CONTAINERSHIP ANALYTICS

October 2015 Edition

TRADE FOCUS:
MED/USEC
NORTH EUROPE/USEC

PORT FOCUS:
SAVANNAH CONTINUES TO SEE CONTAINER VOLUME SURGE

EDITORS COMMENTARY:
MERGERS AND PLUNGING PROFITS - BUT THINGS DO GET BETTER

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Contents

October 2015 Edition

Trade Focus : North Europe/USEC
Mediterranean/USEC

5. Capacity Analysis
6. Capacity Deployment

Ports Report :

9. Savannah continues to see container volume surge

Newbuildings :

10. Latest Orderbook - 10,000+ teu

Rates & Surcharges :

15. Bunker Adjustment Factors 2015

Editors Commentary :

16. Mergers and Plunging Profits - but things do get better

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Trade Focus: MED / USEC
North Europe / USEC
Capacity Analysis

The latest capacity deployment figures for the North Atlantic show some interesting comparisons between the North Europe/USEC and Mediterranean/USEC trades

Back in the third quarter 2014, total weekly capacity deployed on the North Europe route amounted 55,905 teu, but a year later, those third quarter stats had increased to an incredible 65,079 teu – an increase of 16.4%

However, on the Mediterranean/USEC trade, the Q3/14 total weekly capacity level of 55,244 teu had decreased slightly to 54,842 teu – a fall of 0.7%

During the fourth quarter 2015, the North Europe weekly capacity will however be decreased as some services covering the trade will be suspended for the Winter season

One service, the AX4 operated by G6 line, Hapag-Lloyd is being suspended from November through April 2016 effectively taking out around 3,200 teu of weekly capacity

The last AX4 sailing is scheduled to leave Bremerhaven on November 18th

AX4 westbound calls at Savannah will be switched to the AX1 and AX3 services

AX4 service port rotation: Bremerhaven, Rotterdam, Le Havre, Savannah, New York, Bremerhaven

Deployment: 4 x 2,700/3,800 teu vessels

Also on the North Europe/USEC trade, Maersk and MSC are taking out the TA4/ATL4/NEUATL4 service for their 2M Winter deployment programme

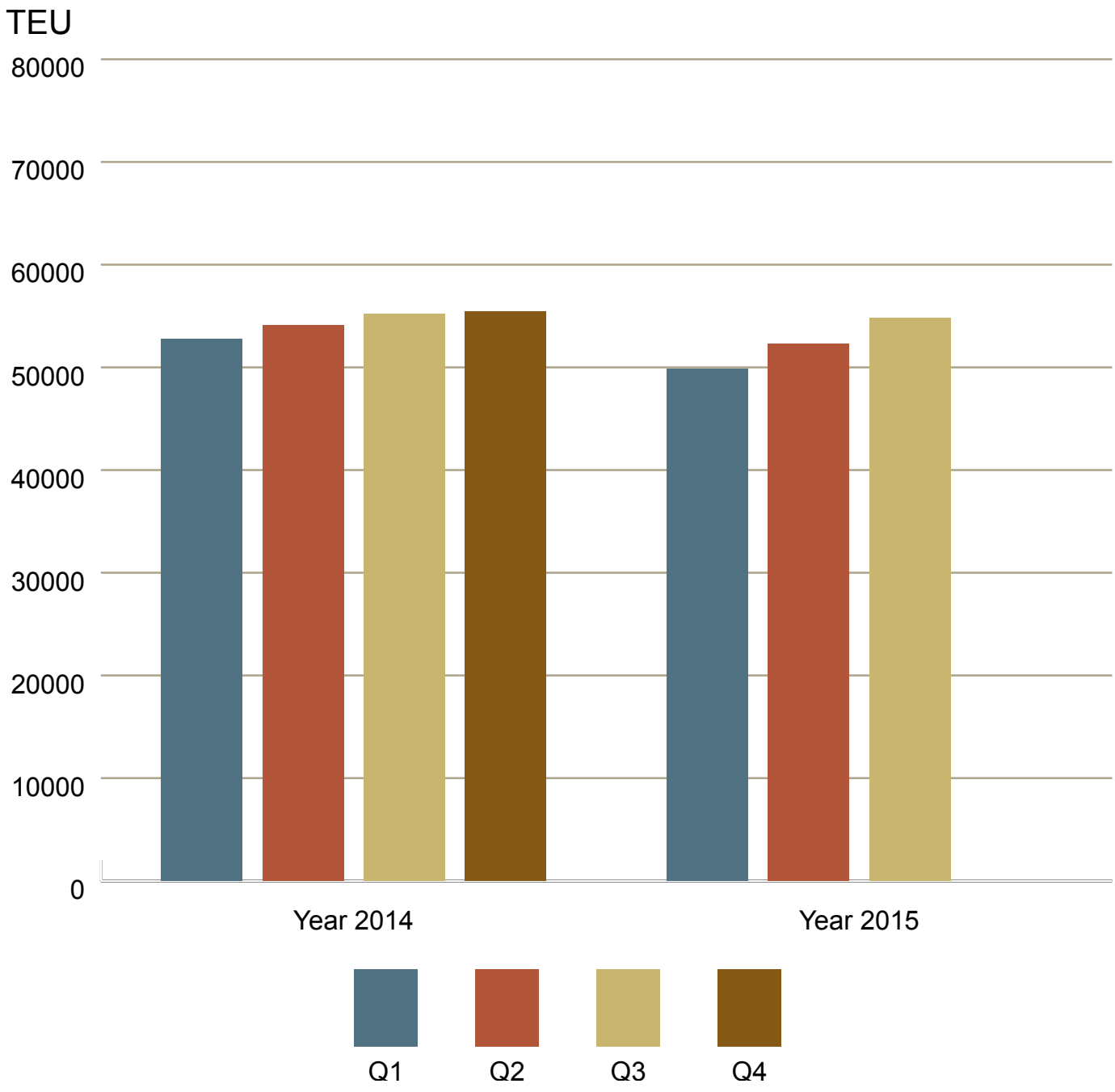
This move takes out around a further 4,500 teu of weekly capacity

