

SeaIntel Sunday Spotlight

December 6, 2015 – Issue 240

Executive Summary

Asia-Europe capacity outlook 2016

We take a closer look at the expected mega vessel deliveries for 2016, and the likely impact on the Asia-North Europe capacity, and find that annualized capacity stands to grow 2.8% Y/Y, but Q4 could grow as much as 11% Y/Y.

The game is about to break

We analyse the historical developments in freight rate erosion, GRI timing and GRI magnitude in the Asia-North Europe trade lane. We find that the current mechanics of increasing rate erosion interspersed by General Rate Increases on the Asia-Europe trade is about to break down.

Trade-lane performance stability

We analyse standard deviation of schedule reliability in the Asia-North Europe, Asia-USWC and Transatlantic WB trade lanes to determine the degree of variability reliability across carriers. We find that schedule reliability in Asia-North Europe has become more stable in the first half of 2015 compared to the previous years, as standard deviation reached the lowest levels.

Content

Editorial: Asia-N.Eur. spot rates drop 50%	Page 2
Asia-Europe capacity outlook 2016	Page 3
The game is about to break	Page 9
Trade-lane performance stability	Page 13
Carrier Service Changes	Page 17
Carrier Rate Announcements	Page 19
SeaIntel products	Page 20

Weekly Indicators

30 Nov-6 Dec 2015

Port of Ravenna

Jan-Oct 2015
Container
Volumes

206,299 TEU
+11.9% Y/Y

Port of Vladivostok

Jan-Sept 2015
Container
Volumes

259,198 TEU
-32% Y/Y

Suez Canal Container Terminal

Jan-Oct 2015
Container
Volumes

2.5m TEU
-11% Y/Y

Ukraine seaports

Jan-Oct 2015
Container
Volumes

395,000 TEU
-29.1% Y/Y

Capacity Outlook

Weekly Report

12-week outlook

Only 2000 EUR/year

Up-to-date port information



www.portoverview.com

For tailor-made
consultancy services
and solutions –
contact info@seaintel.com



ISSN 2245-9677

Asia-Europe capacity outlook 2016

If no sailings are blanked outside Chinese New Year and Golden Week, Asia-North Europe stands to grow 8% Y/Y in 2016.

Carrier schedules for the next 12 weeks on Asia-North Europe indicate that weekly capacity will be up 2.3% Y/Y. However, if these 12 weeks follow the pattern of previous years, we will see the carriers blanking even more sailings than currently announced. This is the short-term outlook already scheduled by the carriers; a longer outlook requires consideration the delivery of new-buildings.

The carriers have in recent months initiated new-building programmes which will either expand their current fleet of 18,000+ TEU vessels or bring such giants into their fleet for the first time, vessels as large as 21,000 TEU have been ordered. These new-building programmes will add to the current over-capacity, but they will be delivered in 2017 at the earliest, so for the next year and a half the “only” influx of ultra-large capacity will be the vessels already being built at the shipyards.

In issue 188 of the Sunday Spotlight in November 2014 we looked at the capacity outlook for 2015 for Asia-North Europe and found that the capacity stood to increase 6% Y/Y. These

projections were however made before the deployment of O3's and 2M's services and on the assumption that no services had been closed. In the meantime two services have in fact been closed, so with four weeks of 2015 left, annualised capacity will be down 0.7% Y/Y. By now it is almost a tradition that in this week's edition of Spotlight we will take a closer look at the capacity outlook for all of next year on Asia-North Europe.

Methodology

The analysis is based on current deployment as recorded in SeaIntel's Trade Lane Capacity Outlook database, combined with the 10,000+ TEU vessels expected to be delivered from the shipyards over the next year. We focus on the 19 services that are currently operating between Asia and North Europe.

In order to project capacity developments in 2016, a number of assumptions have to be made concerning which new-buildings will be introduced into the Asia-North Europe trade, which vessels they will replace, and what will happen to the replaced

vessels. These assumptions are as follows.

For new-buildings on the Asia-Europe trade we have assumed the carriers will only introduce new vessels larger than those they have currently deployed. Smaller vessels have higher operating expenses per slot and will have a hard time competing with the larger vessels already operating in this trade.

We have added the new-buildings into the sailing schedule by comparing the size of the other vessels on that service, and only significantly upgrading the size when the other services where that carrier is involved were fully upgraded. We then compared the smaller, replaced vessel's capacity with the individual carrier's other vessels in the Asia-Europe trade. If the replaced vessel was larger than another of the carrier's operated vessels on the Asia-Europe trade, we replaced that vessel with it. This basically assumes that the carriers will actively cascade vessels in an effort to minimize unit costs. Based on the assumptions listed above, 41 new-buildings will be phased into Asia-North Europe in 2016.

After plotting in all the new-buildings, we blanked sailings around Chinese New Year in February 2016 and Chinese

Golden Week in October 2016. We blanked as much capacity as the carriers did in 2015 compared to the capacity in the 12 weeks leading up to the holiday.

If there were large vessel size differences on a service with multiple operating carriers, we assumed that the alliance carriers would sub-charter to each other if one of the carriers contributed too few large vessels to the network. If this assumption is not correct, the capacity increase will be a little less than estimated, but we only had to assume a very few vessels being sub-chartered to another alliance carrier.

With all the new-buildings, cascading and blanked sailings added to the capacity outlook, we now have projections for the capacity developments for 2016.

Projected capacity developments – Asia-North Europe

Figure A1 shows projected capacity developments for 2016, as well as the weekly capacity developments in 2014-2015.

