



**AXS-Alphaliner News** is a weekly summary of the latest liner shipping news compiled by **Alphaliner** and published daily on the AXS-Alphaliner website. It is e-mailed every Monday night, and is available free of charge upon request, at our discretion. Information is given in good faith but without guarantee. Please send your feedback, comments and questions to [data@alphaliner.com](mailto:data@alphaliner.com)

- > **Who owns what ?**
  - > **Who operates what ?**
    - > **What is the calendar of delivery of newbuildings by operator, by owner, by size ranges, by year ?**

These questions are one of those answered in a brand new AXS-Alphaliner document based on the world containership fleet at 1<sup>st</sup> January 2009.

A set of detailed tables ranks over 250 carriers that currently operate in the liner trades. Newbuilding information is provided based on known operator/charter information. The uncommitted fleet comprising charter-free vessels ranked by non-operating owners is also included.

**Please contact  
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## Cape of Good Hope route for Europe-FE legs

Maersk Line, CMA CGM and CSCL have re-routed at least two mainline Asia-Europe services from the Suez Canal to the route via the Cape of Good Hope in the eastbound direction. Historically low container rates –especially in the eastbound trade–, decreasing bunker costs and insurance piracy premiums for ships transiting the pirate infested waters off Somalia have all of a sudden turned the Cape route into a viable alternative.

The savings in canal costs add to savings in insurance premiums to justify such a decision (See below). Besides, the "piracy" insurance premium cannot be fully recouped by the per-box-surcharge to shippers (cautiously called "Aden" sur-

charge) due to the insufficient number of loaded boxes in the eastbound direction.

Thus, once having left Algeciras last week, the ELLY MAERSK did not proceed east, but instead headed straight south down the African coast. ELLY performs the first of (at least) seven voyages in the AE-7 that will skip calls at Tanjung Pelepas, Hong Kong and Yantian and head directly to Shanghai, which she is scheduled to reach after 33 days. Westbound voyages of the AE-7 will not be affected by Maersk's decision and still follow the usual route via the Suez Canal.

At the same time, CMA CGM and CSCL decided to temporarily route their joint FAL-2 via the Cape. The CMA CGM NORMA is the first vessel to steam around Africa. The FAL-2 will use the

CGH route for a test period of eight weeks on eastbound sailings, returning via Suez. Contrary to Maersk's AE-7, the FAL-2 loop will serve all its usual ports of call, which means that the duration of the rotation is stretched by one week.

Presently it is not yet known whether more shipping lines will follow Maersk's, CMA CGM's and CSCL's example.

### **CGH route – The economics**

So does it make economical sense to round the Cape of Good Hope? Assuming the ship plies at 22 knots, almost seven days of extra steaming time are required to connect, say, Rotterdam to Singapore via the Cape of Good Hope (CGH) instead of Suez. Taking into account ship fixed costs (including capital costs) and fuel consumption based on current bunker rates of USD 220 (FOB Rotterdam), the seven extra steaming days roughly cost a total of USD 500,000 in terms of ship total expenses according to Alphaliner calculations.

Considering that Suez canal transit costs hover around USD 500,000 for a 9,000 teu ship and the additional burden of the Aden insurance premium, the routing of the ships via the CGH in the eastbound direction allows savings, especially as the Aden box surcharge charged to shippers is spread on a relatively small number of laden boxes and thus the insurance surcharge is not recovered in full. However, it comes at the expense of transit times as the leg Rotterdam-Singapore takes for example 23 days via Suez against 29-30 days via CGH.

Taking the detour via the CGH seems entirely justifiable in today's slow market. Nevertheless, round-Africa trips will certainly not become the rule - they are the consequence of a conjunction of external factors that will make the CGH route viable for a limited period.

Ironically, the CGH route has been used by the very first containerships deployed on the North Europe-Far East route in 1972 as the Suez Canal was closed for political reasons (it re-opened in 1975). After their departure from Europe, these

ships (of 2,500-3,000 teu) rounded the CGH in the eastbound direction and came back from Japan to Europe via the Panama Canal. At the time, Japan was the exporting engine of Asia and its geographical location made the Panama return leg interesting. Hence the importance of the panamax gauge at the onset of containerisation.

