

NEWSLETTER

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Freighter operator Teleport adds another partner with VietJet tie up

Malaysia's freight airline, Teleport, has furthered its network of alliances by entering into a new partnership with VietJet. The collaboration was formalized this week via a Memorandum of Understanding (MoU) signed at the Air Cargo Southeast Asia 2023 event held in Singapore.

This collaboration will merge VietJet's comprehensive global operations with Teleport's robust network in Southeast Asia, positioning Teleport to tap into the burgeoning demand in Vietnam. As Francis Antony, the head of Teleport's cargo group, noted, "The timing of our partnership with VietJet Air Cargo is excellent, given the rapid expansion of Vietnam as a significant market within Southeast Asia. Over the recent years, an increasing number of manufacturing lines have shifted to Vietnam, contributing to over 20% of the country's GDP in 2022."

VietJet's air cargo managing director, Nelson Wu, stated that the collaboration would provide their customers with access to new locations at faster speeds. Wu said, "This partnership greatly empowers our businesses in Southeast Asia, facilitating their participation in global trade with an enhanced level of ease and confidence."

This partnership with VietJet marks the second agreement Teleport has signed in just one month. Earlier in October, Teleport announced an interline agreement with SF Airlines, a China-based express carrier. This agreement enabled Teleport to access Southeast Asia, while SF Airlines expanded its express network within China and into the European and North American markets.

As Teleport continues to expand its fleet, it is actively seeking to create new cargo streams to maximize the use of its capacity. The carrier is currently in the process of adding 10 converted A321 freighters to its fleet, with the first having been delivered in July of this year.

Initiative in Norway Aims to Develop the World's First Ammonia-Powered Container Ship

A pioneering project in Norway is set to construct what could potentially be the world's first containership powered by ammonia. The vessel, anticipated to be operational by 2026, is a collaborative endeavor involving Norway's North Sea Container Line, ammonia producer Yara International and its subsidiary Yara Clean Energy, with financial support from the Norwegian Government through its Enova investment fund.

While the exact dimensions of the vessel have not been disclosed, it is being designed to ply the trade route between Norway and Northern Europe, specifically optimized for service between Oslo and Brevik in Norway and Hamburg and Bremerhaven in Germany. The vessel will be managed by NCL Oslo, a newly formed alliance between the companies.



"We're delighted to join forces across sectors and demonstrate that significant emission reductions are feasible," stated Svein Tore Holsether, CEO of Yara International, at the project's announcement. "Our green journey that began with the Yara Birkeland, the world's first autonomous electric containership, now continues with the Yara Eyde, projected to be the world's first pure ammonia-fueled containership."

The vessel is planned to operate on ammonia from its inception, marking it as one of the world's first. Globally, several engine manufacturers are making headway in designing engines and fuel supply systems to run on ammonia, with numerous demonstration projects for ammonia underway. The race to launch the first commercial ammonia-fueled ship is gaining momentum.

The project's application to Enova suggests that the containership will be "powered by ammonia with a 250 kWh battery pack and the option of shore power." By operating the new containership between Brevil and Europe, the companies anticipate eliminating 11,000 tonnes of CO2 emissions annually.

The project has received about \$3.6 million from Enova as part of a \$63 million grant program, announced in late September, to support projects aimed at decarbonizing shipping. Viridis Bulk Carriers and Azane Fuel Solutions, in collaboration with Yara Clean Ammonia, also received Enova grants for projects involving ammonia-fueled cargo ships and the development of ammonia bunkering, respectively. Other projects funded by Enova are focusing on hydrogen and battery-powered shipping and carbon capture aboard ships.

The containership is slated to be named Yara Eyde, honoring Norwegian industrialist Sam Eyde. Eyde was instrumental in Norway's industrialization in the early 20th century through his extensive development of hydroelectric power plants and founding of several of Norway's major corporations, including Yara, Hydro, and Elkem.

This is the second next-generation shipping project for North Sea Container Line, following their announcement last year of the order for 1,300 TEU methanol-fueled containerships due to be launched on the North Sea in 2024.

The company's digitization initiatives encompass the introduction of Cargospot mobile warehouse technology, the CargoKiosk system for Yara is planning to drive the development of the ammonia-fueled shipping market through its efforts to fund the development and logistics segment for ammonia as a marine fuel. Yara Clean Ammonia will supply the Yara Eyde with ammonia produced in a near-zero carbon manner, primarily from renewable energy or natural gas where up to 95 percent of the CO2 emissions are captured and permanently stored.

In collaboration with Azane Fuel Solutions, Yara Clean Ammonia is working on the development of an ammonia supply in Norwegian and eventually Scandinavian ports. This effort is expected to make ammonia available as a marine fuel and contribute to Norway's emission reduction goals in the offshore sector.