The TA4/ATL4/NEUATL4 service covers: Antwerp, Rotterdam, Bremerhaven, New York, Savannah, New York, Antwerp

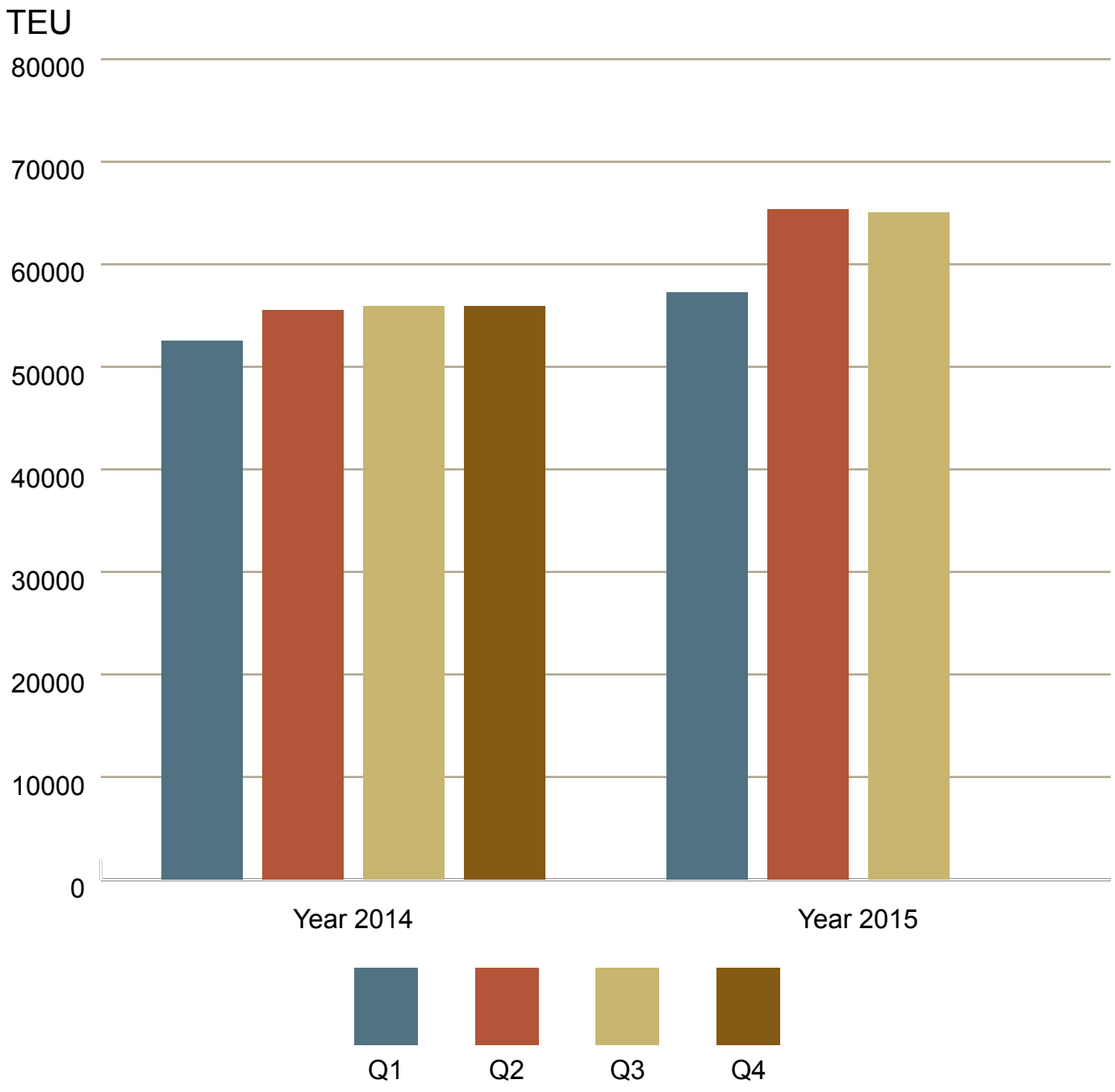
The last AX4 sailing is scheduled to leave Bremerhaven on November 18th and will be undertaken by the 2,732 teu vessel, Colette