### **NWA merges TP loops**

The New World Alliance (NWA) (APL + MOL + HMM) is to merge two transpacific loops into a single one. The SAX and the PS 2 will be merged into the 'Pacific Rim Express' service (PRE). The PRE will connect Singapore, Hong Kong, Chiwan and Kaohsiung to Los Angeles, Lazaro Cardenas and Manzanillo (Mex), returning to Singapore via Yokohama, Kaohsiung, Chiwan and Hong Kong. The rotation will turn in seven weeks with seven ships of 5,500-5,700 teu, including those currently running the PS 2.

The PRE encompasses the calls of the SAX and PS 2, except Xiamen. The move is not yet official. It will result in the removal of a weekly capacity of 4,300 teu, according to Alphaliner figures. The SAX is run with five ships of 3,300-5,000 teu (3 x APL + 2 x HMM) without clear future employment prospects.

Some 1,000 weekly teu of the Transpacific capacity cut will be mitigated soon, when the NWA's PCX Pacific China Loop is upgraded from ca. 5,500 vessels to 6,500 teu units cascaded from the Asia-Europe AEX / EU2.

Of note, the PRE includes a sub-service, the MAX 2, which involves APL and Hapag-Lloyd within an agreement distinct of the NWA. The MAX 2 is limited to the China-Taiwan-Mexico sector.

### **Extra capacity on NZ**

Maersk Line is to re-activate its additional (seasonal) New Zealand relay service connecting Tanjung Pelepas to New Plymouth, Nelson, Napier and Auckland (NEZ B), using four ships of 2,500 teu

fitted with 600 reefer plugs, turning in principle in four weeks. The NEZ B adds to the NEZ A, which covers Auckland and Port Chalmers (with also a wayport call at Brisbane, Australia), using 4,100 teu ships.

With the Austral fruit season, it is traditional that lines bring extra tonnage to cater for the extra export volumes. During the coming months, Maersk will be in a position to offer an average weekly capacity of 6,500 teu between New Zealand and the SE Asia hubs of Tanjung Pelepas and Singapore, to feed its mainline ships, mostly to South Asia, Middle East and Europe destinations since the ANZ-America and ANZ-East Asia markets are covered by dedicated loops.

**\*\*\* New \*\*\***

## **AXS-Alphaliner**

### **Far East-North Europe Survey Issued October 2008**

- **Tariff structure & adjustments in a post-conference world**
- **Supply forecast - Too many ships ?**
- **Slow steaming**
- **Fleet Forecast**
- **Market shares by carrier**
- **Carriers profiles & services**

**Price : EUR 1,500**

On its side, COSCO is to boost by 60% the capacity of its fortnightly Japan-Korea-Shanghai-NZ Express service, one of two weekly loops operated within an agreement between COSCO and the JNZCS partners (Maersk, NYK, MOL). COSCO is to assign three ships of 2,700-2,800 teu in replacement of the current three 1,700 teu ships - coinciding with the beginning of the Austral fruit season. The COSCO service alternates with the

JNZCS loop, which uses three ships of 1,700-2,500 teu.

## **Various Lines News**

PIL, Wan Hai and K Line have concluded an agreement to jointly operate a trans-pacific service linking China to the U.S. Pacific South West (PSW), effective end February. It will deploy five ships of 5,500 teu, three of which provided by K Line while WHL and PIL will each provide one ship, chartered from K Line. This joint service results from the merger of the PSW-1 service currently operated by K Line (part of CKYH) with five vessels of 5,500 teu and of the PIL-Wan Hai China Transpacific service (CTP) currently ensured with five ships of 2,500-2,950 teu (averaging 2,630 teu). Other CKYH partners Yang Ming, Hanjin and COSCO are understood to continue to buy slots from K Line within the frame of the CKYH agreement. This initiative leads to a net loss of capacity of 2,630 teu on the FE-US trade, corresponding to the capacity of the PIL-WH service.