In projections for the rest of 2015 and for 2016 we have not taken the effects of blanked sailings into account, except

around Chinese New Year and Chinese Golden Week. Figure A1 represents the largest possible capacity increase under the assumptions stated above.

The large dips in capacity in the beginning of the year are caused by low demand and related blank sailings resulting from the Chinese New Year. However, Chinese New Year does not fall at the same time every year, which is the reason for the displacement between the three years. The large decreases in week 41 are caused by Chinese Golden Week. The capacity in 2016 does, however, not fall to the same level, as the average weekly capacity is significantly higher and we have only assumed the same nominal decreases as in 2015.

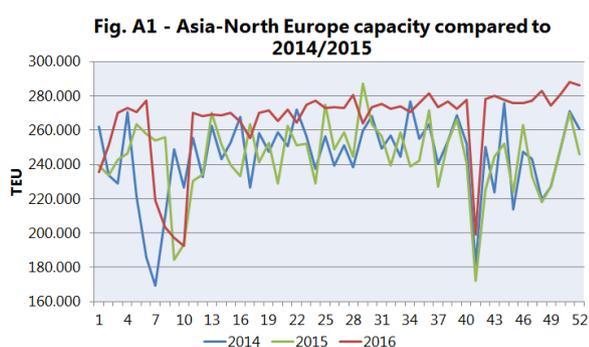


Figure A1 shows that if the carriers phase most of their new, larger vessels into the Asia-North Europe trade and do not close any services and stop blanking sailings, weekly capacity will increase significantly. In 2016 the

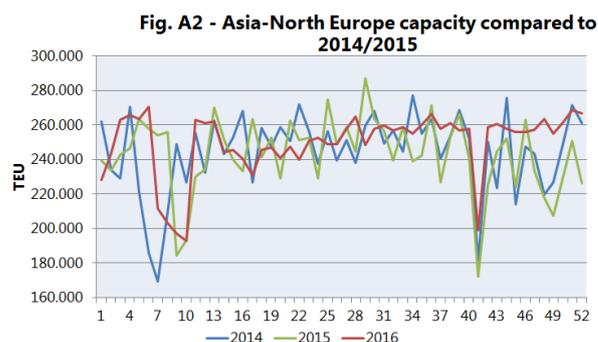
yearly capacity average would increase 8.7% Y/Y, which is significantly above even the most optimistic projections for demand growth in 2016. Q4 2016 in particular stands to see a large jump in average capacity, which is up 16% Y/Y. That the capacity would increase significantly in Q4 2016 is not surprising, because the new-buildings delivered over the year would accumulate in Q4. It is also the quarter in which the carriers normally blank the most sailings (apart from the CNY and Golden Week), and as we have excluded the effect of blank sailings from this calculation, there is a greater impact in Q4 than in the other quarters.

The average vessel size on Asia-North Europe in 2016 is expected to increase to 14,400 TEU, up from 13,300 TEU in 2015 and 11,600 TEU in 2014.

If we expect demand to stay at the same level as in 2015 - and given the latest figures from CTS showing all Asia-Europe trades were down Y/Y in nine out of the first ten months of this year, this might even be an optimistic assumption - 1.5 average-sized services would have to be closed in 2016 in order to keep utilisation at the current level.

These estimates are only applicable if the carriers stop blanking sailings except around Chinese New Year and Chinese Golden Week. However, we do not expect this to be the case unless demand in Europe suddenly explodes, which seems unlikely. It is hard to predict which or how many sailings will be blanked next year, which is why we have shown the impact without blank sailings. In an attempt to show the effect of the new and larger vessels being phased into the Asia-North Europe and take the effect of the blank sailings into account as well, we have assumed that the carriers will blank the same number of TEUs as they have done in the previous four quarters.

In order to estimate this we have used the same number of slots that were blanked in each of the previous quarters, minus weeks around Chinese New Year and Chinese Golden Week. We then calculated the average weekly effect of blanked sailings and subtracted this from the weekly capacity as estimated above. The results are shown in figure A2, where we included the effect of blanked sailings in the outlook for the rest of 2015 and full year 2016.



For Chinese New Year and Chinese Golden Week we have again assumed that the carriers will blank as much capacity as in 2015, compared to the capacity in the 12 weeks leading up to the holiday, so capacity is therefore equal to that shown in figure A1. It can be seen that the impact of the blank sailings is especially significant in Q4. Outside Golden Week, in Q4 2014 the carriers on average blanked just under 20,000 TEU each week, while blank sailings in the other three quarters equalled capacity of 7,000-15,000 TEU per week.

That means that if we took blank sailings into consideration the annual capacity growth for 2016 would be 2.8% Y/Y, or 5.9 percentage points less than expected when blank sailings are not taken into consideration. While we estimated above that Q4 2015 stood to see a 16% Y/Y jump in average capacity, the inclusion of blank sailings reduces this Y/Y increase for Q4 to 11%. However, this is still an increase

that would probably lead the carriers to close even more Asia-North Europe services.

If we still assume that the Asia-Europe demand will stay at 2015 levels it means that 0.5 average-sized services would have to be closed in 2016 in order to keep the same utilisation level as in 2015, increasing to 1.8 average-sized services in Q4 2016.

Table A3 shows how we expect the development in vessel size types will change from end 2015 to end 2016.

