

## Welcome to TT Talk, No. 86 in the series.

### Contents:

1. UNCTAD review of maritime transport
2. European railways get new liability convention ...
- 3 ... but could try harder with liberalisation
- 4 US Customs gets tough on timber packing rules
- 5 Club moves in Germany
- 6 Stowaway with a difference
7. Conclusion

### 1. UNCTAD review of maritime transport

The United Nations Commission for Trade & Development (UNCTAD) has published its review of the world economy in 2004. The following are some of the statistics that emerge from the report:

In 2004, world output grew by 4.1 per cent over that of 2003 (when it had grown 2.7 per cent) -- the highest increase in a decade. The developed market economy countries experienced growth of 3.2 per cent, while developing countries recorded an average increase of 6.5 per cent. For 2005, growth forecasts for world output are cautiously conservative, around 3.1 per cent.

The volume of world merchandise exports grew by 13 per cent, compared with 6 per cent in 2003. This growth reflects the strong performance of China and some developing countries. The total OECD industrial production index increased by 2.9 per cent, reflecting the performance of the United States, Japan and, to a lesser extent, European OECD countries.

World seaborne trade (goods loaded) recorded another consecutive annual increase, reaching a record high of 6.76 billion tons. The annual growth rate was 4.3 per cent, well below the 5.8 per cent increase for 2003. Global maritime trade growth is likely to continue to grow during 2005.

Total maritime activities measured in ton-miles increased to 27,635 billion ton-miles, compared with 25,844 billion ton-miles in 2003.

There was an 8.4 per cent increase from 90.5 to 98.1 million dwt in the container ship fleet

World container port traffic continued to expand at a rate of 9.6 per cent over that of 2003, reaching 303.1 million TEUs. Ports of developing countries and territories handled 122.4 million TEUs, or 40.4 per cent of the total. In 2003, there were 57 developing countries and territories with terminals that handled more than 100,000 TEUs. In 2004, the top 20 world container ports handled 166.6 million TEUs.

The world container fleet expanded 7.7 per cent during 2004 to reach 19.3 million TEUs. Sea carriers' share in this total reached 54.3 per cent as a result of extensive procurement during the year.

The full report can be downloaded at [http://www.unctad.org/en/docs/rmt2005\\_en.pdf](http://www.unctad.org/en/docs/rmt2005_en.pdf).

## **2. European railways get new liability convention ...**

In TT Talk 56 of November 2004, we mentioned that the Vilnius protocol of June 1999, amending the international conventions on the contract of carriage by rail (COTIF, CIV and CIM) was expected to come into force some time in 2005.

Alas, our optimism did not allow for the slow pace of government and parliaments, but we are glad to announce that, following the recent ratification by Turkey, the new convention (COTIF 1999) will come into force on 1 July 2006.

COTIF 1999 will apply in 31 countries: Albania, Algeria, Austria, , Bosnia & Herzegovina , Bulgaria, Croatia, Denmark, Finland, France, Germany, Hungary, Iran, Latvia, Liechtenstein, Lithuania, FYR of Macedonia, Monaco, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain ,Switzerland, Syria, Czech Republic, Serbia & Montenegro, Tunisia and Turkey, Other ratifications are expected over the course of the next few months.

## **3. ... but could try harder with liberalisation**

The first, second and third railway packages may sound like some historical record of the first parcels sent by train, but in fact they are initiatives from the European commission, designed to open up the European railway network to competition. The EC has recently issued a report reviewing the progress made in the member states towards achieving the goals set out in the first package, in which it presents clear evidence of the links between liberalisation, competition, service quality improvements and growth in rail freight. The commission confirms its view that liberalisation must be pursued with increasing vigour.

The report states that incumbent railways should continue with their restructuring and says that Austria, Germany, Belgium and Italy are dragging their feet on liberalisation. In doing so, it confirms the view of many private-sector railfreight companies that new entrants still face severe difficulties in entering the market because of the strong control exercised by the existing incumbents.

The commission plans to investigate the state of liberalisation measures in all the member states during this summer, so that any infraction proceedings can start before the end of the year.

Members who have an interest in rail freight operations are invited by the EC to consider whether the member state in which they operate is fully compliant and, if not, to raise the issues both with their national government and with DG TREN in Brussels.

## **4. US Customs gets tough on timber packing rules**

Writing in Inbound Logistics magazine, our colleague Dan Negrón in New Jersey reports on a recent appeal for help from a member in the United States. He was handling an importation of roof tiles for a client, but it had been held up by the Customs & Border Protection service. There was nothing wrong with the tiles themselves, but the wood used in the crates did not bear a "permanent and legible mark" that it had undergone appropriate treatment against infestation. Although the importer had documentary evidence of the treatment, this was not accepted by the CBP, who pointed out that the rules required permanent and legible marking of the actual timber, and that paper documents, because they could be transferred from one batch of timber to another, did not meet that criterion. Customs officials insisted that the consignment be returned to its port of origin, and there was nothing that either the Club or the member could do to change their minds .

Dan points out that although this incident occurred during the "honeymoon period" before strict enforcement begins on 4 July 2006, CBP insisted on full compliance. From July onwards the rules will be strictly enforced and, all packaging material -- pallets, crates, dunnage, etc, imported into the US must be heat treated or fumigated with methyl bromide and must be marked with the appropriate international logo certifying that it has been appropriately treated. Because the mark must be visible to the CBP inspectors, it should be placed on both sides of the packaging material.

Failure to comply can, as Dan notes, be extremely expensive as the shipper will have to bear all expenses of having the cargo returned to its point of origin, or (if it is possible and the local CBP inspector permits) having the packaging separated from the cargo.

## **5. Club moves in Germany**

On 14th June 2006, the Club's correspondent office in Germany moved to a new address. For technical reasons the telephone and fax numbers have also been changed. The new details are:

TT Club  
c/o Thomas Keller  
Roentgenstrasse 4  
D-63755 Alzenau

Tel. +49 (0)6023 50 38 98  
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This affects only the Club's representation for underwriting and general management issues. The Club's claims handling arrangements, with Network Partner J&K Brons in Hamburg, remain unchanged.

## **6. Stowaway with a difference**

Stowaways have been a constant problem for shipowners, and more recently container operators too, but this one was just a little bit different.

When David French, an importer of pottery and ceramics in Derbyshire, UK, received the container he was expecting from his supplier in Shenzhen, China, he naturally checked that the seals were intact. They were, so he was very surprised, on opening the doors, to see Ching emerge, blinking, into the daylight.

Ching is a four month old brown and white tomcat who had apparently entered the container in search of mice. Concentrating on the job in hand and oblivious to the loading operations, he was locked in once the container was fully stuffed. The veterinary doctor who inspected the cat concluded that he had survived the thirty-day journey by eating the cardboard packing and licking condensation from the container walls.

He is now in compulsory quarantine but, when that is over, Ching will find a new home with Mr French.

<http://www.yorkshiretoday.co.uk/ViewArticle2.aspx?SectionID=55&ArticleID=1548109>

## **7. Conclusion**

We hope that you will have found the above items interesting. If you would like to have further information about any of them, or have any comments you would like to make, please email the editor at [tt.talk@ttclub.com](mailto:tt.talk@ttclub.com). We look forward to hearing from you.

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