

## BOXSHIPS

# Climate for big vessels still OK

A new survey says the potential for post-panamax vessels will stay strong.

Paul Berrill

London

Post-panamax containerships can win higher freight rates and boost their potential for charter earnings despite oversupply this year, says a new report.

"Trade growth on the major routes this year is unlikely to match supply growth of the combined post-panamax and super-post-panamax fleet of 19%," said boxship-shipping researchers at transport bank DVB Group.

But the German-Dutch bank, which defines post-panamax ships as vessels with a beam wider than the Panama Canal but capacity lower than 8,000 teu, said: "These vessels are likely to see a year of increased freight rates."

DVB says a need for additional post-panamax vessels will be created by the cascade of ships into secondary routes, some slippage in deliveries and operators

choosing to slow-steam to reduce fuel costs.

The bank notes that rising new-building prices are unlikely to moderate in the current climate of strong demand for tanker and bulkers, and that charter rates have risen by 12.1% for the industry as a whole this year.

"It is expected that charter rates will continue to increase and unlike previous years will hold levels achieved in the first half of 2007 fairly closely through until year's end," DVB added.

DVB considers the surge in Chinese shipbuilding capacity coming onstream by 2010 but says the country has so far failed to win more than 6% of contracts for the largest boxships, and orders for post-panamax vessels are still dominated by South Korean and Japanese yards.

The bank forecasts higher trade growth on the Asia-Europe trade lane than on the transpacific

## Evergreen goes for trains

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London

Taiwan's Evergreen is seeking to avoid North European port congestion by running container trains from the Adriatic into southern Germany.

The carrier is combining its ADR Far East-Adriatic service with a dedicated block-train connection from Trieste to Munich.

The service will initially run twice weekly in both directions, gradually increasing to five times

a week by the end of the year. The transit time is approximately 11 hours.

Chairman of Evergreen subsidiary Italia Marittima Pier Luigi Maneschi said: "Trieste is a congestion-free alternative with the benefit of faster transit times between the heart of Europe and the Far East, and considerably cheaper tariffs."

Seven 3,150-teu vessels are deployed on the 49-day rotation ADR service.



**EARNING POTENTIAL:** Big ships can still pull in good earnings despite oversupply this year. Pictured, the 4,960-teu post-panamax "OOCL Hong Kong" (built 1995) at Hong Kong

Photo: OOCL

route but says trade growth is still unlikely to match capacity increases.

However, DVB says more post-panamax ships replaced by super post-panamaxes can be cascaded into secondary east-west arterial routes as well as north-south trades.

The outsourcing of manufac-

turing to China is still pushing the expansion of world container trade but DVB says a trade agreement between South Korea and the US could reverse some of that trend.

Chinese exports now account for two-thirds of Asian box exports to the US as Japanese trade fell to 6.4% from 10.3% in 2001

and South Korean trade to 4.5% from 6.4%. But DVB says a free-trade deal between South Korea and the US will spur trade between the two countries by as much as \$29bn. In particular, South Korean car and automobile-part exports are predicted to gain major ground over the next 10 years.

## CMA CGM ups North Africa reach

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London

French carrier CMA CGM is launching an innovative China-to-Mediterranean service with just seven ships that will open up direct links to its growing market in North Africa.

The North Africa Express will only have one call in Europe — at CMA CGM's hub in Malta, where cargo will be transhipped onto services to North Africa.

The line will deploy just seven 3,000-teu vessels on the loop, which will call at Shanghai, Ningbo, Hong Kong, Chiwan, Jakarta and Malta before returning via Port Kelang, Jakarta and Chiwan.

Feeder connections will be

provided from Malta to Morocco, Tunisia, Algeria and Libya in North Africa.

CMA CGM has fixed several 3,400-teu vessels this year to replace 2,800-teu ships on its similar Phoenician Express service between Asia and Eastern Europe. The smaller ships could

easily be switched to the new Africa-dedicated loop.

A first as-yet-identified ship, apparently called the *CMA CGM Jasmin*, will leave Shanghai on 15 June on the first sailing of the North Africa Express.

"This new service between Asia and North Africa is one of a kind in the market," said Philippe Borel, deputy vice-president Short Lines — North Africa Services. "It confirms our willingness to offer our North African customers a high-performance service."

CMA CGM says it will offer highly competitive transit times such as Chiwan to Algiers in 21 days or Shanghai to Tripoli in 24 days.



**CMA CGM HUB:** A view of Valetta harbour in Malta

Photo: David Williams

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