



FONASBA ANNUAL MEETING

The containership market

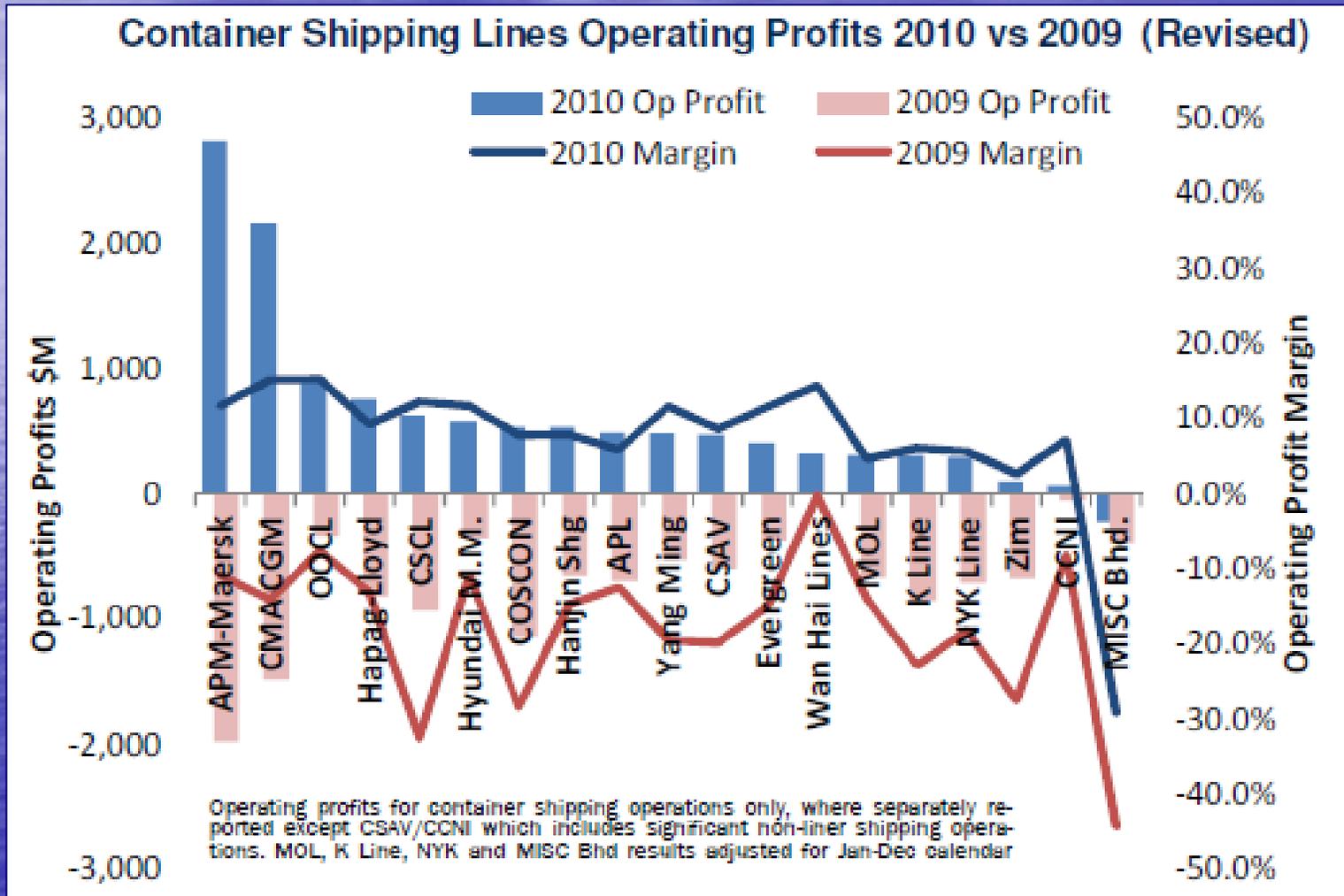
Centro de Navegación (Argentina)
Eng. Rodolfo García Piñeiro, Vice-president

Sydney, October 2011

Foreword

- 2010 a dramatic recovery in the containership sector.
- Operators lost \$ 15 bi in 2009, earned a record profit of \$ 13 bi in 2010.
- At the start of 2010, 11% of the fleet laid-up: 2,3% by the end of the year.
- Over two years nearly 300 ships (500,000 teu) were sent for demolition.
- No new orders were placed in same period.
- Two thirds of the fleet was operated at slow speed (absorbing 650,000 teu).
- Newbuilding orders appeared at the end of the year.

