

This Issue

EXTERNAL NEWS

AIRLINE NEW SERVICE

SHIPPING LINE UPDATES

SHIPPING LINE NEW SERVICE

CONTINUED PORT CONGESTION

AIR CARGO RATES

CONTAINER RATES

INTERNAL NEWS

CHINA CONTAINERIZED

FREIGHT INDEX

CHINA PUBLIC HOLIDAYS

CMA CGM CHIEF SAYS SHARP DROP IN 2023 RESULTS ISN'T A SURPRISE

FRENCH shipping giant CMA CGM has reported a significant decline in revenue and profitability in its 2023 annual results as the deteriorating shipping environment dragged earnings down from the record levels of the previous year. While the huge declines posted across key earnings metrics were no surprise to group chairman and CEO Rodolphe Saade, the carrier managed to avoid the fourth-quarter operating losses reported by competitors Maersk and Hapag-Lloyd. "As our sector normalized, the Group's performance remained solid in 2023. Shipping market conditions deteriorated progressively during the year. Our results are down as we expected. "Logistics, on the other hand, is proving more resilient, and accounts for a significant part of our business. Our Group now stands on two solid pillars, which will enable us to weather cyclical changes more efficiently. Backed by our financial strength and the commitment of our employees, we will continue to invest in the transformation of the Group, particularly decarbonization and artificial intelligence, in order to pursue our sustainable and profitable development."

(Source: Shipping Gazette)

CONTAINER SHIPPING MARKET DISTORTED BY RED SEA CRISIS

MAERSK THE idle container ship fleet has contracted again as the crises in the Red Sea and Panama Canal suck capacity into service diversions and distort the market, as newbuildings arrive to alleviate tonnage crunch. Alphaliner's latest weekly report on the shipping market says that the idled fleet is now at its lowest level for more than 22 months at just 84 ships of which one is larger than 12,500 TEU and none are greater than 18,000 TEU. The number of vessels that are in repair yards has also dropped significantly over the last two weeks, falling to 99 ships on February 12, totalling 236,266 TEU, an average size of under 2,400 TEU. A reduction of six ships, consisting of 73,769 TEU, averaging around 12,300 TEU per vessel, reports UK Seatrade Maritime News. According to the Alphaliner report, in comparison to last year this is a substantial reduction, with "the combined idle and 'ships in yard' capacity collectively represented 6.2 per cent of the container fleet a year ago, versus 1.5 per cent today."

(Source: Shipping Gazette)

EU COMMISSIONER: ASIA-EUROPE TRADE NOW COSTS 400PC MORE

DISRUPTIONS to shipping caused by Houthis' air strike on vessels in the Red Sea have raised the cost of Asia-Europe shipping 400 per cent, according to European Economy Commissioner Paolo Gentiloni, reports Tehran's Iran Front Page. Mr Gentiloni also said mentioned that transit times had increased by 10-15 days, as he expressed hope that the crises won't lead to a significant increase of inflation. Yemen-based Houthi forces who have occupied the capital for nearly a decade, have carried out dozens of drone and missile attacks Israel-Hamas war in October. As a result, many major shipping companies have stopped using the Suez Canal and are instead redirecting ships around the Cape of Good Hope in southern Africa. The attacks have also reportedly caused average container prices to double globally in the past month, while fuel tanker rates for certain destinations have surged to their highest level in years.

(Source: Shipping Gazette)

LA AND LONG BEACH PORTS MAKE A STRONG START IN JANUARY

A SOUTH California's principal ports, Los Angeles and Long Beach, did well in January with LA up 18 per cent year on year to 855,652 TEU while Long Beach throughput rose 17.5 per cent to 674,015 TEU. For Los Angeles it was the second best start to the year on record, the sixth straight month of year on year growth while Long Beach posted a fifth consecutive month of cargo increases. Said LA port executive director Gene Seroka: "Two factors are driving our strong start. First, cargo owners have been replenishing inventories and moving goods at a fast clip ahead of the Lunar New Year holiday, which will slow production in Asia. "Second, consumer spending and mostly strong economic data continue to accelerate the American economy," he said.

