new ships' deliveries +++ terminal news +++ service updates +++ casualties

The

Containershipping -Newsletter

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Daewoo Delivers MSC Heidi

South Korea's Daewoo Heavy Industries recently finished work on the last unit of a quartet of 8,400 TEU ships ordered by the Mediterranean Shipping Company. The new ship was named MSC Heidi, maybe to reflect MSC's alpine heritage. Compared to its main competitors, Deawoo HI has profited less from the recent container boom. However, the yard successfully delivered large numbers of very sophisticated ships like FSPO's and large LNG tankers. MSC Heidi is 332.40m long and 43.20m wide. The vessel has a deadweight of 107,500 tons. Heidi will be employed in the Lion Service, a loop that is presently being upgraded to +8,000 TEU units. Her first commercial loading port is Xiamen, from where she set of on her maiden voyage on Sunday. The ship will perform European calls at Antwerp (November 11th), Hamburg (14th), and Bremerhaven (16th), before returning to the Far East.

Introducing Cido Shipping

Most of our readers will know the Japanese ship finance and management company Shoei Kisen, owners of a great number of container ships. Most of these are chartered out to the trio of Japan's large shipping companies (Mitsui OL, Nippon Yusen Kaisha and Kawasaki Kisen Kaisha) , as well as Hong Kong's OOCL. In recent years, a Korean Venture has been established, that shows some interesting parallels to Shoei Kisen: Cido Shipping owns and manages vessels and charters them to (mainly) Korean liner operators. So far, most South Korean shipping lines chartered their vessels from ship management companies based in Germany, Greece and the United Kingdom. However, a look at the world order book reveals that Cido shipping is poised to get its share of the market. Although originally a South Korean venture, Cido Shipping's headquarters were relocated to Hong Kong in 2004: Company president Hyuk Kwon simply wanted to be closer to the world's shipping and ship finance market. After the relocation, things have developed rapidly. At first, Cido got involved in the management of vehicle carriers. Today, the company manages 24 PCTC's, with another dozen on order. Cido's activities soon included bulkers, too. The company manages 17 mid-sized ships and has ordered another eight from various Asian yards. Twelve tankers of various sizes are also part of Cido's portfolio and the company's order book accounts for 27 more units and two large LNG ships. Obviously, it was only a matter of time for Cido to venture into the box business as well. So far, the company does not manage a single container ship. Recently, however, a large number of containership orders has been place with various Asian shipyards. Today, Cido's order book contains 13 1,800 TEU ships and four 3,500 TEU units to be build by China Shipbuilding in Taiwan. Hyundai Mipo will deliver a sextet of 2,800 ships. Industry rumour suggest that Cido is far from finished with signing container vessels. More order are expected soon.

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Xin Shanghai Handed Over to Owners

With the delivery of Xin Shanghai, China Shipping Container Line received the second 9,580 TEU ship from Samsung HI of South Korea. The new vessel immediately entered the Line's FAL-II service, a loop jointly operated with French CMA CGM. Xin Shanghai's delivery came not a minute too soon, since the Chinese committed to provide half of the FAL-II's tonnage. Since the new loop already started some weeks ago, CSCL had to temporarily employ 8,500 TEU vessels of the CSCL Oceania class to deputise for the real big boats. Xin Shanghai already left Korea and is presently picking up cargo along the Chinese coast. She will then head for Europe. Her maiden calls at Rotterdam and Hamburg are scheduled for November 6th and November 8th, respectively.

CMA CGM Carmen Makes European Debut

CMA CGM's latest new ship has made its European debut: CMA CGM Carmen has been delivered to Hamburg-based E.R. Schiffahrt, who chartered the ship to the French Line on a long term contract. CMA CGM will receive two more vessels of the same design from to E.R., but will subsequently subcharter them out to the Mediterranean Shipping Company. Carmen is 335m long and 42.80m wide. The ship has a capacity of 8,204 TEU.

