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The
Containershipping -Newsletter



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Sami Ofer Increases His Stake in Hanjin Shipping

Last week, Israeli shipping tycoon Sami Ofer acquired a stake of 8.7 percent in Hanjin Shipping. The purchase raises Ofer's total share in the company to 12 percent. According to Hanjin, the company had not been informed of the USD 161 million deal until it was through. Hanjin's share price rose by nearly six percent in the wake of the deal of which Ofer claims it would be strictly for investment purposes. Meanwhile, Citigroup Inc. reportedly bought some six and a quarter million Hanjin shares too, increasing their stake in the South Korean carrier to 12.9 percent. Presently, Hanjin's largest shareholder is the

company's chairman Cho Soo-ho, who currently holds a 28.46 percent stake.

Maersk Will Sell Off M-Classes

Recent press reports indicated that Copenhagen-based Maersk Line plan to sell off four of their 1989-build M-class ships to Seaspan Container Line and charter them back for five years. The sale price is believed to be USD 40 million per vessel and the charter rate will be in the region of USD 23,000 per day. The quartet consists of Margrethe, Mette, Mathilde and Maren Maersk. This class of ships was built at Møller-Maersk's own yard at Odense, Denmark, in the late eighties and represented Maersk Line's first panmax container vessels.



Margrethe Maersk, seen here arriving at Hong Kong, is one of the ships to be sold off.

Photo: Boris Paulien

Quite likely, Maersk will also dispose of the remaining M-ships, which might be sold in 2007. Following the company's tradition, the vessels will have to be renamed with a Maersk prefix instead of the original Maersk suffix, when sold. Thus, the familiar M-Names would become available for newbuilds. According to our information, they will be used for a series of ten new 6,500 TEU ships to be delivered from Hanjin HI from

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the end of this year. The first ship will turn out as Margrethe Maersk. Since the new ship is destined to be employed in the line's AE 7 loop, it seems that Maersk Line presently does not have a sufficient number of +8,000 TEU ships to operate on the AE7. However, this will change soon as more such vessels will become available after being replaced by the super-sized 13,500 TEU E-classes.

Hegemann Deliveres New Feeder

Last weekend, the German Hegemann Group has delivered a new 974-TEU feeder vessel. The ship is named Andromeda J and was constructed at Rolandwerft on the river Weser. It is owned by German shipping company Jüngerhans, who will employ the new ship in a feeder service between Rotterdam, Hamburg and St. Petersburg. Andromeda J is the fourth unit of Rolandwerft's 974-TEU design. The yard already managed to secure a large number of orders for this type of vessel, which seems to be able to tie up to the success of the very popular 707-TEU design. The new ship is 139.60m long and 22.20m wide. A 7.2 MW MAK Diesel provides sufficient power for a service speed of 18.5 knots.



The brand new feeder vessel Andromeda J arrives at Hamburg to pick up its first load of cargo

Photo: Jan Tiedemann

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The Big Ones are Getting Even Bigger

Market consolidation is still advancing in the liner shipping industry: Presently, Maersk Line, the Mediterranean Shipping Company and CMA CGM are in control of about one third of the world's TEU capacity. Since the beginning of this year, the triad has gained one percent of market share. A year ago, shortly after Maersk's takeover of P&O Nedlloyd, the Danes' market position was even more dominant than today. Their fleet was twice the size of that of nearest competitor MSC. The Swiss carrier's massive newbuilding scheme has narrowed that gap and so Maersk Line's 'two power standard' lasted but short. Early in 2006 Maersk controlled 18.2 percent of the world box fleet capacity. Today, that share has declined to 17.4 percent, according to AXS-Alphaliner. Simultaneously, MSC increased their share from 8.6 percent to 9.3 percent. This number is likely to grow even more, considering the Swiss' huge number of panamax and post-panamax vessels sublet from other carriers. The third-ranking French Line also upped their share from 5.6 to 6.4 percent, mainly due to a large number of new big boats for the FAL-I and FAL-II loops.

