



# ALPHALINER

## Weekly Newsletter

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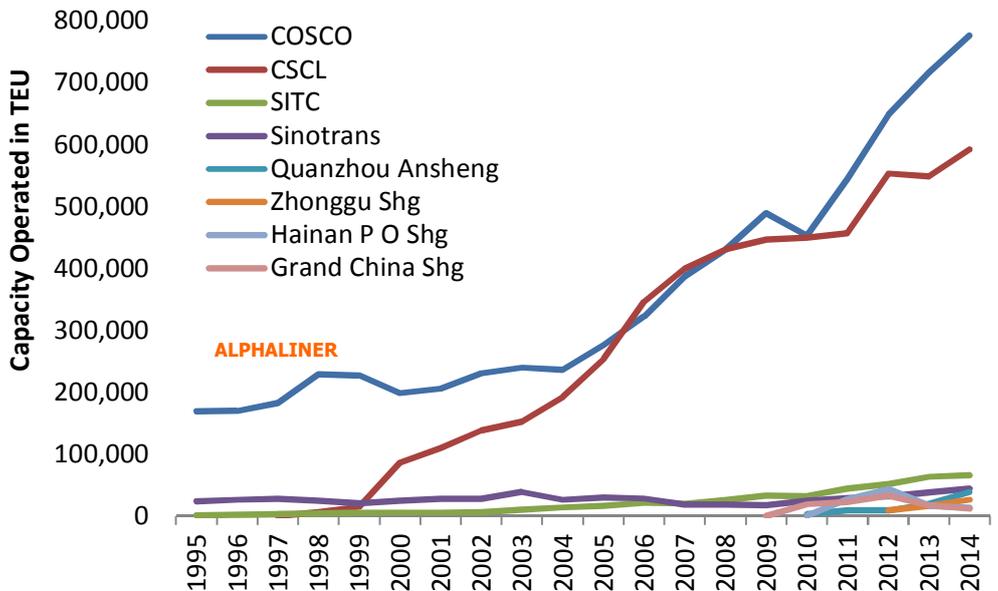
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- There are eleven Chinese shipping companies in the Alphaliner Top 100 carriers list, comprising the following (global rank in brackets) :
  - (5) COSCO : 772,700 teu
  - (9) CSCL : 582,600 teu
  - (26) SITC : 69,500 teu
  - (32) Quanzhou Ansheng : 43,900 teu
  - (33) Sinotrans : 43,100 teu
  - (46) Zhonggu Shg : 26,000 teu
  - (60) Hainan POS : 13,500 teu
  - (67) Goto Shg : 11,000 teu
  - (79) Shanghai Jin Jiang : 7,800 teu
  - (83) Shanghai Hai Hua : 7,200 teu
  - (85) Grand China Shg : 6,900 teu
- Of these, Quanzhou Ansheng and Zhonggu Shipping are involved only in domestic coastal trades and currently do not offer any international shipping services.
- The fleets of Hainan POS and Grand China Shg are currently laid up, after these two carriers suffered financial difficulties in 2013.

### Chart of the week

Main Chinese carriers' fleet evolution : 1995-2014



### Half measures do not foster Chinese carriers' consolidation

The strategic cooperation agreement signed on 13 February 2014 by COSCO and China Shipping fails to address the problems faced by the two group's container shipping arms. Although the framework agreement outlined various areas of cooperation between the two Chinese shipping groups, it did not provide any indication on a consolidation of their competing container business units.

As COSCO Container Lines (COSCON) and China Shipping Container Lines (CSCL) continue to operate as two separate and competing units, they continue to face earnings pressure. Both carriers currently operate at a loss, and had to resort to asset sales (to their respective parent companies) in the last two years to avoid reporting losses at their respective listed entities. They are likely to record further operating losses in the next two years, as the container shipping market continues to face structural imbalances that will keep freight rates under pressure.

Despite these challenges, there was no provision in the 13 February agreement for COSCO and CSCL to cooperate in any formal alliance on the container shipping markets. COSCO is a member of the CKYH Alliance, which has recently roped-in Evergreen as an official partner on the Asia-Europe sector within an enlarged CKYHE sectorial arrangement, while CSCL operates in various cooperation arrangements with UASC and with Zim.

Even in the domestic China coastal trades, these two carriers continue to com-

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The idea of a restructuring among the five main Chinese state-owned shipping groups - COSCO, China Shipping, Sinotrans, China Changjiang (CSC) and China Merchants - has been circulating since 2006.

Under a top-down decision from the State-Owned Assets Supervision and Administration Commission (SASAC), Sinotrans and CSC merged in March 2009 to create Sinotrans & CSC Shipping. The merger was seen as largely complementary as Sinotrans was strong in logistics and coastal transportation while CSC specialised in Yangtze River transport and tanker services.

However, five years after the Sinotrans/CSC merger, problems still persist at the merged company with a divided internal management, heavy debt burden and persistent losses at its various shipping units.

The poor outcome of the Sinotrans/CSC merger has deterred additional consolidation amongst the Chinese state-owned shipping groups, and this looks unlikely to change despite COSCO and China Shipping's signing of a strategic cooperation agreement in Feb 2014.

pete against each other, despite signing an agreement in October 2012 to cooperate on the North China-Fujian/Shantou trade.

