



7th ASEAN Ports Conference

Can Transhipment Survive the Downturn?

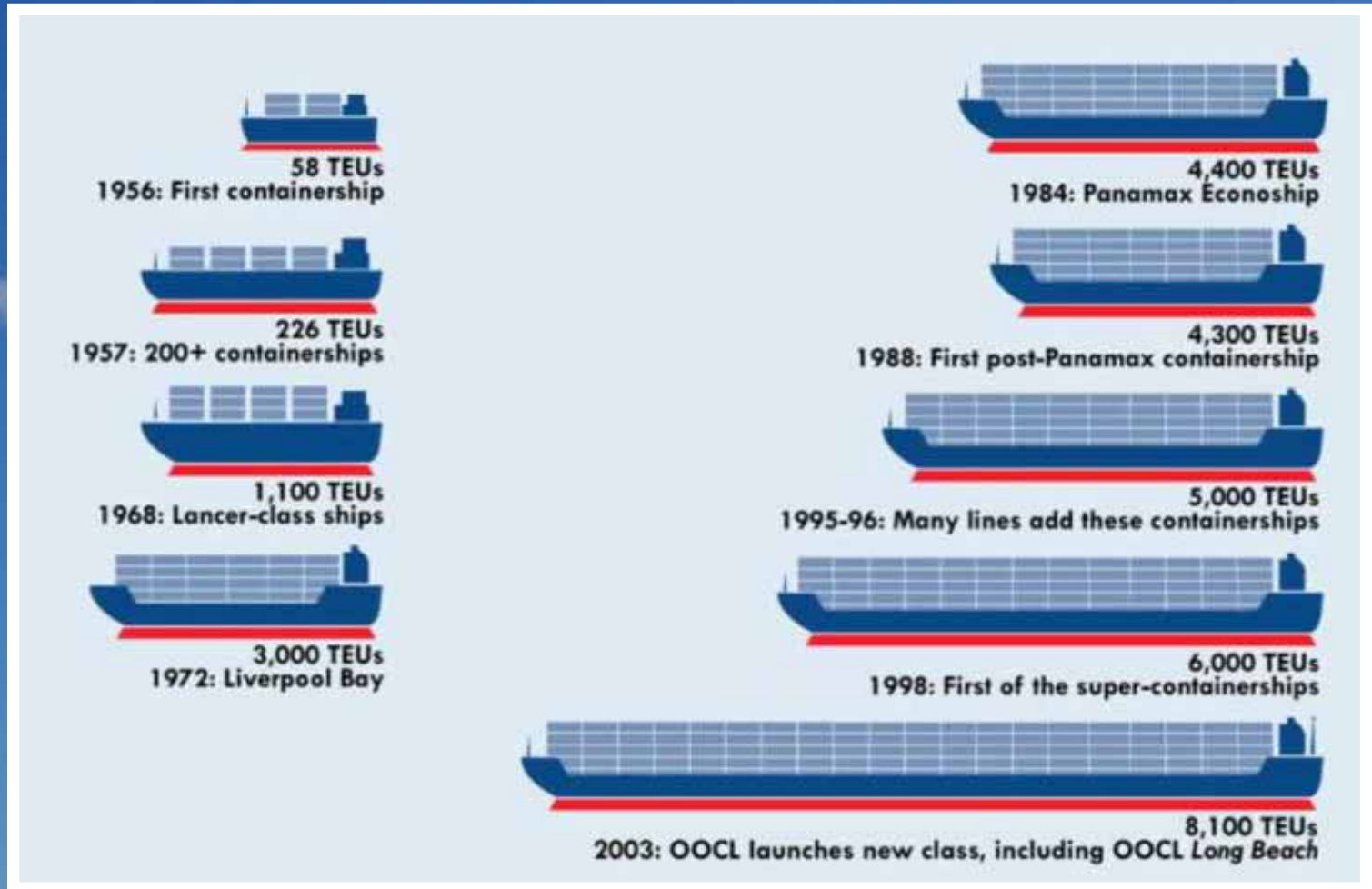
Presented By: David Wignall

Looking back...