Loss 2009 vs Profit 2010

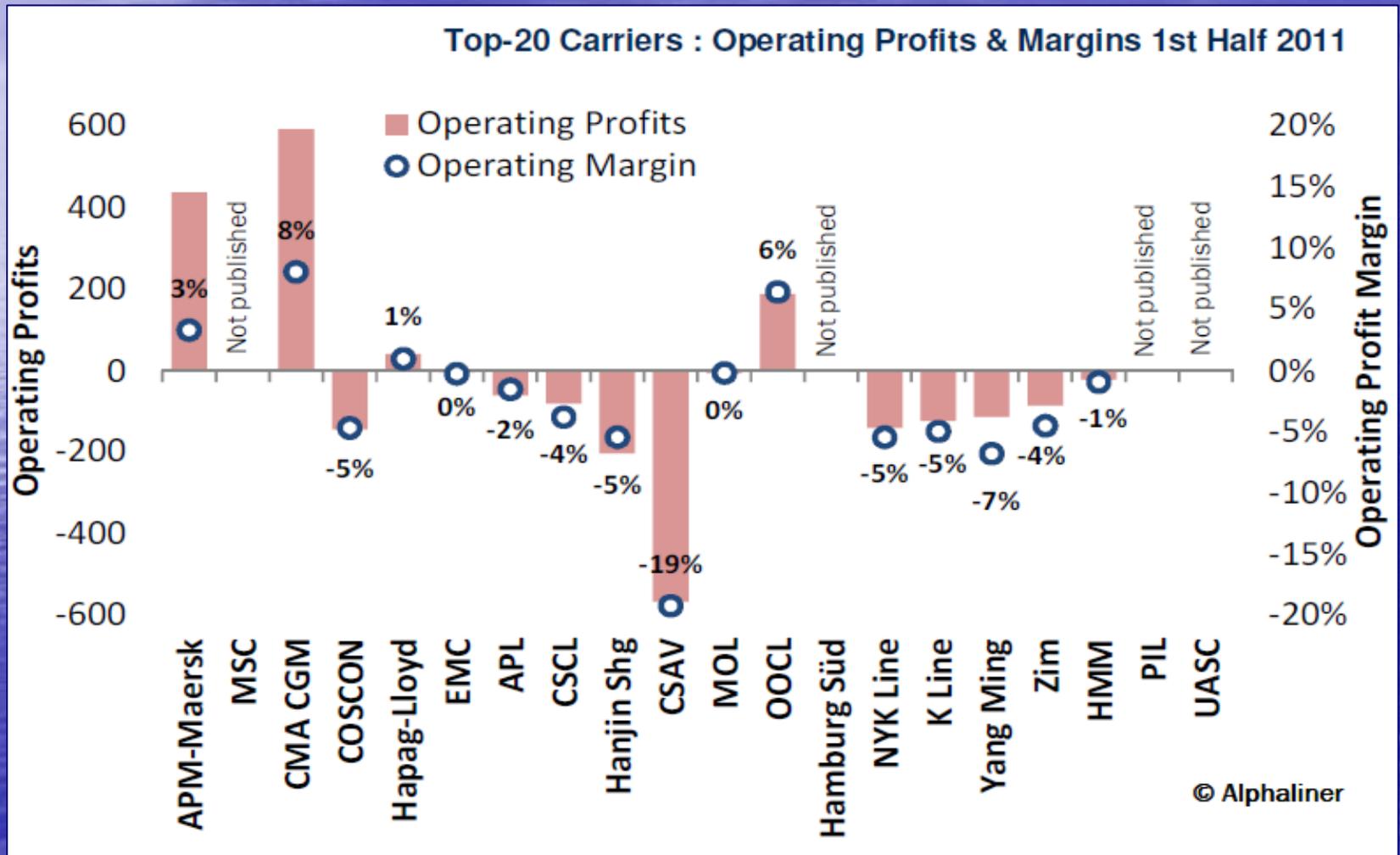


Overview

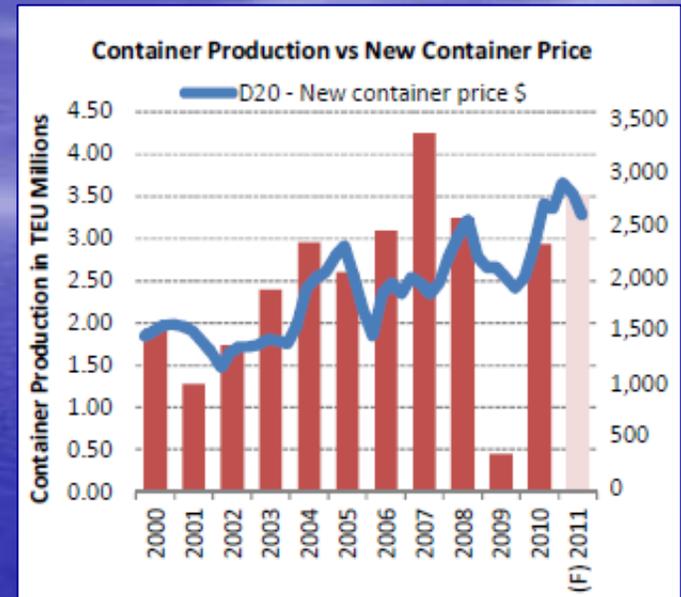
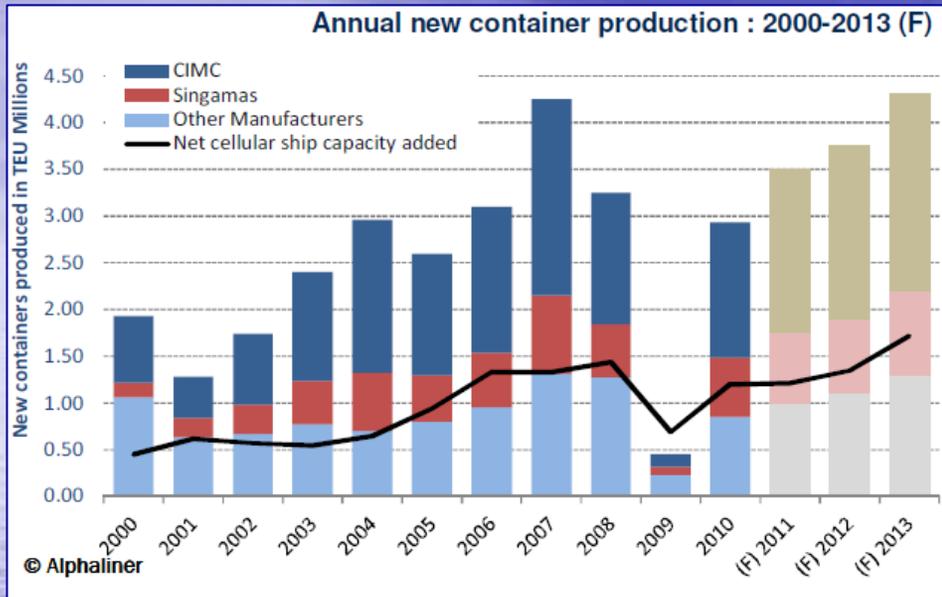
- Only 4 carriers reporting operating profits in the first half.
- Twelve carriers reporting operating losses in the first half.
- Four carriers don't publish their financial results.
- The poor operating environment of this year is mainly owed to the oversupply situation, which the carriers have so far failed to overcome.
- Carriers have no one to blame but themselves for the oversupply problem that the industry faces, attracted by low newbuilding prices, especially offered by Chinese yards.
- Unlike the 2009 recession, which resulted in the first fall in demand for container shipping ever experienced by the industry, the current slump is caused by an oversupply of capacity and weak demand growth in the European and US economies. And carriers have been more reluctant to abandon their market share strategies and thus maintained their individual operated capacity - even as earnings plunged.