**CMA CGM Carmen's maiden arrival at Hamburg was greeted by rain and grey skies.
Photo: Jan Tiedemann**

Maersk to Invest USD 30 Billion

According to Lloyd's List, AP Møller-Maersk plans a USD 30 billion investment programme which might double the share price of the world's largest shipping group within the next three or four years. This is one of the findings of an assessment carried out by Dansk Equities. The Danish analysts believe Maersk is targeting a 25-percent market share in container shipping. Such growth certainly cannot be accomplished in such a short time without another major acquisition. Again, rumours have surfaced that Germany's Hapag-Lloyd would be the most likely candidate. Dansk Equities also foresees that Moller's USD 15 billion investment programme in APMT could make this subsidiary the world's largest container terminal operator as soon as 2010. The remaining USD 15 billion will be invested in a massive fleet expansion.

CMA CGM Chairman Comments Jumbo Order

The French Line's chairman Jacques Saadé recently revealed some details concerning the line's USD 1.2 billion super order of eight 11,400 TEU vessels. Mr Saadé stated that the company had not planned to order vessels of a capacity greater than 10,000 TEU. However, Hyundai HI offered the possibility of installing a greater cargo capacity within the dimensions of a large 'standard' hull. CMA CGM's chairman described the new ships as '9,700 TEU vessels which have been adapted to make them 11,400 TEU ships'. Thus, the shipping line managed to obtain substantial extra capacity without a corresponding increase in price and mass. At 363m, the ships are one bay longer, one row of boxes wider and stack one more tier of containers than the French Line's presently largest ships of the CMA CGM Medea class. With the delivery of the 11,400 TEU carriers due between mid-2009 and mid-2010, Saadé considers the company's need for capacity covered until 2011 or even 2012. As to the financing of the ship's CMA CGM called for a replacement to be found to France's tax-lease ship financing scheme. The present system is currently under scrutiny by the European Commission.

Aker's New Feeder Type

Aker Yards's Merchant Vessels Department has used the occasion of the SMM trade fair to introduce a new-design open top feeder containership, the so-called Aker CS 1500 OT. These new generation feeder ships adopt an open top concept that dispenses with the necessity of lashing containers. Higher-than-usual cell guides support container stacks and boxes are only secured by twist locks between the containers, but without conventional lashing. The compact design makes efficient use of the vessels' dimensions. Compared to alternative open-top designs, the CS 1500 OT has a lower specific gross tonnage. Aker states that the forward deckhouse increases container capacity and creates superior visibility – On the other hand, it's a well-known fact that most crews favour conventional arrangements. The new design type can carry a high number of reefer containers: A total of 296 FEU can be transported in open holds and on deck. One of the cargo holds is designed to accommodate 45ft containers. The Aker CS 1500 OT is 170m long and 25.2m wide. It has a deadweight of some 20,900 tons. A 4-stroke main engine develops 12.6MW and drives the ships at a service speed of 19.3 knots. So far, no ship has been sold yet and your editors believe it will not be easy for Aker to find a buyer for the vessel: The ship is clearly designed more like a feeder than a deep sea vessel and Aker presently does not have a customer base in this segment. Most feeder operators might rather opt for optimisations of today's well-proven and highly successful feeder designs.

NYK Places Orders With STX

Japan's largest shipping company, Nippon Yusen Kaisha, is best known in the container business for being a major player on the Far-East – Europe and Transpacific trades. However, the line also employs a large fleet of small 1,000 – 1,600 TEU ships on inner Asian services. Unlike others, the company has so far not been very active in the segment of mid-sized containerships. Presently NYK only charters a few 2,500 TEU units, mostly from German owners. This will change to some degree, since NYK has signed four 2,600 TEU vessels with South Korean STX Shipbuilding (see last week's newsletter for a portrait of that company.) in early 2005. Earlier this year, NYK signed another two ships of the same type with STX and furthermore placed orders for three 2.900 TEU. These vessels are believed to be destined to replace some ageing ships in NYK's fleet. Only last week, the Japanese shipping giant turned to STX once again to add another quartet of 2,600 TEU ships to its order book. The vessels will be 210m long and have a beam of 30.10m. Their deadweight is 34,000 TEU. STX made some improvements to the design, so that the ships' maximum intake is now close to 2,700 TEU. Hence, the type is now officially named STX 2700. The first of these Korean ships for NYK will be delivered from mid-2008.