Ideal X left Newark on April 26th, 1956
with 58 containers starting the revolution

My how they have grown



Traffic Development

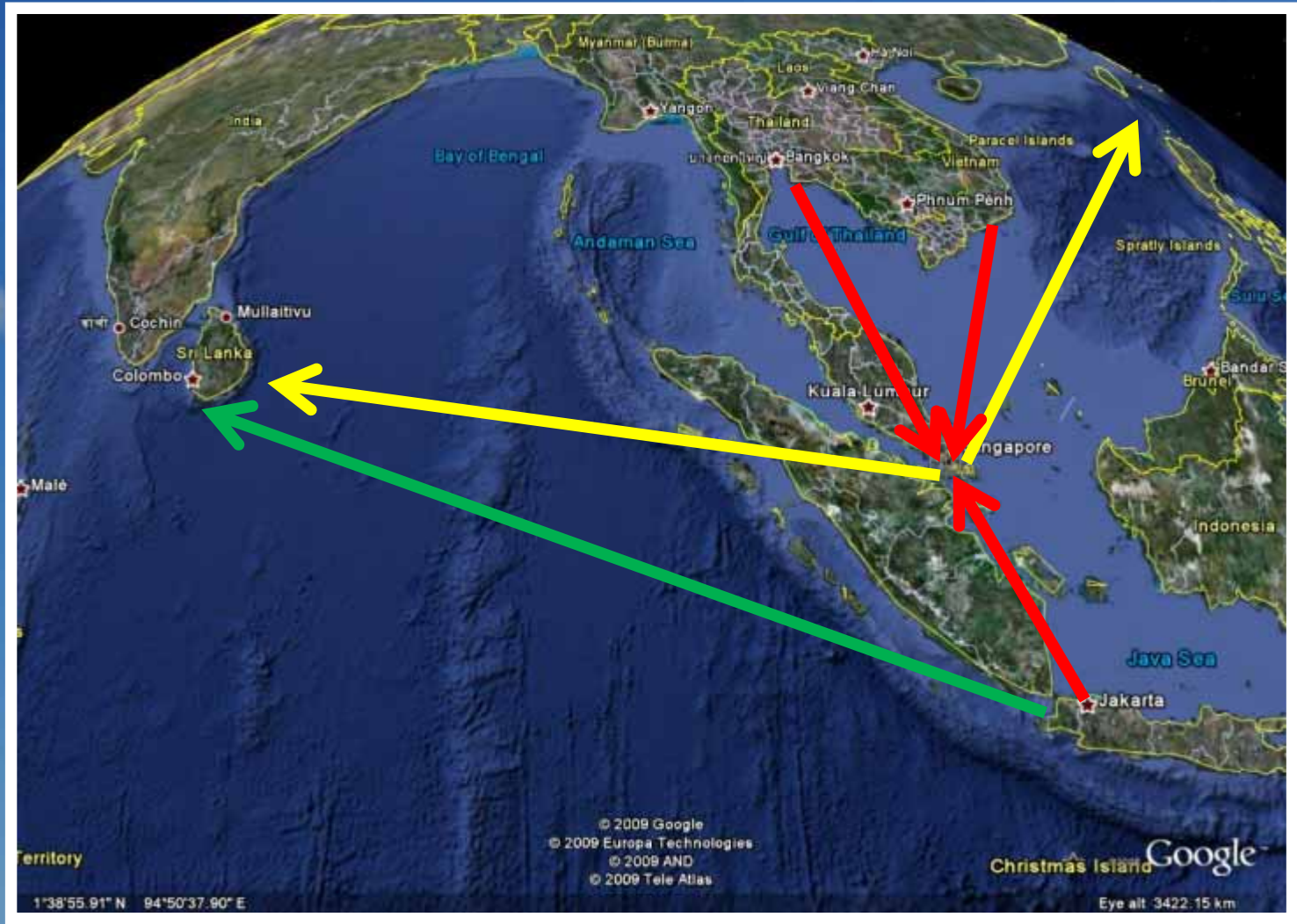
- Direct shipment
- Hubs and spokes
- ROW
- Pendulums

