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

The
Containershipping -Newsletter
by Jan Svendsen & Jan Tiedemann

November 2007, 46th week

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Hamburg Süd Takes Over Costa Container Line

Hamburg Südamerikanische Dampfschifffahrtsgesellschaft – better known as Hamburg Süd – recently announced the purchase of the liner activities of Costa Container Lines from the Italian GF Group. Hamburg Süd will thus operate Costa's liner services that focus on various connections between the following areas of trade: The Western Med, the South American east coast, the Caribbean and Mexico, Italy, Turkey and Greece as well as Syria, Lebanon and Egypt. Last year, Costa carried a total of about 360,000 TEU on its fleet of small and mid-sized container ships. Apart from a takeover of the liner activities, the deal with Hamburg Süd also includes Costa's land-based staff and its agencies across Europe and South America. Furthermore, Hamburg Süd will assume Costa Container Line's position in vessel charter contracts, terminal and stevedoring agreements and various other business relations. Hamburg

Süd's takeover is still subject to the approval of antitrust authorities. If these regulatory bodies give the sale a nod, the transfer of business will eventually become effective on December first.

New Terminal at Tacoma

Over the past few years, the port of Tacoma in the US-state of Washington has gained more and more significance as the United States west coast's northern container gateway. Although still somewhat smaller, Tacoma does no longer need to hide behind the Californian main ports of Lang Beach and Los Angeles. Today, it offers five dedicated container terminals with a total of ten standard vessels. Maersk Line, Evergreen, Hyundai Merchant Marine, K-Line and Yang Ming already dispose of dedicated facilities at Tacoma – some of these are operated jointly. The Grand Alliance on the other hand, one of the most important providers of Transpacific container capacity, has no dedicated terminal on the northern Pacific coast yet. This is however, going to change soon: The Port of Tacoma recently awarded Yusen Terminals, the port subsidiary of Tokyo's NYK, the license to guild and operate a new terminal on the Blair Waterway. The 68-hectare-facility will be called Yusen Terminal Tacoma. Scheduled to become operational in 2012, it will cost an estimated USD 300 million to build. The YTT will be located on the northern shores of the Blair Waterway. It will occupy the space of the existing Totem Ocean Trailer Express Terminal, a roro facility that will have to be relocated to another location at Tacoma. Furthermore, new land will be claimed from the sea to allow the container terminal to be significantly larger than the old roro port. The Yusen Terminal Tacoma is expected to create some 3,000 permanent jobs. It will become the US-west coast's northern hub for the Grand Alliance.

APL Austria Delivered

Singapore-based NOL, whose liner activities are marketed under the American President Line banner, continue their fleet upgrade with another 6,300 TEU vessel. The company carries more and more container cargo every month and thus needs additional tonnage rather urgently. Since APL to some degree missed the 'right' moment to order new tonnage, the carrier's present fleet expansion has to rely on chartered and sub-chartered tonnage. Only a few weeks after APL took delivery of APL Norway, the shipping line has now received another vessel from Mihara's Koyo Dockyard in Japan: The new APL Austria. The vessel is owned by Shoei Kisen – like Koyo a member of the Imabari Group. The ship was originally destined to trade for Mitsui OSK, but the charter was passed on to APL. Since the company is one of MOL's partners in the New World Alliance, your editors believe that the two shipping lines could agree on a financial solution that sweetened Mitsui's abdication a bit. American President Line will deploy the new ship to its South China Express service. APL Austria is scheduled to perform her first European call at Zeebrügge on January 29th. Calls at Hamburg and Rotterdam will follow before the ship's return to the Far East.

