

Week 45 (06 - 12 November, 2017)

EDITORIAL

It's Thursday again and time for another issue of Project Cargo Weekly. Normally in the morning, I get up to read the papers, however, in the recent week, I read the Paradise Papers instead. This is the 2nd recent leak of "papers" after the famous Panama Papers featuring revelations of incredible wealth being stashed away in various tax havens. The exposed include not only wealthy individuals but famous brand companies who are not too happy to contribute to the tax that most of us must pay.

As mentioned before by Mao "in the cleanest water lives no fish", that is partly true, but my comment is basically: how much is enough? Perhaps we should seek rules for an upper limit on income as well as a minimum income.

Turning our attention to what we have in store for you today, we start off in New Zealand with a capable project freight forwarder, then we proceed north to Brunei where the Sultan is still the ruler and we interview a local, proactive project freight forwarder. Then taking to the skies we speak to one of the providers of the worlds largest aircrafts.

We also have some legal news that you should pay attention to and a rather sad article from the South China Morning Post about another kind of "shipping". Finally, we round up our newsletter with the photo, video, quote and proverb of the week.

Enjoy and until next week...

Bo H. Drewsen

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This Week's Advertisers











TNL PINDAR - NEW ZEALAND

MR. RICHARD THORPE MANAGER AUSTRALASIA

Richard, first off remind me, where did we meet? At that time you were in another company I believe, so start off by telling our readers about your career in freight forwarding and shipping.

We first met in KL at the GPLN conference a few years back when I was with another Auckland based company.



I had always had an interest in trucks while growing up and so, after gaining a Geography BA (Hons) degree in 1985, I started my career in the UK in international road transport. I loved the cut and thrust of that industry...these were before the EU borders relaxed, so we had customs to deal with. I was involved in the French, Belgian and Italian markets to start with, then ended up 100% with the Spanish market.



I went traveling in 1991-92, I spent some time in New Zealand and after returning to the UK decided to make the move back. I arrived in 1993 and worked for Meadows Freight until 2000 in roles from export sea-freight supervisor through to export manager for sea and air. I then went sailing around the world in the BT Global Challenge 2000-01 and returned to work for an old client who was an export fruit marketer, so I looked after their shipping for 3 ½ years.

Having promised myself to avoid freight forwarding again I was lured back by Oceanbridge Shipping to build their Marine and Projects division. I concentrated on marine cargo, primarily boats and marine equipment, but also any out of gauge project cargo as well - all the interesting parts of forwarding. Putting my love of boats and yachting together with my logistics knowledge meant I had the dream job!

In 2012 I left to join TNL International to promote the new marine leisure logistics brand *GAC Pindar* in the Australasian market.



What are the main activities of TNL Pindar?

TNL Pindar is a division within TNL International Ltd. TNL are a New Zealand based freight forwarder with offices in Auckland, Nelson. Christchurch and an office in Melbourne now.

Pindar is the brand for Pindar Sailing Partners; a yacht sailing team and, through its principal Andrew Pindar, have supported sailing for over thirty years. Pindar joined with GAC in 2011 to bring a new marine leisure logistics brand to the market.

TNL Pindar is primarily there for shipping boats, marine equipment and any project / out of gauge cargo through TNL International. We act as the agent for GAC Pindar in the UK and in some cases use different agents around the world from the usual TNL agents. These agents are like ourselves and are specialised in boats and projects handling.

A lot of our business is one off shipments for private individuals who have purchased boats off shore and are looking to ship them home to New Zealand. We also export personal boats from NZ and handle new boats built in NZ, from small aluminium boats through to Super-yacht tenders and boats up to 80 to 90 feet, as well as yacht masts and booms. We also handle excavation and mining equipment and even, once, an airplane from Auckland to Germany!



Mast loading in Tauranga - final destination northern Finland

Elaborate a bit about shipping to/from New Zealand. Who calls there regularly? Do you have roro, container and breakbulk ships coming to New Zealand regularly?

