

JETRO Bangkok Seminar on Strategy of Logistics Management



Importance of Logistics in the International Trade

= Success Stories of Logistics Management in Japan =

Date : 1st February 2005

Venue : Dusit Resort Hotel in Pattaya

By : Ted Teruo Kawamura

Managing Director, Japan Shippers' Council

Introduction

- Born in Tokyo in 1943
- Graduated from Hitotsubashi University, Tokyo
- Joined Marubeni Corporation
- Stationed in New York twice for 13 years
- SVP of Marubeni America Corp., New York
- GM Logistics Dept. of Marubeni Corp., Tokyo
- President of Joint Venture Logistics Company in Shanghai
- Teaching Experience at Japan Institute of Logistics Systems over 25 years
- Member of:
 - Japan Academy of Foreign Trade and Business*
 - Japan Society of Logistics and Shipping Economics*
- Managing Director of Japan Shippers' Council since 1998
- Frequent Traveler to Thailand since 1970's
- ted@orion.ocn.ne.jp

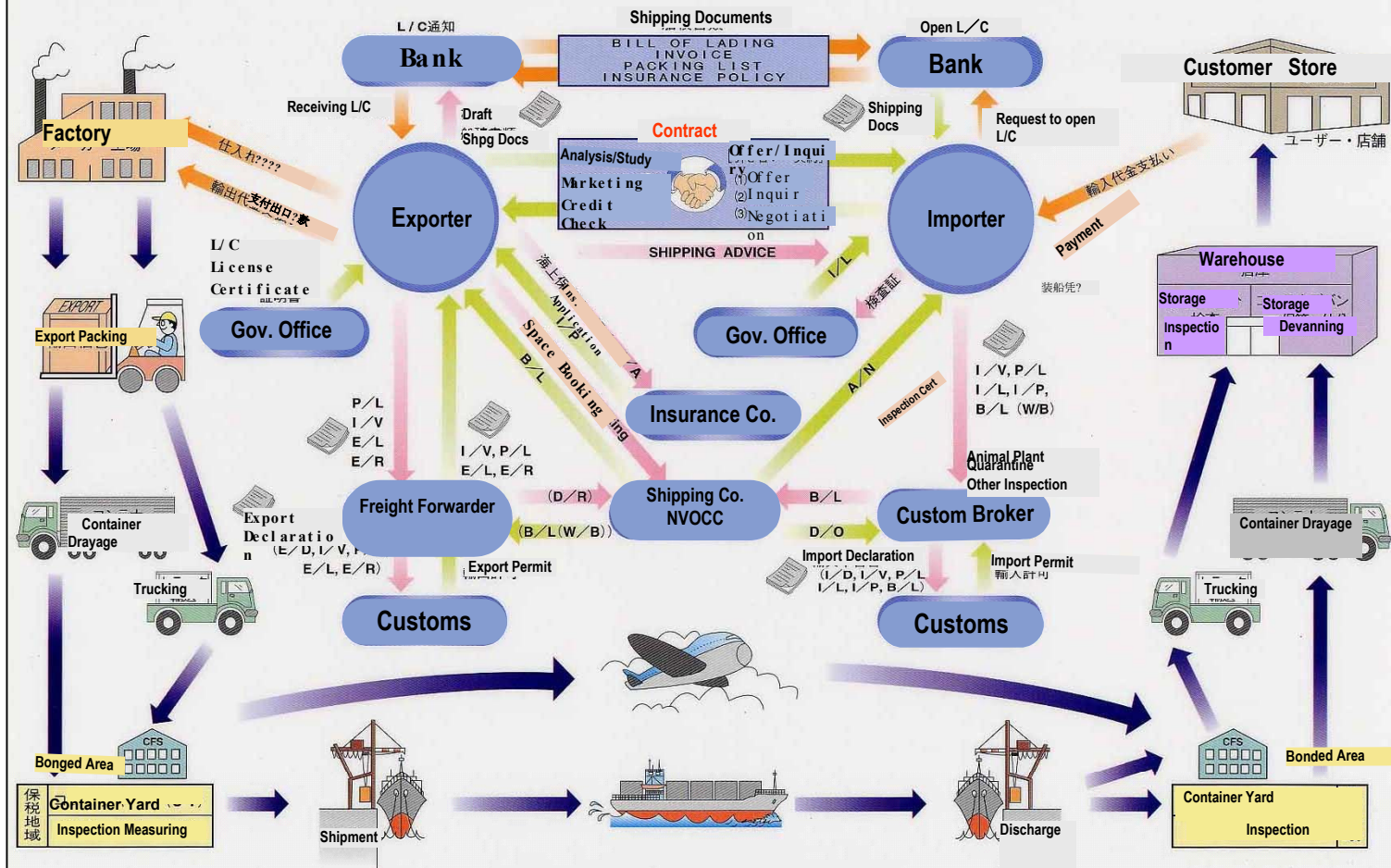
(1) Logistics and SCM

- **International Trade and Logistics**
- **What is Logistics?**
- **What is SCM**
- **Success Story of Logistics Management**

International Trade and Logistics Chart

国際物流と手続きのチャート

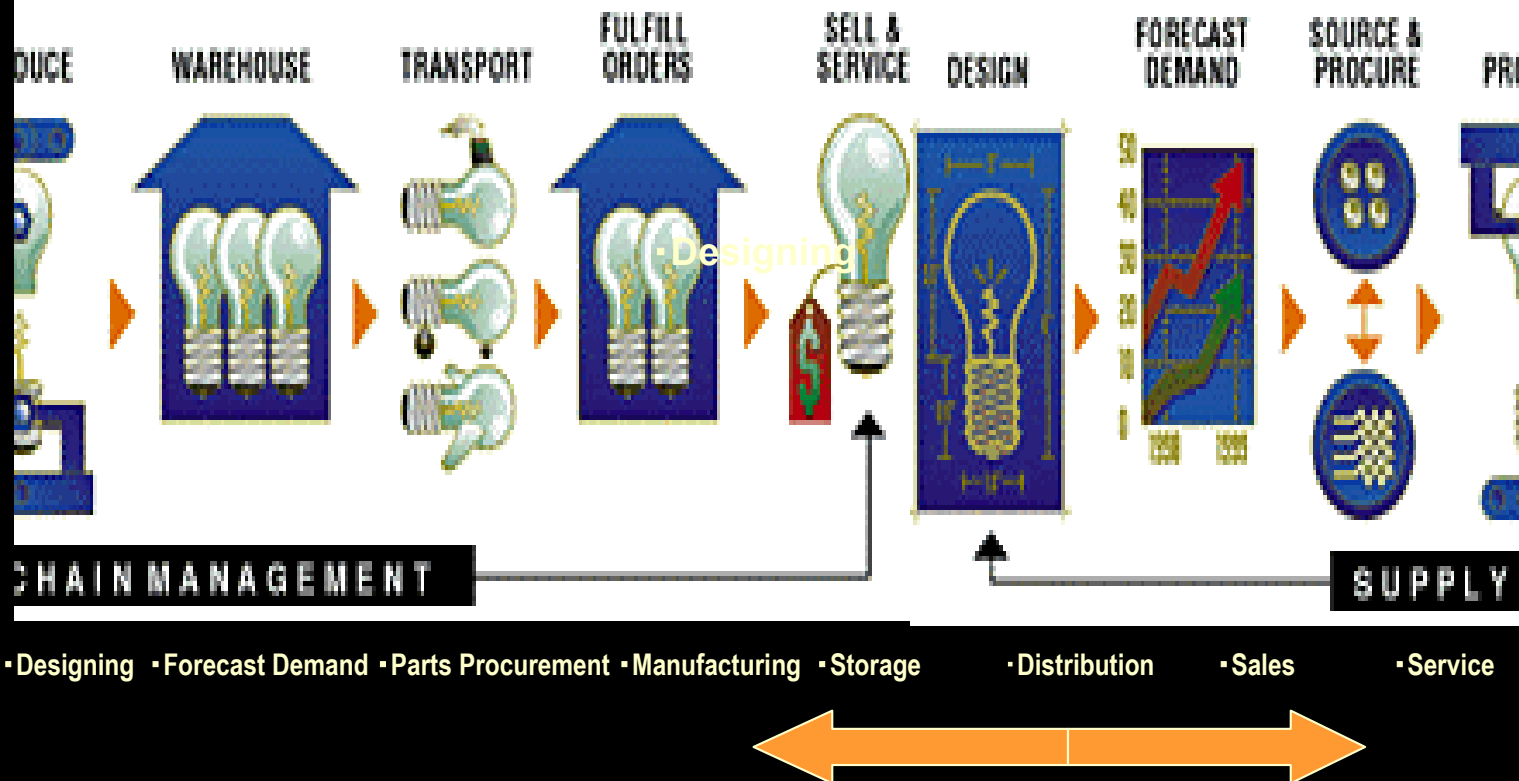
日本ロジスティクスシステム協会
JAPAN INSTITUTE OF LOGISTICS SYSTEMS