Yang Ming Receives YM Utmost

Taipei' Yang Ming Shipping has now received the second ship of their quartet of new 8,204 TEU U-classes. The new vessel, named YM Utmost, was recently handed over by Hyundai Heavy Industries at Ulsan, South Korea. Like her earlier sister YM Unity, Utmost will be phased into Yang Ming's AES service that connects the Far East and Northern Europe. Originally, Yang Ming and K-Line wanted to set up a new +8,000 TEU ship loop and the U-classes were intended to be Yang Ming's contribution to the line-up. However, it looks like these plans have been shelved for the time being and YM Utmost and her sisters will provide extra capacity on the existing loop were they replace 5,600 TEU ships. YM Utmost's maiden voyage will commence at Shanghai on October 19th. Some three weeks later, the ship will make its debut in Northern European waters. YM Utmost will perform European mainland calls at Rotterdam (November 13th), Hamburg (16th) and Antwerp (18th).

Hyundai Tokyo at Hamburg

Hyundai Merchant Marine's fourth ship of the 6,800 TEU Series, the brand new Hyundai Tokyo, premiered in Northern Europe last week. The vessel is employed in HMM's Asia-Europe Express loop that calls at Rotterdam, Hamburg, Thamesport and Le Havre. With the introduction of the new ship, half of the AEX's fleet has now been upgraded from 5,550 to ships to larger units. Hyundai Tokyo is 304.30m long, 40.00m wide and draws 14.00m of water. She has a deadweight of 82,250 tons.



**Hyundai Tokyo's maiden arrival at Hamburg.
Photo: Jan Tiedemann**

Hanjin HI Hands Over MSC Vittoria

With the delivery of MSC Vittoria, Hanjin HI's Pusan shipyard has concluded a series of nine 8,079 TEU ships for the Mediterranean Shipping Line. Originally the vessels had been ordered by Hamburg-based C.P. Offen who had secured a long-term charter deal for the vessels with MSC. During the ships' construction phase, some units were sold to MSC. The remaining carriers were chartered just as planned. The entire series of nine was delivered over a period of just eighteen months. Like her earlier sisters MSC Judith and MSC Charleston, the new ship will be employed in the Swiss carrier's

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Lion Express Service, a loop that links China, Japan and Northern Europe. The weekly sling is presently upgraded to +8,000 TEU ships and MSC Vittoria will be the fifth such vessel on the Lion loop. Her maiden voyage will include a call at Antwerp on November 18th, a visit at Hamburg on November 21st and eventually a Bremerhaven-call on November 23rd.

Indonesia's Mega Port Plans

For a long time, Singapore held a near-monopoly position for container handling in the Malacca Strait area. In recent years this position has been challenged by new terminal developments those at Port Kelang and Tanjung Pelepas. Indonesia, the nation with the longest coast line in the Straights recently announced plans to participate in the maritime transport boom and build a new container port, too. The port on Sabang in the Aceh province was chosen as the new facility's location. Sabang lies near the northern end of the Malacca Strait which is passed by some 200 cargo ships every day. More than one third of the worldwide container traffic passes this maritime highway. In the year 2000 the Sabang Free Trade Zone and Sabang Free Port have been established. Last week, Aceh's provincial government and the Dublin Port Company entered a joint venture that aims at transferring today's port into a large container hub. The plan includes the construction of a 2,500m berth and the installation of 15 (25 at a later stage) large ship-to-shore gantries.