We are served by most of the main container lines; Maersk, MSC, CMA CGM, ANL, OOCL, COSCO, etc...we have regular RORO calls by Wallenius Wilhelmsen and Höegh plus Armacup and MOL. Swire Shipping offer more of a break bulk service to and from Asia but we do not get too many charter vessels...we have to spend big to encourage them our way! Depending on the cargo we have to move we make regular use of the container lines, although not all are keen to carry what we can offer, but we know who to contact for which service / region required. We make good use of the

RORO services especially from Northern Europe, East Coast USA and trans-Tasman. Swire are also good to have access to and, through Rickmers, we have the option to ship from Europe via Singapore transshipment.

Despite its size New Zealand trades with many countries around the world...the largest market, like everywhere else, is China but New Zealand has regular trade with the USA, north and south east Asia, the Middle East and the UK and Europe.



Richard with a racing yacht (on the left) and with four Volvo Ocean Race masts loaded in Tauranga heading to Lisbon (on the right)

Can you provide us with some examples of project cargoes that you have handled into New Zealand (or out of)?

One of the first shipments I did whilst at TNL Pindar was an aircraft to Germany. We took most of the two wings off, put them in a 40ft container and then used RORO back to Germany for the fuselage. We have shipped a couple of 49m long yacht masts to Northern Finland...you cannot get much further away from New Zealand doing that...this entailed trucking 200km to Tauranga, shipping to Zeebrugge then trucking through five countries to northern Finland. We have shipped a brand new 75ft luxury motor yacht from Kaohsiung to Auckland, numerous boats to and from the Mediterranean, northern Europe and the USA. We are now handling over 100 boats a year.



Brand New Johnson 75 discharging in Tauranga from Taiwan

As agents for GAC Pindar we also are involved in sailing event logistics. When the Extreme Sailing Series has come to Sydney the past three years I have been on hand in Sydney to oversee the AQIS clearance, then delivery in and out of the site. In 2014-15 we were involved with the Volvo Ocean Race and are once again. This has just departed Alicante in Spain this month. I will travel to Cape Town in December to assist with the pack up of the village there and get the containers pre-cleared for biosecurity clearance over there. In February we will receive around 120 FEU plus airfreight units into Auckland and we build the Volvo Ocean Race Village, look after all the logistics and material handling, then pack it all up and send it off to Newport, Rhode Island. We work

closely with the GAC Pindar "On Ground Traveling Team" who go to every stopover...it is hard work but very rewarding when it all comes together!

Are there floating cranes available in New Zealand ports?

There are floating cranes in Auckland and Wellington but these are now museum pieces! This is a drawback, so any really heavy cargo needs to arrive on charter vessels which have the lifting capacity. Our port cranes in Auckland and Tauranga can lift up to 65 tonnes so this covers most of our requirements.

Is renewable energy a big thing in New Zealand these days, wind power, tidal, etc.?

The initial run on renewable wind power has slowed down and we do not have the volumes coming through as we saw maybe five or six years ago. Tidal is looking to make a start but nothing has really got going...we have a strict and laborious Resource Consent Act that seems to slow down these kinds of developments...and costs developers hundreds of thousands of dollars even before they start! In time I am sure things will pick up again and we are always keen to get involved...we do have an advantage in that our parent company also owns a domestic heavy lift project cargo transport company, so we can offer a seamless through to final destination service.

Visiting New Zealand and tasting your great wines is likely high on many people's bucket lists. Can you give the thirsty reader some input on some nice wineries, spots where one could have a wine stay? Any other specific spots on the island that perhaps are less known to the "public" that you as a local can recommend?

Due to where my wife is from I have visited the Hawke's Bay region in the North Island many times. This is a great wine growing area and we now go there annually to do a wine tour on bicycles – some have been more "successful" than others in terms of staying on the bikes!

If you like a good Pinot Noir you have to go to Central Otago in the South Island. Near there is also the tourist mecca of Queenstown where you can jump off perfectly good bridges, hurl yourself down steep flying foxes, run the rapids white water rafting and go to within a millimetre of rock faces jet boating down a river. After these activities you certainly need a calming drink!