Volume and ship size need to fit route

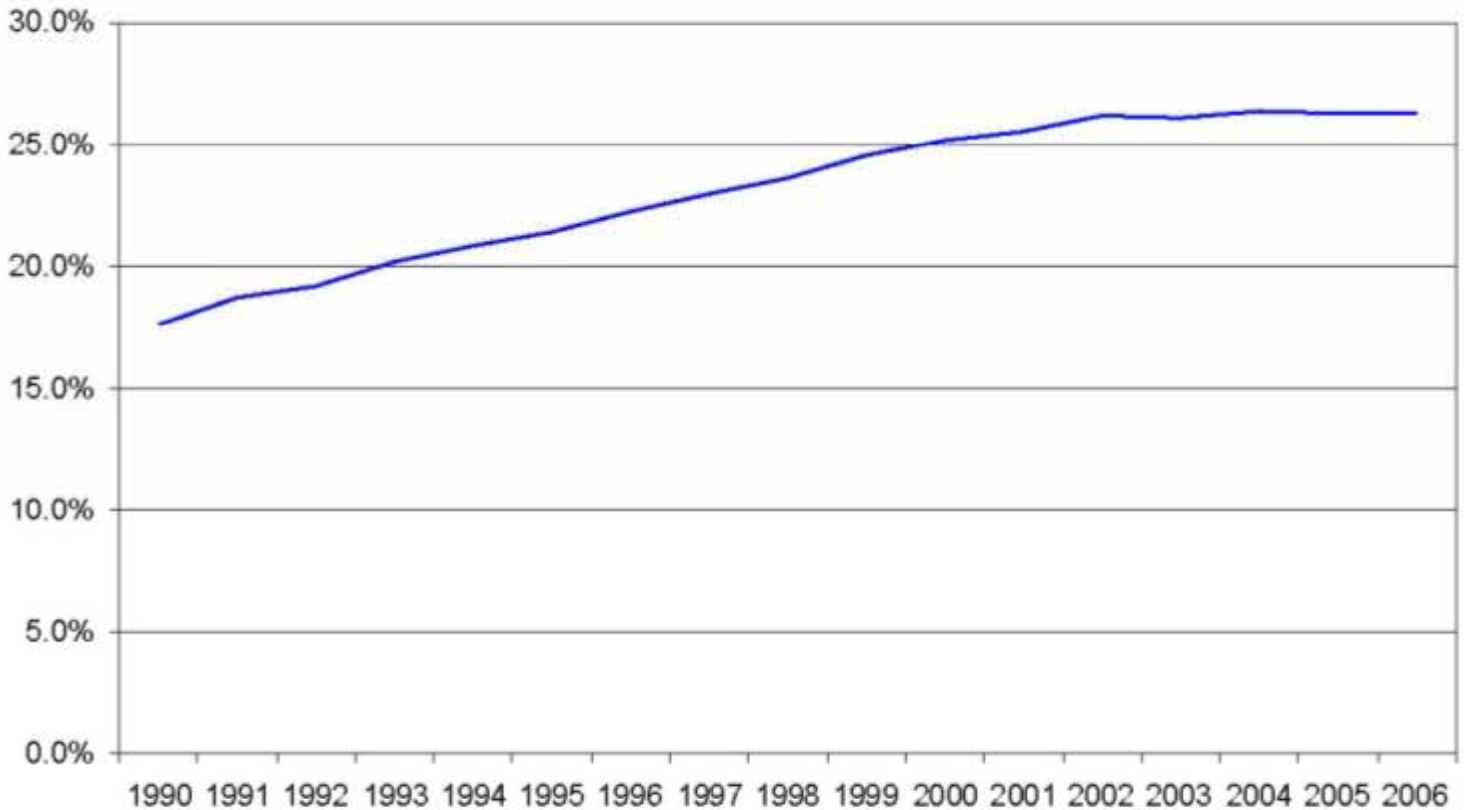
The Benefits of Transshipment



Singapore hub of the world



Transshipment Levels



The Costs of Transshipment

- Time
 - Route diversion
 - Counteracted by service frequency?
- Handling cost
 - US\$ 50/TEU?
 - Minimal compared to ocean freight?
- Complexity
 - The invisible cost

Boeing or Airbus?