PIL has reached an agreement with Gold Star Line (Zim affiliate) to buy slots on the Far East-West Coast of Canada 'Asia Pacific Express' (APX). The APX connects Xiamen, Shekou, Hong Kong, Shanghai and Busan to Vancouver. It will succeed to the service ensured through slot buying from K Line since July 2006 (PIL currently offers an FE-Vancouver service through slot buying on the FE-Vancouver leg of the K Line's WCNA-FE-North Europe PNW / AES-2 Pendulum - currently perturbed by a capacity monitoring program).

CSCL is to re-instate western Med calls (Genoa, Barcelona, Valencia) on its FE-Europe 'AEX-1' loop, although it is yet unclear if they are inserted in the westbound or eastbound direction (CSCL advertises some westbound sailings with Med ports served after North Europe ports - so with uncompetitive transit times such as 30 days for Hong Kong-Barcelona - which appears to be a compromise between continuing to ensure

competitive transit times on FE-North Europe while still continuing to serve its customer base in western Med). Barcelona and Valencia are actually again added on AEX-1 six months after having been removed, while Genoa is a new call. The Med calls will probably also help CSCL to fill its ships. It is recalled that CSCL had been serving the FE-Med trade with the joint CSCL-IRISL Asia-Med AMX-1 service until December, when it left the service. Slot buyers CMA CGM, Zim, and IRIS Lines are normally not associated with the Med calls.

Zim is to leave the Asia-Black Sea service that it operates under the BSX label jointly with CSCL, K Line and Yang Ming Line (ABX / CBX). Zim leaves as PIL and Wan Hai join after the closure of their own Asia-Black Sea service. Zim continues to serve the Far East-Black Sea trade through transshipment on its Black Sea feeder services.

Zim is to shift its Spain call from Barcelona to Tarragona on its Med-US-FE Zim Container Service (ZCS). The shift closes a 38 year chapter in the ZCS history, as Barcelona has been on its itinerary since its earliest days, according to Alphaliner archives (the ZCS was launched in 1972 with the first Zim cellular ships, of 1,400 teu).

Cagliari is retained as western Med hub for the revised India-Med-US service launched earlier this month by Hanjin Shipping, Yang Ming Line, K Line and UASC (IMU / MINA). Cagliari is also served by the revamped AEC 1 / AEC 2 service.

Maersk Line has altered its NCSA & ECSA relay service (NCX - hubbing at Manzanillo - Panama). The rotation has been extended to the River Plate to include Montevideo, Buenos Aires and Zarate. Stretching the rotation required the addition of a seventh ship in order to maintain weekly sailings. The NCX is now run with seven units ranging from 1,100 to 1,700 teu. Maersk Line has also revised its direct ECSA-West Africa Express (SAWA / WASADI) with the removal of

Buenos Aires, Libreville and Tema while the fleet falls from three to two ships.

With the austral fruit season to take off in Chile, Maersk Line is to launch a second Europe-WCSA loop connecting Guayaquil and San Antonio (near Valparaiso) to Rotterdam (ANDEAN 2), using ships of 2,500-3,500 teu fitted with a high number of 600 to 800 reefer plugs. The ANDEAN 2 will also call at Balboa both ways where connections are ensured with other WCSA ports, USWC ports and Asia. It comes as a complement to the ANDEAN 1.

Due to deteriorating market conditions, the AAS Consortium partners, namely APL, Hamburg Süd, Hapag-Lloyd, Hyundai Merchant Marine and Evergreen, have decided to reduce the capacity in the trade between North East Asia and Australia with immediate effect. The total nominal AAS capacity will be reduced by 3,200 teu per week in the February-June period. This will be achieved by bringing the AAS Southern loop (AAUS 2 / CAS) to a stop during this period. The AAS Northern loop (AAUS 1 / CAN) will be adjusted. The revised service is operated with six ships of 3,50-4,100 teu, taken from the existing loops, which employed a total of nine ships of 2,500 to 4,800 teu. The AAS Consortium partners will review the trade prospects in June 2009. Should the trade situation improve sufficiently to warrant additional capacity, the AAS Southern loop will be re-established, say AAS partners.