Tab. A3 – Expected development in deployed vessel types end 2015/2016

TEU	2015	2016
-8000	3	0
8000-8999	8	0
9000-9999	9	2
10000-10999	9	9
11000-11999	3	0
12000-12999	3	2
13000-13999	99	89
14000-14999	31	51
15000-15999	12	12
16000-16999	4	4
17000-17999	3	3
18000-18999	26	27
19000-19999	10	19

Table A3 shows that the number of vessels in the largest segment, 19,000-19,999 TEU, should be expected to almost double next year, while only one extra 18,000-18,999 TEU vessel will hit

the water. The segment that we expect will see the largest increase is the 14,000-14,999 TEU segment, while the work horse in the trade will continue to be the 13,000-13,999 TEU segment, but with a decreasing share.

Conclusion

Our projections show that average weekly capacity for the Asia-North Europe trade will grow around by 2.8% from 2015 to 2016 if the carriers blank the same number of TEU as in the last four quarters, meaning 7,000 extra TEU of capacity will on average be available every week. If the European consumers do not re-ignite Asian import growth in the near future, and figures from CTS indicate almost the opposite development, it must be expected that one of two scenarios will happen during 2016.

One scenario is that the carriers initiate further capacity reductions, either through outright service cancellation and service downgrades or through an extensive blank sailings programme, offsetting the capacity injections caused by the larger vessels being introduced into the trade. If the carriers choose to close entire strings, the 10-12 vessels per service closed will need to be phased into other trades. Currently these vessels will probably impact

weekly capacity even more in other trades, making the decision quite complicated for the carriers. However, some of the carriers already seem to be searching for viable alternatives, with Maersk Line currently deploying 13,000-14,000 TEU vessels on one of their Asia-Central America/WCSA-services, and O3 in the coming weeks deploying an 18,000 TEU vessel on one of their Asia-USWC-services to Los Angeles and Oakland.

Also from mid-2016, the CKYHE and G6 alliance carriers seem to be missing vessels in the 9,000-10,000 range, in order to fully utilise the expanded Panama Canal. However, these two alliances have the fewest ultra-large

vessels on the Asia-Europe services, and can least afford to divert them to other trades. Diversion would, however, help these two alliances keep their top positions in the Transpacific trade.

The other scenario is that the carriers do not make such drastic capacity reductions, and hence that freight rates come under even more pressure than they already are, which would probably send most of the carriers into the red. This does not seem feasible, especially with Asia-North Europe spot rates in this week, according to the Shanghai Shipping Exchange, plummeting to 275 USD/TEU.

The game is about to break

The mechanics of increasing rate erosion interspersed by General Rate Increases on the Asia-Europe trade is about to break down.

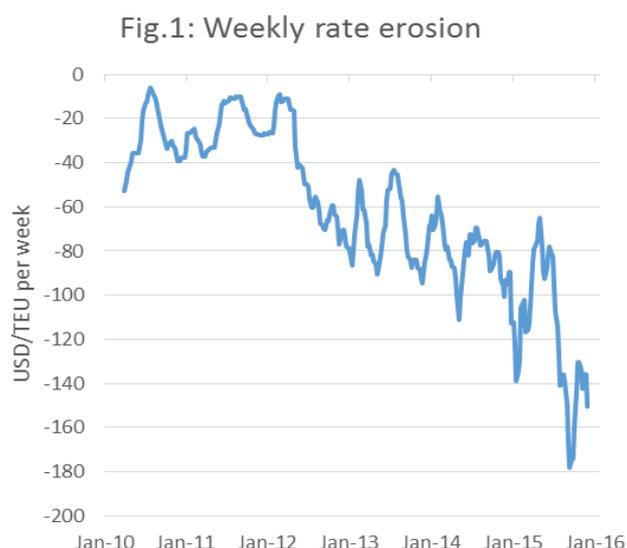
The rate development on the Asia-North Europe trade is a topic which not only has received a lot of analytical attention from us in the past 5 years, but also one that – for obvious reasons – is keenly monitored by shipping lines and shippers alike.

The fundamental problem in this trade is that the dynamics for several years has been detached from a “normal” supply/demand mechanism and instead have been governed by a Prisoners’ Dilemma type game. This mechanism is one we have described on a number of occasions ranging all the way back to SeaIntel Sunday Spotlight issue number 2 in March 2011.

Analysis performed using spot rate data up to December 4th 2015 shows us two things: That the mechanism is still the governing factor for the trade, but – more importantly – that the mechanism is about to break down, and as a consequence we should expect a significant change in pricing behavior on the Asia-Europe trade.

The data underlying the analysis is the SCFI spot rate developments for the Shanghai to North Europe trade lane. As

shown on several occasions, these rates are more volatile than the contract rates, but are nonetheless highly correlated to the contract rates as reported by Container Trade Statistics. Consequently the following conclusions are applicable to the full scope of the market, although the magnitude would depend on customer segment.



The first step is an analysis of the weekly erosion of freight rates. This is a view of the data for weeks wherein the freight rates have declined week-on-week, and the erosion is defined as the average decline seen in the preceding 13 weeks. Figure 1 shows the development in freight erosion since the launch of the SCFI spot rates. It is clear

that the development in erosion has gone through a change. Up until 2012, the erosion was at a fairly constant level, but then it is seen to begin an inexorable decline lasting up unto the present date.

