Global Liner Performance
October Report 2013

Content

Global Executive Summary

From a global perspective, schedule reliability improved for the second consecutive month from 80.8% in August to 81.2% in September, [...] witnessed in September 2012. The global schedule reli[...]

[...] for the second consecutive month to 65.7% in [...] minor improvement in container delivery as the [...]

[...] their top positions in the global performance [...] Yang Ming was this month ranked as the third [...] Maersk Line and Hamburg Sud are well ahead of [...] month and Yang Ming's improvement, they are [...]

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Global Top 20 carrier ranking - October 2013
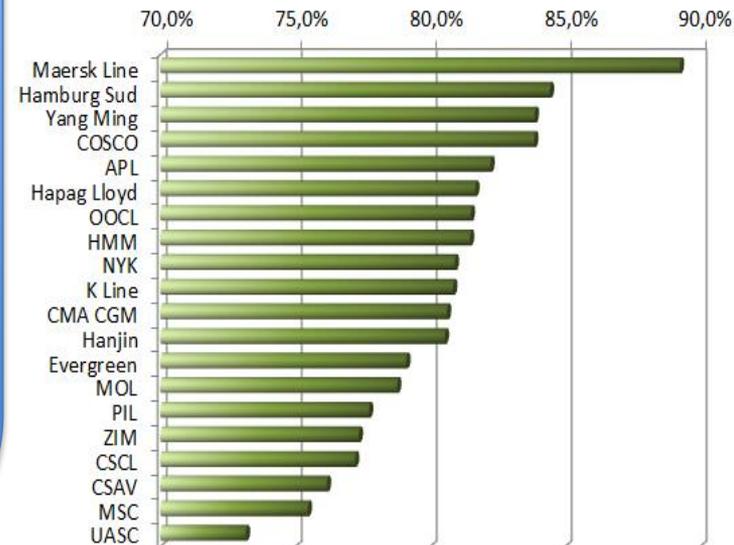
Source: SeaIntel - Global Liner Performance report - October 2013

Global Reliability Developments
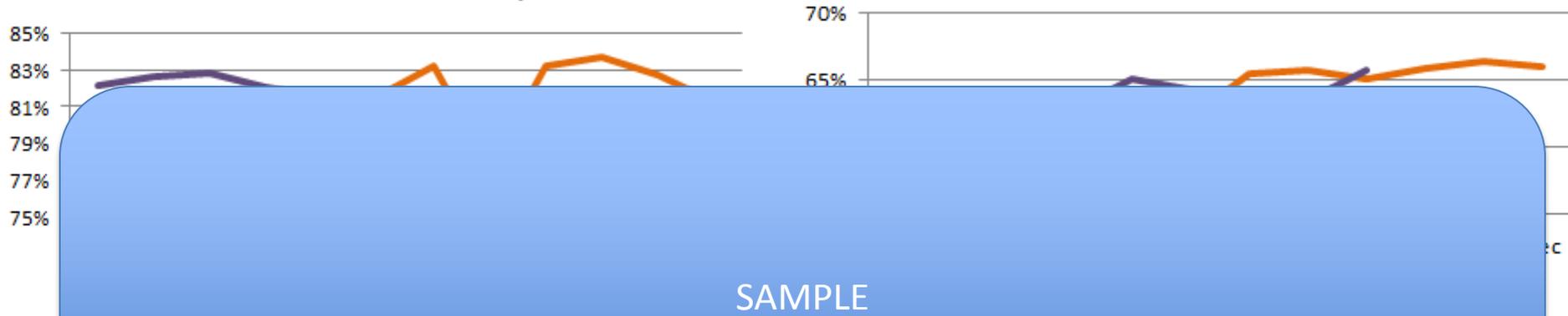
Global developments

From a global perspective schedule reliability increased for the second consecutive month from 80.8% in August to 81.2% in September. Nevertheless, the performance is 2% below the performance witnessed in September 2012. The global schedule reliability performance is based on 10,033 vessels arrivals in September.

