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The
Containershipping -Newsletter



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Sky's the Limit: Another Super Order for DSME

The French Line CMA CGM has recently embarked on a shopping spree that will surely mark one of the biggest civil vessel orders in history. The USD two billion deal is believed to include 16 container vessels of up to 12,600 TEU. According to a number of recent reports from brokers and analysts, Daewoo Shipbuilding & Marine Engineering will build a series of eight container vessels with an intake of 12,600 TEU each for CMA CGM. The ships will allegedly cost about USD 165 millions apiece. This would translate into a slot price of USD 13,095 per TEU. The vessels are scheduled for delivery in 2009 and 2010. Furthermore, CMA CGM is also believed to be the 'unnamed European owner' who signed eight (or possibly even ten) vessels of 9,200 TEU at Daewoo. (Please refer to last week's newsletter.) These ships are allegedly worth USD 128 millions per unit, or USD 13,913 per TEU slot, respectively. All this has to be seen in the light of the line's existing vast newbuilding

pipeline that already includes twelve super post-panamax carriers of about 11,300 TEU. The ever-increasing cargo volumes, particularly on the mainline corridors between Asia and Europe, clearly led many shipping companies and ship owners to skip one generation of vessels and opt for super jumbos instead. Contrary to many predictions, the 10,000 TEU vessel has not developed in to the weapon of choice in the struggle for capacity so far: It seems that these ships offered too small an advantage in terms of the economies of scale, compared to today's common 8,000 and 9,000 TEU vessels. The world container fleet capacity is bound to grow by about 15 percent this year, with all signs pointing towards this growth being swallowed up by additional demand.

NYK Virgo Completes 9,100 TEU Quartet

With the arrival of the new NYK Virgo in northern European waters, the last ship of Nippon Yusen Kaisha's quartet of 9,100 TEU carriers finally premiered on the far end (seen from her owner's point of view) of her service loop.



NYK Virgo arrives at Hamburg
Photo: Jan Tiedemann

Employed in the Grand Alliance's EU3 service, the ship performed calls at Rotterdam, Hamburg and Southampton.

Virgo's Japanese owners officially class all four ships of the series as 8,600 TEU, but your editors are convinced that the entire series can carry well in excess of 9,000 boxes. The 338-metre NYK Virgo was built in South Korea by Hyundai Heavy Industries at Ulsan. Powered by a 64-MW twelve-cylinder-engine, the vessel reaches a top speed of 24.5 knots. As usual, the ship's main particulars are available from our online data base.

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please note: this banner is not a commercial advertisement

Hyundai Unity Delivered

Hyundai Merchant Marine has recently taken delivery of a new panamax ship, the Hyundai Unity. When the first unit of this type was nearing completion a few months ago, it was widely believed that all vessels of the series would be used to launch a new service loop between the Far East and the Arab Gulf.



**Hyundai Unity enters the Lamma Channel.
photo: Jan Svendsen**

Hyundai Merchant Marine however did not yet launch such a loop, but instead deployed the ships to a new transpacific

service: The so-called ESX loop is a joint service of HMM, MOL, APL and CMA CGM. It employs a fleet of eight vessels of 3,800 to 5,100 TEU, with Hyundai being the service's main supplier of tonnage. The ships transit the Panama canal and serve ports on the US east coast. Peculiarly, the delivery of Hyundai Unity marks a premiere for the shipyard: Never before did Hyundai Heavy deliver a panamax container vessel to its sister company HMM. Despite the fact that the yard group already built well over 100 panamax box carriers, none of these ended up with HMM, who generally favoured standard-post-panamax container ships for their trunk routes. Furthermore, the ESX is also HMM's first scheduled lined service that crosses the isthmus between the Americas.

MOL's First Korean Container

For quite some while, Tokyo's Mitsui OL has not taken delivery of any large container vessel. Now the company received the first unit of a series of four panamax vessels of 5,078 TEU. Usually relying on Japanese-built tonnage to a high degree, MOL has now opted for Korean-built ships for the first time ever. The series' lead vessel, MOL Explorer, was built at Hyundai Heavy Industries' Ulsan shipyard. The vessel's design is pretty much identical to that of most of the HHI's contemporary standard panamax containers. The new MOL Explorer will be phased into her owners' PS3 service that connects the Greater Shanghai area and Japan with California.

K-Class Grows With the Delivery of Maersk Kushiro

After picking Chinese, South Korean and Malaysian names for the first three units of a new series of 6,500 TEU ships, Danish Maersk Line has now turned to Japan as an inspiration for their next vessel: The recently-delivered Maersk Kushiro carries the name of a port city on Japan's northernmost island Hokkaido. Modern-day Kushiro has about 200,000 inhabitants. It is one of Nippon's oldest cities: Its ancient heritage is reflected in many traditional Japanese songs and poems. Although ships already anchored in the city's bay for centuries, Kushiro's modern port was opened as late as 1899. A large-scale extension, was added in the early nineteen seventies. Not particularly known

as a container port, Kushiro is home to a large fishing fleet. The new Maersk Kushiro has been deployed to Maersk's AE8 service between China and Europe. The ship is scheduled to visit the European north range ports in July and perform calls at Hamburg and Rotterdam.

Green Light For London Gateway

DP World's proposed London Gateway container terminal has finally been approved by the United Kingdom's Department for Transport. This decision marks the end of a lengthy planning process and application procedure. A so-called Harbour Empowerment Order was first applied for some five years ago. At that time, the development project was pushed by P&O Ports, a venture that has since been taken over by DP World. Ever since, the company has been waiting for developments, but the planning process the slow and much-criticised planning process seemed to make little progress at times. In 2005 the Transport Department stated it was "minded to approve" but the final go-ahead was not given until very recently. Once completed, the new London Gateway port will provide seven container ship berths as well as a facility for roro ships.

Running on – But Running on Empties

The Hamburg-based container carrier Hapag Lloyd recently announced to reject some low-yield-cargos on their Europe - Far East service. This move is aimed at accelerating container repositioning to loading ports in Asia. Hapag will reduce its weekly eastbound capacity for heavy containers (containers of more than 15 tonnes). Freed capacity will be used to return as many empty boxes to Asia as possible. Hapag Lloyd claim that the decision will have two positive effects: Firstly, the carrier will be able to optimise the TEU utilisation of eastbound vessels. Furthermore, HLCL came to the conclusion that the comparably small loss of income from rejected low paying heavy cargoes will be overcompensated by the resulting savings in bunker. Presently, the trade between northern Europe and the Far East is heavily imbalanced: On eastbound sailings, every second container destined for the Far East is empty.

The Weekly Containershipping-Newsletter
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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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