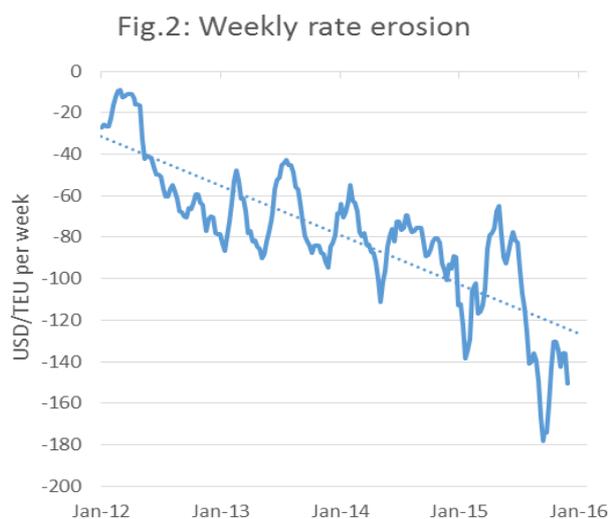


Figure 2 contains the same data as figure 1, however is narrowed into the period of worsening rate erosion which has been prevalent since the beginning of 2012. The associated trend line shows a linear decline, albeit with some volatility around the trend. Overall we have seen a trend whereby the erosion itself worsens by approximately 25 USD/TEU per week each year. Presently the trend would indicate an erosion of approximately 125 USD/TEU per week, whereas in reality the erosion in the past few months has been worse than this.

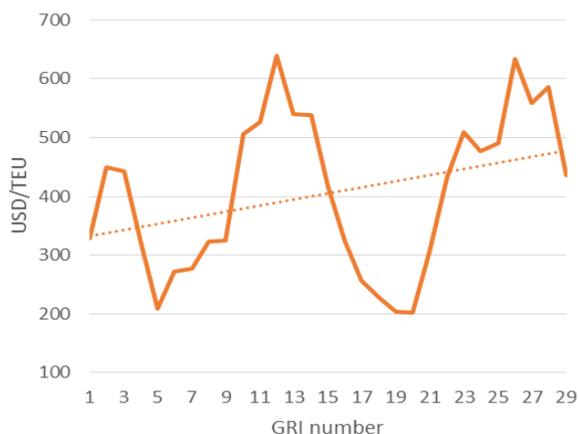
The standard deviation around the trend is approximately 30 USD/TEU when

using the 13-week average. If, instead, we look at the underlying weekly data, the actual deviation around the trend is found to be 60 USD/TEU. Hence, if the trend continues this way, then by the end of 2016 we should expect the Asia-Europe freight rates to exhibit a weekly erosion around 150 USD/TEU, but taking the standard deviation into account, we should also expect that it would be normal, and not the exception, to see individual weekly rate declines of 200 USD/TEU.

The rate increases

Another way to look at the development is to focus on the rate increases. For the purpose of this analysis, a rate increase – termed GRI – is defined as taking place on any week where the SCFI spot rate changes a streak of decreases into an increase. If the rate increases during several consecutive weeks, this is counted as only one GRI, and the magnitude of the GRI is calculated as the sum total of the consecutive increases. The size of the GRI is therefore measured in relation to the rate at the time of implementation. Furthermore, in order to reduce random volatility in the data, the magnitude of GRI has been calculated as the rolling average over 3 consecutive GRIs.

Fig.3: GRI magnitude



Using this methodology, we find that 29 GRIs have been implemented since the erosion began in early 2012. Figure 3 shows the development in the size of the GRI as well as a calculated trend line. The variability in the size of the GRI is significant, but overall we do find a trend indicating that the GRIs are growing in magnitude. This trend becomes even more visible if the magnitude of the GRI is calculated as a percentage instead of as a specific amount.

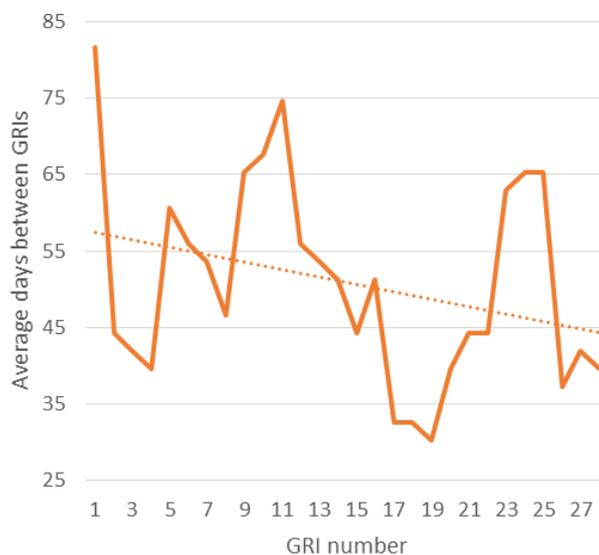
Fig.4: GRI magnitude



Figure 4 shows this relative development and the associated trend development, and the sharply increasing magnitude of GRIs is apparent.

But not only have we been seeing the size of the GRI increase, the time between individual GRIs is also declining. Figure 5 shows the number of days between the successful implementation of the individual GRIs, again using a rolling average over 3 successful GRIs to eliminate data volatility. We see that the time interval between GRIs has been declining substantially.