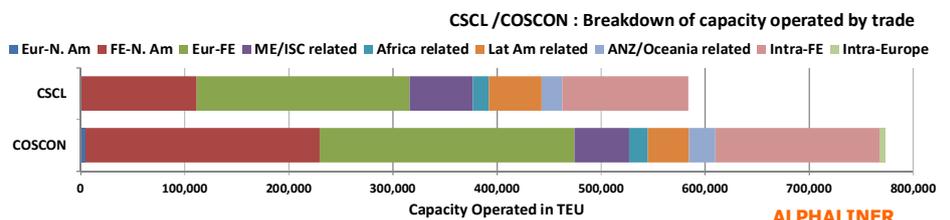
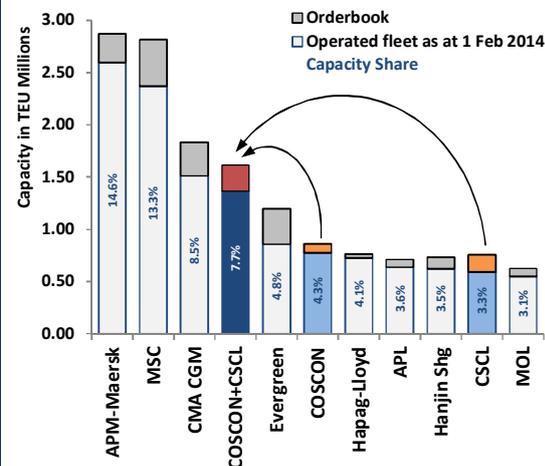
The 2012 agreement illustrates the difficulties that both carriers face to integrate their container shipping businesses. The cooperation was limited to a minor trade, as the Fujian/Shantou route is not a major domestic route compared to Guangzhou/Shenzhen-related markets, which remain outside the domestic cooperation pact. Although the carriers said that the move marked the "start of an intensive cooperation in domestic container shipping between CSCL and COSCO," they failed to follow through with the initial agreement, with no joint services introduced while price competition remains intense across all domestic routes.

The same outcome can be expected from the latest 2014 agreement - which is largely an expedient half-measure adopted to appease the two Chinese carriers' political masters, but without any commitment on either side to carry through with any real consolidation.

Even if CSCL were to cooperate with the CKYH partners and Evergreen in an enlarged strategic alliance arrangement that could also include UASC, it would still not be sufficient to reverse the negative operating results of the two Chinese carriers as the cooperation would be confined to operational vessel sharing without extending into commercial or administrative synergies. Moreover, CSCL already has numerous slot arrangements with individual CKYH carriers since 2012, with any further cooperation merely an extension of the current arrangements, with a limited impact on CSCL's earnings.

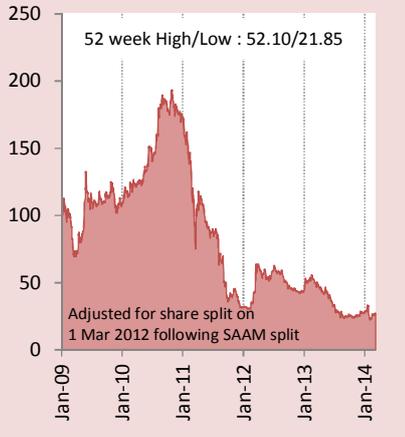
CSCL reported an operating loss of -RMB 1.87 Bn (\$306 M) for the first nine months of 2013 while COSCON also operated at a loss although it did not provide a breakdown of its operating performance.

Only a fully fledged merger of CSCL and COSCON to create the fourth largest liner operator could give the Chinese carriers a strong foothold to compete effectively in the liner markets and to enjoy the full cost saving synergies from the integration of the two shipping giants. However, such a large-scale merger is fraught with significant execution risks and it would involve a large number of redundancies which could prove to be difficult for Chinese state owned companies to digest. The redundancies would be significant as COSCON and CSCL have a high degree of overlap in the trade lanes they cover.



CORPORATE UPDATES

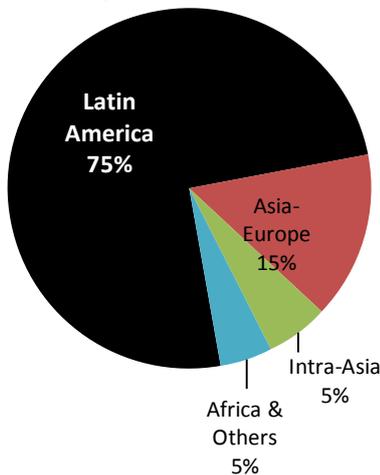
CSAV Share Price 2009-2014  
Chilean Peso



CSAV Financial Results

	2013	2012
Revenue \$M	3,206	3,432
EBIT \$M	-235	-197
EBITDA \$M	-174	-137
Net Profit \$M	-169	-314
Liftings in TEU		
Latin America	1,404,879	1,385,976
Asia-Europe	281,811	292,186
Intra-Asia	105,159	132,924
Transpacific	0	0
Africa & Others	87,411	122,324
Total	1,879,260	1,933,410

CSAV Liftings Breakdown by Trade (2013)