Trade Focus: MED / USEC
North Europe / USEC
Capacity Deployment

Mediterranean / USEC



North Europe / USEC



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PORT OF BALTIMORE
1706
Helen Delich Bentley

BALTI

MORE	VESSEL PRODUCTIVITY		**40** moves per crane hour
MORE	CUSTOMER SERVICE		**#1** Rated
MORE	GATE THROUGHPUT		**29** minutes per move
MORE	EXPANSION CAPACITY		**50%** terminal utilization
MORE	ACCESS TO CONSUMERS		**$633B** local buying power
MORE	AIR & WATER DRAFT		**14,000** TEU vessels can call
MORE	SUSTAINABILITY		**2,200** acres of wetlands & natural habitat created

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Governor Larry Hogan MDOT Secretary Pete K. Rahn MPA Executive Director James J. White

Port Focus:
Savannah continues to see container volume surge

Despite the doom and gloom of a worldwide downturn in container volumes handled by the major ports, the Georgia Ports Authority (GPA) on the US East coast continues to expand its freight figures and break handling records

Latest figures available from the GPA for containers handled during September by the Port of Savannah, showed another record month for container volumes with the port handling 317,411 teu representing a 21,713 teu (7.3%) increase over September 2014

Back in September 2014, the increase year-on-year was 12.9% and thus the 2015 increase adds great credence to that statistic

Commenting on the latest container volume increase, GPA Board Chairman James Walters said, "New customers exposed to services through the Port of Savannah have found that they can reach the fast-growing South East US market more efficiently through Georgia's deepwater ports"

In total tonnage, the GPA saw cargo volumes grow by 5% or 121,423 tons to reach 2.52m tons in September

The Port of Savannah's September total increased by 5.2% to reach 2.32m tons, while the Port of Brunswick recorded an increase of 3.6% to reach 197,366 tons

Speaking to PR News Service regarding the latest figures, Cliff Pyron, Chief Commercial Officer, GPA confirmed that latest year-on-year statistics over FY14/FY15 showed an overall 17% increase in container volumes handled by the GPA

Cliff Pyron
Chief Commercial Officer
Georgia Ports Authority

In the import sector, a 20% increase was recorded over the 12 months, while in the export sector, the increase was 15% handled by the GPA

Continued Pyron, "If we are talking wholly about the inbound and outbound US East coast/Europe trades, there are interesting comparisons

"The US East coast/North Europe trade has seen a growth in container volumes of around 10%, but on the US East coast trade/Mediterranean trade, volumes handled have experienced a 6% decline over FY14/FY15 period"

The reasons are simple as Pyron explains

"Cargo moving on the North Europe trade is more diversified and therefore open to positive market fluctuations, whereas on the Mediterranean trade, volumes are more centralised in their structure and commodity, and in the majority have consisted of cargo such as paper products including rolls of paper

"If that market experiences a downturn, then we at GPA feel the consequences"

As larger vessels enter the Asia/US East coast trade, either through the completion of the Panama Canal lock widening programme, or via the increasingly popular Suez Canal route, then ports such Savannah are prime facilities to handle these vessels

