



FONASBA ANNUAL MEETING

The containership market

Centro de Navegación (Argentina)
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Lima, October 2013

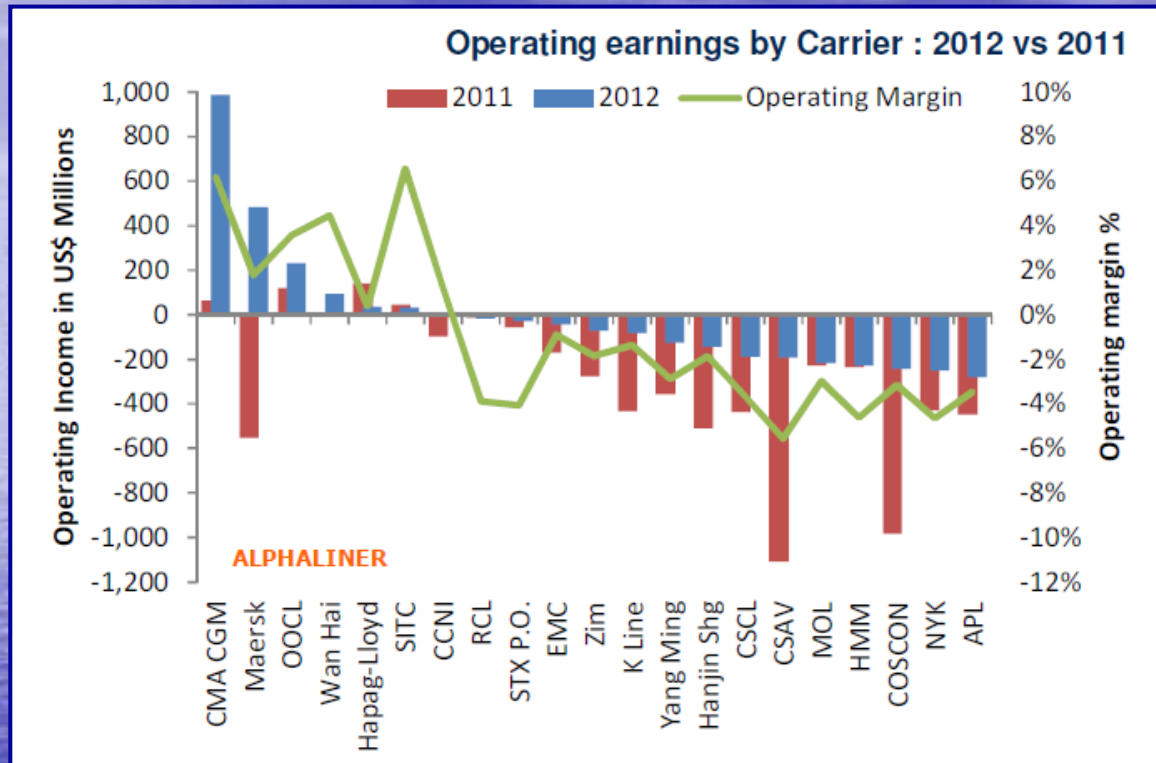
Overview 2012 (general)

- 2012 not a year to remember in the shipping industry.
- Market depressed by the world economy crisis.
- Slowdown in chinese groth.
- Facts that weakened shipping as well as shipbuilding.
- An historic record of nearly 55 mi dwt scrapped. It is expected a growth this year.
- New orders at their lowest level 840 ships, 48 mi dwt.
- Second-hand ships at low prices.
- Oversupply of ships in all sectors.

Overview 2012 (container)

- Overcapacity continued all through 2012.
- Unstable container freight market.
- Few carriers managed to make profits.
- Idle fleet remained in high level.
- Weak charter rates. NOO struggling.

Operating earning by carrier 2012 vs 2011



Operating profits by carriers 2012 vs 2011

In US\$ M	2012	2011	2012 Margin
CMA CGM	989	63	6.2%
Maersk	483	-552	1.8%
OOCL	230	118	3.6%
Wan Hai	94	-11	4.5%
Hapag-Lloyd	34	141	0.4%
SITC	32	45	6.6%
CCNI	11	-98	1.2%
RCL	-17	-13	-3.9%
STX P.O.	-28	-56	-4.1%
EMC	-43	-170	-0.9%
Zim	-73	-276	-1.8%
K Line	-83	-431	-1.4%
Yang Ming	-128	-355	-2.9%
Hanjin Shg	-144	-508	-1.9%
CSCL	-190	-435	-3.7%
CSAV	-191	-1,107	-5.6%
MOL	-215	-229	-3.0%
HMM	-228	-237	-4.6%
COSCON	-242	-982	-3.2%
NYK	-250	-430	-4.6%
APL	-279	-446	-3.5%

Combined operating losses of 21 of the top 30 carriers reached u\$d 239 mi

Source: Alphaliner

Shipbuilding

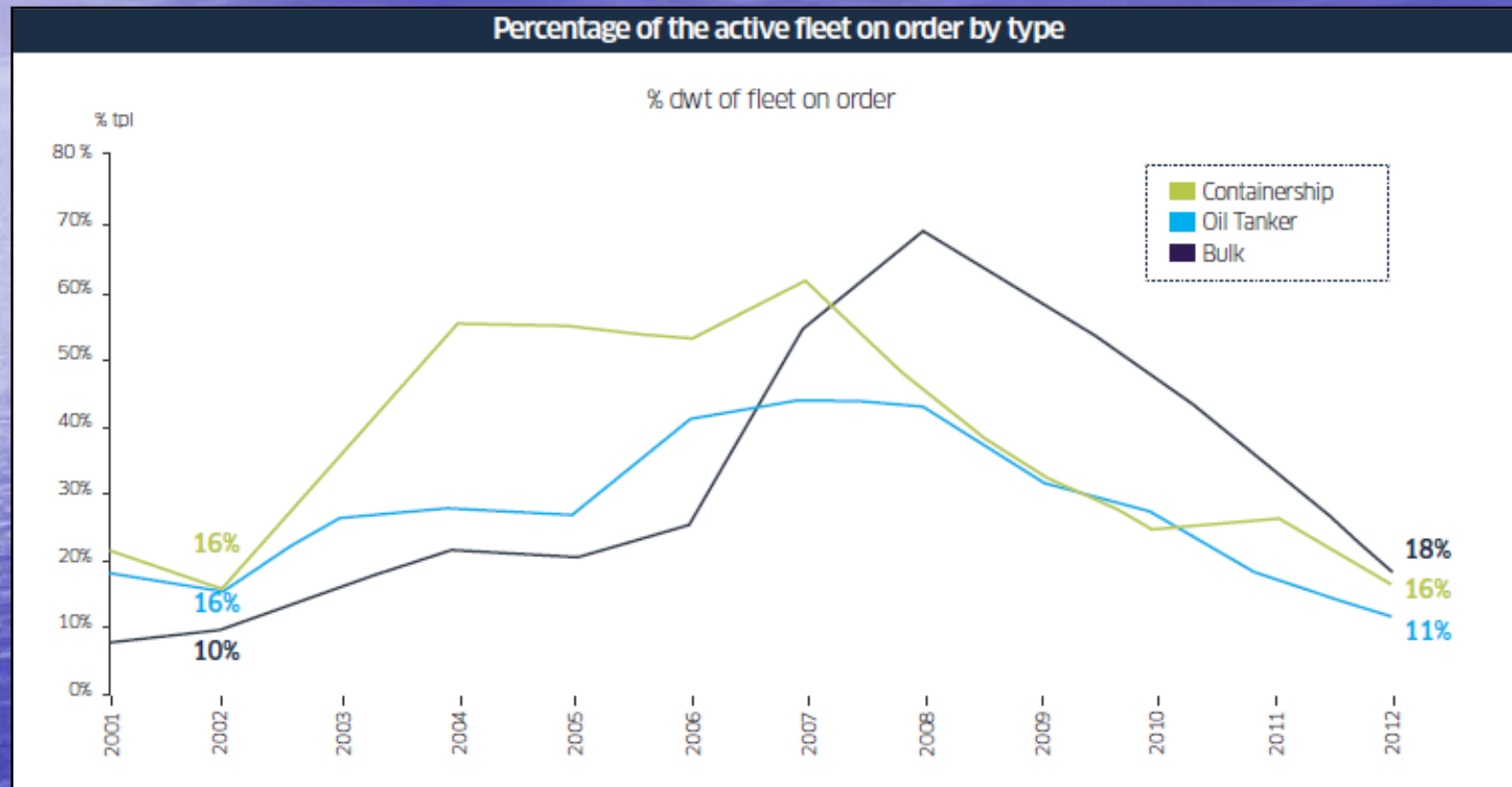
- Has been in crisis for four years.
- Shipbuilding overcapacity.
- Lack of bank financing.
- Reduction of sale prices.