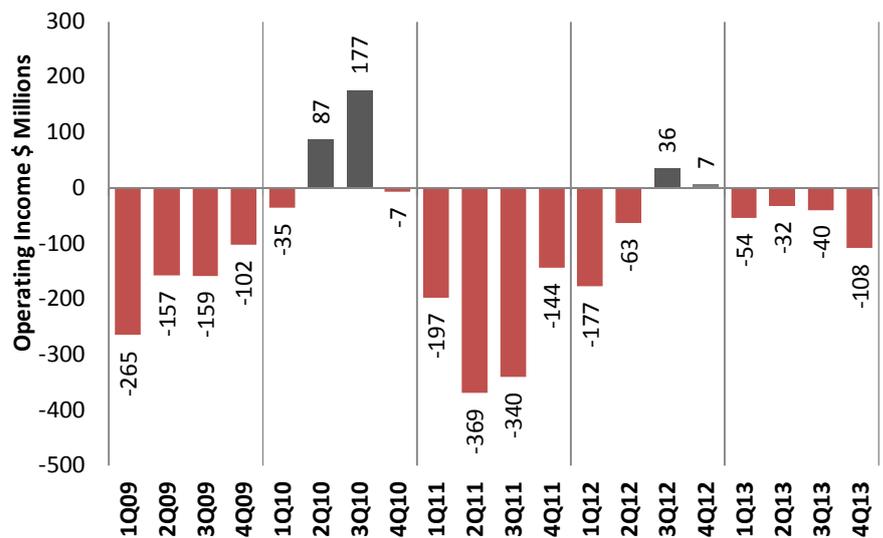


CSAV continues losing streak

CSAV has posted a net loss of \$61 M in the fourth quarter of 2013, against a loss of \$23 M in the same quarter of 2012. Full year net loss reached \$169 M in 2013 against a net loss of \$314 M in 2012. The net profit improvement was aided by a non-recurring \$77 M gain made during the year.

CSAV's operating loss, excluding non-recurring items, reached -\$221 M in 2013, against -\$197 M in 2012. The company has reported negative operating results in 16 out of the last 20 quarters, which it attributed to weak freight rates. EBITDA cashflow was negative, at -\$174 M in 2013 as the cash drain worsened compared to -\$137 M in 2012. CSAV expects an improvement in its results in the first quarter, but will remain loss making, according to the carrier, as freight rates have failed to recover to above breakeven levels.

CSAV Operating Profit by Quarter 2009-2013



The Chilean carrier continues to push for a merger of its container shipping business with Hapag-Lloyd, even as it continues to struggle to regain profitability. The merger would be executed through the contribution of all CSAV container related assets to H-L, in exchange for a 30% stake in the new combined entity. The two companies expect to generate synergies reaching \$300 M annually from the merger but CSAV's continuing losses greatly reduce the attractiveness of CSAV as a merger candidate.

CSAV's cash needs also remain significant, as EBITDA losses have drained the company of positive cashflow from operations. It is seeking to raise \$600 M from new share issues, with \$200 M to be used to finance the outstanding amounts on its seven 9,200 teu newbuildings and an additional \$400 M to be used for merger related expenses.

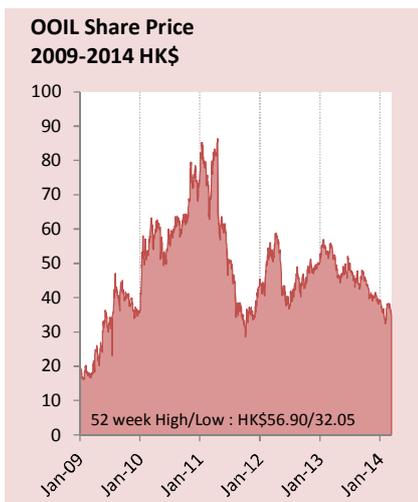
CORPORATE UPDATES

OOIL Group

In US\$ M	2013	2012
Revenue	6,232	6,459
EBITDA	420	590
Operating Profit	108	343
Net Profit	47	296
Operating Profit Margin	1.7%	5.3%

Container shipping only

In US\$ M	2013	2012
Revenue	6,205	6,433
EBITDA	369	476
Operating Profit	57	229
Net Profit	18	197
Operating Profit Margin	0.9%	3.6%



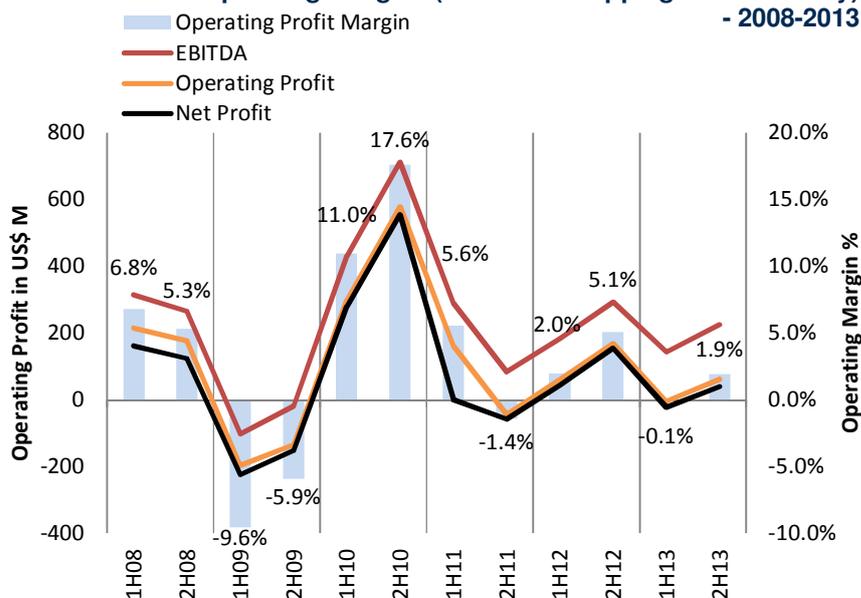
OOCL resumes profit path

OOIL, the parent company of OOCL, has reported a net profit of \$47 M in 2013 as second half profits of \$62 M reversed a first half loss of -\$15 M. Although the results were a significant deterioration from the \$296 M net profit recorded in 2012, OOIL is expected to be one of the few container shipping companies to post a positive result in 2013.

