

New Incoterms 2010

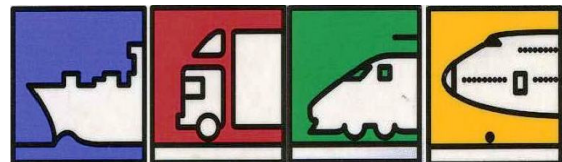
Recently the new Incoterms 2010 have been introduced in Paris by the International Chamber of Commerce. The Incoterms rules define the responsibilities and costs between buyers and sellers in a market of global transactions. De new regulations will apply as from January 1st, 2011.

The first Incoterms were published by the ICC back in 1936. The goal was to avoid misunderstandings in respect of costs, risks and liabilities between buyers and sellers when arranging a delivery of goods in an international trade environment. This publication was the first serious attempt to have a juridical basis for closing worldwide commercial transactions. Today these conditions have become part of daily global trading by using wordings like "ex works (EXW), free on board (FOB), cost and freight (CFR).

The last update prior to this release were done in 2000. Since then international trading has changed and 2 years ago it was decided to update the Incoterms again. Although originally it was believed only some smaller corrections and additions could do the job, it was found after little time that the changes required needed to be more progressive.

Three main facts caused a larger change then initially thought. The containerisation, the increased demand for security during the transport and the advance influence of e-commerce. The new 2010 Incoterms have now 13 rules in stead of 11 before. Two new rules have been added : "Delivered at Terminal" (DAT) and "Delivered at Place (DAP).

Regretfully surveys have found that the Incoterms are not sufficiently known. Therefore the ICC will take future initiatives to increase trainings and info sessions. On September 27th the first starting seminar already took place in Paris.



New type container vessel under construction

German ship owner Bernhard Schulte en Greek ship owner Costamare have reached an agreement with Chinese shipyard "Jiangnan Shipyard" for the construction of 3 container vessels with a capacity of 9.000 TEU.

De new buildings will have an overall width of 48.30 mtrs (19 container rows on deck) which are again larger then the MSC vessels presently under operation. As a result the vessels draft will be reduced. This will enable this type of vessels to enter substantially more ports and thus they have the potential to be employed to more routes then before.

Nineteen container rows on deck will also be the new panamaxnorm in future after the new locks of the Panama Canal will become operational. Wider vessels of 9000 TEU will then be able to cover an "all-water" service between Far East and the USA East Cost.

Moreover both ship owners have taken an option for the construction of three more container vessels of the same type. Not confirmed rumours have stated that all 12 vessels will be chartered by MSC. The carrier would charter the ships for a duration of 10 years at a tariff rate of us dollar 43.000 per day. First deliveries are planned during 2012.



Evergreen – 2 x 10 new container vessels

Taiwanese shipping line Evergreen has ordered a new series of 10 container L-classed vessels with a capacity of 8.000 TEU with South Korean ship yard Samsung Heavy Industries. The costing per vessel will be us dollar 103 million.

Already in July, Evergreen had placed an order with the same ships yard for 10 ships of 8.000 TEU. The first five vessels of this order should be delivered in 2012. The other five are foreseen to become operational in November 2013. For this new second order, it is planned that the first delivered vessel will sail for his maiden trip in 2013.

It is Evergreen's ambition to built a total of 32 units of this L-class type. Also in July, Evergreen signed a letter of intent with another South Korean wharf "STX" for the construction of twelve units with this capacity. However final negotiations about the pricing of the vessels lead into a dead end street.

The cancellation of the "STX" deal with Evergreen is considered to be a strong signal towards the Chinese ship yard "China Shipbuilding Corp" that pricing for Evergreen is of vital importance. Negotiations with this construction company have been dragging on for months without reaching a final agreement.



The new L-class vessels will be 334.8 metres long and 45.8 metres width, resulting in 18 container rows on deck. In view of these dimensions however it is more likely the capacity of these vessels will be closer to 9.000 TEU then to only 8.000 TEU. The vessels are built for a service speed of 24.5 knots thus clearly indicating that Evergreen will not be applying the concept of "slow steaming" forever.

Transatlantic routes facing stormy oceans

The regular liner trade on the transatlantic routes north and south have been hit very hard in 2009, with both a decrease of the volumes and a falling of the freight rates. The carriers responded with a capacity adjustment. In the first half of this year there was a recovery in volumes, but not at the level of 2008. Meanwhile, a number of attempts to restore the rates were taken, however on the westbound trade they remain insufficiently.

On the eastbound route a volume decrease of 25.1% was determined. The westbound trade was in a slightly better position, but lost also 15.15%. The carriers were obliged to adapt their capacities. Several loops have disappeared, including the still recent initiative taken by Evergreen, Zim and CMA CGM / CSCL. Also well established services like the St. Lawrence Co-ordinated Service of OOCL and Hapag Lloyd had to cancel running loops from their schedules.

In total 25% of the total capacity on the Transatlantic trade was cancelled. Although this drastic figures is still less then previously expected, the good news was that the westbound tariff rates reached a profitable level for the carriers. This year the situation looks improved a little again despite the fact that volumes are not back as they were in 2008. Main conclusion at present is that volumes are increasing more rapidly on the WB-route then on the EB-route. Also the 2nd quarter improved towards the 1st one of this year but regretfully July gave a negative growth.

Last year the volumes dropped with 19.28% on the WB-route during the first six months of the year. In 2010 there was an increase of 17.9% on the WB-route in comparison with the first half year of 2009, however the volumes are still scoring 4.82% under the 2008 volumes.

On the EB-routes the figures show a different situation. In 2009 there was a decrease in volumes of 32% and also the rehabilitation in 2010 is slower. There was an increase of 14% on the route between Europa and North America, however volumes are far below the 2008 with 22.5% underscore.

