



5TH ANNUAL CONFERENCE 14TH-18TH October, 2012 VIETNAM



As **MPL's 5th Conference** grows closer, we should reflect on how much the organization's strength is indebted to the past **4 MPL Conferences**.

With each event, bonds were created between members both for business and friendship. Getting to know one another face to face, in a professional and social environment has lead to loyalty, trustworthiness and dependability; establishing a 'family like' atmosphere, which gains momentum with each Conference.

Part of **MPL's** success can be attributed to our members appreciating that we are in a business where people make the difference. We pride ourselves on being a Group where nationality, religion and politics play NO role, but what is vital is the essential support from others within **MPL**.

MPL has found the right people: people in the industry that face the same dilemmas day after day. Put a group of members around a table, heads together and look at what **MPL** has achieved so far, and plans for the future.

COMMUNICATION is one of the fundamental necessities, for the continued growth of **MPL**. As a member you have, at your fingertips, access to well over 200 **MPL offices** of independent forwarders, in almost 100 countries all of which have been brought together under the **MPL Banner**.

Along with showing the **MPL Logo** on all correspondence, it is equally essential to maintain the **MPL Corporate Image** by having your **MPL Business Cards** with you whenever you have a meeting. Be proud to be a member and don't keep it a secret and remember you are not only helping your company, but promoting the Group. For full details on the **MPL Business Cards**, such as color code and dimensions, please contact sandy@marcopololine.com

FOLLOWING UP

The follow up can be as equally important as the actual meeting itself.

TODAY we urge you to begin with the **5th MPL Conference** by trying to get to know as many of your fellow members as possible. When you get home use your communication skills in three ways:

1. Continue to link up with those you met here.
2. Introduce yourselves to other members, by sending a greeting email to an **MPL Office** you've never done business with before.
3. Consider your existing global partners who are NON MPL members. Do you have honest reliable agents who may benefit from our expanding global family? Tell him or her about **MPL**. Remember the only way an Agent can join, is via a **MPL recommendation**.

These actions will only take a few minutes, but could lead to years of fruitful cooperation. With an even bigger network, everyone in **MPL** will benefit as the portfolio of worldwide markets increase, so each member has more to offer his/her clients.

THIS APPLIES NOT ONLY TO **MPL Conferences**, but all other events, whether they be conferences, exhibitions or visits to an Agent's office. Again remember you are not only representing your own company but representing AND exemplifying **The MarcoPoloLine Group** so ALWAYS FOLLOW THE SAME 3 RULES.

The **MPL Conference** is all about Communications, offering great opportunities to reap the benefits of **The MarcoPoloLine Group**, i.e. new business, new colleagues, new friendships and new support.

For those of you who are attending the **5th MPL Conference**, I look forward to meeting you and for those of you who couldn't make it, we hope to see you in 2013.

SANDY MCINNES
MPL SECRETARY



INTERESTING FACTS ABOUT VIETNAM

Vietnam is the easternmost country in Southeast Asia. With a population of over 85 million, it is one of the top 20 most populated countries in the world. For thousands of years, the country was ruled over by China. In 10th century, it finally became a nation-state. This was followed by the rule of several dynasties until mid 19th century, when it was colonized by French. During Japanese occupation in World War II, communist leader Ho Chi Minh formed the Vietminh, an alliance of communist and noncommunist nationalist groups. In 1954, Vietnam won independence through armed struggle and it led to the partition of the country into North Vietnam and South Vietnam. For two decades civil war took place between the two states and in 1976, Vietnam was reunified under a communist regime. In 1986, Vietnam instituted economic and political reforms and initiated on the path of international reconciliation. With effect, it joined the World Trade Organization in 2007 and even a non-permanent member of the United Nations Security Council in 2008.

Did you know how large Vietnam is, compared to its neighbours? What is the highest mountain in Vietnam, and does it compare to world's highest? Would it be interesting to know that Hanoi, the capital of Vietnam, has first received this status a thousand years ago, in 1010?



Did you know that...

- ★ Vietnam has a smaller geographical area in comparison with California or Germany, but larger than compared to Italy or Arizona.
- ★ The length of Vietnam from north to south is about 1650 km. It is roughly the distance from London to Rome in Europe, New York to Miami in the United States, or Melbourne to Brisbane in Australia.

It's interesting that...

- ★ Vietnam's highest mountain is Fan Si Pan, located next to Sapa. It is 3150 meters (10300 feet) high, and, thus, lower than other peaks in South East Asia, e.g. Mt. Kinabalu in Borneo. Still, Fan Si Pan is the highest mountain peak in Indochina.
- ★ Vietnam has thirty national parks. The largest, Yok Don, is in Dak Lac province, Central Highlands. It has a larger geographical area (1200 sq.km) than any of the three Vietnam's smallest provinces, all located in Red River Delta region.

- ★ Phu Quoc is the largest island in Vietnam. It is about the size of Isle of Man in the UK, and three times smaller than Long Island in New York, United States.

Did you know that...

- ★ The country is divided into 58 provinces and 5 "centrally governed cities" – Hanoi, Ho Chi Minh City, Can Tho, Da Nang and Haiphong.
- ★ The largest, by area, province of Vietnam, Nghe An, is located in Central Vietnam, while three smallest are all in Red River Delta.
- ★ The majority of population in Central and Southern Vietnam were not always Vietnamese. Cham people were the largest population group in Central Vietnam until the 16th century, and Khmers inhabited Mekong Delta region until it was incorporated into Vietnam in the 18th century.