Its container shipping business contributed a net profit of \$18 M in 2013, compared to a net profit of \$197 M in 2012. Operating profits at its container shipping unit reached \$57 M, with positive second half results of \$62 M reversing a first half operating loss of -\$4 M.

OOIL's other business, comprising its real estate investments in the US and China, posted a net income of \$30 M, down from the \$100 M net profit in 2012.

OOCL Operating margins (Container shipping business only) - 2008-2013



The company said that the positive results were due to cost control and improved capacity utilisation despite weak freight rates that were brought about by over-capacity in the container shipping markets. OOCL's container liftings increased by only 1.4% to 5.29 Mteu in 2013 from 5.22 Mteu in 2012.

OOIL's balance sheet remains the strongest amongst all the main container shipping companies, with net debt of \$1.12 Bn against equity of \$4.48 Bn, for a debt-equity ratio of only 0.25. Its main capital expenditure commitments are its six remaining newbuildings comprising of two 13,200 teu and four 8,888 teu units due in 2014 and 2015 and the Middle Harbour port project in Long Beach, worth \$1.3 Bn which will be completed in 2019.

CORPORATE UPDATES

SCI's last containership newbuildings were delivered October 2008. They were of a pair of 4,400 teu units constructed at Hyundai Samho H.I. It also owns a trio of aging 1,869 teu ships built in 1994 at Hyundai H.I.

Since 2010, SCI has been seeking to acquire new or secondhand tonnage in the 3,500 teu, 5,000 teu and 6,500 teu class for its fleet expansion.

Several tenders floated in 2010 for second-hand tonnage failed to attract any sellers and the company eventually went ahead for newbuilding orders, starting with the order for three 6,500 teu units in November 2010.

A bid to build two 3,500 teu ships at a domestic yard was abandoned in 2011 and SCI made an order for a single 3,500 teu ship at Rongcheng Shenfei in July 2011.

All of these orders have floundered and SCI will likely end up with all of the new orders being cancelled.

Apart from the two 4,400 teu units and three 1,869 teu units that it owns, SCI currently charters two 5,042 teu units from German owner CP Offen, which it deploys on its India Subcontinent-Europe Service (ISES). The service is operated jointly with MSC, with the latter operating 7,500-9,500 teu tonnage on the run, which significantly dwarves SCI's vessels.

SCI fleet expansion in jeopardy

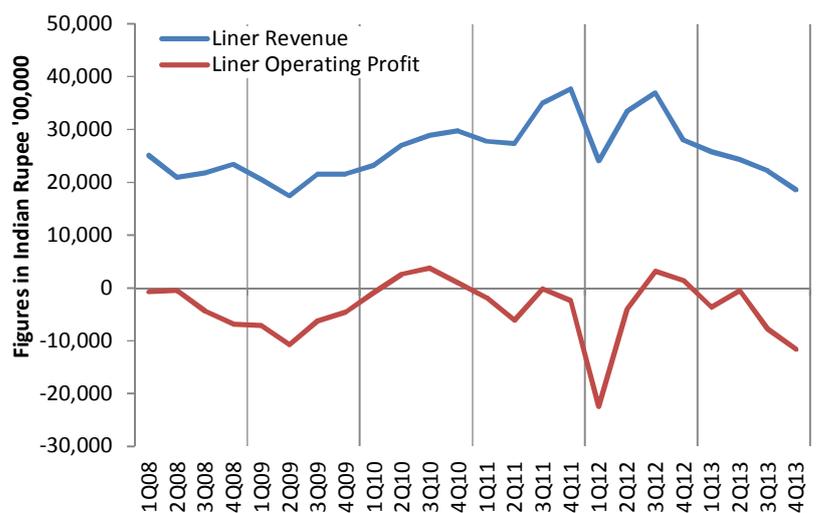
The containership fleet expansion plans of the Shipping Corporation of India have been hit by a second cancellation in January. SCI's failure to upgrade its fleet could affect its continued participation in the India-Europe trade, as SCI's operating partner MSC, and most of its competitors, now deploy much larger ships than the 4,400-5,000 teu ships which Indian carrier currently uses. SCI could then turn to the charter market to bring 8,000 teu ships on the India-Europe trade.

SCI had cancelled one 3,500 teu ship at Rongcheng Shenfei in September 2013 and has recently cancelled one of the three 6,500 teu ships on order at STX Dalian. In both cases, SCI said that the cancellations were due to the "non-delivery of the vessel(s) within the contractual time period."