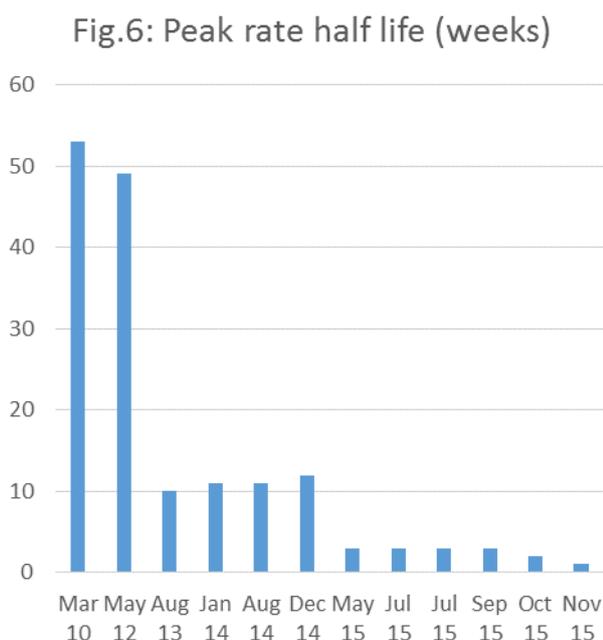
Fig.5: Average days GRI separation



Conclusion

GRIs are becoming both larger and more frequent in order to counter-act the worsening rate erosion. And that such counter-measures are necessary

can be seen from figure 6. We have identified the absolute peaks in freight rates since 2010, and then calculated how much time it took for the rate to decline 50% - in other words we have calculated the half-life of the freight rates.



Back in 2010-2012 it typically took about a year for the freight rates to be cut in half.

In 2013 and 2014 this was dramatically reduced to the point where rates were typically cut in half in 2-3 months.

In 2015 we saw yet another dramatic change, as the half-life was initially

reduced to some 3-4 weeks, then to 2 weeks and in the first week of December we have for the first time seen rates being halved in a single week.

It is clear, that this development is unsustainable. Even if the GRIs continue to grow in magnitude and frequency to compensate for the rapid erosion, the practicalities of operating in such a market begin to break down.

If nothing changes, a simple projection into 2016 will point to a dynamic wherein rates will cut in half every other week, only to be subjected to an equal large GRI every other week. This is of course practically unworkable in the marketplace, and hence we do not predict this to be the case. Instead we expect that within 2016 the carriers will make drastic changes to their capacity deployment and potentially also in relation to the contractual framework itself, with the aim of at least bringing a modicum of stability back into a market model which is by now as good as broken.

Trade-lane performance stability

Schedule reliability in the Asia-North Europe trade lane was stable in the first half of 2015 compared to previous years as the standard deviation reached its lowest levels.

In the monthly SeaIntel Global Liner Performance report, we examine the container carriers' ability to arrive on time as per their published schedules. A carrier with high reliability has less negative impact on a customer's supply chain and thereby contributes to keeping supply-chain costs down in comparison to a low-reliability carrier. On a higher level, the aggregate performance of carriers engaged in a trade lane provides an overall picture of the average industry reliability in a specific trade.

Over the past four years we have gathered historical data on the development of schedule reliability across 34 global trade lanes, monitoring over 10,000 individual vessel arrivals every month, across more than 60 global and regional container carriers.

Looking at the monthly performance per trade lane, this week we take a closer look at on-time performance stability in the Asia-North Europe, Asia-USWC and Transatlantic WB trade lanes.

We examine the evolution of the standard deviation in the analysed trade

lanes to determine the degree of variability in schedule reliability between carriers. We calculate the monthly standard deviation to provide a measure of the performance variation relative to the monthly average performance in the trade lane.

To better understand the value of looking at the standard deviation, let's take as an example the performances in a given month for two carriers, A and B, engaged in a trade lane. Carrier A has an on-time performance of 80% while Carrier B has a performance of 60%. From an average performance consideration, the trade lane schedule reliability would be 70% and its standard deviation 10% as the standard deviation measures how widely the performances are dispersed from the average value.

At this point, it is clear that the standard deviation is a good measure for evaluating the trade lane's ability to deliver a stable performance, telling us to what extent a carrier's performance deviates above or below the trade-lane average.

Methodology

We have sourced the data used in this analysis from SeaIntel’s industry-leading Global Liner Performance report which currently contains more than 500,000 vessel arrivals. We have chosen to limit this analysis to the following trade lanes: Asia-North Europe, Asia-USWC and Transatlantic WB.

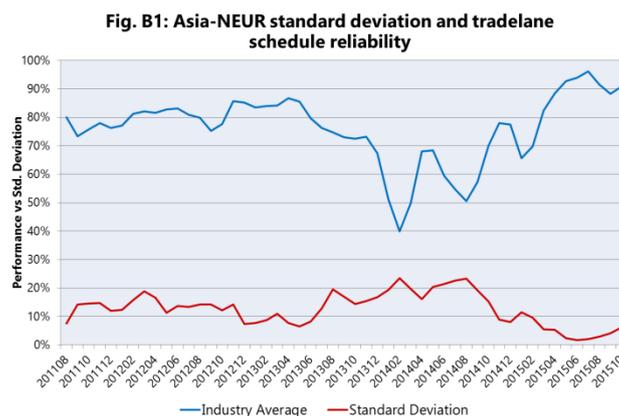
It is important to note that since the standard deviation does not provide information on the actual level of a trade lane’s reliability, we have included the trade-lane average performance in the graphs, to show the development of schedule reliability and whether there is a correlation between the two values.

Trade-lane performance and standard deviation are based on a two-month rolling average, which is similar to the methodology used in SeaIntel’s Global

Liner Performance report. The data period for the trade-lane analysis is August 2011 to October 2015.

Asia-North Europe

Figure B1 shows the historical development of standard deviation and schedule reliability in the Asia-North Europe trade lane.



It is evident from the figure that we have witnessed a decreasing trend in the standard deviation from the highest values during the first half of 2014 to the lowest levels - and hence the highest degree of stability in schedule reliability - in May, June and July 2015, when the carriers’ performances were dispersed across the trade-lane average by just 2%.