Marlborough at the top of the South Island and Martinborough at the bottom of the north are also good wine growing areas. Other popular tourist areas are Rotorua and the Bay of Islands. We also have skiing in the winter in the south but also only four hours by car from Auckland! And despite what the locals say about our traffic, Auckland is also worth a visit.

I moved here for the quality of life and have no regrets...we work hard but also know how to relax and we have a great outdoors where we are able to do that!

Interviewee: Richard Thorpe Manager Australasia richard@tnlpindar.com TNL Pindar http://www.tnlpindar.com





JASRA LOGISTICS SDN BHD - BRUNEI

MR. MITCHELL LEONG OPERATIONS MANAGER

First off, Mitchell tell us about yourself. When did you start your career in shipping and freight forwarding? What made you choose this kind of career? Not so many people know about Brunei except perhaps that there is a rich sultan living there. How is the life generally in Brunei, is it a place to visit for tourists?

I'm Mitchell Leong, the operations manager for Jasra Logistics Sdn Bhd based in Brunei. I have been working with Jasra for the past 14 years. Jasra Logistics deals mainly with lifting & transportation services and in 2009 we ventured out to include freight forwarding.

Brunei is a small country located in the North of Borneo Island. (Nearby Kota Kinabalu, Sabah, Malaysia). Generally, the life in Brunei is slow paced but peaceful and a great place to raise kids. Brunei is a tax-free country, with free medical care, education and a subsidized housing scheme. Brunei is a Monarchy state Ruled by the 29th Sultan of Brunei, His Majesty Sultan Haji Hassanal Bolkiah. Brunei is a place to visit for tourist but depending on what each individual would want to see, there are no Orchard Road or Bintang Walk shopping, but being with friendly locals, beautifully preserved rainforest, traditional culture, a few museums, palaces, amusement parks, different types of food to name a few.



Tell us a bit about some of the projects that you have handled in/out of Brunei.

Brunei's main industry is oil & gas, and with the downturn in this industry, not many projects are in the pipeline. Luckily two major infrastructure projects are being carried out, refinery island managed and constructed by Hengyi Industries (China) and a bridge linking 2 districts of Brunei called the Temburong Bridge project, managed and constructed by Daelim Industries (Korea).

With the great networking within CLC projects, Shin Jo Logitech, Korea appointed Jasra as their local handling partner in Brunei for the Temburnong Bridge Project. Our scope is to supply local handling services including: port clearance, transportation and lifting at the client's site.





Transportation of a pressure vessel from Miri Port, Sarawak to a Brunei Refinery

Some of our past projects are:

- Oregon Power station Project, Berakas Brunei (port clearance, lifting, and transportation)
- Land drilling campaign activities on Block L & Block M (freight, port clearance, lifting & transportation)
- Temburong bridge contractors (freight, port clearance, lifting & transportation)
- Baker Hughes, Brunei Shell Petroleum, Brunei Liquefied Natural Gas
- (supply of lifting & transportation services)
- Cold box lifting & transportation from Muara Port to Brunox, in Kuala Belait (26m x 4m x 4m @ 63tonnes) (lifting & transportation)
- Major heavy and OOG cargo for a newly built Nitrogen Plant (lifting & transportation)



Transportation of Cold Box
Dimensions: 28m x 4m x 4m Weight 63 tonnes

Do you belong to any networks currently?

Yes, we are a member of CLC Projects.

How is the relationship between Brunei and Malaysia? How about the cargo flow between the two countries, is it easy to cross the border?

The relationship between Brunei and Malaysia is very good. Brunei is located in between Sabah and Sarawak which makes up East Malaysia. There are roads and highways linking Brunei to Sabah / Sarawak. With the Pan Borneo highway currently being constructed, the distance will defiantly be shorter and will benefit the trading industry between both countries.



Lifitng & transpotation of LIN Tanks
Dimensions: 26m x 3.8m x 3.8m Weight: 50 tonnes

Tell us about the main port in Brunei? Do you have shipowners calling there direct from overseas, and if so who are regularly there? Can you handle project and heavy cargoes in Brunei?

