



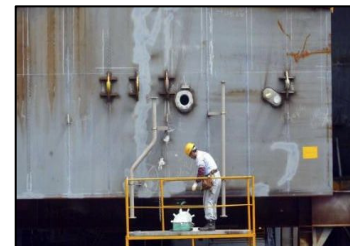
Maersk Line orders 30 vessels of 18.000 teu capacity

Maersk Line said it has placed a mammoth containership order for as many as 30 vessels of 18,000 TEUs capacity, confirming reports that first emerged in November. The order would dwarf in scope any previous order, both in terms of total outlay for a container line, and in terms of the size of vessels commissioned.



According to the records of American Shipper affiliate ComPare Data the largest ships in operation today are the Emma Maersk and her sister vessels, with an estimated total capacity of 14,700 TEUs each. Maersk said in a statement Monday that the Emma-class vessels have capacity for 15,500 TEUs. The new vessels, to be built by South Korea's Daewoo Shipbuilding & Marine Engineering Co., would be 16 percent larger and would cost the Danish line \$5.7 billion if Maersk takes up all options. The contract calls for the delivery of 10 such vessels from 2013 to 2015, with a Maersk option for 20 more. Initial reports pegged the Maersk order at 10 vessels, with an option for 10 more, at a total cost of \$4 billion.

Maersk releases its 2010 financial statements on Wednesday, and it is expected to rake in huge, possibly record, profits after freight rates and demand recovered substantially from the lows of early 2009. Maersk is the world's biggest line by fleet capacity when considering the fleets of subsidiary lines Safmarine and MCC Transport. Last week, it was reported that the second-largest line, Mediterranean Shipping Co., had overtaken Maersk as the biggest individual line.



MSC also has vastly more capacity on order than Maersk (537,886 TEUs versus 316,798 TEUs for Maersk, according to the maritime news service Alphaliner), but the Danish line's order announced Monday would help redress that gap even if none of the options for the additional 20 ships were taken.

To get a measure of how huge the order is from a capacity standpoint, 30 vessels at 18,000 TEUs each would provide Maersk with 540,000 TEUs of new fleet capacity. The capacity from Monday's order alone would be larger than all but the top eight container lines in existence today. Maersk Chief Executive Officer Eivind Kolding said in a statement Monday that the ships -- dubbed triple-E class for economy of scale, energy efficient, and environmentally improved -- would help his company reduce carbon emissions. "One of the biggest challenges we face in the world today is how to meet the growing needs of a growing population and the impact that is going to have on our planet," Kolding said in a press conference in London with Daewoo representatives.

"International trade will continue to play a key role in the development of the global economy: but, for the health of the planet, we must continue to reduce our CO2 emissions. It is not only a top priority for us, but also for our customers, who depend on us in their supply chain, and also for a growing number of consumers who base their purchasing decisions on this type of information."



Aside from emissions reductions, the new ships will give Maersk huge economies of scale on major trade routes. The ships will more than likely be put into operation in the Asia/Europe trade, the only one capable of handling the largest ships in operations today, both from a demand and port infrastructure standpoint.

The ordered ships are a row wider than the Emma Maersk-class vessels, and also reportedly have a U-shaped hull (rather than V-shaped) to accommodate more containers. The ships have a slightly slower operating speed; an instructive quote from Maersk was that the vessels will have “specially optimized hull and bow forms to guide the vessel through the water at the speeds typical in the industry today.” Maersk has pioneered the modern use of slow steaming on long-haul trades to cut fuel consumption.

Maersk estimates it will use 35 percent less fuel per container than the 13,000-TEU ships being delivered today.

Hapag-Lloyd To Restart Expanded Atlantic Express Service

Hapag Lloyd has announced the re-launch of its Atlantic Express Shuttle (AES), which the carrier had suspended December 2010 as part of its winter program. The carrier is extending the service, which offers weekly fixed-day sailings, to include the port of Hamburg as well. The new port rotation is as follows: Hamburg - Antwerp - New York - Hamburg. The first westbound sailing is scheduled from Hamburg on March 13, 2011; the first eastbound sailing is scheduled from New York on March 25. OOCL participates in this service via slot purchase.