Main Container Carriers

Operating profits & margins 1st. Half 2011



Container production



- The production of containers grew up since the 2009 slump and it is expected to reach up to 3.5 Mteu in 2011. The present manufacturing capacity of 4.5 Mteu per year is expected to be sufficient to meet industry demand in 2012 and 2013.
- The recovery in production capacity was supported by the record prices for new containers, which had increased to \$2,900 per 20' dry in early 2011. The price for new containers has since softened to \$2,450/20' ,due to the high inventory build-up and the lowerthan-expected demand.

The operators

- Container shipping still led by the same trio, Maersk Line, MSC and CMA CGM, who together control 37.3 % of the total fleet in teu terms. An increase of 2.6 % since october last year (34.7 %).
- Maersk increased its share from 14.5 % to 15.8 %.
- MSC increased its share from 12.1 % to 12.9 %.
- CMA CGM increased its share from 8.1 % to 8,6 %.
- Top 10 operators concentrate 62,2 % of the total fleet. (60,7 % last oct.)
- Most remarkable increase COSCO, racing through the ranking, from number 8 to number 4.
- Most remarkable decrease CSAV, from 3,7 % to 2,7 % falling through the ranking, from number 7 to number 10.

Top 20 league

(September, 2011)

Prev Rnk	Rnk	Operator	TEU	Share	Existing fleet	Orderbook
	1	APM-Maersk	2,472,526	15.8%		
	2	Mediterranean Shg Co	2,029,261	12.9%		
	3	CMA CGM Group	1,342,212	8.6%		
8	4	COSCO Container L.	650,840	4.2%		
6	5	Hapag-Lloyd	624,916	4.0%		
4	6	Evergreen Line	610,924	3.9%		
5	7	APL	590,760	3.8%		
9	8	CSCL	506,592	3.2%		
10	9	Hanjin Shipping	486,828	3.1%		
7	10	CSAV Group	430,786	2.7%		
11	11	MOL	422,475	2.7%		
13	12	OOCL	413,601	2.6%		
14	13	Hamburg Süd Group	410,076	2.6%		
12	14	NYK Line	397,473	2.5%		
16	15	K Line	342,763	2.2%		
17	16	Yang Ming Marine Transport Corp.	336,328	2.1%		
15	17	Zim	334,082	2.1%		
18	18	Hyundai M.M.	297,207	1.9%		
19	19	PIL (Pacific Int. Line)	265,382	1.7%		
20	20	UASC	231,281	1.5%		

Fuente: AXS-AlphaLiner

Top 20 container shipping lines

(September, 2011)

Alphaliner - Top 100 : Operated fleets as per 20 September 2011

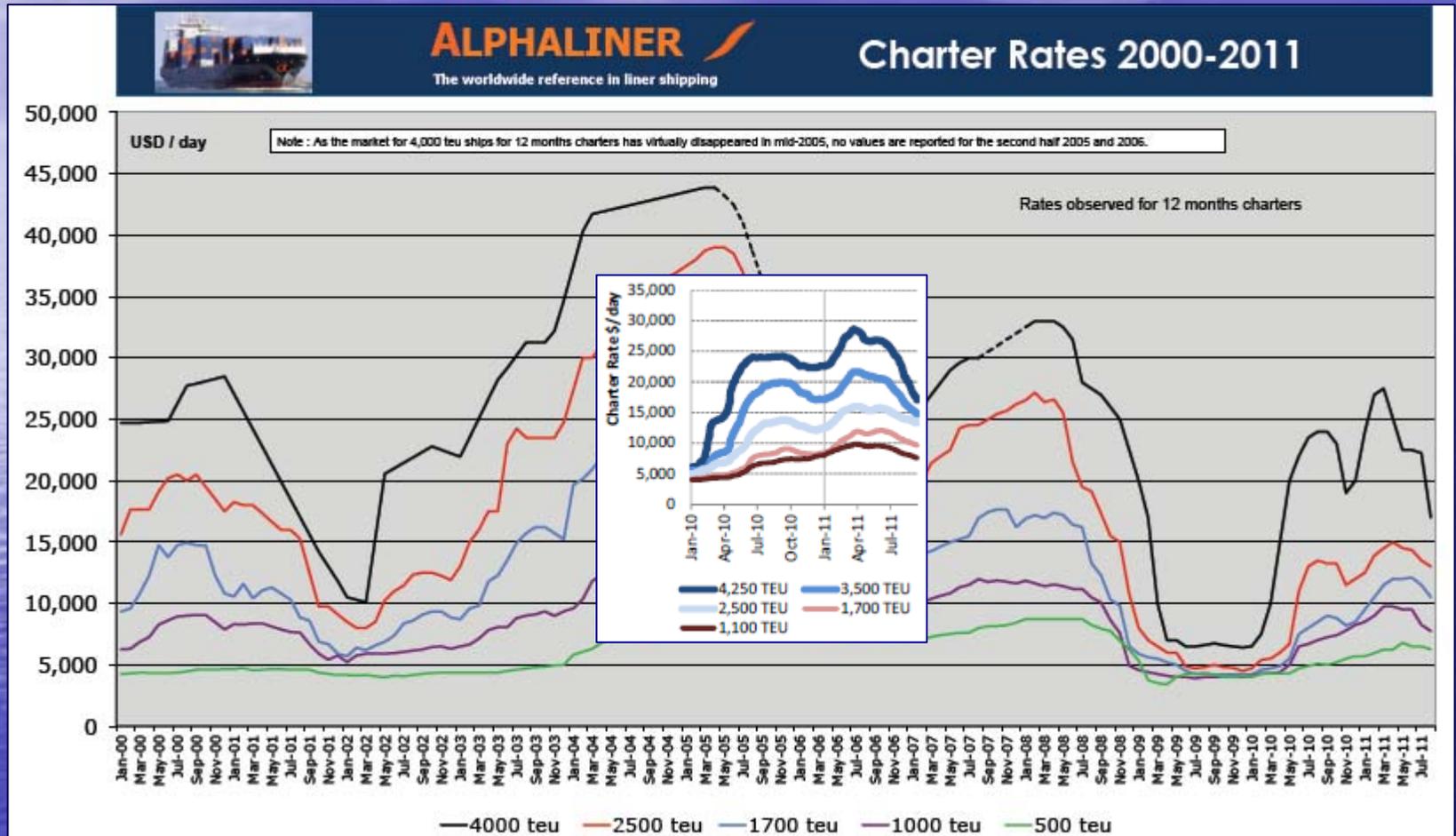
Rnk	Operator	TOTAL		Owned		Chartered			Orderbook		
		TEU	Ships	TEU	Ships	TEU	Ships	% Chart	TEU	Ships	% existing
1	APM-Maersk	2,472,526	648	1,165,489	215	1,307,037	433	52.9%	557,111	55	22.5%
2	Mediterranean Shg Co	2,029,261	473	1,000,349	210	1,028,912	263	50.7%	471,246	44	23.2%
3	CMA CGM Group	1,342,212	402	506,140	94	836,072	308	62.3%	146,250	15	10.9%
4	COSCO Container L.	650,840	148	348,427	96	302,413	52	46.5%	244,168	32	37.5%
5	Hapag-Lloyd	624,916	143	267,259	56	357,657	87	57.2%	131,000	10	21.0%
6	Evergreen Line	610,924	167	330,167	88	280,757	79	46.0%	308,000	35	50.4%
7	APL	590,760	147	169,547	45	421,213	102	71.3%	300,880	29	50.9%
8	CSCL	506,592	144	315,864	76	190,728	68	37.6%	93,896	12	18.5%
9	Hanjin Shipping	486,828	102	220,895	37	265,933	65	54.6%	246,417	31	50.6%
10	CSAV Group	430,786	101	45,632	10	385,154	91	89.4%	36,000	4	8.4%
11	MOL	422,475	100	215,352	36	207,123	64	49.0%	120,830	13	28.6%
12	OOCL	413,601	87	281,432	46	132,169	41	32.0%	132,576	12	32.1%
13	Hamburg Süd Group	410,076	118	200,646	47	209,430	71	51.1%	211,488	34	51.6%
14	NYK Line	397,473	101	299,163	57	98,310	44	24.7%	61,908	6	15.6%
15	K Line	342,763	80	226,050	40	116,713	40	34.1%	45,200	5	13.2%
16	Yang Ming Marine Tran	336,328	82	200,377	47	135,951	35	40.4%	95,626	15	28.4%
17	Zim	334,082	99	158,129	34	175,953	65	52.7%	153,216	13	45.9%
18	Hyundai M.M.	297,207	61	100,646	17	196,561	44	66.1%	156,075	15	52.5%
19	PIL (Pacific Int. Line)	265,382	140	161,819	93	103,563	47	39.0%	78,400	22	29.5%
20	UASC	231,281	55	126,696	28	104,585	27	45.2%	104,800	8	45.3%