INTERESTING FACTS ABOUT VIETNAM

Did you know that...

- ★ Red River Delta in Vietnam has a smaller geographical area than Mekong Delta, but it has a larger population.
- ★ Vietnam does not rank very high among other countries by density of population (number of people by square km/mile). Population density in Vietnam (276 people per sq.km) is lower than in Japan (339), India (372), or Netherlands (399). It is still a bit higher, though, compared to UK (251) or Germany (216).

It's interesting that...

- ★ Vietnamese language uses the script that has 29 characters, most of them are identical to those used in English
- ★ Vietnamese language is linguistically unique, and not related to other languages
- ★ Approximately 40% of all Vietnamese, or more than 30 million people, share the same family name, Nguyen.
- ★ Vietnam has three destinations, officially recognized as World Heritage sites - Royal monuments of Hue, ancient city of Hoi An and My Son – and related to the country's rich historical and cultural heritage.

Did you know that...

- ★ Hanoi has become the capital of Vietnamese kingdom as early as 1000 years ago. The city had at least five different names throughout its history. The current name was officially recognized only in the middle of 19th century.
- ★ Ho Chi Minh City, or Saigon, with a population of nearly 10 million people, is not only the largest city in Vietnam, but also the largest in Indochina, and third largest city, after Jakarta and Manila, in South-East Asia.
- ★ Nha Trang, the most popular beach resort destination in Vietnam, quite possibly, has the best climate in Vietnam.
- ★ Sapa, famous for its hiking trips and hill tribes, is one of the few places in Vietnam where it can snow in winter, although the snow occurs only once in several years.
- ★ Dalat in Central Highlands region of Vietnam, has the reputation of the most famous wedding and honeymoon holiday town for the Vietnamese.
- ★ Halong Bay, the most visited natural attraction for travelers to Vietnam, has been the place of historic navy battles centuries ago between Vietnamese and foreign invaders to Vietnam.

LITTLE VOCABULARY:

1. Vietnamese has one simple expressions for hello and goodbye. "Chao anh"
2. No basic language would be complete without the word for "thank you". "Cam on". It's pronounced something like 'gum un', but with definite tones.
3. The question 'How are you feeling' or 'How are you doing' could be translated as "Chi co khoe khong"
4. Many people may ask Europeans if they are American when you visit Vietnam. "Nguoi My" is the term for a person from U.S. The term for the United States is "Nuoc My" which translates literally as 'country beautiful'. Interestingly, the Chinese term 'Meiguo' also means 'beautiful country'. Other nationalities are listed: British 'Nguoi Anh', Japanese 'Nguoi Nhat' and French 'Nguoi Phap'
5. If you would like to answer 'yes', you should say "Da Vang".

The Vietnamese and Cambodian languages both belongs to the very small language family called Austro-Asiatic. Vietnamese has many loan words from Chinese, but only shares its roots with Cambodian amongst the languages listed.



VIET NAM

PEOPLE AND SOCIETY

Most Vietnamese people have great love and respect for their families and their country. The oldest son of a family lives with his parents when he grows up and marries, looking after them in their old age. Most homes have a small altar, where the family honours its ancestors.

People also respect the nation and its traditions. They love learning and you often see shopkeepers or tricycle-taxi drivers relaxing in the shade with a book when business is slow. Most people's beliefs are influenced by the teachings of Buddha and the Chinese philosopher Confucius.

Buddha taught that people can only find peace and wisdom when they learn to control their feelings and desires. Buddhists believe in reincarnation, or re-birth. Confucius taught that people should put the needs of their community above their own needs, and that they should respect those who were above them in society.

Sport and Leisure

Though children have to work hard, both in school and at home, they do find time to play. Volleyball and football are popular. Festivals give everyone the opportunity to have a good time. People spend days preparing for the new year festival of Tet. Homes are decorated with peach blossom to scare off evil spirits, and at midnight everyone lets off giant firecrackers to welcome the new year.

Food and drink

Rice is the most important food in Viet Nam, but noodles, fish, and vegetables are also popular. Meat is expensive, but fish and vegetables are widely available. A typical evening meal would be eaten in the home, and consist of fish and vegetable dishes, a dipping sauce made of soy and fish, and bowls of rice, followed by tiny cups of green tea, without milk.

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Be Rewarded for Introducing Ireland

By reaching out to the worldwide Irish network, Ireland is fighting smart and taking an innovative approach to economic recovery and job creation.

Delivering the **Succeed in Ireland** initiative



“You’d be nuts not to invest in Ireland now,”

*Former US President,
Bill Clinton at the Invest in Ireland Forum,
New York.*

*“Ireland has made a good job of building
a proto-Silicon Valley. By attracting
global high-tech names to the country, it
provides a high hinterland in which smaller
companies can grow”.*

Ben Rooney, The Wall Street Journal Europe

Smart Thinking - The Succeed in Ireland Initiative

Companies in International Expansion Mode May Want to Consider Ireland

ConnectIreland is Ireland's incentivized global referral program where anybody who introduces a company that is expanding internationally could potentially earn a financial reward from the Irish Government. The money can be used personally, donated to a charity or waived as a mark of support for Ireland.