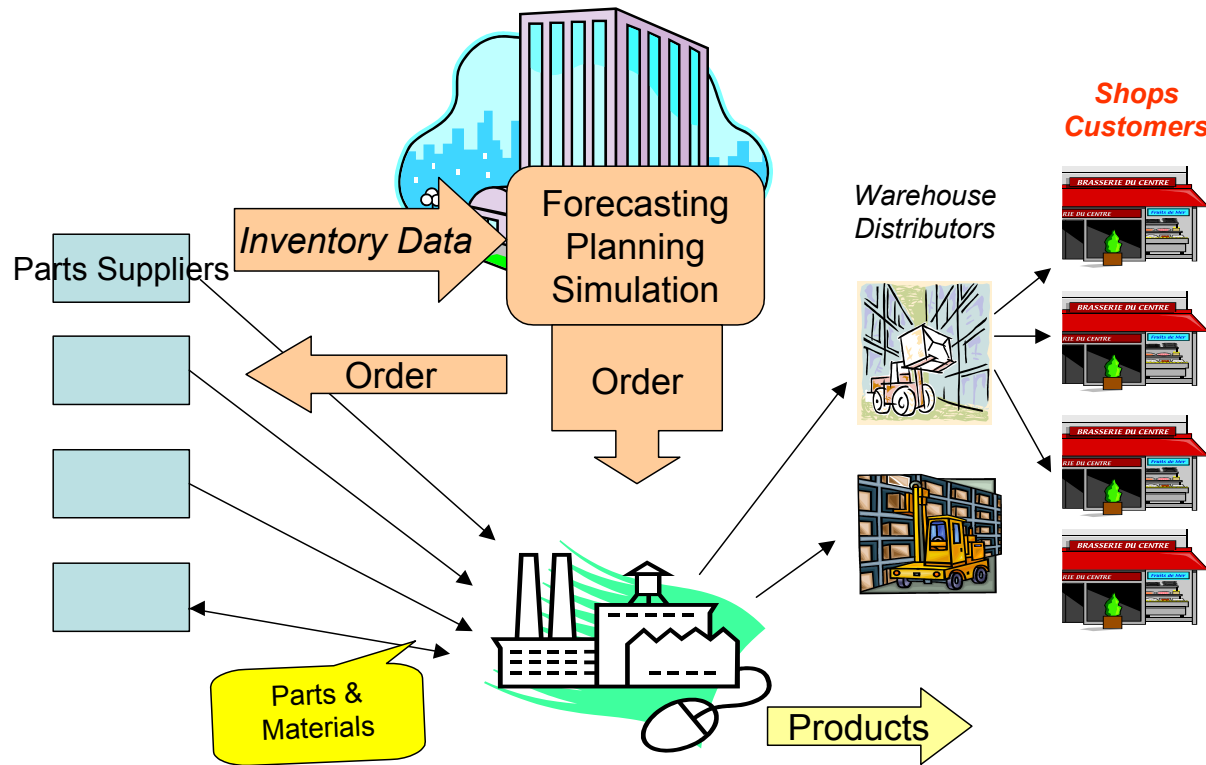
Various Logistics Terms

- Transportation
- Traffic
- Physical Distribution
- Logistics
- Supply Chain Management
- Third Party Logistics
- 3PL 4PL
- Demand Chain Management
- Just In Time
- VMI
- Infrastructure
- TEU FEU
- FCL LCL
- FAF BAF
- EBAF EBS
- GRI
- R/R
- PSS
- THC
- ECHC
- TSA
- IADA

