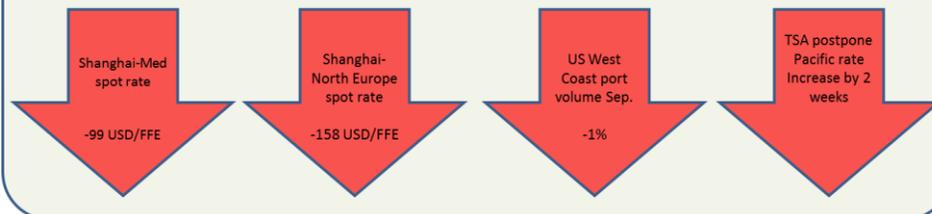


Indicators from the week 12 Nov. – 18 Nov. 2012



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

Performance in Sep. 2012.

See page 13 for details.

SUPER SLOW STEAMING AND THE NUMBER OF PORT CALLS

Some additional coverage is seen, but not much.

As bunker prices soared back in 2007, carriers began to analyze the possibility for slow steaming to reduce their bunker cost and thereby decrease their cost of bunker.

At the time, conventional wisdom included notions that large container vessels could not go slower, however the increased cost pressure, combined with the market downturn, led the carriers to – successfully – challenge that conventional wisdom.

The carriers implemented slow-steaming during 2008 to 2010, which meant that the vessels decreased their speed significantly, on the main Asia-Europe service changing from a typical 8-vessel rotation to a 10-vessel rotation. During 2011 and 2012 we have seen this pattern repeating itself once more. The bunker cost has remained at a high level, and at the same time there has been poor demand in the market, which has led to the carriers implementing super slow-steaming into the network.

Most of the large carriers have implemented the super slow-steaming concept into their current Asia to Europe network during 2012 by adding another vessel – in sometimes two - into each service, thereby reducing

Disaster strikes

Clearly no other word covers the current development in the Asia-Europe trade. Med rates are down 20% compared to the level just before the announced 1st November increase. With the next increase being a full month into the future, we are suddenly looking at a scenario where rates might go as low as last year. In fact, we have seen rates via forwarders indicating that MSC and CSCL are now at spot rate levels on par with the bottom seen in 2011. Clearly, carriers are not colluding on this trade, as the lack of discipline is the key reason for the decline. The only question is whether it was accidental or deliberate.

Content

- 1...Slow steaming & ports
- 4...Rate announcements
- 6...US exports

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