Data from INTTRA shows that the timely delivery of containers also increased for the second consecutive month to 65.7% in September, from 63.5% in August. Compared with September 2012 we find a minor improvement in container delivery as the September 2013 performance is 0.6% above that level.

From a global perspective there continues to be a significant difference between schedule reliability and the timeliness of container delivery, even though the difference declined this month. The difference between the two measurements decreased to 15.5% compared with a difference of 17.7% last month.

Timely Container Delivery	2013	63.2%	62.1%	61.1%	62.8%	65.0%	64.3%	62.7%	63.5%	65.7%	
	Change	3.5%	3.8%	2.3%	3.2%	4.9%	2.2%	-2.7%	-2.3%	0.6%	

Top 20 carriers - Global performance

Global developments

The improvement in global performance is reflected amongst the majority of the Top-20 carriers, where 14 of the 20 largest carriers saw their performance increase, compared to last month. ZIM, CSAV, CMA CGM and COSCO have witnessed the largest improvements in their performance compared with last month, as it increased 4%, 3.4%, 2.8% and 2.8% respectively.

Maer... ...their top positions in the global performance ra... ...Ming was this month ranked as the third most ... ...e and Hamburg Sud are well ahead of their ... ...g's improvement, they are approaching the

...iability performance of 76.2%, 75.5% and

SAMPLE

Top-20 carr
APL
CMA CGM
COSCO
CSAV
CSCL
Evergreen
Hamburg Su
Hanjin
Hapag Lloyd
HMM
K Line
Maersk Line
MOL
MSC
NYK
OOCL
PIL
UASC
Yang Ming
ZIM

Global Top 20 carrier ranking - October 2013

Source: SeaIntel - Global Liner Performance report - October 2013

Tradelane developments

The improvement in global schedule reliability is visible as we turn our attention to the development on the individual trade lanes. 21 trade lanes saw a performance improvement in September, two trade lanes maintained the same performance in September as they had in August and nine trade lanes witnessed their performance decline. The largest improvement was seen in the Asia – Middle East trade, where schedule reliability increased by 13% in September 2013 compared with August 2013. Additionally, the schedule reliabilit~~...~~ ISC to Asia and Europe to South America. Si~~...~~(-12%) and Asia to Africa (-7%).

Reliability developments on th~~...~~creased 2%, Asia to North Europe dec~~...~~

On a year-on-year basis it is~~...~~ance we witnessed last year. Even tho~~...~~eliability remains 7% below the perfo~~...~~elow the performance we saw at the sa~~...~~12 level and Asia to WCSA is 10% abo~~...~~

Tradelane	se...		...nual ...ange
Transpacific EB			3%
Transpacific WB			0%
Asia - North Europe			0%
Asia - Mediterranean			3%
Europe - Asia			-6%
Transatlantic EB			-6%
Transatlantic WB			-1%
Europe - South America			-4%
South America - N. Europe			-2%
South America - Med.			4%
N. America - South America			4%
South America - N. America			12%
Europe-Oceania			-7%
N. America - Oceania	88		9%
Oceania - N. America	92%	%	10%
Oceania - Asia	79%	2%	-4%

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Trade lane developments

Timely container delivery performance by trade lanes show a relatively stable picture when comparing September 2013 to August 2013, with the exception of seven trade lanes that changed more than +/-5%. 19 trade lanes showed improvements and 10 trade lanes showed ~~~~~~ were seen in the trades ~~~~~~ changes continue ~~~~~~ which has dropp ~~~~~~ hand, some trac ~~~~~~ (13%), Europe ~~~~~~

It must be note ~~~~~~ rolling average ~~~~~~ straight compar ~~~~~~ trends.