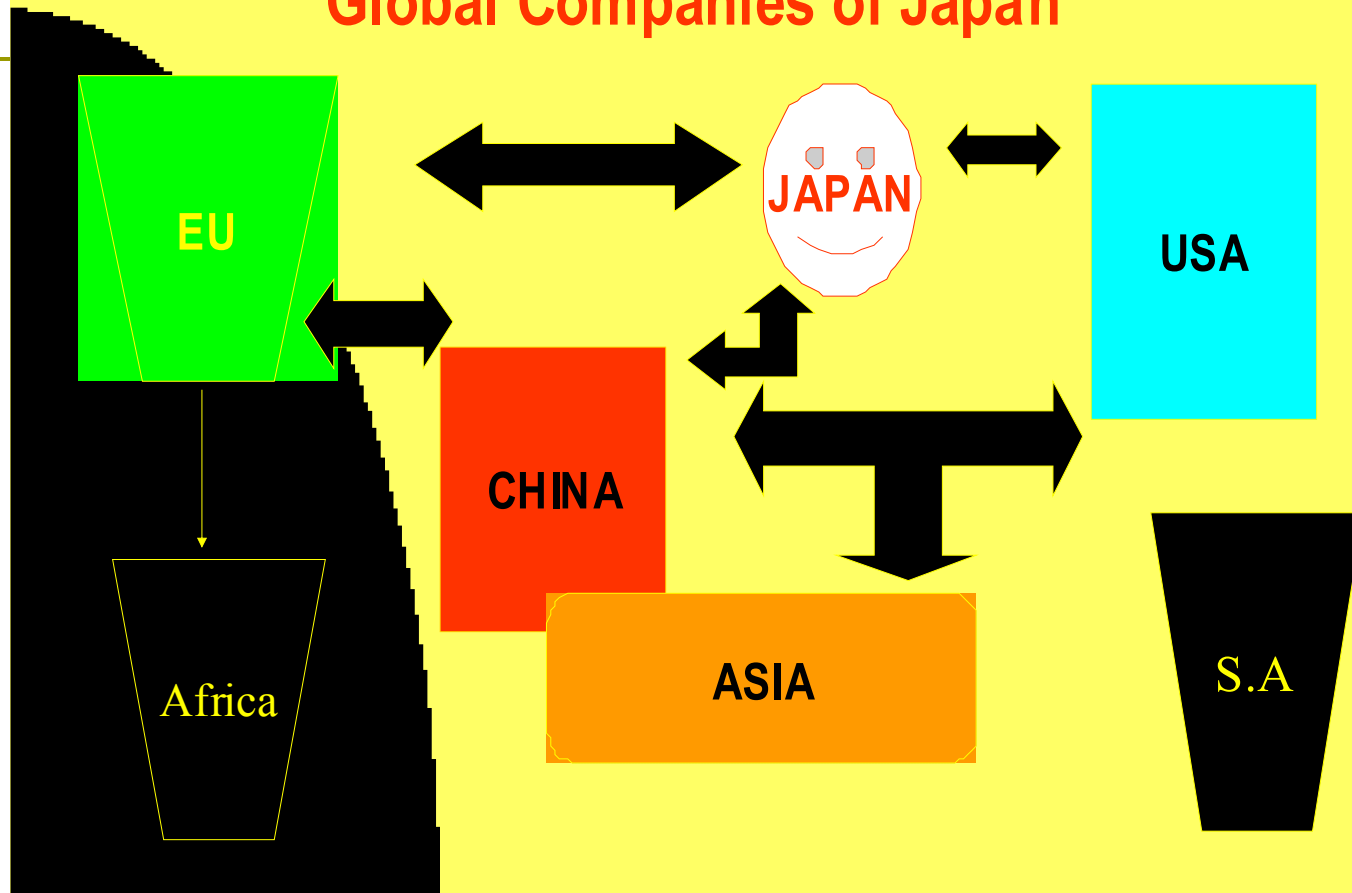
Supply Chain Management



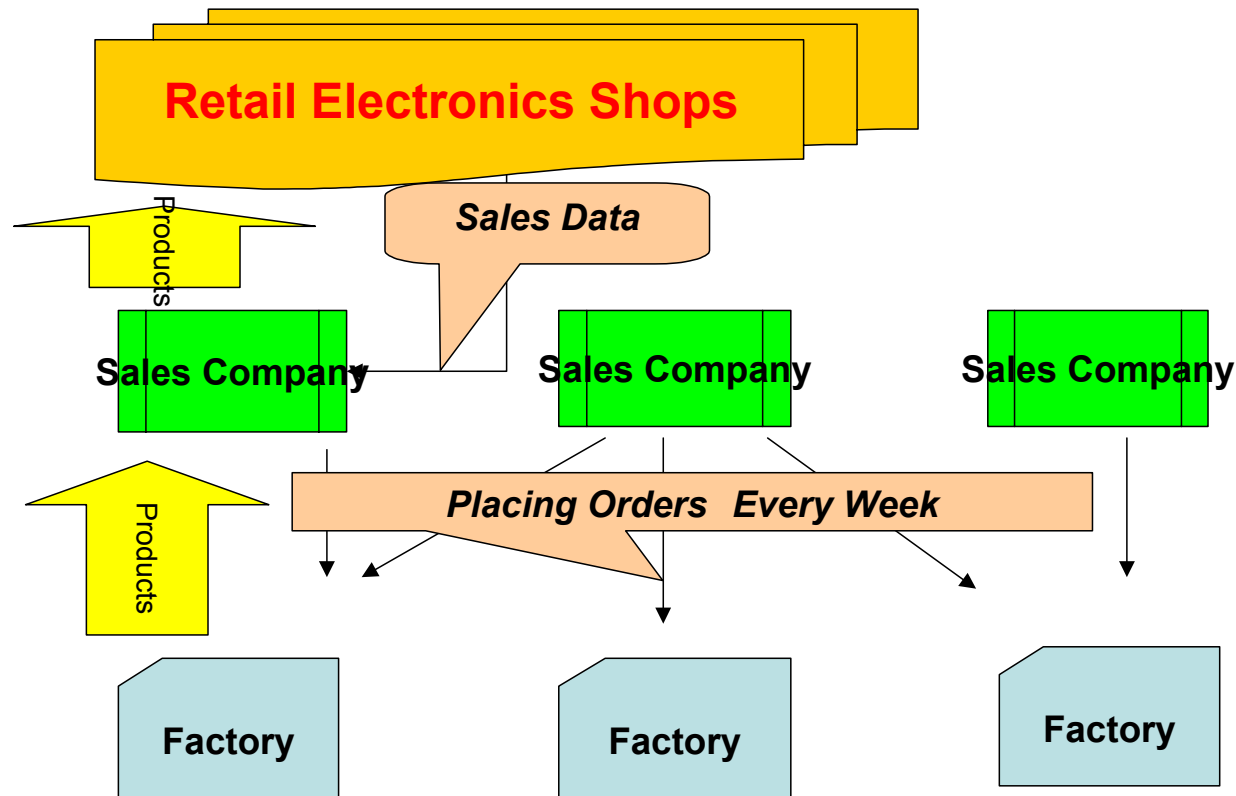
Supply Chain Management



Logistics Chart of Auto & Electronics Global Companies of Japan

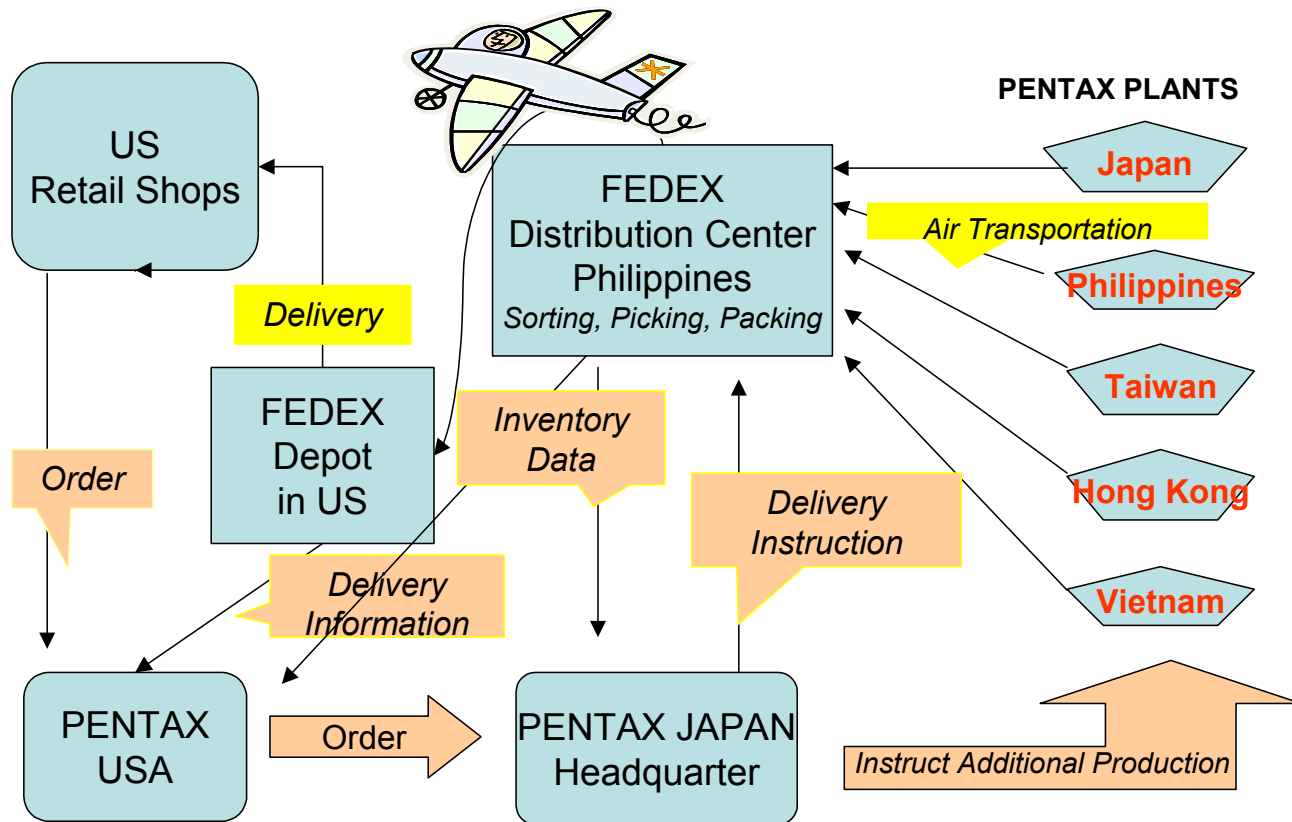


PANASONIC after implementing SCM

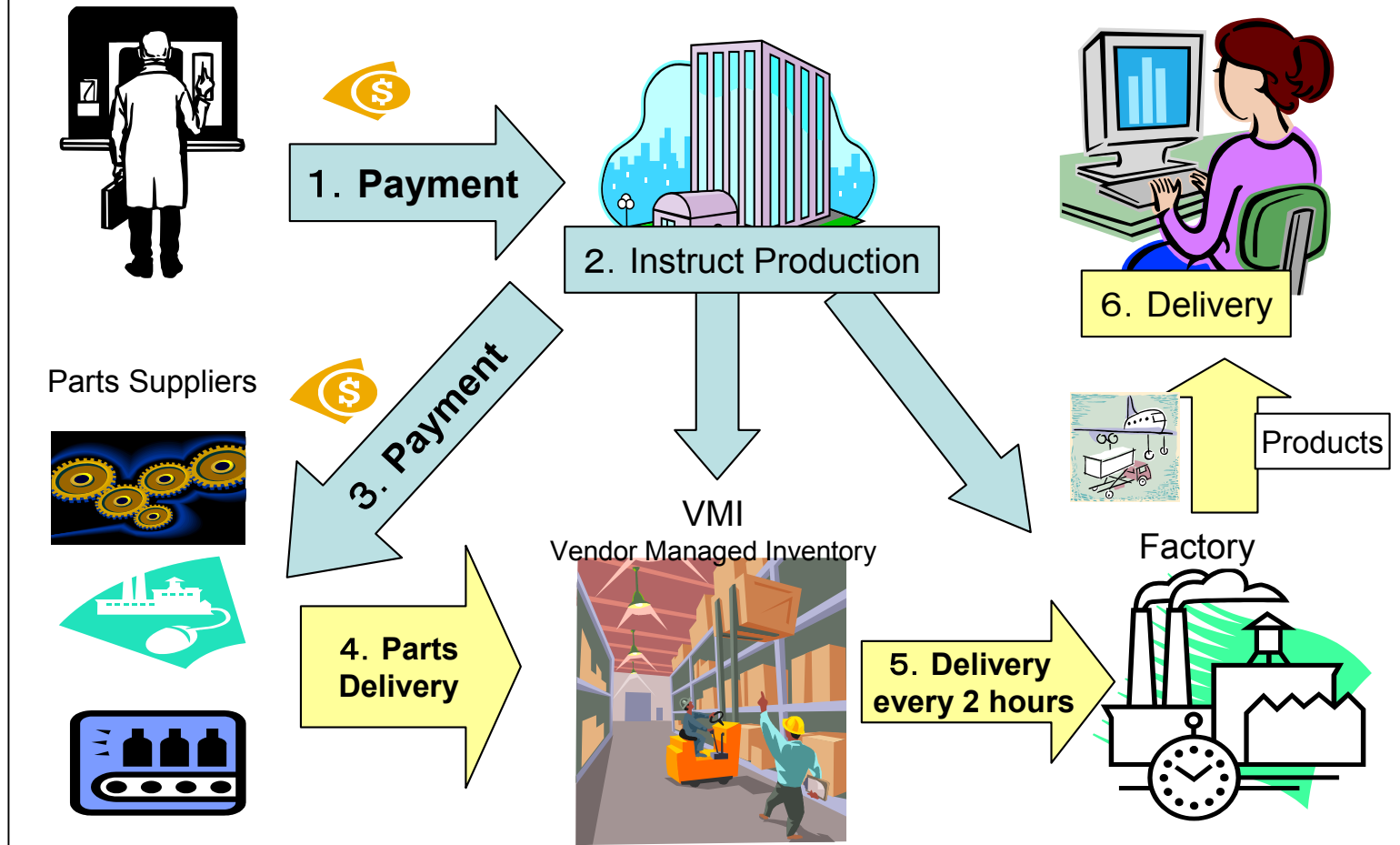


PENTAX

New Distribution System for the US Market



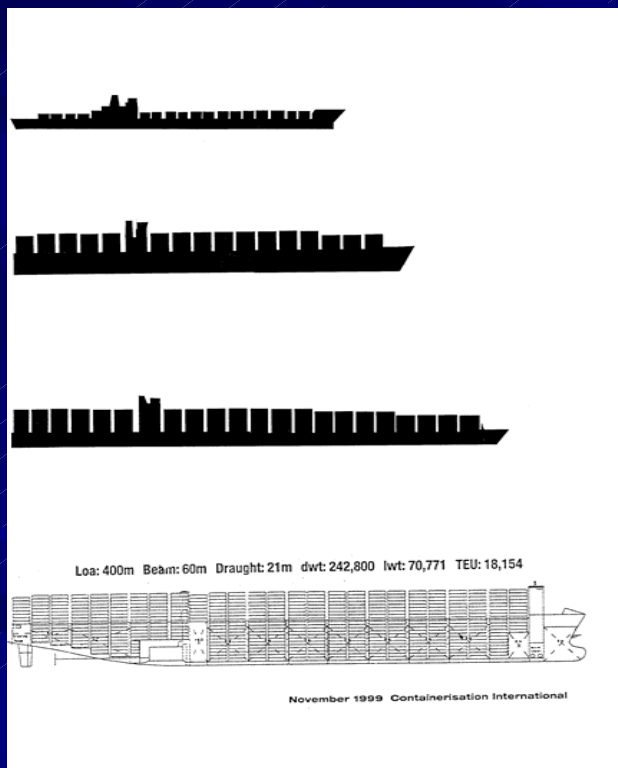
SCM of DELL Computer



(2) Transportation

- (a) International Trade & Transportation (2003)**
- (b) Trade Volume of Japan (2003)**
- (c) Liner Service & Trampers**
- (d) Environmental Issues and Security Issue**

Size of Container Ships



What is Ton

TON (Tonne)

1,000 Kilo Grams

2,240 Lbs. (1,016.05 Kgs.)

2,000 Lbs (907.185 Kgs)

Dead Weight Ton

Measurement Ton

Displacement Ton

Gross Ton

Panama Canal Ton

Suez Canal Ton

Metric Ton

Long Ton

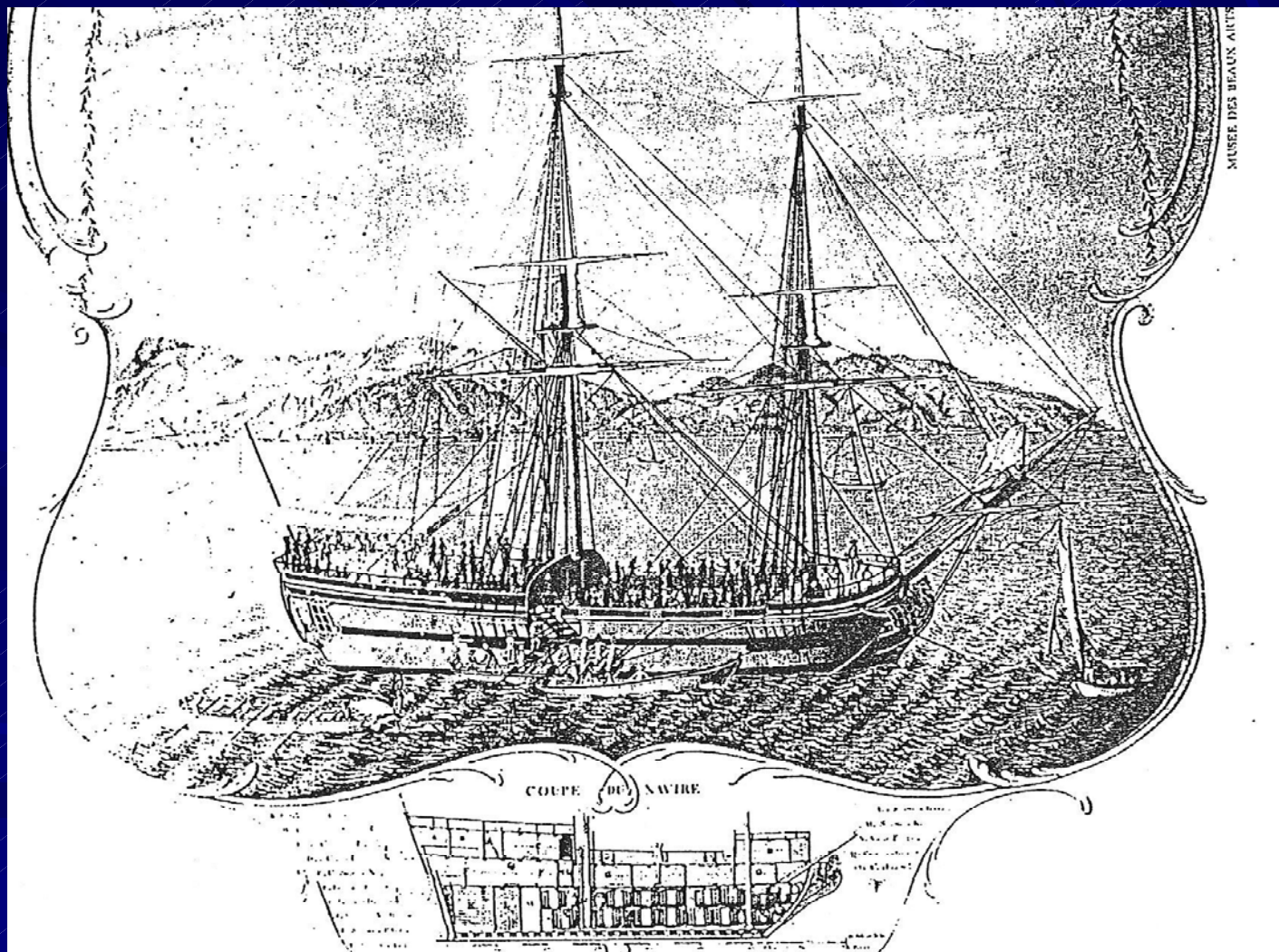
Short Ton

Merchant Ship

Cargo Vessel

Navy Vessel

Passenger Boat





Surcharges in the Container Trade

- Ad Valorem
- BAF / Bunker Surcharge
- CAF/Currency Surcharge
- Canal Fee
- CFS Charge
- Congestion Surcharge
- CY Charge
- Documentation Fee
- ECHC
- Emergency BAF
- Fuel Adjustment Factor
- Heavy-Lift Charge
- Lengthy Charge
- Out-port Surcharge
- Peak Season Surcharge
- THC
- Terminal Receiving Charge
