

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

The  
**Containershipping -Newsletter**



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**V for Vega**

Last week, NYK's first +9,000 TEU container vessel had a rather stormy welcome when it visited Europe on its maiden voyage: Severe winds disrupted many shipping lines' schedules and delayed loading and unloading in ports. The new vessel, named NYK Vega, had been delivered in December. Vega is the first of her kind and she is Hyundai Heavy Industries' first 18-row-wide container carrier. Nippon Yusen Kaisha claims the vessel has a capacity of 8,600 TEU. However, your editors consider this statement a severe case of traditional Japanese over-modesty: The new vessel should at least be able to carry 9,200 TEU. Vega would thus be the largest vessel in the Grand Alliance. Some newspapers claimed that NYK Vega would be the first

ship in a series of eight identical sister vessels. This is not quite correct. Actually, NYK will receive four identical ships from Hyundai Heavy as well as another series of eight similarly-sized ships from Japan's IHI yard at Kure. Nippon Yusen Kaisha deployed the new ship to the Grand Alliances Asia-Europe loop number four. The ship's westbound port rotation includes Dalian, Xingang, Qingdao, Busan, Yang Shan, Ningbo, Singapore, Port Kelang, Jeddah, Rotterdam, Hamburg and Southampton. NYK Vega measures 338.17m in length, 45.60m in width and has a summer draught of 14.50m. Her maximum deadweight is 103,000 tonnes. A 68MW 12-cylinder diesel engine drives the ship at up to 25 knots. Shortly before the new carrier premiered in northern Europe, NYK released the names of her next two sisters: NYK Venus will be delivered February and NYK Virgo will enter service in May. While NYK Venus is an entirely new name for the line, there has already been a containership named NYK Virgo in the past: A 1,613 TEU ship carried that name until 2002, when it was sold as ACX Marguerite. ACX is a member of the NYK group of companies, mainly involved in intra-Asian trade and employs ships in the size range from 500 to 2,300 TEU.



**NYK Vega, presently the largest ship in the Grand Alliance's fleet, arrives at Hamburg for the first time.  
photo: Jan Tiedemann**

## **Maersk Reshuffles Asia-Europe Services**

In last week's newsletter we described the proposed port rotation of Maersk Line's new – or rather reshaped – AE7 loop. The service is scheduled to be transferred into an all-E-class Asia-Europe sling. At the time went to press however, there was no confirmed list of all ports or call. Maersk Line meanwhile revealed that the new super loop will actually make intermediate calls at Tanjung Pelepas and Algeciras in both directions. Thus, the confirmed port rotation now reads: Ningbo, Xiamen, Hong Kong (w), Yantian (w), Tanjung Pelepas (w), Algeciras (w), Rotterdam, Bremerhaven, Algeciras (e), Tanjung Pelepas (e), Yantian (e), Hong Kong (e) and back to Ningbo. The AE7 will eventually be the biggest Asia-Europe loop and it will focus on southern China a feature and single call in China's central coastal region (Ningbo). Simultaneously, the AE2 will be reshaped into a dedicated North China and Korea loop with no intermediate ports except for a Mediterranean call at Malaga. It will serve the ports of Busan, Kwangyang, Dalian, Xingang, Qindao and Yang Shan. The present AE1 loop will continue to directly serve Scandinavia with calls at Aarhus and Gothenburg. Changes on the 'far end' will bring calls at Yantian and Nansha (southern China) and Kobe, Yokohama and Nagoya.

## **What's Inside the Box?**

Traditionally, the container ship used to be the beast of burden for manufactured products and goods of high value. Fuelled by the massive amount of new container capacity and the numerous new services that have become available in recent years, containers have increasingly started to attract other cargoes as well. For quite some time it has been a well-established practise to use containers to ship non-ferrous scrap metals like aluminium or copper between Europe, the US and Far Eastern recycling companies. The same system has increasingly been applied to shredded recycling plastic. It is largely driven by the imbalances in most on the world's mainline trades and the resulting low freight rates to Asia. American exporters have even started to ship agricultural bulk products like soy beans, grain or corn in standard forty-foot-boxes. The

load is not being shipped in bags or smaller vessels, but as a true bulk cargo. Instead of using specialised (but expensive) silo containers, the loads are simply dumped in to standard boxes. Two years ago, five percent of all bulky agriculture exports from the U.S. were shipped in containers and the container's growth rates in this field considerable. One noteworthy side-effect of the container transport in the change in the trading patterns. Some American Farmers have started to directly get in touch with buyers in the Far East, by-passing vendors and brokers as well as the necessity to get involved in the charter of bulk ships and cargo handling and storage.