Fuente: AXS-Alphaliner

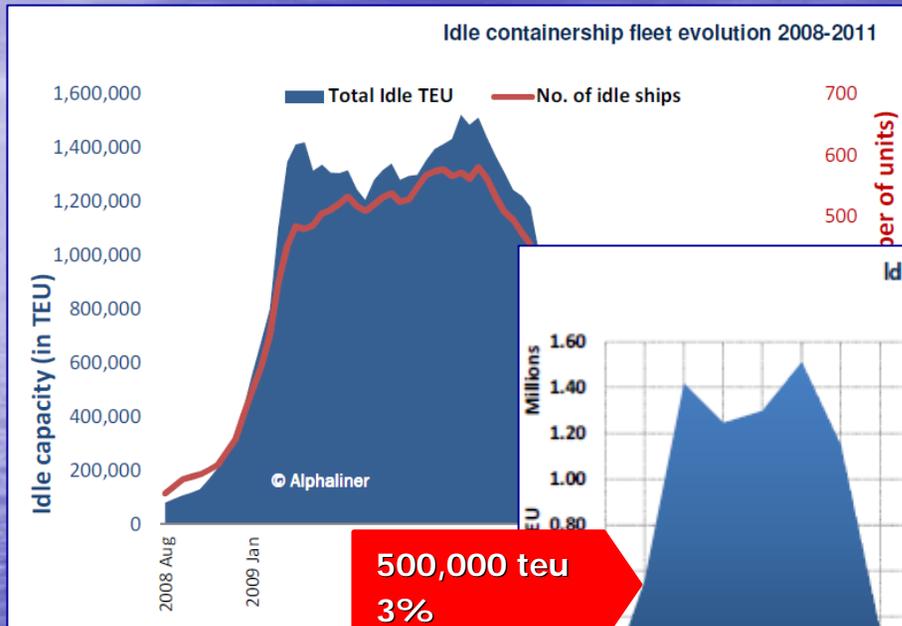
The charter market

- The charter market continued recovering during the 1Q of 2011.
- Commenced falling at the beginning of the 2Q.
- Charter market cools as idle fleet expected to rise.
- The average duration of fixtures was cut from ten months at the beginning of this year to seven months currently.
- The current trend suggests that charter rates would slip further by the end of the year, as any increase in idle capacity will increase pressure on ship owners, forcing them to accept lower rates.
- No signs of a recovery in a medium term.