But.....

- Reduction in deliveries.
- Increase in the rate of demolition.
- Reduction in prices (around 50% since 2008 highs).

Shipbuilders and shipowners feeling that prices have reached an all-time low. And they need fuel efficient and less polluting ships.

The orderbook evolution



End 2011: Bulk 34% - Oil tanker 16% - Container 26%

Source: Alphaliner

Newbuilding prices evolution

Variation in Newbuilding Prices (million \$)								
		1993	End 2002	Peak 2Q 2008	End 2011 China	End 2011 South Korea	End 2012 China	End 2012 South Korea
Tankers	VLCC	100	64	140/155	90/95	95/100	80/85	90/95
	Suezmax	63	44	90/100	56/63	63/67	50/52	55/57
	Aframax	45	34	70/75	50/55	53/55	42/43	46/48
	MR Product	32,5	27	48/51	33/36	33/37	29/30	32/33
Bulkers	Capesize (180 000 dwt)	48	36	90/100	48/49	52/53	44/46	48/50
	Panamax (P)/ /Kansarmax (K)	29 (P)	21,5 (P)	53/60 (K)	29/31 (K)	33/34 (K)	26/27 (K)	28/29 (K)
	Handymax (H)/ Supramax (S)/ Ultramax (U)	25 (H)	20 (S)	47/50 (S)	26/29 (U)	30/32 (U)	24/25 (U)	26/27 (U)

Handymax 45 000 dwt / Supramax 55 000 dwt / Ultramax 61 000 dwt

- The feeling at the end of 2012 is that prices have reached a bottom and should not drop any further in 2013.

Source: Alphaliner

Main Container Ports (2012)

Rank		Port	Country	TEU	up/down
1	(1)	Shanghai	China	32,529,000	2.5%
2	(2)	Singapore	Singapore	31,649,400	5.7%
3	(3)	HongKong	China	23,097,000	-5.3%
4	(4)	Shenzhen	China	22,941,300	1.6%
5	(5)	Pusan	South Korea	17,030,000	5.2%
6	(6)	Ningbo	China	16,830,000	14.3%
7	(7)	Guangzhou	China	14,743,600	2.2%
8	(8)	Qingdao	China	14,500,000	11.4%
9	(9)	Jebel Ali	Dubai UAE	13,280,000	10.6%
10	(11)	Tianjin Xingang	China	12,300,000	6.2%
11	(10)	Rotterdam	Netherlands	11,865,916	-0.1%
12	(13)	Port Kelang	Malaysia	1,001,495	11.2%
13	(12)	Kaohsiung	China	9,781,221	1.5%
14	(15)	Hamburg	Germany	8,863,896	-1.7%
15	(14)	Antwerp	Belgium	8,635,169	-0.3%
16	(16)	LosAngeles	USA	8,077,714	1.7%
17	(19)	Dalian	China	8,064,000	25.9%
18	(17)	Tanjung Pelepas	Malaysia	7,700,000	2.6%
19	(18)	Xiamen	China	7,201,700	11.4%
20	(22)	Tanjung Priok	Indonesia	6,200,000	6.8%
21	(21)	Bremerhaven	Germany	6,115,211	3.2%
22	(20)	LongBeach	USA	6,045,562	-0.3%
23	(23)	Laem Chabang	Thailand	5,926,436	3.4%
24	(24)	NY/NJ	USA	5,500,000	0.0%
25	(25)	Lianyungang	China	5,020,000	3.5%

Source: Daily Cargo – Kaiji Press

Comments

- No major change was observed among higher ranking ports.
- Seven Chinese ports are ranked in the top 10 ports.
- Singapore broke the 30 mi teu barrier for the first time.
- Several middle and far east ports showing a two-digit growth.
- Western ports disappeared from the top 10 list.
- Rotterdam stepping down to the 11th position.
- Ports in Europe in poor condition due their continuing stagnant economy.
- Ports in EEUU with a moderate growth rate.
- Volumes grew by 4.0% in 2012, compared to 8.7% in 2011. It was the slowest rate since 2009.

