

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

The  
**Containershipping -Newsletter**



**November 2006, 46<sup>th</sup> week**

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### **Hyundai Heavy Delivers Pangal**

South Korean Hyundai Heavy had only recently handed over the second unit of CSAV's new 6,500 TEU vessels and has now finished the third – merely a week later. The ship has been delivered as Pangal. It is wholly owned by Hamburg-based Peter Döhle Schiffahrt who chartered the ship out to CSAV-Norasia in a long term contract. CSAV's C- and P-class ships have seen various ownership models: Some vessels are jointly owned by Döhle and CSAV and the Chileans charter the half of the ship they do not own. Some ships, including the first two P-class vessels are wholly owned by CSAV. Only recently had

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CSAV sold their 50-percent share in some of the 5,500 TEU C-classes to Döhle. Opposed to her earlier sisters, Pangal does not carry the name of a city, but that of a river some 90 kilometres south of Santiago de Chile. The Pangal river is best known for its large hydro power plant which produces electricity for about 285,000 households. It is one of Chile's main sources of electricity. Pangal will replace one of the 5,500 TEU C-class ships in CSAV-Norasia's AME loop. The new ship is scheduled to arrive in Northern Europe in mid-December.

## **Australian Monkey Business**

Australian newspapers reported that the crew of a container ship bound for Sydney have been told to catch or kill a monkey running loose aboard the vessel or they will not be allowed to dock. The Australian Quarantine and Inspection Service said the container ship that was inbound from China would not be allowed to enter Australian waters. The ship's crew have e-mailed photos of the animal to the Australian authorities in a bid to have the animal identified. The shots however showed only a small brownish blur, believed to be a macaque. The crew don't know when and where the animal got aboard but say they have not been able to get close to it. Australia's quarantine requirements demand the creature to be captured or 'appropriately disposed of' before the ship would be allowed to berth in an Australian port. Australian law requires the monkey to be sedated and then killed. However, officials hope the animal can be dealt with in a humane manner.

## **Boxship Deliveries Boost Hyundai Heavy**

The world's largest shipbuilder, Hyundai Heavy Industries, has reported a 21 percent net profit for the third quarter of this year. This result has been achieved on the back of a huge number of vessel deliveries, mainly of container ships. The company's net profit amounted to USD 214 millions. Turnover increased by some 22 percent. Higher prices for container ships, tankers and gas carriers had boosted the yard's profits and helped to partly offset increased steel prices. They also helped the shipyard to deal with an appreciation of the won against the US dollar. During the third quarter alone, Hyundai

delivered 18 ships – a total of over a million gross tonnes. The list includes 13 container ships. Since the beginning of this year, the shipyard handed over 58 ships (thereof 39 container vessels) of four million gross tonnes. The ships' total value amounted to USD 3.8 billion.

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## **Low Freight Rates Affect NOL's Results**

Neptune Orient Lines has posted a net profit of USD 314 millions for the three quarters of this year. Although this is less than half the profit reported for the corresponding period during 2005, it can still be considered a good result, given today's difficult market environment. Like the port operator PSA, NOL is majority-owned by Singapore's government investment arm Temasek Holdings. The lion's share of NOL's earnings comes from its liner business, but also from the growing logistics division. Compared to 2005, lower freight rates and higher fuel costs affected profits negatively, as turnover stayed flat at some USD five billion. Bunker costs alone rose by USD 183 million, partly attributed to business growth, but mainly due to oil price increases. Transport volumes in the liner trade, which is operated under the APL brand name, rose by nine percent. Head-haul utilisation achieved 99 percent during the peak season.

## **Xin Shanghai's Maiden Voyage**

Someone must have cast a spell on CSCL's new 9,500 TEU ships: None of the new vessels ever arrived at Hamburg on a sunny day. CMA CGM's leviathan's, employed in the same service, all had a splendid debut on the river Elbe and made

their way to the port in glorious sunshine – but their Chinese running mates just seem to try and hide away. However, that did not stop us to head out to the river in rather murky surroundings to at least try and provide you with some shots of the ships. The latest unit in the FAL-2 loop to premier at Hamburg was the recently delivered Xin Shanghai. The new Samsung-built ship carries up to 9,580 TEU. It is 336 metres long and has a beam of 45.80 metres – the equivalent of 18 rows of standard boxes. The ship arrived at Hamburg fully laden, after a fruitless call at Rotterdam where a strike of dock workers had paralysed terminal operations.