The Suez route is arguably the best placed geographically and market-wise and the GPA expects to be handling 14,000 teu vessels by 2017/2018, but positively reckons almost 40% of the container traffic will flow though the Panama Canal

In addition, the GPA has just completed a dredging programme to ensure such vessels can safely enter and leave ports such as Savannah at any state of tide, and there has been additional shore side facilities installed, including new ship-to-shore cranes, and the opening of new gate facilities

Containership Newbuildings
10,000+ TEU

CSCL

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
CSCL	CSCL				21000		2018	
CSCL	CSCL				21000		2018	
CSCL	CSCL				21000		2018	
CSCL	CSCL				21000		2018	
CSCL	CSCL				21000		2018	
CSCL	CSCL				21000		2018	

CMA-CGM

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
CMA-CGM	CMA-CGM		Hyundai	2855	14000	2015(Jun)	2017	
CMA-CGM	CMA-CGM		Hyundai	2856	14000	2015(Jun)	2017	
CMA-CGM	CMA-CGM		Hyundai	2857	14000	2015(Jun)	2017	
CMA-CGM	CMA-CGM		Hyundai	2858	14000	2015(Jun)	2017	
CMA-CGM	CMA-CGM		Hyundai	2859	14000	2015(Jun)	2017	
CMA-CGM	CMA-CGM		Hyundai	2860	14000	2015(Jun)	2017	
CSSC (HK) Leasing	CMA-CGM	CMA CGM Benjamin Franklin	Shanghai Waigaoqiao		17700		2015(Dec)	Asia/Europe
CMA-CGM	CMA-CGM		Hanjin-Philippines	NCP 149	20600		2017	
CMA-CGM	CMA-CGM		Hanjin-Philippines	NCP 150	20600		2017	
CMA-CGM	CMA-CGM		Hanjin-Philippines	NCP 151	20600		2017	

Hapag Lloyd

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Hapag-Lloyd	Hapag-Lloyd		Hyundai	S832	10500		2016	
Hapag-Lloyd	Hapag-Lloyd		Hyundai	S833	10500		2016	
Hapag-Lloyd	Hapag-Lloyd		Hyundai	S834	10500		2017	
Hapag-Lloyd	Hapag-Lloyd		Hyundai	S835	10500		2017	
Hapag-Lloyd	Hapag-Lloyd		Hyundai	S836	10500		2017	

HMM

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Zodiac Maritime	HMM		Daewoo		10000		2016	
Zodiac Maritime	HMM		Daewoo		10000		2016	
Zodiac Maritime	HMM		Daewoo		10000		2016	
Zodiac Maritime	HMM		Daewoo		10000		2016	
Zodiac Maritime	HMM		Daewoo		10000		2016	
Zodiac Maritime	HMM		Daewoo		10000		2016	

K Line

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
	K Line		Imabari		13870	Sep-14	2018	
	K Line		Imabari		13870	Sep-14	2018	
	K Line		Imabari		13870	Sep-14	2018	
	K Line		Imabari		13870	Sep-14	2018	
	K Line		Imabari		13870	Sep-14	2018	

COSCO

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
COSCO	COSCON	COSCO Creation	Shanghai Waigaoqiao		20000	Sep-15	2018(Feb)	
COSCO	COSCON	COSCO Wisdom	Shanghai Waigaoqiao		20000	Sep-15	2018(May)	
COSCO	COSCON	COSCO Explorer	Shanghai Waigaoqiao		20000	Sep-15	2018(July)	
COSCO	COSCON	COSCO Valiance	Nantong SY		20000	Sep-15	2018(Feb)	
COSCO	COSCON	COSCO Achievement	Nantong SY		20000	Sep-15	2018(Apr)	
COSCO	COSCON	COSCO Endeavour	Nantong SY		20000	Sep-15	2018(Jun)	
COSCO	COSCON	COSCO Legend	Nantong SY		20000	Sep-15	2018(Aug)	
COSCO	COSCON	COSCO Luck	Dalian SB		20000	Sep-15	2018(Feb)	
COSCO	COSCON	COSCO Happiness	Dalian SB		20000	Sep-15	2018(May)	
COSCO	COSCON	COSCO Grand	Dalian SB		20000	Sep-15	2018(Feb)	
COSCO	COSCON	COSCO Magnificence	Dalian SB		20000	Sep-15	2018(May)	
COSCO	COSCON		Jiangnan	3020	14500	Sep-14	2017	
COSCO	COSCON		Jiangnan	3021	14500	Sep-14	2017	
COSCO	COSCON		Jiangnan	3022	14500	Sep-14	2018	
COSCO	COSCON		Jiangnan	3023	14500	Sep-14	2018	
COSCO	COSCON		Jiangnan	3024	14500	Sep-14	2018	

