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C.I.S.Co.
Council of Intermodal Shipping Consultants
Via Garibaldi, 4
16124 Genova GE (Italia)
Tel. 010 2518852
Fax 010 2518852
e-mail info@ciscoconsultant.it
www.ciscoconsultant.it

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PORTS AND TERMINALS

CONTSHIP ITALIA STEADY AT THE HELM

Contship Italia Group has reported solid growth across its operations in Italy and Morocco in 2014 and says it is prepared for improved performance in 2015

The transhipment hubs in Gioa Tauro, Cagliari and Tanger Med achieved further growth overall, with Eurogate Tanger recording its highest throughput to date.

"The gateways at La Spezia, Ravenna and Salerno continue their progress in a challenging market, where potential results are affected by delays in infrastructure capacity improvement," stated the company.

For the record, 2014 figures at the main terminals in 2014 in TEU (with 2013 figures in parentheses) were: MCT Gioia Tauro 2.97M (3.087M); CICT Cagliari 0.656M (unchanged); Eurogate Tanger 1.428M (1.064M); LSCT La Spezia 1.109M (1.031M).

Overall, across all the terminals, throughput increased by 5.7% to 6.6M TEU.

Intermodal rail services performed well until mid-November when heavy rainfall caused flooding at the RFI train control centre near Contship Italia's hub at Milan-Melzo.

This led to a suspension of operations and they were able to resume only in a limited manner in December.

Overall, therefore, the number of train-kms run by Oceanogate Italia fell slightly, from 1.079M in 2013 to 1.067M, and the volume of internal and cross-border TEU (Sogemar and Hannibal brands) transported was at the same level as 2013, at 240,000 TEU.

"Shipping lines continue to pursue their strategy of alliances, mergers and integration aimed at extracting efficiencies from their networks, reducing their operating costs, improving service levels and reliability for on-time delivery as well as extended port-pair coverage," noted Contship Italia Group President, Cecilia Eckelmann-Battistello.

"The downward pressure on freight rate levels looks set to continue, even it there are positive signs for growth.

We continue to invest strongly in our facilities, setting the scene for the new scenario involving major changes both in networks and shipping line cooperation [such as] 2M, O3, UASC/Hamburg Süd, Hapag-Lloyd/CSAV and CCNI/Hamburg Süd."

(from: worldcargonews.com, January 15th 2015)

MARITIME TRANSPORT

COMPETITION UNAFFECTED BY MEGA-ALLIANCE LAUNCHES

The start of mega-alliance operations on the East-West container trades this month is not reducing competition or service differentiation, according to Drewry Maritime Research.

The four mega-alliances – 2M, CKYHE, G6 and Ocean Three – currently each have between 21% and 31% of the Asia-North Europe trade.

But while the four alliances now represent virtually all capacity on the lane, this does not mean that shippers are not getting a fair deal on service options, according to the analyst.

"The Asia-North Europe trade post-alliance restructure is generally well-balanced in terms of geographical coverage, with strong competition in the key lanes," said Drewry.

"The broad range of options made available to shippers means that accusations that the industry is completely homogenised are unfair."

According to Drewry, the total number of weekly Asia-North Europe services has been reduced from 22 to 21 compared with December 2014, and the number of ships deployed in a fixed-day weekly pattern has subsequently come down from 245 last month to 232 as smaller ships having been cascaded away from the trade.

But despite these changes, the available capacity has largely been maintained, with westbound slots down just 1% on December due to the deployment of more new Ultra Large Container Vessels.

The formation of the mega-alliances has also not resulted in the feared standardisation of services, leaving competition down to price alone.

All of the four alliances are well covered to the main markets of Germany, Netherland, UK, France and Belgium, with the 2M also offering a few specialist calls to Scandinavia (Aarhus and Gothenburg) and Poland (Gdansk).

"Closer inspection of the schedules reveals that the alliances are far from uniform and between them they have created a pretty well-balanced network with wide port coverage at both ends of the trade," concluded Drewry.

"Importers and exporters can have little complaint about the range of options available.

Alliance services in the Asia-North Europe trade, end-January 2015

Carrier group	No. services	Ave. ship size (teu)	Estimated weekly effective capacity (000 teu)	Market share
2M	6	14,000	67	31%
CKYHE Alliance	6	10,800	52	24%
G6 Alliance	5	12,300	52	24%
Ocean Three	4	13,400	47	21%
Total	21	12,600	219	100%

Note: Does not include slot charter agreements; effective capacity is nominal capacity minus deductions for deadweight and high-cube limitations, out-of-scope and wayport cargoes.
Source: Drewry Maritime Research

For example, there are 14 weekly services from Shanghai to Rotterdam, the two busiest ports in the trade.

That means shippers can call upon 16 carriers - not to mention non-alliance slot charterers - to get the most competitive freight rate quotes.

"For the more time-sensitive shippers, the alliances also provide a wide array of transit times to suit their needs.

Looking at Shanghai to Rotterdam again, transit times range from a quickest of 28 days to a slowest of 36 days."

