Global Liner Performance
June Report 2013

Content

Global Liner Performance report – June 2013

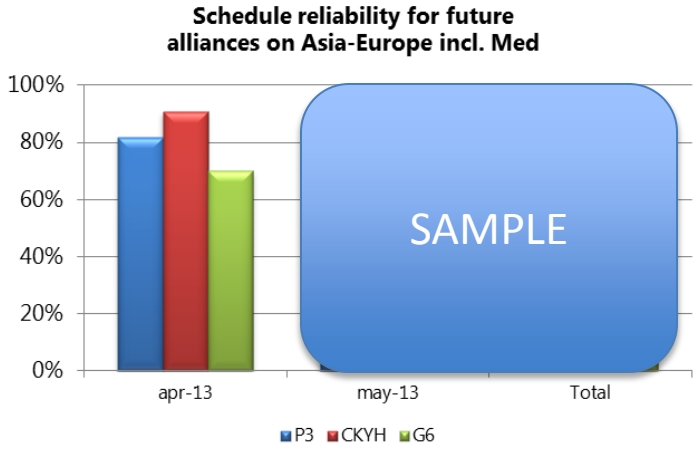
Global Executive Summary

Global schedule reliability decreased slightly from 82% in April 2013 to 81% in May 2013, so the year-on-year performance is now on the same level as we saw in 2012. In the global Top20, Maersk Line maintained the number one spot with a global performance of 89%. Maersk Line was followed by Hamburg Sud and UASC with a performance of 87.3% and 85.3%, respectively. In terms of container delivery we see a slight improvement from 65% to 66%.

In mid-June Maersk Line, MSC and CMA CGM announced that they intend to form the P3 Network and operate together in alliance on the Transpacific, Asia-Europe and Transatlantic trades with effect from Q2 2014. Before the new alliance can become effective it needs approval from the anti-trust authorities in the EU, USA and China. In relation to development we have calculated the schedule reliability for the three future alliances, P3, G6 and CKYH in the Asia- Europe trade including Mediterranean, for April and May 2013. It is evident from the figure that the P3 and the CKYH alliances are performing on a

Tradelane Summary

Despite the slight decline in global schedule reliability, 15 trade lanes saw a performance improvement versus April 2013 and 17 trade lanes improved performance versus May 2012. The largest improvement was seen on the Europe to Indian Subcontinent eastbound trade, where schedule reliability increased by 20% in May 2013. Other significant improvements were seen in the trade lanes for Transatlantic eastbound (+8%), Transatlantic westbound (+6%), South America to North Europe (+6%), South America to Mediterranean (+6%) and North America to ANZ (+6%).



Container Delivery Summary

Timely container delivery performance increased slightly from 65% in April to 66% in May. Container deliveries have improved 5% above the seen in May 2012.

16 trades showed improvements and 13 trades showed declines. The most significant changes were seen in the trades from WCSA to Asia (-17%), ANZ to North America (-9%), ECSA to Asia (-8%), South America to North Europe (+9%) and Africa to Europe (+12%).

Top-20 carriers - global performance

Global developments

The slight decline in global performance is reflected amongst most top-20 carriers, where 16 of the 20 carriers saw performance drops, compared to last month. PIL has seen the biggest drop in performance, falling five percentage points. In the other end of the spectrum, MSC has improved the most, with an increase of 2 percentage points. This is the second consecutive month where MSC improve their performance and the sixth consecutive month where the Swiss carrier has performed above 70%, which is an improvement compared to the same period last year.

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	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q3 2012	Jan-13	Feb-13	Mar-13	Apr-13	May-13
APL	86%										85%
CMA CGM											%
COSCO											
CSAV											
CSCL											
Evergreen											
Hamburg Sud											
Hanjin											
Hapag Lloyd											
HMM											
K Line											
Maersk Line											
MOL											
MSC											
NYK											
OOCL											
PIL											
UASC											
Yang Ming											%
ZIM	77%										76%