Evergreen

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2018	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2019	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2019	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2019	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2019	
Shoei Kisen Kaisha	Evergreen		Imabari		20000		2019	
Shoei Kisen Kaisha	Evergreen		Imabari	2561	14000	2014(Jan)	2016	
Shoei Kisen Kaisha	Evergreen		Imabari	2562	14000	2014(Jan)	2016	
Shoei Kisen Kaisha	Evergreen		Imabari	2563	14000	2014(Jan)	2016	
Shoei Kisen Kaisha	Evergreen		Imabari	2565	14000	2014(Jan)	2016	
Shoei Kisen Kaisha	Evergreen		Imabari	2566	14000	2014(Jan)	2016	
Costamare	Evergreen		Samsung	2121	14000	2014(Jan)	2016(Aug)	
Costamare	Evergreen		Samsung	2122	14000	2014(Jan)	2016(Jul)	
Costamare	Evergreen		Samsung	2123	14000	2014(Jan)	2016(Jun)	
Costamare	Evergreen		Samsung	2124	14000	2014(Jan)	2016(May)	
Costamare	Evergreen		Samsung	2125	14000	2014(Jan)	2016(Sep)	

Maersk

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
AP Moller-Maersk	Maersk		Daewoo	4302	19630	Jun-15	2017(Apr)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4303	19630	Jun-15	2017(Jun)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4304	19630	Jun-15	2017(Jul)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4305	19630	Jun-15	2017(Sep)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4306	19630	Jun-15	2017(Oct)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4307	19630	Jun-15	2017(Nov)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4308	19630	Jun-15	2017(Dec)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4309	19630	Jun-15	2018(Jan)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4310	19630	Jun-15	2018(Mar)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4311	19630	Jun-15	2018(Apr)	Asia/Europe
AP Moller-Maersk	Maersk		Daewoo	4312	19630	Jun-15	2018(May)	Asia/Europe
AP Moller-Maersk	Maersk		Hyundai	2871	14000		2017(Jan)	
AP Moller-Maersk	Maersk		Hyundai	2872	14000		2017(Feb)	
AP Moller-Maersk	Maersk		Hyundai	2873	14000		2017(Mar)	
AP Moller-Maersk	Maersk		Hyundai	2874	14000		2017(Apr)	
AP Moller-Maersk	Maersk		Hyundai	2875	14000		2017(May)	
AP Moller-Maersk	Maersk		Hyundai	2876	14000		2017(Jun)	
AP Moller-Maersk	Maersk		Hyundai	2877	14000		2017(Jul)	
AP Moller-Maersk	Maersk		Hyundai	2878	14000		2017(Aug)	
AP Moller-Maersk	Maersk		Hyundai	2879	14000		2017(Sep)	
Seaspan	Maersk		Jiangsu	1104	10000		2015	
Seaspan	Maersk		Jiangsu	1105	10000		2016	
Greater China Intermodal	Maersk		Jiangsu	1108	10000		2015	
Greater China Intermodal	Maersk		Jiangsu	1109	10000		2016	

MOL

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
MOL	MOL		Samsung	2167	20200		2017	
MOL	MOL		Samsung	2168	20200		2017	
MOL	MOL		Samsung	2169	20200		2017	
MOL	MOL		Samsung	2170	20200		2017	
MOL	MOL		Imabari		20200		2017	
MOL	MOL		Imabari		20200		2017	
Seaspan	MOL	MOL Benefactor	Jiangsu	1106	10000		2016	
Greater China Intermodal	MOL	MOL Beyond	Jiangsu	1107	10000		2016	

NYK

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Japan Marine	NYK		Kure	5061	14000	Apr-14	2016	
Japan Marine	NYK		Kure	5062	14000	Apr-14	2016	
Japan Marine	NYK		Kure	5063	14000	Apr-14	2016	
Japan Marine	NYK		Kure	5064	14000	Apr-14	2016	
Japan Marine	NYK		Kure	5075	14000	Apr-14	2017	
Japan Marine	NYK		Kure	5076	14000	Apr-14	2017	
Japan Marine	NYK		Kure	5077	14000	Apr-14	2017	
Japan Marine	NYK		Kure	5078	14000	Apr-14	2108	
Japan Marine	NYK		Kure	5111	14000		2018	
Japan Marine	NYK		Kure	5112	14000		2108	

