



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

Performance in Aug. 2012.

See page 15 for details.

DECOUPLING ASIA-EUROPE FROM TRANSPACIFIC?

Very high premium on USWC vs N.Europe presently

We have previously documented the state of affairs in terms of the ongoing rate war on the Asia-Europe trade. However, it is equally interesting to see the current strength of the spot rate environment from Asia to the US West Coast.

This raises a couple of interesting questions. Chief amongst those are whether this seeming de-coupling of the rate development on Asia-Europe versus the rate development of the Transpacific is sustainable.

Secondly, when we look into the details, it further raises the issue of the sharp divergence in rate levels seen between the US East Coast and US West cost over the last two weeks – is this a harbinger of future developments? And if so, does it point to a more positive or negative development?

As we take a closer look at the rate developments on these main east-west trades, it becomes clear that over time the rate development in the key trades from Asia to Europe and North America do tend to move in synchronization. Temporary situations do appear where one trade decouples from the other, but this always reverts back to trend – driving

Reliability drop

Following an extended period of improvements, August saw a dramatic drop in global carrier reliability. In August only 77% of all vessels arrived on time versus a performance of 83% in July. The performance decline was seen across all top-20 carriers, although clearly some saw larger reductions than others. The main drops were seen on the Asia-Europe backhaul trade as well as the Transpacific and Oceania trades. With capacity reductions looming as well, shippers need to pay very close attention to their supply chain contingency plans.

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