

# NEWSLETTER

## wk 7 – February 2012



### **Rickmers upgrading fleet**

As part of its upgrading program for its Europe India service, Rickmers-Linie, has added the 17,000dwt new building Rickmers Tianjin to the schedule. The base ports served are Hamburg, Antwerp, Genoa, Mumbai and Chennai but the service is capable of serving a wide variety of additional ports on inducement.

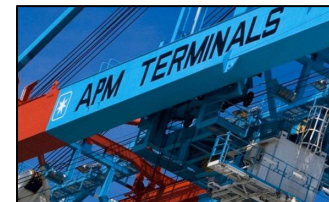
Rickmers Tianjin joins her sister ship Rickmers Yokohama and the charter ships Linde, Martin and Baltic Winter on the Indian service. On her maiden voyage from Europe, Rickmers Tianjin was named in the Port of Mumbai on 9 January. This is the first time Rickmers has held a naming ceremony in India but it continues a more modern tradition of choosing for such celebrations locations that are important base ports in the Rickmers global network.



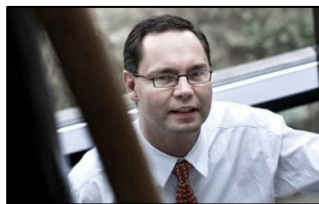
Rickmers Tianjin and Rickmers Yokohama are 17,000dwt vessels each equipped with two 150-tonne cranes and an 80-tonne crane. This enables them to lift up to 300 tonnes by twinning the two larger cranes. Being smaller than the nine 30,000dwt vessels operated by Rickmers on its Round-the-World Pearl String service, the ships employed on the revamped Indian service offer greater flexibility to serve ports such as Mumbai - where locks restrict the size of vessels - as well as various smaller ports on an inducement basis. The Middle East Gulf is now being served primarily by the Pearl String service.

### **APMT continues to invest in growing markets**

According to a recent press release of Maersk Line, their group strategy to invest in new markets are in line with the reports of UNCTAD. This analyse has shown that there will be change of the economical potentials in near future. Maersk group has announced they will apply the policy they have worked out during 2011 to give priority for investments in growing economical markets.



The Maersk top management will be visiting these countries to discuss with local politicians and CEO's of industrial multinationals how they will deploy their planning. The new Maersk CEO, Søren Skou stated this policy will be opening the doors for their local Maersk organisations. Rumours circulate Maersk will be focussing on Vietnam and Indonesia. Since the activities of APMT are extremely suitable to be implemented in other regions, APMT will be sharing this know how in local markets in order to achieve a better performance of their present 27 existing terminals.



APMT's CEO, Kim Fejfer declared that presently there is a need for an aggressive market and investment policy in order to follow these newly rapidly growing market potentials. His division invested already us dollar 3 milliard in the development of new infrastructures and the extension of existing terminals. According to a recent published analysis of UNCTAD it was published that the developing countries brut market share in the global economy in 2010 had grown to 28%.

In 1980 this was only 17%. It's estimated that today their share of global trade has grown to 40%, which 30% up compared with 2008. According to Fejfer this illustrates that the future container industry needs to focus on developing countries in Asia, Latin America, Africa and the Middle East.

## **MSC's is lengthening South Africa service to Far East**

MSC's weekly container service to South Africa will be linked to their existing "Cheetah" service which is performing sailings between South Africa and Far East. This way the 15 vessels operating in this service with capacities between 6.148 and 9.178 teu will be linking both continents.

The link has been announced officially by MSC however already in the past some of the vessels of the Northern Europe/South Africa service were proceeding for a roundtrip with the Cheetah service to Asia. The Pendulum service is calling in Northern Europe first at Rotterdam to discharge consignments coming from South Africa. Afterwards Felixstowe, Hamburg, Antwerp and Le Havre are serviced. Via Las Palmas the vessels are proceeding to Cape Town, Coega and Durban.