Tradelane	
Transpacific EB	
Transpacific WB	
Asia - North Europe	
Asia - Mediterranean	
Europe - Asia	
Transatlantic EB	
Transatlantic WB	
Europe - South America	
South America - N. Europe	
South America - Med.	
N. America - South America	
South America - N. America	
Europe-Oceania	
N. America - Oceania	%
Oceania - N. America	13%
Oceania - Asia	18%

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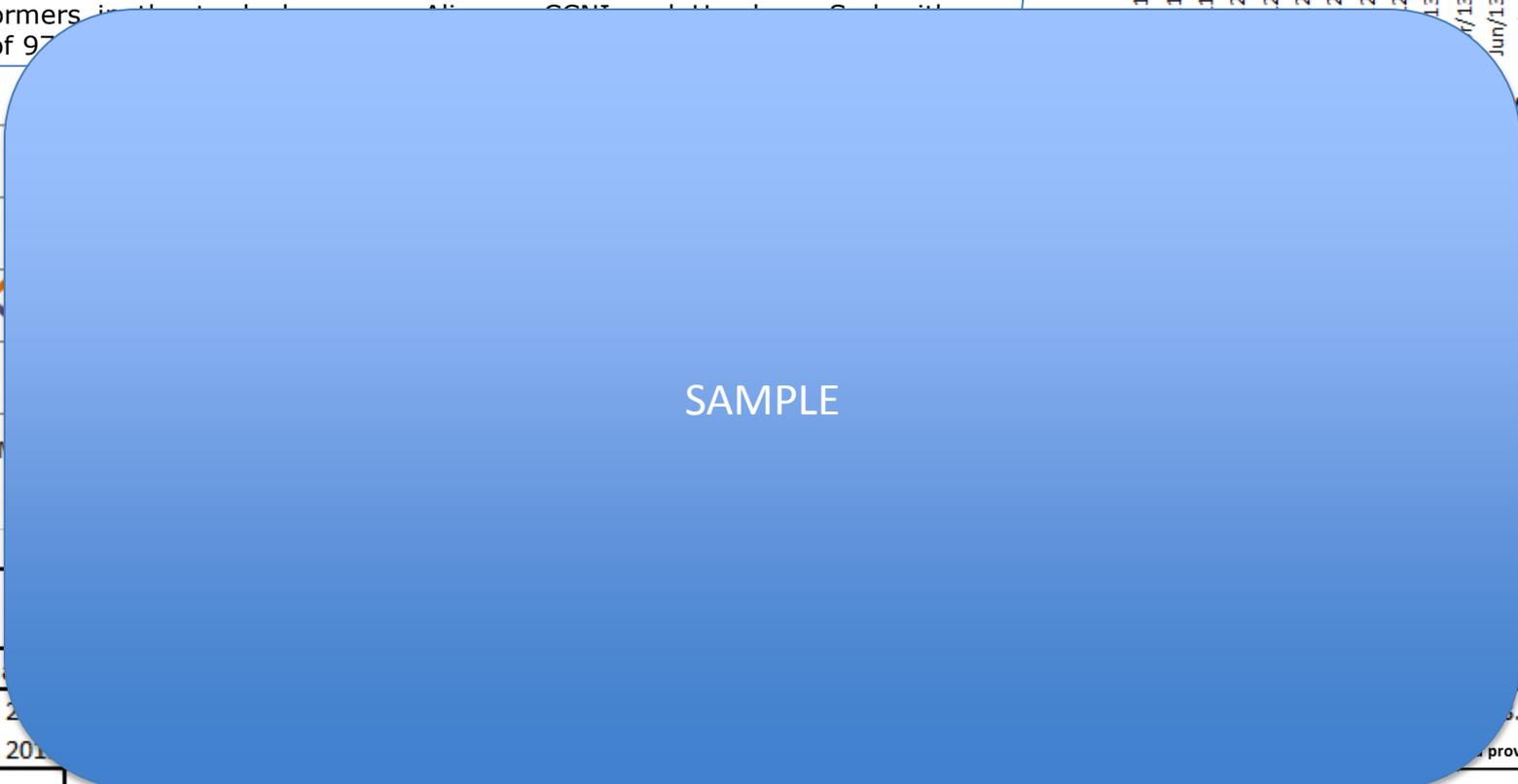Container data provided by

iNTTRA

South America - North Europe developments

The schedule reliability performance declined for the first time since April as it declined 3% from 90.7% in August to 87.3% in September. The same development was evident for the timeliness of container delivery as the performance declined 3% from 77.9% in August to 74.7% in September.

