

SUNDAY SPOTLIGHT

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SEAINTEL MARITIME ANALYSIS

GLOBAL SCHEDULE RELIABILITY

SealIntel launch comprehensive index. Hamburg Süd tops the list of global top-20 carriers

The premise underlying liner shipping is the provision of shipping services running on a fixed timetable. A fixed, reliable, timetable allows shippers to optimize supply chains, reducing inventory costs.

However, it has long been known that schedule reliability is not currently the hallmark of the industry. The CEO of Maersk Line, Eivind Kolding, stated it very aptly when he said that "containers still arrive late as often as they are on time"

Mr. Kolding's comment was accurate in two different aspects. One aspect is the obvious – that vessel reliability is not good. The second aspect is the very rough assessment of reliability – "late as often as on time".

of schedule reliability. Over the span of July and August, SealIntel has tracked 185 liner services, measuring 13,500 vessel arrivals across more than 200 ports globally.

On September 12, the first report based on this new market-leading database will be launched. However, we will in this issue of the SealIntel Sunday Spotlight take a sneak preview at some of the main conclusions.

Methodology

The measurements cover the main east-west trades, i.e. Transpacific, Asia-Europe and Transatlantic. In addition they also cover Europe-South America, North America-South America, Europe-Australia/New Zealand, North America-Australia/New Zealand as well as imports into the Middle East.

BATTLE FOR SURVIVAL

The past weeks have seen some carriers announce significant losses in 2011. We have witnessed both A.P.Moller-Maersk and CMA CGM calling for smaller carriers to exit the Asia-Europe trade. Much speculation has abounded concerning CMA CGM's financial health, with their bonds apparently now having effective interest rates above 20%. CSAV is looking for a strategic partner in the wake of a 500 million dollar loss in 1H 2011. Base rates continue to be negative on the Asia-Europe trade and the Pacific PSS is rapidly evaporating. Unless we see significant lay-up of capacity, or a sudden demand surge, we might be in for drastic changes in the composition of the top-20 carriers.

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