Charter rates evolution (July, 2011)

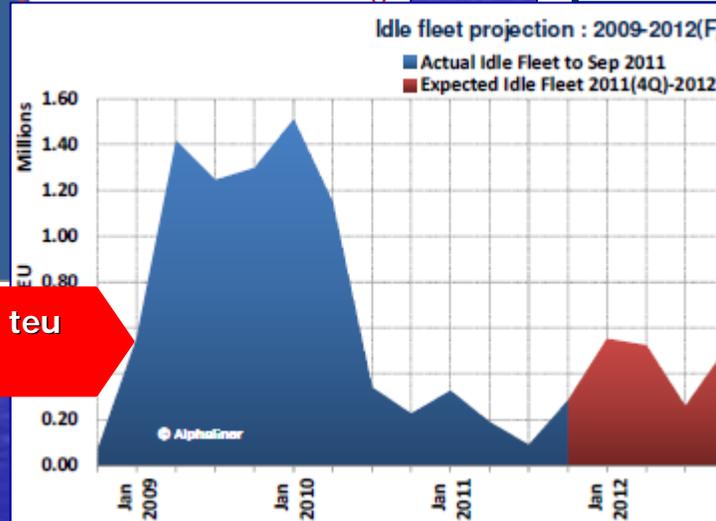


Evolution & forecast idle fleet.



Idle containerships as at 12 Sep 2011

TEU Range	Units idle
500-999	35
100-499	46
50-99	18
10-49	24
1-9	5
Lower	1
Total	129



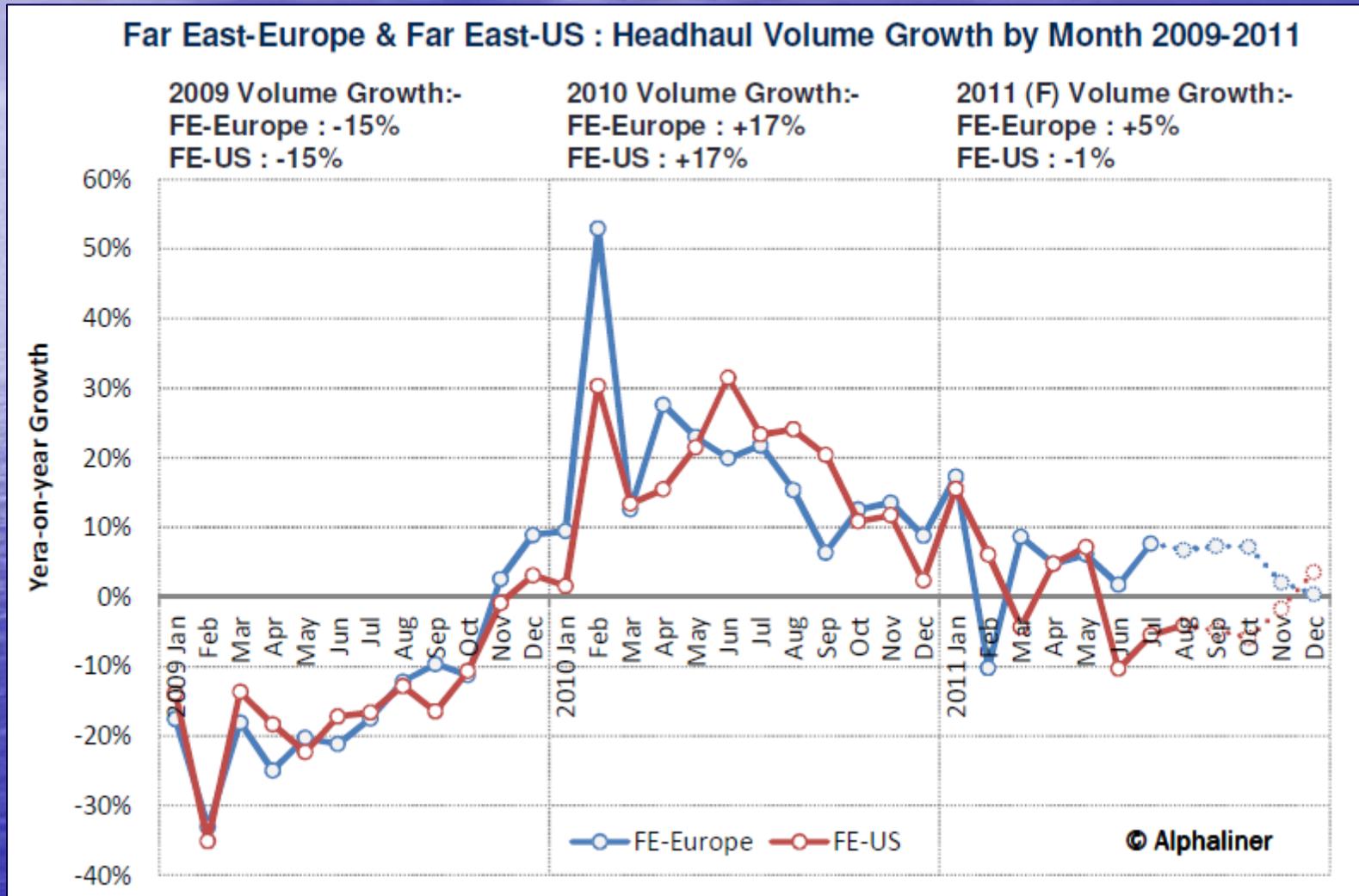
The number of idle containerships continues to rise, with 129 ships for 270,000 teu at mid-September, representing 1.8% of the total cellular containership fleet.

✓Source: Alphaliner.

The trades

- Cargo volumes on the Far East-North America Trade are expected to fall by 1% during 2011.
- Rates are expected to remain weak until the end of the year.
- Utilization levels have averaged below 90% this year
- Carriers are expected to lose more than \$ 300 Mi this year.
- Spot rates on the Shanghai-USWC route to fell to the current level of \$1,589/feu. This is 36% lower than in September of 2010.
- Far East to Europe volumes are expected to grow by 5% this year, but the current economic uncertainty is expected to result in a weak year-end period for the European trades as well.

The transpacific trade



Cellular fleet

- 262 cellular containerhips were delivered last year 2010.
- The cellular fleet at 1st of September 2011 comprises 4,922 ships for 15,160,000 teu.
- Vessel deliveries are expected to reach 207 units for 1,28 Mteu this year.
- The fleet should rise 8.4 % during 2011.
- The order book counts 665 ships for 4,61 Mteu representing 30,4% of the existing fleet.
- 90.2 % of the capacity on order concentrated on ships over 4,000 teu.
- Almost half of the containership capacity on order is concentrated in vessels of above 10,000 teu.
- 60 ships representing 62,101 teu were scrapped.

