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Will Zim Turn to Hyundai for Super Jumbos?

According to some very recent industry rumours, it very much looks like Israeli Zim Integrated Services will be the next shipping line to jump the train and opt in favour of very large container ships. After watching Maersk Line put into service the first handful of their ultra large E-class vessels, the leading forces in the container shipping business started the race to catch up with the Danes: Both CMA CGM and MSC ordered a huge amount of ultra-large boxships. The German shipping companies of Peter Döhle and NSC followed suit and signed a complete set of 12,500 TEU vessels each. Rather unexpectedly, Zim now allegedly turned to Hyundai for a very large order. Although the deal has not been confirmed yet, it is widely believed that Zim ordered a total of twelve 12,500 TEU carriers for delivery in 2010 and 2011. Based on a typical market price, the ships should cost in the region of USD 162 million apiece.

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Since container carriers of this size are presently only suited for services between the Far East and Europe, the number of ships ordered is rather surprising: In order to fully equip their planned new loop between the two continents, Zim would have needed no more than eight or nine ships, depending on the exact port rotation. The massive order of twelve ships would catapult the Haifa-based carrier into the top-eight position among the world's leading container lines. At 557,800 TEU, Zim would rank seventh after NYK, that is, of course, unless further ships are ordered by any of the big players.

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



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A Quick Rattle Through the Latest Orders

Besides Zim, a whole lot of further containership orders has been pouring in over the past week. A rather noteworthy deal was closed by the German Thien&Heyenga. Only a few weeks ago, the company had ordered four 4,400 TEU ships from Daewoo. Two of these ships were immediately sold on to Tom Wörden. However, Thien&Heyenga recently turned to Daewoo and re-negotiated the order with a rather surprising result: The Korean yard will now built eight of its 8,400 TEU standard ships for the Germans. Maybe the re-negotiation is a pointer towards the requirements of a charter, but no details have leaked so far. Another German shipping line that is believed to have ordered large container vessels is Oltmann. Recent media reports claimed that the company signed a contract for one +8,000 TEU ship to be built at Hyundai Heavy. According to your editors' market sources, the deal might actually include two vessels. Further container ship orders came from Taiwanese Yang Ming, who signed six 6,600 TEU vessels at China Shipbuilding, Kaoshiung. The same yard also bagged

contracts for six 4,250 TEU vessels from Wan Hai, as well as for four 1,800 TEU ships from Ship Finance International. This company also signed a duo of 2,500 TEU ships at Jiangsu Yangzijiang Shipbuilding, and three 1,740 TEU units at Guangzhou Wenchong Shipyard. The week's activity was eventually closed off by Wan Hai who signed a further six ships: The 2,500 TEU units will be delivered by Jiangsu Yangzijiang Shipbuilding in 2010.

Introducing the X-Bow Feeder

The Norwegian Ulstein Group recently announced it was planning to take its innovative x-bow design beyond the offshore sector. According to the shipyard group, the new bow design, featured by a number of platform supply vessels, could also prove advantageous for small and mid-sized container carriers. Ulstein Design already developed a containership design utilizing the x-bow.



**This is how an X-bow feeder might look like.
Rendering: Ulstein press release**

Compared to its conventional counterparts, such a ship would be able to maintain higher speeds in adverse weather conditions. It would also consume less fuel in both head seas and following seas. One feature that is especially relevant for

container vessels, is a significant reduction of slamming and the lower pitch and heave accelerations, which translate into a smaller risk of loss or damage of cargo.

Seaman Dies in MSC Alexa Collision

On last week's Wednesday, the 13th of June, one seaman has died and six others are missing after a collision between a Moroccan trawler and the 3,300 TEU MSC Alexa. The accident happened in the Strait of Gibraltar, some five nautical miles west of Cape Spartel, when the container ship was underway from Barcelona to Las Palmas de Grand Canaria. The fishing boat sunk immediately after the crash. MSC Alexa was diverted to Tangier for inspection. A large-scale rescue operation was launched in an attempt to find missing crew from the fishing boat. Sadly however, the mission has not been successful so far.

Zim Buys Into Antwerp Gateway

During the past year we frequently included news of Haifa-based Zim's most recent orders for large container vessels into this newsletter. The carrier signed orders for no less than nine 10,000 TEU ships, four 8,200 TEU ships and nine units in the size range from 6,300 to 6,500 TEU. As mentioned in this edition's first article, Zim's vessel pipeline has now been extended even further, with a massive order for large new container ships. In 2009, the Israeli carrier will launch its first standalone Far East – northern Europe sling: This loop will probably employ a number of very large vessels, possibly even ships of up to 12,500 TEU. In order to guarantee sufficient terminal capacity for this new service in the northrange ports, Zim has acquired 20 percent of the Belgian Antwerp Gateway container Terminal. The investment is worth some USD 18 million. Located in Antwerp's new Deurganckdock, the terminal was inaugurated in 2005. It is run by DP World. Zim bought the shares from DP world, who thus sold off a stake that was temporarily held by APMT. Further stakeholders in Antwerp gateway are Cosco Pacific (20%), CMA-CGM (10%) and Duisport (7.5%). As for the port rotation of Zim's new mainline

loop, Antwerp should now be a pretty safe bet, with other ports still being subject to speculation.

