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August 2007, 34th week

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Offen Signs Eleven ULCS

The German non-operating ship owner Claus-Peter Offen is said to have splashed out a whopping USD 1.87 billion on an eight ship jumbo order in South Korea. The Hamburg-based company is believed to have signed no less than eleven newbuildings. According to some rather vague reports from brokers, Offen has contracted a sextet of 13,200 TEU jumbos from Daewoo Shipbuilding and Marine Engineering. Furthermore, Offen allegedly signed five 12,500 TEU vessels from Samsung. All ships are slated for delivery in 2011. The vessel's exact capacities are a bit of a mystery at this point in time: It is worth noting that it is actually Samsung who have a 380-metre 13,200 TEU ship design ready, while Daewoo has already sold several units in the size range of about 12,600 TEU. Judging by today's market prices, Offen will have to pay in the region of USD 170 million for each of the ships at Daewoo and Samsung.

CSAV Turns to Taiwan for Jumbo Quartet

The Chilean container shipping line Compania Sudamericana de Vapores has ordered four 12,000-TEU box ships at a cost of USD 160 million apiece. Few details of the deal have been revealed so far, but it looks like CSAV has placed the order with the China Shipbuilding Corporation of Taiwan, who will build the ships at Kaohsiung. Some reports claimed that the new ships will be 360 meters long and 45.60 meters wide. They would thus hardly qualify as true ULCS, since most recent orders for jumbo vessels were for ships with a beam of 48.20 (19 rows) or even 51.00 metres (20 rows). Interestingly, the first ship might come on stream rather early: Delivery could be in 2009. Another unit is scheduled for 2010. The remaining ships will eventually follow in 2011. The delivery of the quartet will thus stretch over an unusually long period of time.

Maersk Line Will Charter Rickmers Jumbos

According to several reports in maritime newspapers, Maersk Line has signed a large number of ULCS charters from Hamburg-based non-operating ship owners and ship management firms. Tradewinds reported that the Danes will charter four 13,100 TEU containerships ordered at South Korea's Hyundai Heavy Industries by Bertram Rickmers. Maersk is believed to be taking the four ships for an initial period of 10 years from their delivery in the second half of 2010. The Deals allegedly includes an option for a 30-months extension of the charter. Furthermore, Maersk is also believed to be the charterer of Bertram Rickmers' brother Erck's jumbos. E.R. Schiffahrt's ultra large container bottoms will also be built at Hyundai Heavy Industries and although the ships' capacities are not exactly identical, your editors believe that both series of vessels will turn out as sister ships, since there is little point in Hyundai independently developing two very similar vessel types. The Danish carrier is speculated to pay a daily charter rate of about USD 58,000 per vessel. Bertram Rickmers' ships will be owned by the newly established Rickmers Maritime, a Singapore trust set up by the German company. Opposed to most German funds which are principally aimed at long term

oriented private investors, the new ships will be financed entirely through institutional investors.

MOL Creation Premieres in Europe

Early last week, Mitsui Overseas Lines' latest fleet addition premiered in Northern Europe: Presently, the new 8,600 TEU MOL Creation is Mitsui's largest container vessel.



**The new MOL Creation pictured on the Solent: The ship performed its maiden call at Southampton last week
photo: Andrew Mc Alpine**

The ship had been handed over last month by Mitsubishi Heavy Industries' Nagasaki shipyard. Unlike MOL's 6,500 TEU ships which are employed in the Asia – Europe services of the New World Alliance, MOL Creation has joined CMA CGM's FAL service as a ninth vessel. The French Line's FAL service hitherto only employed eight vessels. The introduction of an additional ship has added some leeway to the FAL's tight schedule and allows ships to sail at a reduced service speed. Over the course of this year, many shipping lines have started to introduce extra ships on existing liner services in order to increase punctuality and cut their fuel bills. MOL Creation is 316 metres long and 45.50 metres wide. Powered by an 11-cylinder diesel the ship reaches a service speed of 24.5 knots.

Maersk Semakau Delivered

Altogether, it took the shipbuilders at Hyundai's Ulsan yard less than three months to finish a seven ship family of 7,000 TEU vessels for Maersk Line. One had been used to Hyundai spitting out large vessel at machine gun speed, but the yard's present performance clearly points towards a major re-structuring and capacity increase at Hyundai Samho and Hyundai Heavy. Clearly, the Ulsan yard meanwhile focuses on the construction of large containerships and tankers of various sizes. Presently, at least 95 percent of Ulsan's orders were large and mid-sized box carriers. The most recent unit of Maersk's so-called Singapore series has now left its building yard as Maersk Semakau. Opposed to its earlier sisters which are employed in the transpacific trade, Maersk Semakau will join her owners' AE-9 service. This sling presently employs vessels of 5,000 TEU to 6,300 TEU. The service is however due to be upgraded to larger K-class units. The AE-9 runs between Thailand, the Arab Gulf, the eastern Med and northern Europe.