Top 20 container ports 2010-2012

Top 20 World container ports, 2012 - 2010

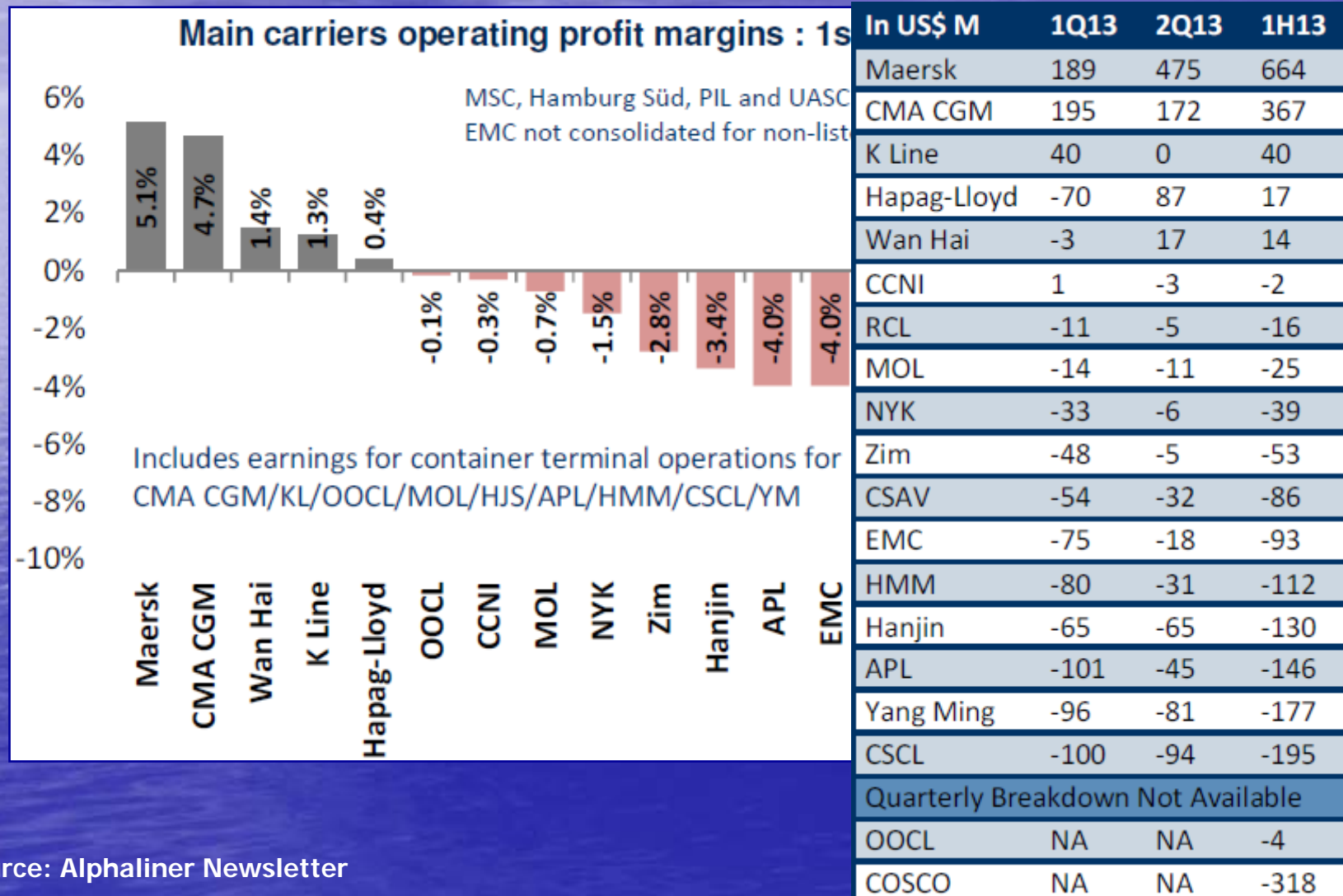
		2012	2011	2010
Shanghai ¹⁾	China	32,529	31,739	29,070
Singapore	Singapore	31,649	29,938	28,431
Hong Kong ²⁾	China	23,117	24,224	23,699
Shenzhen	China	22,941	22,570	22,510
Busan	South Korea	17,041	16,185	14,194
Ningbo & Zhoushan ³⁾	China	16,830	14,686	13,144
Guangzhou	China	14,744	14,400	12,550
Qingdao	China	14,500	13,020	12,012
Dubai Ports	United Arab Emirates	13,280	13,000	11,600
Tianjin	China	12,300	11,500	10,080
Rotterdam	Netherlands	11,866	11,877	11,148
Port Klang	Malaysia	10,001	9,604	8,872
Kaohsiung	Taiwan	9,780	9,636	9,181
Hamburg	Germany	8,864	9,014	7,896
Antwerp	Belgium	8,635	8,684	8,468
Los Angeles	United States of America	8,078	7,941	7,832
Dalian	China	8,060	6,400	5,242
Tanjung Pelepas	Malaysia	7,700	7,500	6,530
Bremerhaven	Germany	6,115	5,916	4,888
Long Beach	United States of America	6,046	6,061	6,263

Unit : Number x 1,000 TEU (Twenty-Foot Equivalent Units); ¹⁾ Including domestic trade and river trade; ²⁾ Including river trade; ³⁾ Ports combined in 2005

Source : Port Authorities

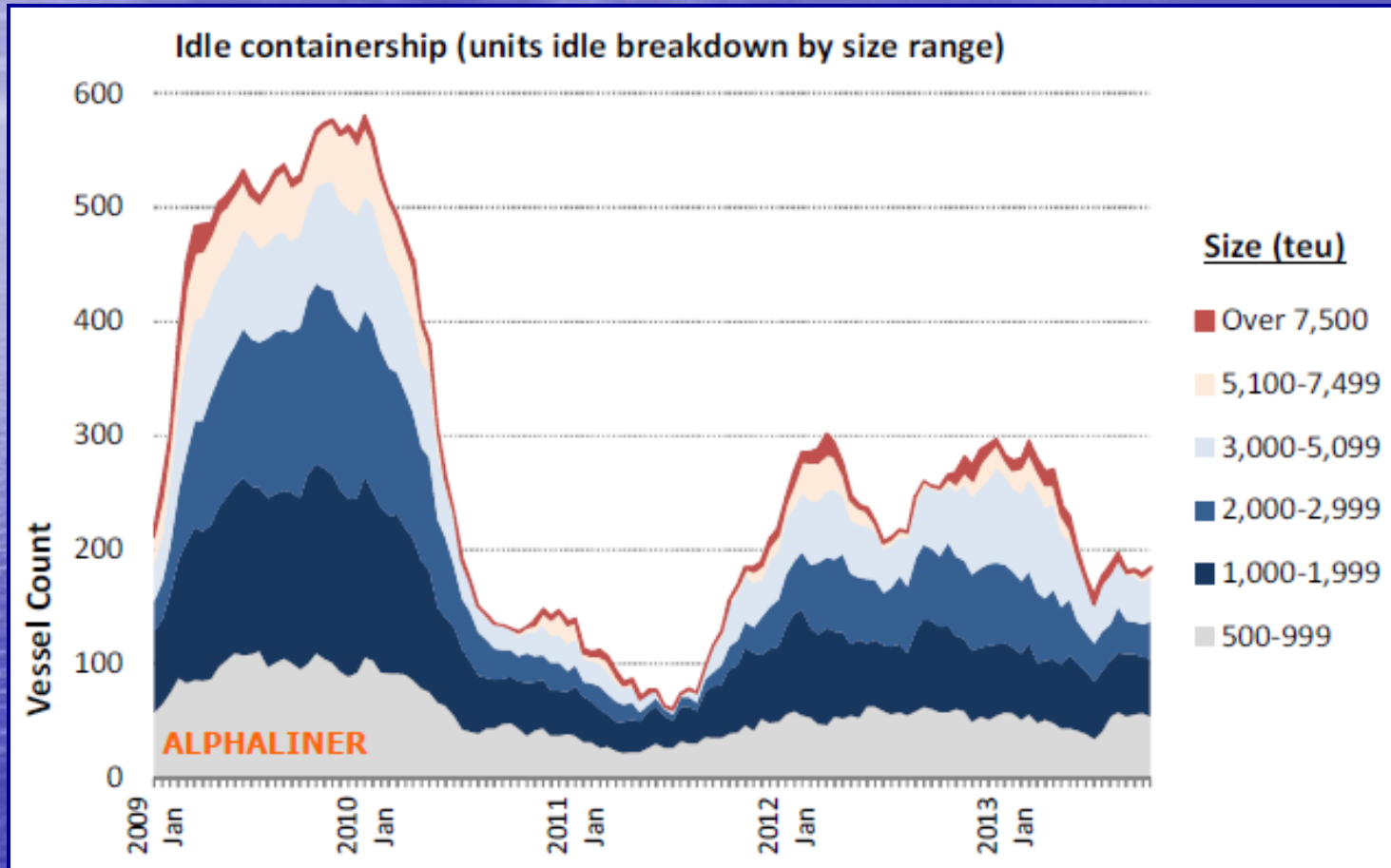
Source: Port Authorities

Main carriers operating margins



Source: Alphaliner Newsletter

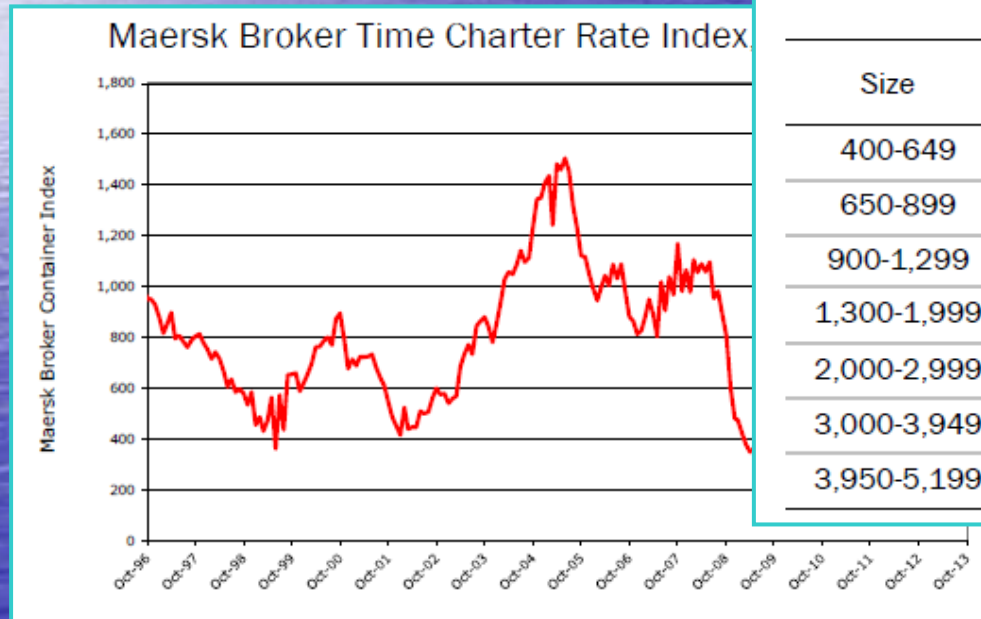
Idle fleet (sept. 23rd, 2013)