MSC

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Minsheng Financial	MSC	MSC Clara	Daewoo		19200	Jul-13	2015(Nov)	Asia/Europe(AE2/Swan)
Bank of Communications	MSC		Daewoo	4297	19200		2016	
Bank of Communications	MSC		Daewoo	4298	19200		2016	
Bank of Communications	MSC		Daewoo	4300	19200	Jul-13	2016	
	MSC		Hyundai		19200	Nov-11	2016	
	MSC		Hyundai		19200	Nov-11	2017	
Minsheng Financial	MSC		Daewoo	4296	19200	Aug-13	2016	
Minsheng Financial	MSC		Daewoo	4299	19200	Aug-13	2016	
Minsheng Financial	MSC		Daewoo	4301	19200	Aug-13	2017	
Scorpio Group	MSC		Samsung	2138	19200		2016	
Scorpio Group	MSC		Samsung	2139	19200		2016	
Scorpio Group	MSC		Samsung	2140	19200		2016	
Scorpio Group	MSC		Samsung	2156	19200		2016	
Scorpio Group	MSC		Samsung	2157	19200		2016	
Scorpio Group	MSC		Samsung	2158	19200		2017	
Sinoceanic	MSC		Jinhai H.I.	234	11500		2016	
Sinoceanic	MSC		Jinhai H.I.	235	11500		2016	
Sinoceanic	MSC		Jinhai H.I.	236	11500		2016	
Sinoceanic	MSC		Jinhai H.I.	237	11500		2016	
Sinoceanic	MSC		Jinhai H.I.	238	1150		2016	
Sinoceanic	MSC		Jinhai H.I.	262	11500		2017	
Sinoceanic	MSC		Jinhai H.I.	263	11500		2017	
Sinoceanic	MSC		Jinhai H.I.	264	11500		2017	
Sinoceanic	MSC		Jinhai H.I.	265	11500		2017	
Sinoceanic	MSC		Jinhai H.I.	266	11500		2017	
Seaspan	MSC		Hanjin-Philippines	145	11000		2017	
Seaspan	MSC		Hanjin-Philippines	146	11000		2017	
Seaspan	MSC		Hanjin-Philippines	147	11000		2017	
Greater China Intermodal	MSC		Hanjin-Philippines	148	11000		2017	
Greater China Intermodal	MSC		Hanjin-Philippines	153	11000		2017	
Eastern Pacific	MSC	MSC Venice	STX	1530	16000	Nov-11	2016(Jan)	Asia/Europe(AE2/Swan)

OOCL

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
OOCL	OOCL		Samsung	2172	21000		2017	
OOCL	OOCL		Samsung	2173	21000		2017	
OOCL	OOCL		Samsung	2174	21000		2017	
OOCL	OOCL		Samsung	2175	21000		2017	
OOCL	OOCL		Samsung	2176	21000		2017	
OOCL	OOCL		Samsung	2177	21000		2017	

PIL

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
PIL	PIL		Yangzijiang		11800		2018	
PIL	PIL		Yangzijiang		11800		2018	
PIL	PIL		Yangzijiang		11800		2018	
PIL	PIL		Yangzijiang		11800		2018	
PIL	PIL		Yangzijiang		11800		2019	
PIL	PIL		Yangzijiang		11800		2019	
PIL	PIL		Yangzijiang		11800		2019	
PIL	PIL		Yangzijiang		11800		2019	

UASC

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
UASC	UASC	Al Dahna	Hyundai		19870	Aug-13	2015	
UASC	UASC	Tihama	Hyundai		19870	Aug-13	2016	
UASC	UASC	Al Zubara	Hyundai		19870	Aug-13	2015(Dec)	Asia/Europe(AEC1)
UASC	UASC	Al Mashrad	Hyundai		14990	Aug-13	2016(Jan)	
UASC	UASC	Al Jasrah	Hyundai		14990	Aug-13	2016(Mar)	
UASC	UASC	Umm Qarn	Hyundai		14990	Aug-13	2016(May)	
UASC	UASC	Afif	Hyundai		14990	Aug-13	2016(July)	
UASC	UASC	Al Jmeliyah	Hyundai		14990	Aug-13	2016(Sept)	