(Source: Shipping Gazette)

CHINA CONTAINERIZED FREIGHT INDEX

ROUTE	LAST PERIOD	THIS PERIOD
	2024/2/9	2024/2/23
CCFI	1455.19	1402.22
(JAPAN SERVICE)	795.07	804.22
(EUROPE SERVICE)	2317.77	2189.87
(W/C AMERICA SERVICE)	1126.43	1134.45
(E/C AMERICA SERVICE)	1348.35	1292.6
(KOREA SERVICE)	507.14	517.53
(SOUTHEAST ASIA SERVICE)	731.54	717.97
(MEDITERRANEAN SERVICE)	2962.67	2812.56
(AUSTRALIA/NEW ZEALAND SERVICE)	1057.41	1036.87
(SOUTH AFRICA SERVICE)	1133.92	1035.42
(SOUTH AMERICA SERVICE)	719.92	688.67
(WEST EAST AFRICA SERVICE)	642.23	647.99
(PERSIAN GULF/RED SEA SERVICE)	1430.13	1340.01

CHINA-US CONTAINER LEASING RATES HAVE RISEN THREEFOLD

CHINA-US container leasing rates have risen threefold as container demand recovery appears on the horizon. In the wake of the Red Sea crisis, the global shipping industry has witnessed a significant uptick in rates over recent months, reports Hellenic Shipping News Worldwide. Container leasing rates along the China-US trade route have soared 223 per cent, tripling compared to pre-Covid crisis levels. Moreover, there's anticipation of a recovery in container demand in the coming months, buoyed by signs of resilience in the US economy. The US economy has demonstrated robustness, with GDP expanding at a 3.3 per cent annual rate in the fourth quarter of 2023.

(Source: Shipping Gazette)

WIND-POWERED DUTCH SHIP SETS SAIL FOR GREENER FUTURE

DREWRY's THE Maltese-lagged 20,890-dwt tanker Chemical Challenger, the first chemical tanker to test sails, has left Rotterdam, hoping to plot a route to reduce the shipping industry's carbon footprint, reported the Isle of Man's Tech Xplore. Built in Japan and equipped with four giant 16-metre-high (52 foot, 6 inch) sails similar to aircraft wings, the tanker's Dutch owners hope to cut fuel consumption by 10 to 20 per cent as the sails will allow the ship's captain to throttle back on the engine. "As an avid sailor myself, I have been thinking for a long time how we can make our industry more sustainable," said Niels Grotz, chief executive of Chemship, which operates a fleet of chemical tankers mainly between US ports in the Gulf of Mexico and the eastern Mediterranean. "Today we launch our first wind-assisted chemical tanker, which we hope will serve as an example to the rest of the world," Mr Grotz told Agence France-Presse at the ship's unveiling.

(Source: Shipping Gazette)

DEPLOYING 13,000-TEU 'FEEDERS' TO SERVE ASIA-MED TRADE

CARRIERS are diverting cargo bound for Greece and Turkey from Mediterranean routes to North European ports for transshipment to their final destinations, reports New York's Journal of Commerce. Ships are being rerouted around southern Africa to avoid security risks in the Red Sea, resulting in a seven to 10-day extension for Asia-North Europe voyages and at least a 14-day delay for Asia-Mediterranean trips. In order to minimize disruption to weekly schedules and improve vessel turnaround times, ocean carriers are opting to offload cargo in North Europe or at terminals in the eastern Mediterranean for onward shipment. Alphaliner's latest weekly newsletter highlights that Cosco Group's subsidiary, OOCL, plans to redeploy the 13,092-TEU Cosco Development from the North Europe-US East Coast Trans-Atlantic Express service (TAE) to the Mediterranean.

(Source: Shipping Gazette)

EU DEPLOYS RED SEA NAVAL FORCE AGAINST AIR STRIKES

THE European Union has launched a naval mission to protect cargo ships in the Red Sea from attacks from Yemen's Houthi forces, reports Aljazeera. European Commission President Ursula von der Leyen announced the decision to deploy Naval Force Operation Aspides. "Europe will ensure freedom of navigation in the Red Sea, working alongside our international partners," she said. "Beyond crisis response, it's a step towards a stronger European presence at sea." The naval mission will send European warships and airborne early warning systems to the Red Sea, Gulf of Aden and surrounding waters. Italian Foreign Affairs Minister Antonio Tajani confirmed the launch during a meeting of foreign ministers in Brussels, Belgium, calling it 'an important step towards common European defence'.

(Source: Shipping Gazette)

JANUARY US CONTAINER IMPORT VOLUMES UP 7.9PC

MELBOURNE IN January 2024, there was a notable 7.9 per cent increase in US container import volume compared to December 2023, marking the most significant month-to-month growth for January in the past seven years, reports Hellenic Shipping News Worldwide. The surge was driven by a 14.9 per cent rise in imports from China, with the Ports of Los Angeles and Long Beach being the major beneficiaries. However, the combined effects of the Panama drought and the Middle East conflict are beginning to impact transit times, leading to substantial delays at key east and Gulf coast ports. Descartes, in its February logistics metrics update, indicates an accelerated container import volume, raising concerns about potential disruptions to the global supply chain throughout 2024 due to conditions at the Panama and Suez Canals and upcoming labour negotiations.

(Source: Shipping Gazette)