Idle fleet: 185 vessels, 415.700 teu, 2,4 % of the fleet, NOO 78 %. Idle fleet is expected to rise to 600.000 teu by the end of 2013.

The charter market

- The charter market remains fairly quiet. It is expected that charter rates will decrease further in the next month(s).

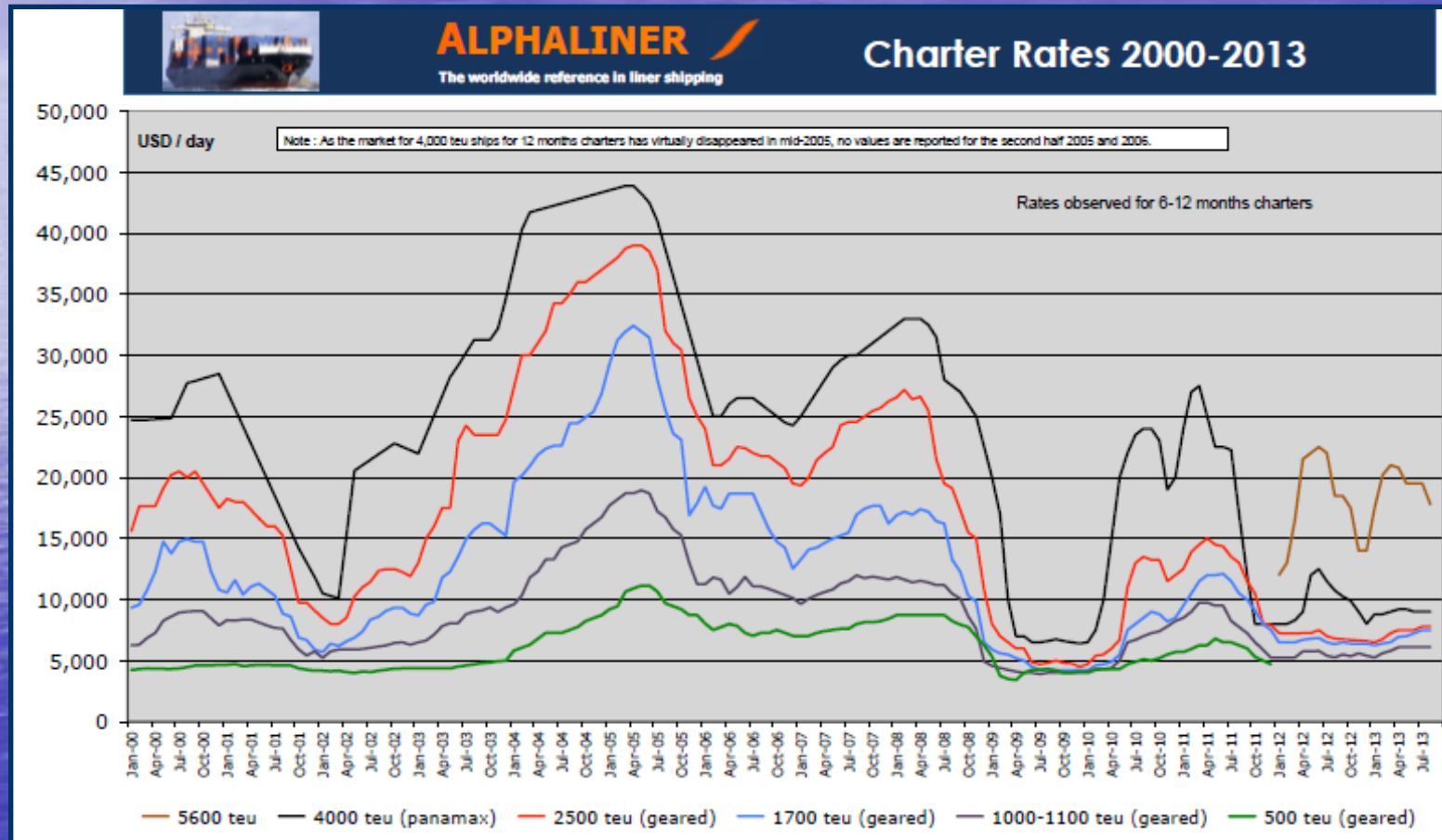


Average Container T/C Rates

Size	2012	2013(YTD)	4 Weeks MA	Trend (short term)
400-649	\$4,173	\$4,583	\$4,250	→
650-899	\$4,749	\$5,234	\$5,913	→
900-1,299	\$5,930	\$6,662	\$6,995	→
1,300-1,999	\$6,656	\$7,291	\$7,987	→
2,000-2,999	\$6,907	\$7,139	\$7,589	→
3,000-3,949	\$8,251	\$7,729	\$7,896	↘
3,950-5,199	\$10,212	\$9,193	\$8,858	↘

• Source: Maersk Broker

Charter rates evolution (Sep, 2013)



Source: Axs-Alphaliner

The operators

- Container shipping still led by the same trio, Maersk Line, MSC and CMA CGM, who together control 36,8 % of the total fleet in teu terms. A decrease of 0.1 % since october last year (36.9 %).
- Maersk decreased its share from 15.7 % to 14.9 %.
- MSC increased its share from 13.1 % to 13.4 %, narrowing the gap with Maersk.
- CMA CGM increased its share from 8.1 % to 8,5 %.
- Top 10 operators concentrate 63,7 % of the total fleet. (62,9 % last oct.)
- Most remarkable increase PIL, racing through the ranking, from number 18 to number 15.
- Most remarkable decrease Hyundai, falling through the ranking, from number 14 to number 18.