How You Can Benefit.

ConnectIreland is looking for contacts in small and medium sized enterprises (SMEs) outside of Ireland that are expanding internationally. All that's required is:

- a) Registration with www.connectireland.com
- b) An introduction to a senior decision maker in a company that is planning international expansion.

The foreign direct investment (FDI) team at ConnectIreland will take it from there.

If that company establishes operations in Ireland and jobs are created, the Connector (registered person who makes the introduction) will receive a minimum of €1,500 per job created (to a maximum of 100 jobs), subject to certain terms and conditions.

A Government Initiative

ConnectIreland was appointed by IDA Ireland, the Irish Government Agency responsible for foreign direct investment into Ireland, to implement the Succeed in Ireland initiative, part of the Irish Government's 2012 Action Plan for Jobs.

Example: How This Could Potentially Work.



Deirdre

Deirdre from Dublin hears about ConnectIreland and thinks about who she knows. Her first cousin is Sean, a school teacher in Arizona. Sean's good friend and next-door neighbor works in a medical devices company that is expanding into Europe. When Deirdre hears about this, she registers the company with www.connectireland.com and sets up an appointment with a decision maker in the company for the ConnectIreland team. The ConnectIreland team take over from there and work with the target company to demonstrate the benefits of locating in Ireland. The company establishes its European operations in Ireland and employs 20 people. Deirdre receives a total reward of €30,000 (approximately 38,000 USD or CAD), part of which she might decide to spend on a vacation to Ireland for Sean and his family. The lives of the 20 new employees are improved and the economy is better off too as unemployment falls and income tax receipts rise. **This is a true win-win situation for everyone.**

*"Ireland replaces Singapore
as the most globalised
western economy".
Ernst & Young*



Expanding the Reach

IDA Ireland has been hugely successful in attracting some of the largest multinational companies in the world to Ireland. ConnectIreland is a new channel to market, harnessing the power of the Irish Diaspora and worldwide Irish network to reach small and medium sized enterprises so they too can avail of the competitive advantages Ireland has to offer.

Global Companies Know About Ireland

Ireland is touted as the Silicon Valley of Europe with 10 of the top 'Born on the internet' companies such as Google, Facebook, Twitter, LinkedIn etc. and three of the world's top five games companies located in Ireland. Some of the biggest multinationals with operations in Ireland include Microsoft, HP, Intel, GlaxoSmithKline, Siemens, Ericsson, Boston Scientific and Pfizer.

The Success so Far

ConnectIreland was officially launched on March 8, 2012 by Enda Kenny, the leader or An Taoiseach of Ireland's Government. After just 10 weeks in operations, over 100 companies from all over the world were introduced to the program by 'Connectors'. None of these companies had considered Ireland prior to the launch of the program. Neither were they aware of the competitive advantages Ireland has to offer companies seeking to establish operations in Europe.

It's time to spread
the word about Ireland
to small and medium
sized companies in
all corners of
the world.

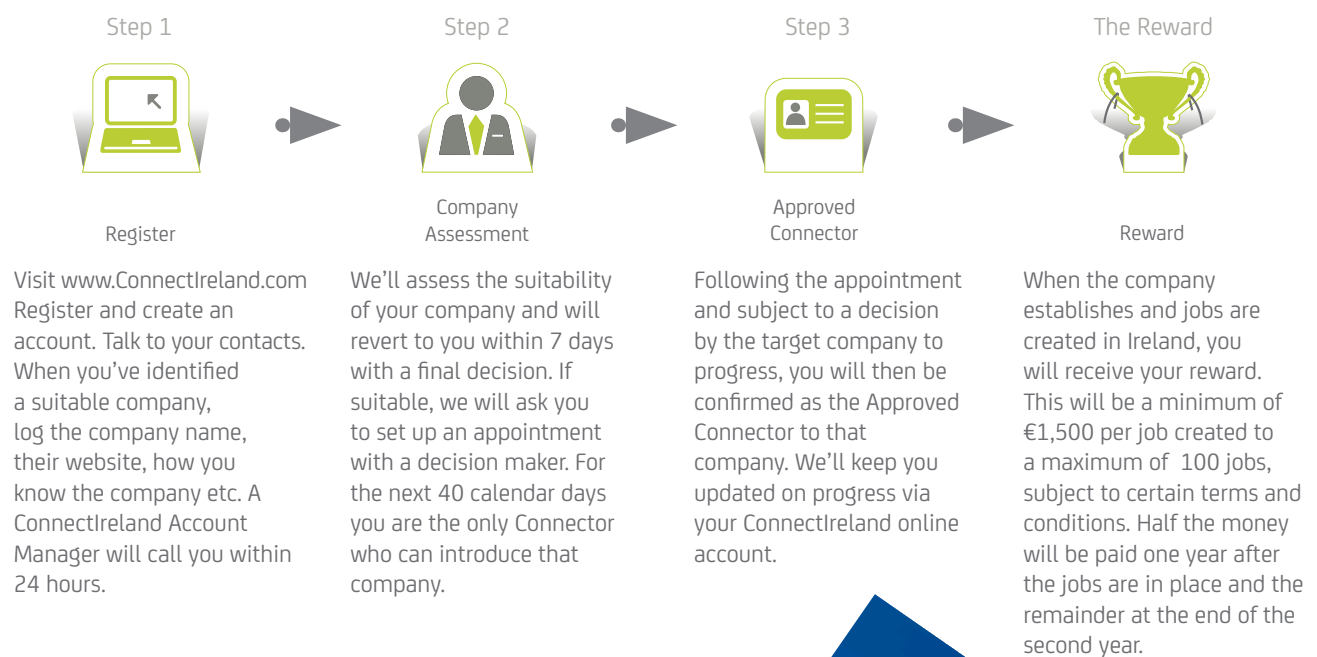
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How It Works

