NEWSLETTER

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INTERNAL NEWS

ZIM BEATS RED SEA CRISIS WITH STRONG EARNINGS

AS one of the most closely watched container shipping company throughout the Red Sea crisis, Israeli container shipping company ZIM Integrated Shipping Services Ltd (ZIM), has posted total revenues of US$1.93 billion for the second quarter of the year, up from $1.31 billion in Q2 last year. The Q2 revenues were driven mainly by higher freight rates and increased volumes, reports Ventura, California's gCaptain. ZIM transported 952,000 TEU in Q2, compared to 860,000 TEU in the same quarter last year, with the average freight rate per TEU rising to $1,674 from $1,193. "We are pleased with our strong second quarter performance, highlighted by outstanding strategic execution that led to a record high carried volume, representing 11 per cent growth year over year. The steps we have taken to upscale our capacity and enhance our cost structure continued to drive strong financial results," said Eli Glickman, ZIM president & CEO.

(Source: Shipping Gazette)

HOW LCL SHIPPING FUELS A RANGE OF BUSINESS GROWTH

EXPERTS believe using less-than-container load (LCL) services to ship smaller ocean freight volumes can offer significant advantages, reports The Guardian. The global trade industry encompasses the movement of goods, services, and capital across borders, involving a diverse array of participants and processes. Operating 24/7 can be unforgiving due to economic conditions, trade policies, tariffs, and other factors. Logistics is crucial for any business, regardless of size, and how companies manage their logistics can significantly impact their bottom line and growth trajectory. One often-overlooked strategy that offers a compelling solution, particularly for small to medium-sized enterprises (SMEs), is Less than Container Load (LCL) shipping. By leveraging LCL, businesses can unlock a range of benefits that streamline operations, reduce costs, and ultimately allow expansion.

(Source: Shipping Gazette)

AIR CARGO OPERATORS LOOK TO APEC MARKET FOR GROWTH

THE Asia-Pacific (APAC) region, with its burgeoning markets and diverse economic drivers, has become a focal point for many leading air cargo operators, reports Surrey, UK's Air Cargo Week. Experiencing double-digit growth in cargo volume, the APAC market's expansion has been driven by a shift from general cargo to a diversified mix that includes a substantial e-commerce component, reflecting the rapid expansion of online shopping. "Particularly in Asia-Pacific, the volume is growing rapidly. We see three key hubs: Hong Kong, Singapore, and Shanghai," Jacqueline Han Lin Ni, Etihad Cargo's area manager responsible for China, Hong Kong, Japan, South Korea, and Taiwan, stated. However, the rapid growth has brought challenges, with development at hubs struggling to keep pace with the increasing demand in certain areas. "The infrastructure, including ground handling agents (GHAs) and airport facilities, is not keeping pace with demand," she noted.

(Source: Shipping Gazette)

MSC, HAPAG-LLOYD STAGING MORE SOLO SERVICES AHEAD OF ALLIANCE SPLIT

THE MSC and Hapag-Lloyd have begun building up their capacity as both carriers prepare to leave their respective current alliances, according to Alphaliner's report. MSC, which will split from its 2M partner Maersk, has been launching standalone loops on the Asia-North America and Far East-Europe routes, reports Greece's Container News. After launching two additional standalone services in July, MSC's non-2M fleet capacity on the big Asia-North America and Far East-Europe routes now stand at 733,000 TEU, which represents 33.2 per cent of its total capacity on the trades. Hapag-Lloyd has also started to increase market share outside THE Alliance, which it will depart to form Gemini. Hapag-Lloyd (15.4 per cent) and HMM (28.3 per cent) are the only other alliance members to operate a substantial part of their East West vessel capacity outside THE Alliance of which they are currently both members, but this is expected to change as soon as the 2M partnership is terminated and Hapag-Lloyd enters the Gemini Cooperation with Maersk.

(Source: Shipping Gazette)

CHINA CONTAINERIZED FREIGHT INDEX

ROUTE	LAST PERIOD 2024/8/9	THIS PERIOD 2024/8/16
CCFI	2138.32	2073.41
(JAPAN SERVICE)	783.22	780.71
(EUROPE SERVICE)	3694.33	3698.36
(W/C AMERICA SERVICE)	1568.84	1457.49
(E/C AMERICA SERVICE)	1770.67	1675.35
(KOREA SERVICE)	521.72	539.6
(SOUTHEAST ASIA SERVICE)	1377.77	1229.99
(MEDITERRANEAN SERVICE)	3667.4	3553.92
(AUSTRALIA/NEW ZEALAND SERVICE)	1109.95	1147.73
(SOUTH AFRICA SERVICE)	2411.17	2385.21
(SOUTH AMERICA SERVICE)	1586.58	1465.72
(WEST EAST AFRICA SERVICE)	1445.86	1428.97
(PERSIAN GULF/RED SEA SERVICE)	2022.47	1998.4