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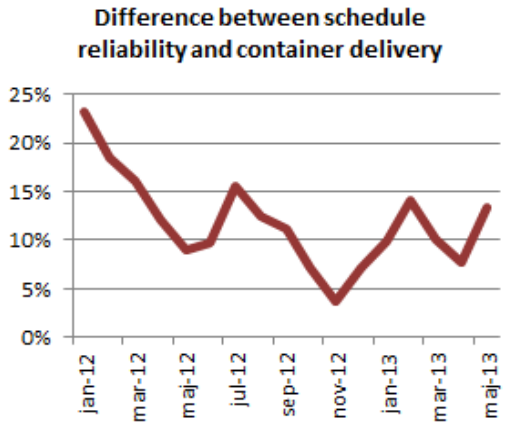
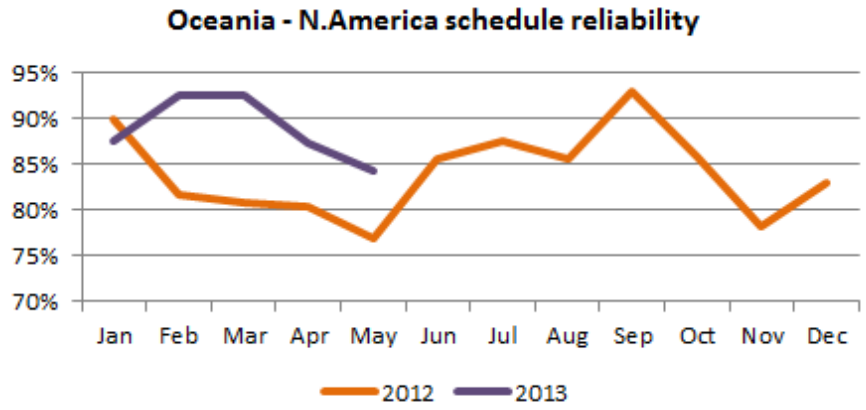
Oceania – N.America – Trade Developments

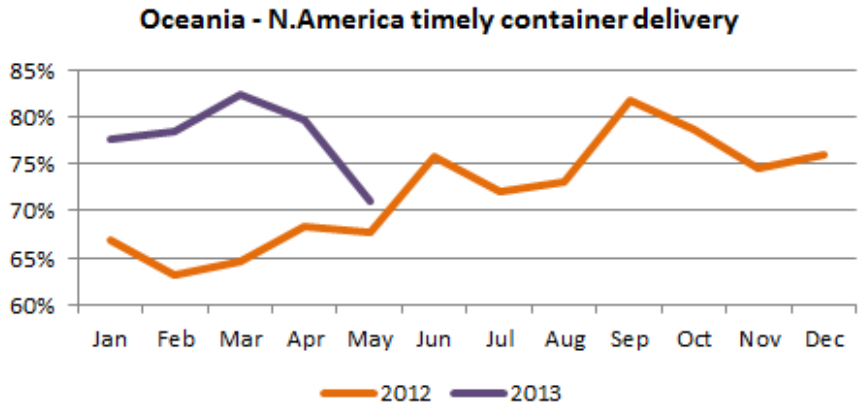
Oceania – North America developments

Both schedule reliability and container delivery declined again this month, but the performance levels are still above the levels we were witness to last year, even though container delivery declined with 9%. It is noteworthy that the northbound trade is seeing declining performance, while the southbound is seeing improving performance, when we take into account that the northbound trade is the reefer heavy trade. Maersk Line and MSC remained the top performers, both having a schedule reliability at 100% for the past eight consecutive months.

Schedule reliability is based on arrival in the following ports: Long Beach, Los Angeles, Oakland, Savannah, Seattle, Vancouver, Philadelphia, Mobile, Dutch Harbour, Jacksonville, New Orleans, Port Everglades, Tacoma







		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Schedule Reliability	2012						85%	88%	85%	93%	86%	78%	83%
	2013												
	Change												
Timely Container Delivery	2012						76%	72%	73%	82%	79%	75%	76%
	2013												
	Change												

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Container data provided by INTTRA

Indian Subcontinent – Asia – Carrier Performance

	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	6-month trend
RCL													96%	Increasing
Maersk Line	84%	89%	95%	89%									95%	Increasing
X-Press Feeders	89%	87%	88%											Increasing
Samudera														Increasing
MOL	96%	93%	96%											Increasing
GSL			75%											decreasing
Safmarine	84%	89%	95%											Increasing
STX Pan Ocean	80%	80%	81%											Increasing
NYK	88%	83%	86%											decreasing
PIL	79%	71%	88%											Increasing
OOCL	97%	95%	97%											Increasing
Hamburg Sud	67%	85%	80%											Increasing
PDZ Lines														Increasing
COSCO	84%	82%	79%											Increasing
K Line	82%	80%	81%											Increasing
Evergreen	90%	85%	84%											decreasing
Hapag Lloyd	91%	86%	86%											decreasing
CSCL	87%	85%	84%											decreasing
Yang Ming	96%													Increasing
S.C. India														decreasing
Emirates														decreasing
Wan Hai	67%	80%	83%											decreasing
APL	99%	96%	100%											Increasing
CMA CGM	84%	82%	79%											Increasing
Hanjin	87%	82%	87%											decreasing
Interasia														decreasing
ZIM	91%	90%	90%											decreasing
HMM	61%	78%	80%											decreasing
TS Lines			75%											decreasing
MSC	5%	45%	87%	88%									73%	decreasing
Bengal Tiger Line				79%									66%	decreasing

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Methodology – part 1

General Methodology

In order to benchmark the container carriers on schedule reliability, we have established a quantifiable methodology to base the benchmark upon.