Yangming

Owner	Operator	Proposed name	Shipyard	Hull	TEU	Order date	Due date	Intended trade
Greater China Intermodal	Yangming	YM Welcome	CSBC	1036	14000	Jul-13	2016	
Seaspan	Yangming	YM Width	CSBC	1037	14000	Jul-13	2016	
Greater China Intermodal	Yangming	YM Window	CSBC	1038	14000	Jul-13	2016	
Seaspan	Yangming	YM Wind	CSBC	1039	14000	Jul-13	2016	
Greater China Intermodal	Yangming	YM Wreath	CSBC	1040	14000	Jul-13	2016	
Shoei Kisen Kaisha	Yangming		Imabari		14000		2018	
Shoei Kisen Kaisha	Yangming		Imabari		14000		2018	
Shoei Kisen Kaisha	Yangming		Imabari		14000		2018	
Shoei Kisen Kaisha	Yangming		Imabari		14000		2019	
Shoei Kisen Kaisha	Yangming		Imabari		14000		2019	

MED / USEC
North Europe / USEC
Bunker Adjustment Factors 2015

Mediterranean / USEC

Carrier	Effective Month	Quantum/teu(US$)	Quantum/feu (US$)
APL	July 2015	220	440
APL	August 2015	225	450
APL	September 2015	195	390
Hapag Lloyd	August 2015	248	496
Hapag Lloyd	September 2015	228	456
Maersk	July 2015	315	630
Maersk	August 2015	315	630
Maersk	September 2015	315	630
MOL	July 2015	146	292
MOL	August 2015	140	280
MOL	September 2015	128	256
OOCL	July 2015	191	382
OOCL	August 2015	200	400
OOCL	September 2015	200	400
UASC	July 2015	213	320
UASC	August 2015	213	320
UASC	September 2015	213	320

North Europe / USEC

Carrier	Effective Month	Quantum/teu(US$)	Quantum/feu (US$)
APL	July 2015	175	350
APL	August 2015	170	340
APL	September 2015	140	280
Hapag Lloyd	July 2015	169	338
Hapag Lloyd	August 2015	164	328
Hapag Lloyd	September 2015	152	304
Maersk	July 2015	190	380
Maersk	August 2015	190	380
Maersk	September 2015	190	380
MOL	July 2015	146	292
MOL	August 2015	140	280
MOL	September 2015	128	256
NYK	September 2015	100	200
OOCL	July 2015	191	382
OOCL	August 2015	200	400
OOCL	September 2015	200	400
UASC	July 2015	228	455
UASC	August 2015	224	447
UASC	September 2015	207	413

Mergers and Plunging Profits - but things do get better

by Paul Richardson
Editor PR News Service

Welcome to the Editors Commentary, where this month there has been a variety of happenings in the container shipping industry worthy of mention in a period of uncertainty that has hit the headlines recently

In no particular order of importance, the possible merger of COSCO and China Shipping which has seemed to be getting nowhere fast since the first news broke back in August, could be seeing a finale by mid-November

According to a notice recently issued on the Hong Kong Stock Exchange, the suspension of the share trading of COSCO and China Shipping, which started back on August 10th, will not continue beyond mid-November

Sources in China confirmed to PR News Service that the news, which relates to the possible merger of the two companies, strongly suggests that a positive finale to the merger talks is close, and COSCO and CSCL will finally be merged into one company

If that does happen, then not only will the industry have to welcome a "force" which will certainly have to be reckoned with, but also prepare itself for a substantial shakeup of the existing alliance structures out there in the marketplace

CSCL is part of the O3 Agreement which includes CMA-CGM and UASC, and COSCO is a member line of the CKYHE Alliance, which includes, K Line, Yangming, Hanjin and Evergreen

On the newbuilding side of things, CSCL has taken the headlines with confirmation of a bareboat charter deal for 6 x 21,000 teu vessels for delivery between April and December 2018

All six vessels will be bareboat chartered by CSCL HK on a daily charter hire rate of US$41,000 for a period of 12 years

Moving onto the financial side of the industry, shock news in recent days from Copenhagen, where Maersk Line has reported a profit for Q3/15 of US$264m, a figure which is down 61% from the US$685m reported during the same period a year earlier

Maersk Line revenue during the period was down nearly 15% to US$6bn, whilst the line reported a decline in average freight rates of 19.3% to USD 2,163/feu

Meanwhile, Maersk Group reported a profit for Q3/15 of US%778m, down nearly 50% year-on-year

Naturally, the line has confirmed cost-cutting plans to not only compensate for the financial downturn, but to adjust to what it believes will be short and long term market requirements

The line will reduce capacity and postpone investments in new capacity, while at the same time, reduce operating costs by pushing ahead with plans to simplify the company organisation

Annual sales and general & administration costs will be reduced US$250m with an impact of US$150m in 2016, while Maersk Line's shore-based workforce will be reduced by at least 4,000 people by the of 2017