From South Africa to Singapore, Fuzhou, Xiamen, Kaohsiung, Hong Kong and Chiwan both CMA CGM and CSAV have slot capacity on the MSC vessels. Regretfully the port of Durban will be undergoing some renovation works the coming years. As a result the ports capacity will be reduced with 20 pct. Some of the quays will not be usable due to dredging and new crane installations. However, the renovation works are inevitable since the ports is suffering regular congestions problems. Port operators Transnet has invited MSC and other carriers to maximize and focus their port calls as much as possible.

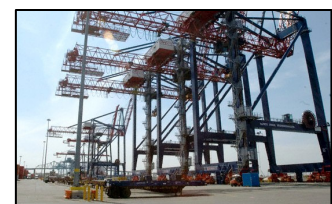
## **Tariff recovery looks unlikely scenario**

Maritime analyst BoxTradeIntelligence have made a new analysis ventilating their opinion on the development of maritime freight tariffs. They are confirming what other specialist have announced earlier this month, that rates increases which have been realised by the carriers just before the Chinese Lunar holidays will not last for a long period.



Also during the week before Chinese New Year, spot tariffs have been increasing on the route between Asia and Europe although this was only 0.2 pct. It was the 5<sup>th</sup> week in a row that tariffs had been going up to a total of approx. 50 pct. Nevertheless BTI declared that this increase will only be applicable for a short time. Their opinion goes in line with other European analysts Drewry and Alphaliner. BTI feels the rising volumes are mainly caused by stock purposes since the Chinese factories were closing down for some time due to the local holiday period.

Although BTI feels there is still a small growth in volumes, they conclude this growth is not sufficiently substantial to compensate the new vessel capacities entering the trade. They believe that operators will be unable to load their new capacities sufficiently and as such pressure on the tariffs will be renewed. BTI stated they do not believe there will be a new revival like we enjoyed in 2010 after the catastrophically decrease in 2009. This will not be realistic for 2012 they concluded.



## **Maersk Line ceases AE8 loop**

13.000 slots on a weekly basis are disappearing from the trade Asia/Europe after Maersk Line has decided to stop their AE8 service which they were operating in cooperation with CMA CGM. Same is the result of the new cooperation that CMA CGM concluded with MSC, thus securing five new container services. The Danish operator wanted to continue the AE8 service in order to maintain their sailing schedule of the Daily Maersk service concept.



Nevertheless they have now decided to level to a six loops service rather than seven. As a result there will be no further daily sailings from Shanghai, Ningbo, Yantian or Tan Jung Pelepas. However the principle of guaranteed transit times between the Far East and the three Northern European ports : Rotterdam, Bremerhaven and Felixstowe remains intact. Main reason is that not all loops call all ports. The Danish have also forecasted sufficient margin in the transit time of their Daily Maersk concept.

Rotterdam which had scheduled to have five port calls out of seven stays on the same service level since the AE9 loop will be extended with an extra call in the Netherlands. Today this service is only calling Zee Bruges in Benelux but as from February 29<sup>th</sup>, Rotterdam will become first port of discharge while Zee Bruges will be the last loading port.



Also the AE6 loop will be extended in March with an extra port of call in Hamburg. This is also due to the disappearance of the AE8 loop. In Zee Bruges the loss of the AE8 loop will be compensated by a new port call of the AE1 service where the port will become the first discharging port in Northern Europe. For the export shipments the allocation of the AE9 service will be increased.

Furthermore Maersk Line will also be reducing the capacity of their AE2 loop by withdrawing five ultra large container ships (ulcs). This rescheduling will be reducing capacity in Northern European ports Rotterdam, Bremerhaven, Hamburg and Antwerp. This withdrawn capacity will be employed in future between the Far East and the Mediterranean where a new service called AE20 is being launched by the Danish #1 with mega ships of 13.092 teu. This decision is a clear confrontation of Maerks Line with MSC and CMA CGM who are both having a strong and solid position in the Med.