- YAS

List of THC's in Major Trade		September, 2003	
	Currency	20' Dry	40' Dry
Japan			
(Export & Import)			
US Trade	J Yen	21,000	29,000
	J Yen	(20'RF) 27,300	(40'RF) 37,700
European Trade	J Yen	28,491	40,982
	J Yen	(20'RF) 37,038	(40'RF) 53,277
Australian Trade	J Yen	11,000	16,500
	J Yen	(20'RF) 14,300	(40'RF) 21,450
Asian Trade (EHC)	J Yen	11,000	16,500
US East Bound (ex. JUEFC Basis)			
DDC(Destination Delivery Charge)			
Local	US\$	529.00	755.00
IPI (Group 1 & 2)	US\$	403.00	575.00
IPI (Group 3)	US\$	497.00	710.00
MLB	US\$	686.00	980.00
US West Bound (ex. TWRA Basis)			
ORC(Origin Receiving Charge)			
	US\$	453.00	520.00
Europe			
(Export & Import)			
Sweden	SEK	1,125.00	1,125.00
Norway	NOK	813.00	813.00
Denmark	DKK	784.00	904.00
Germany	EURO	152.36	152.36
Netherlands	EURO	137.50	137.50
Belgium	EURO	111.63	111.63
France	EURO	123.33	123.33
UK	GBP	69.00	69.00
Italy	EURO	131.70	131.70
France (Mediterranean)	EURO	151.53	151.53
Spain	EURO	140.04	140.04
Asian Trade			
(Export & Import)			
Taiwan	NT\$	5,600.00	7,000.00
Hong Kong	HK\$	1,800.00	2,650.00
Singapore	S\$	182.00	270.00
Malaysia	M\$	295.00	440.00
Korea	W	101,000.00	137,000.00
Thailand	BT	2,600.00	3,900.00
Philippine	P	4,080.00	5,100.00
Cambodia	US\$	70.00	100.00
P.R.C.	RMB	370.00	560.00
Indonesia	US\$	130.00	200.00
		Prepared by JSC	

