



2015 International Trade Symposium

Mastering the Tides of Change

Mobile, AL • May 30th, 2015

A. Current Market Environment

B. Alliance Overview

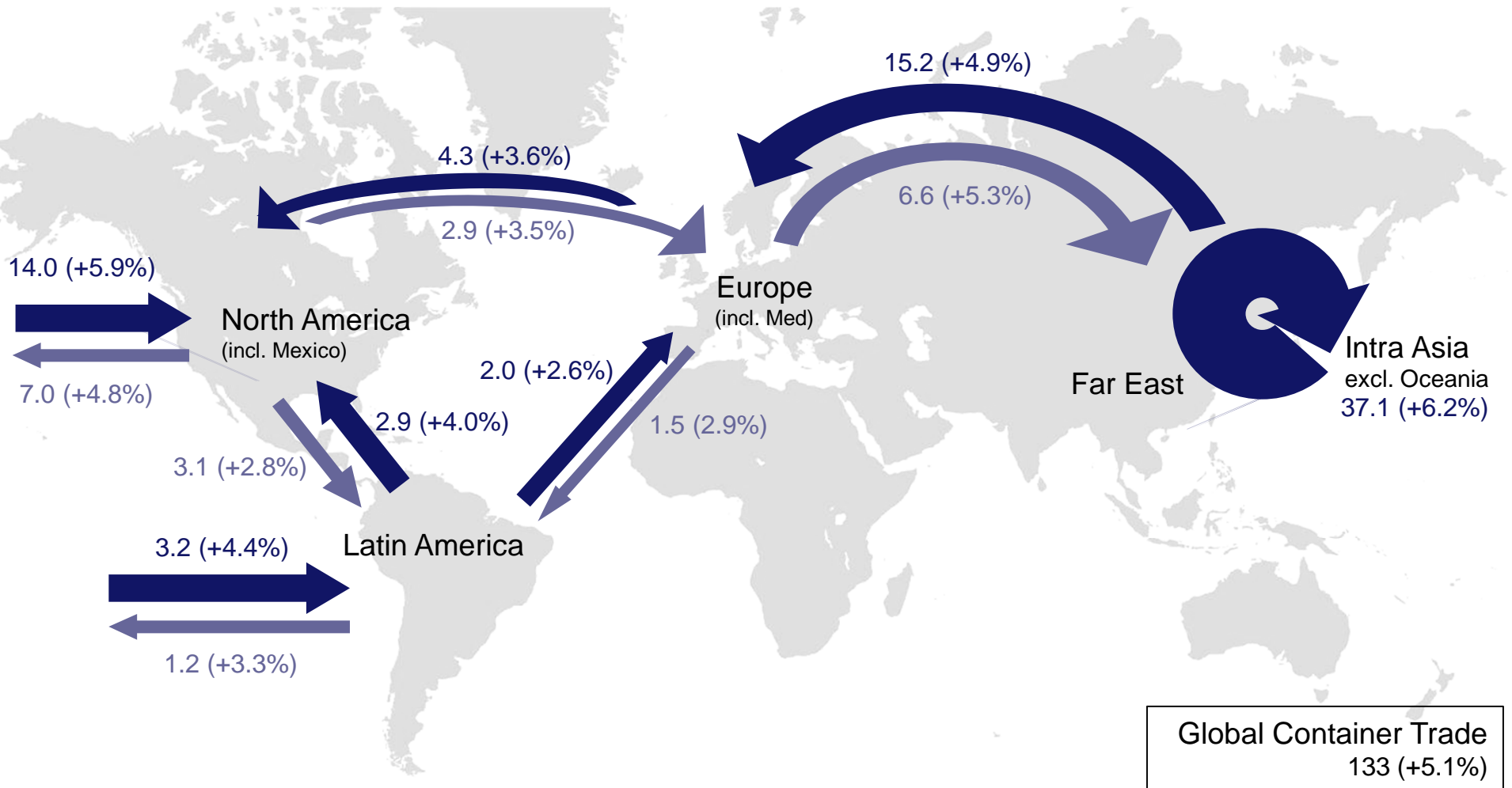
C. Global Capacity Management

D. Hapag-Lloyd and New Orleans