## **Container Port Strikes**

2006 was not only a record year in terms of container volumes, but also one with plenty of strike action among terminal workers and truck drivers. In Europe both ECT's and Møller-Maersk's Rotterdam terminals were negatively affected by dock worker strikes. Many ships skipped their Rotterdam call and sailed straight into Hamburg. Others moved to Zeebrügge and Antwerp. Disagreements about the conditions of work and pay had caused the disputes. South Korea's main port of Busan on the other hand was paralysed by a strike of truck drivers. Hinterland traffic broke down and the port was jammed with boxes when the truckers blockaded the port's access roads. The blockade went on for some weeks until the payment issues were settled. A port that suffered much more, was Bangladesh's only international port Chittagong. A month-long strike virtually cut the nation off of international trade. More than 50 ships were either waiting off or trapped within Chittagong and many shipping lines dropped all their Bangladesh-bound cargo in India. The container backlog in the trade to Chittagong has not even disappeared until today. The other end of the planet also got its share when strikes affected the port of Santos, Brasil. Weeks of chaos and heavy delays were caused by a strike of dock workers and truck drivers. The strike wave of 2006 finished with a seven-week labour dispute in Greece. Workers who opposed the privatisation of port operations brought the container terminals of Piraeus and Thessaloniki to a standstill in the middle of the run-up to Christmas – a peak period for container transport. Some large

liner operators like ZIM and MSC temporarily moved their activities to neighbouring countries. 2007 might soon see strikes in India, where the dock workers' union and some local port authorities cannot upon working conditions. The existing agreement on tariffs ends on January 26<sup>th</sup> – Unless both parties negotiate a new contracts, this is the date for the next strike.

## **YM Ultimate Completes 8,200 TEU Series**

Taiwan's Yang Ming Line has has taken delivery of the last of four 8,200 TEU ships ordered at Hyundai Heavy Industries. The carrier has therewith completed a step in its fleet renewal and upgrade scheme. The new liner has been deployed to Yang Ming's and K-Line's joint Asia to Europe service. Despite her name, Ultimate will not be the last ship of her size for her owners but only the last ship of the quartet of ships built at Hyundai: After a break of more than one year, Yang Ming will receive five similarly sized vessels from China Shipbuilding at Kaohsiung. The first of these will be launched in the second half of 2008. The new YM Ultimate will premier at Rotterdam early in February. After that, she will perform calls at Hamburg and Antwerp.

### **Beyond Containers: Cruisers, Bulkers, Reefers and Tankers at Hamburg**



**please note: this banner is not a commercial advertisement**

## **Puelche Delivered**

With the delivery of Puelche, Hyundai Heavy has now completed a series of six 6,500 TEU sister vessels to CSAV-Norasia and their ship finance and operating partner Peter Döhle of Hamburg. Puelche has a triple meaning: Firstly, the ship carries the name of a central Chilean city. Furthermore, Puelche is also the name of a local indigenous group of people,

native to the Andes. The word also describes a treacherous wind that occasionally haunts the high valleys of the Andes. The new 6,500 carrier trades in the ANE service. For the time being, Puelche concludes the upgrade of this loop to a fleet of six P-type ships and two 5,500 TEU C-classes. The new vessel will make her first European appearance at Hamburg on February 13<sup>th</sup>. Three days later, she will call at Rotterdam. Her European round trip will end with a visit to Antwerp on February 18<sup>th</sup>.

### **New Vessel: CMA CGM Blue Whale**

At the beginning of the new year Marseille-based CMA CGM has taken delivery of their second panamax ship in the 'sealife' series: CMA CGM carries the name of the world's biggest animal, the Blue Whale. Built at Hyundai Ulsan, the ship slightly differs from the first unit in the eight-ship-family that was constructed at Hyundai Heavy's Samho yard. The new panamaxes are planned for the French Line's PEX-3 service – A loop that links southern and eastern Chinese ports to the US east coast via the Panama Canal. Currently, this loop terminates at Houston, but it will be lengthened to New York as soon as a sufficient number of ships becomes available. The next ship for the PEX3, CMA CGM Dolphin, will again originate from Samho HI. Dolphin's delivery is scheduled for February.

### **Kota Lahir**

The capacity upgrade of Pacific International's and Wan Hai Steamship's joint Far-East – Europe loop is quickly proceeding. Now that the new Kota Lahir is in service, six ships in a fleet of eight have already been replaced by larger units. PIL's new carrier had been handed over by Dalian New Shipyard, late in 2006. Like the earlier Kota Lagu, Lahir is a 4,250 TEU Dalian standard type with some slight modifications, compared to the similarly-sized ships Dalian built for CSCL. Kota Lahir measures 263m in length and 32.20m in width. She is powered by a B&W-designed 36.5MW eight-cylinder diesel. Her top speed is 24.5 knots. Your editors managed to take a snap of the new carrier when it visited Hamburg, where the ships call at HHLA's relatively small Tollerort terminal.



