

NEWSLETTER

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Slots for Evergreen on NE6-run of CKYH

The Taiwanese company Evergreen will enjoy a slot charter agreement as from 23 March on the NE6-loop from the CKYH Green Alliance between the Far East and Northern Europe. The agreement fits in a bigger cooperation with Cosco, "K" Line, Yang Ming and Hanjin Shipping.

The NE6-service is the first mutual service announced by the parties. As reported before, Hanjin will be the only carrier of this NE6 loop who will be supplying vessels, including the first three ultra large containers ships (ulcs) from a series of nine having a capacity of 13.092 teu. The other vessels only have capacities of approx. 10.000 teu. The new rotation from the NE6 includes loading ports Hamburg, Rotterdam, Le Havre, Algeciras, Singapore, Hong Kong, Xingang, Kwan yang, Busan and Shanghai.



Evergreen is promoting the same service under the NE6 trademark. It is expected that CKYH Green Alliance will soon resuming the temporary discontinued NE4-service. Rumors are going that Evergreen is planning to restart the CES2/AEX2-loop back in the middle of May. This service was offered before winter together with China Shipping and Zim Lines.

NYK line switching partners for India service.

The Japanese shipping company NYK Line will no longer be using any slots on the EPIC Service of CMA CGM between Northern Europe and India/Pakistan. The last ship on which NYK line will be taking slots, will be the CMA CGM Wagner' departing on May 31 ex Khor Fakkan to Jebel Ali, Port Qasim , Nhava Sheva, Mundra, Jeddah, Marsaxlokk, Tanger, Southampton, Rotterdam, Hamburg and Antwerp. As from April the Japanese Shipping company will be loading their container on the vessels from the IOS-service of the German shipping companies Hapag Lloyd and Hamburg Süd.

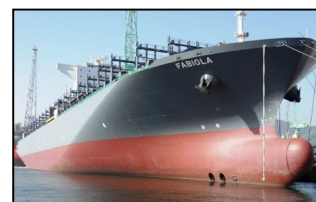


This weekly services connects Hamburg, Tilbury and Antwerp with Jeddah, Jebel Ali, Karachi, Nhava Sheva and Mundra. The IOS-service is now guaranteed by seven post panamax vessels with capacities of up 5.447 to 5.905 teu. They were transferred to this service last November 2011 to replace the existing panama tonnage which had only an average capacity of 4.200 teu.

First ULCS units employed on the Trans-Pacific trade lane

The Swiss shipping company MSC is the first to employ ultra large container ships (ulcs) between the Far East and the West Coast of North America. It concerns the 12,552 teu large MSC Fabiola. The fleet of MSC already counts 39 units with capacities of more than 12,500 teu. In the course of this year there will be delivered additional mega ships. As a result thereof the shipping line will have the opportunity this summer to start an additional 5th service besides their 4 existing loops between the Far East and Europe (Silk, Lion, Dragon and Tiger Services).

Until now, ulcs units were never deployed on the Trans-Pacific trade because the numbers of ports which are able to handle this type of vessels are very limited. Therefore volumes per port call are considerable higher than normal. MSC is now transferring as first carrier a ship with more than 12,500 teu vessels to that area. The 'MSC Fabiola' will be sailing in the Pearl River Express Service, which is provided together with CMA CGM.



This service connects the Chinese ports of Fuzhou, Xiamen, Chiwan, Hong Kong and Yantian district with Long Beach and Oakland. Normally on vlcs units (very large container ships) with capacities of 8,000 to 9,200 teu are used on this trade. Also the 11,660 teu large 'MSC Francesca' will follow soonest the MSC Fabiola on the trans-Pacific. Until now, the largest container ship on the North American west coast running is the 'Margrethe Maersk' with a 10,000 teu capacity.

The two MSC vessels presently employed in the Lion Service on Northern Europe will be replaced by new tonnage of 13,000 – 14,000 teu capacity. The trans-Pacific is the second trade lane that will be receiving vlcs capacities because there is a problem of over capacity on the Far East North Europe services. UASC, China shipping and CMA CGM already previously decided to divert the larger capacities of 13,000 teu to the trade between the Middle and Far East.



Maersk reducing investments

The Danish A.P. Moller Maersk Group will focus investments for the coming years especially to profitable activities. For their liner activities and tanker division the investments will be reduced. According to Maersk Port, a publication of the group that is distributed internally, the daughters Maersk Line and Maersk Tankers are expected to have negative results this year.



Under these circumstances both companies will receive no further investment funds. "We are reconsidering our growth expectations for our shipping activities and invest more in other core business", according to the group's statement. Nevertheless there have been significant investments for the liner shipping division in recent years already. Last year Maersk Line ordered two series of each 10 new built vessels with record capacities of 18.000 teu with South Korean yard Daewoo.

The changes that the option for a third series of 10 sister vessels will be lifted at the end of March looks therefore very unlikely.

