

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



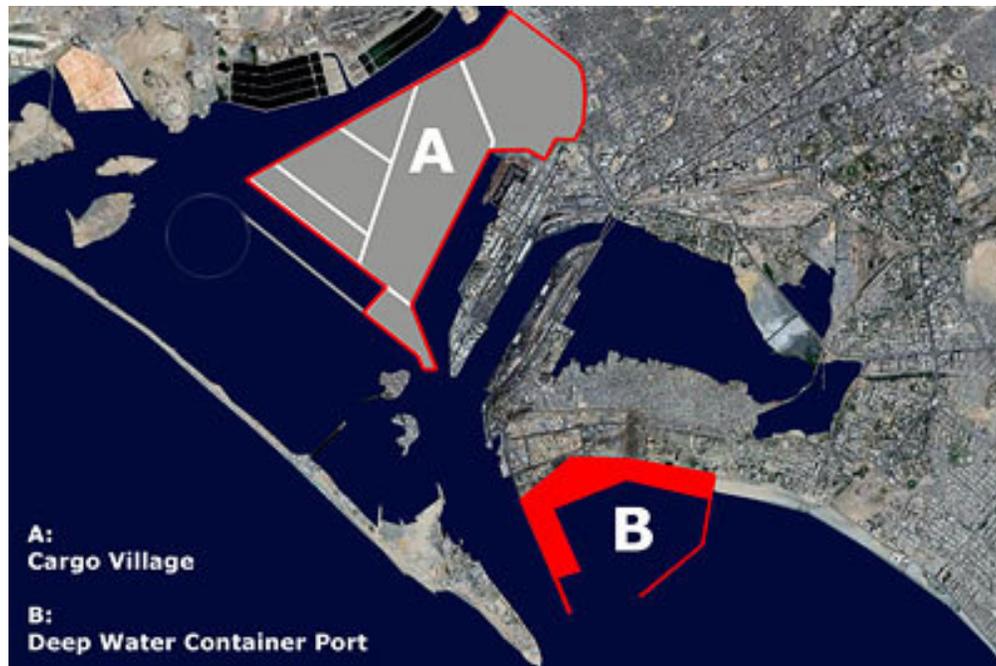
November 2007, 47th week

**Deep Water Container Port for Karachi +++
Bunker Prices Force Shipping Lines to
Rethink Schedules +++ Xin Ou Zhou
Delivered +++ Qingdao Qianwan Container
Terminal +++ Hyundai Hands Over CMA
CGM Tarpon +++ Nebula – a New Panamax
for NYK's Fast SCE Loop**

Deep Water Container Port for Karachi

The city of Karachi has been chosen as the future site for Pakistan's first deep-water container terminal. It will be capable of handling the latest ultra-large container vessels with a draught of up to 18 metres. The facility will cost an estimated USD 1.2 billion to build. Hong Kong's Hutchison Port Holdings, the world's largest port developer and terminal operator, very recently signed an agreement with Karachi Port Trust to build the port at Keamari Groyne, just next to the entry of Karachi's present port. Hutchison terminals will be the operator of the first phase of the Pakistan Deep Water Container Port project. Last month's concession-signing ceremony was presided over by Pervez Musharraf, the President of Pakistan. The port's first terminal module is expected to be fully operational in 2011. Its first construction phase, to be completed in 2009, will feature two berths, with the construction of berths number three and four scheduled for the following two years. Altogether, some

1,500 metres of quay wall will be build. The terminal's stacking yard will measure about 65 hectares. Its storage blocks will be served by rubber-tired gantries. The facility will be laid out for an initial annual throughput of 1.5 million TEU. The Pakistani government acknowledged the economic benefits to the country in the form of lower freight charges and the creation of jobs. Furthermore, the terminal is believed to effect the trading patterns of maritime trade in the region. The ports operators hope that major shipping lines will prefer the large and modern facility as a hub for transshipment. India's north-western provinces could for example get a margin in freight as compared to services via Mumbai.



the port of Karachi, Pakistan
map: Jan Tiedemann, image source: google earth

Bunker Prices Force Shipping Lines to Rethink Schedules

Since both the crude oil and bunker prices are presently hitting one all-time high after another, container shipping lines are increasingly forced to take action. Rationalising service loops and saving bunker has become ever more important. Today, heavy fuel oil costs almost USD 500 per metric tonne. The prices thus doubled in a few years' time. Despite the fact that liner shipping companies are in the position to pass a large share of the rising cost on to their customers, it is absolutely