Source: Alphaliner

Top 20 league

(Sept. 2013)

Prev Rnk	Rnk	Operator	TEU	Share	Existing fleet	Orderbook
1	1	APM-Maersk	2,628,513	14.9%		
2	2	Mediterranean Shg Co	2,367,606	13.4%		
3	3	CMA CGM Group	1,501,899	8.5%		
5	4	Evergreen Line	823,265	4.7%		
4	5	COSCO Container L.	779,595	4.4%		
6	6	Hapag-Lloyd	723,060	4.1%		
8	7	Hanjin Shipping	640,797	3.6%		
7	8	APL	629,740	3.6%		
9	9	CSCS	603,963	3.4%		
10	10	MOL	550,189	3.1%		
11	11	OOCL	463,644	2.6%		
12	12	Hamburg Süd Group	447,763	2.5%		
13	13	NYK Line	444,308	2.5%		
16	14	Yang Ming Marine Transport Corp.	386,821	2.2%		
18	15	PIL (Pacific Int. Line)	368,060	2.1%		
15	16	K Line	354,701	2.0%		
17	17	Zim	341,565	1.9%		
14	18	Hyundai M.M.	335,493	1.9%		
19	19	UASC	280,550	1.6%		
20	20	CSAV Group	260,223	1.5%		

Source: AXS-AlphaLiner

Top 20 container shipping lines

(Sept. 2013)

Alphaliner - Top 100 : Operated fleets as per 23 September 2013

Rnk	Operator	TOTAL		Owned		Chartered			Orderbook		
		TEU	Ships	TEU	Ships	TEU	Ships	% Chart	TEU	Ships	% existing
1	APM-Maersk	2,628,513	579	1,401,763	244	1,226,750	335	46.7%	310,590	17	11.8%
2	Mediterranean Shg Co	2,367,606	487	1,043,301	191	1,324,305	296	55.9%	475,201	42	20.1%
3	CMA CGM Group	1,501,899	425	529,572	85	972,327	340	64.7%	195,490	19	13.0%
4	Evergreen Line	823,265	201	450,147	101	373,118	100	45.3%	260,383	25	31.6%
5	COSCO Container L.	779,595	168	422,040	107	357,555	61	45.9%	71,183	6	9.1%
6	Hapag-Lloyd	723,060	151	390,899	66	332,161	85	45.9%	39,507	3	5.5%
7	Hanjin Shipping	640,797	120	311,546	46	329,251	74	51.4%	85,400	11	13.3%
8	APL	629,740	120	303,400	43	326,340	77	51.8%	92,400	9	14.7%
9	CSCCL	603,963	141	421,070	79	182,893	62	30.3%	172,000	13	28.5%
10	MOL	550,189	111	214,722	35	335,467	76	61.0%	76,600	7	13.9%
11	OOCL	463,644	89	312,065	46	151,579	43	32.7%	61,968	6	13.4%
12	Hamburg Süd Group	447,763	104	271,065	51	176,698	53	39.5%	115,262	15	25.7%
13	NYK Line	444,308	100	300,513	54	143,795	46	32.4%	13,208	1	3.0%
14	Yang Ming Marine Tran	386,821	90	217,079	46	169,742	44	43.9%	245,200	22	63.4%
15	PIL (Pacific Int. Line)	368,060	172	227,254	111	140,806	61	38.3%	64,262	15	17.5%
16	K Line	354,701	68	127,352	21	227,349	47	64.1%	69,350	5	19.6%
17	Zim	341,565	87	133,394	25	208,171	62	60.9%	35,200	4	10.3%
18	Hyundai M.M.	335,493	58	100,646	17	234,847	41	70.0%	65,500	5	19.5%
19	UASC	280,550	51	198,164	26	82,386	25	29.4%	178,000	12	63.4%
20	CSAV Group	260,223	54	53,684	11	206,539	43	79.4%	90,900	10	34.9%

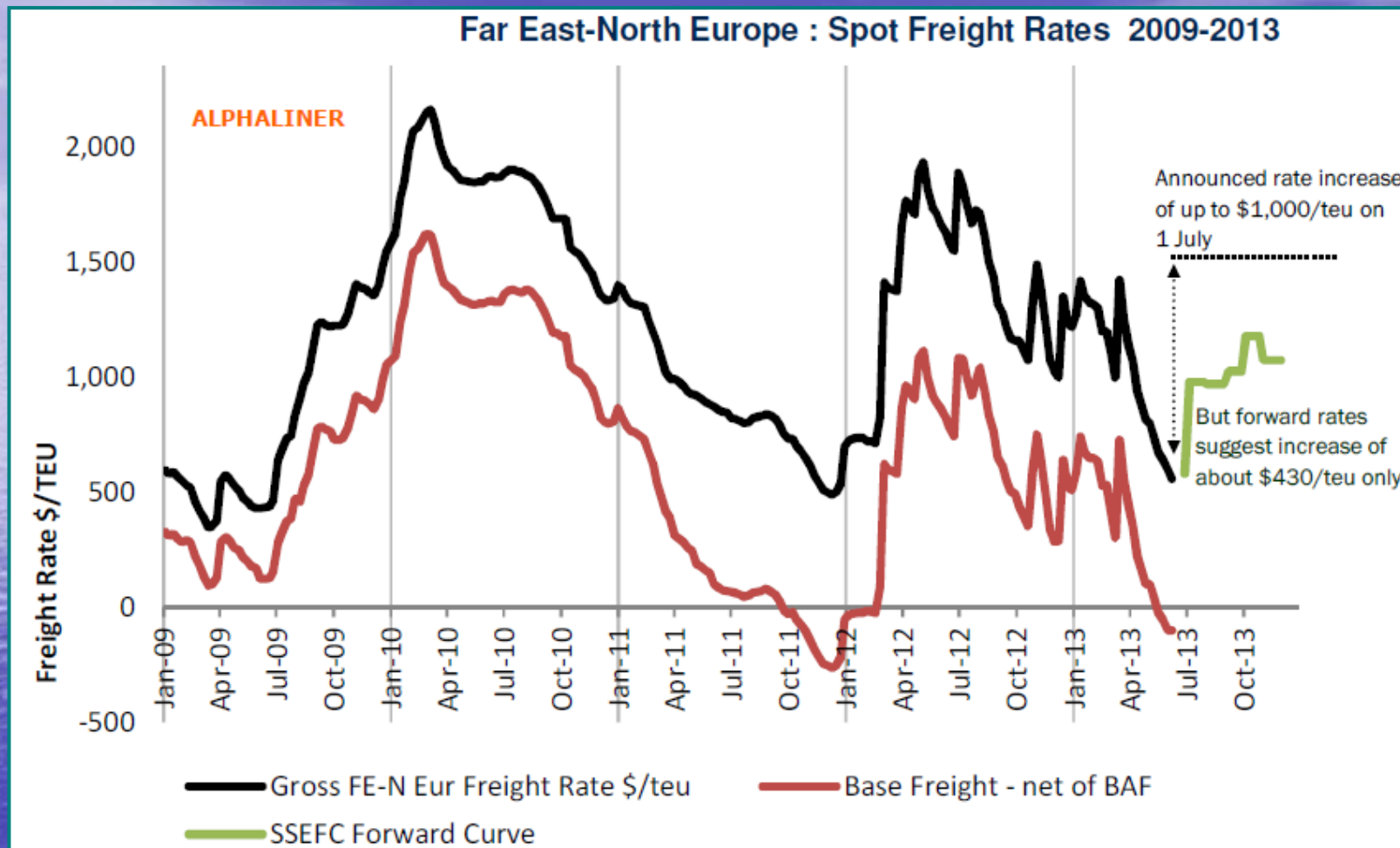
Source: AXS-Alphaliner

Container shipping

- World container throughput reached 618* mi teu in 2012.
- Drewry forecast a growth of 4,2 % for 2013, to reach 650 mi teu, and 5.7 % for 2014, 684 mi teu.

* Includes full, empty and transshipment.

The main trade rates



The SCFI spot rates to North Europe currently stand at \$765/teu, down from \$1,501/teu at the beginning of August and could hit the \$500/teu level in the next few weeks if carriers continue to slash rates. GRI u\$d 600-1000 announced for november (Alphaliner).

Cellular fleet

- 207 cellular containerhips were delivered last year 2012. The celullar fleet has risen 6,0 % during 2012.
- The cellular fleet at 1st of September 2013 comprises 4,971 ships for 17,040,000 teu.
- Vessel deliveries are expected to reach 254 units for 1,56 Mteu this year.
- The fleet should rise 6.4 % during 2013.
- The order book counts 474 ships for 3,67 Mteu representing 21,5 % of the existing fleet.
- New orders are mostly focused on the larger sizes
- 335.000 teu were scrapped in 2012. Scrappings are estimated to reach 450.000 this year.