The Rongcheng Shenfei 3,500 teu order was placed in July 2011 and was originally scheduled for delivery in January 2013. SCI had also planned to order two 3,500 teu units at Cochin Shipyard in May 2011, in an Indian government bid to support domestic shipyards. The carrier however eventually walked away from the deal after Cochin Shipyard failed to match the price offered by Chinese shipbuilders.

The order for the three 6,500 teu ships at STX Dalian was signed in November 2010 for delivery between June and December 2013. Although only the first unit has been officially cancelled, the last two 6,500 teu units are also expected to be cancelled eventually as most of the construction activity at the financially troubled STX Dalian has ceased since last year.

SCI Liner Shipping Financial Performance by Quarter : 2008-2013



SCI's liner shipping operations, comprising of its container shipping and breakbulk units, continue to operate at a loss. In the four quarters of 2013, SCI posted an operating loss of INR 2,358 M (\$36 M) for its liner shipping business.

## SERVICE UPDATES

**Evergreen : China-PSW (CPS)  
Service Details****CPS (New from May 2014)****Vessels Deployed:**

6 x 8,000-8,500 teu

**Port Rotation**

Qingdao, Shanghai, Ningbo, Los Angeles, Oakland, Tokyo, Qingdao

**Yang Ming : Pacific Northwest  
Service Details****YPN****Vessels Deployed:**5 x 3,700-5,000 teu  
TBR 5 x 5,300-5,800 teu**Port Rotation**

Ningbo, Shanghai, Busan, Tacoma, Vancouver, Busan, Ningbo

## Evergreen in major Transpacific upgrade

Evergreen is to upgrade its transpacific services in May, with the introduction of a new China-Pacific South West (CPS) service using its 8,452 teu 'L'-class vessels.

The new CPS service will be launched from Qingdao on 20 May, using six ships comprising of five 8,452 teu 'L' class units and one 8,073 teu unit. The service will call at Qingdao, Shanghai, Ningbo, Los Angeles, Oakland, Tokyo, Qingdao.

The CPS service will be Evergreen's flagship transpacific service deploying the Taiwanese carrier's latest 8,500 teu ships. It is expected to replace Evergreen's existing North and Central China links to the Pacific South West, ensured through slots on CSCL's AAC service (also branded as CPS) and the CPS 2/CAX service jointly operated with Hanjin Shipping using six ships of 3,600-4,400 teu.

Further upgrades of Evergreen's FE-USWC and FE-USEC services are expected to be unveiled in the coming weeks for the 2014 contract season starting in May, including the merger of the current FE-USEC 'NUE' and 'AUE' service (both using the Panama route) within a revised 'AUE' service (also using the Panama route). The loss of capacity on the Panama route could then be compensated by a shift of FE-USEC volumes to high capacity services using the Suez route.

## Yang Ming upgrades PNW service to 5,500 teu scale

Yang Ming will upgrade the capacity of its South China-Korea-PNW (YPN) service with the current fleet of 4,000 teu vessels being gradually replaced by 5,500 teu units.

The upgrade will begin with the introduction of the 5,752 teu CONTI MADRID in Ningbo on 15 March. The vessel was recently chartered by YM from German owner Niederelbe Schifffahrt for a period of 7-10 months. Three further vessels of about the same size, the 5,344 teu sister ships OOCL BRITAIN and OOCL CHINA (OOCL 'S' class - both chartered by YM from OOCL) and the 5,551 teu YM SUCCESS will complete the upgrading process. The current fleet of panamax tonnage, consisting of the 4,923 teu YM NEW JERSEY, the 4,252 teu sister vessels YM ENHANCER and YM ETERNITY, the 4,117 teu EP Shipping-controlled YM HAMBURG and the 3,725 teu YM NORTH will be gradually phased out with their future assignments yet to be announced.

The YPN is a weekly service connecting Ningbo, Shanghai and Busan to Tacoma, Vancouver, Busan and Ningbo. COSCO, K Line and Hanjin participate as slot buyers within the frame of the CKYH partnership.

## SERVICE UPDATES

**CKYH/Evergreen : TAE/TAS-1/NTA Service Details****Transatlantic Express****Vessels Deployed:**

4 x 4,200-5,000 teu

**Port Rotation**

Antwerp, Bremerhaven, Rotterdam, Le Havre, New York, Norfolk, Charleston, Antwerp

**Hapag-Lloyd : Europe-US Gulf-Mexico Service Details****GMX****Vessels Deployed:**6 x 2,800-3,600 teu  
TBR 6 x 4,000-4,800 teu**Port Rotation**

Southampton, Antwerp, Bremerhaven, Le Havre, Veracruz, Altamira, Houston, New Orleans, Southampton

This high volume feeder loop will allow Maersk to provide a seamless port coverage while skipping six Far East-Europe sailings between March and June 2014, concurrently to the delivery of additional 18,270 teu 'Triple-E' vessels.

**K Line to bring ship on Atlantic TAE service**

With Hanjin to withdraw from the North Europe-US trade in April (See issue 02-2014), the current slot taker K Line will replace the Korean carrier as vessel operator on the 'Transatlantic Express' (TAE/TAS-1/NTA). Otherwise, the loop which will remain jointly operated by COSCO, Yang Ming, K Line and Evergreen

The service is currently run with four 4,200-5,000 teu ships and calls at Antwerp, Bremerhaven, Rotterdam, Le Havre, New York, Norfolk, Charleston, Antwerp. K Line, which is currently the only partner not providing a ship on the service, will phase in the 4,800 teu VANCOUVER BRIDGE in May. The ship will replace the 4,389 teu HANJIN PHOENIX, which is expected to be redelivered by Hanjin at the end of her charter.

