

NEWSLETTER

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Kolding not worried

Despite the fact that in recent months a remarkable number of large orders were placed for large container ships, the big boss of Maersk Line is not worried.

Eivind Kolding, CEO of Maersk Line, finds that the 1.4 million teu new capacity that has been ordered this year, seems to fairly match with what the industry needs in the coming years. Maersk Line just ordered a second serie of ten 18,000 teu ships destined for the trade between the Far East and Europe. According to the Danish company the volumes on this trade remains with a annual growth of 5-8% and therefore more capacity is needed.



A third order of recordships will probably not be placed immediately.

Hutchinson Ports worried about future handling of giant ships

Hutchison Ports' CEO John Meredith says that owners and terminal operators talk too little about the future needs of the liner biz. The terminals also see no profit in the scale enlargement.

John Meredith, CEO of the largest container handling group in the world says there is too little consultation around the quickening of scale-enlargement in liner shipping between shipowners, ports and terminal operators. "We look very far into the future to see if we can assess the capacity of the containervessels of the next generation," he said in an interview with Lloyd's List. "Now we combine 'guess' and 'estimate' the possibility that some one will build a vessel of 24,000 TEU."

Ulcs are a major problem for terminal operators. Not that they are untreatable along the waterfront, but there are huge areas required for treatment on the quay and on gate infrastructure.



Medium-sized container ships offer more flexibility than the "rush and crush operations for a ulcs. And then there are the needed investments that are still questionable. Owners expect their 18,000-TEU ships will be treated at the same price, but the costs are greater because of the need for more staff, bigger cranes and larger berths, without any benefit to the terminal operator. Meredith also expresses his concern about what he called 'line work' for the construction of containervessels.

It now takes 18 months to build ships, where previously it was 3 to 5 years. According to Meredith, the risk of overcapacity in the liner business increases because owners very quickly decide to build new ships and usually do so 'en masse'.

They are just back in black but are ordering not two or three ships at once, but ten with an option for another ten. According to Meredith that makes that the market gets quickly saturated, while shipowners remain puzzled about the fact that competition lowers the prices.

NYK to start ninth Far East service

NYK Line receives a fixed allocation on the CKYH Green Alliance service. This way the Japanese company is able to offer an additional service between North China and Europe. "K" Line and Yang Ming each put four ships each in service with a capacity of 8208-9040 TEU. NYK will use the service for cargo from Qingdao, Shanghai, Ningbo and Hong Kong to Rotterdam, Hamburg and Antwerp.



The Japanese company already announced to use CKYH -Green Alliance NE6 service. For this service Cosco and Hanjin provide ten ships between 8400 and 9954 TEU. They connect Kwang Yang, Busan, Ningbo, Shanghai, Xiamen, Yantian and Hong Kong to Felixstowe, Hamburg and Rotterdam. NYK Line now maintains nine service between the Far East and Northern Europe.

CSAV searching for fresh money

Chilean carrier CSAV has raised \$430 million of \$500 million in additional capital from shareholders, and expects the rest to be fully subscribed. CSAV has been trimmed services as it seeks to raise capital to deal with a declining rate market.

CSAV said the shareholder interest in adding capital was "a strong demonstration of the shareholders' significant support and trust in the future of the company." The Luksik group, a Chilean mining and investment group, increased its stake in CSAV in April and announced plans to seek an additional \$500 million in capital. At the same time, CSAV said it would sell up to 49 percent of its shipping services and ports subsidiary subsidiary.



CSAV expanded rapidly after receiving a cash bailout of \$770 million in 2009 from German shipowners, including Peter Dohle, which took a minority stake in the company in exchange for lower charter rates. The company jumped from 16th in global container ship capacity to seventh, measured in 20-foot-equivalent units.

K-Line – no new buildings scheduled

Kawasaki Kisen Kaisha Ltd., Japan's No. 3 container line, said it may take as long as a year to decide on plans for adding larger vessels, even after its two main local rivals signed deals to add big box ships. "We're not in a hurry," President Jiro Asakura said in an interview in Tokyo on June 29. "We will use large container ships in line with the industry trend, but we're going to think about when and how." A delay will let the company assess the market and work out the best mix of chartered and purchased vessels, Asakura said, without elaborating on how many ships it may add.

In the past two months, Mitsui O.S.K. Lines Ltd. and Nippon Yusen K.K. have both agreed to contracts for vessels that carry more than 10,000 containers to help pare operating costs. "Larger ships are more fuel-efficient, but they are very difficult to fill," said Ryota Himeno, an analyst at Mitsubishi UFJ Morgan Stanley Securities Co. "It may pay to take your time and ensure you have the customers for the extra capacity."



A total of 167 vessels able to carry 10,000 twenty-foot containers or more are on order worldwide, according to data from shipbroker Clarkson Plc. This year, A.P. Moeller-Maersk A/S has ordered 20 vessels able to carry 18,000 boxes, which will be the biggest afloat.