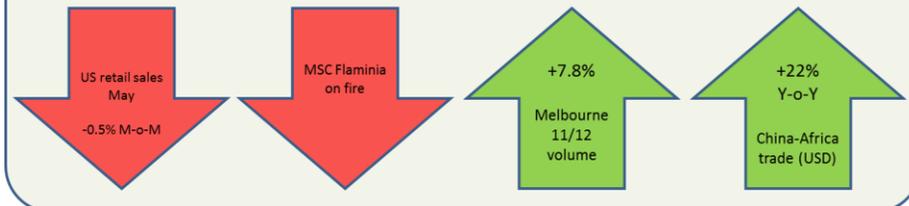


Indicators from the week 16 July – 22 July 2012



Reliability from global vessels to the container at the country level:

Performance in June 2012.

See page 15 for details.

COMPETITION VERSUS TIMELINESS OF CONTAINER DELIVERY

Increased competition brings higher reliability

One year ago, Maersk Line unveiled a document, which they labeled a “manifesto”. Therein Maersk Line’s former CEO Eivind Kolding stated that “We need to change the conversation: ‘Reliability is the new rate war’”. This statement was subsequently overshadowed by the very real war on actual freight rates, particularly in the Asia-Europe trade lane.

With the use of data from INTRA, SeaIntel Maritime Analysis has been able to quantitatively analyze the actual container delivery on the all-important China to Europe trade lane at a country to country level, and we find a very strong link between the competitive pressure at a specific country-country level and the reliability provided by the carriers. In other words, irrespective of whether the conversation has changed or not, reliability can be shown quantitatively to be an important competitive parameter.

However, our investigation also reveals an interesting difference between countries with many and countries with few direct services, which cannot easily be explained based on the statistics at hand.

The one aspect which cannot be easily determined is the link between freight rates and reliability, and with recent improvements seen from carriers such as MSC, it appears we also need to challenge the notion that

New data

This week saw the launch of SeaIntel Maritime Analysis’ new monthly performance report, utilizing data from INTRA covering 29% of all containers moved globally. This provides the market with a new set of data with which to understand – and quantify – developments. We are thus at a point where business development can be driven by impartial objective data, rather than more vague sentiments. Some carriers might find this more painful than others, however, we believe all will benefit in the long run.

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