

# NEWSLETTER

## wk 2 – January 2012



### **Hapag Lloyd hit by Moody's rating**

Although Hapag Lloyd's rating remains B1 with Moody's, the rating office has analysed the situation of the German carrier in future as negative. The negative B1 qualification is caused by the difficult market situation Moody's is predicting for the shipping industry in 2012.

Despite the rating correction, Moody's is positive about the business model applied by Hapag Lloyd who has been performing relative satisfactory results during Q3 of 2011. According to the rating office, Hapag Lloyd has a "solid market share" and a "flexible cost structure" with sufficient cash flow reserves. In a press release Hapag Lloyd has highlighted the positive aspects of the report.



We are proud that our rating has not been changed, according to CEO Michael Behrendt. We are one of the only carriers who have been able to make benefits during Q3 2011 despite the tough market situation. This was in line with our previous quarterly results during 2011, he stated.

### **Hamburg Süd and MSC working together on South America routes**

Due to the worsening situation in the trade between the Mediterranean and the South American East Coast, Hamburg Süd and MSC have decided to join forces to rationalise their services.



Hamburg Süd will be ceasing their weekly Sirius Service this January who they operated in cooperation with CMA CGM, CSAV, ZIM and Niver Lines. As a result seven vessels with capacities between 4.043 and 4.367 teu will be disappearing from this trade lane. The four vessels of Hamburg Süd with a 4.255 teu capacity will be transferred to their service between North Europe and the East med. This month, Hamburg Süd will join one of the MSC services.

It concerns eight vessels of each 5.900 teu whereof one will be made available by the German container carrier. Following their request, the port of Tangier has been included in the sailing schedule in order to connect and secure their transhipments to other East med destinations and the Middle East.

Both Maersk and CSAV are having slot arrangements on the same service operated by MSC and Hamburg Süd. Both shipping lines are also working together with MSC on the route between Northern Europe and South America. For this trade route, Hamburg Süd has running arrangements with Hapag Lloyd and CMA CGM.

### **Grand Alliance serving Baltimore in future**

Hapag Lloyd will be extending the vessel rotations of their weekly Gulf Mexico Express Service (GMX) with an extra port call in Baltimore. The first vessel calling the port directly will be the "Heidelberg Express" having a capacity of 2.803 teu and will be loading in North Europe mid February.



The loop is being secured by six vessels with capacities between 2.803 and 3.606 teu who are having port calls in Euro ports : Le Havre, Thames port, Antwerp and Bremerhaven. Hapag Loyds partners in the Grand Alliance, NYK Line and OOCL are having container allocations on the GMX-service. On the Atlantic side, Baltimore will become the first discharging port where after the vessels are proceeding to Vera Cruz, Altamira, Houston and New Orleans.

## **Agreement reached between the CKYH Green Alliance and Evergreen**

The four members of the Green Alliance, Cosco, K-Line, Yang Ming Line and Hanjin will be working close together with a 5<sup>th</sup> shipping member "Evergreen". Although Evergreen will not become an effective member of the CKYH Alliance, the five Asian shipping operators have decided to adapt their individual schedules and exchange slots on their vessels.



As a result the five carriers will be able to offer 8 loops as from Q2 2012 between the Far East and Northern Europe. This is one additional loop in comparison with the seven weekly services performed by Maersk Line and the newly launched G6 Alliance. Evergreen and the CKYH Green Alliance will also be working closely together on the trades between Asia and the Mediterranean where they will operate four loops together.

All vessels involved in this schedule will have capacities between 8.000 till 13.100 teu. The schedules of the various loops have not yet been disclosed so far. The agreement reached between these five Asian shipping lines is already the 3th initiative to counter the "daily Maersk" service. Before MSC and CGM CMA reached a cooperation agreement and last week the Gran Alliance and the New World Alliance announced the details of their joint operation called G6.

## **CMA CGM extending their cooperation with MSC**

After the breaking news in December last year that MSC and CMA CGM would be working together very closely on five major liner services between Europe and the Far East, they have now decided to extend their cooperation to further joint operations.



Mid January a new service "Black Pearl Service" will be taking off between the east coast of North America and the west coast of South America. CMA CGM will be using slots on the existing MSC loops operated by six vessels with capacities between 3.500 and 4.900 teu. The French operator is already active in this trade via his transshipment hub in Kingston where the containers for North America are being transferred to their Eurosal-service operating between North Europe and the west coast of South America.

CMA CGM started already end 2010 a direct service to this region with small vessels of approx 1.100 teu, but cancelled the operation in June after the ending of the fruit export season. The service is very important for the French carrier since they need a direct service in order to participate in the carriage of the fruit transports between Chile, Peru and Philadelphia and New York. In a statement, both carriers expressed their willingness to extent their cooperation in the Latin America trade.