Muara Port is the main seaport, it is located in Northern Brunei. The port is not big but is still able to accommodate container vessels, cruise liners, cargo vessels, heavy lift vessels and navy vessels. The port is equipped with container gantry quay cranes.

This port is not equipped with any heavy lift equipment, and this is Jasra's specialty, we are willing to provide a proposal to potential clients for their upcoming projects in Brunei.



Supply of equipment for the Temburong Bridge Project

I visited Brunei in 1998 and went to an amusement park, everything was free of charge, is this still the case?

Jerudong Park, it actually just re-opened 2-3 years ago with new rides and we now have to pay an entrance fee. The old rides during the 90's were taken down and sold later in 2011. The park was revived with new rides and games and the opening of z water park. The entrance fees are very reasonably priced between BND 5,00 - BND 10,00 (3.50 - 7 USD) per person.

How to get in touch with you in case some of our readers would like to have more information or a quote from you?

For any inquiries about Brunei (business/personal), I can be contacted by the details below.

Interviewee:
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Jasra Logistics Sdn Bhd



ANTONOV AIRLINES

MR. GRAHAM WITTON MD ANTONOV AIRLINES UK OFFICE

Can you give me a background on Antonov Airlines?

Antonov Airlines as a marketing brand has been active since 1989 when the AN-124 came into the commercial market. It was the first operator of the AN-124, we're talking Soviet Union times here and at the time it had a partnership with a UK company which lasted until 2006.

In 2006 Antonov and its main rival decided to enter into a cooperation arrangement for promoting the AN-124 Aircraft around the world. The main purpose of the cooperation was aircraft modernisation.

That happened to a certain degree but then politics between Ukraine and Russia, plus the different directions that the companies wanted to follow, led to a split initiated by our partner at the end of last year. Fortunately, Antonov was preparing for such an eventuality because of the politics and, come November 2016, we launched our full commercial operations and technical team, operating worldwide from our offices in Ukraine and in the UK



So your offices are based in Ukraine and the UK?

Our head office is in Kiev; it's where the aircrafts are based, we have a commercial team there, we have an operations team there, our crew is there and all the support functions you would need for an airline. You have to remember that the airline is an offshoot of

the manufacturer and designer of the Antonov Airplanes. Everything from the small AN-2 equipment sized aircraft all the way up to the AN-225, they designed and manufactured.

When the airline started we didn't have seven AN-124s, we had about three at that point.

Then you purchased more?

More came under our control as the years went by. So now we have a fleet of seven AN-124s.



How does that compare to your competitors?

Our competitor has twelve on their books, although currently, I think they only have 4 or 5 flying. That will probably change in a few months' time, but they've got a number of their aircraft parked, again for similar issues Antonov had previously. There is a life extension program that needs to be initiated and I think they are working through that as quickly as they can. There is another airline in the Middle East that has a single airplane but that aircraft is primarily used in government work for that country in the UAE.

How do you differentiate yourselves from your competitors?

We've been very fortunate because we've been able to retain a great wealth of experienced team members, many of whom who have stayed with Antonov since 1989 all the way until now.

Do you mean the crew?

The crew is one thing – the process starts commercially, operationally, technically – before it gets to the crew that are operating the airplane. But it's that knowledge and, let's say, memory of past experiences like flying to somewhere obscure, maybe in Paraguay or Bolivia, that means there is always going to be someone available who'll say "We've been to that airport, we know that the airport was difficult, we had this one guy who helped us seven or eight years ago so let's get in touch with him because he was a fixer down there locally".



They are all big pluses. That network of information and contacts for us is very very important. Because what we need to make sure we provide to the customer is a highly personalized service. You have to understand that the airplane is a very expensive airplane and the customers are putting a great deal of trust and faith in what we do for them. They have to make sure that they know the face of whom they are working with and we treat each load essentially as a project, not a production line. So if a guy in our company is running that project, he's the guy who received the inquiry, he quoted it, contracted it and manages the operational execution of the flights as well. He made sure that the crew knew full well what to expect with the load. We're not passing projects from one guy to the next guy as it goes down the process.