If you know of a company planning an international expansion - tell us. We will work with that company and help it locate to Ireland. If it does and jobs are created, you will receive a significant financial reward for making a simple introduction.

CONNECTIRELAND REGISTRATION

Here's how it works and what you need to do:



Why Companies Choose Ireland

- 1** Best place to do business in Europe.¹
- 2** Eurozone's only English speaking country
- 3** Leading companies are in Ireland
Pfizer, Facebook, State Street, Microsoft, Dell, Siemens ,
Boston Scientific and more
- 4** Low tax, pro business
12.5% corporate tax rate, double taxation treaties, flexible
labor laws and multiple supports for businesses.
- 5** Highly skilled workforce
1st in the world for availability of skilled labour²
- 6** Innovation
fostered by science and research collaboration
- 7** Springboard into EMEA
global multinationals serve international markets from Ireland
- 8** Proximity to North America
frequent flights and shortest distance from Europe
- 9** Competitive place to live and work
labour, property and living costs are highly competitive³
- 10** Quality of life
Listed in Top 10 friendliest countries in the world⁴. Green country,
near the sea, clean environment and temperate climate.

Sources

- 1 Forbes 2011
- 2 World Competitiveness Yearbook 2011
- 3 Mercer Cost of Living Survey 2011
- 4 Lonely Planet 2011

Something You Can Do.

ConnectIreland offers something concrete that everybody can do to support Ireland and at the same time earn a financial reward that can be used personally or donated to a chosen charity.

To participate, you need to think about Who You Know.

Always ask yourself “Do any of the people I know have a connection in a company that is considering international expansion?”.



Delivering the **Succeed in Ireland** initiative

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Ireland - direct dial: + 353 56 779 7422

Canada: 1 855 863 5471

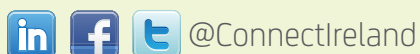
US: 1 855 735 7348

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Australia: 2 82976171

Email: info@connectireland.com

Website: www.connectireland.com



WHY IRELAND?

*Ireland
ranked number 1
place to do business
in Europe.*

#1

Forbes 2011

Delivering the **Succeed in Ireland** initiative



► Why Ireland? Top 10 reasons

Take a closer look
Ireland's global rankings
Wide range of industry sectors
The company you'll keep
Calling small and medium sized enterprises
What they say about Ireland

WHY IRELAND? Top **10** Reasons

- 1** *Best place to do business in Europe.¹*
Forbes 2011
- 2** *Eurozone's only English speaking country*
- 3** *Leading companies are in Ireland*
Pfizer, Facebook, State Street, Microsoft, Dell, Siemens, Boston Scientific and more
- 4** *Low tax, pro business*
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Sources

- 1 Forbes 2011
2 World Competitiveness Yearbook 2011
3 Mercer Cost of Living Survey 2011
4 Lonely Planet 2011



Why Ireland? Top 10 reasons

► **Take a closer look**

Ireland's global rankings

Wide range of industry sectors

The company you'll keep

Calling small and medium sized enterprises

What they say about Ireland

Take a closer look

When making a decision to invest in a location, companies take into account a multitude of factors. As a starting point, companies are looking for a location with the appropriate mix of available **talent**, a competitive **tax** environment, a supportive **pro business** ecosystem in terms of **incentives** and a **cost-competitive** place to live and work.

TAX

12.5% corporate tax rate
Low corporate tax since **1950s**
Tax treaty network with **63** countries
Tax relief for transfer of **intangible assets** to Ireland
R&D tax credit of **25%**

TALENT

1st in EU for completion of 3rd level education¹
1st in EU for availability of skilled labour¹
3rd highest proportions of maths, science, and computer graduates in EU²
34% of workforce under 25 years of age³
48% of 25 – 34 year olds have a third level qualification (compared to EU average of 33%)⁴

INCENTIVES

1st for investment incentives¹
Financial incentives include:
• Capital grants
• Employment grants
• R&D grants (in addition to R & D tax credits).
• Training grants

COMPETITIVENESS

10% reduction in wages in the professional, technical and scientific sectors¹
13 places, this year's fall in Dublin's office occupancy costs⁵
16 places, this year's fall in Dublin's ranking of most expensive cities in the world⁶
42% decrease in office rents⁷
49% decrease in Dublin house prices since the peak in 2007⁴

Sources

- 1 MD Worldwide Competitiveness Yearbook 2011
- 2 Eurostar Yearbook 2010
- 3 IDA Vital Statistics October 2011
- 4 Central Statistics Office 2011
- 5 Cushman & Wakefield Report 2011
- 6 Mercer Cost of Living Report
- 7 Goodbody's Irish Competitiveness Report



Why Ireland? Top 10 reasons

Take a closer look

► **Ireland's global rankings**

Wide range of industry sectors

The company you'll keep

Calling small and medium sized enterprises

What they say about Ireland

Ireland's global rankings

1st in the world for corporate taxes.
1st for business legislation for foreign investors.
1st for the availability of skilled labour.
3rd for direct inward investment flows.
3rd for availability of finance skills.
4th in the world for labour productivity.