About the new orders

- 18 out of the top 20 carriers have made commitments for new containerships since 2009. Only two carriers, NYK and Zim, have not made commitments for new ships in the last four years.
- UASC ordered five new ships of 18,000 teu, and five of 14,000 teu.
- MSC ordered six 18,000 teu units.
- CMA CGM ordered three 16,000 teu ships.
- Yang Ming under a long term charter agreement, ten 14,000 teu.
- CSCL ordered five 18,400 teu units (u\$136,6 mi each).

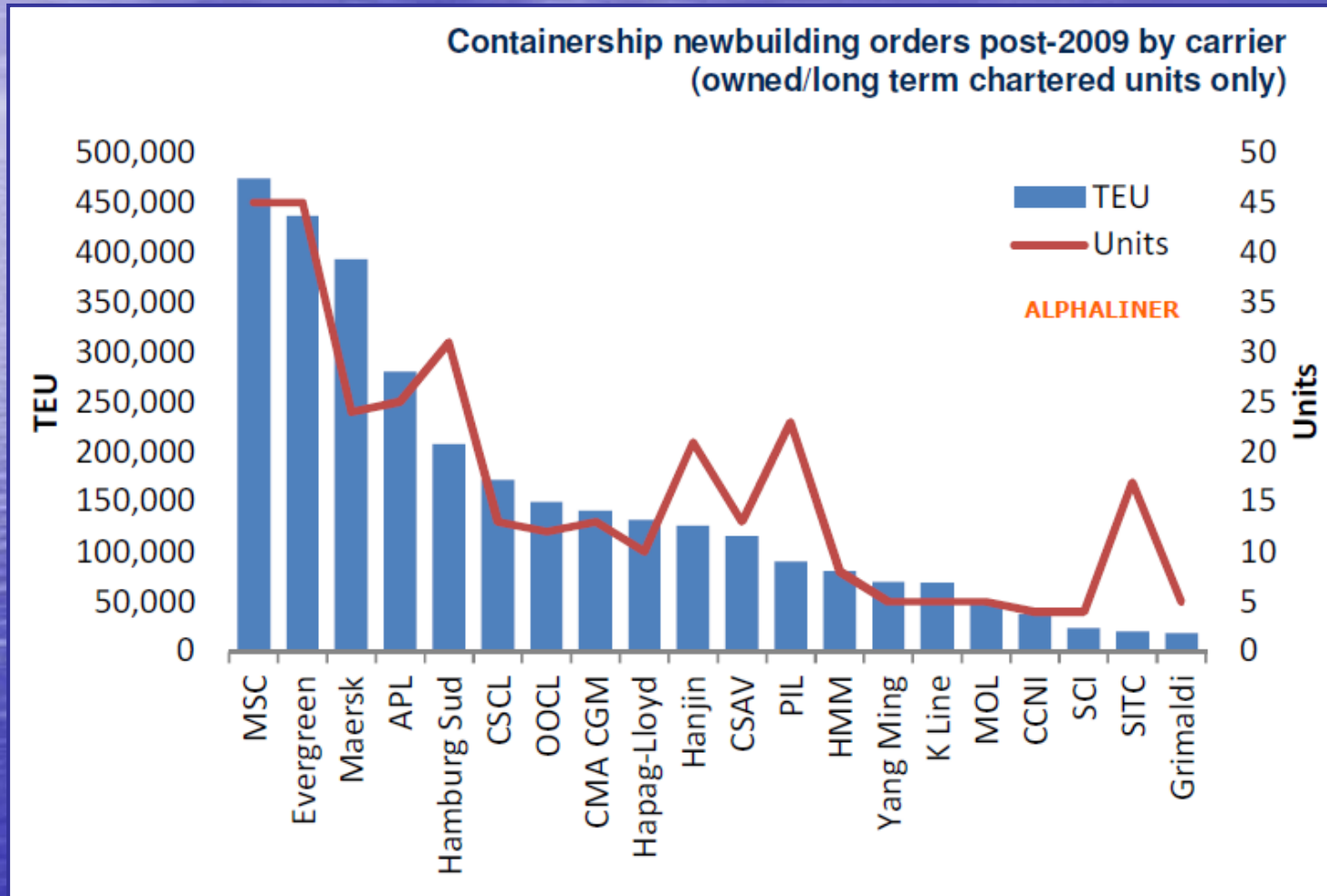
In the meantime.....

- The first ship 'EEE'-class, MAERSK McKINNEY MØLLER, was delivered on June. MAJESTIC MAERSK, was delivered in early August. MARY MAERSK, third of its 18,270 teu 'EEE'-class vessels, has just been delivered.