Chengxi and Jiangnan Bag Up German Orders

Our past months' news frequently featured Shanghai Chengxi Shipyard. The yard constructed container ships at record speed and built up an impressive order book, too. Nevertheless, the Chinese yard still had some capacity left for 2009 and 2010. These slots have now been taken by Hamburg-based Hansa Treuhand who signed two ships of the yard's popular 3,500 TEU design. Another shipping company from Hamburg, NSC Schiffahrt, turned to the yard and ordered four ships of the same design, too. Chengxi's pipeline now stands at 30 vessels. All six ships are scheduled for delivery between the end of 2009 and mid-2010. Charterers have not yet been revealed. Since the container market is believed to run into a situation of oversupply, we are pretty sure the ships would not have been ordered had their owners not secured a reasonable charter deal. Furthermore, Chengxi island's second shipyard, Jiangnan, has also bagged up a container ship deal. The shipyard which is presently under construction since it re-locates from central Shanghai to Chengxi, will build three 5,100 TEU panamaxes for German Reederei Karl Schlüter. The ships will probably be identical to those Jiangnan will deliver to Coscon. The ships for the Chinese shipping company will be delivered in 2009. Schlüter's triplet will follow in 2010.

Hyundai HI Buys Into Steel Mill

With today's soaring prices, steel has become one of the inflaters of shipbuilding cost. Since this resource becomes ever more precious, shipyards are forced to sign steel-supply contracts long in advance of vessel delivery. In other words: Access to reasonably priced quality steel and timely supply have become one of the most crucial factors in modern shipbuilding. Shipyard procurement departments face everything but a buyers market, since they have to compete with other industries like construction for the universal raw material. Lately, some shipyards had to accept losses, since they had to buy ships that were contracted before the steep rise in steel prices – obviously they had forgotten to take reasonable precaution. Lately, Japanese steel manufacturers pushed through a five percent price increase for shipbuilding steel without much resistance. The world's leading shipbuilding group, Hyundai HI, has now bought into China's Qinhuangdao Shouqin Metal Materials Co, in order to secure supply on a long term basis. Hyundai has taken a 20-percent-stake in the company, worth USD 51.9 million. Qinhuangdao will open a new a steel plate production facility at the end of this year. The plant will have a capacity of 1.5 million tons. The contract secures the Hyundai group about one third of the annual output. For the South Koreans, this is a step towards greater independence of the large Korean and Japanese steel mills that presently provide 85% of the group's annual steel supply. However, the game seems to work the other way around, too: South Korea's largest steel producer, Pohang Iron and Steel Company, announced plans to take over state-owned Daewoo Shipbuilding, the world's second largest shipbuilder. Clearly Posco want to secure their position as the leading steel supplier. In Japan on the other hand, shipbuilders and steel makers seek cooperation: Nippon Steel and Mitsubishi HI recently presented a new type of high tensile shipbuilding steel. The material can be used to reduce weight of parts of a ship and thus increase the payload. It has first been used in one of the last 7,024 TEU ships for the Evergreen Group. In Europe, Denmark's Odense Steel Shipyard – today the continent's only builder of very large containerships – had to report an operative loss for 2005 and the first half of 2006. Problems with steel supply largely contributed to the deficit, since the yard failed to secure long-term supply at reasonable prices when they took in large-scale orders some years ago.