As a response to the current market outlook, network capacity will be reduced in Q4 2015 and throughout 2016

The closure of four services (ME5, AE9, AE3 and TA4) has already been initiated over the last two months and there are plans to further cancel 35 sailings in Q4/15

Maersk will cancel plans to initiate options on a further 6 x 19,630 teu vessels and a further 2 x 3,600 teu feeder vessels

In addition, the line will postpone a decision on firming up an additional 8 x 14,000 teu vessels

But let's put aside the doom and gloom, and remember that things do get better, particularly in an industry such as container shipping

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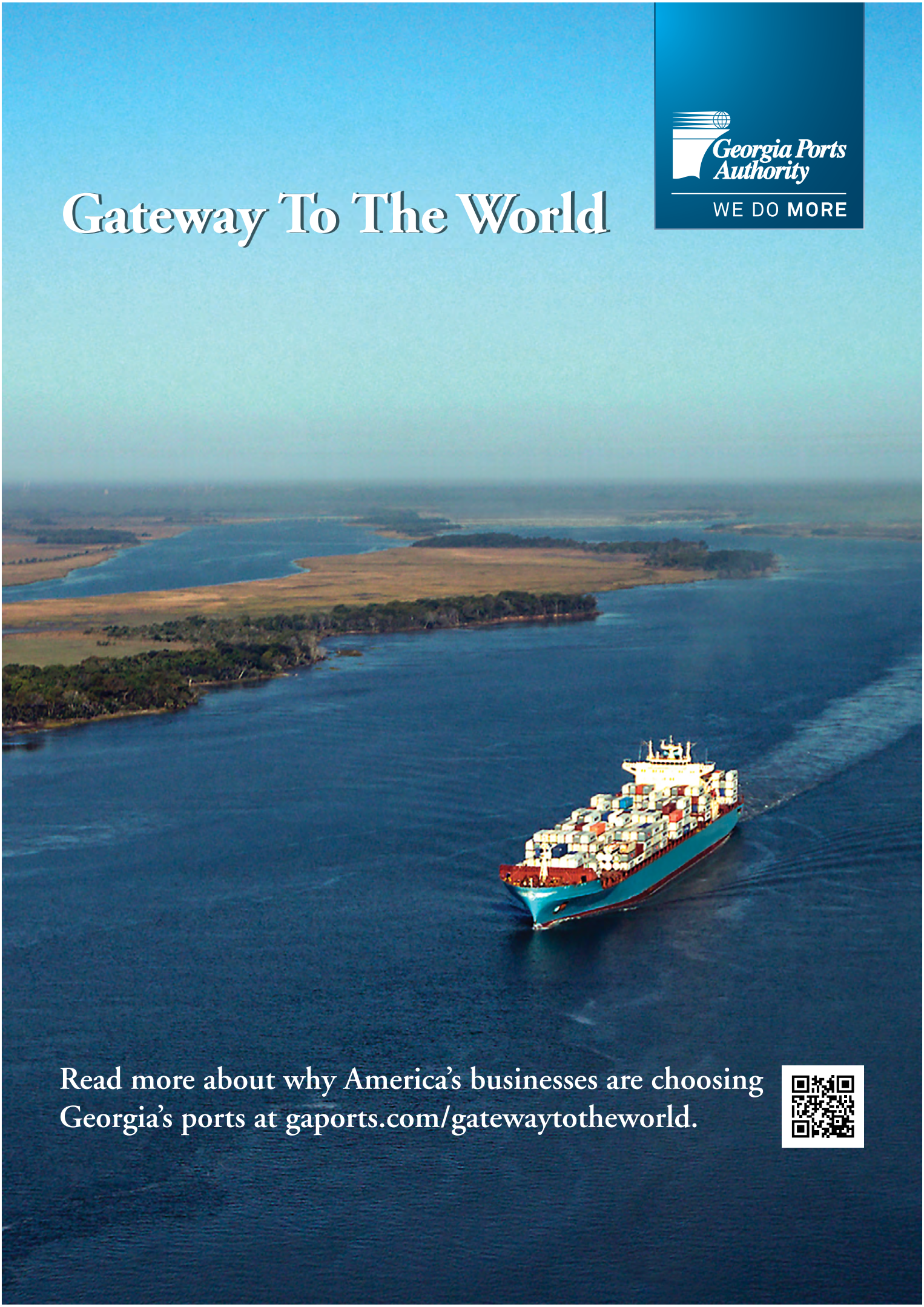

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