A Roundup of the Latest Orders

After a few slow weeks in terms of new vessel orders, the market has finally picked up a bit of speed again. Obviously, some weeks of scratching heads were necessary to determine whether shipping companies were finally satisfied with their order books or not. After the recent vessel order boom, some analysts and shipping company officials had started to worry that the market could end up in a vessel oversupply situation in a few years' time. The majority of decision makers however, seem to believe that more tonnage than originally forecast can be absorbed. In a recent interview, Seaspan's CEO casually mentioned that his company might well order some 70 new ships over the next couple of years. As for the recent activities: The Greek company Danaos is rumoured to be negotiating a three-ship-order with Hyundai Heavy. The deal is believed to include three ships of about 10.000 TEU for Hanjin Shipping. Some months ago, this newsletter already reported that UASC might consider signing vessels of about 8,500 TEU: The Arabian shipping line has now reportedly reached an agreement with an unnamed South Korean shipbuilder and signed eight such units. Your editors believe that either Daewoo or Samsung could bag the deal. Another company that ordered an entire series of ships was NYK Line. The Japanese either ordered – or at least signed a letter of intend to order – eight or maybe even nine 4,900 TEU ships at Hyundai Heavy. Interestingly, the vessels are believed to be build to a post-panamax design. Your editors believe that the ships might be very similar to the nine vessels that K-Line ordered some months ago: About 260 meters long, with a 35.20-meter-beam and a low draft of less than 13 meters. So far, your editors only accounted for orders of ships of 5,000 TEU or larger in this newsletter. Nevertheless, we would like to mention one very interesting vessel order for ships that are slightly smaller than this: The Chinese carrier Coscon is reportedly very close to signing no less than 16 ships of 4,250 TEU at Jiangsu Yangzijiang Shipbuilding. With four options attached to the deal, Jiangsu might eventually build 20 units of this type for Coscon. The first of these ships might come on stream in late 2011. At this point in time, the new series of mid-sized carriers might replace Coscon's 20-strong fleet of container vessels of 3,400 to 3,800 TEU. These will then have reached ages of 15 to 20 years. So far, Jiangsu Yangzijiang Shipbuilding has been extremely successful with its new 4,250 TEU design: Including the abovementioned Coscon order, the yard's pipeline already includes 48 such vessels as well as ten options. Thus, it is not surprising that Jiangsu is building a new yard complex next to its old facilities. In Germany, the Aker Group's yards have won a six-ship order from Laeisz of Hamburg. Aker will build a sextet of 2,700 TEU vessels, based on the design of the 2,600 TEU Pona and Posen. Without altering these ships exterior dimensions, the designers managed to create slots for 100 additional TEU. The first of the Laeisz vessels is scheduled for delivery in late 2009.

DP World Sells One Fifth of its Shares

Dubai Ports World, the world's third-largest port operator, has announced to sell 20 percent of its stake in its initial public offering. The shares will be listed on the Dubai International Financial Exchange as from late November. Private investors can sign shares until the 15th of November. The chairman of DP World did not want to give any details about how much money the IPO will raise, but analysts believe that it will generate at least USD 3.5 billion for Dubai Ports World. Today, the company manages 42 container terminals in 22 countries. The total capacity of its facilities is 48 million TEU. DP World is presently carrying out an expansion strategy and plans large-scale investments in ports in India, Turkey, Britain, Holland, Peru, Senegal and China. These new projects and the capacity upgrades at DP's existing terminals will increase the company's TEU handling capability to around 90 million by 2017.

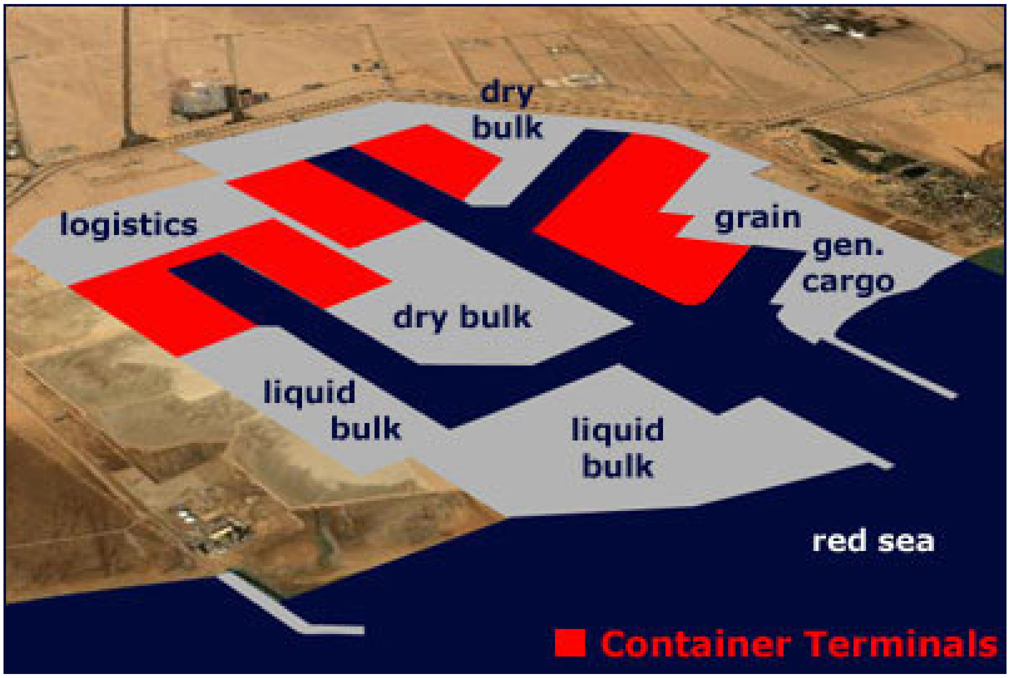
Hanjin Ship Hits Bridge in San Francisco