Source: The IMD World Competitiveness Yearbook 2011

1st in the world for inward investment by quality and value.
2nd globally for the number of inward investment jobs per capita.

Source: The 2011 IBM Global Location Trends

1st in the Eurozone for ease of doing business.

Ireland is ranked **2nd** most attractive country globally for FDI (source: NIB/ FDI Intelligence Inward Investment Performance Monitor 2011).

Ireland is ranked **2nd** most globalised economy in the world (E&Y Globalisation Index in cooperation with Economist Intelligence Unit, Jan 2011).

Source: World Bank Doing Business Report 2011



Why Ireland? Top 10 reasons

Take a closer look

Ireland's global rankings

► **Wide range of industry sectors**

The company you'll keep

Calling small and medium sized enterprises

What they say about Ireland

Wide Range of

industry sectors

Ireland is ideally suited to high-value manufacturing, research and development and global business services from the following industries:

- Information Communications Technology
- Life Sciences
- International Financial Services
- Clean Technology
- Engineering and Diversified Industries
- Consumer and Business Services
- Content Industries.



Why Ireland? Top 10 reasons

Take a closer look

Ireland's global rankings

Wide range of industry sectors

► **The company you'll keep**

Calling small and medium sized enterprises

What they say about Ireland

The company you'll keep

A wide range of industry sectors is located in Ireland.

8 out of 10

Global ICT
corporations



9 out of 10

Global Pharmaceutical
corporations



3 out of 5

Top Games companies



10

Top "Born on the Internet"
companies



More than

50%

Of the world's
leading Financial
Service Firms



17 out of 25

Global Medical Device companies



Source
IDA Ireland

Leading international companies who have made Ireland their home in Europe.



- Why Ireland? Top 10 reasons
- Take a closer look
- Ireland's global rankings
- Wide range of industry sectors
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- **Calling small and medium sized enterprises**
- What they say about Ireland

Calling **Small** and **Medium** Sized Enterprises around the Globe

Almost 1,000 multinational companies have chosen Ireland as their strategic European base due to our pro business environment and attractive taxation rates. These companies have done their research, voted with their feet, resulting in significant investments in their Irish operations. This is testament to their confidence and belief in the future of Ireland and her people.

Now it's time to spread the word to the thousands of small and medium sized enterprises around the globe who may not be aware of the significant competitive advantages that exist for companies who locate in the country.

KEY POINTS TO REMEMBER:

- **Easiest place to start a business:** The World Bank's Doing Business report rates Ireland as the easiest location to start a business in the EU.
- **No currency fluctuation or trade restrictions:** Ireland is part of the Eurozone, so there's no need to worry about currency fluctuations, or trade restrictions when dealing with our fellow 26 member states.
- **EU work permits:** People from any EU member state can come to work in Ireland without a visa.
- **See who invested in 2011:** The world's leading semiconductor company (**Intel**), the world's leading biotechnology company (**Amgen**) and the world's leading internet company (**Google**), all made new significant investments in Ireland in 2011.
- **Tax regime:** World Bank says Ireland has the most business-friendly tax regime in Europe and the Americas.
- **Low corporate tax rate:** Companies based here pay one of the lowest corporate tax rates in Europe at 12.5%. They also receive a 25% tax credit for investing in research and development.
- **Double taxation agreements:** To facilitate international business, Ireland has signed comprehensive double-taxation agreements with over 60 countries.
- **Special Assignment Relief Programme (SARP):** Tax relief aimed at people who come to work in Ireland having spent five years outside the country.



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- Wide range of industry sectors
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- What they say about Ireland

KEY POINTS TO REMEMBER:

- **Innovation naturally:** The collaboration of science and research has helped to attract **IBM** to establish its first *Smarter Cities Technology Centre*, **Alcatel/Lucent** its *Labs Research Centre* and **Accenture** a *Global Analytics Centre*.
- **Youngest population:** Ireland has the youngest population in Europe meaning access to a ready-made pool of smart, enthusiastic and well-educated workers.
- **Duty free gateway:** Ireland is situated to serve as a duty-free gateway to Europe, which has 500 million consumers and a GDP of €12.3/\$17 trillion, making it the world's most valuable market. Most of the market can be reached from Ireland by frequent, low-cost flights of less than two hours.
- **Serving the Middle East Business:** Hubs in the Middle East are served by direct flights of less than eight hours from Dublin.
- **US border pre-clearance:** Ireland is the only European country with United States border pre-clearance.
- **Cost Competitive:** In the Mercer Cost of Living survey, Dublin came in 58th in 2011, down from 10th in 2005.