Source: Alphaliner

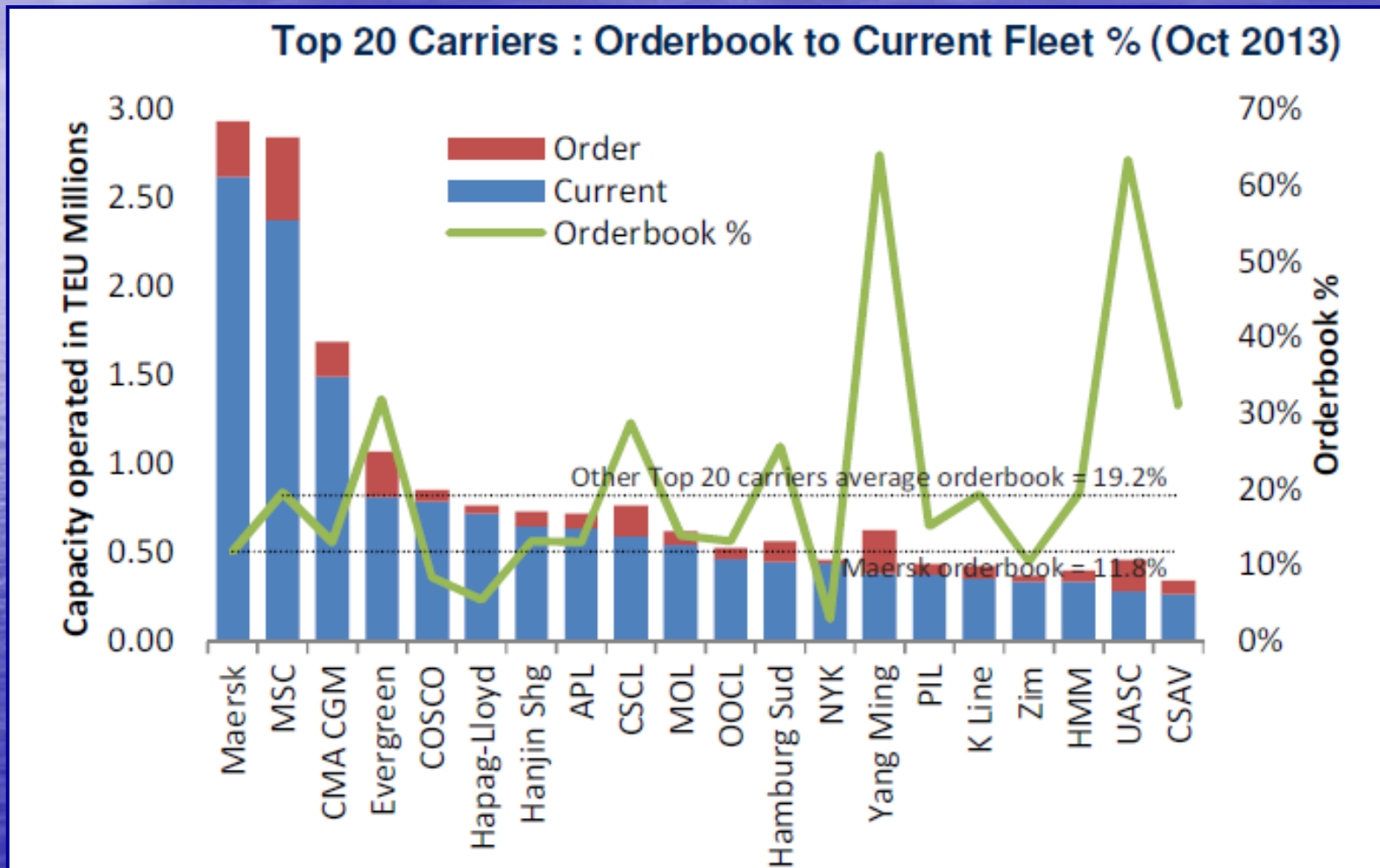


Newbuilding orders by carrier



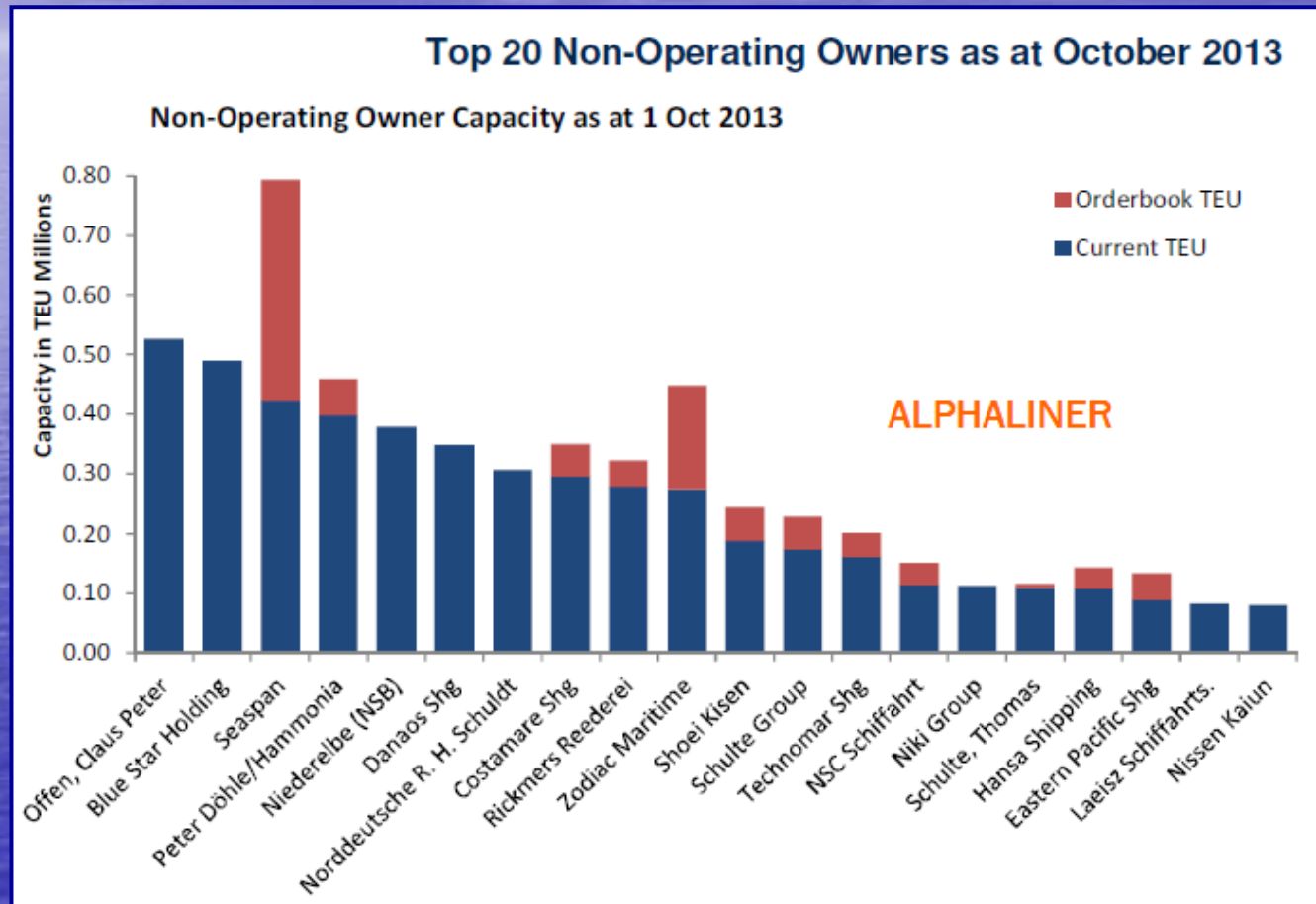
Source: Alphaliner

Top 20 carriers orderbook



Source: Alphaliner

Non operating Owners



Source: Alphaliner

Celular fleet, existing & orderbook



ALPHALINER
The worldwide reference in liner shipping

Cellular Fleet at 1st Sept 2013


- > The cellular fleet counts 4971 ships for 17,04 M teu - of which 49,5 % are chartered from non-operating owners
- > The cellular fleet aggregates 97.3 % of the total capacity deployed on liner trades in teu terms
 - >> Out of a total of 5,947 ships active on liner trades for 17.51 M teu and 223.6 M tdw
- > The orderbook counts 474 ships for 3,67 M teu representing 21,5 % of the existing fleet (firm orders only)
- > The orderbook includes 274 ships for 1,99 M teu with charter status representing 54,2 % of the total orderbook

CELLULAR	01 September 2013 - Existing					01 September 2013 - Orderbook					O / E
	All		Of which chartered fm NOO			All		Of which chartered fm NOO			
Size ranges	ships	teu	ships	teu	% Cht	ships	teu	ships	teu	% Cht	
TEU											
13300-18500	60	863 284	9	125 660	14,6%	91	1 434 668	43	641 138	44,7%	166,2%
10000-13300	128	1 566 281	57	729 118	46,6%	35	398 047	15	160 208	40,2%	25,4%
7500-9999	363	3 156 829	134	1 144 351	36,3%	118	1 064 139	74	669 733	62,9%	33,7%
5100-7499	485	2 984 209	221	1 355 839	45,4%	34	210 246	29	177 534	84,4%	7,0%
4000-5099	758	3 429 291	412	1 862 771	54,3%	46	218 860	33	161 054	73,6%	6,4%
3000-3999	270	928 797	142	493 949	53,2%	43	158 666	18	65 298	41,2%	17,1%
2000-2999	671	1 708 648	503	1 281 354	75,0%	33	78 550	26	61 238	78,0%	4,6%
1500-1999	564	961 281	331	566 745	59,0%	40	69 617	20	34 200	49,1%	7,2%
1000-1499	682	798 481	415	488 975	61,2%	27	28 869	11	11 896	41,2%	3,6%
500-999	769	573 416	477	364 040	63,5%	7	5 580	5	3 830	68,6%	1,0%
100-499	221	70 698	51	16 818	23,8%						
TOTAL	4 971	17 041 215	2 752	8 429 620	49,5%	474	3 667 242	274	1 986 129	54,2%	21,5%

* Note : the existing chartered fleet takes into account ships chartered out by non-operating owners to operators, thus it does not take into account 107 ships for 443,810 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. 2013)