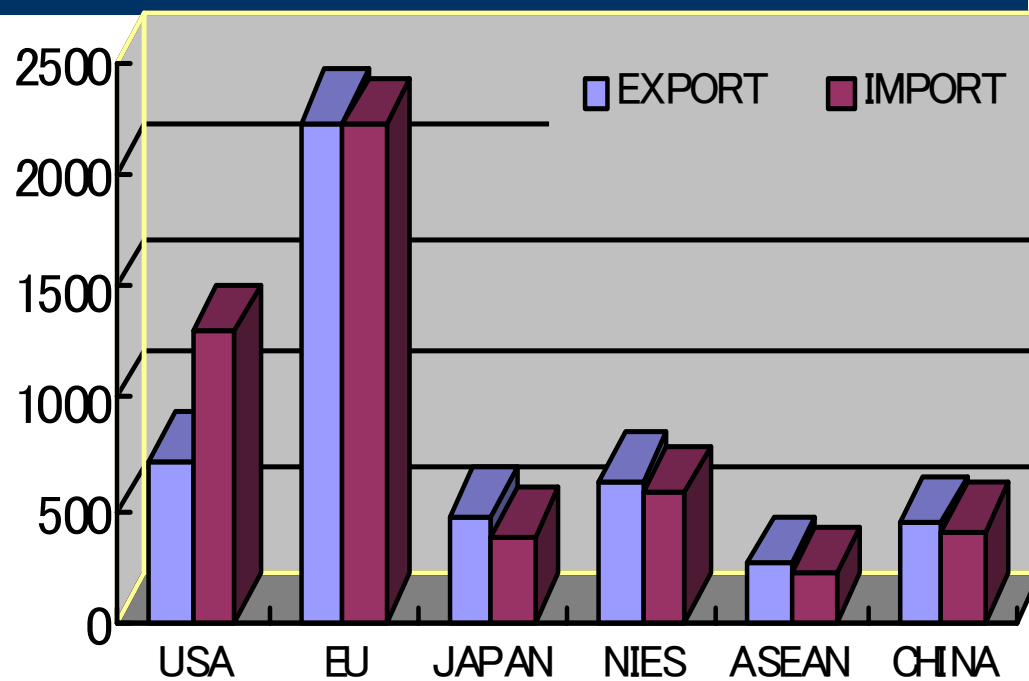
Liner Shipping Conference & Agreement

- (a) History
- (b) Current Situation
- (c) Super Conference／Super Agreement
- (d) Anti-Trust Immunity

Trading Amount of Major Countries in 2003

7.66 Trillion Dollars

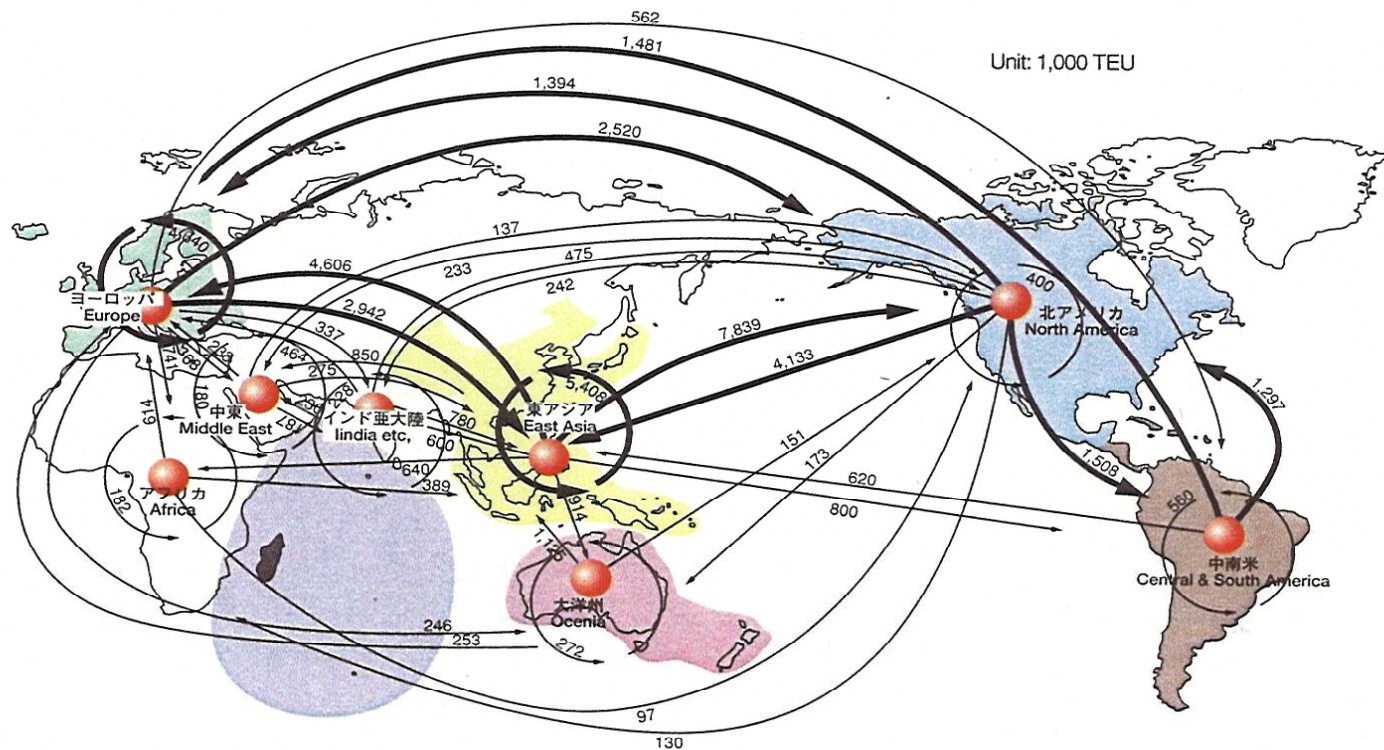
(billion Dollars)



4

Container Trade in the World

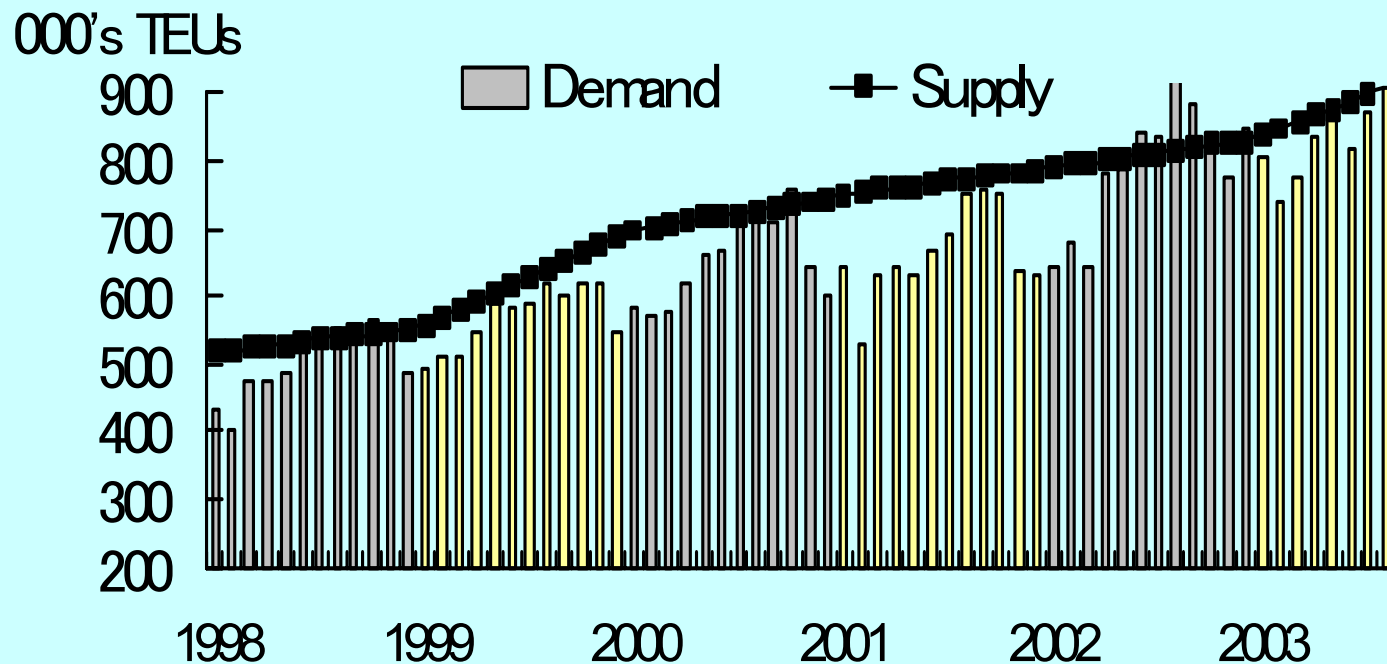
図表2-1-3 世界のコンテナの海上荷動き 2001年(平成13年)