MSC Sells Ships

Since the Mediterranean Shipping Company is not publicly listed, the Swiss Shipping Line's financial situation remains a mystery to anyone outside the company. Analysts frequently wondered how the liner shipping firm managed to raise the huge amounts of money necessary to pay for its massive fleet expansion. The Swiss frequently not only ordered ordering ships on their own behalf, but also bought entire batches of container vessels from non-operating owners before the respective ships' launch – certainly not the cheapest way to get one's hands on new tonnage, but a method that saves all the hassle that may be connected with a new ships' planning, construction and delivery phase. Furthermore, MSC also signed a number of short term sub charter contracts for large vessels which are believed to be rather costly. For many years it seemed that MSC's deep pockets were inexhaustible. Nevertheless, it now looks like even MSC now has to pinch pennies in order to finance the massive jumbo ship orders that it placed earlier this year: Much to our surprise, your editors learned that the Mediterranean Shipping Company sold off a

number of relatively young ships: The 2006-built panamax MSC Benedetta, Debra, Mara and Olga went to Singapore's Fortress Investment Group for a reported price of USD 90 million apiece. MSC will reportedly re-charter the ships at a daily rate of USD 30,000 per day for four years. The quartet will be managed by Seacastle Shipping. Some weeks ago, this company also ordered a quartet of 4,500 TEU container ships at Daewoo. It will be interesting to see whether the sale will remain a singular case or whether MSC will sell further vessels in the near future.

Chennai Plans Container Terminal

Very recently, plans for a new container hub on the Indian subcontinent were published by the Chennai Port Trust. The plans stipulate the construction of a deep water port at Chennai, India's fourth largest city and an important port on the Bay of Bengal. The container terminal, which might be operational in five years' time would be India's first container facility ready to accept ships in the size range of 13,000 TEU or larger. Two new breakwaters with a total length of 4,000 metres would expand the existing port area. The consequent silting would then reclaim some 300 hectares of land from the sea. The proposed container terminal would use about one third of this new land. Chennai's existing approach channel has a depth of 19 metres and the new harbour basin would have a clearance of 18 metres – enough to accommodate even the largest box ships. According to analysts' forecasts, the port of Chennai might handle a container volume of five million TEU in 2017. Last year's volume was 800,000 twenty foot units.

Transatlantic Vessel Swap

Unexpectedly strong demand of container slots ex-Hamburg has prompted OOCL and Hapag-Lloyd to swap ships between their Canadian transatlantic services. As soon as in late September, the carriers' joint GE-1 and GE-2 services will swap vessels: The three 4,404 TEU panamax OOCL Montreal, Toronto Express and Montreal Express will be deployed to the Southampton - Antwerp - Hamburg - Montreal sling. At the same time, the trio of 2,808 TEU sub-panamaxes employed

here, will change to the service between Antwerp, Le Havre, Southampton and Montreal. A temporary schedule has been issued for the period of transition. The exchange of tonnage will be completed in October, when sailings revert to the original schedule.

After the Collision: Wan Hai 307 Update

Some recent media reports from Japan suggest that Wan Hai Steamship has some difficulties with finding a repair yard dock for their damaged Wan Hai 307. The 2,226-TEU vessel had been involved in a collision in the Tokyo Bay. On July 27th the ship was hit by the capesize bulk carrier Alpha Action. Wan Hai 307 suffered extensive damage on the port side of its stern. Judging from photographs, it looks as if the ship's engine room and steering gear have been at least damaged, if not entirely destroyed. A lengthy docking period will thus be inevitable. Since the ship remained afloat, it was possible to stabilise Wan Hai 307 and tow her to Yokohama. On August 7th the vessel finally docked at Daikoku Pier where all containers will be offloaded. It is still unknown whether the ship's Taiwanese owners already found a suitable repair yard and for how long the container vessel will be out of order.



**Detail of the damaged Wan Hai 307 in the Tokyo Bay.
photo: Y.M.**

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



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For assistance with the present issue, the editors gratefully acknowledge the contribution of Christian Costa, Bert Vernimmen, Helge Barth and Klaus Masuch.