members will consider expanding the scope of the Grand Alliance. Another area of cooperation is their further dedications to environmental protection, particularly in coastal waters. Although ocean shipping remains the most environmental-friendly means of transport, Grand Alliance member lines intend to commit efforts to make further reduction in fuel consumption and CO₂, SO_x and NO_x emissions, through using low sulphur fuel and employing most efficient deployment plans.

The Grand Alliance members deploy in their services a total of about 140 vessels with a capacity of between 2,700 and 9,000 TEU offering 20 services, mainly on major east-west routes. This is an exclusive state-of-the-art tonnage, with additional newbuildings to be integrated into the fleet once delivered. When deploying ships, the Grand Alliance adopts the 'best vessel for the loop' principle.

Cooperation among members is restricted to provision of joint port-to-port services, on which each member is allocated space on its own account.



The shipping lines compete with each other to attract customers, and there is no discussion or agreement within the alliance on any commercial matters such as in particular fixing freight rates. The Grand Alliance provides a comprehensive network of links across the major trade lanes meeting all customers' requirements.

■ New Brochures

● Reefer Brochure

Our recently released reefer brochure provides a comprehensive overview of our temperature controlled services with special focus on 'Controlled Atmosphere' solutions.



We have significantly expanded our temperature controlled container fleet, with more than 65,000 TEU now available to our customers we have the second largest reefer fleet worldwide, able to carry cargo at temperatures ranging from - 35C to + 30C. At Hapag-Lloyd we view customer specific solutions as standard, as such in addition to standard and food grade reefer containers we are able to offer various options for controlled atmosphere along with very low temperature equipment. Our temperature controlled equipment is state of the art with more than 75 % of our fleet built after 2001 and we have reefer experts available worldwide to assist with your temperature controlled transport needs. Please contact your sales representative for service catering to all your reefer needs and a copy of the reefer brochure.

● Image Brochure

We are pleased to present to you our new Image Brochure highlighting the core strengths of Hapag-Lloyd. In order obtain a copy of the brochure being available in English, German, Spanish, Portuguese,



Italian and simplified Chinese, please contact your local Hapag-Lloyd office.

■ 150th Anniversary of Birth of Albert Ballin

This month Albert Ballin, general director of the Hamburg-American Packet Company (Hapag), would have had his 150th birthday. Hapag and the North German Lloyd Line were the founding companies of today's Hapag-Lloyd AG.

Albert Ballin's career was the most highflying in the German Empire: from being the thirteenth child of a poor Jewish emigration agent to being the head of the biggest shipping line in the world and confidante of the German Kaiser. At the age of 17, after the death of his father, he had to take over the agency. He was soon so successful that he was able to fight a bitter struggle with his established competitor Hapag. In 1886 Hapag decided it was best to make the difficult competitor its head of the passenger department: two years later he was the youngest director. In 1899 Hapag was the biggest shipping line in the world and Albert Ballin was its director-general. Hapag stood on solid commercial foundations, since Ballin gave priority to the freight business over the passenger business, so sensitive to economic change. In 1891 Ballin had invented modern cruising and from then on developed the company into a major tourism vendor. Ballin was also one of the commercial pioneers of civil aviation. The Hapag travel agencies exclusively sold the tickets for the airships of Graf Zeppelin. In 1901 Ballin had the emigration township built in the Port of Hamburg, providing unequalled all-round service for emigrants. Today on the same site, visitors can relate to the passage of the emigrants in the 'Ballinstadt' emigration world. The Great War left Ballin a mentally broken man, with his life's work ruined. Albert Ballin took his own life on November 9th, 1918 in Hamburg.

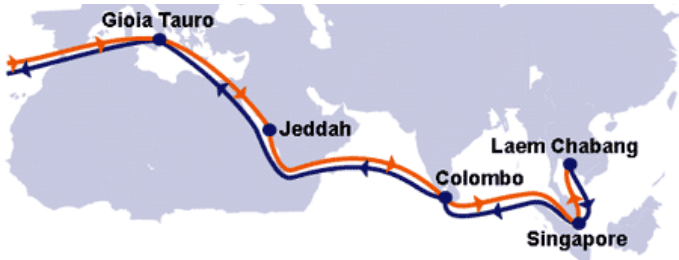




Annex 1: Service Changes

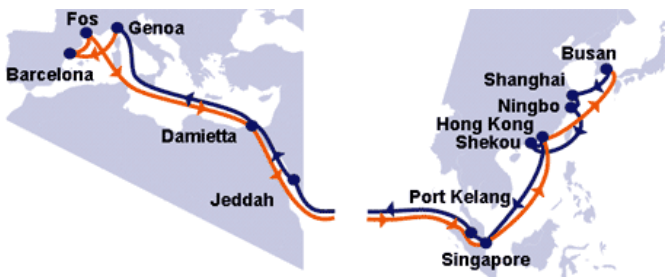
Asia - Europe Services

Asia - Mediterranean - North America East Coast Express / AEX



- The westbound call at Jeddah has been suspended as of beginning of August 2007.

