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Maersk Line – Slightly optimistic about liner developments

The group AP Moeller-Maersk has recorded a profit during the first-half of 2010 amounting to 2.5 milliard us dollar against a loss of 0.5 milliard us dollar in the first six months of 2009.

The group's turn over increased with 20% during the first semester of this year. This was mainly due to the increased rates and volumes in their liner department. Also the higher oil prices influenced the result. Rates increased with 31% during this period whereas volumes went up with only 11%. Moreover cost effective measures achieved a 500 million us dollar of savings.

At the same time, the AP Moeller-Maersk group sold their participation in the Yantian International Container Terminal and also Norfolkline was sold to their fellow country men of DFDS. A spokesman of the group stated that 2010 was developing satisfactory and the profit expectations for 2010 were budgeted at more then 4 milliard us dollar. The container trade proved to accelerate better then expected but the global economical developments are still monitored very carefully.

Maersk CEO Nils Anderson is still doubtful in respect of Maersk Line's projected profit's for the 4th quarter of 2010. Although the expectations in liner shipping for the 2nd half of 2010 are at the same level as the 1st six months, Anderson repeatedly referred to the fragile global economy as an uncertain factor. Mainly the evolution of the freight tariffs, the transported volumes, the strength of the us dollar and the oil prices are decisive factors for Maersk Line for a continued restoration of their results.

ZIM Lines – Profitable again

After the 2nd quarter of 2010, Israeli container carrier Zim Lines has reported positive figures again. However while the profit of 3 million us dollars is still rather small, compared to the loss of 186 million us dollars during the same period last year, this is a very positive evolution. Moreover since it was projected that ZIM Lines would only return to profit during 2011.

Turn over went up with 72% to a level of 933 million us dollar en the volume carried has risen with 25% to 547.000 transported TEU. The result shows that the restructuration measures forced last year by an additional capital injection of the shareholders supported by the banks with another us dollar 500 million investment, are paying off. Freight tariff levels increased with 26% during the same quarter.

Not longer then one year ago, the shipping line was very close to bankruptcy with a loss of us dollar 340 million in 2008, and another loss of 429 million during 2009. Also the 1st quarter of 2010 a loss of us dollar 82 million was reported. We thus can safely say this is quite a spectacular revival of ZIM Lines supported by increasing volumes in combination with increasing freight rates and cost control.

China Shipping (CSCL) – Performing profitable

Chinese carrier China Shipping Container Line has made lucrative results during the 1st semester of 2010. The net profit reported amounted to us dollar 172 million, an increase with 134% in comparison with last year. Revenues per TEU from Northern Europe and the Mediterranean increased with 183%. Volumes went up with 11.6% and all vessels were taken into the regular service again.

According to a CSCL's spokesman the crisis however is far from over despite this good performance. The European credit crisis and the slow economical revival in the USA is giving us a warning sign that we need to be very careful for this years 4th quarter stated the Chinese shipping company.

CMA CGM – Troubles are over …

CMA CGM has fully benefited from the upturn in economic activity and trade in the first semester. The French shipping group has completed the first six months with a net profit of 864 million euro's. The traffic volume jumped from 22% to 4.4 million TEU's.

The third largest container shipping company in the world closed the first half of 2009 with a 518 million euro net loss and a traffic volume of 3.6 million TEU's. The turnover amounted to 4,8 milliard euro's. With 6,8 milliard euro during the first six months of 2010, the group has 41% improved.

According to CMA CGM, the achieved benefits are amongst the best in the industry due to the limited fixed cost base and the strategic choices made in the recent past by investing in ULCS type vessels. Thanks to these efforts the group could link-up with the developments of the global growth and the increase in transport volumes and freight rates.

CMA CGM will be expanding its fleet capacity further to keep up with the rising volumes. The French carrier has taken into service six new large container ships in July and August, two of 13.800 TEU and two of 11.400 TEU. The group, which has also taken new built vessels in time charter, brings herewith its fleet to 394 vessels (including 93 owned)

Still, CMA CGM is cautious about the immediate future. The competition remains high in an international economy that exhibits many contrasts and the group will continue its policy of cost savings in the second semester. The trend for the end of the year remains positive. Meanwhile, there are no further disclosures within CMA CGM about ongoing negotiations with potential investors.

Congestion risks increasing

Thanks to the very marked upturn in container trade, many ports in this sector have been successful to get volumes back to the level they were approaching before the crisis. Immediately plunges the fear of a return to congestion again.

In its latest report, Drewry stated that the investment in new container terminals urgently need to be picked up, in order to avoid a return to the situation of the congestion problems before the crisis. The British consultant has revised his projected growth of container traffic by 2015. Drewry expects now that container trade will show an average growth of 7.2% per year by that time.

The total volume of container handling in the ports during the period 2009-2015 would increase up to 245 million TEU, or almost 50% up. The handling capacity however will rise to 143 million TEU, an increase of about 21% only. As a result thereof, the pressure on the container terminals will increase. The risk will be especially high in the Middle East and the Far East, where the utilization of the terminals could reach 95%