(from: lloydsloadinglist.com, January 27th 2015)

RAIL TRANSPORT

EUROTUNNEL ANNOUNCES ORDER FOR 3 NEW FREIGHT SHUTTLES TO MEET GROWING DEMAND

With the British economy continuing to grow and cross-Channel traffic flows concentrating on the shortest routes as a result of environmental constraints, the market in the strait of Dover is set to grow over the coming years.

In order to reach the target of transporting 2 million trucks per year in 2020, Eurotunnel today announces the order of three new freight shuttles to add to the 15 in its existing fleet.

These additions to the fleet will enable Eurotunnel to increase its capacity by 20% and to run up to 8 departures per hour at peak, compared to 6 currently.

This immediacy of departure added to the established speed of crossing is a major differentiating factor which will enhance the attraction and the competitiveness of the Eurotunnel service.

The new, €40 million order, has been placed, following a European tender process, with WBN Waggonbrau Niesky GmbH.

It is for the construction of three new shuttles, each 800 metres long, with 32 carrying wagons, 3 loader wagons and a carriage to transport the truck drivers.

The new shuttles will be built using the latest technology to ensure that energy efficiency and strength are coupled with reliability: they will be fully interoperable with the existing shuttles.

Delivery is set for the end of 2016 and early 2017.

The order for three new shuttles is supported by a €30 million programme of investments in the expansion of the terminals in Folkestone and Coquelles which will ensure the fluidity of traffic across the Eurotunnel site.

Michel Boudoussier, Chief Operating Officer – Concession of Groupe Eurotunnel stated: “As the world leader in the rolling motorway industry, Eurotunnel has been able to draw upon its 20 years of experience in the design of these 3rd generation Shuttles.

The consultation that we led confirmed that we are at the leading edge of railway development”.

(from: europeanrailwayreview.com, January 14th 2015)

INTERMODAL TRANSPORT

KOMBIVERKEHR CREATES EXTRA CAPACITY IN THE NETWORK

Kombiverkehr, Europe's largest provider of intermodal transport solutions, is starting the year by expanding the eu.NETdirekt+ European network with new train products, extra capacity and the inclusion of a new ferry service in the Mediterranean.

"Kombiverkehr constantly implements new transport solutions with the aim of enabling freight forwarders and logistics companies to make the switch from road-only transport to the bimodal combination of road and rail or the trimodal interconnection of road, water and rail as easily and efficiently as possible," said Robert Breuhahn, managing director of the Frankfurt-based company.

"Transport in northern Europe is the very area where we are responding to repeated requests from our customers to provide an alternative route across the Baltic Sea via a fixed link."

Taken together, all the additions to the range of services provide for an extra 18 train and ferry departures a week in the Kombiverkehr network.

In conjunction with its partner HUPAC, Kombiverkehr is expanding the existing range of services to and from Sweden with a new shuttle train between Cologne-Eifeltor and Malmö CT terminal, which ran from south to north for the first time yesterday.

Tank containers, swap bodies and semi-trailers with a full P/C 400 profile pass through the Flensburg and Copenhagen rail hubs to reach the Swedish coast via the Öresund Bridge.

The timetable provides for four weekly departures in each direction: Mondays, Wednesdays, Thursdays and Saturdays from Cologne, and Mondays, Tuesdays, Thursdays and Saturdays from Malmö.

Not only is the new train an impressive twelve hours faster compared with previous journey times on the gateway service via Hamburg and Lübeck, it also provides more connection options within the network.

The Swedish terminals in Göteborg and Stockholm and Oslo in Norway, among others, can thus be reached from Malmö by using the services provided by our partner Green Cargo.

In Germany there are connections to and from Basel, Kornwestheim, Munich and Ulm.

International onward shipments to France, Spain, Italy, Switzerland, Slovenia, Greece and Turkey are possible.

Kombiverkehr will launch another train product to and from Malmö at the end of the month.

The Grafschaft Bentheim region and the Dutch province of Drenthe will then be linked to the Kombiverkehr network with effect from 28 January.

The new Coevorden/Bad Bentheim - Malmö v.v. multi-group train will cover the 900 kilometre stretch of railway in less than 24 hours three times a week in both directions.

The new range of services is a joint project by Kombiverkehr, EuroTerminal Coevorden and Bentheimer Eisenbahn.

The number of departures on the Ludwigshafen KTL - Lübeck-Skandinavienkai route for national transport to and from the Baltic Sea ports is being increased.

The shuttle train will operate six instead of five times a week from 17 January.

The additional days of dispatch are Saturday from Ludwigshafen (close of acceptance 12:15), with collection starting in Lübeck at 08:10 on Sunday, and Monday from Lübeck (close of acceptance 21:15), with collection starting in Ludwigshafen at 10:30 on Tuesday.

Forwarders have ferry connections to Sweden, Finland, Russia and the Baltic states from Lübeck-Skandinavienkai.