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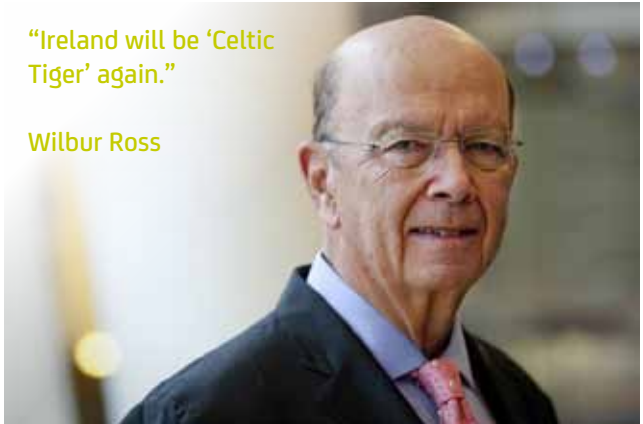
► **What they say about Ireland**

Hear what others
have to say
about Ireland



"You'd be nuts not to
invest in Ireland now,"

Bill Clinton



"Ireland will be 'Celtic
Tiger' again."

Wilbur Ross



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China's Middle Class and their Impact on China's Freight Industry

As China's economy strengthens and the growth of middle upper class population rises, there is a surge of new-found wealth that individuals have access to. This new found wealth leads to increased internal consumption, which in turn affects freight as import goods become more desired by the population.

Through understanding the reasoning behind the growth of consumption, the freight industry can predict, prepare, and adapt itself for the influx of imports into China as well as the exports of goods from Western ports.

China's Population and the Increasing Middle Class' Purchasing Power

As of the year 2011, the population of China was 1.33 billion people. Operating on population alone, the market is ever expanding and equally as inviting for many industries. With newfound wealth and a rising middle class, China is a prime market for goods that traditionally have a western connotation. Individuals in Mainland China look to Western goods for validation of success, and so trends have shown that as individuals generate more disposable income, they spend this money on Western goods that allow the user to have a perceived enhanced image.



The current middle class population (households with an annual income of between USD \$15,000 and USD \$50,000) in China is at a remarkable level. Currently about 247 million Chinese, around 18.2% of China's population, qualifies as middle class. These individuals are the drivers of consumption, and if the growth trend continues, China's middle class will grow to 607 million individuals in year 2020, pushing for more imports from foreign countries. By 2020 this population would equate to a number two times larger than the United States' current total population.

A steady middle class population equates to more individuals supporting the increased consumption of computers, cars, clothing, as well as copper, oil, and cotton, thereby positively influencing China's trading partners.

China's GDP per Capita

According to the World Bank's World Development Indicators, China's GDP per capita, or the purchasing power parity, has grown significantly. In 2000, China's GDP per capita was \$949. Ten years later, in 2010, according to the most recent report from the World Bank, China's gross domestic product per capita, reached \$4,260. This is an astonishingly significant increase of 448.89 percent.

According to The Economist, in 2010, the top 10 GDP per person in regards to provinces in China are as follows:

China's Top 10 GDP/Person Cities	GDP Per Person (USD \$)
Macau	72,110
Hong Kong	45,580
Shanghai	22,983
Beijing	20,841
Tianjin	19,284
Jiangsu	13,714
Inner Mongolia	13,108
Zhejiang	12,876
Guangdong	12,074
Shandong	10,914

China's GDP has grown significantly over the years. In 2004, China's GDP was USD \$1.65 trillion and now in 2011, it stands strong at \$7.26 trillion. This growth of GDP has allowed a significant growth of wealth and has influenced the population to strive to keep the trend in a positive direction.

China's 12th Five Year Plan

China's 12th five year plan, which was implemented in 2011, encourages long term steady and rapid economic development. Essentially, the plan has been set into motion with the goal engaging a domestic demand-led, service sector-oriented pattern of growth is stronger than before.

Essentially, the plan is planned to achieve economic restructuring, with higher share of household consumption and the service sector, further urbanization, and better environment as a whole. Deepening the reforms in the fiscal, financial, pricing and other key sectors, changing the role of the state, improving governance and efficiency, and further integrating into the world economy are among the other key goals.

China intends to move up the value chain, and therefore, will invest more in biotechnology, new materials, new IT, and high end manufacturing. This goal will lead to more imports from foreign countries thereby increasing exports of higher end materials and goods from foreign countries.

Ordinary Chinese citizens are expected to enjoy a higher standard of living as their disposable incomes increase and jobs in the service sector become more available.

China's Middle Class and their Impact on China's Freight Industry

Private consumption vs. exports
(2006-2015)



China's 12th Five year plan sets a goal and encourages the people to engage in the increase of private consumption while maintaining a steady export forecast.

China's Impact on the Freight Industry

As the middle class population flourishes and the purchasing power of individuals grows. Their desire towards import goods will grow as well. China's middle class will increase their demand of the imports of foreign finer goods that are not manufactured or found in China. This demand and internal growth creates opportunity for foreign countries that export goods to China to engage in a reasonable amount of fruitful business driven by high demand.