Interestingly, in the same period when standard deviation was at its lowest point, average reliability reached the highest levels seen in the trade, meaning that all carriers consistently improved their performances to reach high levels of schedule reliability in the same period.

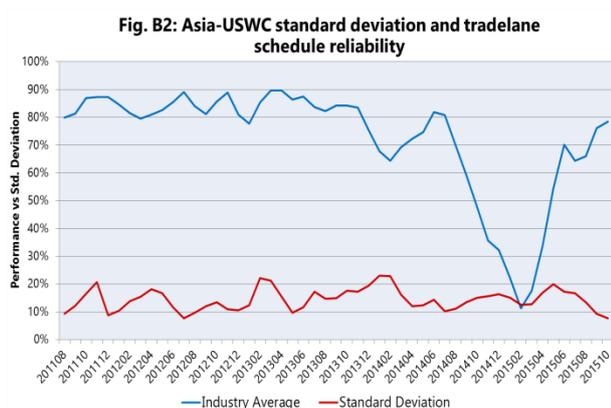
Moreover, the increase in performance and the decrease in standard deviation, in the first half of 2015, coincide with the period when the industry witnessed a consolidation in service offerings due to the launch of the 2M and Ocean Three alliances. The higher degree of

cooperation has increased the level of commoditization in the Asia-North Europe trade lane, reasonably improving the trade lane performance stability to a whole new healthy level.

A different consideration has to be made when schedule reliability fell to its lowest level in February 2014 at 39.9% and the standard deviation rose to one of its highest levels at 23%. The large standard deviation compared to the low average performance, tells us that the carriers' schedule reliability was considerably spread out around the mean value. In fact, digging into more detail, in February 2014 NYK, OOCL and MOL were performing at 13% while Maersk Line as the best performing carrier performed at 95% schedule reliability.

Asia-USWC

Figure B2 shows the standard deviation and schedule reliability in the Asia-USWC trade lane.

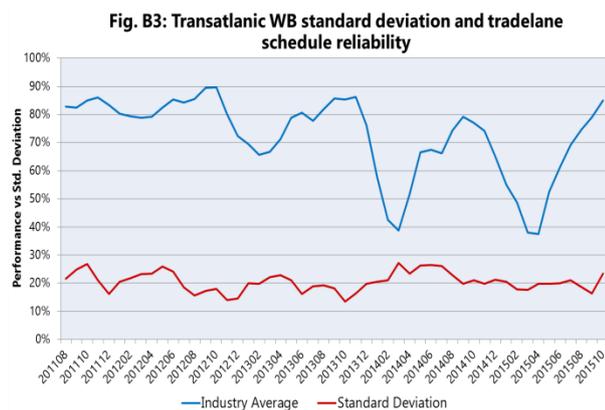


Overall, the standard deviation experienced a marginally volatile but balanced development throughout the past four years, reaching its lowest value of 8% in the last month of analysis, while the highest value of 23% was attained in January and February 2014.

Nevertheless, in contrast to the decreasing deviation in Asia-North Europe, the decline of schedule reliability between the end of 2014 and beginning of 2015 was not followed by a significant increase in the standard deviation. The reason is that all carriers suffered a decrease in schedule reliability during the congestion in the USWC ports. In fact, at the peak of congestion challenges in February 2015, all carriers saw their performances declining to the lowest level ever seen in the trade. The standard deviation was in line with the previous months as the carriers' performance clustered around the mean as they had prior to the congestion.

Transatlantic WB

Figure B3 shows the development of the standard deviation and schedule reliability in the Transatlantic WB trade lane.



The standard deviation shows that the difference between the carriers' schedule reliability and the average trade lane performance has remained relatively stable at around 20% over the past years, ranging from a minimum level of 14% to a maximum level of 27%.

On the other hand, schedule reliability experienced two major downturns, during the first half of 2014 and the first half of 2015. Interestingly, the first major decline in performance in March 2014, to 38.7%, coincided with an increase in the standard deviation to its highest level at 27%, meaning that some carriers experienced a more marked decline than others, leading to a higher spread in schedule reliability between the lowest to the highest performer.

The second major decline in schedule reliability, in contrast, witnessed a stable level of standard deviation compared to the previous and following months, showing that carriers were

affected in a consistent way and to a similar extent in line with deteriorating industry dynamics.

Conclusion

This analysis has shown that schedule reliability in the Asia-North Europe trade lane became more stable in the first half of 2015 compared to previous years as the standard deviation declined to the lowest levels in the first half of 2015. The main explanation can clearly be found in the consolidation of service offerings due to greater cooperation amongst carriers launching new alliances. In fact, when more carriers offer the same product, on-time performances across carriers are less differentiated, leading to a lower degree of performance variability around the industry average.

Moreover, while we have seen some major downward spikes in schedule reliability in the Asia-North Europe and Transatlantic EB trade lanes, all carriers did not decline to the same extent; some experienced more stable levels of schedule reliability. This shows us that some carriers are actually able to respond in a better way during challenging situations affecting the industry, with less negative impact on customers' supply chain.

Carrier service changes

Yang Ming, Hanjin and HMM will suspend WLX service in Asia-WCSA

Yang Ming, Hanjin and HMM have announced the closure of their jointly operated WLX (West Latin Express) service connecting the Far East with the West Coast of South America. The service is currently operating 8 vessels of 5,000 TEU of average capacity deployed in the following port rotation: Kaohsiung – Shekou – Ningbo – Shanghai – Busan – Manzanillo (Mex) – Buenaventura – Callao – Valparaiso – Lirquen – Manzanillo (Mex) – Busan – Kaohsiung.

