



Cleve Bulletin

June 2008

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Export of dangerous goods to China

Because of the upcoming Olympic Games which will be held in Beijing, it is no longer possible for our agents to receive dangerous cargoes. This temporary restriction has been implemented by Chinese authorities for public safety purposes.

Please note that it will be impossible to send dangerous goods to China via other ports, such as Busan or Singapore.

The importance of a cargo transport insurance

Lately we have been noticing a tendency which worries us: more and more customers decide to ship their cargo without coverage of a cargo transport insurance. Although this may seem cost-saving at first sight, the problems which occur in case of an irregularity (damage, loss, etc) are often a far bigger disadvantage.

Not only will it be difficult to determine which party you should have to claim from (given the large number of parties involved in the transport chain), but even more important: even if one of the parties does accept liability, it will often be limited as per the applicable conditions in the relevant stage of transport.

This may leave you with only a tiny part of the actual value of your shipment. On the contrary, if you do arrange a cargo transport insurance, your insurer will most of the times indemnify you for the amount claimed (commercial value) without any problem.

We trust the above will convince you of the importance of a cargo transport insurance. Please also inform your customer of the risk they run in case of non-insured transports. More information can be obtained from your local underwriter or from Cleve & Zonen's Customer Service department. As an extra service, we can arrange a cargo transport insurance against very competitive rates.



Export customs documents

When you make use of the Netherlands Customs Offices of Exit, please make sure that the barcode printed on the EAD (export accompanying document) can be processed with barcode readers.

Netherlands Customs Authorities have informed us that forwarders and exporters are presenting an increasing number of EAD's, on which the barcode cannot be read with barcode-readers. In order to avoid delays, we advise you to check your printing instructions, to make sure that the barcode is printed correctly on the EAD's. Please also avoid sending copies, as they influence the reading of the barcode. So please use original documents only.

Unfortunately, cargo with documents that cannot be read by barcode scanning devices, will risk short shipment. Please be guided accordingly.





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Warehouses

ROTTERDAM CFS LCR

c/o Cleve & Zonen
A. Plesmanweg 151, Portno. 2360
Rotterdam-Waalhaven ZZ
Open from 07.30 till 09.00, from
09.15 till 11.45 and from 12.30 till
15.00 hrs.

CFS Hollands Veem

c/o Cleve & Zonen
Boyneweg 1, Portno. 5084
3197 LK Rotterdam - Botlek
Open from 07.30 till 15.45 hrs.
Delivery till 15.00 hrs !

CFS Estron

c/o Cleve & Zonen
Shannonweg 84, Portno. 5064
3197 LH Rotterdam - Botlek
Open from 07:30 till 15:30 hrs.
Delivery till 15:00 hrs !

ANTWERP

CFS Conquest

c/o Cleve & Zonen
Kruisweg 11, Haven 650
2040 Antwerp
Belgium
Open from 8.00 till 15.45 hrs.

Services

For bookings:
Customer Service Dept.
booking@cleve.nl

General information:
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Airfreight promo rates

We would like to draw your attention to our special airfreight destination for the month of June. We are able to offer you very competitive airfreight rates for the destination **Rotterdam Airport**. Please contact our airfreight department for our special promo rates (> 100 kgs).

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Ian's column

End of April the Far Eastern Freight Conference announced the termination of its operation by October 17, 2008. It was first established in 1879 by six member lines. For more than a century the FEFC regulated the Far East Europe trade, a grip they gradually lost as forwarders more and more dominated the market.

In its hay day the Conference totalled 28 members from 18 countries and a number of associate members. In 1979 the total fleetcapacity of the FEFC lines hovered around 110,000 teus and by 2002 it had rocketed to 630,000 teus. During that year the conference lines moved more than six million teus between the Far East and Europe.

The owners meetings in those days were lavish affairs with exquisite dinner parties, with no cost spared. Rate levels were centrally fixed in London by teams of experts and were in fact minimum rates which were not supposed to be undercut by any member line.

But as more and more outsiders like Evergreen commenced their operation, the conference ground started to erode and the first signs of rate cutting by member lines became apparent. An organisation called Neutral Body was created which was supposed to enforce strict adherence to the rules and tariffs of the FEFC and in order to give this organisation the required profile, they were given almost limitless powers.

If evidence of malpractice was found the line could be fined for upto U.S.\$ 150,000 per offence. In practise this meant that the organisation could step into your office with 4 or 5 persons and ask you to show everything on and in your desks, including your own wallet, briefcases, cupboards etc. Even company cars in the office parking spaces were searched for evidence.

Being a marketing man fixing, rates in those days could be pretty hair-raising when you had your pocket full of notes with agreed rates when Neutral Body stepped into your office. You would not like to be the employee having to tell your principal that you had just cost him USD 150,000.

What further speeded up the process of its demise was the inauguration of United States Lines. Upto that point rates for e.g. 40' containers hovered around U.S.\$24-2500 per 40' from base to base port. When U.S.Lines first started their operation they used Marseilles-Fos to serve Northern Europe and what was found "utterly shocking", was the fact that United States Lines offered rates of U.S.\$ 1500/40' with containers being railed to Fos for line's account.

Rates since then have never recovered to their original level. What however initiated the beginning of the end goes back to February 1993 when the FEFC was summoned to appear before the European Commission-DGIV (anti-kartel) to testify on a charge of monopolising the trade.

The final outcome of this hearing was that the FEFC could no longer issue European zone haulage tariffs. At that point DG IV could not influence the ocean tariff structure.

Since then the European commission was of the opinion that the conference system is a system of kartel forming which is prohibited under European law. Lines are permitted to form groups in order to operate a joint schedule but are forbidden to jointly fix tariffs.

There will be continued rapport between lines but same will be closely monitored by both the European commission as well as the FMC on the other side of the water. The demise of the conference system constitutes the end of an era of almost 130 years in the history of shipping.

