SUNDAY SPOTLIGHT

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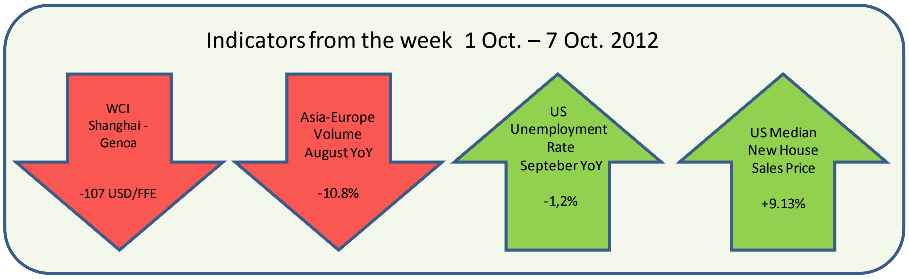
SEAINTEL MARITIME ANALYSIS



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

Performance in Aug. 2012.

See page 15 for details.

ASIA-EUROPE CAPACITY CHANGES

Actual Golden Week deployment and the future Asia-Europe network

In the end of August, in the SeaIntel Sunday Spotlight issue 75, we analyzed the planned week-on-week capacity variability in the Asia – Europe trade as the Chinese holiday – Golden week – was approaching. From the result it was evident that the announced capacity pullbacks thus far were much more limited in scope than the pull-backs seen in 2011. Given that the market is under pressure from overcapacity, we outlined two different scenarios:

The first scenario – which we believed to be the most realistic – was that the carriers would be announcing substantial amounts of blanked sailings. The second scenario was that carriers would not cancel more sailings than already announced. In relation to the second scenario, we noted that Maersk Line, as the only carrier that far, had announced capacity reductions of a similar size as seen in 2011 on the Asia-Europe trade.

This week we have chosen to analyze the variability for the current week and the coming 11 weeks on the Asia-Europe trade again, to see how the actual deployment for the Golden Week panned out, and then compare it with the capacity withdrawal seen around Golden Week 2011, and the week-on-week capacity variability we analyzed in August 2012.

Overall, we have identified 43 services in the Asia-Europe trade, with an average nominal capacity in the coming 12 weeks of 360.000 TEU

Where has the peak gone?

Container shipping has always been a highly cyclical industry, with Christmas being the main driver of seasonality in the major east-west trades. While few carriers would see the lack of a peak – as seen last year and probably this year as well – as a positive thing, the changing nature of the main markets may be a blessing in disguise. With a less pronounced seasonality effect comes less variability, and with efficient network design and optimal use of assets, well-run carriers may be able to achieve significant competitive advantages in more stable markets. That is - of course – if the peaks will not return again next year?

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