The development means that the shippers in the trade experience a performance that is almost on the same level as last year. This is good news for both shippers and carriers, as the northbound leg of the SAM to North Europe trade is well-known for its significant reefer volumes, and hence reliability is a significant issue for many shippers here.

The top performers in the trade were ~~Alianca, CSNI, and Hamburg Sud, with~~ performance of 97

Difference between schedule reliability and container delivery
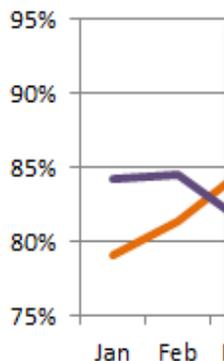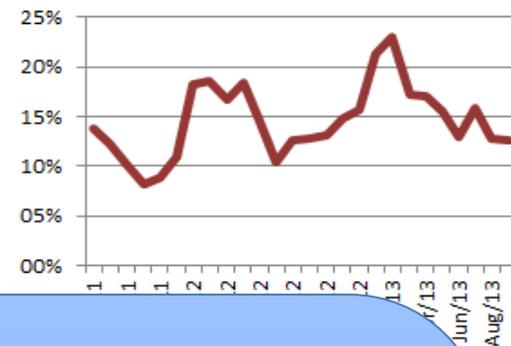
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											ec
Schedule Reliability											3%
	Cha										
Timely Container Delivery	2 201										.6%
	Change	-5.2%	-1.5%	-1.9%	-1.4%	7.1%	0.0%	4.4%	5.9%	-0.4%	provided by

South America - N. Europe	sep-12		sep-13	6-month trend
Alianca	90,5		7,4%	Decreasing
CCNI	97		8%	Increasing
Hamburg Sud	95		1%	Decreasing
COSCO	100		9%	Increasing
Hanjin	100		9%	Increasing
Hapag Lloyd	99		2%	Increasing
CMA CGM	93		9%	Increasing
MSC	72		1%	Increasing
Maersk Line	93		2%	Increasing
Safmarine	85		3%	Increasing
CSAV	79		6%	Increasing
Ecuadorian Line	42		8%	Increasing
Noboa	42,		8%	Increasing
Marfret	86,4		,1%	Decreasing
Delmas	97,1%			

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Carriers	Service		
CMA CGM / Marfret	Europe		1%
Hamburg Sud / Hapag Lloyd / MSC / Alianca / CMA CGM	SAEC 1		4%
CMA CGM / Hamburg Sud / Hapag Lloyd / MSC / CSAV	Safran		6%
Hapag Lloyd / CMA CGM / Hamburg Sud	ES 1 / V		0%
MSC / CSAV	Europe		4%
Ecuadorian Line / Noboa	Europe		3%
COSCO / Hanjin / Maersk Line / Safmarine / MSC	EXE / E		9%
Maersk Line / MSC / Safmarine / CMA CGM / Hapag Lloyd / CSAV	SAMEX		4%
CMA CGM / Hamburg Sud / Hapag Lloyd / CCNI	WCV / S		.8%
Maersk Line	ECUBEX	56	89.3%

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General Methodology
In order to benchmark the container carriers on schedule reliability, we have established a quantifiable methodology for measuring the reliability performance of ocean carriers.

For users already familiar with our methodology, we can advise that no fundamental changes have been made to the overall methodology since the report issued on 15 June 2012, although with the August 2013 report, some technical changes have been made in the way trade lane performance is calculated. These changes, as detailed below, have not affected the Global carrier scores, and have only had limited impact on trade lane scores.

On-time measurement
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.

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. As more carriers provide schedules by the hour, we may revise the methodology, or include specific analysis of by the hour performance.