According to the carriers' sailing schedules, the last sailing of the service will be the 17th of December from Kaohsiung with the vessel Conti Madrid of 5,928 TEU of capacity.

Nevertheless, each of the three carriers will maintain their coverage of service offerings in the trade lane by expanding their cooperation with other carriers on other services. The new service offerings and partnerships can be summarized as follows:

- Yang Ming will start taking slots on board the WSA service and will operate one vessel on the WSA2

service in partnership with COSCO, Evergreen, PIL and Wan Hai, starting from week 1 of 2016.

- Hanjin will operate one vessel on the WL1 service and will start taking slots on board the WL2 service in cooperation with Hapag Lloyd, NYK, K Line, APL and MOL. According to Hanjin's sailing schedule, the WL1 and WL2 services will start being offered with the first sailing on the 24th of December from Busan and Keelung, respectively.
- HMM will start taking slots on board the AN1 and AN2 services operated by CMA CGM, CSCL, Hapag Lloyd and Hamburg Süd. According to HMM's sailing schedule, they will start offering the AN1 service (named NW1) from the 27th of December with the first sailing from Keelung, while they will offer the AN2 service (named NW2) from the 5th of January with the first sailing from Hong Kong.

SITC launches new Intra-Asia service

SITC has announced that they have started to offer a new Intra-Asia service named CPX5, linking China to Philippines, Indonesia and Malaysia. The service will deploy three container vessels of 900 TEU average capacity, calling the following

port rotation: Hong Kong – Shekou – Manila – Cebu – Makassar – Jakarta – Bintulu – Manila – Batangas – Hong Kong.

The first sailing of the new services was from Hong Kong on the 26th of November with the container vessel Trinity of 900 TEU of capacity.

ZIM and Hanjin sign new slot exchange agreements

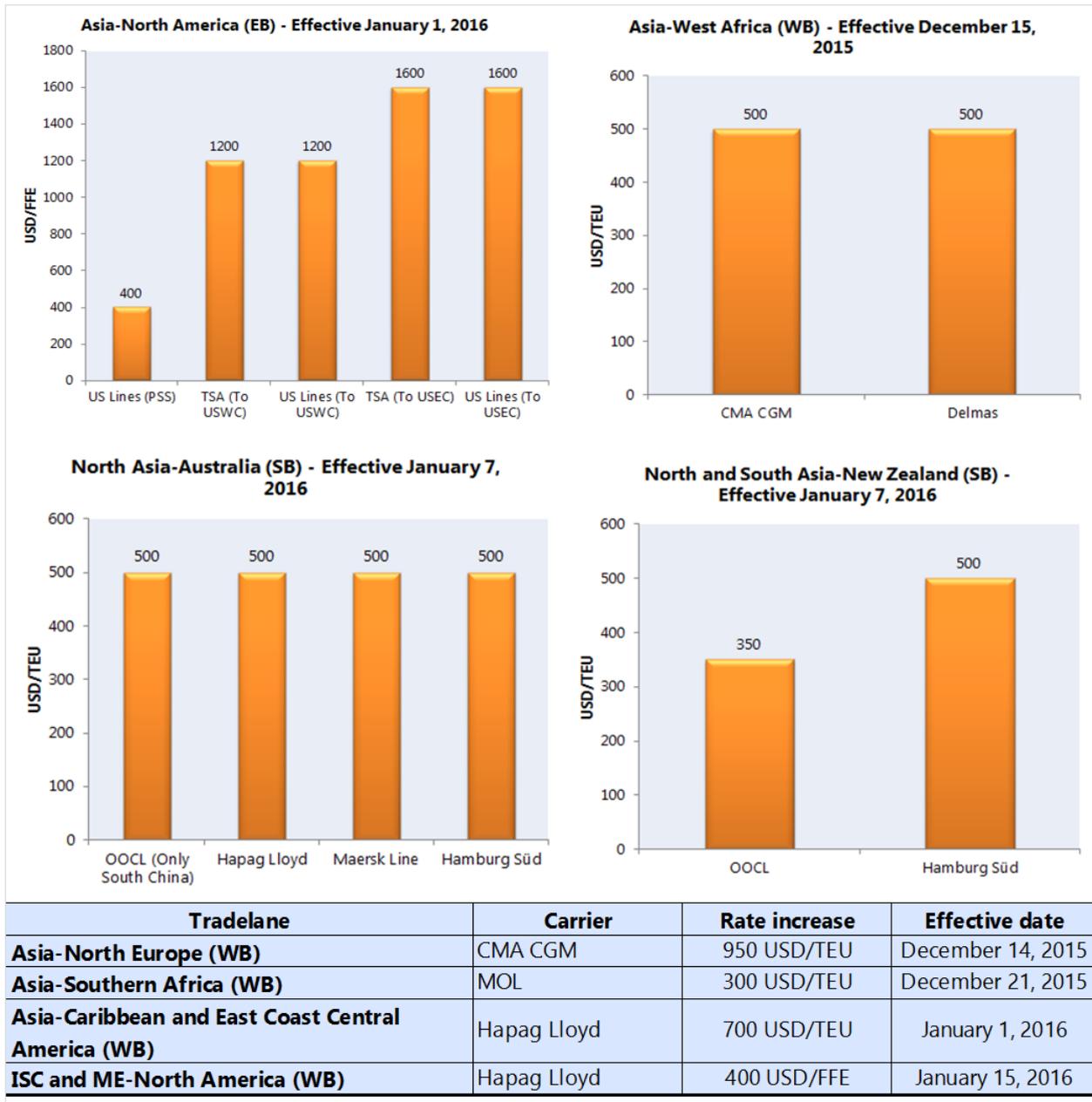
ZIM and Hanjin have signed a new agreement to exchange slots in the Asia-USEC trade lane. ZIM has agreed to provide an allocation of minimum 350 TEU to Hanjin per weekly sailing on the Z7S service, and in exchange Hanjin will provide an allocation of minimum 350 TEU to ZIM per weekly sailing divided by 150 TEU on the AWH service and 200 TEU on the AW8 service, both jointly operated with the CKYHE alliance partners.

