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LEVACO GROUP

CSCL and Cosco intensify their cooperation between Europe and Asia

During 2012 both Chinese shipping lines China Shipping Container Lines (CSCL) and Cosco have decided to increase their slot exchange on their loops between Europe and Asia. As a result both carriers will be able to offer space on three additional services.

It looks like this agreement is another counter for the daily Maersk service which was introduced by the Danish global leading container carrier end of last year. Just after the announcement of Evergreen they are joining forces with the CYKH Green Alliance on the route between Europe and Asia, the Chinese container operators have announced their cooperation intentions.

This will lead to 10 additional departures between Asia and Europe and six extra sailings between Asia and the Mediterranean per week for Cosco. Cosco already offered seven loops within the alliance and is now able to increase same to eight departures per week thanks to the cooperation with Evergreen. On top Cosco will benefit from two more CSCL loops which will now additionally be added, the AEX1 and AEX7 services. CSCL will have the advantage of two extra calls per week to the Mediterranean and one more the Northern Europe, the NE3 loop calling Antwerp.

Capacity increase of container fleet faster in 2012 than in 2011

According to figures released by French maritime consultants Alphaliner, the container fleet has grown last year with 7.9%, whereas they expect growth figures for this year to reach 8.3%. Alphaliner predicts this will influence the overcapacity of the trade since global container volumes will only increase with 6.5%

It is expected the main problem will occur on the trade lanes between Asia and Europe. Fifty per cent of the new built vessels which will be delivered during 2012 will have capacities above 10.000 teu. Present prognoses are referring to approx. 120.000 teu which will turn into metal scrap during 2012, whereas this was only 85.000 teu last year. On the other hand, 80.000 teu's which are ready for delivery would be delayed for delivery to 2013.

Despite the continued increase of overcapacity, 239 new vessels have been ordered during 2011. Their total capacity is counted to 1.77 million teu. Last year figures totalled only 1.28 new teu entering the market. For 2012, only CSAV and ZIM are not taking any new build's into service. The 8.004 teu units which are under construction for account of CSAV will be taken in charter by Maersk Line. The Danish container carrier will receive 133.000 teu of new slots into operation this year.

Global #2, Mediterranean Shipping Company will, likewise Maersk Line, take 21 new vessels into service. All of them are larger sizes types which are resulting to 248.000 new slots for 2012. As such they will be the fastest growing carrier for this year. Third in line will be UASC. They will receive eight new units into operation from 13.100 teu which they delayed for delivery last year. Most of them are already completed during 2011 but will only depart for their maiden trips during the coming months.

Far East trade growth close to stand still

Already in 2011 there were signs that export volumes from the Far East to Europe were weakening. The first estimates for 2012 do not illustrate a beneficial situation for the carriers. Present figures released show an increase of 2.8% for 2011 compared to 2010 between Asia and Europe.

Analysts expect that due to the slowdown in European economies the growth percentages will go further down to a level of only 1.5%. On other trade lanes, like the important east-west route between Far East and Northern America, the volumes decreased slightly in 2011 with minus 0.8%. Nevertheless it is expected that the improved situation in the USA would bring new volume increases for the Trans Pacific services.

Estimates which require confirmation predict 4.6%. The potential increases for volumes on the important east-west trade lanes remain under the expected worldwide levels of 8.3%. Specialist feels that due to these circumstances on both major trade regions, the freight tariffs will remain low till the end of the year.

UASC entering into agreement with CSCL and CMA CGM

United Arab Shipping Company has decided how they are going to operate their new built fleet of 13.100 teu capacity in the near future. Most of the vessels will be delivered the coming months. Not all of them will have loops which include European ports.

The Arabic container carrier has concluded agreements for joint services between Europe and Asia with China Shipping and CMA CGM. For both carriers this agreement is another on top of their running ventures which were concluded over the last months. CSCL will continue to cooperate with Evergreen and will exchange slots with Cosco, while CMA CGM is starting five mutual services to the Far East with MSC.

Three of UASC's ULCS class vessels will be operated in the existing AEX7 loop from China Shipping. In the same service CSCL employs six ultra large container ships and CMA CGM delivers the 10th one. The French carrier is operating the service under the FAL2 trade name. For UASC this will be called the AEC8 loop. The first ULCS of United Arab, the ms "Umm Salal" is already sailing since last year in this service.

Jeddah port will be included in the sailing schedule at the end of February. The complete new rotation of the loop will be : Rotterdam, Hamburg, Zee Bruges, Jeddah, Port Kelang and Shanghai. On the return voyage also Ningbo, Shekou, Hong Kong, Yantian, Port Kelang, Jeddah and Le Havre are being scheduled.

Remarkable is the decision to operate three other new built ULCS vessels of United Arab together with three ULCS vessels of CSCL in a mutual service between the Middle and the Far East. CMA CGM will contribute a seventh vessel to the schedule. These vessels will be the first one's being operated for the Inter Asia trade routes. It looks there are very little alternatives for the moment to operate these larger ULCS since there is already an existing overcapacity on the Europe/Asia loops.

Top container port rankings remain unchanged

Last year Shanghai remained the #1 container port in the world handling 31.7 million teu in total. This means an upgrade with 9.2% compared to 2010. The Chinese leading port counted a remarkable better growth result then Singapore and Hong Kong in 2010. They remained second and third on the global ranking. Singapore performed slightly below plus 5% while Hong Kong was stuck with only plus 2.5% on volume increase.

Last year's top 5 remained unchanged. Fourth and fifth place went to Shenzhen and Bussan. The South Korean port performed a growth of 13.7% in 2011 and as such is counting the most important increase in volumes. Bussan handled 16.1 million teu last year and prospects for 2012 are bright since various carriers are rescheduling their loops to include new port calls at Bussan.

The ports situated between rank 6 and 10 are still the same as in 2010, however their ranking changed. The ports of Los Angeles/Long Beach have sized downwards from place six to eight. Their ranking is taken over by the Chinese ports Ningbo and Guangzhou. Last but not least, Qingdao is ranked 9 while Dubai is situated at place 10. The first European port is Rotterdam at place eleven.