End-to-end shipments by rail and ferry are possible with Kombiverkehr.

The range of intermodal services to Greece, which has taken the form of a rail-ferry combination between Patras, Trieste and various terminals in Germany since the end of 2012, was boosted by a new ferry link in the Mediterranean on 1 January.

As well as the port of Patras, the port of Lavrio in the Attica region - situated around 60 kilometres to the south of Athens - is now connected with Trieste by ferry twice a week.

The new ferry service is of particular significance to freight forwarders who mainly transport hazardous goods and consignments bound for Athens.

This is because all hazardous goods classes apart from 1 and 7 are allowed on the cargo ferry operated by Alternative Transport A.S.

Containers and semi-trailers can be delivered in the Athens region more cost-effectively from Lavrio than was previously the case from Patras due to the shorter distance.

The new range of services can be extended if there is sufficient demand.

(from: kombiverkehr.de, January 16th 2015)

INDUSTRY

NEWBUILDING MARKET LOOKING FOR NEW DIRECTION IN 2015

The newbuilding market is still trying to find its footing so far in 2015, as ship owners are looking for signs of a rebound in demand, while those more willing to assume risk at the current market environment are finding – the hard way – that prices are still high.

This, according to a series of shipbrokers' reports over the course of the past week.

According to Clarkson Hellas, "a number of orders is coming to light this week which had been placed just prior to the New Year.

In dry, Polish Steamship have contracted a series of four firm plus two option 36,500dwt lakes fitted bulk carriers at Jiangsu New Yangzijiang.

The firm vessels are due for delivery throughout 2016 and the options in 2017 if declared".

The shipbroker added that "similarly just one new order to report in wet, with Jiangzhou Union securing an order for one firm plus one option 16,500dwt IMO2 coated chemical tanker from Sloman Neptun of Germany.

Pricing is understood to lie in the low USD 20s mill with delivery 2016.

In addition to a number of rumoured on-going discussions in the large container market, Quantum Scorpio Box (a JV between Quantum & Scorpio) have doubled the size of their order at Samsung by declaring options for a further three 19,200 TEU container carriers.

The vessels will be chartered to MSC when delivered in 2016 and 2017.

In China, domestic buyer Sinotrans Sunnyexpress Co Ltd contracted two firm plus two optional costal trading 4,000 TEU container carriers at Shanghai Shipyard, with delivery of the firm vessels in 2016 and options in 2017 if declared.

At Jiangsu New Yangzijiang clients of Lomar Shipping have ordered further at units at this Yard with two firm plus two option 2,200 TEU container vessels similarly for delivery from 2016 onwards.

Pricing is understood to be around USD 34 Mill per Vessel.

In other sectors, COSCOL have announced an order at Hudong Zhonghua for four plus two 28,000 dwt, 1,000TEU MPPs with 2 x 350T crane capacity.

The first firm vessel will deliver in the end of 2016 with following vessels from early 2017 onwards.

Pricing per vessel is around USD 40 Million.

Ferus Smit Shipyards (Netherlands) announced an order for two plus two 10,500dwt MPPs from Symphony Shipping (Singapore).

“The vessels will be DP2 fitted with delivery from 2016”, Clarkson Hellas said.

Meanwhile, in a separate report on the newbuilding market, Allied Shipbroking noted earlier in the week that “despite the poor start to the year with an overall lacking in activity noted we have yet to see any price drops amongst shipbuilders.

Many have started to downgrade their aims for this year, while their previous restructuring of operation during the past 5 years has apparently left them in a more advantages position and better equipped to handle the more depressed market then they were a couple of years back.

Having said that, this does not mean in any case that if things continue to remain so quiet in terms of new ordering, that shipbuilders will be able to cope.

The market is still oversaturated and competition is still rife as each yard tries to fill sufficient capacity for the coming years.

The hope is that an eventual drop in construction costs may provide them with the ability to cut their prices and create some interest and momentum in the market.

As things stand now, we are likely set for further market consolidation and reorganizing, while we have already seen a further diversification by some towards complimentary services such as repairs and conversions.

In terms, of rumored deals, S. Korea's Daewoo Shipbuilding has secured an order for 2 ice class LNG (172,000cbm) carriers for a price of US$ 317.0m each with delivery between 2017 and 2019".

In another report, shipbroker Intermodal noted that "despite the fact that we have now entered 2015, it seems that time has stopped in the newbuilding front, with both prices and activity offering no excitement or signs that the market is due to see witness a substantial improvement anytime soon.

The notable lack of dry bulker and tanker orders is still setting the tone here, while as we get closer to the Chinese New Year we expect things to slow down further as far as dry bulk orders are concerned.

Even in the tanker sector where fundamentals are currently way more positive, we observe that those who are ready to invest continue to "snob" newbuildings and chose to go for secondhand tonnage, while the unusual spark in container orders that was reported last week was in its bigger part against specific tenders and not representative of an ordering spree in the sector.