**H-L to upgrade N Eur-US Gulf service to panamax scale**

Hapag-Lloyd is to start upgrading its weekly North-Europe-US Gulf-Mexico (GMX) service with panamax tonnage, gradually replacing a fleet of six 2,803 teu to 3,606 teu vessels. The GMX is operated by Hapag-Lloyd, with OOCL taking slots. It covers Southampton, Antwerp, Bremerhaven, Le Havre, Veracruz, Altamira, Houston, New Orleans and Southampton. The move anticipates the insertion of the GMX into the G6 partnership under the new name AX2, once the G6 has been expanded to include the transatlantic trade in Q2 of 2014.

The upgrade starts this week with the introduction of the 4,132 teu JPO PISCES, on charter from German owner Oltmann Schiffahrt. The JPO PISCES is shifted from its 'Mediterranean Gulf Express' (MGX) and is swapping in the US Gulf her assignment with the 3,606 teu NORFOLK EXPRESS, who joins the MGX.

The upgrade of the GMX will continue in late April with the introduction of the 4,844 teu Hapag-Lloyd-owned ROTTERDAM EXPRESS, switching from the Pacific Atlantic Express 'PAX' service. Three of Hapag-Lloyd's oldest vessels of 2,800-2,900 teu currently deployed on the GMX, aged 23-25 years, could be potential candidates for scrapping.

**Maersk organises South East Asia-China relay service**

As part of its Far East-Europe capacity management plan for the coming months, Maersk Line has organized a South East Asia-China service connecting Tanjung Pelepas and Singapore to Xingang, Qingdao, Ningbo and Hong Kong, using panamax ships averaging 4,300 teu.

This weekly operation will be ensured with the 4,360 teu SEA-LAND RACER (owned), the 4,255 teu RIO CARDIFF (chartered) and a third, as yet, unnamed vessel.

## SERVICE UPDATES

**Maersk/Safmarine/DAL/MOL :  
SAECS Service Details****South Africa-Europe Container Svc****Vessels Deployed:**

8 x 4,500-4,900 teu  
then 8 x 6,500-6,900 teu

**Port Rotation**

Rotterdam, London Gateway,  
Bremerhaven, Algeciras (APMT),  
Algeciras (TTI), Cape Town, Port  
Elizabeth, Durban, Port Elizabeth,  
Cape Town, Algeciras (APMT), Rot-  
terdam

**SAECS capacity upgrade—follow up**

The capacity upgrade of the joint Europe-South Africa SAECS service offered by Maersk Line, MOL and DAL (branded SRX by MOL) from the 4,500-5,000 teu scale to the 6,500+ teu size is going on with the introduction of the 6,881 teu DAL KAROO this week in Port Elizabeth. The vessel, so far named SKIATHOS, is chartered by DAL from Maersk Line, which in turn has her on charter from International Maritime Enterprises (SAM), a company linked to the Embiricos Group, since delivered in May 2013. She is joining her three sister vessels, AMOLIANI, RHODOS and KEA, who have been phased in since February. These four ships are fitted with 900 reefer plugs, allowing to cater for seasonal exports of South African fruits during the Austral crop season (February-July).

DAL has returned the chartered 4,500 teu, SAECS-deployed DAL STELLENBOSCH to Maersk Line whilst also chartering out to the latter its owned sister vessel DAL KALAHARI. Both vessels are now deployed on Maersk Line's Far East-South Africa 'SAFARI' service, with the DAL KALAHARI for the moment only doing an eastbound trip.

The SAECS started its capacity upsize program in December, with the phasing in of the 6,673 teu, 1,200 reefer KATHERINE, chartered by Maersk Line from Athens-based Technomar Shipping. The vessel was followed in January by her sister vessel, ALEXANDRA.

Sill missing are the two MOL ships aimed at replacing the 4,922 teu MOL CULLINAN and MOL CALEDON. The two newcomers, the 6,350 teu MOL PROFICIENCY and MOL PRESENCE, are having their reefer capacities boosted from 580 to 1,285 reefer plugs with the installation of three extra Diesel-alternators. The work is done in Japan. The MOL CULLINAN and MOL CALEDON will then be re-delivered to their owners, CP Offen. In the meantime, MOL complements the MOL CULLINAN and MOL CALEDON with two extra ships, the 1,577 teu HARUKA and the 1,795 teu KOMATI, which are currently performing respectively a southbound Algeciras-SAF trip and a northbound SAF-Algeciras trip.

The SAECS capacity upsize program also allows to cater for the extra volumes generated by the inclusion of the Mediterranean market, covered through additional wayport calls at Algeciras after the closure of the Maersk-Safmarine Algeciras-SAF shuttle, on which DAL and MOL took slots.

The SAECS turns in eight weeks, calling at Rotterdam, London (Gateway), Bremerhaven, Algeciras (APMT), Algeciras (TTI), Cape Town, Port Elizabeth, Durban, Port Elizabeth, Cape Town, Algeciras (APMT), Rotterdam.