Six more 9.300 TEU vessels for MSC

Liner giant Mediterranean Shipping Co is continuing its massive fleet expansion programme by backing an order for six 9,300 teu vessels from German owner Bernhard Schulte and Israel’s Ofer Brothers, broker sources said.

The ships will be built by Korean Hyundai Heavy Industries. Last year, MSC had already backed an order for six 9,000 teu vessels placed by Schulte and Greece’s Costamare at Chinese Shanghai Jiangnan Changxing shipyard with a long-term charter. According to brokers, the construction price—as well as the terms of the deal—is more or less in line with those of the Schulte and Costamare order, which had a price tag of some € 95 million for each vessel.

According to analyst Alphaliner, the line is also linked to an order for six 8,800 teu containerships, with four units being on its own account and another two on Costamare’s account. However, the latest project was originally planned with Maersk Line but failed close to the finish line, a broker said.

The ships have a wide beam, are some 300m long and have smaller engines to reduce emissions. The first one may be delivered in 2012. The fact Maersk pulled out of the deal could be an indication that a decision regarding an order for 18,000 teu vessels by the market leader is in the offing. MSC is still one of the most active players on the charter market. “They take almost every large, charter-free vessel,” one Hamburg broker commented.



“I think especially in the smaller segment, between 1,700 teu and 2,900 teu, not much will happen,” said one broker. However, he forecast lines will also try to secure vessels in the larger sizes during this period, due to the high demand for high-capacity ships. German owners are quite optimistic at the moment. “All fixtures have been higher than the last deals,” another boxship broker said.

CKYH to offer sixth Far-East – North Europe loop.

Ocean liners Cosco, "K" Line, Yang Ming Marine Transport Corp. and Hanjin Shipping which together form the CKYH Alliance are commencing a sixth Far East-US east coast loop (AWE-6), starting May 1, raising the group's weekly capacity to the US east coast by 25 per cent.

The AWE-6 will run in nine weeks, deploying nine 5,000 to 5,700-TEU ships, reports Alphaliner. The port rotation for the AWE-6 is Xiamen, Hong Kong, Shenzhen-Yantian, Cai Mep (Vietnam), Singapore, Colombo, New York, Norfolk, Savannah, Jeddah, Singapore and back to Xiamen. The first sailing is expected to be undertaken by the 5,744-TEU Hanjin Geneva, departing from Xiamen.



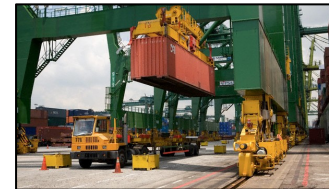
A report by Alphaliner described the AWE-6 as being the second Far East-US East Coast loop offered by the CKYH Alliance to be routed via the Suez Canal, following the AWE-4.

"The four other CKYH all-water services to the USEC use the Panama route (with one of these loops returning to the Far East via the Cape of Good Hope)," the Shipping Gazette informs.

PSA International -2010 revenue climbed 6,3 %

Singapore port operator, PSA International, said on Friday its 2010 net profit rose 21 percent helped by recovery in global economic recovery and container shipping industry, but its chairman highlighted concerns about the slowdown in China. The company, controlled by Singapore state investor Temasek Holdings, earned S\$1.18 billion (\$930 million) in profit last year, up from S\$976 million a year ago as its revenue climbed 6.3 percent to around S\$4.1 billion.

"I continue to be bothered by the lingering economic problems in the developed countries and the unfolding of a slowdown in China," Fock Siew Wah, Group Chairman, PSA International said in a statement. The container shipping industry has rapidly recovered from the global downturn in 2008-09, which the IMF has named the "Great Trade Collapse", that cost the sector an estimated \$19.5 billion due to a severe slowdown in seaborne trade.



Demand growth for the container industry, a key indicator of world economic activity, was expected to slow to 7.7 percent from 14 percent last year, according to Alphaliner. PSA International had said its container cargo volume rose by 14.4 percent in 2010 from a year earlier to 65.12 million twenty-foot equivalent units (TEUs) of containers at its ports globally,

Out of that total 27.68 million TEUs were coming from its Singapore operation. PSA participates in 28 port projects around the world with an annual capacity to handle 111 million TEUs. (\$1 = 1.269 Singapore Dollars) (Reporting by Harry Suhartono)