necessary to use every possible means to reduce the bunker bill. Too much fuel is still wasted by full speed sailings which are followed by lengthy periods at the anchorage for example. Speed seems to be the keyword, when it comes to bunker saving: Any vessel's bunker consumption will rise exponentially with its speed. Adding a few extra knots of top speed will thus double the engine's thirst, burning holes into the shipping companies pockets. The daily bunker bill for an average container ship is already much higher than the ship's daily charter rate. Many shipping companies thus came to the conclusion that it makes sense to add extra ships to their loops without increasing the frequency of departures. Employing nine ships instead of eight on a typical Asia to Northern Europe loop has become a very popular routine: The cost for the charter or the debt service of the additional ship is more than offset by the reduced bunker bill for the loop's entire fleet. With one ship more in the line-up, all vessels can sail at a slower speed and schedules may be laid out to include sufficient leeway to avoid steaming at full speed when ships are running late. The Grand Alliance and CMA CGM for example already introduced additional ships to their services. A spokesperson for the French Line recently claimed that the introduction of one extra ship per Asia-Europe loop would cut that sling's bunker bill by no less than 40 percent. After successfully integrating the 8,100 TEU MOL Creation into the FAL-1, CMA CGM will introduce the brand new 5,668-TEU Monte Tamaro to the FAL-3. The ship will be chartered from the German Hamburg Süd. The New World Alliance recently announced to follow suit: A major revamp of the NWA's Transpacific network will become effective soon. The carriers' added TEU capacity on the Pacific will be reduced by about 15 percent. The recent slump in demand, in combination with the high bunker prices, prompted the NWA to react quickly and avoid costly sailings with half-empty vessels. Quite likely, some of the Alliance's competitors will take similar action soon.

Xin Ou Zhou Delivered

The Hudong Zhonghua Shipbuilding Group's Shanghai shipyard has now handed over the second unit of their new 8,500-TEU-type container vessel. The new ship – the largest container carrier type ever built in the People's Republic – was delivered

to China Shipping Container Line. Only very recently, the carrier enlarged its share capital and issued one fifth of it shared on the Shanghai stock exchange. The proceeds of this sale – often described as a ‘record amount’ will be used to finance the line’s ambitious newbuilding programme, including the new vessels from Hudong. CSCL named their latest ship Xin Ou Zhou, which translates as ‘New Europe’. The vessel has been deployed to China Shipping’s AEX-1 service between the Far East and Northern Europe. The company ordered a total of five ships of Hudong’s 8,500-TEU-type. Most likely, the vessels were originally intended to homogeneously equip a standalone Transpacific sling. A weak US market and strong European demand obviously prompted CSCL’s decision makers to change their minds and send the ship to Europe. Quite likely, more of Xin Ou Zhou’s sister vessels will follow. After her first European call at Felixstowe, Xin Ou Zhou will head for Hamburg where she is scheduled to arrive a few days before Christmas.



Xin Ou Zhou at the outfitting pier
Photo: Yuxin Wang

The next ship the series is slated for delivery in January of 2008. Since Hudong seems to be a bit ahead of schedule, the vessel might even be handed over late in December. You editors guess that China Shipping Line continue their present naming scheme and christen the remaining sister vessels Xin

Mei Zhou (New America), Xin Fei Zhou (New Africa) and Xin Da Yang Zhou (New Oceania). We should however admit, that this is mere speculation.

Qingdao Qianwan Container Terminal

China's third largest container port, Qingdao, recently launched a large-scale capacity expansion plan for its container terminals. The new facility will be the fourth large module of the existing Qianwan Container Terminal at Houwan. Qingdao has seen a rapid increase in container throughput recently, and thus prepares for future growth with plans for a giant terminal: This year, the port is expected to handle no less than nine million TEU – a steep rise from the 7.7 million boxes of 2006. Located in the Shandong province with its 91 million inhabitants, the port of Qingdao draws its cargo from a populous hinterland with a large manufacturing industry. The greater Qingdao region stretches across both the eastern and western banks of the Jiaozhou Bay's mouth, with the city itself located on the eastern shores.

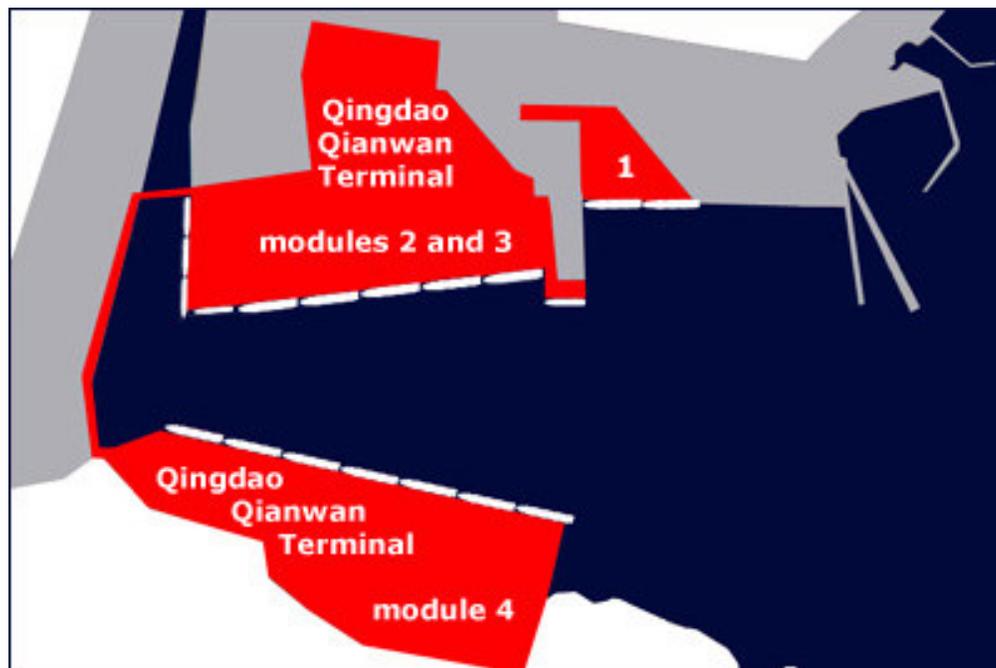
Beyond Containers: Cruisers, Bulkers, Reefers and Tankers at Hamburg