For users already familiar with our methodology, we can advise that no fundamental changes have been made to the methodology since the report issued on 15 June 2012.

For the Middle East and Indian Subcontinent services, we are monitoring mainline services to and from Asia and Europe. Mainline services comprise either major dedicated deep sea services directly aimed at these trades, or major services calling these areas en route. Examples of this could be an Asia-Europe service stopping in Colombo or Khor Fakkan or an Asia-South America service stopping in South Africa. The direction of the service when making the call is also considered. Hence a call in Colombo is only included in the Asia-Mid East reliability if the stop made in Colombo was done on the westbound part of the voyage.

We have elected not to include very small strings comprising only a few vessels, particularly in Africa, but providing measurements only on longer deep sea services.

We have from the beginning of November 2011 been recording both schedules and actual arrival times by the hour for carriers which provide this information. Additionally, we have added a fourth data source, namely information concerning actual arrival by the hour directly from some carriers.

We have been in dialogue with a number of carriers particularly on the topic of measuring on calendar day versus measuring arrivals down to the hour or minute. At SeaIntel Maritime Analysis we are of the principal opinion that data should be as detailed as possible, but also that data must be comparable. As the vast majority of container carriers do not provide schedules beyond calendar days, we have chosen to maintain our existing methodology focusing purely on calendar days in order to ensure comparability across carriers.

The definition of ”on time” has in accordance with the calendar-day definition been settled as arrival within plus or minus 1 calendar day from the proforma schedule.

Methodology – part 2

Data Collection

Most of the carriers have schedules available on their website, which include port rotation (both head haul and backhaul), vessel names and day of arrival. However, some carriers do not have such accurate schedules available on their website. In these cases we have used the carrier's port to port search tool on their websites and composed the schedules through that tool.

The schedule data reflects proforma schedules 15 – 45 days into the future.

We are aware, that in a few instances there might be a discrepancy between some of the schedules a carrier places on their website and the schedules they provide through an EDI or XML feed. To ensure consistency in the measurement methodology, we have elected to focus on the schedule information provided through carrier websites. In cases where we have received data directly from the carriers, and we see a discrepancy between the website proforma and the carrier-submitted proforma, we have used the proforma information which matches the definition of a liner service – namely the regular arrival/departure.

The reason for making this choice is that the schedules on the website are a de-facto display of the carrier's product portfolio towards all potential and existing customers. Data transmitted through EDI or XML, on the other hand, constitute only a partial information flow, as it is designed to reach only a number of existing customers.

This choice of methodology also implies that a small part of the scheduled arrivals might not be part of our analysis, in the cases where they were not stated on carrier websites at all.

We use four different sources to identify the vessels' actual time of arrival. The four sources we use are: the carriers' own websites, information from ports, AIS data and data provided directly by carriers.

Our primary source to identify the vessels' actual arrival is the carriers' own websites. In those cases where the carriers do not update their websites with actual arrivals, we obtain arrival information from the individual ports. If neither of those sources can identify the actual arrival of the vessel, we use AIS-data to locate a vessel's geographical coordinates and to determine, when the vessel called the port.

When several carriers are cooperating on the same services through e.g. a vessel sharing agreement, alliance service or on slot charter, the actual schedule reliability will count for all the carriers involved in the relevant service. All carriers participating will be fully measured on the service performance. A more accurate measurement would entail weighting the reliability, in proportion to the share of the vessel assigned to each carrier. However, this information is rarely, if ever, announced by the carriers, hence the only methodologically consistent approach is to assign full value to each carrier using the service.

Methodology – part 3

Coverage
SeaIntel Maritime Analysis has decided to focus on a select number of the major global trades. Other trades will be added in the future, but the timing as to introduction of further trade lanes is at this point not decided. The actual ports covered in each individual trade lane is stated in the commentary field for the relevant trades.

Ports
SeaIntel Maritime Analysis monitors the actual arrivals in more than 250 different ports around the world. However, SeaIntel have chosen to concentrate the in-depth analysis on some of the largest ports in the regions covered.

Carriers
Currently, 60 different carriers are included in the schedule reliability measurement. The 60 carriers include all the Top20 carriers, as well as a range of smaller niche carriers.

Vessels
The schedule reliability report is based on the tracking of more than 2.300 different vessels distributed on more than 250 services around the world.

Data aggregation
When calculating performance by trade lane we are calculating on the basis of a 2-month rolling window.As an example ”March” performance for a tradelane includes data from January and March, whereas ”January” includes data from December and January. This methodology is chosen to ensure that measurements best possible reflect genuine changes in performance, and are not prone to large statistical fluctuations which can be associated with covering only a short timespan.

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Data concerning container reliability and performance measurements related to the container level are provided by INTTRA. Further information about INTTRA can be found at www.INTTRA.com

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