## SERVICE UPDATES

**Ocean Shell Shg : OSS Lines  
Service Details****India-Persian Gulf (IPG)****Vessels Deployed:**

2 x 1,700-2,100 teu

**Port Rotation**Jebel Ali, Nhava Seva, Mundra,  
Karachi, Jebel Ali, Doha, Dammam,  
Jebel Ali**Jebel Ali - Iran shuttles****Vessels Deployed:**

1 x 700 teu &amp; additional ships TBN

**Port Rotation**Jebel Ali, Bandar Abbas, Jebel Ali  
Additional shuttles TBN**CMA CGM/Delmas : SAMWAF  
Service Details****ECSA-West Africa****Vessels Deployed:**

3 x 1,700 teu (fortnightly)

**Port Rotation**Buenos Aires, Rio Grande, Itajai,  
Santos, Abidjan, Tema, Pointe  
Noire, Luanda, Buenos Aires**Ocean Shell Shg (OSS) in container shipping foray**

Dubai-based breakbulk and heavy-lift specialist Ocean Shell Shipping LLC (OSS) is diversifying its activities with the launch of container services within the Middle East Gulf and from the UAE to the Indian sub-continent, which will be marketed under the banner 'OSS Lines'.

The freshly launched service from the UAE to the Indian subcontinent, branded 'IPG', is a butterfly weekly operation centred on Jebel Ali, calling successively at Jebel Ali, Nhava Seva, Mundra, Karachi, Jebel Ali, Doha, Dammam, Jebel Ali.

It turns in two weeks with two vessels chartered from Seachange Maritime, the 1,730 teu POSITANO (B-170 type), assigned this week, and the 2,135 teu BALEEN (Imabari 1900 type) due to join the service soon.

Within the Middle East Gulf, OSS plans the launch of three shuttle services, connecting respectively Jebel Ali to Bandar Abbas, Umm Qasr and Basrah, Bandar Imam Khomeini and Khorramshahr. A first shuttle has been launched in February, connecting Jebel Ali to Bandar Abbas, with twice weekly sailings offered with the 700 teu chartered CAROLINA (Sietas Typ 160)

Ocean Shell Shipping was established in Dubai in 2001. The company is a specialist of breakbulk, project cargo and heavy-lift transportation with a focus on the Middle East Gulf and the Indian Sub-continent regions.

**CMA CGM-Delmas adds Tema to SAMWAF**

CMA CGM and its Africa-oriented subsidiary Delmas are to add a call at Tema (Ghana) to its ECSA-West Africa 'SAMWAF' service, permitting to offer a direct link between the Ghanaian market and Brazil.

The revised rotation will now cover Buenos Aires, Rio Grande, Itajai, Santos, Abidjan, Tema, Pointe Noire, Luanda and Buenos Aires. The move also interests Maersk Line, which takes slots on this service.

Departures will continue to be provided on a fortnightly basis, using three ships, the 1,732 teu RHL AQUA (Wenchong 1700 type) chartered from Hamburg-based Reederei Hamburger Lloyd, and the 1,698 teu gearless sister vessels ASTERIX and ATOUT (Aker CS 1700 type), both chartered from Athens-based Capital Ship Management.

## SERVICE UPDATES

**CSAV : USWC-Mexico  
Service Details****USWC-Mexico service****Vessels Deployed:**

Slots on Hapag-Lloyd

**Port Rotation**

Oakland, Los Angeles, Manzanillo (Mex), Lazaro Cardenas, Los Angeles

**MSC/BG Freight : ECUK-Benelux  
Service Details****East Coast UK - Rotterdam****Vessels Deployed:**

TBN

**Port Rotation**

Rotterdam, Grangemouth, Immingham, Felixstowe, Tilbury, Rotterdam

**CSAV to enhance Mexican presence through slots on Hapag-Lloyd service**

The Chilean ocean carrier CSAV is to add a direct USWC-Mexico connection by taking slots from Hapag-Lloyd.

CSAV is understood to be joining the Oakland-Los Angeles-Mexico string of Hapag-Lloyd's 'AME 2' service.

Actually, this loop is an APL-operated New World Alliance transpacific service, the 'PS-2 / MAX 2', on which Hapag-Lloyd has a slot allocation.

Thus, CSAV's new participation on the loop's USWC-Mexico leg appears to be secured by means of a sub-slotting / partnering arrangement with Hapag-Lloyd.

**MSC joins BG Freight in UK East Coast feeder link**

MSC is to join BG Freight Line in providing a weekly container service connecting the UK's key East Coast ports. The joint operation will allow to connect Felixstowe to both Tilbury (LCT) and to Grangemouth (River Forth). At Tilbury, the ships are handled at the Forth Ports-owned London Container Terminal. The terminal used to be known as Tilbury Container Terminal until 2012, when Forth Ports acquired the facility from former joint owners DP World and Associated British Ports and re-branded it.

The new link will build on BG Freight's existing Benelux-East and South Coast UK services, part of its Benelux-UKEC offer.

BG Freight is a division of the UK-based Peel Ports Group.