The two carriers reserve the right to increase the number of slots exchanged

up to 525 TEU. The agreement will cover the following port rotation:

- on the Z7S service: Singapore – Dachan Bay – Yantian – Ho Chi Minh – Singapore – New York – Savannah – Norfolk – Singapore
- on the AWH service: Ningbo – Shanghai – Busan – New York – Wilmington – Savannah – Busan – Ningbo
- on the AW8 service: Xiamen – Kaohsiung – Hong Kong – Yantian – Singapore – New York – Norfolk – Savannah – Xiamen.

Carrier Rate Announcements



SeaIntel Reports & Products

Global Liner Performance Report – New November 2015 Report Available

Now with Transpacific split into North America East and West coast

- 510.000 vessel arrivals, across 357 different ports
- Schedule reliability for 34 trade lanes split by 66 named carriers and by individual services
- Average delay for all vessel arrivals and for late vessels arrivals, across all trade lanes

The monthly report contains 116 detailed pages with tables and graphs, quantifying carrier performance at a detailed level, ranging from global to trade lane to service.

12 month subscription: 1800 Euro. Single issue: 349 Euro.

Order at: orders@seaintel.com - Contact us for specialized reliability analysis based on our database.



Tradelane Capacity Outlook Report

In-depth weekly report, providing detailed overview of actual capacity offered in the main trade lanes for the coming 12 weeks. The outlook is based on the detailed sailing schedules combined with information of service changes and blanking of sailings. You can pro-actively identify weeks of capacity shortages as well as weeks of excess capacity inflow and plan accordingly.

- 19 Trade lanes covered
- Year-on-year changes as well as week-on-week changes
- Data broken down into named main carriers and alliances

Annual subscription: 2000 Euro. Order at: orders@seaintel.com

Port-to-Port Schedule Reliability

Detailed fact sheets providing schedule reliability information at a carrier/service level for your chosen port-port pair. The fact sheet includes:

- Monthly data series for the past 6 months
- Data broken down by carrier and service
- On-time reliability based on arrival +/- 1 day from schedule
- Average number of days late for delayed vessels
- More than 1500 port-port pairs are covered.

Fact Sheet price: 100 Euro. 10 Sheets: 900 Euro. Monthly subscriptions and larger packages are available on request.

Order at: orders@seaintel.com

Mystery Shopper

Do you know which experience new prospective customers get when they contact you? Are you sure, that the experience is what you intend it to be? If not, SeaIntel Maritime Analysis can provide you the real picture from a new customer point of view.

- The approach is anonymous
- Results are only provided to senior management and is kept confidential
- Standard test is completed within 4 weeks

Test of 5 locations: 700 Euro. Test of 20 locations: 2500 Euro. Order at: orders@seaintel.com

Tailor-Made Analysis

Our core belief is that anything in this industry can be analysed – and analysed well. However, the solution to a particularly difficult problem often rests in the ability to think out of the box and develop new analytical viewpoints. Doing this is our key strength.

At SeaIntel Maritime Analysis we have a combination of extensive practical industry experience, combined with strong academic analytical skills. We have served a wide range of customers looking to gain insights into the container shipping industry including:

- Container carriers
- Freight forwarders
- Financial institutions
- Cargo owners
- Ports
- IT companies
- Equipment manufacturers
- Non-governmental interest organizations

Contact orders@seaintel.com to discuss how we may assist you with tailor-made analysis.

How to subscribe to SeaIntel Sunday Spotlight?

Send an email requesting the subscription to orders@seaintel.com stating whether you want a quarter or a full year subscription. Your subscription will be available immediately, and you will receive an invoice with bank payment details.

Subscription options:

- One quarter: 500 Euro
- One year subscription: 1600 Euro – this is a 20% discount, equal to getting ten weeks for free.

Copyright and Disclaimer

Editor:

CEO and Partner, Mr. Alan Murphy – alan.murphy@SeaIntel.com

Analysts:

Shipping Analyst, Mr. Eligio Fanigliulo – e.fanigliulo@seaintel.com

Shipping Analyst, Mr. Kasper Hansen – k.hansen@seaintel.com

SeaIntel Maritime Analysis

SeaIntel Maritime Analysis

Vermlandsgade 51, 2

2300 Copenhagen S

Denmark

www.seaintel.com

Tel: +45 6068 77 44 or +45 6018 0122 | E-mail: info@seaintel.com

© Copyright – SeaIntel Sunday Spotlight is for use exclusively by the subscribing company. Any redistribution by any means (including electronically and printed) outside the subscribing company is strictly prohibited. Redistribution is a violation of the terms and conditions of sale, and an infringement of the copyright conditions. We reserve all rights in case infringements are detected.