



KEEP IN TOUCH with *your* shipping world!

Your e-Paper-newsflash on: >> *Macro-Economics* >> *Shipping Companies* >> *Shipbuilding* >> *China Ports*

Shanghai's trade with emerging markets grow rapidly

>> **Shanghai:** Shanghai's trade with developed countries in Europe, America and Japan are slowing down in growth, but those with emerging markets like the ASEAN countries and Korea are rising rapidly.

During the first five months of this year, Shanghai's trade with the European Union valued US\$57.95 billion, up 38.8 % year on year. Trade with US increased 31 % to \$42.6 billion while Japan trade grew 33.4 % to \$34.1 billion. But these increases were lower than the city's general trade growth of 40 %, and lower than in the same period in 2008 before downturn.



Exports to the EU dropped 2 % to \$36.8 billion. Trade with the US fell 0.8 % to

\$32.2 billion while Japan trade volume fell 4.4 % to \$16.2 billion.

But Shanghai trade with the ASEAN increased 57.9 % to \$25.7 billion. Trade with Korea jumped 63.6 % to \$16.2 billion while Taiwan surged 74.1 % to \$12.95 billion.

Consumer imports experienced rapid growth, said the report. During this period, Shanghai imported 99,000 automobiles, surging 220 %, 1.3 million carats in diamonds, up 170 % and watches worth \$400 million, up 90 %. Imports of mechanical and electrical products grew 57.5 % to \$60.1 billion.

EU-Asia container volume down while Asia-EU increases

>> **Global:** Container volumes from the Europe to Asia published their first year-on-year decline in May - 6.3 % - a 1.1 % drop from April. Overall the total volume of containers across all trades with Europe in May increased 16 % for imports and 7 % for exports.

Asia-to-Europe westbound trade continued its monthly rise with a 21 % year-on-year increase in May - 1.3 % up on April's number. Growth on the India Middle East westbound trade increased

CONTENTS

Page

>> *Macro-Economics*

Shanghai's trade with emerging markets grow rapidly	1
EU-Asia container volume down while Asia-EU increases	1
China- Russian trade surges 56 % in first half	2

>> *Shipping Companies*

MD of OOCL retires after 36 years with the company	2
Hyundai delivered 4 mega newbuilds to Rickmers	2

>> *Shipbuilding*

Taiwan's Evergreen orders 10 ships from Samsung	2
Jiangsu's shipbuilding exports surges 120 % in May	3

>> *China Ports*

Shanghai expects to exceed 25.5 million TEU	3
Hutchinson port posts big gain	3

30 %. But this contrasted with the slow growth on the India Middle East eastbound trade in May with only a 4 % year-on-year increase, up 1.7 % on April.

Europe-North America trade growth declined eastbound 13 % and westbound by 16 % in May. For the Europe Australasia and Oceania May posted a monthly year-on-year decline of 9 % northbound. Southbound trade maintained a growth of 12 %.

China-Russian trade surges 56% in first half

>>**Global:** From January to June, the trade between China and Russia surged 56 % year on year to US\$26 billion. Export from China to Russia grew 54 cent to \$12.3 billion. Imports from Russia to China increased 57 % to \$13.7 billion.

Affected by the economic downturn, the Sino-Russian trade dropped sharply in 2009, but has strongly recovered this year.

According to Qiu Hong, assistant minister of Commerce of China, the fast rebound is a result of the closer economic cooperation between the government of China and Russia on electricity transmission, construction of infrastructures and exploitation of nature resources.

>> *Shipping Companies*

MD of OOCL retires after 36 years with the company

>>**Hong Kong:** Hong Kong's Orient Overseas Container Line (OOCL) has announced a series of management positions changes at its headquarters that affect from August 1.



Long time leader CL Ting, managing director, corporate planning, retires after 36 years with the company. He is said

to have played a key role in building OOCL into a successful organization.

Stephen Ng, currently director, Trans-Pacific Trade, will succeed Mr Ting as director of the corporate planning department. He will be appointed director of OOCL.

Michael Kwok, currently general manager, corporate administration, will be appointed as director of trades. He will also be appointed as a director of OOCL.

Hyundai delivered 4 mega newbuilds to Rickmers

>>**Global:** The Rickmers Group christened four 13,100-TEU containerships at the Hyundai Heavy Industries (HHI) shipyard in Ulsan. One of these ships, the Maersk Edinburgh will be the first of these four ultra large containerships to enter service through a Maersk charter.

The other three vessels, the Ruby Rickmers, Aqua Rickmers and Coconee Rickmers, have also been chartered long-term to Maersk Line and will join Maersk's "E-class" as named the Maersk Emden, Maersk Eindhoven and Maersk Essen.

These ships will be delivered during July and August 2010, and phased in to Maersk's new joint service with CMA CGM linking Asia and North Europe. As Maersk's AE8 service, it will deploy 10 ships of this size, with each partner contributing five.

A further four sister ships are due for delivery to the Rickmers Group in 2011, also for charter to Maersk Line. All have been fixed for 10-year periods with further options.

"With two more sister ships coming in January and February 2011, a seventh at the end of May and the eighth and final ship in the series due for delivery in July 2011, we need the global economy to continue this positive trend," said Rickmers chairman Bertram Rickmers.

If load all 13,100-TEU onto a single train, the train would be 100 kilometres long. Put another way, the train would arrive in Kiel on the Baltic coast of Germany before the last railcar had left the shipping company's home city of Hamburg.

>> *Shipbuilding*

Taiwan's Evergreen orders 10 ships from Samsung

>>**Global:** Taiwan's largest shipping companies, Evergreen had placed a KRW2.04 trillion (US\$1.7 billion) order for ten 8,000-TEU ships from Korea's Samsung Heavy Industries with the first delivered in 2012.