If you have an inquiry do you have a central point for the inquiries to be handled?

Yes, we do, because most of our inquiries are received by email. So, unless a customer already has an established relationship with one of our team, they will send it to a general mailbox and one of our team will pick it up based on their specialty.

So it's divided by specialty?

Generally yes, we have guys that are more aerospace orientated and we have guys who are more orientated to work with our Far East clients, for example.



It's not divided by geographical region?

Generally not, no, but if we get an inquiry from a Russian speaker, for example, it will be handled by our Ukraine office.

Here in the US for example, we have appointed our first guy to work in our US division.

Antonov Airlines USA?

Yes, it's a subsidiary of our company.

When did Antonov USA come into being?

In May we announced that we would be starting the company and now we have. The primary focus is developing the business in the US, so the first guy is already onboard and the second guy should be joining us in the coming weeks, all going well.

We'll be opening the office here in the US within a couple of weeks now that we've got that deal finalized and we'll be growing the team organically. We'll have just a couple of the guys to begin with, but as the business grows we'll put more people here. We'll call on people from our head office in Ukraine and the UK to support these guys, to help them understand how we do business compared to how they may have done business for their previous employers; that's how that's going right now.



Do you primarily work with freight forwarders or with shippers direct?

We work primarily with forwarders. If the shipper wants to work with us directly and that's the only way he's prepared to engage with us, then that's what we have to do.

But we've always said to the forwarders from the outset that we're not in the game of cutting those guys out.

That being said, if the shipper is dictating the rules and it means by not following those rules that we're going to lose business then we can't allow that to happen and most of the forwarders understand that. In our business it's only a handful really, probably about 70% of our business is done with freight forwarders around the world anyway.

We had a situation the other week where we were introduced to a shipper by a freight forwarder and the shipper was totally open throughout the conversation about wanting to work with the airline directly. After the meeting we said, 'yeah we are okay with this' and the forwarder said 'look, we're happy because we know that we are going to get other parts of the business. We are also happy because we've been open in the discussion, we've both seen that's what's been dictated by the shipper'. They still need that customer, they recognize that we also need that customer and they're not going to gain anything by us being cut out. There's no advantage in cutting us out, there's a greater advantage for them actually facilitating that meeting. They've got a brownie point as a result of that, so they've got something out of it.

So transparency helped?

Basically, it does help and that's what we try to aim for. The honesty and integrity of our team is critical as we pride ourselves on being a very clean organization and we have very strict ethics and anti-corruption policies in our team.

We always make sure that if we are approached by any new customer we do our homework on that customer, it doesn't matter what they say, because we wanna know about who we are gonna be trading with, potentially. It's very important for us.

Interviewee:
Graham Witton
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Antonov Airlines
http://antonov-airlines.com/





FEATURED PROJECT SHIPMENT

335 METRIC TON TRANSFORMER SHIPPED By Container Vessel











CMA CGM Korea and PEX 3 Lines operations teams, in collaboration with Asia Project Cargo Division, succeeded in loading a 335 metric ton transformer in Busan, destination Houston.

This heavy-lift transport, the biggest ever for CMA CGM Korea, requires the use of floating cranes in both ports.

Loaded on mv Rotterdam, the cargo will arrive on November 21st in Houston.

For more information contact: Ugo Vincent Deputy General Manager sel.uvincent@cma-cgm.com CMA CGM Korea - Seoul



LEGAL NEWS

EVOLVING AND EXPANDING CYBER-THREAT FOR SHIPPING AND LOGISTICS INDUSTRIES

Rory Macfarlane, Partner, Ince & Co Hong Kong, commented:

"Throughout 2017, we have seen headline-worthy cyber-attacks occur with growing frequency and severity. A number of high-profile companies have already fallen foul of the risks posed by the increasing digitalisation of our industry. As new technologies emerge to streamline operations, cut costs and increase efficiencies, evolving and expanding cyber-threats also emerge. It is imperative that shipping companies act to mitigate their cyber-risk now, before they become the next victim of a major breach." Read more...