MAERSK'S FLEET RENEWAL PLAN INVOLVES ORDERING 50 DUAL-FUEL VESSELS

DANISH shipping giant AP Moller-Maersk is in the process of signing newbuilding orders and time-charter contracts for dual-fuel vessels under its continuing fleet renewal programme initiated in 2021 with a planned renewal pace of around 160,000 TEU per year. "As the shipyard orderbooks have been filling up quickly and lead time for vessel deliveries have increased significantly, we decided to place orders and charter contracts of 800,000 TEU dual-fuel vessels, which ensures a steady flow of needed capacity for our network for the years 2026-2030 while building a competitive tool kit," said Rabab Boulos, COO at Maersk. The ordered capacity will be a mix of owned and chartered, ensuring that Maersk maintains strong financial and operational flexibility while continuing to own a significant part of its strategic tonnage. The vessels will come in different sizes offering great network optionality, according to Melbourne, Australia's Baird Maritime.

(Source: Shipping Gazette)

SHIPPERS IN EUROPE URGED TO ACT NOW TO BEAT ANY US EAST COAST STRIKE DELAYS

EUROPEAN shippers have been told that they must act now to avoid any supply chain disruption caused by potential striking dockers on the US East Coast, reports UK's Seatrade Maritime News. The warning comes from container shipping consultancy Xeneta after the International Longshoremen's Association (ILA) threatened that its 85,000 members will strike on October 1 if a new contract is not agreed ahead of that date. "With a port-to-port sailing time of 24 days on a typical transatlantic trade from Genoa to Savannah, plus around 10 days land operations at either end, shippers must act now if they wish to utilize alternative supply chain options," warned a Xeneta briefing. Disruption of supply chains caused by the effective closure of the Suez Canal have diminished as additional tonnage was injected, but shippers according to both Xeneta and Drewry Shipping Consultants have brought forward much of their Christmas shopping, traditionally saved for Q3, in an effort to avoid the rush.

(Source: Shipping Gazette)

HAPAG-LLOYD REPORTS STRONG H1 RESULT, CHALLENGING AND UNCERTAIN OUTLOOK

GERMAN carrier Hapag-Lloyd reported an H1 2024 profit of US$791 million sharply down on the $3.13 billion profit it reported in the same period of 2023 which saw the tail end of the positive impact from the pandemic. Despite first half 2024 profitability being much lower than a year earlier it was above the line's expectations, reports UK's Seatrade Maritime News. "Even though we were unable to match the exceptionally good results of the prior year, we delivered a very good first half of 2024 thanks to strong demand and better spot rates," commented Rolf Habben Jansen, CEO of Hapag-Lloyd. The group reported revenues of $9.52 billion for the first half of 2024 down from $10.85 billion in the same period in 2023. Reflecting improved demand for container shipping volumes for Hapag-Lloyd's liner shipping business were up 5 per cent at 6.1 million TEU in H1 2024 compared 5.8 million TEU in the same period a year earlier.

(Source: Shipping Gazette)

LOS ANGELES-LONG BEACH PORTS SET BOX VOLUME RECORDS IN JULY

JULY was the best month in terms of volume in the history of both Los Angeles (116 years) and Long Beach (113 years). Defying forecasts of a potentially slowing US economy, the ports of Los Angeles and Long Beach each had record volumes in July in part as imports accelerated to avoid potential disruptions due to the Red Sea as well as a possible fall port strike on the US East Coast. Port executives however remain optimistic for the near-term outlook, reports Fort Lauderdale's The Maritime Executive. Los Angeles highlights it was only the fourth time it has exceeded the half-million mark in a month for import TEU volumes and its busiest month in over two years. While Los Angeles saw overall volume up 37 per cent over last year, and 14 per cent ahead of June, Long Beach reported a staggering 62.6 per cent year-over-year increase. Both ports however also highlight strong volumes of empties being returned to Asia as a sign that the surge seen in July is not yet over.

(Source: Shipping Gazette)

CHINA PUBLIC HOLIDAYS

China offices will be closed from 15th Sep. to 17th Sep. 2024 for Mid Autumn Festival . Normal work on 14th Sep (Saturday).

(Qingdao, Shanghai, Ningbo, Xiamen, Shenzhen)