In terms of recently reported deals, Polish Steamship, has placed an order, for four firm and two optional Handysize bulkers (36,500dwt) at Samsung, in S. Korea, for a price of $ 27.0m each and delivery set in 2016".

(from: hellenicshippingnews.com, January 15th 2015)

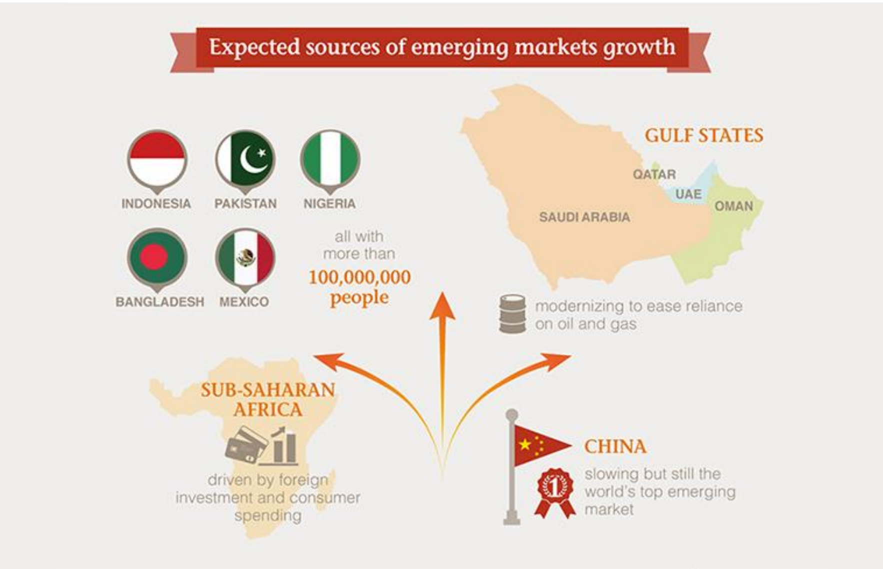
LOGISTICS

NON-BRICS EMERGING MARKETS DRIVING LOGISTICS GROWTH

Dynamism in ASEAN, GCC countries, Sub-Saharan Africa and the large, next-tier economies of Indonesia, Nigeria, Bangladesh, Mexico and Pakistan is offsetting mixed performance in the BRICS countries that powered emerging markets growth in recent years, according to the latest Agility Emerging Markets Logistics Index.

The more balanced picture for growth is reflected in the 2015 Agility Emerging Markets Logistics Index, an annual data-driven ranking of 45 emerging economies accompanied by a separate survey of nearly 1,000 global logistics and supply chain executives.

The Index, now in its sixth year, ranks emerging markets based on their size, business conditions, infrastructure and other factors that make them attractive for investment by logistics companies, air cargo carriers, shipping lines, freight forwarders and distribution companies.



Large BRICS nations Brazil, Russia, India, China and South Africa have accounted for much of the growth and investment in emerging markets and have dominated the Index.

But Saudi Arabia climbed to No. 2 in the 2015 Index, ranking behind only China, which has 47 times the population and 12.5 times the economic output.

Next-tier economies Indonesia (No. 4 in the Index), Nigeria (27), Bangladesh (28) and Pakistan (25) – all with populations topping 100 million – climbed in the Index rankings.

The other large non-BRICS market – Mexico – held steady at No. 9.

Among other key findings, Gulf states UAE, Qatar and Oman were ranked as having the best "market compatibility" – the most ideal business conditions – among the 45 countries in the Index.

They were followed by Uruguay, Saudi Arabia and Morocco.

UAE, Malaysia, China, Oman, Saudi Arabia and Chile led in "connectivity," indicating they have the best infrastructure and transport links.

The Philippines climbed three spots (to No. 16) in the data portion of the Index – after jumping nine spots in the 2014 Index.

The country also improved its standing among supply chain executives surveyed, who pushed the Philippines up five spots (to No. 15) among countries they said will emerge as a major logistics market.

However, Russia's growing economic isolation has damaged its appeal to logistics and supply chain professionals.

More than 75% of survey respondents said they were pessimistic about Russia's prospects.

Elsewhere, India continues to divide logistics and supply chain executives.

They ranked India as the No. 2 choice to emerge as a major logistics market and ranked it relatively high – No. 17 – among countries least likely to become a major logistics market.

In the data portion of the Index, India was leapfrogged in 2014 by Brazil and Saudi Arabia, and it slipped again in the 2015 Index, falling past Indonesia to No. 5.

India's "market compatibility" – a gauge of business conditions – deteriorated, despite optimism about reform under new Prime Minister Narendra Modi.

According to the Index, the fastest-growing trade lanes linking emerging and developed markets were US-Vietnam (up 42.7% by volume) and Cambodia-EU (up 41.9%) for air cargo; and Ukraine-EU (up 35.8%) and EU-Egypt (up 23.2%) for ocean shipments.

But for 2015, trade flows between Asia's emerging markets and other emerging markets are the ones that had logistics professionals most upbeat in the survey.