A First Glimpse of NYK Oceanus

We all know that Japanese shipping lines are traditionally secretive about their new vessels and hardly publish any information before the ships are actually delivered. At some stage during the construction of a ship however, things tend to become rather obvious. Thus, our Japanese contributor, Mr. Y.M., went to Kure and took some nice photographs of Nippon Yusen Kaisha's latest newbuild from IHI. The ship was floated out of the building dock in June 15th as NYK Oceanus. This 9,100 TEU carrier is the first unit in a series of eight ships. The first four of these will be delivered one after another, while four further units are scheduled to come on stream a little later, provided NYK will pull the respective options.



**One of the first photos of NYK Oceanus, taken shortly after her superstructure was lifted into position.
photo: Y.M.**

In the light of the very recent world order book development, a re-negotiation of these contracts with the aim of IHI building larger vessels instead of a second quartet of 9,100 TEU ships might also be possible. Returning to NYK Oceanus, we can now

at least comment on the ship's design: As can be seen in the picture, the new vessel bears a striking resemblance to K-Line's Humen-Bridge-class ships. The most palpable difference being the lashing bridges, which have been extended in height by about one tier of containers. Your editors thus believe the ships exterior dimensions will be more or less identical to the ships built for Kawasaki: About 336 metres in length and 45.60 metres in beam. NYK Oceanus will be handed over to her owners in August. The ship will then join one of the Grand Alliance's Far-East Europe loops.

Ever Summit Delivered

The Taiwanese Evergreen group recently received the eighth unit of a series of ten 7,024 TEU ships ordered from Mitsubishi Heavy Industries. The ship was built at Mitsubishi's Kobe yard. It was handed over as Ever Summit. It will be followed by the remaining two units in the class, Ever Safety and Ever Salute. After the completion of the series of Evergreen, Mitsubishi will build a five-ship family of 6,700 TEU ships for Mitsui OSK. As for Ever Summit, the ship is scheduled to follow most of her earlier sisters into Evergreen's CES Far East – Europe service. The loop is presently being upgraded from vessels of 5,300 TEU to 7,000 TEU units.

High Aspirations: CMA CGM

The past months' container vessel order frenzy has added a tremendous amount of additional TEU capacity to many shipping lines' pipeline. Especially the big ones in the industry seem poised to maintain and extend their respective market shares. One company that has been particularly ambitious in building up its pipeline is CMA CGM. The French Line has been involved in a huge number of vessel orders and charter deals. Your editors have thus taken a closer look at CMA CGM's present fleet and the line's shipyard pipeline. Ranked third among the world's container carriers after Maersk and MSC, the French Line presently controls a TEU capacity of about 640,000. This figure includes both owned and chartered ships, as well as the TEU capacity of CMA CGM's subsidiaries Delmas and OTAL. Adding the line's present order book, the Marseille-based

carrier will (*ceteris paribus*) dispose of 320 ships in 2011. These will have a capacity of roughly 1.35 million TEU. Since the carrier is still believed to be re-negotiating the parameters of some of the ships in its order book, it is not possible to state any more precise figure. It is entirely possible that some ships in CMA CGM's pipeline originally ordered as 9,700 TEU boats, will eventually turn out as 11,300 TEU or even 13,200 TEU ships. Compared to today's situation, the French Line's fleet capacity is bound to double over the next five years. CMA CGM will thus gain on the Mediterranean Shipping Company, whose 2011-fleet will have a combined capacity of about 1.4 to 1.5 million TEU.

size class (TEU)	present fleet	pipeline
500 - 2,000	95	3
2,000 - 4,000	76	17
4,000 - 8,000	35	33
8,000 - 10,000	15	26
+10,000	none	20

Not really knowing the exact number of E-class ships that Maersk plans to have built at the troubled Odense yard, CMA CGM might actually lead the field of +10,000 TEU ship operators by 2010.

Good Bye, Frankfurt Express

We'd like to end this newsletter on a bit of a sad note: After 26 years of service, Hapag-Lloyd's panamax vessel Frankfurt Express was finally sold for demolition. The vessel recently changed hands for USD 425 per metric tonne. Admittedly, the end of an elderly container ship's working life is nothing particularly noteworthy, but the case of Frankfurt Express is special for a number of reasons: Built in 1981 at Kiel's Howaldtswerke Deutsche Werft, she was the world's largest container ship of her time. With an intake of 3,430 TEU, she held this title for about three years until the first units of United States Lines' Daewoo-built container bulkers entered service. With a top speed of 24.5 knots, Frankfurt Express was not only a big ship, but also a fast vessel. She was built to a twin-screw design, with each propeller being driven by an MAN-designed 9-

cylinder diesel. This layout featured prominently in the ship's exterior, which was characterised by large twin funnels. Despite being a state-of-the-art ship, Frankfurt Express remained an only child. No sister ships were ever built and Hapag-Lloyd reverted to more conventional single-engined vessel designs for their next ships. As one of only a few ships in the world's merchant fleet, Frankfurt Express traded under one name, for one operator and under one flag for her entire career. Now that the ship will finally sail to the breakers, it will be able to claim one last record: Frankfurt Express will be the largest container vessel ever to be broken up. (Not counting in ships that were accidentally wrecked, like MSC Napoli or Hyundai Fortune.) So , your editors dip the flag for this remarkable ship and say: Good-bye, Old Lady. Good-bye Frankfurt Express.



**Frankfurt Express slowly pulls into her home port.
photo: Jan Tiedemann**

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

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