Treading Water

The future of marine container trade is uncertain, with estimates for the coming months challenging to pin down.

In the initial quarter of this year, CBRE Group, an American commercial real estate company, stated that the "overall container volume at the top 13 North American ports dropped by 20 percent year-over-year to 12.3 million twenty-foot equivalent units (TEUs)." The Baltic and International Maritime Council (BIMCO) predicts a shaky growth in "global container volumes, with an estimated range of -0.5 percent to 0.5 percent in 2023, and between 3.0 percent and 4.0 percent in 2024."

If you were to gamble based on individual port statistics rather than the general trend, where would you place your bet? While some ports show a downward trend, others like Port Tampa Bay are resisting the decline.

Fueling Expansion

Wade Elliott, the Senior Vice President of Marketing & Business Development, shares, "Our container business is flourishing, with a 24 percent growth up until the end of June."

He attributes this expansion to Florida's superior economic performance, which is fueling demand across sectors, from energy products and construction materials to consumer goods and perishables.



Port Tampa Bay, in collaboration with its container terminal partner Ports America, is persistently investing in capacity expansions. These include new cranes, a six-lane high-tech gateway system, more paved storage, a berth extension to be completed by 2026, and an on-dock rail-served transload facility planned for 2026.

On the opposite side of the world, the Port of Nansha, China, handled 24.8 million TEUs in 2022, showing a four percent increase from the previous year. This port, the fifth largest globally, has invested \$1 billion in a new berth.

Boosting Performance

By the end of July, Port Everglades on Florida's east coast saw a dip in TEUs compared to the previous year. However, it has seen a significant improvement in its container terminal operating performance due to substantial capital investments (\$3 billion over the next 20 years).

The port has been successful in actively seeking ocean-shipping services with routes from Latin America and the Caribbean. It has also expanded its business opportunities with the construction of a nearly complete warehouse by Seagis Property

Group, and plans are in progress by Bridge Industrial to open a distribution center.

Taking a more southern route, Port Miami expects container growth to reach 3.3 million TEUs by 2035, as per its 2035 Master Plan. It reached 1.2 million TEUs in 2022, but this year's figures indicate a slight downturn. However, it has shown readiness for larger ships and launched new services connecting South America's west coast with the U.S. East Coast.

Canadian Port Developments

The Port of Montreal managed over 1.7 million TEUs in 2022. However, the ongoing global economic stagnation has led to an 11 percent decrease in container volumes for the first half of 2023, according to Guillaume Brossard, Vice President of Development, Marketing & International Relations.

In spite of this, Montreal is persisting with significant infrastructure projects, such as the newly inaugurated C\$43 million overpass over Notre-Dame Street East in the Viau sector in August. This development provides direct highway access while reducing daily truck traffic on public roads by approximately 1,500. The port is also extending its 100-kilometer rail network by an additional six kilometers, costing C\$63 million.

The port is proceeding with its most ambitious project to date, the Contrecoeur Terminal, which will increase port capacity by 1.15 million TEUs, resulting in a total container capacity of 3.25 million TEUs. The terminal is projected to be operational by 2027.

Michigan's Port Expansion

As traditional ports grapple with the volatile container trade, the Great Lakes Port of Monroe, Michigan (the state's only port on Lake Erie), is progressing with the Michigan Maritime Gateway project, which includes a container component.

Port authorities expect to receive containers directly from Europe and via feeder service from the East Coast.

The \$30-million Gateway project aims to provide a new transport alternative for auto manufacturers, battery manufacturers, and suppliers to utilize the Great Lakes and St. Lawrence Seaway as a direct water route for import and export cargo movement. Construction is set to begin in the latter half of this year and be completed by the first half of 2025.

Although the exact container throughput capacity is yet to be defined, Monroe officials aim to establish a liner service concentrating on containers, breakbulk, and ro/ro cargoes. The port will also prioritize handling non-standardized cargoes such as flatracks, autos-in-containers, and high-value components.

With its two Class One railroads, uncluttered facilities, immediate interstate access, and over 600 acres ready for development, Monroe perceives itself as an ideal consolidation point for containers and project cargo.



Aasen Shipping Commissions Hybrid Self-Discharging Vessels

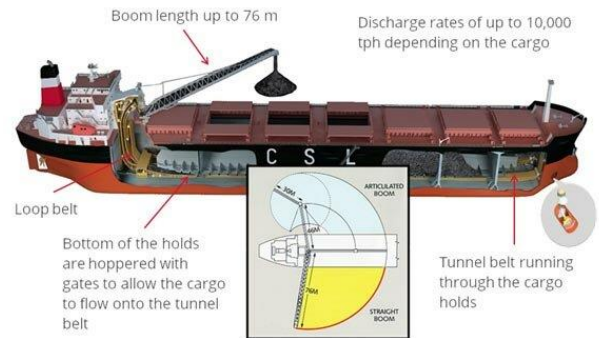
The shipping industry continues to embrace methanol and hybrid systems to reduce emissions, encompassing more sectors. A recent advancement sees Dutch shipbuilder Royal Bodewes constructing three methanol-ready self-discharging general cargo vessels with hybrid battery systems for Norwegian company Aasen Shipping.