Size a blessing or a curse?

- Operating costs
 - 4,000 TEU ship, US\$ 15/TEU
 - 12,000 TEU ship, US\$ 12/TEU
 - Operating costs to ship 4,000 TEU
 - on 4,000 TEU ship, US\$ 15/TEU
 - On a 12,000 TEU ship, US\$ 36/TEU
 - Flexibility, volume and facilities
 - CAPEX and cash position
-

Shipping in Crisis

The screenshot shows the Lloyd's List website interface. At the top, there is a navigation bar with links for 'an informa business', 'RSS Feeds', 'log on', 'subscribe', 'advertise', 'about', 'contact us', and 'free trial'. The main header features the 'Lloyd's List' logo and the tagline 'The Leading Maritime & Transport News Portal'. Below the header is a secondary navigation bar with 'Home', 'News', 'Awards', 'Events', 'Careers', 'Directory', and 'Magazines'. A search bar is located on the right side of this bar. The main content area displays a news article titled 'Half of all listed shipping companies may go bust' by Tony Gray and Rajesh Joshi, dated Thursday 21 May 2009. The article text discusses the financial challenges facing shipping companies and the risk of bankruptcy. A portrait of Paul Slater, chairman and chief executive of First International, is included. To the right of the article is a 'RELATED NEWS' section with several headlines, including 'Capital markets finance route still open to shipping' and 'Over half of listed shipping companies may go bust'. A sidebar on the left contains a 'View ePaper' section and a 'Evolution or Revolution?' feature with a link to find out more.

an informa business RSS Feeds log on subscribe advertise about contact us free trial

Lloyd's List

The Leading Maritime & Transport News Portal

Home News Awards Events Careers Directory Magazines Search GO ADVANCED SEARCH

View ePaper
Latest News
Market Sectors+
Comment & Analysis+
Market Intelligence+
Laytime+
Special Reports
News Bulletin

Send to Colleague Printer Friendly Format Email the Editor

SHIP FINANCE

Half of all listed shipping companies may go bust

Tony Gray and Rajesh Joshi - Thursday 21 May 2009

MORE than half of the shipping companies with stock exchange listings could slide into bankruptcy or administration proceedings in the next year as their cash drains away, a senior industry figure has warned.

The grim assessment was issued by Paul Slater, chairman and chief executive of First International, who forecast that the next 12 months would be "really painful" for the three main shipping sectors of containerships, dry bulk and tankers.



Paul Slater

RELATED NEWS

- Capital markets finance route still open to shipping
21 MAY | Read More

SHIP FINANCE NEWS

- Capital markets finance route still open to shipping
22 MAY | Read More
- Over half of listed shipping companies may go bust
22 MAY | Read More
- Private equity 'not an easy option'
22 MAY | Read More
- Box and dry bulk downturn will last two more years
22 MAY | Read More
- HSH Nordbank gets \$4bn state injection
22 MAY | Read More

Evolution or Revolution?

To find out more click here



Volume Forecasts

- Asia Europe
 - 2005 handlings: 17,900,000 TEU
 - 2009 handlings: 16,500,000 TEU?
 - 2005 forecast for 2015: 43,800,000 TEU
 - 2009 forecast for 2015: 21,700,000 TEU
- Transpacific
 - 2005 handlings: 21,700,000 TEU
 - 2009 handlings: 18,000,000 TEU?
 - 2005 forecast for 2015: 43,400,000 TEU
 - 2009 forecast for 2015: 22,150,000 TEU

The World Fleet

Capacity (TEU)	Existing (Ships)	Ordered (Ships)	Total (Ships)	Europe Strings	Europe (TEU/year)
<i>3000-3999</i>	317	80	397	66	12,012,000
<i>4000-4999</i>	354	217	571	95	22,230,000
<i>5000-5999</i>	239	59	298	49	14,014,000
<i>6000-6999</i>	114	121	235	39	13,182,000
<i>7000-7999</i>	49	6	55	9	3,510,000
<i>8000-8999</i>	93	95	188	31	13,702,000
<i>9000-9999</i>	36	38	74	12	5,928,000
<i>10000+</i>	5	77	82	13	7,774,000