please note: this banner is not a commercial advertisement

Qingdao's first container terminals were located close to the old port, near the city centre. Since the areas surrounding the port are densely populated, this location does not offer enough space to significantly enlarge the facilities. Thus, a whole new container port was built on the bay entrance's western coastline at Houwan. This new location offered plenty of space and a sufficient water depth for large container ships. So far, Houwan is not connected to the city of Qingdao by means of a fixed link. Instead, ferries shuttle cars, trucks and passengers across the Jiaozhou Bay – a trip of about four nautical miles. In order to

build the first new terminal, the Qingdao Port Group joined forces with P&O Ports (which has since been taken over by DP World), APMT and Cosco Pacific. This first terminal module was built right next to an existing bulk facility and offered two large containership berths. It was called Qingdao Qianwan Container Terminal phase one – or short: QQCT-1. Not much later, a second terminal module was inaugurated, just a few hundred metres west of phase one. This large terminal was fitted with super port panamax gantries that could serve even the largest ships. It has a capacity of about 5.5 million TEU per year. Opposed to many cramped Far Eastern terminals, the facility features a very spacious stacking yard which is served by rubber-tires gantry cranes. The new terminal module quickly attracted business the investors decided to add additional berths and gantries as well as extra stacking yard space. This so-called QQCT module number three eventually boosted the entire container port's annual capacity to 9.6 million TEU.



container port expansion at Qingdao
map: Jan Svendsen

The entire terminal complex now offers twelve berths along some 3,500 metres of quay wall. Vessels are loaded and unloaded by 34 ship to shore gantries. By the end of this year, Qingdao might have handled a total of no less than nine million TEU. The alliance of the QQCT shareholders obviously firmly

believes, that Qingdao's success story is bound to continue: Only very recently, the partners agreed to build a fourth terminal module. It will be the largest expansion of the QQCT so far and it will turn Qingdao-Houwan into one of the world's largest port complexes. Phase four will add a total of eight large deep water berths to QQCT. It will be build on the opposite side of the creek that already accommodates Qianwan's present modules one to three. Phase four will be equipped with at least 24 super post panamax gantries and a 2,460-meter-quay. The quay will have a clearance of at least 18 metres for large deep-draught vessels. Two of the eight berths will be completed by the end of 2008 and the other six will be completed in five years. As the largest-ever container terminal project in Qingdao, Qianwan's fourth phase will cost an estimated USD 917.35 million.

Hyundai Hands Over CMA CGM Tarpon

Once again, CMA CGM Group has taken over another new 5,042 TEU panamax from the Hyundai Heavy's Ulsan shipyard. Named CMA CGM Tarpon, the ship eventually concludes an eight-ship-order the French Line had placed in South Korea. Like all her predecessors of the same series, the ship's name follows CMA CGM's marine fauna naming scheme: The tarpon is a species of fish native to the coastal waters of the Atlantic and the Pacific. A full-grown tarpon can weigh up to 160 kilos and reach a length of 2.5 metres. Wikipedia tells us, that tarpons have the ability to breathe air from above the surface when swimming in oxygen-poor water. CMA CGM's new vessel is about 120 fully-grown tarpons long and 32,20 meters wide. Following on the heels of her earlier sisters, CMA CGM Tarpon was deployed to the French Line's highly successful PEX-3. The ship will thus trade between the Far East, the Gulf of Mexico and the US east coast via the Panama Canal. In less than a year, CMA CGM upgraded their first standalone Transpacific service from ships of just 3,000 TEU to a homogenous fleet of state-of-the-art panamaxes. The carrier's order book at Hyundai still includes four more sister ships of the 5,042-TEU-type from al later order. These vessel's designated names, CGMA CGM Florida, Georgia, Virginia and Jersey suggest that this quartet will also serve the US east coast as of 2008.

Nebula – a New Panamax for NYK’s Fast SCE Loop

The Japanese NYK quickly continues its fleet expansion and renews its fleet of panamax vessels. Most of these are used on the Pacific routes. The latest panamax is called NYK Nebula. It has been delivered by Hyundai HI and is one of the yard’s standard design ships. NYK Nebula has a capacity of about 5,000 TEU. She is the fourth vessel of an eight-ship order. Her next sister is bound to follow as soon as Mid-December. NYK will deploy Nebula to their Transpanama-SCE service with calls at Hong Kong, Shekou and Kaohsiung as well as calls along the US east coast.

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 Yuxin Wang, Helge Barth and Klaus Masuch.