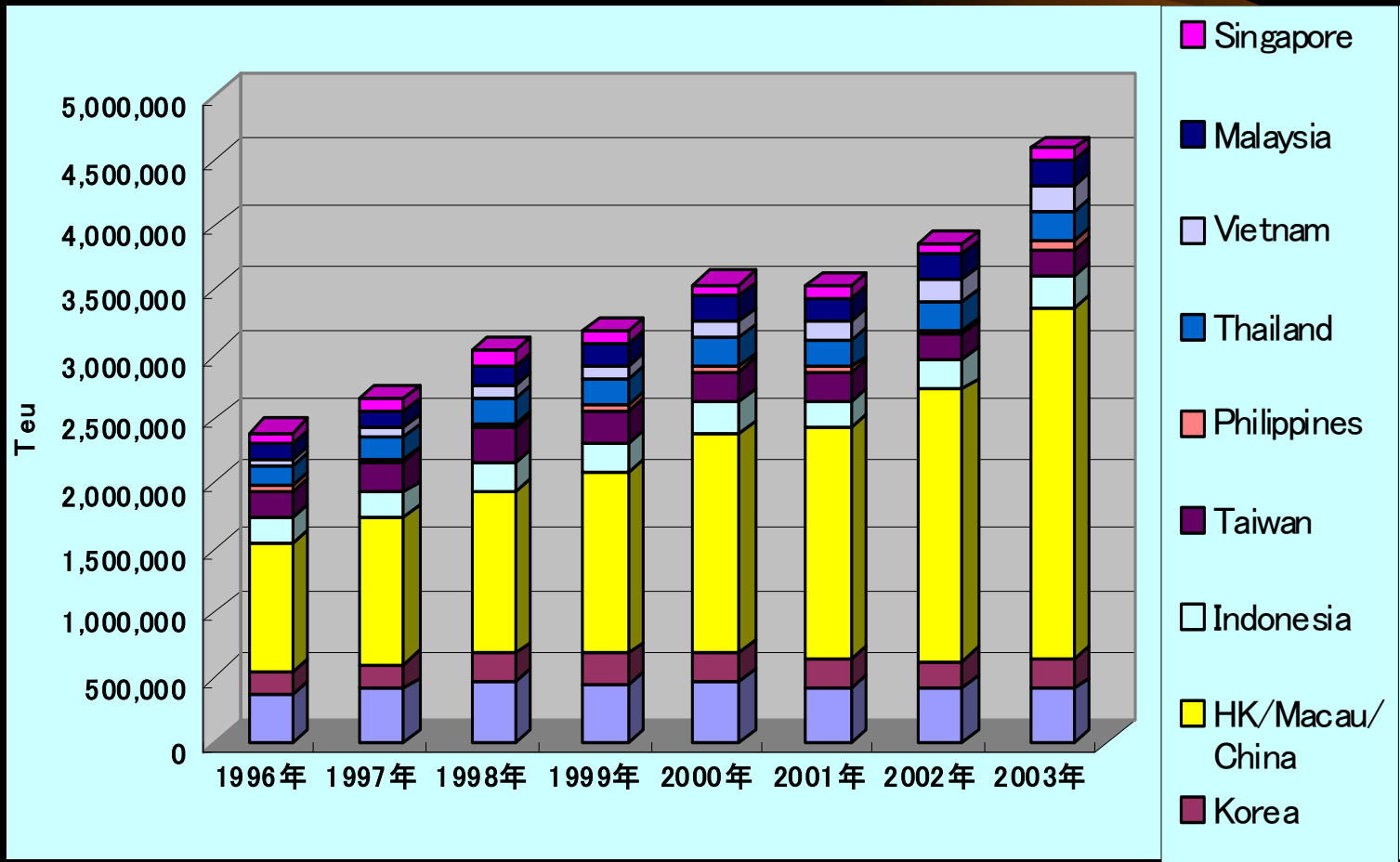
Total: 55,676,000 TEU

Research Co-operation Office, MOL
(商船三井営業調査室作成)

Supply & Demand in the Asia/US Container Trade



Container Shipment in Asia/Europe Trade



Air Transportation

Boeing B777-300



Airbus A340-600



Utilization of Logistics Network

- (1) **Self-Sufficient Logistics System**
- (2) **The Merit and Demerit of 3PL**
- (3) **Point to Point & Network Logistics**

Components of the Logistics Cost

Components		Ex Works	FCA	FOB	CIF
Factory Price		X	X	X	X
Shipping Cost	Export Packing	X	X	X	X
	Delivery Charge		X	X	X
	Inspection		X	X	X
	Warehouse		X	X	X
	Customs Clearance		X	X	X
	Pier Delivery Cost		X	X	X
	FOB Insurance		X	X	X
THC & Doc. Fee	Terminal Handling Charge			X	X
	Documentation Fee		?	X	X
Other Costs	Ocean Freight				X
	Marine Insurance				X
	Interest Charge		X	X	X
	Management Cost	X	X	X	X
	Expected Profit	X	X	X	X

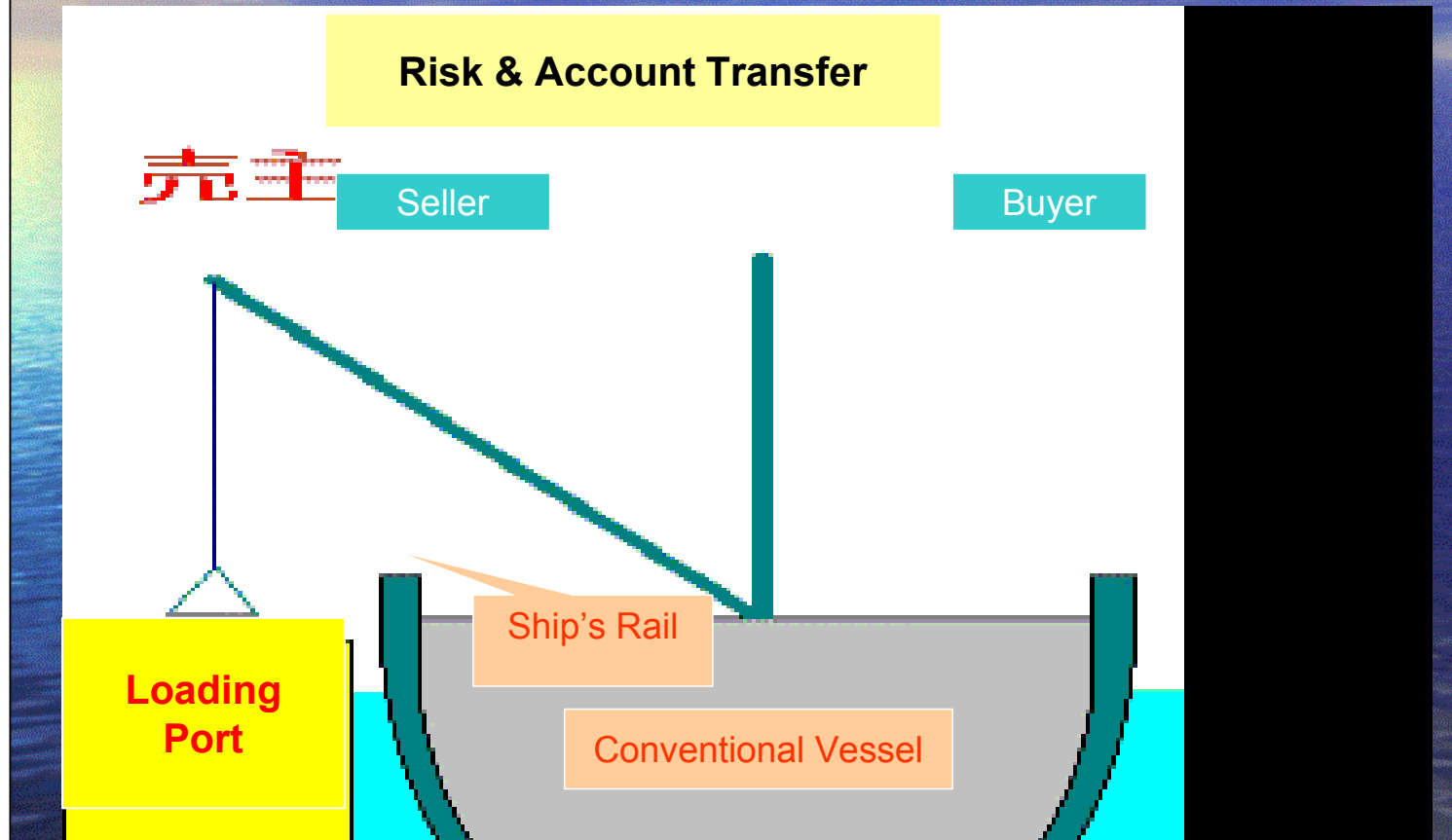
(3) Contract and Documents

- INCOTERMS 2000
- Where Risk and Account Transfer
- Risk & Account at FOB Contract
- American Foreign Trade Definition
- Shipping Documents