What can I do with my Ships?

an informa business RSS Feeds | log on | subscribe | advertise | about | contact us | free trial

Lloyd's List

The Leading Maritime & Transport News Portal

EFFICIENCY Lubmarine

Home News Awards Events Careers Directory Magazines Search GO ADVANCED SEARCH ▶

View ePaper
Latest News
Market Sectors+
Comment & Analysis+
Market Intelligence+
Laytime+
Special Reports
News Bulletin

Send to Colleague Printer Friendly Format Email the Editor

CONTAINERS




Boxship lay-ups continue but may start to level out

Janet Porter - Wednesday 20 May 2009

LOCH Striven in Scotland is the latest destination for idle boxships, with the 4,200 teu UK-flagged *Maersk Bentonville* reported to be on its way there as lines continue to remove surplus tonnage from service.

Latest figures from *Lloyd's MIU's Inactive Vessel Report* show that 537 fully cellular containerhips are currently idle, representing 11.4% of the fleet by number.

This figure may start to level out, with Maersk Broker saying today that the size of the inactive fleet was likely to remain fairly constant over the next few weeks.



RELATED NEWS

- **Idle boxship option better than lay-up**
7 MAY | [Read More](#)
- **Scrapping of boxships gathers pace**
23 APR | [Read More](#)
- **Boxship slump will get worse, CMA delegates tell Lloyd's List**
30 MAR | [Read More](#)

CONTAINERS NEWS

- **Loch used for lay-up as idle containership tally hits 537**
21 MAY | [Read More](#)
- **Global Ship Lease in talks with lenders to buy ship**
21 MAY | [Read More](#)
- **Zodiac lay-ups offer clear sign of continuing boxship blues**
21 MAY | [Read More](#)

Indonesia Direct

- EU, Indonesia 2nd largest export market
 - 13% of exports, manufactured goods
 - 600,000 to 1,000,000 TEU per year
- Priok and Surabaya dominant origins
 - Routing impact on costs
 - Priok-Europe transshipped US\$ 2,500
 - Priok-Europe direct US\$ 1,750?
 - Capacity provision
 - 3,000 TEU string 150,000 TEU annual capacity
 - 4,000 TEU string 200,000 TEU annual capacity

Who would be interested?

Africa direct from PIL, Laurel

Fairplay May 21st 2009

Pacific International Lines and Laurel Navigation have teamed up to provide a direct link to East Africa, South Africa and West Africa from India, Pakistan and the Middle East. Laurel is a division of Zim while PIL is a family owned Singapore based company. Each partner will provide three ships for the new service scheduled later this month. The 855 teu vessels will be deployed on a “round voyage” lasting 70 days, PIL said today. Lagos will be served via transshipment. The existing Indian Ocean service and the Africa-Middle East-India service, which is jointly operated by PIL, LNL and MOL will be withdrawn.

The difficulties?

- Indonesian ports
 - Surabaya
 - Tanjung Priok
- Use of fire sale or bankrupt VLCS?
 - Brings down CAPEX
- European distribution
- Strength of potential provider
 - Financial
 - Network

Another Impact on Indonesia?

- Feeder services
- Interisland traffic
- Effect of new shipping law

Capacity (TEU)	Existing (Ships)	Ordered (Ships)	Total (Ships)	Forecast Utilisation
<i>500></i>	436	13	452	80%
<i>500-999</i>	752	155	907	60%
<i>1000-1499</i>	611	170	718	55%
<i>1,500-2,000</i>	486	120	606	70%

The Winners?

- Indonesia
 - Manufacturing exports
 - Agricultural exports
- Vietnam
- Regional ports
- Smaller more flexible container ships
- Asia based container lines?
- Niche market container lines



Thank you for listening

Presented By: David Wignall