Survey respondents also identified risks to growth by region and provided views on near-sourcing, e-commerce and other trends affecting emerging markets.

"A year ago, there was talk of an emerging markets meltdown and of a new 'fragile five' based on concerns about weakness in South Africa, Brazil, India, Turkey and Indonesia," said Essa Al-Saleh, President and CEO of Agility Global Integrated Logistics.

"Emerging markets as a group turned out to be far more resilient – even vibrant – than expected despite continued sluggishness in the global economy."

For 2015, the International Monetary Fund forecasts average growth for the 45 countries featured in the Index at 4.57%.

"The factors driving growth are increases in population, size of the middle class, spending power and urbanization rates, along with steady progress in health, education and poverty reduction," Al-Saleh said.

"That's why we remain optimistic about emerging markets and continue to see them on an upward trajectory."

Analysis and research firm Transport Intelligence (Ti) compiled the Index.

John Manners-Bell, Chief Executive Ti, commented: "Five years after the global recession, prospects for all economies, developed and emerging, are still unclear.

Economic fragility, a falling oil price and increasing security concerns in Africa and the Middle East have created uncertainty.

"Despite the challenges, interest remains high in these volatile markets as indicated by increased infrastructure investment, expanding international trade and increased domestic demand.

Global manufacturers, retailers and their logistics service providers need to remain cognizant of the shifting dynamics if they are to exploit the significant opportunities which exist."

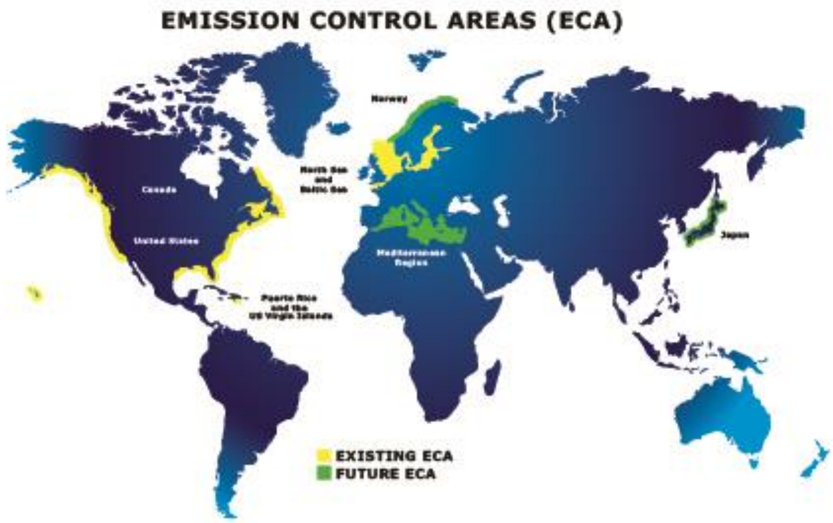
(from: lloydsloadinglist.com, January 20th 2015)

LAW & REGULATION

NEW ECA SULPHUR CAP: IMPLICATIONS FOR SHIPPING

On 10th October 2008, under MARPOL Annex VI, the IMO adopted the policy that with effect from the beginning of this year the sulphur content of emissions allowed in the Emission Control Areas (ECAs), including: the Baltic Sea, North Sea and English Channel, plus the USA, most of Canada, the US Virgin Islands and Puerto Rico, would be reduced.

From 1st January 2015, every ship operating within the ECA areas must use higher quality fuels, the allowable emitted sulphur content decreasing from 1% to no more than 0.1%.



Environmentalists and the international shipping community has in general supported this sound environmental improvement initiative.

Vessels will now be required to use either a distillate fuel, an altogether alternate fuel or continue to use existing fuels but with the installation of a scrubber or gas cleaning system that removes sulphur from the exhaust after combustion.

A number of international oil companies have moved to provide supplies of the regulated grades alongside their standard fuel products; for example Exxon now produces a compliant fuel known as HDME 50 which has similar properties to Heavy Fuel Oil (HFO) but importantly, complies with the 0.1% sulphur limits.

Whilst this fuel is reportedly cheaper than Marine Gas Oil (MGO), it is currently only available in the Rotterdam area.

There is a significant concern about where most of these new bunker supplies will come from with speculation that in case of deficit, it is most likely that it will be sourced from Russia, the Middle East, India, South Korea and the US.

Some shipping companies are implementing ECA regulation surcharges based on their evaluation of cost inflation to manage the cost of adhering to the environmental protection regulations.

For the most part, the reality of this recent regulatory change is that heavy fuel will have to be replaced with cleaner fuels such as marine diesel and marine gas oil with 0.1% sulphur content which are considerably more expensive.

So what is the impact on the shipping community?

Firstly, ships' costs structures will change as increased bunker costs are unavoidable.

The differential between high sulphur fuel oil and MGO as was reported by Gibson Shipbrokers (November 2014 – from their records based on Rotterdam prices) as "fluctuating between $253/tonne and $337/tonne since 2012, with the current difference at [around] $260/tonne".