Mediterranean - Asia Loop M / EUM



- A westbound call at Jeddah was added to the service beginning of August 2007.

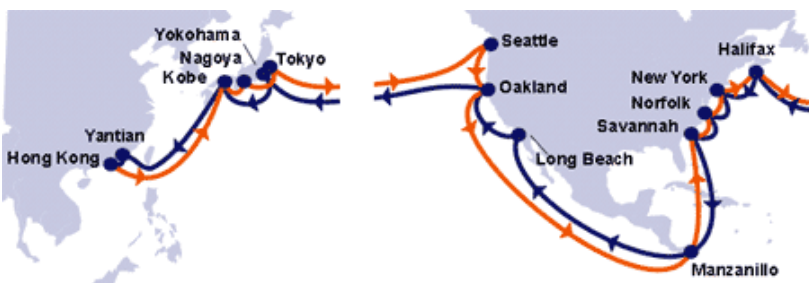
Taiwan-Middle East Service / TMS



- The Colombo call was moved from eastbound to westbound mid of July 2007.

North Atlantic Services

Pacific Atlantic Express / PAX



- The port call at Kaohsiung was dropped mid of August 2007.



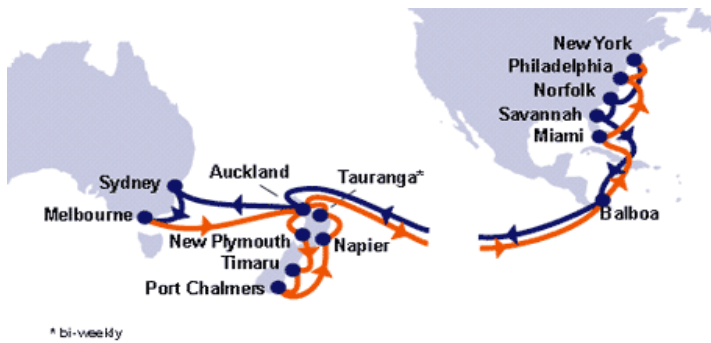
Mediterranean Gulf Express / MGX



- The port call at Fos was dropped beginning of July 2007.

North America – ANZ Services

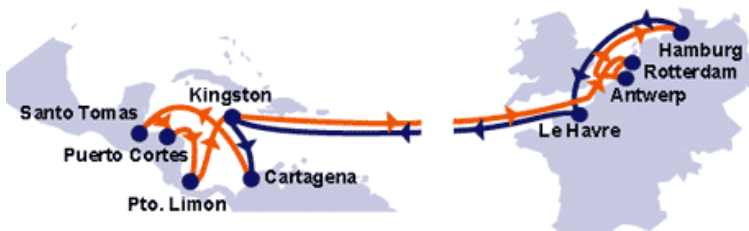
Australia / New Zealand via Panama / ANP



- A bi-weekly port call at Tauranga was added beginning of July 2007.

Latin America Services

Central America Express / SW3



- The Caribbean rotation was reversed beginning of July 2007.

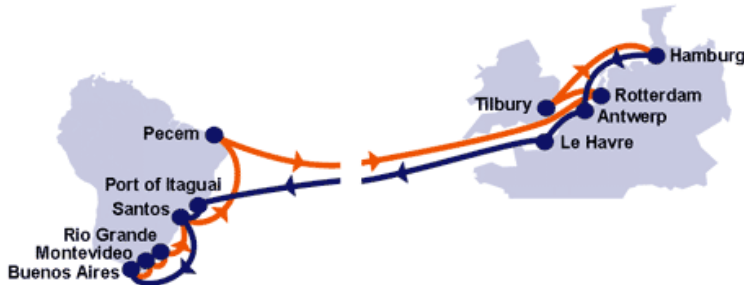
Caribbean / Ecuador Express - SW2



- Pto. Limon was replaced by Cartagena beginning of August 2007. At the same time a port call at Caucedo was added, while the Kingston call was dropped.



Brazil and River Plate Express Service - Loop 1 / SAEC 1



- The port call at Suape was replaced by Pecem beginning of July 2007.

Intra Latin America Services

Gulf Caribbean Service / GCS



- The port call at Caucedo was dropped beginning of July 2007.

Mexico Chile Service / MXP



- Port calls at Buenaventura and Valparaiso southbound were cancelled end of July 2007.



Intra Asia Services

North Asia - China - Australia Service / NCA



- The port rotation changed to Melbourne being called prior to Sydney beginning of August 2007.

Africa Services

West Africa Service / WAX



- The port rotation will be changed as of mid of September 2007. At the same time the frequency of this service will improve from 16-daily to 11-daily.