CMA CGM is to launch next month a new fortnightly service, branded 'Black Pearl' service, connecting its hub of Kingston to New York and Halifax, using one 1,100 teu ship. Connections at Kingston with existing deep sea services and on local services will be offered with the whole Caribbean basin, Central America and Latin America. The 'Black Pearl' schedule will be arranged so that the fortnightly sailings from New York occur in alternance with the fortnightly calls of the existing PAD service, thus allowing weekly departures on the New York-Kingston run. As for Halifax, it offers rail

services throughout Canada as well as to the US Midwest and northern USEC.

US fruit group Del Monte has chartered the 1,341 teu SHANTI, fitted with 449 reefer plugs. She is currently positioning from the Indian Ocean to the US Gulf area. She will cover Central American melon exports to the US, according to Reefer Trends. Del Monte does not operate any containership (at least on a regular basis) and relies on third party carriers for its boxed shipments. It operates regular reefer services, including through its subsidiary Horn-Linie, which operates a weekly Europe-West Indies/Costa Rica reefer/container service, backed by 800-1,000 teu cellular units chartered for round trips.

Evergreen is to launch the Korea-Taiwan-Philippines service (KTP), a service linking Hakata (South Japan), Busan, Kwangyang, Taipei, Kaohsiung and Manila. It will employ two ships of 1,164 teu, the UNI-ACCORD and EVER ABLE. The first sailing will occur from Hakata on 19 February.

Of note, the KTP will call at the Taipei Port Container Terminal (TPCT), a new deep water container terminal located in the new Taipei port located 20 km west of Keelung, operated by Evergreen, Wan Hai Lines and Yang Ming Line. Evergreen will also include the TPCT on its Asia-Europe Pendulum (UAE).

Chinese carrier 'China United Lines' (CULINES) has launched a direct service connecting four South PRC ports to Taiwan. It connects Yantian, Huangpu, Shekou and Shantou to Kaohsiung, using the 599 teu FAR EAST CHEER. CULINES operates China-Vietnam services and intra China services.

Danish company Unifeeder is to expand its services to/from St Petersburg FCT and Tallinn by connecting Rotterdam and Zeebrugge with these two ports, both northbound and southbound, through slot buying on APL's Northern Baltic Express (NBX). The new service will complement its present Rotterdam/St Pe-

tersburg PLP service and the Hamburg-Bremerhaven/Tallinn-St Petersburg (PLP, FCT, and Area 2) services.

US company MID-SHIP Group LLC, which offers supply chain services, announced it has partnered with Albacor Shipping, a project logistics specialist, to create a new business unit, MID-SHIP Project Logistics, focusing on all aspects of the shipping logistics of over dimensional and project cargo on a worldwide scale.

## Deliveries

Yang Ming Line has taken in charge the YM BUSAN, a Samsung-built 4,253 teu ship chartered from Synergy Marine Ltd. She is to join the FE-USEC 'AWE-3'.

Iranian company Valfajre Eight Shipping Co, a subsidiary of IRIS Lines, has received the 1,098 teu TABAN 1, third of four 'CV 1100' newbuildings from the Jinling Shipyard, purchased three months ago from German interests. They were originally contracted by Alpha Shipmanagement in October 2004. The TABAN 1 was known as PANDORA STAR prior to its purchase and was registered (with her three sister ships) in the name of a company linked to Rigel Schiffahrts, a chemicals/product tanker operator associated to Alphaship. The TABAN 1 is currently proceeding to the Middle East where she is expected to join the Valfajre Eight Shipping Co local regional network, acting as well as a feeder network for parent company IRIS Lines.

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## Panama Canal clarifies new Panamax gauge

The Panama Canal Authority is sailing ahead with its expansion program. It has officialised the dimensions defining the New Panamax size vessel : 366 meters in length, 49 meters in beam and 15.2 meters in tropical freshwater (TFW) draft. The chamber dimensions of the new locks will be 427 meters long, 55 meters wide and 18.3 meters deep.