APMT continues investment policy in 2012

CEO Kim Fejfer of APMT has confirmed that another three billion dollars will be invested in new infrastructures, in the search for a larger market share for the Danish terminal operator.

When communicating the results of AP Moeller-Maersk Group Fejfer, said: "We have invested more than three billion dollars in new and existing infrastructure last year and want to apply the same policy for this year". In 2011 new terminals were implemented by APMT in Poti (Georgia), Moin (Costa Rica), Calfao (Peru), Gothenburg (Sweden) and Lazaro Cardenas (Mexico). Meanwhile the construction of the new terminals in Santos (Brazil), Rotterdam (Netherlands), Wilhelmshaven (Germany) and Vao (Italy) are being continued.



While just a new investment was announced in Izmir (Turkey). Although there are a number of investments in Europe, the focus remains especially on smaller markets, confirmed Fejfer. These emerging markets are meanwhile already accounted for three-fourths of the EBITDA of 1.06 billion dollars realized by APMT. Last year APMT handled 33.5 million teu, a surplus of 8 pct., taking in consideration all participations of their terminals. The turnover increased with 10% to 4,7 billion us dollars and profits fell by 18% to 649 million us dollars.



Lufthansa results colour red

Last year German air operator Lufthansa suffered losses amounting to euro 13 million. The net loss performance is a significant difference with the euro 1.1 milliard profit of 2010. The operational result decreased from euro 1 milliard profit in 2010 to a level of euro 820 million in 2011. Lufthansa realised a turn over increase with 8.3% to euro 28.7 milliard. The freighter part went up with 4.8% to 2.1 million ton carried globally in 2011.



The Germans agreed in December with IAG, the owner of British Airways, to sell the loss making "British Midlands". IAG paid euro 207 million for British Midlands, but the agreement still needs to pass the European Parliament for acceptance. Both Lufthansa and IAG hope the deal will be finalised by the end of the 1st quarter.



Lufthansa's CEA Christoph Franz has announced strong cost saving measures in order to make the company profitable again within short term. As a result thereof the operational result will need to be increased in 2014 with minimum euro 1.5 milliard. This is absolutely required in order to have sufficient funds available to realise new investments in the fleet and apply innovative products. Lufthansa is also looking to a closer integration of their daughter companies, Austrian Lines, Swiss, Germanwings and Brussels Airlines.

Brussels Airport volumes up with 6.6% in February

Freight transport at Brussels airport is developing positively. During February the tonnage increased with 6.6%. This means an increase with 1.2% for the first two months of 2012. In January Brussels airport was suffering a tonnage drop due to the fact the Chinese new year was celebrated in January this year instead of February.



The freight segment increased their tonnage with 8.8% compared to February 2011. That was due to additional flights from Singapore Airlines Cargo, Saudi Cargo Airlines, Korean Air Cargo and EVA Airways Cargo. The transported cargo volumes grew faster than the number of movements. The belly traffic generated total 1.2% plus to a total of 39.886 tonnes of freight. Last year February the airport handled only 37.425 tonnes during the same period.

Over the last two months 74.940 tons were handled, versus the comparable period of 74.017 tonnes in 2011. The increase is for the account of the freighter traffic which increased by 2.2%. A decline in the belly traffic was realised amounting to 1.0% minus.

Air France - KLM facing heavy loss

Air France-KLM have faced considerable losses last year. The French Dutch aviation group reported a loss for their 2011 financial year of euro 809 million net. The previous year (2010) the loss was still limited to only euro 46 million. The freighter division showed a negative figure of euro 60 million compared to a small profit of euro 15 million in 2010. The turn over increase slightly with 2.6% to a level of euro 3.1 milliard.



Mainly the high bunker costs hit Air France-KLM, but also the euro crisis, the uprisings in the Arab World and the earthquake and tsunami in Japan influenced the final results. Turnover increased with 4.5% to euro 24.4 milliard but this was insufficient to compensate the rising charges of kerosene. The fuel invoice went up with more than euro 900 million according to a group statement.



Finally the operational loss of the aviation group reported was euro 353 million, whereas there was still a small profit in 2010 of euro 24 million. Topman Jean-Cyril Spinetta commented 2011 was a very difficult year, and 2012 looks far from being better. The group has projected another increase of fuel prices for an amount of euro 1.1 milliard for this year while market circumstances remain very tough. As a result there will be no dividends paid out.

Air France-KLM reduced their capacity in 2012 with 2.4% and carried 1.2% less freight. Exploitation percentages scored 66.4%, which is also 2.4% lower than during 2010. Investments have not yet been reported so far but rumours go that older airplanes will be replaced by newer and more fuel friendly types. It is not expected the fleet will increase and the capacity will grow much more slow than in the previous years. Saving measures taken earlier this year, will result in a better cash flow situation during the second half of the year.

The target of Air France-KLM is to reduce the total costs with 10% over the coming three years, excluding the unexpected fuel price fluctuations. Debts will need to be reduced with euro 2 milliard. Staff will need to apply more flexibility and performance, salary increases will not apply and no new staff will be taken on board.

