



Global and trade lane reliability across 52 carriers. New measurements for **performance in May 2012**. See page 16 for details.

CARRIERS EXPOSURE TO DIFFERENT MARKETS

Some still are heavily exposed to seep-sea trades

Given the dramatic volatility in the container shipping markets, combined with the growth in what is generally being labeled “emerging markets” over the past 5 years, one could wonder to which degree this has resulted in carriers shifting their focus – and hence volume – away from some areas and onto other areas.

We decided to investigate whether such trends could be identified for each carrier. The analysis was done on 3 different timescales in order to identify the effect of the 2011 price war, the effect of the market turmoil since the financial crisis kicked in, as well as the longer term trends exhibited by the individual carriers.

Not all carriers could be investigated, as they do not all provide a breakdown of volume, or exposure, in individual trade lanes per year. However, for the 9 carriers for which we have relevant data, we do find some interesting trends.

Perhaps of greatest interest is the fact that the carriers only saw relatively marginal changes in their relative exposure to the Asia-Europe market in 2011, or in other words they all seemingly chose to engage in the price war with a view to maintain their own position in that particular market. This is

Editorial

Last week's success in raising rates on Asia-Europe is being rapidly eroded. It would appear that carrier discipline, and management of market perception, only works to a certain limit. Fresh data from CTS show the Asia-Europe market demand decline significantly in May – in places up to 14% year-on-year. With such strong fundamentals, we believe it is only a matter of time before we begin to see carriers remove capacity to shore up their hard-won (and needed) rate increases.

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