Celular fleet, existing & orderbook



ALPHALINER
The worldwide reference in liner shipping

Cellular Fleet at 1st Sept 2011

- > The cellular fleet counts 4922 ships for 15,16 M teu - of which 51,5 % are chartered from non-operating owners
- > The cellular fleet aggregates 96.8 % of the total capacity deployed on liner trades in teu terms
 - >> Out of a total of 5,969 ships active on liner trades for 15.65 M teu and 204.1 M tdw
- > The orderbook counts 665 ships for 4,61 M teu representing 30,4 % of the existing fleet) (firm orders only)
- > The orderbook includes 312 ships for 1,74 M teu with charter status representing 37,7 % of the total orderbook

CELLULAR Size ranges	01 September 2011 - Existing					01 September 2011 - Orderbook					O / E
	All		Of which chartered fm NOO			All		Of which chartered fm NOO			
TEU	ships	teu	ships	teu	% Cht	ships	teu	ships	teu	% Cht	
10000-18000	107	1 345 516	39	502 246	37,3%	167	2 250 074	56	706 656	31,4%	167,2%
7500-9999	285	2 452 900	104	882 591	36,0%	108	955 672	27	239 544	25,1%	39,0%
5100-7499	452	2 770 487	188	1 155 873	41,7%	64	418 856	37	229 380	54,8%	15,1%
4000-5099	697	3 150 002	382	1 719 959	54,6%	115	524 779	52	245 363	46,8%	16,7%
3000-3999	325	1 109 208	175	601 008	54,2%	55	206 181	46	166 091	80,6%	18,6%
2000-2999	718	1 826 392	537	1 369 263	75,0%	41	107 731	23	59 299	55,0%	5,9%
1500-1999	592	1 004 275	385	652 673	65,0%	46	79 728	34	57 868	72,6%	7,9%
1000-1499	702	826 733	440	518 823	62,8%	51	56 124	25	26 722	47,6%	6,8%
500-999	797	589 728	512	385 876	65,4%	18	15 401	12	10 768	69,9%	2,6%
100-499	247	80 513	66	22 349	27,8%						
TOTAL	4 922	15 155 754	2 828	7 810 661	51,5%	665	4 614 546	312	1 741 691	37,7%	30,4%

* Note : the existing chartered fleet takes into account ships chartered out by non-operating owners to operators, thus it does not take into account 108 ships for 351,765 teu which are normally owned by an owner-operator but are chartered out to another operator, either for operational reasons (operational exchanges within alliances or partnerships) or because they are surplus to their owners requirements.

Celular fleet forecast

(Sept. 2011)