Details of the full order will be made public as negotiations progress on price and the technical ability of shipyards to meet Evergreen's environmental and fuel conservation standards. Samsung Heavy Industries stated that it has signed contracts worth to build 10 containerships and nine oil tankers.



As a result, Samsung has secured orders for a combined 51 vessels worth \$5 billion dollars this year, or 63 % of its new order target of \$8 billion for 2010.

The container vessel market came to a standstill following the onset of the global financial crisis since September 2008, but its recovery has drawn keen attention. The freight index, the barometer of the containership market, has gained nearly 80 % from early this year. The price of an 8,000 TEU-class container vessel was \$86 million per

unit early this year. With Evergreen's order for 103 million dollars per unit, the price is also growing.

With a length of 334.8 metres (1,100 feet) and a beam of 45.8 metres (150 feet), the new ships will have cruising speed of 24.5 knots. With fuel-saving features and a highly efficient operation are designed to provide shippers punctual delivery service.

Jiangsu's shipbuilding exports surge 120% in May

>> **Shanghai:** The value of exported ships built in China's Jiangsu province increased 120 % in May to US\$1.4 billion, a new monthly record since 2009.

From January to May, Jiangsu's ship export value amounted to \$5.5 billion, up 62.7 % year on year. Processed ship exports valued \$5.4 billion, up 66.9 %, accounting for 99.2 % of the total of ship export value of the province.

These ships mainly exported to the European Union, Latin America, Hong Kong and Africa. During the first five months, ships exported to the EU valued \$1.6 billion, up 17.9 %, representing 28.8 % of Jiangsu's ship export value total. Those exported to Latin America rocketed 630 % in value to \$990 million. Those exported to Hong Kong valued \$960 million, up 57.9 %. Value of ships exported to Africa soared 240 % to \$700 million.

In the five-month period, containerships exported from Jiangsu rose 26.2 % in value to \$810 million, taking up 14.8 % of the province's total ship export value. Bulk carrier export value surged 210 % to \$3.1 billion, taking up 57.1 % of the total. Liquid carrier export dropped 1.9 % in value to \$1.1 billion.

The rapid growth of Jiangsu's ship export was because the shipbuilding industry is on the way of recovery. The world's new orders totalled to 114 vessels in April, with a compensated gross tonnage (CGT) of 2.1 million tons,

up 22.1 % over March. China had 45 new orders with a CGT of 788,000 tons, second to Korea.

In addition, the rebound in the global shipping market also contributed to the growth of Jiangsu's ship export. The Baltic Dry Index has been hiking from 2,991 points since early April and hit a peak at 4,209 points in late May, up 40.7 %.

The coming rise of steel prices and the new orders prices hitting bottom were also reasons given for the growth. Ship-owners hope to order new ships before the ship and steel prices increase.

>> [China Ports](#)

Shanghai expects to exceed 25.5 million TEU

>> **Shanghai:** Port of Shanghai recorded a container throughput of 11.4 million TEU from January to May, up 18 % year on year, slightly surpassing the volume recorded in the same period in 2008 before downturn. The port's throughput is expected to be able to exceed the earlier prediction of 25.5 million TEU by the end of this year.

Shanghai's throughput has carried a strong growth during this year contributes to the rapid increase in trade. During the first four months, Shanghai handled 208 million tons of cargo, up 21 % year on year. The port can do better than expected if it continues this growth throughout the year.

Cosco container line vice manager Chen Xiang said that the Europe and American trade lanes will see a healthy growth in cargo volume as retailers replenish their stock. He estimated that cargo traffic on these routes will be increasing at about seven or 8 % for the

whole year, while for the global container shipping market, cargo volume will grow at a rate of five to 10 %. Shanghai's box shipping rate is also increasing as traffic grows. The Shanghai Containerized Freight Index (SCFI) posted by Shanghai Shipping Exchange on June 4 hit 1,502 points, 35 % higher than in early this year.

Hutchinson port posts big gains

>> **Hong Kong:** Hong Kong-based Hutchison Port Holdings, the world's largest container port operator in volume, said its earnings before interest and taxes rose 35 percent as its container throughput increased 17 percent to 35.3 million 20-foot equivalent units in the first half of 2010.

The port division of Hutchison Whampoa had earnings before interest and taxes of \$782 million as revenue increased 14 percent to \$2.3 billion. The increased EBIT included a one-time \$71 million gain from a required marking of an investment to market value.

Volume for the group's ports and related services increased 15 percent in China and Hong Kong, 21 percent in the rest of Asia, 16 percent in Europe and 21 percent in the Americas. Profit rose 59 percent from operations in the Americas, 13 percent in China and Hong Kong, 14 percent in the rest of Asia and 4 percent in Europe. Hutchison operates in 51 ports in 25 countries.

Hutchison Whampoa, controlled by billionaire Li Ka-shing, had an overall 12 percent increase in net income to \$830 million. Revenue for the group, whose non-port interests include telecommunications, energy and real estate, rose 8 percent to \$19.7 billion. Group-wide EBIT increased 34 % to \$2.19 billion.

Not happy with us?

In that case we have to improve our service quality and hope to see you back soon ...

[UNSUBSCRIBE](#)

Edited and published by:

 **SONSEC** www.SONSEC.com
Global Maritime Service info@sonsec.com
Hong Kong – Shanghai – Hamburg

Note: This ePaper / newsletter is free of charge and was permitted and subscribed to by you or a third party under www.sonsec.com or at prior notification.