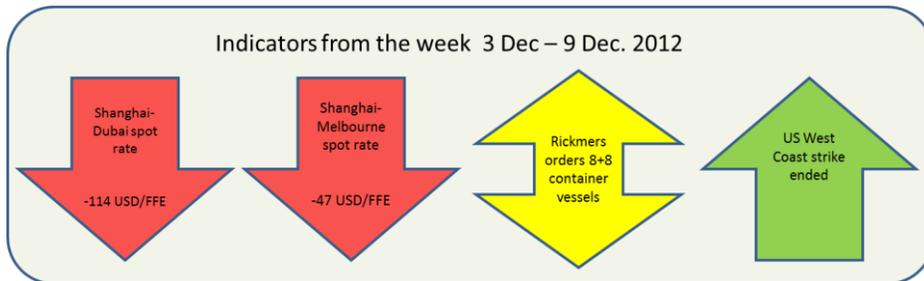


SUNDAY SPOTLIGHT

9 DECEMBER 2012, ISSUE 90

SEAINTEL MARITIME ANALYSIS



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

Performance in Oct. 2012.

See page 13 for details.

VALUE OF INCREASED RELIABILITY

Global estimate is up to 800M USD annually.

By means of our monthly Global Liner Performance report, we regularly review, and analyze, the carriers' vessel schedule reliability. However; we do have to ask a critical question: why? Why is it even relevant to measure vessel schedule reliability?

The usual analytical approach – and one which we have also pursued in several past issues of the SeaIntel Sunday Spotlight – is to calculate the impact on the supply chain, and hence the value saved for the shippers. The logic itself is irrefutable – a more reliable supply chain translates into an ability to remove costs. But of course, several pitfalls lurk underneath this argument. Is the shipper capable of actually implementing a tighter supply chain? What is the actual value, if only some of the carriers used by a shipper provide an improvement, but not all of them? And even more important seen from the carrier perspective: will these shipper savings result in a financial gain for the carrier – not necessarily in terms of higher freight rates, but also in terms of increased customer loyalty and potentially a competitive advantage.

These are all highly relevant questions, and would all serve to bring into question the theoretical value – seen from the carrier perspective – of increased reliability.

More vessels?

This week saw quite a bit of speculation surrounding Rickmers' order of 8+8 new container vessels backed by Oaktree. However, we see this merely as a harbinger of what is in store for the market in the next 12 months. Carriers and non-operating owners will come to the conclusion that certain new vessels will present a very persuading business case in their own right. This will result in continuous overcapacity and the real question is: Will we begin to see scrapping of relatively large vessels only 15-20 years old? Or to phrase it differently, who will be left holding the bag with a fuel-hogging 6000TEU vessel which is only 15 years old?

Content

- 1...Value of reliability
- 6...Europe-Japan
- 11...Service changes

This file is a preview provided by SeaIntel.com for users who are not subscribers. Click on the link to view subscription options for SeaIntel Sunday Spotlight. http://seaintel.com/index.php?option=com_virtuemart&view=productdetails&virtuemart_product_id=5