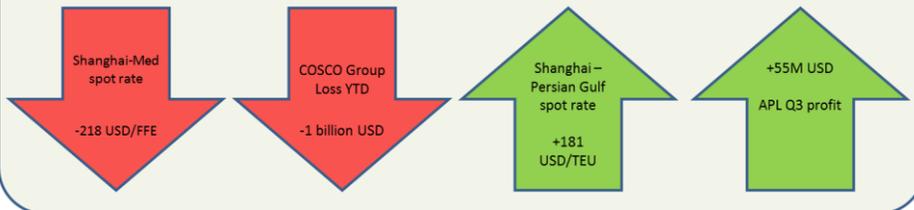


Indicators from the week 29 Oct. – 4 Nov. 2012



## “HIDDEN” CAPACITY INJECTIONS

Carriers are fast to announce capacity withdrawals, but injections due to new vessels are not advertised.

Through the past month we have witnessed an increasing number of carriers and alliances announcing the suspension of a service, or that they will skip individual sailings between Asia and Europe, in response to poor demand and low freight rates.

Last week we took a closer look at the capacity reductions resulting from these service withdrawals. The conclusion was that they were substantial on the Asia-Europe trade, but insufficient to bring the trade fully into balance.

However, as many of the carriers are continuing to have super-post-panamax vessels in excess of 10,000 TEU delivered, these new vessels are displacing smaller vessels in the main Asia-Europe trade. Furthermore, this triggers a cascading effect onto the Transpacific trade, which is also witnessing the injection of large tonnage.

In this analysis we will investigate how much additional capacity the carriers have added to the Asia-Europe and Transpacific networks – not through the creation of new services, but simply through the injection of larger vessels. This is what we have termed the “hidden” capacity injection, as the influx of additional capacity in this fashion typically goes

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

### Performance in Sep. 2012.

See page 16 for details.

### Positive developments

Amidst what at times appear to be a torrent of ominous news from the carrier industry, it is interesting to find those examples pointing in the opposite direction. This week we find that MSC appears to be in the midst of a significant shift in operational performance. As the only carrier, they have managed to show steady, and sizeable, improvements in schedule reliability in 2012. They are no longer the low-performer in the top-20 carriers. Maersk Line threw down the gauntlet in 2011 with their term “unmatched reliability”. It appears MSC has taken up the challenge.

### Content

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