Top 10 China Container Ports		
Shanghai	31.40 TEU (Millions)	9.3% Growth
Shenzhen	22.57	0.3%
Ningbo-Zhoushan	14.69	11.7%
Guangzhou	14.40	13.4%
Qingdao	13.02	8.9%
Tianjin	11.50	14.1%
Xiamen	6.46	10.9%
Dalian	6.40	22.1%
LianYungang	4.85	25.3%
Suzhou	4.69	28.6%

With ever improving port facilities and driving supply and demand of imports and exports, Shanghai Port is not only the number 1 port in the China, but also the number 1 port in the world in regards to number of TEU handled.

To give an updated view of the container port situation, we have chosen to give a detailed explanation as to the progressions of Hong Kong's ports, which ranks number 3 in regards to the top global container ports (number of TEU handled).

The ease of transportation of goods from Inland China into Hong Kong has been increased tenfold, thereby also stimulating the growth of Hong Kong's ports and enhanced the port utilization and facilities available. Additionally the future of Hong Kong will become brighter as the Hong Kong, Zhuhai, Macau Bridge will be completed by 2016. This bridge will link and enhance cargo movement between Hong Kong and western Pearl River Delta, allowing trucks to move freely and efficiently providing more options for shippers in China. Additionally, as Hong Kong ports are mainly privately owned, this allows productivity and efficiency to be very high as ports may have an internal need to cope with competition. Currently Hong Kong has nine existing container terminals with facilities consisting of 24 berths at Kwai Chung and Tsing Yi Island. Also, due to the forecast of increasing container throughput, the Hong Kong Government has undergone a survey to add a 10th terminal, the decision will be made at the end of 2012.

As with every economic power house, China has and will continue to evolve from an economy based on manufacturing to one that is more engaged in providing services, thereby increasing the need for imports. The future of China's freight industry is bright and we at China Global Lines, member of Marco Polo Lines, hope to continue to be your partners in providing quality and timely service, following our mission statement of "Serving the Customer Wholeheartedly with Full Strength to Achieve a Brighter Future."

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MOZAMBIQUE

The year 2011 may well be remembered as a turning point in Mozambique's economy, with the first overseas export of coal marking the birth of Mozambique as a world exporter of minerals, and paving the way for the country to secure its future fiscal sustainability through yields from natural resources.

The main short-term challenge for the government is the enlargement of its fiscal space while keeping its debt levels under control, in order to accommodate the ambitious infrastructure investment plan and the roll-out of social safety nets within the inclusive growth agenda, while resisting political pressures on expenditure prioritisation.

The approval of the Action Plan for Reducing Poverty frames the government's political development agenda for the next four years, around the promotion of inclusive growth in order to reduce the incidence of poverty which has been stagnant since 2003.

Overview

The boost in coal production from the first mega coal mining projects that came online this year, coupled with strong performance in the financial services sector, transport and communications, and construction, helped to push GDP real growth rate to 7.2% in 2011. The country has achieved an impressive average of 7.2% growth during the last decade. The continuation of high foreign direct investment (FDI) inflows, mostly in extractive industries, together with strong agricultural growth and infrastructure investment will drive growth to 7.5% and 7.9% in 2012 and 2013. Despite the strong growth, the Central Bank's consistent tight monetary policy, supported by a prudent fiscal policy, reduced the end of year inflation from 12.7% to 10.8% in 2011. Prospects of a further decrease in inflation to 7.2% in 2012 and stabilization at 5.6% in 2013, will allow a monetary policy easing in 2012, targeting credit expansion. The roll-out of pro-poor measures prepared during 2011, coupled with an ambitious infrastructure investment programme should widen the fiscal deficit from 3.3% in 2011 to 6.8 and 7.4% in 2012 and 2013. Mozambique's main medium-term economic structural challenge is the broadening of its fiscal base. Aid flows are expected to decrease continually from 51.4% of budget in 2010 to 39.6% in 2012. The diversification of the revenue base, in particular through enhanced extractive sector taxation, is paramount to sustain and promote an inclusive growth agenda.

In response to the 2010 civil unrest the government restructured its development agenda around a new Action Plan for Reducing Poverty (PARP 2011 14), focused on increased agricultural production, promotion of employment

linked to the development of small and medium-sized enterprises (SMEs) and investment in human and social development. Social safety nets were strengthened with the broadening of the direct cash transfer mechanisms to the most vulnerable groups coupled with the maintenance of subsidies to urban public transportation and productive public works programmes, in a bid to minimize the negative effects of the rising cost of food and fuel prices on the poor. Budgetary allocation to priority sectors increased in 2012 by 6.8%, to 66.7% of the budget.

Mozambique has a high population growth rate at 2.8% and an estimated 300 000 new entrants into the labor market every year. The country's high economic growth rates have largely been driven by capital-intensive projects, particularly in extractive industries. The overall unemployment rate stands at 27%. The formal economy is largely urban in nature and accounts for only 32% of all employment. As a result, many of the new entrants into the labor market are forced into marginal jobs in the informal economy, both in rural and urban areas, with little prospect of reliable employment.

It's being held at Mozambique this year's FACIM fair (Maputo International Trade Fair), and Mr. Jorge Gomes (TEU – Portugal / TCO – Mozambique) has been visiting the event. During the visit he met the Portuguese Foreign Affairs Minister as shown at the picture.



Speaking during the meeting, Portas said he was visiting Mozambique because of the massive participation of Portuguese companies in the Fair.