**Xin Shanghai at Hamburg**  
**Photo: Boris Paulien**

## **Hyundai to Build Own Steel Mill**

Some weeks ago, the South Korean Hyundai group bought into a Chinese steel mill. Now, Hyundai has taken another step to secure their steel supply for decades to come: Building a new large Steel Mill. The company is already one of South Korea's largest steel producers, but still depends on local supplies by Posco, Dungkuk and some Japanese companies. Late in 2004, Hyundai had acquired Hanbo Steel, a company that has went bankrupt in 1997 and was since kept alive through government funding. A total of USD 1.19 billion was invested into Hanbo's

steel plant at Dangjin. Hanbo mainly turns out steel products used in the construction industry as well as steel pipes. Thus, its product range is not ideal for a shipbuilder. At the end of last month, Hyundai's subsidiary Hyundai Steel announced the construction of a new integrated steel mill complex. The plant will cover entire cycle of steel production. So far, Posco is the only South Korean company that covers all steps of steel production. Hyundai's new plant which also will be located 120 kilometres south of Seoul at Danjing. It will cost USD 5.3 billion to build. The first construction phase with an annual capacity of seven million tonnes will be operational in 2010. The output capacity will gradually be extended to 12 million tonnes until 2015. Opposed to the former Hanbo plant, the new steel mill will mainly produce plates of shipbuilding steel for Hyundai's shipyard and steel bands for the group's automotive division. The construction of a steel plant alone will however not suffice to guarantee competitive prices for the Hyundai group, since the price steel is largely driven by the cost of raw materials and energy sources. Thus, Hyundai has signed a memorandum of understanding with four major iron ore and coal suppliers: Australia's BHP Billiton, Brazil's Rio Tinto and CVRD and Canadian EVCC will supply Hyundai Steel with up to 210 million tonnes of iron ore and bituminous coal at fixed rates from 2010. The supply contracts are binding for a ten-year period.

### **Eurogate Wants to Bid for HHLA Stake**

Eurogate, the fiercest competitor of Hamburg's giant stevedore and container terminal operator HHLA, intends to make a bid for a massive stake in the state-owned HHLA in the upcoming privatisation. Eurogate is already present in Hamburg with one large container facility and the company is Europe's largest container terminal operator, handling 12.1m TEU last year. Eurogate is a joint-venture of Hamburg's private sector Eurokai and Bremen's state-owned BLG. The Hamburg state government started its pan-European tender for the part-privatisation of HHLA last week - seeking to sell up to 49.9 percent of HHLA, which operates three container terminals in the city's port. The sale is supposed to enable HHLA to expand its businesses to other locations throughout Europe and to finance investments in Hamburg's port infrastructure: In the next few years, HHLA is set to invest more than EUR 1.2 billion

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in its terminals in order to boost capacity to 12 million TEU by 2015. Last year, HHLA handled the equivalent of 5.3 million TEU. Apart from preparing as partial sale of HHLA, the city of Hamburg prepares the development of an additional large container terminal within Hamburg's central port area after 2009. There will be an international tender for the operation of the new CTS, the Container Terminal Steinwerder.

## **Jiangsu Yangzijiang Bags Panamax Orders**

The Jiangsu Yangzijiang Shipbuilding Company is one of countless mid-sized shipyards in the People's Republic of China. It is located in the Jiangsu province, some 100 kilometres west of the city of Shanghai. Situated on the banks of the Yangtze river, at quite a distance from the open sea, there are some limitations to the size of vessels the yard can build. Currently, ships of 55,000 tonnes are the largest units that can be launched at Jiangsu Yangzijiang. In terms of container ships, this is about the size of a 4,500 TEU vessel. The yard actually never got anywhere near this size of boxship so far, but instead focused on smaller units. In recent years, the shipyard had become increasingly popular with German shipping companies: It has built a reputation for well-constructed, high-quality ships and punctual deliveries. Yangzijiang Shipbuilding entered the container business by building a series of 1,120 TEU vessels. Soon after, the Chinese started building a more sophisticated 1,850 TEU vessel, characterised by an above-average 23 knot service speed. Nine of these ships have so far been delivered to Hamburg's Rickmers & Cie shipping company and Singapore's RCL. Some of these units are fitted with cranes, some are gearless. Until 2008, Jiangsu Yangzijiang will hand over four more of these ships that are mostly employed in inner-Asian trades. The ships have earned praise from their crews for solid quality and smooth, trouble-free running. Apart from this successful type, the yard also developed and built a series of 1,350 TEU ships (four units) and three 1,580 TEU container ships with a maximum speed of 20 knots. The latter type has been bought by Hamburg-based Peter Döhle Schiffahrt whose order book still includes four more such units. Obviously, Döhle Schiffahrt was pleased with these vessels and the yard's performance, since the company was the first customer for