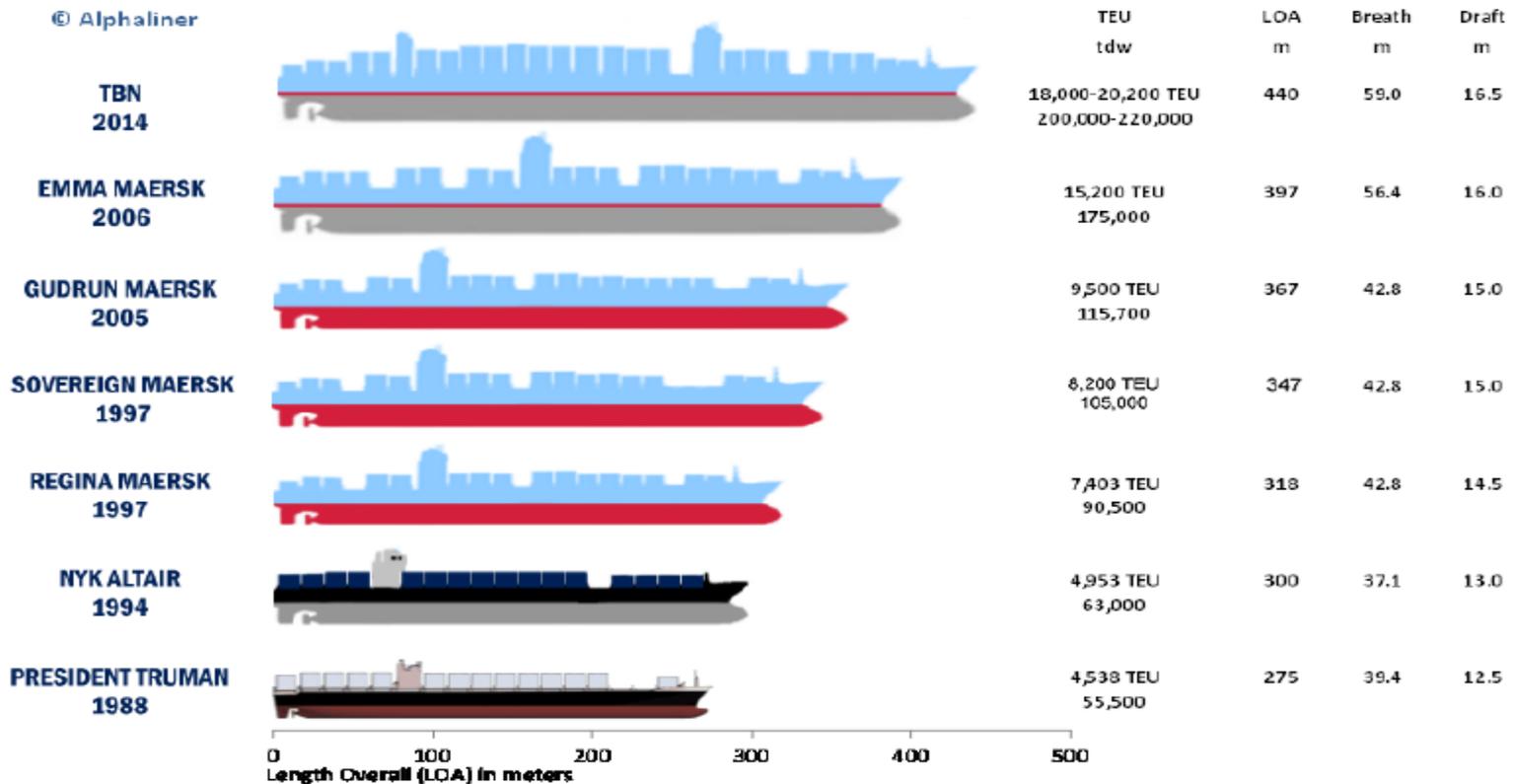
 ALPHALINER The worldwide reference in liner shipping												Cellular Fleet Forecast											
This table provides a forecast of the cellular fleet growth > The data enclosed in this table is given as guidance only and in good faith without guarantee > This table can be reproduced free of charge provided that the source is mentioned > These figures are derived from the orderbook monitored by Alphaliner, published at www.alphaliner.com											8 sept 2011	Cellular Fleet Deliveries This table provides a forecast of the cellular fleet deliveries > The data enclosed in this table is given as guidance only and in good faith without guarantee > This table can be reproduced free of charge provided that the source is mentioned > These figures are derived from the orderbook monitored by Alphaliner, published at www.alphaliner.com											
Cellular fleet projections 2011-2014 Based on orderbook as at 01 September 2011 and assuming no ships are deleted after that date (other than those planned)												Cellular ships deliveries by year : 2011 / 2012 / 2013 / 2014 Based on orderbook as at 01 September 2011											
SUMMARY > The fleet has risen by 9,2% during 2010. > The fleet should rise by 8,4% during 2011, 8,5% during 2012 and 10,2% during 2013. > The average growth for the THREE years from 1/1/2011 to 1/1/2014 stands at 9%.												Note - The addition of the capacity by range at 1st Jan 2011 and of the capacity planned for delivery during the year 2011 leads to a figure which is higher than the capacity stated as at 31 Dec 2011. The difference comes from the capacity removed from the fleet (scrappings and losses) since 1st Jan 2011, or committed for scrap at that date. (i.e. 60 ships for 62101 teu).											
Fleet as at :	31 Dec 2010		31 Dec 2011		31 Dec 2012		31 Dec 2013		31 Dec 2014		Rise p.a. (3 years)												
TEU nominal	ships	teu	teu terms	TEU nominal	ships	teu	ships	teu	ships	teu	ships	teu											
10000-18000	71	887 598	118	1 484 740	171	2 161 870	222	2 864 830	262	3 420 590	47,8%	10000-18000	47	597 142	53	677 130	51	702 960	40	555 760			
7600-9999	264	2 262 471	289	2 488 528	316	2 726 206	363	3 146 220	390	3 390 144	11,6%	7600-9999	25	218 705	27	232 478	47	420 014	27	243 924			
5100-7499	431	2 631 084	462	2 835 935	486	2 990 593	510	3 149 743	516	3 189 343	6,2%	5100-7499	31	204 851	24	154 658	24	159 150	6	39 600			
4000-5099	680	3 074 686	710	3 210 200	752	3 397 956	809	3 661 733	811	3 671 333	6,0%	4000-5099	31	139 748	42	187 756	57	263 777	2	9 600			
3000-3999	322	1 098 580	328	1 118 840	347	1 186 367	382	1 314 648	382	1 314 648	6,2%	3000-3999	6	20 260	19	67 527	35	128 281					
2000-2999	718	1 823 552	723	1 839 363	733	1 865 845	759	1 933 617	759	1 933 617	2,0%	2000-2999	14	37 575	10	26 482	26	67 772					
1600-1999	586	992 875	596	1 011 229	612	1 039 079	638	1 083 827	638	1 083 827	3,0%	1600-1999	15	26 684	16	27 850	26	44 748					
1000-1499	702	827 232	717	845 642	748	878 746	754	885 152	754	885 152	2,3%	1000-1499	28	33 051	31	33 104	6	6 406					
600-999	807	591 818	804	593 060	817	603 849	817	603 849	817	603 849	0,7%	600-999	10	8 403	13	10 789							
100-499	268	87 390	244	79 817	244	79 817	244	79 817	244	79 817	-3,0%	100-499											
TOTAL	4 848	14 277 288	4 981	16 607 364	5 228	18 890 328	5 498	18 723 498	5 673	18 672 320	9,5%	TOTAL	207	1 288 419	236	1 417 774	272	1 793 108	76	848 884			
TOTAL after Exp. Scrap/Silp	4 848	14 277 288	4 987	16 474 466	5 148	18 782 428	5 378	18 600 637	5 403	18 249 421	9,0%	Exp. Silppage	-4	-10 000	-4	-16 000	8	26 000					
Rise 12 months	2010 >	9,2%	2011 >	8,4%	2012 >	8,5%	2013 >	10,2%	2014 >	4,0%		TOTAL after Silpp.	203	1 278 419	231	1 402 774	280	1 818 108					
* Forecast figures take into account delivery deferrals and silppage. ** Rise p.a. (3 years) represents the average per annum growth during the three years 2011-2012-2013.																							
TOTAL after Exp. Scrap/Silp Expected fleet after provision for future scrappings and delivery silppage, based on the following assumptions : > Silppage : 4 ships for 10,000 teu planned for delivery in 2011 are assumed to be delayed to 2012-2013. > Scrappings and de-cellings are estimated to reach 85,000 teu in 2011 and 100,000 teu per year in 2012-2014.																							
Note - Only actual scrappings or scrapping commitments are accounted for in the breakdown by size ranges																							

Evolution of containerships size.

Chart of the week

Evolution of the world's largest containerships 1985-2011

© Alphaliner



The Triple-E

- Maersk ordered 20 18.000 teu vessels, during the first half of this year.
- **E**conomy of scale, **E**nergy efficiency , **E**nvironmentally improved.
- Would reduce the cost of transport by around 20% to 30% per container, a heat recovery system that captures and reuses energy from the engines and will produce between 20-50 % less CO2.
- Ships will be delivered starting in 2013.
- Each ship is priced at \$ 190 M each.
- Length 400 m.
- Breadth 59 m.
- Designed draft 14.8 m.
- Allowed to stow 23 rows on deck.
- Two main engines, design speed 21 knots.