Trade Lane Performance
*** UPDATED METHODOLOGY FROM AUGUST 2013 REPORT
In the original database design, we assigned each service to an overall trade, e.g. Asia-Europe or Transpacific, and then we would calculate trade lane performance by measuring the number of arrivals that were on-time into a given head haul region, so e.g. for Asia - North Europe we would calculate the number of arrivals on Asia-Europe services into North European ports, and then count the number of arrivals that where on-time.

While this worked fine in the beginning when only measuring a subset of the global network, it has become increasingly difficult to maintain, as some trade lanes require very special attention, e.g. Asia - Middle East, where we would include Asia - Europe services, but only on the westbound call into the Middle East.

The maintenance became even more cumbersome with the increasing service disruptions and restructuring, where a service may change scope for an extended time period. Further, some trades were notoriously difficult to measure, e.g. the Middle East - Europe trade, where we would include Asia - Europe services, but only if they had made a call in the Middle East, which meant that with increasing omission and service restructures, we essentially had to monitor each port call on many services, and then trace back all the previous calls, to see if they had called the planned regions. Adding to this were the challenges from butterfly and pendulum services, and an increasing number of service that could not be assigned to a specific trade, but had to be handled manually. With more than 10.000 vessel arrivals each month, this was becoming impossible to do.

New Trade Lane Methodology
As of the August 2013 report, we have instituted a new trade lane methodology, where we do not assign a given service to any specific trade. Instead we trace the previous region calls that each vessel has made, irrespective of the service it is on, and then assign trade lanes based on the rotation. So if a vessel calls a European port, we trace back in the rotation and see what regions it has been to, so if the vessel has called ports in e.g. Asia, ISC and Middle East regions, that European port call is automatically assigned to the Asia-Europe, ISC-Europe and Middle East Europe trade lanes.

The algorithm that calculates this is very complex, and as of the August 2013 report, we have recorded more than 320.000 scheduled arrivals and more than 240.000 actual arrivals, and this massive size and complexity has required a completely new database system and front end management system to maintain the database, which caused delays in the release of the August and September 2013 reports.

The benefit of the new methodology and database structure is that we do not have to re-calculate all the trade lane performance scores manually, and we should be able to produce the report much faster going forward. Further, we have been able to include all ports in trade lane calculations, so the basis is now more than 270 ports.

Further, with the new database system we should be able to share all the data tables from the GLP directly with users, directly from our website, within the coming months. We will keep subscribers informed as when this will be available.

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 six different sources to identify the vessels' actual time of arrival: the carriers' own websites, information from ports, Track and Trace data submitted by Shippers, terrestrial AIS data, satellite 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, or from Track and Trace data submitted by Shippers with cargo onboard the vessel. If neither of those sources can identify the actual arrival of the vessel, we use AIS data, both terrestrial and satellite, 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.

Coverage

The Global Liner Performance database covers the majority of the deep sea service identified from 60 different carriers.

Services:

Currently, the GLP database cover 271 active services and 90 inactive services, based on more than 240.000 individual vessel arrivals, across 32 major trade lanes.

We have elected to exclude very short services, as schedule reliability becomes difficult to calculate with very short round trips. As an example, a very short 7-day round trip would by definition be on-time if the vessel is one day late. If the vessel becomes late by 7 days, it could be argued that it is now back on time, as the rotation has just been shifted by a week. We may include shorter services in the future, as well as additional services

Ports

The GLP is based on actual arrivals in 270 different ports around the world. All ports and regions can be found on the next page

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 3.000 different vessels, in more than 6.000 vessel / service combinations.

Data aggregation

When calculating performance by trade lane we are calculating on the basis of a 2-month rolling window.As an example "February" performance for a tradelane includes data from January and February, 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. Further, when measuring performance over a two-month period, we ensure that enough data points are avaiable on a service and trade lane level. We only include service and carriers on the trade lane level, if a minimum of five vessels arrivals have been recorded over a two-month period.

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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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