The utilization of methanol as an alternate fuel in the shipping industry is growing, preparing next-generation ships and enabling shipowners to future-proof their current vessels. DNV data reveals that 14 methanol-fueled vessels were commissioned last month, including bulk carriers, tankers, and car

carriers. Furthermore, Boskalis recently reported the order of the first methanol-operated dredger.

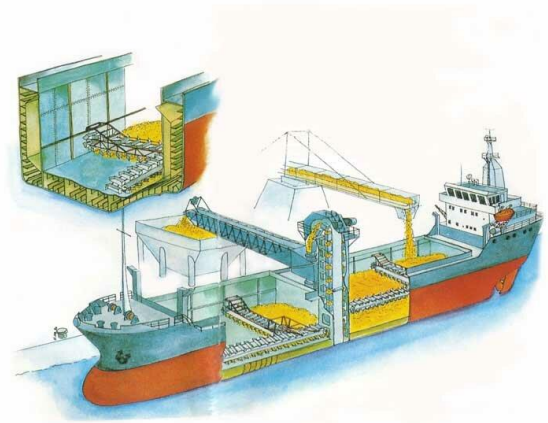
The new ships align with Aasen's ongoing decarbonization efforts. The three new general cargo vessels, each having a deadweight of 9,400 tons, will uphold this commitment. According to Royal Bodewes, these ships will mirror the dimensions of two former hybrid self-discharging vessels delivered in 2021 and 2022, which featured batteries and an electrical engine alongside the primary MGO-fueled engine.

The forthcoming vessels, each measuring 393.5 feet, will be equipped with a Wärtsilä 6L25 main engine capable of generating 2250 kW. Unlike the previous class, these ships will house a large battery pack for peak shaving of both the main and auxiliary engines. The vessels' cargo handling equipment will be electric, further reducing noise and emissions. While in port, they can utilize shore power for all cargo handling tasks.



Royal Bodewes acknowledges that achieving zero emissions is the greatest challenge. The newly commissioned vessels are being readied for methanol. The company states that the ships can be effortlessly retrofitted to run on green methanol once it becomes available.

The shipbuilder had previously constructed the Aasfjell (2021) and the Aasfoss (2022) for Aasen. These ships were fitted with a 535 kWh battery pack to power the electric excavator for loading and unloading, and enabled peak shaving while the vessels were at sea. This allows the batteries to supply additional load in rough seas or store surplus power under normal conditions, enabling the main engine to operate at a stable and efficient level.



The three new vessels are slated for delivery in December 2025, April 2026, and September 2026.



Lufthansa Cargo has introduced a new high-speed cargo shipment service, td.Zoom. This service provides the fastest transport times available from the carrier, featuring ramp supervision during aircraft loading and unloading, exclusive ramp transfers from the warehouse to the aircraft and vice versa, as well as on-demand tail-to-tail transfers at its hubs in Frankfurt, Zurich, and Munich.

Lufthansa Cargo launches new high-speed service

The service also encompasses an around-the-clock personal td.Zoom Customer Service that proactively oversees each shipment, initiating immediate actions to prevent any discrepancies, as stated by the carrier.

This new service compliments Lufthansa Cargo's existing priority services, td.Pro and td.Flash. As per the Chief Executive, Ashwin Bhat, a shipment from Shanghai to Zurich via Frankfurt that would typically take 45 hours with td.Pro and 35 hours with td.Flash can now be completed in 23 hours with td.Zoom.

Bhat commented that "td.Zoom is the top choice for speed, offering the shortest transit times and a dedicated td.Zoom Customer Service." He added, "Providing optimal customer service means tailoring the right offerings for every need. With our comprehensive selection of transport speeds, including td.Pro, td.Flash, and now td.Zoom, our customers can select a service that best aligns with their individual requirements in terms of price and performance."

In addition, this new service can be combined with the carrier's existing services like General Cargo, Dangerous Goods, and Emergency. Customers also have the option to book add-on services such as Sustainable Choice to reduce CO2 emissions.

A large container ship is docked at a port at night. The ship is illuminated by bright lights, and its reflection is visible in the water. Several cranes are visible in the background, also illuminated. The scene is a busy port at night.

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