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Subic Bay Update

Hanjin Heavy Industries, presently in the process of building a new shipyard at Subic Bay. The South Korean shipbuilder seems to be making good progress with the project. Even before the yard itself is finishd, Subic Bay's order book already includes twelve panamax containerships. Since vessel orders kept pouring in, Hanjin is now under pressure to find enough skilled workers to staff the new facility. In order to open all production lines until 2010, Hanjin will need an estimated 15,000 workers – thereof 3,000 steel welders. The first construction phase of the yard will cover 100 hectares. Only a few years later, the second phase will add another 240 hectares. Opposed to its South Korean facility, Hanjin Subic Bay will not have large steel blocks delivered by subcontractors, but assemble them on site. Including all facilities, the yard will eventually cover an area of 500 hectares. Despite reasonably good pay, local Phillipine job training facilities cannot yet provide enough skilled personnel. Therefore, Hanjin HI decided to build their own training centre in the Phillipines. This will turn out 200 qualified welders a month.

Yantian's Record Performance

Last week Emma Maersk arrived at Yantian, her first ever Chinese port. Hutchinson, owners of the Yantian International Container Terminal in the Shenzhen province, wanted to use the occasion to demonstrate their port's capabilities. When the world's largest containership berthed at the recently opened third construction phase of the terminal, the vessel was immediately provided with ten super large gantries. A workforce of over a hundred rushed to discharge 6,521 TEU within only 11 hours. With this performance, Yantian set up a Chinese container handling record. However, most of the boxes were empties, since Emma will revisit Yantian for a dedicated westbound export call before returning to Europe.

CSAV Sell Boxship Stake

The Chilean CSAV group recently had to announce a record loss of more than USD 40 million for the first half of this year. Therefore the company decided to sell off their 50-percent share in four 5,500 TEU vessels, presently jointly owned with Hamburg's Peter Döhle Group. The ships are Copiapo (2004), Choapa (2005), Cholguan and Chacabuco (both 2006). They are presently employed in CSAV-Norasias AME loop. CSAV's share will be taken over by Döhle, who will then own the ships entirely. The move coincides with the replacement of the 5,500 TEU C-class vessels with larger 6,500 TEU P-classes on the AME. Originally, the quartet had been ordered at a very attractive price of only USD 50 million per unit from Taiwan's China Shipbuilding. Reportedly, the ships are now worth USD

85 million. Thus, the deal returns CSAV some USD 70 million for their half of the quartet.

Cholguan is one of the units CSAV will sell off. Photo: Jan Tiedemann

The Chilean company also reported to Santiago's stock exchange that they had acquired three 6,300 TEU ships from Döhle, worth USD 256.7 million. These ships will be delivered from China Shipbuilding in 2009. Originally, CSAV's charter of the 5,500 TEU units would have ended in 2009, but the recent sale included a cancellation of the remaining charter, since Döhle was able to secure a very attractive 42-months-contract with MSC, who allegedly pay some USD 31,500 per day for each of the ships – far more than CSAV so far.

APMT Opens Zeebrügge Terminal

APM Terminals' new facility at Zeebrügge's Albert-II-Dock has been opened last week. Schedules have already been adapted and the Belgian terminal has been integrated into APM's worldwide terminal network and the schedules of Maersk Line. Zeebrügge has a guaranteed water depth of 16 metres and is located very conveniently in relation to the area's main shipping lanes. The terminal is equipped with seven large post panamax gantries and a fully automated gate for trucks. The port is not only intended as a terminal for APMT's sister company Maersk Line, but instead will try to attract other business as well. Shanghai International Port Group will hold a 40-percent share in the port. The annual capacity of the three-berth-quay presently is one million TEU. This figure will be upped to two million TEU when the facility is working full swing. Presently, the quay at the Albert-II-Dock is 900 metres long, but the terminal is laid out to be enlarged to a total berth length of 1,300 metres.

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This Newsletter is edited and compiled by Jan Svendsen and Jan Tiedemann. This pdf-file is available for download at "www.jantiedemann.de" and "www.containership-info.net.tc". Feel free to contact the editors by e-mail at jantiedemann@hotmail.com and jan.svendsen@gmx.net. We greatly appreciate your feedback and your input. More contact details can be obtained from the above websites. Please note the disclaimers displayed on the download pages. All information given in this newsletter is believed correct, but not guaranteed.

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