There will inevitably also be additional costs associated with the requirement for additional bunkering to carry the necessary volumes of the different grades of bunkers.

Then there is the requirement for engine modifications (due mainly to difference in oil viscosity) and the considerable costs of these projects across shipping fleets.

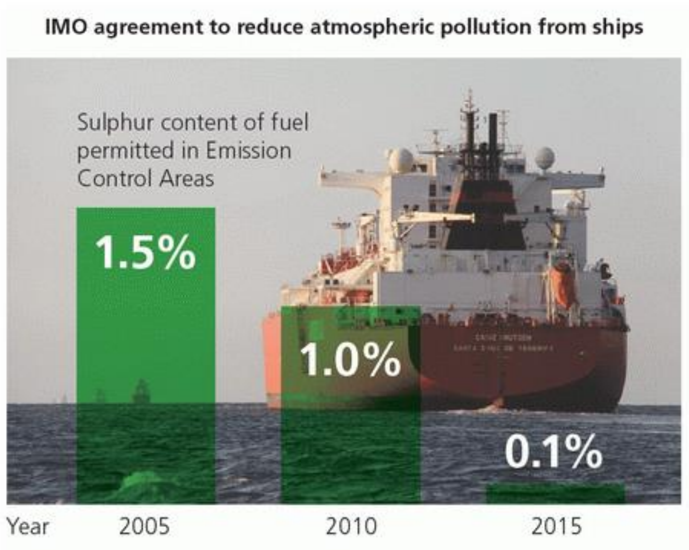
As there are no means by which the sulphur content (of the fuel oil once loaded) can be altered on board (other than on board blending, for which there are currently no guidelines) it is necessary to ensure that the fuel oils loaded meet the required limits and that, in the case of the ECA compliant fuel oils, this compliance is not compromised by mixing with other, higher-sulphur fuel oils either in bunker tanks or in the transfer system.

There are complications associated with dual storage (in order to cater for the storage of different grades of bunkers on board).

In many cases there will likely be a requirement for a sub-division of tanks (further redesign and expense) and possibly the need for more frequent bunkering (again further costs associated).

The administrative burden of managing the operational changes associated with the introduction of the new sulphur limits will impact significantly.

With such a strict restriction, the ship's crew will need to ensure that they avoid loading compliant fuel oils into otherwise part filled storage, settling or service tanks, and be certain that in the course of transfer operations such fuel oils do not become mixed with other higher-sulphur content fuel oils, so that only the fuel oil actually used within the applicable limit is used within the ECA.



Prior to entry into the ECA, a full change-over to ECA compliant fuel oil will need to be implemented.

There will be requirements for new on board written procedures as to how these routines will be undertaken (and guaranteed) as well as record keeping at each change-over to record the fuel oil quantities, the date, time and position of the ship when either completing the change-over prior to entry or commencing change-over after exit from such areas.

These records will need to be entered in a logbook or as prescribed by the ship's Flag State (under an additional administrative directive).

"In sum, as an avid spectator of the shipping community, a previous sea-goer and as an environmentally conscious citizen" says Karen Jacques, Director Asia Pacific for Dryad Maritime, "it is my opinion that the new IMO regulations on sulphur emissions are essential and timely but they are certainly not without complication.

Patience, time and significant financial and management resource will be required, throughout the short and medium term, to accommodate their introduction.

We should all be thankful that bunker prices are down by more than 25% based on the same period last year (on the back of constantly declining crude prices) which may go some way to offset the additional new expense".

(from: dryadmaritime.com, January 16th 2015)

PROGRESS & TECHNOLOGY

FUTURISTIC CARGO VESSEL LOOKS TO REVOLUTIONIZE SHIPPING

Norwegian ship designer Lade AS has unveiled a futuristic new design for cargo vessels, which uses the ships' hulls as a sail.

Inspired by sailboats and aerospace, the 'Vindskip,' with its hull shaped like a symmetrical air foil, is designed to use the wind for propulsion.

Lade AS says that the ship's hull will generate aerodynamic lift, giving a pull in the ship's direction.

The hybrid merchant vessel will also use a Liquid Natural Gas electric propulsion system, which takes the ship to the necessary speed to generate aerodynamic lift on its hull.

Additionally, the Vindskip will employ a specialized computer program to analyze meteorological data and calculate the best sailing route based on available wind energy.

Terje Lade, manager of Lade AS, told FoxNews.com that the Vindskip concept is being tested using wind tunnels and computational fluid dynamics.

Testing of a model in a water tank is scheduled to begin in April, he explained in an email.

Lade AS plans to eventually license the Vindskip concept to shipping companies, ship consultants, and shipyards.

The Alesund-based company has already been awarded two patents for the hull's ability to generate aerodynamic lift, which it describes as its Wind Power System.

Lade told FoxNews.com that the Vindskip development project will be finished by the fourth quarter of 2015, and estimates that engineering and construction will take approximately 2 to 3 years.

