

NEWSLETTER

wk 12 – March 2012



Punctuality container services seriously improved

In the last quarter of 2012, 69% of all container vessels arrived on time at their port of destination. According to the "Schedule Reliability Research" of the British consultant Drewry Maritime Research, this is a new record.

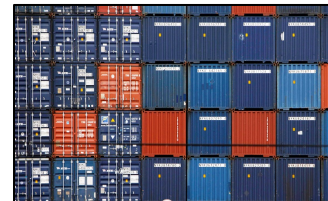
Maersk Line was again #1 in the ranking. Second and third position where not taken by members of the New World Alliance but taken by Hanjin Shipping and Cosco of the CKYH Green Alliance. It is remarkable that the punctuality in the liner services has improved for three quarters in a row. Drewry hopes that this trend will continue but analysed that that scores were worsening after the previous record of 68% 'in-time-arrivals' set at the second quarter of 2009.



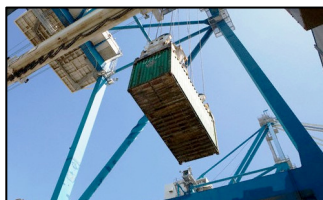
A comparison between the punctuality and the level of the rates has concluded that container carriers are more punctual during crisis periods, when the rates are on a lower level. The score per carrier is based on spot-check' and Drewry also considered the results of container shipments which are shipped through slot charter-agreements and which are transported in practice by another shipping line. In case one considers only the punctuality of the own fleet, then Hanjin and Maersk with scores of respectively 91 and 90%, are respecting their schedules the most.

20 million teu shipped between Asia/Europe in 2011

On all major trades between Europe and other continents, there has been growth in container traffic last year. The fastest growth was on the trade between Europe and Africa (plus 16,44%). The freight rates for maritime transport are situated at an alarming level in many trades. Nevertheless, it was not a bad year for liner shipping during 2011 from and to Europe according to the figures of C"ontainer Trade Statistics" CTS (formerly ELAA).



On just about all trades both import and export-between Europe and other continents a growth in volumes towards 2010 was showed, also in the intra-European liner shipping, The trade with Africa (2.43 million teu's) put out a surplus with a growth of 16,44%, mainly thanks to the growth of imports from Europe (plus 21%). The container volume between Asia and Europe grew by 4.3% in 2011. However, the westbound segment, which is most important, grew only with 3.3%, while the eastbound volumes grew with 7.48%. In total last year there were shipped 19,97 million teu's between Asia and Europe.



On the North Atlantic the volumes grew with 6,08% to a total of 6.23 million teu's, mainly thanks to European exports. The trade between Europe and the Middle East/Indian subcontinent was good for 4,93 million teu's, with both a reasonable growth in European exports (plus 8,06%) and imports (plus 9.40%). On the trade with South America 3.14 million teu's were shipped during 2011, both the import and export have grown by more than 9%.

100 % scanning of containers in USA remains questionable!!!

A new report by the US Government Accountability Office (GAO) shows the uncertainty about the GAO' future of 100 pct. scanning of maritime containers. In fact, the report is the representation of a statement, made by Stephen L. Caldwell, director of the Homeland Security and Justice Office (DHS). In 2011, 10.7 million containers arrived into the port of the United States.

To avoid the risk of abuse of that container flow against terrorist actions, the ministry of Homeland Security and Justice put a series of measures into effect. One was the so-called 'Secure Freight Initiative' (SFI) that consists of a pilot program testing the feasibility of 100 pct. scanning of us bound containers in three foreign ports – Port Qasim (Pakistan), Puerto Cortes (Honduras) and Southampton (UK). In a later stage, Hong Kong, Busan (South of Korea) and Salalah (Oman) were added. Meanwhile, the scope of this SFI program was scaled back and only Port Qasim did remain!



In October 2009, the GAO's recommendation stated that the customs authority (CBP) itself would test whether the 100 pct. scanning is feasible and if not, what would be acceptable alternatives. Until now this has not been done! DHS meanwhile already has admitted that the deadline of July 2012 for the 100 pct. scanning implementation could not be fulfilled! The deadline is therefore postponed to July 2014.

Liner shipping negatively influencing Maersk profits

Despite the fact that Maersk oil achieved a larger profit, the AP Moller Maersk group realized 1.6 billion dollars less profit than during 2010. Trond Weslie, chief financial officer of the Danish Group, calls the profit of 3.4 billion dollars an acceptable result given the existing problems in the shipping industry. He repeated that Maersk will invest in the future especially in the oil sector and in terminals.

The liner shipping activities deliver, as expected, a significant loss. After a profit of 2.6 billion dollars in 2010, Maersk line and all her sister companies closed the year with a financial loss of 537 million dollar. This was not due to the volumes shipped because the Danish market leader transported 11 pct. more cargo. It's mainly the low rates in the trade between Asia and Europe that the Danes end up into the red.



The average revenue per container for all destinations together reduced with an average of 8 pct. lower than the year before and bunker expenses showed an increase of 35 pct. High oil prices were good news for the results of Maersk oil that could increase his profit from 1.7 to 2.1 billion dollars. The profit for the APM Terminal daughter fell slightly to us dollar 650 billion dollars. Damco, that strengthened his position in the airfreight forwarding and that took over NTS International Transport Services in China, made an us dollar 650 million profit.

Maersk Tankers made a bigger loss than last year with 151 million dollars. For 2012 the Maersk group counts on a smaller profit than last year. The liner shipping activities, because of the substantial overcapacity, might also remain onerous this year. The Danes expect that the load range will increase with 4 to 6 pct. and expect the growth mainly on the North/South routes.



Hanjin enters 3 new ulcs units in service

The South Korean carrier Hanjin welcomes their new record 13.092 teu's vessel "Hanjin Soohoo" for its maiden trip on April 1st 2012 from Kwangyang into the NE6-service of the CKYH Green Alliance. The alliance which represents carriers Cosco, Yangming, Evergreen, K-Line and Hanjin will only use the biggest units of Hanjin in the NE6 with vessels of 9.954, 10.114 and 13.092 TEUS.



Two other similar vessels will be launched into service by Hanjin. 2 weeks after the Hanjin Soohoo's entrance in to the market, the "Hanjin Asia" will follow and another 3 weeks later the "Hanjin Europe" will come into service. These 3 ULCS, which are part of a series of 9 vessels, are hired by Hanjin from the German owners MPC (Münchmeyer Petersen). The port of Rotterdam will be the first call in Europe on May 7th 2012 for the flagship Hanjin Soohoo.

The eastbound sailing schedule of the NE6 will be restricted with European ports Hamburg, Rotterdam, Le Havre and Algeciras. In these ports containers will be loaded for Singapore, Hong Kong, Xingang and Kwangyang. The Westbound sailing schedule will also have limited ports as some of the ports will be served by other services of CKYH Green Alliance or Evergreen. The renewed NE6 will call Kwangyang, Busan, Shanghai, Yantian and Singapore and then head for Algeciras and back to Hamburg. With the 2 South Korean carriers Hanjin Shipping and Hyundai Merchant Marine bringing in operation their first ULCS, there are now already 8 different carriers who deploy container vessels with an individual capacity of over 13.000 TEUS.

