

BREAKING SHIPPING NEWS

October 2010



Alarming information is coming from the various container carriers in respect of their service capacities this winter season. The failure of announcing their new schedules for the winter time is a clear sign the **vessel capacities will be drastically reduced** by the ship owners.

According to a spokesman of AXS Alphaliner it is likely that the current idle fleet of only 225.000 TEU will rise to 600.000 TEU and even **1 million TEU** by the end of December. Last year January the idle fleet was amounting to 1.5 million TEU. At least **three services are expected to be removed on the Far East-North Europe route,** as well as two on the Far East-Mediterranean route.



The measures which will be taken by the service operators is required to bring supply and demand into balance, as demand trends to show signs of weakening after the past nine-month surge. Since seasonal volume reductions are due shortly, especially on the Asia-Europe trade, the decline of the idle container fleet looks certain to be revised in the coming weeks. On this trade lane it is expected that **10% of the current ships could be removed from service.**

The reduction of the idle fleet since the beginning of this year has been driven by service re-activations and the introduction of new services. Also the absorbance by the application of the super slow steaming concept has lead to a shrinkage of the idle fleet of around 320.000 TEU.