"Our estimate is that it should be sailing in 2019," he added.

The project has already attracted the attention of at least one shipping industry heavyweight.

A spokesman for Wilhelmsen, one of Norway's largest shipowners, told FoxNews.com that the company's technical department has been involved in brainstorming related to the Vindskip, although there has been no formal involvement or investment in the project.

"Some years back, our technical team developed our concept vessel (Orcelle) -- and based on this we were invited into the Vindskip project," he explained in an email.

"Our vision is 'shaping the maritime industry,' and we value sharing some 'futuristic' thoughts and ideas on how shipping can develop some years ahead."

Lade AS estimates that the Vindskip design could generate fuel savings of 60% and reduce carbon dioxide emissions by 80% compared to a traditional ship.

The designer says that the design is particularly well suited to a number of passenger and container vessels.

However, Chris Cheetham, founder of Soter Advisors, a fuel and energy risk management consultancy specializing in the shipping industry, said that a number of factors could impact potential savings.

"What these designs will come down to is 'how much does it really cost?'" he told FoxNews.com.

"You have to relate that to the cost of building and charter rates for shipping."

Cheetham cited the huge pullback in oil prices and the "inventory" of traditional ships that are already scheduled to be built as factors that companies will need to consider before licensing a revolutionary design such as the Vindskip.

(from: theloadstar.co.uk/foxnews.com, January 21st 2015)

STUDIES & RESEARCH

BOX LINES FACED WITH SLOW STEAMING CONUNDRUM

Bunker prices are reaching the tipping point at which it becomes less expensive to operate fewer ships at a faster speed than more of them at the slower speeds.

In an analysis of the latest bunker fuel prices, Dynamar's Dirk Visser said that with 380 cSt fuel oil now available from Rotterdam at a level of $239 per tonne, compared with $565 a year ago, shipping lines will be becoming increasingly nervous about their slow steaming strategies.

At present on the Asia-north Europe trade as many as 12 ships per string are being used to ensure a weekly frequency can be maintained at fuel cost saving service speeds of around 17 knots in the headhaul direction.

But Mr Visser said that as well as the price of fuel there are various other factors that would need to be considered before speeding up ships.

For instance, shipowners had made sometimes irreversible modifications to ships already in service, such as fuel injection pumps, replaced stem bulbs and propeller blades.

Also, new vessels were being built to operate at slower speeds.

The lower fuel prices are compounded by lower revenues generated by carriers' bunker charges.

"Consequently," Mr Visser said, "for some the choice between the devil and the deep blue sea may have arrived: either lose money and continue steaming slow, or steam faster, accepting the costs of laying up (big, perhaps very big) ships."

Other factors to be considered are the cost of chartering vessels, the cost of laying-up unwanted ships, the impact of excess capacity on freight rates, container turnaround times, environmental impact and customers' needs.

He added that forward prices for a barrel of Brent crude oil stood at $51.15 as of January 8.

The last time annual oil prices averaged at this level, apart from the financial crisis year of 2009, was 2005, a few years before slow steaming was first introduced.

So far shipowners and operators have largely been against the idea of speeding up ships because slow steaming has the added benefit of using up excess capacity.

However, Gerry Wang of Seaspan said that there could be room for some slight increases in speed.

AP Moller-Maersk chief executive Nils Andersen recently said that any savings made by speeding up ships would likely be frittered away by lower freight rates.

Maersk Line chief executive Søren Skou was also concerned by the impact speeding up vessels would have on the environment.

Evergreen's second vice-group chairman Bronson Hsieh pointed out the destabilising risks to the whole container shipping industry of faster voyage times.

There is also the varying cost of fuel to consider.

Mr Visser said that it was anyone's guess as to how long prices would remain at this level.

Jonathan Roach from broker Braemar ACM Shipbroking said that prices in Singapore for 380 cSt remained at $282 per tonne and in fact increased on Thursday.

Dynamar figures show that 380 cSt is even more expensive in Tokyo and Genoa where it is valued at $330 per tonne and $284 per tonne respectively.

Mr Roach's figures show that the average speed in the headhaul direction of the Asia-Europe trade stayed largely the same last year, at 18.2 knots in the first half of the year and 17.7 in the second half.

"Speeding up could be devastating for the liner trades as it would help create more overcapacity.

So I think the larger east-west trades will maintain their slow steaming," he said.

"But liner operators will still be able to enjoy a better bottom line as their cost base will be significantly less as one of their main costs is bunkers."

However, he said the lower bunker prices could have an impact on regional services.

He said that additional port calls on existing services that would have previously been unprofitable because of the cost of fuel could now become financially feasible.

It could also result in new services for the same reason.

The lower prices could also result in the charter market price difference between ecofeeders and older less fuel efficient tonnage narrowing, he said.

Although he said newer vessels would still be more reliable and economical so would still command a premium.