Each of the new lock complexes will have three chambers, and each chamber will have water-saving basins that will permit the reutilization of up to 60% of the water employed in the lockage of a vessel. The program also entails the widening and deepening of existing navigational channels in Gatun Lake, Culebra Cut, and the Pacific and Atlantic Entrance Channels.

## Terminals

### Tacoma

The WUT container terminal in the port of Tacoma (US Pacific coast) today received two super-post-panamax gantries from Chinese manufacturer ZPMC. These 24-row-wide SPPs will be among the largest cranes in the region. Adding to four 18-row units, they will significantly raise the capacity of the terminal that handles the NWA's PNW service and the NWA-Evergreen's JAS service.

Several terminal upgrade schemes are presently underway at Tacoma but some of them have reportedly come under scrutiny, after cargo volumes dropped all along the USWC.

### DP World

Port operator DP World (DPW) said today it was reviewing all port expansion projects in the light of the economic slowdown. DPW furthermore announced plans to cut costs and freeze recruitment in 2009.

The company's CFO said that DPW would basically continue its growth strategy, but was in no hurry to expand through acquisitions until the market improves. Despite the difficult trade environment, DPW's throughput in the last quarter of 2008 grew by some 10% compared to the equivalent period of 2007.

The port operator's strong presence in emerging markets mitigated the effects of the global economic slowdown, which was primarily felt on the more established mainline corridors, DPW said. According to DPW, the markets in Australia and the Middle East are expected to show growth in 2009, whereas Europe and Asia would remain 'challenging' in the foreseeable future.

### Huizhou

Hutchison Port Holdings (HPH) and the Huizhou Port Affairs Group Company recently held a groundbreaking ceremony for the Huizhou Quanwan International Container Terminal (HQCT). The new facility will have two panamax berths which will offer a total of 800 metres of container quay.

The port of Huizhou is located on the Pearl River Delta's east side, some 30 kilometres northeast of Yantian. Unlike Yantian, Shekou, Chiwan and Dachan Bay, which are all part of the City of Shenzhen, the port of Huizhou lies in the Huicheng District – about 45 kilometres south of the city it is named after. Huizhou, a city of three million inhabitants, is not a traditional port, but it has developed a small green field seaport which so far mainly catered for product tankers and general cargo vessels. Once completed in 2010, HQCT will thus be the first dedicated container terminal in Huizhou Port.

The Port possesses natural deep water conditions with an approach channel clearance of 15.2 metres. An expressway network and two railway corridors, the Beijing-Kowloon and Guangzhou-Meizhou-Shantou lines, connect HQCT to

the Pearl River Delta and manufacturing hinterlands.

## Shipyards

### DSME

The Korea Development Bank's board of directors recently decided to terminate the sale of a 50.4% stake in Daewoo Shipbuilding & Marine Engineering Co (DSME), worth roughly USD 4.36 bn, to the Hanwha Group. The decision does not come as a real surprise, since it became more and more obvious that Hanwha was facing difficulties raising funds for the acquisition. Reportedly, the Korea Development Bank was also reluctant to accept Hanwha's demand to revise the terms of the sale.

For the time being, DSME thus remains state-controlled. The Korean state's majority share in the shipyard dates back to 1999 when the government came to the yard's rescue after the collapse of the Daewoo Group – an event that took place in the aftermaths of the 1997 Asia Crisis. The government presently holds a direct 50.4% stake in DSME while the state-owned Korea Development Bank owns 31.3%.

### Odense

The Board of Odense Staalskibsværft A/S, part of the A.P. Møller-Maersk Group, has agreed upon a new business model, confirming that it will continue building ships at Lindø, but it will apply a new business model. Lindø is changed into three business areas : shipyard, an industry part (heavy steel products) and shared facilities (workshops and infrastructure are to be used by both the yard and the external businesses).

In the future, the shipyard will concentrate on producing smaller ships, including offshore vessels. The current order-book is not affected. Odense also proposes external businesses. Odense says that the financial crisis has escalated significantly in recent months and the market for project financing has almost

come to a complete standstill. Large parts of the market for newbuildings have collapsed. This has accelerated and increased the necessity for a decision on a new business model.