Yangzijiang Shipbuilding's new 2,546 TEU design. Until now, Döhle alone placed orders for 16 such ships. The second biggest buyer of the type is Vancouver-based Seaspan Container Line, who ordered eight ships and still dispose of four options. The lead vessel of the series has just been delivered to Döhle as Hammonia Palatium. Finally, the Chinese shipyard has ventured for even bigger ships and set up a near-panamax-design of 4,250 TEU – a very popular and common size of vessels. Again, the first orders came from Germany: Reederei Rudolf Schepers signed two vessels for delivery in 2008. The company also holds two options which are very likely to be taken. Schepers was followed closely by German Reederei Karl Schlüter, who signed two ships and took in two options. Again, these options will most likely be taken and all four ships could be delivered as soon as 2008. Last not least, Rickmers & Cie placed orders for no less than eight ships of the type. Three will be delivered in 2009 the remaining five ships in 2010. Presently Chinese and South Korean Shipyard's order books include some 115 ships in the size range of around 4,250 TEU. All of these have almost identical dimensions and performance parameters. Thus, it would not come as a surprise if Yangzijiang bagged up even more orders for this type of ship soon.



**CMA CGM Everest, seen here at Hong Kong, is one of Jiangsu Yangzijiang shipyard's popular 1,850 TEU ships.**

**Photo: Jan Svendsen**

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## **Fishy names for French Line Ships**

It seems like the French Line CMA CGM has recently run out of composers, painters, sculptors and writers to provide names for their growing fleet of container ships. Since the opera names seem to be reserved for very large units, CMA CGM has now gone for wildlife names for their new panamax-sized ships. These 5,000 TEU units from Hyundai Heavy and Hyundai Samho Heavy will carry fish suffixes in their names. For reasons of zoological correctness, it's sea dwellers rather than fish and the first ships will be named CMA CGM Blue Whale, Orca, Dolphin and White Shark. The quartet will be delivered until the end of the first quarter of 2007. After a short break, Hyundai HI, will resume deliveries for the French Line and hand over four more units of the type. These will be christened CMA CGM Marlin, Kingfish, Swordfish and Tarpon.

## **L-205 to be Launched as Eleonora Maersk**

Despite the fact that Maersk Line's recently launched second 13,500 TEU mega carrier, Estelle Maersk, suffered from quite some teething troubles, the E-class programme continues on schedule: Yard number L-205, the third unit of the series will be handed over in January 2007. Thus, it is about time to reveal the new ship's name, since the Danes will not send her on trials with nothing but L-205 painted on the bows. The ship's name has not been released officially, but your editors are pretty sure the vessel will turn out as Eleonora Maersk. That name had been used previously on a Maersk ship, but it was vacant for rather a long time since. The first Eleonora Maersk was a 16,500-tonne-tanker, built at Hamburg's Deutsche Werft in Germany in 1936. At that time, she was the largest ship in the Maersk fleet. The tanker survived the Second World War by more than a decade. The vessel was eventually scrapped in 1958. Since then, no ship carried the name Eleonora Maersk. The ultra large container ship will probably be christened late this year or early in 2007. Together with her earlier sisters Emma and Estelle, Eleonora now claims the distinction of being the largest Maersk ship once again.

## Containership-Info Special: Shanghai

The editors of containership-info are proud to announce another special feature for our website's visitors and readers of the weekly newsletter: Right in time for the coming weekend (November 18<sup>th</sup> / 19<sup>th</sup>) we will upload our 25-page autumn special '**Port Development in the Greater Shanghai Region**'. It includes a thorough description of all existing container terminals at Shanghai, Taicang, Ningbo and Yang Shan, as well as a detailed overview of the region's port developments and infrastructure development projects.



**The 25-page Shanghai Special will be available for download in the 'miscellaneous' section of our website.**

We have gathered together for you a collection of facts, figures maps and images of what is possibly the world's most exciting port. Only last year Shanghai overtook Rotterdam as the world's number one port and presently work is underway to more than triple the region's cargo handling capacity. The city and the nearby towns on the Hangzhou Bay will develop into the world's leading container ports within the next few years. As one of the fastest growing metropolises in the world, Shanghai has enjoyed double digit growth rates for several years in a row. The city has traditionally been China's gateway to the world and Shanghai's vast and populous hinterland is

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home to more than 300 million inhabitants. Join our tour of the region and check out our autumn special. Get to know the Yantze's estuary area and download our report as well as the guided 3-D tour. Available soon at [containership-info.net.tc](http://containership-info.net.tc).

## **Corrected**

In last week's newsletter we referred to the Mediterranean Shipping Company as the world's third largest container carrier. This is wrong, since, as you all know, MSC of course ranks second in the industry.

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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](http://www.jantiedemann.de)" and "[www.containership-info.net.tc](http://www.containership-info.net.tc)". Feel free to contact the editors by e-mail at [jantiedemann@hotmail.com](mailto:jantiedemann@hotmail.com) and [jan.svendsen@gmx.net](mailto: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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