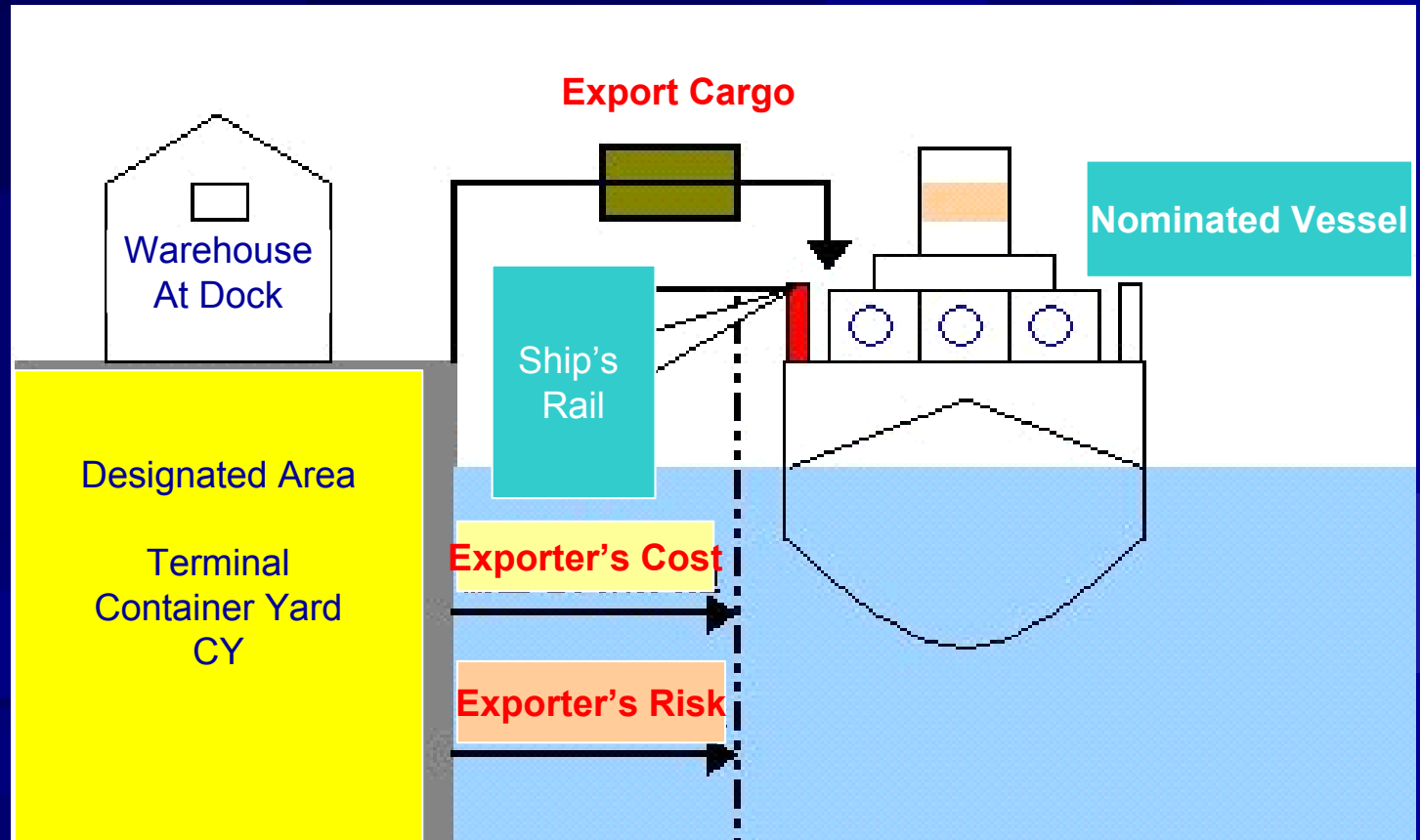
INCOTERMS 2000

- E Group (EXW)
- F Group (FCA, FAS, FOB)
- C Group (CFR, CIF, CPT, CIP)
- D Group (DAF, DES, DEQ, DDU, DDP)

Where Risk and Account transfer at CFR (C&F) and CIF



Risk & Account at FOB Contract



American Foreign Trade Definition of 1941

- Ex Origin (積み込み費も買い手持ち)

- FOB Inland Carrier at departure point (積み込み費は売り手持ち)
- FOB Inland Carrier, Freight Prepaid to ... (内陸運賃は売り手持ち)
- FOB Inland Carrier, Freight Allowed to ... (内陸運賃は買い手持ち)
- FOB Inland Carrier at exportation point

- FAS Vessel US Port (本船積み込み費用は買い手持ち)
- FOB Vessel Foreign Port (到着までのリスクは買い手持ち)
- FOB Inland Destination (到着までのリスクは買い手持ち)
- C&F
- CIF
- Ex Dock

Purchase Contract

CONFIRMATION OF PURCHASE CONTRACT		Marubeni <small>MARUBENI CORPORATION C.P.O. BOX 595, TOKYO 100-91, JAPAN CABLE: MARUBENI TOKYO</small>	
MESSRS.	DATE		
	CONTRACT NO.		
	SECTION CODE		
We, as Buyer, hereby confirm having purchased from you, as Seller, the following goods in accordance with all the provisions hereof.			
REFERENCE:			
COMMODITY:			
QUALITY:			
QUANTITY:			
PACKING:			
UNIT PRICE & AMOUNT:			
PAYMENT:			
SHIPMENT:	PORT OF DESTINATION:		
INSURANCE:			
INSPECTION:			
SPECIAL PROVISIONS:			
ATTACHED SHEETS ARE ANNEXED/NOT ANNEXED			
<small>This Contract includes the general provisions set forth on the reverse side hereof. Please sign and return the duplicate copy to us. Do not make any change in this Confirmation. If any correction is necessary to reflect accurately all the provisions of our Contract, let us know immediately, by teletype or cable, and if we agree that the correction is necessary, we will send a revised confirmation for your signature. This Confirmation will become binding when you sign it, when we do not receive within ten (10) days after you receive this Confirmation your written advice that any correction is necessary, when you deliver to us any of the goods covered hereby or when we give you any instructions relating to this Contract and do not receive your written rejection of such instructions within ten (10) days after you receive it, whichever is earlier. This Confirmation shall not supersede any prior agreement between the parties relating to the goods covered hereby until this Confirmation becomes binding in accordance with all the provisions hereof.</small>			
Accepted and confirmed by:		MARUBENI CORPORATION	
(SELLER)		(BUYER)	
E. & O. E.			

- 1. Quantity
- 2. Shipment
- 3. Insurance
- 4. Decreased Costs
- 5. Claim
- 6. Force Majeure
- 7. Arbitration
- 8. Patents
- 9. Warranty
- 10. Breach by Seller
- 11. Construction
- 12. Governing Law

Invoice

Marubeni MARUBENI CORPORATION 4-2-1, CHITAMACHA 1-CHOME, CHYODAI-KU, TOKYO, JAPAN		C.P.O. BOX 995, TOKYO 100-81, JAPAN	
INVOICE		Invoice No. ① 98X00042 Date: AUG. 30, 1999	Sales Note No. ② B861 L/C No. 8FE625
Buyer: ③ SAUDI JAPANESE TEXTILE COMPANY LTD. DHAHRAN ROAD MUBARRAZ PO BOX 2726 AL-AHSA 31962 SAUDI ARABIA TEL. 035925275 FAX. 03-5928163		Country of Origin ④ JAPAN	Country of Destination ⑤ SAUDI ARABIA
Consignee: ⑦ "KALLEN" OSAKA, JAPAN To: DAMMAM, SAUDI ARABIA		Terms of Payment ⑧ 30% (¥26,608,701); ADVANCE PAYMENT 50% (¥44,347,835); L/C AT SIGHT 20% (¥17,739,134); DETENTION	
Marks and Numbers: ④ POLYESTER FILAMENT THOBE AND ABAYA FABRICS MANUFACTURING PLANT.		Quantity: 12 PACKAGES Units: 4 UNITS Amount: ¥88,695,670 (JAPANESE YEN)	
-- ATTACHED SHEET -- "Details as per attached sheet(s)"		FOB OSAKA FREIGHT CHARGES INS. PREMIUM	
*NET WEIGHT 42,780 KGS. *GROSS WEIGHT 56,150 KGS. *WE HEREBY CERTIFY THAT THE GOODS ARE OF JAPANESE ORIGIN.		¥84,182,724 ¥4,093,656 ¥419,290	
Witness: THE TOKYO CHAMBER OF COMMERCE & INDUSTRY N. Konya SEP. 8 1999		Marubeni Corporation T. G. Jones S.E. General Manager of Traffic Dept.	

- ① Invoice No.
- ② Section Code
- ③ Buyer
- ④ Country of Origin
- ⑤ Country of Destination
- ⑥ Sales Note No.
- ⑦ Shipped per
- ⑧ Terms of Payment
- ⑨ Marks & Nos.

Packing List

Marubeni
MARUBENI CORPORATION
4-3, CHITAMACHI 1-CHOME, CHYODOKU, TOKYO, JAPAN

C.P.O. BOX 961, TOKYO 100-81 JAPAN

PACKING LIST

Buyer ③ SAUDI JAPANESE TEXTILE COMPANY LTD. DHAKHAN ROAD MUBARRAZ POBOX 2728 AL-AHSA 21962 SAUDI ARABIA TEL.035825275 FAX.03-5926163 Consignee's name (if any) MISSE	Invoice No. ① 5BX00042 Date AUG. 30, 1999 Country of Origin ④ JAPAN Remarks Sales No. MA625200 Order No.	Invoice Code ② D561 Client Code 3296 Country of Destination ⑤ SAUDI ARABIA ⑥ Sales Note No.
Means of Transport and Route ⑦ Shipped per "KALLEN" From OSAKA, JAPAN Via SEPT. 2, 1999 To DAMMAM, SAUDI ARABIA	⑧ Terms of Payment	
Marks and Numbers ⑨ Number and Kind of Packages, Description of Goods POLYESTER FILAMENT THOBE AND ABAYA FABRICS MANUFACTURING PLANT. - ATTACHED SHEET - 12 PACKAGES 4 UNITS "Details as per attached sheet(s)"		

Marubeni Corporation
To guro
P. F. General Manager of Tokyo Dept.

