



NOL repudiates renewed interest in Hapag Lloyd

Singaporean Neptune Orient Lines has officially repudiated the rumours having made a new offer on the available shares of German container carrier Hapag Lloyd. NOL owners, state owned Temasek has confirmed this in an interview with Germany newspaper "Die Welt".

NOL had been one of the parties interested to buy the Hapag Lloyd shares in 2008 when TUI announced they were willing to sell their participation in the German carrier. At that time the consortium Albert Ballin lead by Kuehne & Nagel CEO, Klaus-Michaël Kühne offered a better price and today is majority shareholder with 61.6% of the total shares.



The remaining share of tourist group TUI is today representing 38.4% of Hapag Lloyd. According to the latest statement of TUI, three options remain open for their selling. An official sale via the stock exchange, the selling to potential and interested investors or the lifting of the running optional agreement signed with Albert Ballin. The latter is expiring on January 2nd and TUI has announced already before they feel it more likely this will be finalised. Probably the decision will be taken on December 13th when a BOD of TUI has been fixed.

CKYH Green Alliance stops their NE4 service

Carriers Yang Ming and K-Line will temporally combine their NE4 and NE2 services between Northern Europe and the Far East into one service only. The target is to reduce capacities on this trade lane.

Practically this means the end of the existing NE4 service. The NE2 loop will receive an additional port of call at Shanghai. The fleet will also be expanded from nine to ten vessels. According to an announcement of the CKYH alliance, this measures are only applicable during winter season and the present schedules will become operational again in April next year.



Momentarily the NE4 service is secured by four vessels of Yang Ming Line each 8.204 teu and four vessels from K-Line with 9.040 teu, and is representing 3.2% of the total capacity on this route. Earlier this year the same Alliance, in cooperation with their other partners Cosco and Hanjin Shipping, sacrificed their NE5 loop and is now reduced to four weekly operational services.

The stoppage of the NE4 service has also consequences for UASC, NYK, OOCL and China Shipping who have running slot arrangements and allocations on the vessels of this loop. In Northern Europe, three ports are losing their weekly sailings being Rotterdam, Hamburg and Antwerp.

The last sailing of the NE4 service has been performed by the "YM Ultimate" on December 8th ex Qingdao. Afterwards it will sail to Shanghai, Ningbo, Hong Kong and Singapore. The NE2 service who will be absorbing the volumes of the NE4 service will connect in future the ports of Shanghai, Xiamen, Kaohsiung, Yantian and Singapore with Rotterdam, Hamburg, Felixstowe and Antwerp. This service will have vessels of Yang Ming and K-Line operating this rotation.



Maersk increasing Sammax vessel capacities

The current order of total 16 vessels under construction with Daewoo ordered by Maersk for which there are still eight vessels to be built by the ship yard, will receive a larger capacity than originally foreseen. The new ships will be able to carry 8.500 teu. The vessels type name "Sammax" is referring to the largest type of container vessels which are presently able to call at the South American ports.



The South Korean yard "Daywoo" has eight Sammax vessels under construction with a capacity of 7.450 teu and is equipped with 1.700 reefer plugs. They will be employed on the route between the Far East and the east coast of Latin America. The captains bridge will be lifted in order to take two extra rows of containers on the upper decks. This way the capacity will increase with 1.000 slots.

Meantime Maersk Line is also taking the same measures with some other older VLCS units of 8.200 teu upto 8.600 teu, in order to increase their capacity to 9.600 teu. The additional top rows are most suitable to carry empty repositioning containers or light containers. The discharging speed of these top rows containers will be more quickly in the near future due to the fact that Maersk Line will be using a new type to twist locks to secure the container during their ocean transport while on board of their vessels.



By using normal twist locks, the stevedoring company discharging the containers, first have to bring dockers on board of the vessel to open the locks manually. This will be no longer necessary with the new automatic system since the twist lock will open immediately when the container is lifted by the shore cranes. According to a Maersk statement this could save between 20 and 50 minutes and port operations could start sooner after berthing.

Maersk Line has been testing the new twist locks during one year on one of their vessels, the "Maersk Bali" with satisfactory results. The system will now be used in future on all their ships. Also the fourteen vessels of the S-class, of which the captains bridge will be lifted and the Sammax type's will receive the new locks.

CSAV denying sale of liner services

Chilean container operator CSAV has no plans whatsoever to cease their liner activities and sell out their business likewise Malaysian ship owner MISC Berhad. Celfin Capital has been nominated as financial advisor with the target to find an additional strategically partner for CSAV, but not with the aim to sell the liner operator.



However the rumour launched in the press that this nomination would lead to a sell out of the container operations of CSAV and their liner activities have been officially denied by the board of directors in a press release. Last month Celfin Capital was involved in the capital raise of us dollar 1.2 milliard by CSAV. The extra funds were required to compensate the losses occurred amounting to more the us dollar 300 million per quarter. Only the loss in the 3th quarter of this year was counted us dollar 343 million.

The speculations running through the market are most probably referring to the fact that the shareholders of CSAV have split the activities of sister company SAAM, involved in port- and terminal operations. According to a statement of CSAV this was executed in order to develop better SAAM's activities. The liner operations of CSAV are also known in the market as CSAV Norasia and Libra and are under control by the families Claro and Luksic. It was recently the Luksic family who supported the new capital injection of CSAV.



CMA CGM implementing further cost saving measures

As stated before, French container operator CMA CGM has planned to save minimum us dollar 400 million next year. As a result it will place no new orders for new vessel buildings. After a catastrophically result in 2009, CMA CGM was able to make record profits last year.



Despite the fact that CMA CGM president Mr. Jacques Saadé declared earlier this year he would succeed to achieve beneficial results in 2011, it looks more and more likely that due to the present market circumstances, he will not be able to stand his promise. Since also Danish #1 container giant Maersk Line recently reported losses and the tariff level on CMA CGM's main trade route between Asia and Europe keep going down, the changes that the French carrier will be faced again with losses becomes more realistic day after day.

As CMA CGM is suffering indebtedness and is rarely supported by financial income from other the liner activities, the BOD has to take additional saving measures with immediate effect. This will now be achieved by selling assets and save costs.



Earlier this year the CMA CGM participation of 50% in the Maltese Marsaxlokk had already been sold, now also sister company "Compagnie du Ponant" has been disposed. The company which is exploiting cruise vessels has been sold to the Lebanese holding "Merit", owned by the family Saadé. In a press interview with French newspaper "Le Marin", Rodolphe Saadé has declared there will be a new round of cost saving measures which will be taken within short.