China Plans Rail Capacity Boost

With the recent container boom, Chinese ports increasingly face the problem of congestion. While most European ports provide at least adequate rail access, a great many Chinese terminals are only connected to the country's road and highway system. The nation's hinterland transport of containers relies on trucks and coastal shipping to a very large degree. Domestic transport volumes have exploded in recent years, especially since the manufacturing industries have grown further into the nation's midlands – far away from the booming coastal regions. In some areas, the highway network runs very near capacity and cargos frequently get stuck on the road. Thus, shifting the modal split

more towards rail transport is a mere necessity. In 2005, an ambitious plan has been agreed upon: Building rail connections between all major ports and China's industrial centres in the inner part of the country. Only last week, Hong Kong-based NWS Holdings signed an agreement to establish China United International Rail Containers Company. This joint venture with a subsidiary of China's Ministry of Railways will be responsible for developing and managing 18 large rail container terminals and 40 smaller facilities all across mainland China. All of these terminals shall be operational until 2010. The first terminals will be constructed at Shanghai, Kunming, Chengdu, Chongqing, Wuhan, Xian, Shenzhen, Qingdao, Dalian, Harbin and Tianjin. In the next five years alone, China will build some 17,000 km of new railway lines. This will increase the length of the network that is suited for rail cargo transport to some 100,000 kilometres.

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Jumbo Order for Da Chan

Work on Shenzhen's new Da Chan container terminal is presently making quick progress. The Da Chan facility will add another 2.5 million TEU of annual capacity to the booming south Chinese ports. Located a few kilometres north of the terminals of Chiwan, Mawan and Shekou, the first two berths of this new development will open late in 2007. Another three large berth will be added gradually once the terminal is operational. Da Chan will be run by Hong Kong's Modern Terminal Company. Last week, Modern has signed a Jumbo order for terminal equipment with ZPMC. The company bought twelve twin-lift ship-to-shore gantries and 30 rubber-tired stacking yard gantry cranes. The world's largest manufacturer

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of large cargo cranes, the Zhenhua Port Machinery Company, will deliver all terminal equipment until next August. The quay cranes all have an outreach of 65 metres. Their lifting capacity of 80 tons allows for twin lifts, moving the equivalent of four TEU at a time. Once all five berths at Da Chan are in operation, an estimated total of 20 large gantries will be installed.

CSCL Pusan's First European Calls

The Second unit of China Shipping's series of 9,600 TEU container vessels, CSCL Pusan, has visited Europe for the first time during the last week. The ship is employed in the AE7 (or FAL-II in French nomenclature) joint loop of CSCL and CMA CGM. It performed calls at Le Havre, Rotterdam, Hamburg and Zeebrügge. CSCL Pusan was built by South Korean Samsung HI. She is 336.70m long and 45.80m wide. A 68 WM MAN B&W Diesel drives the ship at a speed of up to 25 knots.



CSCL Pusan at Hamburg's Eurogate Terminal
Photo: Jan Svendsen

Hapag Lloyd to Start West Africa Loop

Hamburg's Hapag-Lloyd Container Line will establish a new liner service linking Dakar and Tema in Western Africa with the North European ports of Hamburg, Amsterdam and Southampton. The new loop will be launched at the end of this year. Two vessels of just over 1,000 TEU will be employed, offering departures every 16 days. Each unit will provide 100 reefer plugs. Hapag-Lloyd, who traditionally focused on East-West routes, are presently building up a stronger presence in North-South trades, especially services with Africa. Only

recently, the company had shelved plans for a dedicated North Europe - South Africa service, but instead signed a 300 TEU slot charter agreement with MSC.

Estelle Maersk Has Left Odense Shipyard

A huge crowd of spectators gathered at Denmark's Odense Steel shipyard last week to witness the maiden departure of Maersk Line's second 13,500 TEU container giant. The vessel, named Estelle Maersk, was towed to the through the narrow fairways of Odense Fjord towards the Baltic Sea. Together with her earlier sister Emma, the new 397m-ship is presently the largest containership afloat. After a programme of sea trials and some finishing works at Aarhus, the new Estelle Maersk will be phased into the AE 1 where she replaced Gerd Maersk.



Estelle Maersk leaves Odense Shipyard
Photo: Bent Mikkelsen

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