"The number of Portuguese companies in the Portuguese pavilion and of mixed Luso-Mozambican companies has surpassed all expectations", said Portas. "It's a great sign of economic cooperation".

MOZAMBIQUE

Portas claimed that the economic relations between Mozambique and Portugal are exceeding all their targets.

For the Portuguese minister, Mozambique is going through an important period, because it is currently chairing two multilateral institutions, the Southern African Development Community (SADC), and the Community of Portuguese speaking Countries (CPLP).

"So when we speak with Mozambique, we are also speaking with the extremely important regional or multilateral organizations that Mozambique is chairing", Portas said.

Oldemiro Baloi, Mozambique Foreign Minister stressed the importance of Mozambique's cooperation with Portugal because the two countries can form a partnership to face international challenges, including at the level of the CPLP, the European Union, the African Union and the United Nations.

"Only with a frequent exchange of our positions will we be able to harmonize, as best as we can, our points of view, and accompany the hectic pace of the modern world", he said.

The 48th edition of FACIM, which will run for a week, is being held under the theme of "Expanding the Horizon of your Business, by Making the Most of Synergies".

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Cosco and China Shipping join Asia-Europe slot swap on 3 services



MAINLAND carriers Cosco and China Shipping (CSCL) are to start a slot-sharing deal in 2012 that will see China Shipping join three CKYH Alliance services as a slot buyer.

In the other direction, Cosco will take space on three services in which China Shipping is the predominant vessel operator, according to American Shipper. Cosco is the largest member of the CKYH Alliance, which said earlier that it would be partnering with Evergreen Line on a network of 12 Asia-Europe services from the second quarter of 2012.

The Cosco-China Shipping agreement affects the CKYH carriers' NE3, MD1, and MD2 loops and China Shipping's AEX1, AEX7, and ABX loops.

The NE3 and MD1 loops are purely operated with Cosco ships while the AEX1 and AEX7 are operated mostly with China Shipping vessels.



The NE3 has a rotation of Tianjin, Dalian, Qingdao, Ningbo, Shenzhen-Yantian, Singapore, Rotterdam, Felixstowe, Hamburg, Antwerp, Guangzhou-Nansha, Hong Kong and back to Tianjin. It's operated with 10 vessels (including most of Cosco's largest ships) with an average capacity of 10,830 TEU. UASC also takes slots on the service.

The MD1 loop will call at Shanghai, Ningbo, Hong Kong, Shenzhen-Shekou, Singapore, Piraeus, Naples, Genoa, Barcelona, Valencia, Piraeus, Singapore, Hong Kong and back to Shanghai. The service is operated with eight vessels (all from Cosco) with an average capacity of 5,250 TEU. Schedules show at present that the service does not call at Barcelona and Valencia, but at Laverne. China Shipping already takes slots on that service.

The MD2 loop has a rotation of Shanghai, Ningbo, Xiamen, Kaohsiung, Hong Kong, Shenzhen-Yantian, Singapore, Port Said, Ashford, Genoa, Livorno, Marseilles-Fos, Port Said, Singapore, Hong Kong and back to Shanghai. The service is operated with nine vessels (five from "K" Line and four from Yang Ming, both members of the CKYH Alliance) with an average capacity of 6,753 TEU.



China's Shipping AEX1 loop calls at Shanghai, Ningbo, Shenzhen-Yantian, Felixstowe, Hamburg, Rotterdam, Hong Kong and back to Shanghai. It's operated with nine vessels (eight from China Shipping and one from Zim) with an average capacity of 9,030 TEU. CMA CGM and Evergreen take slots on the service.

The AEX7 loop has a rotation of Shanghai, Ningbo, Shenzhen-Shekou, Hong Kong, Shenzhen-Yantian, Port Kelang, Le Havre, Rotterdam, Hamburg, Zeebrugge, Port Kelang and back to Shanghai. It's operated with 10 vessels (six from China Shipping, one each from CMA CGM, Evergreen, and UASC, and one currently undetermined) with an average capacity of 11,491 TEU.

The ABX loop has a rotation of Shanghai, Ningbo, Shenzhen-Shekou, Singapore, Port Kelang, Damietta, Istanbul, Constantza, Ilyichevsk, Damietta and back to Shanghai. It's operated with eight vessels (four from China Shipping, and one each from "K" Line, Yang Ming, Wan Hai and PIL) with an average capacity of 4,303 TEU. Fesco currently takes slots on the service.

The slot share agreement with Cosco is likely intended to replace CMA CGM's participation, given the French line's pending partnership on the Asia-Europe trade with Mediterranean Shipping Co (MSC) from March.

Aside from China Shipping's existing slot charter on the CKYH MD1 service, another CKYH member, Hanjin Shipping, takes slots on China Shipping's own-operated Asia-Med AMX1 loop, while (as noted above) "K" Line and Yang Ming already participate in one of the three services affected by the Cosco-China Shipping slot swap.

Meanwhile, the slot swap gives Cosco access to several ports not currently covered in its Asia-Europe network - namely, Zeebrugge, Damietta, Istanbul, Constantza and Ilyichevsk.



Kindly submitted by
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Next Newsletter

The next edition of the MPL NEWSLETTER will be published
before the New Year in 2012.

Please start sending you input as soon as you can to the
Editor **sandy@marcopololine.com**

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