 ALPHALINER <small>The worldwide reference in liner shipping</small>												Cellular Fleet Forecast											
<p>This table provides a forecast of the cellular fleet growth</p> <p>> The data enclosed in this table is given as guidance only and in good faith without guarantee</p> <p>> This table can be reproduced free of charge provided that the source is mentioned</p> <p>> These figures are derived from the orderbook monitored by Alphaliner, published at www.alphaliner.com</p>											Sep 2013	<p>This table provides a forecast of the cellular fleet deliveries</p> <p>> The data enclosed in this table is given as guidance only and in good faith without guarantee</p> <p>> This table can be reproduced free of charge provided that the source is mentioned</p> <p>> These figures are derived from the orderbook monitored by Alphaliner, published at www.alphaliner.com</p>											
<p>Cellular fleet projections 2013-2016</p> <p>Based on orderbook as at 01 September 2013 and assuming no ships are deleted after that date (other than those planned)</p>												<p>Cellular ships deliveries by year : 2012 / 2013 / 2014 / 2015</p> <p>Based on orderbook as at 01 September 2013</p>											
<p>SUMMARY</p> <p>> The fleet has risen by 6% during 2012.</p> <p>> The fleet should rise by 6,4% during 2013, 7,6% during 2014 and 6,5% during 2015.</p> <p>> The average growth for the THREE years from 1/1/2013 to 1/1/2016 stands at 6,8%.</p>												<p>Note - The addition of the capacity by range at 1st Jan 2013 and of the capacity planned for delivery during the year 2013 leads to a figure which is higher than the capacity stated as at 31 Dec 2013. The difference comes from the capacity removed from the fleet (scrappings and losses) since 1st Jan 2013, or committed for scrap at that date (i.e. 149 ships for 329665 teu).</p>											
Fleet as at :		31 Dec 2012		31 Dec 2013		31 Dec 2014		31 Dec 2015		31 Dec 2016		Rise p.a. (3 years)	2013 deliveries		2014 deliveries		2015 deliveries		2016 deliveries				
TEU nominal	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu			
10000-18600	162	2 066 495	198	2 567 523	255	3 341 104	309	4 192 280	314	4 262 280	26,6%	36	501 028	57	773 581	54	851 176	5	70 000				
7600-9999	326	2 825 749	377	3 279 738	429	3 753 081	468	4 101 165	481	4 218 365	13,2%	52	462 099	52	473 343	39	348 084	13	117 200				
6100-7499	475	2 915 449	495	3 050 109	509	3 137 505	519	3 193 869	519	3 193 869	3,1%	20	133 664	14	87 400	10	56 360						
4000-6099	739	3 339 269	775	3 508 572	794	3 599 483	804	3 647 683	805	3 652 640	3,0%	49	226 816	19	90 911	10	48 200	1	4 950				
3000-3999	296	1 012 646	288	994 979	298	1 032 379	310	1 077 879	311	1 080 979	2,1%	34	123 962	10	37 400	12	45 500	1	3 100				
2000-2999	677	1 723 561	674	1 716 710	691	1 758 159	704	1 788 024	706	1 792 714	1,2%	8	21 638	17	41 449	13	29 865	2	4 690				
1600-1999	572	972 341	580	989 528	594	1 013 880	601	1 025 936	604	1 030 916	1,8%	34	60 271	14	24 352	7	12 056	3	4 980				
1000-1499	702	823 031	687	803 805	700	817 796	710	828 492	710	828 492	0,2%	18	19 003	13	13 991	10	10 696						
600-999	785	583 145	770	573 893	776	578 675	776	578 675	776	578 675	-0,3%	3	2 394	6	4 782								
100-499	226	72 659	221	70 698	221	70 698	221	70 698	221	70 698	-0,9%												
TOTAL	4 980	18 334 346	5 086	17 666 666	6 287	19 102 784	6 422	20 604 701	6 447	20 708 828	7,9%	264	1 660 876	202	1 647 208	166	1 401 837	26	204 820				
TOTAL after Exp. Scrap/Slip	4 980	18 334 346	4 886	17 376 220	6 088	18 887 428	6 168	19 909 388	6 118	19 814 288	6,8%	Exp. Slippage	-14	-80 000	11	40 000	3	20 000					
Rise 12 months	2012 >	6,0%	2013 >	6,4%	2014 >	7,8%	2015 >	8,6%	2016 >	0,0%													
<p>* Forecast figures take into account delivery deferrals and slippage.</p> <p>** Rise p.a. (3 years) represents the average per annum growth during the three years 2012-2013-2014.</p> <p>TOTAL after Exp. Scrap/Slip</p> <p>Expected fleet after provision for future scrappings and delivery slippage, based on the following assumptions :</p> <p>> Slippage : 14 ships for 60,000 teu planned for delivery in 2013 are assumed to be delayed to 2014-2015.</p> <p>> Scrappings and de-celings are estimated to reach 450,000 teu in 2013, 275,000 teu in 2014 and 200,000 teu in 2015-16.</p> <p>Note - Only actual scrappings or scrapping commitments are accounted for in the breakdown by size ranges</p>												<p>© Alphaliner</p>											

Source: Alphaliner

Some news

- Panama Canal works at 60 %. Opening delayed from oct 2014 to april 2015.
- Hamburg Süd and Hapag-Lloyd broke off their merger discussions in March, there are no other obvious consolidation candidates on the table.
- P3 alliance is expected to be starting operations by May 2014. Maersk, MSC and CMA CGM. 225 ships 2,6 mi teu in the main trades. Maersk 42% (including the triple E), MSC 34 % and CMA 24%.

The Ecoliner

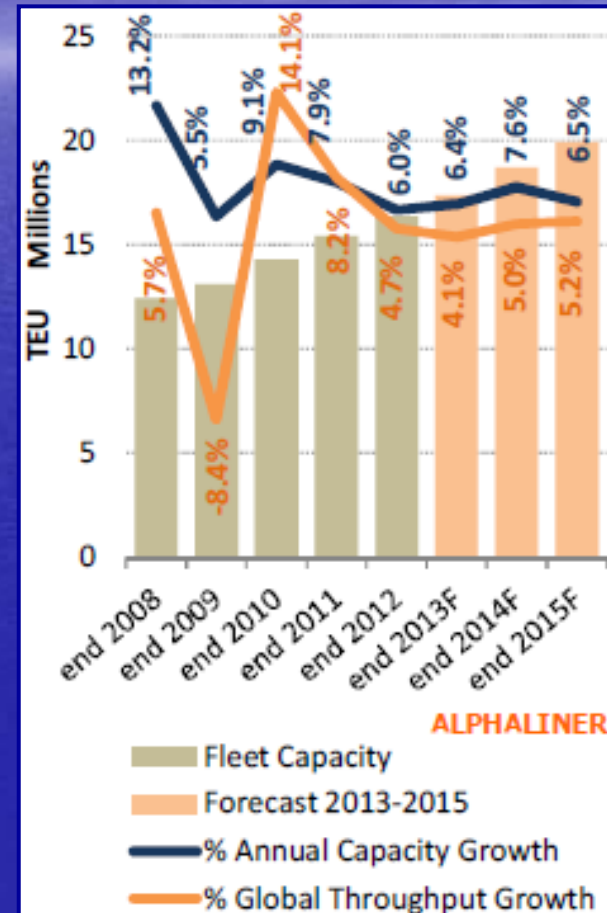
- Dykstra Naval Architects will deliver the Ecoliner in 2014, a containership with four sails (loa 138 mts, beam 18 mts, draft 6,5 mts). Will choose the best sea lane according to meteorological data received by satellite signals. 50% reduction in CO2 emissions..



Finally

- Carriers need to reduce operating costs.
- This can only be achieved through fleet upgrades.
- Add more capacity to an already over-supplied market.

The present oversupply in the system will continue to accumulate and is unlikely to be reduced anytime before end of 2015. Demand growth is expected to lag behind the supply growth for each of the years 2013 – 2015. We will continue to see substantial freight rate volatility over the next few years.



¡ Thanks !



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