Daily Maersk

- Maersk unveiled its 'Daily Maersk' product.
- Daily cut-offs from Shanghai, Ningbo, Yantian and Tanjung Pelepas to three European main ports: Felixstowe, Rotterdam and Bremenhaven.
- Also proposes a new measure of punctuality based on "transportation time" which counts the total time taken to deliver a container from cut-off at origin to container availability at destination.
- It offers a compensation of \$100 per container if cargo availability is delayed by 1-3 days, or \$300 if delayed by 4 days.
- Even without offering daily cutoffs, most of Maersk's competitors are able to offer transportation times that are comparable to what Daily Maersk offers.

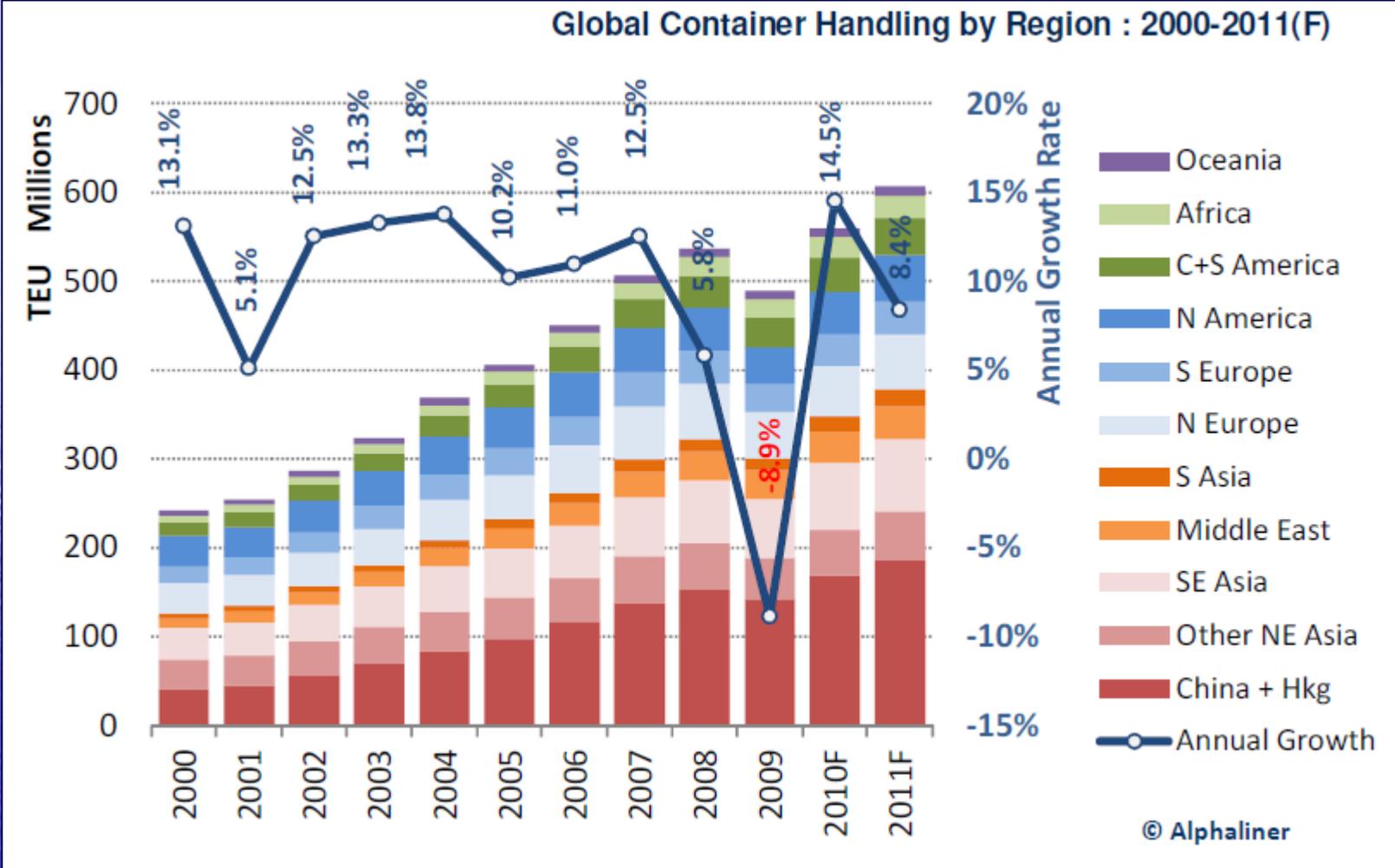
Container shipping

- Last year, global container throughput hit a new record of 560 Mteu., a record increase of 14.5% compared to the year before.
- The highest growth was posted by Chinese ports which grew by 17.9% last year, followed by South American ports which grew by 17.6%
- 2011 growth is expected to moderate to 8.4% as volumes return to more sustainable levels with Chinese ports again expected to lead the gains this year .

Main Ports

	Port	2010	%
1	Shanghai	29,069	16,3
2	Singapore	28,431	9,9
3	Hong Kong	23,699	12,6
4	Shenzhen	22,510	23,3
5	Busan	14,194	18,5
6	LA/LB	14,095	19,3
7	Ningbo	13,144	25,1
8	Guangzhou	12,550	12,1
9	Qingdao	12,012	17,0
10	Dubai	11,600	4,3
11	Rotterdam	11,142	14,4
12	Tianjin	10,080	15,8
13	Kaohsiung	9,181	7,0
14	Port Kelang	8,872	21,4
15	Antwerp	8,468	15,9
16	Hamburg	7,908	12,5
17	Tanjung Pelepas	6,536	8,6
18	Xiamen	5,824	24,4
19	NY/NJ	5,292	16,0
20	Dalian	5,262	15,0

Global container port handling volumes



✓Source: Alphaliner Newsletter.

Finally

The world's container shipping market may remain bleak for the rest of the year, after seeing shipping rates halved in the third quarter.

We will start to see shipowners idling their ships again.

Shipping rates are expected to fall further in the fourth quarter.

¡ Thanks !



www.centrodenavegacion.org.ar