(from: lloydsloadinglist.com, January 15th 2015)

REEFER

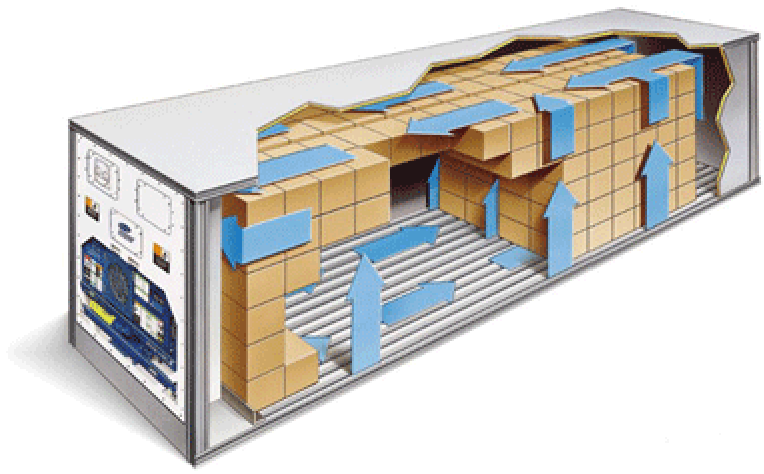
UASC ORDERS 2,000 NEW REEFER UNITS

United Arab Shipping Company (UASC), a leading container shipping line and emerging global carrier, has today announced an order of 2,000 reefer containers from Daikin.

The order marks the first milestone in the expansion of UASC's reefer services and underpins the company's ongoing investment in the most cutting-edge, energy-efficient solutions for the carriage of frozen and chilled cargoes.

The containers will be fitted with Daikin's latest LXE 10E model reefer unit – the "H" model.

While providing the optimum temperature environment and airflow for chilled cargo, hard and software developments have significantly reduced power consumption, achieving a 50% reduction in comparison to the earliest model, introduced in 2001.



The units have a highly sensitive temperature control system, making it suitable for any weather condition and all types of cargo.

With an average reefer container age of three years, UASC's progressively expanding reefer fleet is one of the youngest in the industry and this order of an additional 2,000 reefer units represents a considerable increase in the overall size of UASC's reefer fleet.

This ongoing investment will support the growth of existing services and enhanced geographic access to the South America trades, following the recent service agreement with Hamburg Süd.

Gareth Madsen, head of reefer management, UASC commented: "The progressive expansion of UASC's fleet of refrigerated units ensures enhanced reefer availability for all our customers.

We are committed to driving down costs, optimizing networks and continuously improving the services that we offer.

This order for 2,000 units from Daikin will enable UASC to deliver the right level of accessibility, quality and efficiency for the carriage of frozen and chilled cargoes."

"UASC will be placing more orders of reefer units this year.

More details will be released once plans are finalized" Madsen added.

"In terms of quality, performance and reliability, Daikin's latest reefer units set the industry benchmark.

In addition, it fits UASC's overarching commitment to investment in eco-efficiency and environmentally responsible operations, which we believe is good for our business, good for our customers and good for our planet."

Katsuhiro Tetsuya, Reefer Container Division Director, Daikin said: "It is a privilege to be part of UASC's ambitious growth strategy.

The latest Daikin LXE 10 E "H" Model sets new standards in terms of energy efficiency and reliability, directly supporting UASC's focus on delivering outstanding customer service."

The aspirations for UASC's reefer business form a key element of the company's ambitious expansion strategy.

This announcement follows three deliveries of 15,000 teu vessels from UASC's current new building program (comprising 17 ships – eleven 15,000 TEU vessels and six 18,800 TEU vessels), as well as co-operations with leading liner shipping companies CMA CGM and China Shipping Container Lines (together forming the Ocean Three alliance), as well as the extensive cooperation agreement with Hamburg Süd Group.

(from: hellenicshippingnews.com, January 26th 2015)

ON THE CALENDAR

- 8th Philippine Ports and Shipping 2015
  Manila, The Philippines
  Thursday 12 and Friday 13 February 2015

- 13th Intermodal Africa North 2015
  Lagos Oriental Hotel, Lagos, Nigeria
  Thursday 26 and Friday 27 March 2015

- 11th Trans Middle East 2015
  Kuwait
  Wednesday 29 and Thursday 30 April 2015

- 4th Black Sea Ports & Shipping 2015
  Constanta, Romania
  Thursday 28 and Friday 29 May 2015

- 13th ASEAN Ports and Shipping 2015
  JW Marriott, Jakarta, Indonesia
  Wednesday 24 and Thursday 25 June 2015

- 10th Southern Asia Ports, Logistics & Shipping 2015
  Mumbai, India
  Thursday 17 and Friday 18 September 2015

- 13th Intermodal Africa South 2015
  Mulungushi International Conference Centre, Lusaka, Zambia
  Thursday 29 and Friday 30 October 2015

- 3rd MED Ports 2015
  Civitavecchia (Rome), Italy
  Thursday 26 and Friday 27 November 2015

The Secretariat of C.I.S.Co. is able to communicate detailed information on the programs of all the events and how to participate.