## SERVICE UPDATES/DELIVERY UPDATES

**MSC : Lower Red Sea Feeder 2  
Service Details****Lower Red Sea Feeder 2****Vessels Deployed:**

1 x 1,500 teu

**Port Rotation**

Salalah, Aden, Mukalla (from Mar 2014), Djibouti, Salalah

**Cellular Containership Deliveries  
March 2014**

Name	Teu	Operator
EVER LUCENT	8,508	Evergreen

**MSC adds Mukalla**

MSC has added the port of Mukalla in South Yemen to its network. Mukalla will be served through the carrier's Lower Red Sea Feeder Service 2, hubbing at Salalah. Mukalla was not recently on the itinerary of any regular service but used to be served by PIL and ACL Red Sea feeders in the past. It is a general cargo port having been handling ad hoc calls of breakbulk vessels.

The Red Sea Feeder service 2 is currently served by the 1,524 teu MSC AGATA (B-186 L type – former NORDLAKE) plying a rotation covering Salalah, Aden, Djibouti, Salalah and, now, Mukalla.

Of note, MSC has established its own office in Mukalla.

**The EVER LUCENT (8,508 teu) is delivered**

Evergreen has received the EVER LUCENT, fourth of ten ships 8,508 teu ordered in May 2011 in Taiwan at the China Shipbuilding Corp. (CSBC), as part of its 30-ship strong 'L-class' newbuilding program.

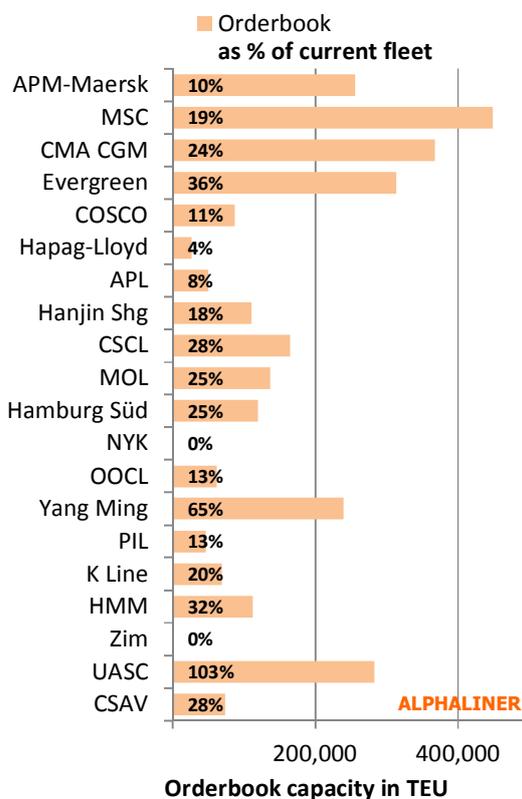
The new ships will add to the 17 'L-class' units that are already in service (built in Korea by Samsung).

The EVER LUCENT is to join the Far East-Europe CES service operated within an Evergreen-CKYH agreement. The EVER LUCENT follows in this series the EVER LUCID, delivered in January.

## NEW ORDER UPDATES

**UASC's latest orders bring its orderbook to 280,000 teu against its current operated fleet of 274,000 teu. Its orderbook to fleet ratio of 103% is currently the highest amongst all carriers, based on Alphaliner's data.**

### Top 20 Carriers Orderbook (as at Mar 2014)



## UASC brings 18,000 teu program to six units

The United Arab Shipping Company (UASC) is bringing its 18,000 teu newbuilding program to six units as it has exercised an option with Hyundai Heavy industries (HHI) for an additional unit, adding to the five ships that it ordered in August 2013.

UASC had earlier exercised options for six 14,000 teu units in February 2014, adding to five units ordered in August 2013. These 17 ships have a cumulated value of over \$2 Bn. The delivery of the 14,000 teu ships will start at the end of this year while the 18,000 teu ships delivery will start in April 2015.

They will add to UASC's current fleet of nine 13,100 teu units (A-13 class) which were ordered at Samsung H.I. in 2008. The first unit in the nine-ship series was delivered in April 2011 while the last eight units were handed over to UASC in 2012, a year later than scheduled. The six 18,000 teu vessels will be operated on an Asia-Europe loop in tandem with five CSCL vessels of similar size.

On top of these orders, UASC has chartered two wide beam neo-overpanamax of 9,000 teu for three years. The ships, SKYROS and SYMI, were ordered in April 2013 by International Maritime Enterprises on a speculative basis and are expected to come on stream this spring. They are expected to join the transpacific FE-PNW 'ANW 1/AWN 1' service currently operated by CSCL, UASC and PIL with six vessels of the 4,200 teu class, to be replaced by larger ships for the peak season.

## MOL adds six 10,000 teu charters from Seaspan

MOL has long term chartered a further six 10,000 teu class containerhips from Seaspan, bringing its 10,000 teu order tally from the same owner to ten vessels. These six ships will be delivered in 2015 and add to four units contracted in January 2013. The four initial units, MOL BRAVO, MOL BRILLIANCE, MOL BRIGHTNESS and MOL BREEZE, are scheduled for delivery during the second half of 2014.

The six additional units were ordered by Seaspan in September and December 2013 at Jiangsu Yangzijiang. Three of the six new orders remain subject to allocation in relation to Seaspan's right of first refusal agreement with Greater China Intermodal Investments, an investment vehicle established by Seaspan together with an affiliate of global alternative asset manager Carlyle Group and with Blue Water Commerce, a entity established by the Washington family who are also the controlling shareholders of Seaspan.

Seaspan is planning to exercise more options on similar ships for delivery in 2016.