**Kota Lahir at Hamburg's Tollerort Terminal**  
**photo: Jan Tiedemann**

### **HHI Shrug at French Proposal**

According to recent press reports, the French Line CMA CGM has received a rebuff from Hyundai Heavy Industries when the company tried to negotiate a plan to upgrade a number of ships in their yard pipeline to 13,000 TEU units. Thus, the French have been temporarily stalled in their bid to catch up to rivalling operator Maersk in terms of vessel size. Following an order for eight 11,400 TEU vessels from HHI last September, the shipping line is said to have approached the builder with a proposal for significantly enlarging the ships. This comes as a bit of a surprise since CMA-CGM's chairman had denied any such plans in several statements he made in autumn 2006. At some point, CMA CGM even claimed that it was initially Hyundai Heavy's idea to build 11,400 TEU ships instead of the +9,000 TEU ships, CMA CGM had originally envisaged. A HHI spokesperson now revealed that unfortunately the yard had to decline any proposals to upgrade the ships. It appears that the yards building dock would not be big enough to handle the necessary extension. The problem is not the dock's length but rather its limited width. In order to maintain its tight building schedule, the yard has to be able to build ships side-by-side in

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a single dock. That would not be possible if Hyundai accepted the wish for a vessel of larger – mainly wider – dimensions. Industry rumours suggest that CMA CGM also approached Daewoo Shipbuilding in an attempt to have the quartet of 9,700 TEU boxships ordered in May 2006 extended. Reportedly, CMA CGM were also turned down by Daewoo.

### **Unifeeder Ship Loses Boxes in North Sea Storm**

Last week, ten containers were swept into the North Sea near the Elbe estuary when the 698 TEU vessel JRS Canis encountered a series of 8-metre waves. The 2005-built ship, trading for Unifeeder and operated by Navigia, was underway from Bremerhaven to St Petersburg during a severe storm. The German emergency response vessel Mellum has been dispatched to the accident site. Since the storm hardly abated, it will be very difficult, if not impossible, to recover the containers quickly. According to local media reports, the lost boxes were not declared to contain hazardous cargo. Since the storm also damaged several containers onboard the ship, JRS Canis was sent to Hamburg for repairs and a survey by the authorities and the ship's insurance.



**JRS Canis in more gentle weather conditions.  
photo: Jan Tiedemann**

## **MSC Charters CSCL Jumbos**

Once again, the Mediterranean Shipping Company works its way to erode Maersk Line's market share in terms of container capacity: The Geneva-based carrier will (sub-)charter two large vessels from China Shipping Container Lines: The first ship will be the 8,500 TEU CSCL Asia, delivered from Samsung Heavy in 2004. This ship is managed and owned by the Canadian firm Seaspan and long-term chartered to CSCL. Furthermore, MSC will hire a similarly-sized Hudong-Zhonghua newbuild, scheduled for delivery later this year. This ship also originates from a Seaspan order. Charter rates for the two vessels have not been published. In another move, MSC also subchartered the 1996-built 4,065-TEU panamax Sealand Racer from Maersk for 30 months. This deal will cost MSC USD 22,000 a day. Including all these charters, MSC's fleet capacity share is now very close to ten percent.

## **Nomen Est Omen – Or Maybe Not**

In our recent article about Maersk Line's new Hanjin-built K-class ships we suggested that this series might soon be extended with a batch of similarly-sized vessels from Hyundai Heavy. Maersk announced these ships as 6,500 TEU units. According to the carrier's naming convention (where the letter represents a certain size group of ships) the vessels would have to be given K-names. In our quest for new names, we found out that the Hyundai-built ships will actually be called Maersk Seletar, Sentosa, Serangoon, Sembawang, Sebarok, Senang and Semakau. Thus, Maersk Line will either have to abandon their naming scheme, or the new ships are actually significantly larger than announced. An S-name would point towards a true intake of 8,000 to 9,000 TEU per ship. Those of our readers who are familiar with the Singapore geography will have noticed that the entire class of vessels will carry Singapore-related names: Seletar is the site of the city's old airport in the north of the island. Sentosa is the name of a recreational island with beach clubs and golf resorts. Serangoon is a town district and Sembawang is best known for its ship yard. Sebarok is an island south of Singapore city that has been converted to a huge tank storage space for crude oil and petrochemical products. Senang is the name of an island close to the

Singapore strait. Semakau finally, is known as Singapore's garbage can – it is home to a giant landfill. By the records, all ships in the series will fly the Danish flag. Your editors believe the ships will be transferred to Maersk's Singapore Office and trade under the city state's ensign.

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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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