*NET WEIGHT : 42,780 KGS.
*GROSS WEIGHT : 56,150 KGS.
*WE HEREBY CERTIFY THAT THE GOODS ARE OF JAPANESE ORIGIN.

C./No.	No. of Cases	Description	Quantity	Net Weight	Gross Weight	Measurement
⑩						
TOTAL	12 PACKAGES		4 SETS	42,780 KGS.	56,150 KGS.	288.957 M3

Y. & G.S.

添付—1

- ① Invoice No.
- ② Section Code
- ③ Buyer
- ④ Country of Origin
- ⑤ Country of Destination
- ⑥ Sales Note No.
- ⑦ Shipped per
- ⑧ Terms of Payment
- ⑨ Marks & Nos.

Certificate of Origin

CERTIFICATE OF ORIGIN Issued by THE TOKYO CHAMBER OF COMMERCE & INDUSTRY Tokyo, Japan		No. and Date of Invoice ① 9BX00042 AUG. 30, 1999	1000 Int. No. ② A34311-03
③ SAUDI JAPANESE TEXTILE COMPANY LTD. DHAHRAN ROAD MUBARRAZ POBOX 2726 AL-AHSA 31982 SAUDI ARABIA TEL.035925275 FAX.03-5926163 (Complete if other than Buyer)		④ JAPAN	
⑦ Shipped per "KALLEN" On or about SEPT. 2, 1999 From OSAKA, JAPAN Via To DAMMAM, SAUDI ARABIA		⑤ Country of Destination	
⑧ POLYESTER FILAMENT THOSE AND ABAYA FABRICS MANUFACTURING PLANT.		⑥ Sales Note No.	
⑨ - ATTACHED SHEET - 12 PACKAGES 4 UNITS "Details as per attached sheet(s)"		⑧ Terms of Payment	
#NET WEIGHT : 42,780 KGS. #GROSS WEIGHT : 56,150 KGS. #WE HEREBY CERTIFY THAT THE GOODS ARE OF JAPANESE ORIGIN.		⑩ Place & Date	
Declaration by the Exporter The undersigned, duly authorized by the company, declares that the above mentioned goods have been produced or manufactured in Japan. Place and Date: Tokyo, SEP. - 8, 1999 Marubeni Corporation <i>Te gmas</i> P.T. General Manager of Tokyo Dept.		Certification The Tokyo Chamber of Commerce & Industry hereby certifies, on the basis of relative invoice and other supporting documents, that the above mentioned goods are of Japanese origin to the best of its knowledge and belief. The Tokyo Chamber of Commerce & Industry <i>N. I. Koyama</i> N. Kenya SEP. 8, 1999	

- ① Invoice No.
- ② Chamber of Commerce No.
- ③ Buyer
- ④ Country of Origin
- ⑤ Country of Destination
- ⑥ Sales Note No.
- ⑦ Shipped per
- ⑧ Terms of Payment
- ⑨ Marks & Nos.
- ⑩ Place & Date

Bill of Lading

SHIPPING NO. ① **OSDA-4**

② **SHIPPER**
HAKUBUNI CORPORATION

③ **CONSIGNEE**
TO THE ORDER OF THE N.C.B.615.
T.S.C. DANMAN

④ **NOTIFY PARTY**
SAUDI JAPANESE TEXTILE COMPANY LTD.
DHAKHAN ROAD MUSAKKAZ POBOX 2726
AL-AHSA 31982 SAUDI ARABIA
TEL:0359252275 FAX:03-5926163

⑤ **OCEAN VESSEL**
Vessel No. ⑤ **"KALLER"**

⑥ **PORT OF LOADING**
⑥ **OSAKA, JAPAN**

⑦ **PORT OF DISCHARGE**
⑦ **DAMMAN PORT, SAUDI ARABIA**

⑧ **MARKS & NOS.**
⑧ **12 PACKAGES(11 CASES & 1 CRATE)**
POLYESTER FILAMENT TRODE AND ARAYA
FABRICS MANUFACTURING PLANT.
NET WEIGHT : 42,780 KGS

⑨ **FREIGHT & CHARGES**
⑨ **PREPAID**

⑩ **PREPAID AT**
⑩ **OSAKA, JAPAN**

⑪ **PLACE & DATE OF ISSUE**
⑪ **SEP-2 1985**

⑫ **NO. OF ORIGINAL B/L**
⑫ **12**

UNITED ENTERPRISES
P.O.Box 443
Port Road, Altabaihi
Dammam 31411
Saudi Arabia
Phone : 866-827546, 828364
Telex : 801064 UNENCO SJ
Cable Add : UNENCO DAMMAN
F a x : 866-827546, 828365

SAY: TWELVE (12) PACKAGES ONLY

AS ARRANGED

Exchange rate: ⑩ **100** Yen = ⑩ **100** Yen

Price and date of issue: ⑪ **SEP-2 1985**

MITSUI O.S.K. LINES, LTD. as Carrier

FIRST ORIGINAL

- ① B/L No.
- ② Shipper
- ③ Consignee
- ④ Notify Party
- ⑤ Ocean Vessel
- ⑥ Port of Loading
- ⑦ Port of Discharge
- ⑧ Marks & Nos.
- ⑨ Freight & Charges
- ⑩ Prepaid at
- ⑪ Place & Date of Issue
- ⑫ No. of Original B/L

Insurance Policy

THE TOKIO MARINE AND FIRE INSURANCE CO., LTD. ORIGINAL

Head Office: 1-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo 100-8000 Japan. Phone: 03-5561-0111
 Branch Office: 1-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo 100-8000 Japan. Phone: 03-5561-0111

KARUMI CORPORATION
 (Incorporated in Japan)
 No. 30-00133962

Insurance No. 96100042

Annual Premium 157,566,000.00

Policy No. 30-00133962

Insured: **SAUDI ARABIA**
 TO THE ORDER OF NATIONAL COMMERCIAL BANK

Special Replacement Clause (Air Freight):
 SPECIAL REPLACEMENT CLAUSE (AIR FREIGHT)
 (APPLICABLE TO THE GOODS TO BE CARRIED BY VESSEL)
 IT IS SPECIALLY UNDERSTOOD AND AGREED THAT CHARGES FOR
 FORWARDING PART OR PARTS FOR REPLACEMENT OR REPAIR
 PROVIDED FOR IN THE INSTITUTE REPLACEMENT CLAUSE
 ATTACHED HERETO SHALL INCLUDE THOSE FOR FORWARDING BY
 AIR.

Special Replacement Clause (Duty):
 SPECIAL REPLACEMENT CLAUSE (DUTY)
 NOTWITHSTANDING THE PROVISION IN THE INSTITUTE
 REPLACEMENT CLAUSE ATTACHED HERETO, IT IS SPECIALLY
 UNDERSTOOD AND AGREED THAT THIS COMPANY SHALL ALSO BE
 LIABLE TO PAY FOR LOSS, IF ANY, SUSTAINED BY PAYMENT OF
 DUTY ON PART OR PARTS FOR REPLACEMENT
 OR REPAIR IN CASE THE FULL DUTY IS NOT
 INCLUDED IN THE AMOUNT INSURED.

TO COVER THE RISKS FROM WAREHOUSE TO
 WAREHOUSE, SUBJECT TO THE RELEVANT
 INSTITUTE CLAUSES COVERING MARINE AND
 STRIKES, RIOTS & CIVIL COMMOCTIONS
 RISKS.

INCLUDING THE RISKS OF WAR, STRIKES,
 RIOTS AND CIVIL COMMOCTIONS, SUBJECT TO
 THE RELEVANT INSTITUTE CLAUSES.

Place of Origin: **OSAKA, JAPAN**

Place of Destination: **1ST. PLACE(S) IN SAUDI ARABIA**

Commodity: **POLYESTER FILAMENT THROBE AND ARAYA
 FABRICS MANUFACTURING PLANT.**

Quantity: **12 PACKAGES 4 3000S UNITS**

Insurance Premium Paid: **¥419,290.00**

Policy Period: **1999.08.30 - 1999.12.31**

Insured's Signature: **SAUDI ARABIA**

Insurer's Signature: **THE TOKIO MARINE AND FIRE INSURANCE CO., LTD.**

- Policy と Certificate
- Policy には全契約条項が
- Cert.には別に契約書が

Other Issues



- **Risk Management**
- **Container Security**
- **Wood Packing Material**
- **Shipping Fraud**

Thank you for your attendance!

- **Outsmart the Competition.**
- **Broaden your job scope.**
- **Make your dream come true!**

