

CMA-CGM selling ships

Greek ship owner Embiricos has bought 3 container vessels each with a capacity of 6.700 TEU from French CMA-CGM. This financial transaction has brought 105 million dollar of additional cash flow capabilities to the French container carrier.

The three vessels were performing in the regular liner service of CMA-CGM between the Mediterranean and the Far East. Nevertheless the concerned vessels "CMA CGM Ravel", "CMA CGM Bizet", "CMA CGM Debussy" will remain in service.

They have been chartered back by CMA-CGM from their new Greek owner for the coming three years for an amount of usd 25.000 per day and per ship. All three vessels are 9 years old.

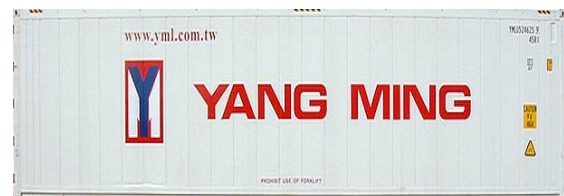


Yang Ming Line negative 2009 results

YML have closed their financial balance sheets for 2009 with a total loss of US dollar 500 million. The previous year 2008 still showed a positive result of US dollar 547 million. Main reason for the loss as per YML's information is the immense overcapacity of the container market and the drastic fall of freight rates.

Mainly routes to Europe and USA have suffered with a back fall of 50% in volumes. YML's dry bulk division operating under the name of Kuang Ming Shipping achieved a positive netto result of 1.5 million Taiwanese dollars.

The Yang Ming management expects an increase in volumes for 2010 of 7,3%. The shipping line is targeting to start up new liner services in combination with an improvement of their operational scope. This would lead Yang Ming Line again to a profitable situation in the near future.



No revival in shipping before 2012

HBSC Global Research published this month a report in respect of the regular liner shipping services. The report revealed that the present overcapacity will influence the continuation of the recently improved situation for the carriers. According to HBSC the overcapacity during 2010 will be 46%.



According to the HBSC report the situation will not change during 2010 and 2011. Three main reasons are indicated by HBSC. Beside the overcapacity, also the poor discipline of the carriers and the weakening of economical growth are the three main reasons for the delayed improvement.

Although the same report is indicating an increase of revenues of the shipping lines, the report is doubtful if this will continue for a longer time period. HBSC concludes that the achievement of rate increases are always followed by the shipping lines policy to increase their fleet capacity.

Moreover the number of unemployed vessels anchored by the carriers due to the crisis is still estimated to be 10% of the total capacity. A return the volumes of 2007 will only be realised towards 2016. Also the increase of low value commodities is not beneficial to stabilize the freight rates.

According to HBSC evaluation, the present increase occurring in East-West trade is only due to the European market refilling their present stocks. The report continues stating their believe is that main volume increases on main trade routes are due to the revival of the volumes on the Intra Asian trade routes.



Production of new built containers collapsed

Alarming figures found in container production during 2009. Last year only 350.000 new containers were built. This is the lowest figures since the 70-ties ... !!! ... The statistics show this a downwards trend with 90% compared to 2008 ...



Even more alarming is the fact that 65% of this volume is relating to special equipment reported Containerisation International. In earlier years standard equipment was taking 90% of the new orders volume.

As a result many Chinese manufacturers closed their doors since October 2008 or were forced to slow down their activities drastically and with immediate effect. The present production capacity would be less then 3 million TEU annual based on one shift per day.

In August 2008 rates for 20ft standard containers reached an accelerating height of us dollar 2600 per unit. This was the highest price over the last 15 years and resulted from the increase of steel trade with 70%. However the decrease in demand pricing went down to us dollar 2150 per unit media 2009.

Finally towards the end of 2009 the pricing reached a bottom of us dollar 1900 per 20ft container because of the lack of new orders. Last year main production of containers was focussed on 40ft pallet wide containers and 40ft flat racks.

Historical decline in volumes by PSA International

Volumes handled by PSA in 2009 decreased for the 1st in their history with 9.9% to a volume of 56.9 million TEU on a global scale. For the second consecutive time the Singaporean company has seen declining their nett profit with 6.1%. PSA exploits terminals in 28 ports spread over 16 countries.

Mr. Eddie Teh, PSA's CEO, declared that 2009 was an extremely difficult year. According to his recent statements there is still a believe that another macro economical crisis might further reduce the overcapacity in production. The operational cost structures of PSA was screwed down with 14.8% or 2.7 milliard Singapore dollar while the groups annual turn over decreased with 3.8 milliard in 2009.

The Singapore terminals of PSA dropped with 13.1% in relation to their volume handled compared with 2008. The foreign terminal suffered a drop of 7.1% only. Main reason for the better performance of the foreign terminals is due to the Chinese terminals, which were hit less. Also the implementation of the new terminals in Vietnam and Chennai/India contributed to a better result.



In Belgium, PSA is operating terminals in both Zeebrugge and Antwerp. In Antwerp PSA is active on 5 different terminals. At the right side of the river they operate the MSC Terminal in a 50/50 joint venture and the North Sea and Europa container terminals.

On the left river side they are active in the newly launched Deurganck terminal. During 2008 the volumes handled in Antwerp dropped with 15.5% to a level of 6.1 million TEU