On last week's Wednesday, a 285-metre-container ship crashed into the base of one of the pylons of San Francisco's Bay Bridge. The accident happened in dense fog, causing a spill of bunker oil into the San Francisco Bay. Local newspapers reported that it was the first time ever, an ocean going ship had run into the bridge and that there was no major damage to the structure. The ship that caused the accident was the 5,447-TEU Cosco Busan. Built in 2001 as Hanjin Cairo, the vessel was on a charter to Hajnin Shipping's alliance partner Coscon. The accident happened when the container vessel was outward bound, heading for the open sea with a pilot onboard.

Cosco Busan hit the base of the second pylon west of Yerba Buena Island. The tower did not suffer any apparent damage, since it is protected by a massive concrete fender, installed at water level. The fender system absorbed most of the energy of the ship's impact, but caused heavy damage to the port side of the vessel's hull. The Bay's outbound traffic lane leads underneath the Bay Bridge's northern main span, just south of Yerba Buena Island. This span is 680 metres wide and large ships usually navigate in the middle of the channel. Some sources suggest that Cosco Busan may have veered off its course due to a turning tidal current, just as it approached the bridge. When the vessel hit the pylon fender on its port side, a 50-metere gash was torn into the hull plating. Since damage is located above the ship's water line, the ship's stability was not compromised. Nevertheless, Bunker oil leaked from the holes in the hull. Cosco Busan's crew reacted quickly and pumped bunker out of the torn tank into fuel tanks that had remained intact. The ship was able to proceed to a safe position under its own power and drop anchor. Judging from photographs, the damage caused to the ship seems to be so extensive that a lengthy repair in a dry dock will be indispensable. Cosco Busan will very likely be out of service for the remaining weeks of this year.

DP World Buys Into Sokhna Port

Last week, DP World not only hit the headlines by selling off a part of its shares on the stock market, but also made news by buying into yet another container terminal. A joint announcement by DP World and a group of Egyptian investors revealed that Dubai Ports World had acquired about 90 percent of the shares of the Egyptian Sokhna Port Development Corporation. The port operator from the United Arab Emirates paid USD 670 million for the share package. The Sokhna Port Development Corporation presently runs a single container terminal in the port it is named after. A second facility is under construction, scheduled to become operational in early 2009. This second terminal will bring the port's annual capacity to 1.2 million TEU. Both terminal modules will be equipped with super post panamax gantries. The port of Sokhna is located on the western shores of the Red Sea, about 20 nautical miles from the Suez Canal's southern entrance. A new highway connects the port to the greater Cairo region with its 20 million inhabitants. The distance between Cairo and Sokhna is about 110 kilometres. Sokhna is no port with a long history. The entire port was only built as recently as in 2003. Nevertheless, the Sokhna Port Development Corporation plans to rapidly expand the port: Until 2020, the company wants to add four additional container terminals with a total of at least twelve berths. Furthermore, it plans the construction of four terminals for other cargoes, including liquid and dry bulk. The port's strategic position – every Asia to Europe service passes the port entrance at only a few miles distance – allows DP World to market Sokhna as a new transhipment alternative, where cargoes can be exchanged between various service slings. The engagement at Sokhna strengthens DP's position along the Red Sea, where the port operator already operates facilities at Jeddah and, some miles east of the Red Sea's entrance, at Djibouti.



This is how Sokhna Port could look like in 2020
map: Jan Tiedemann, based on google earth images

Another Joint Terminal for Cosco Pacific and APMT

Cosco Pacific, the terminal branch of Cosco Container Line and APMT, Danish A.P. Møller's terminal operation subsidiary, are already collaborating in a number of terminal projects. The companies for example jointly operate facilities in Nansha and Yangshan. Cosco Pacific has now acquired a 20-percent-stake in the Suez Canal Container Terminal at Port Said, a facility that is majority-owned by APMT. The Chinese bought the Danish Development Bank IFU out of its 20-percent-stake in the facility. The price of the transaction has not been published. Cosco Pacific has thus become SCCT's second largest shareholder after APMT who own 55 percent. The remaining 35 percent of the shares are held by various Egyptian interests. Coscon announced its plans to shift their Asia – Europe services' Eastern Med calls to the facility as soon as possible. The carrier will be SCCT's third large customer after Maersk Line and the French Line CMA CGM. To cope with future demand, the construction of a second terminal module at Port Said has recently begun. It will double SCCT's annual capacity to about 5.1 million TEU.

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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.

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