SHIPPING NEWS

SLAVERY AT SEA

It is heartwrenching to read the article published recently in the South China Morning Post about the apparent slavery at sea that takes place. As mentioned last week, greed and corruption come in all shapes and forms these days. With the Paradise Papers exposing some of the most egregious cases.....one may ask, how

much is enough? Read the article: Slavery at sea: human trafficking in the fishing industry exposed

RENEWABLES

ENEL WINS 242 MW OF NEW SOLAR, WIND AND GEOTHERMAL CAPACITY IN CHILE'S TENDER

The award, equal to 54% of the 2.2 TWh/year offered in the tender, places Enel ahead of any other participant. The energy will be provided by 116 MWp of solar, 93 MW of wind and 33 MW of geothermal. *Read more...*

PHOENIX ENERGY TO CONSTRUCT SOLAR PV PLANT WITHIN BENBAN SOLAR PARK IN EGYPT

Phoenix Energy will partner with Infinity Solar of Egypt and IB Vogt of Germany to develop a 50 MW solar PV power plant in Benban Solar Park near Aswan, Egypt. *Read more...*

CONSTRUCTION

ELASTRON TO OPEN COMPOUNDS PLANTS IN US, CHINA

Turkish plastic compounder Elastron Kimya AS is investing \$10 million to open a factory in the US - its first overseas unit - to meet growing demand in automotive and other markets.

Read more...

YIYANG RUBBER & PLASTICS MACHINERY RECEIVES ORDER FOR RUBBER MIXING PROJECT IN IRAN

Iranian tire manufacturer Kavir Tire had placed an order for a rubber mixing turnkey project, marking Yiyang's first international project for an entire rubber-mixing-line project. *Read more...*

POWER GENERATION

MHPS RECEIVES AN ORDER FOR TWO H-25 GAS TURBINES

Mitsubishi Hitachi Power Systems, Ltd. (MHPS) has received an order for two H-25 gas turbines for an 80 megawatt (MW) LNG fired Gas Turbine Combined Cycle power plant project developed by Qingdao Energy Kaiyuan Thermoelectricity Co., Ltd. *Read more...*

NNPC-AGIP JV TO BUILD 480MW POWER PROJECT IN NIGERIA

The Nigerian National Petroleum Corporation (NNPC) and the Nigerian Agip Oil Company (NAOC) Joint Venture have decided to construct 480MW phase two of the Okpai power plant in the country. *Read more...*

VIDEO OF THE WEEK

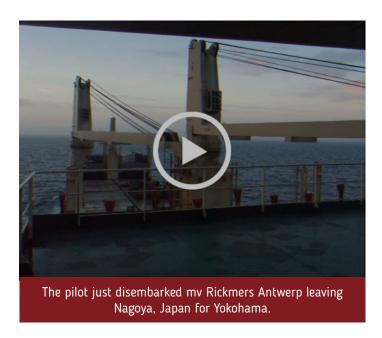


PHOTO OF THE WEEK



A lightly loaded containership from OOCL pictured here in the new expanded Suez Canal, going north towards Europe.

QUOTE AND PROVERB OF THE WEEK

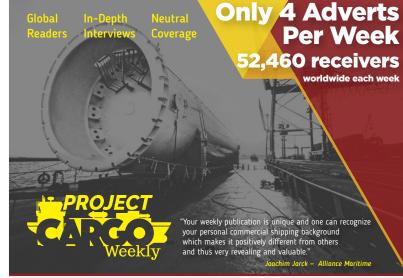
"YOU CAN'T LIVE A PERFECT DAY WITHOUT DOING SOMETHING FOR SOMEONE WHO WILL NEVER BE ABLE TO REPAY YOU"

- John Wooden -

"THOSE WHO DANCE POORLY BLAME THE MUSICIAN"

- Ancient Thai Proverb -





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