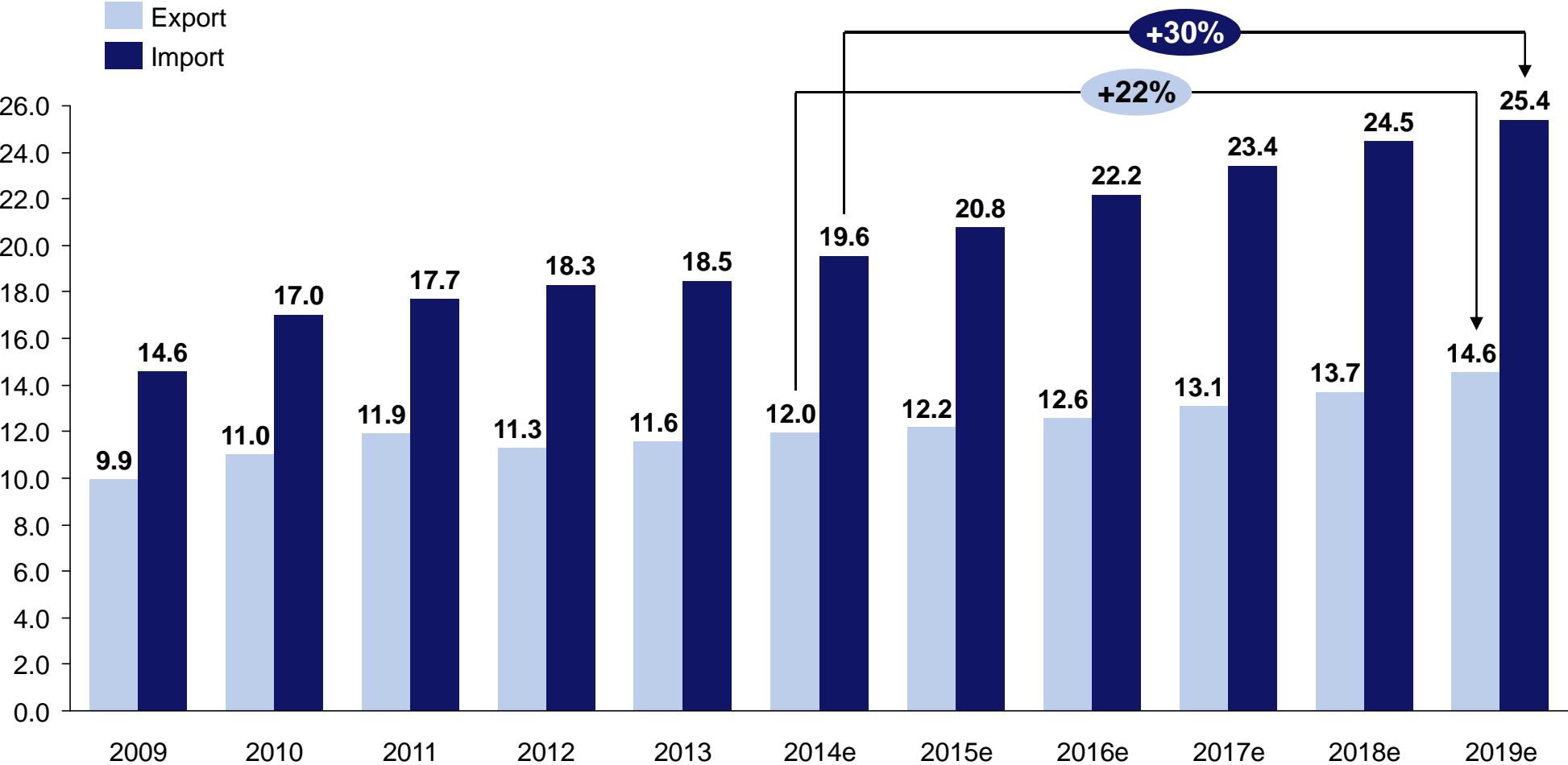


Growth is mainly driven by Asian Tradelanes

Volume Development of Main Tradelanes (mTEU in 2015; in brackets: $\bar{\sigma}$ growth rate 2015e – 2019e)



Volume Development Trade 2009 – 2019e (in mTEU)



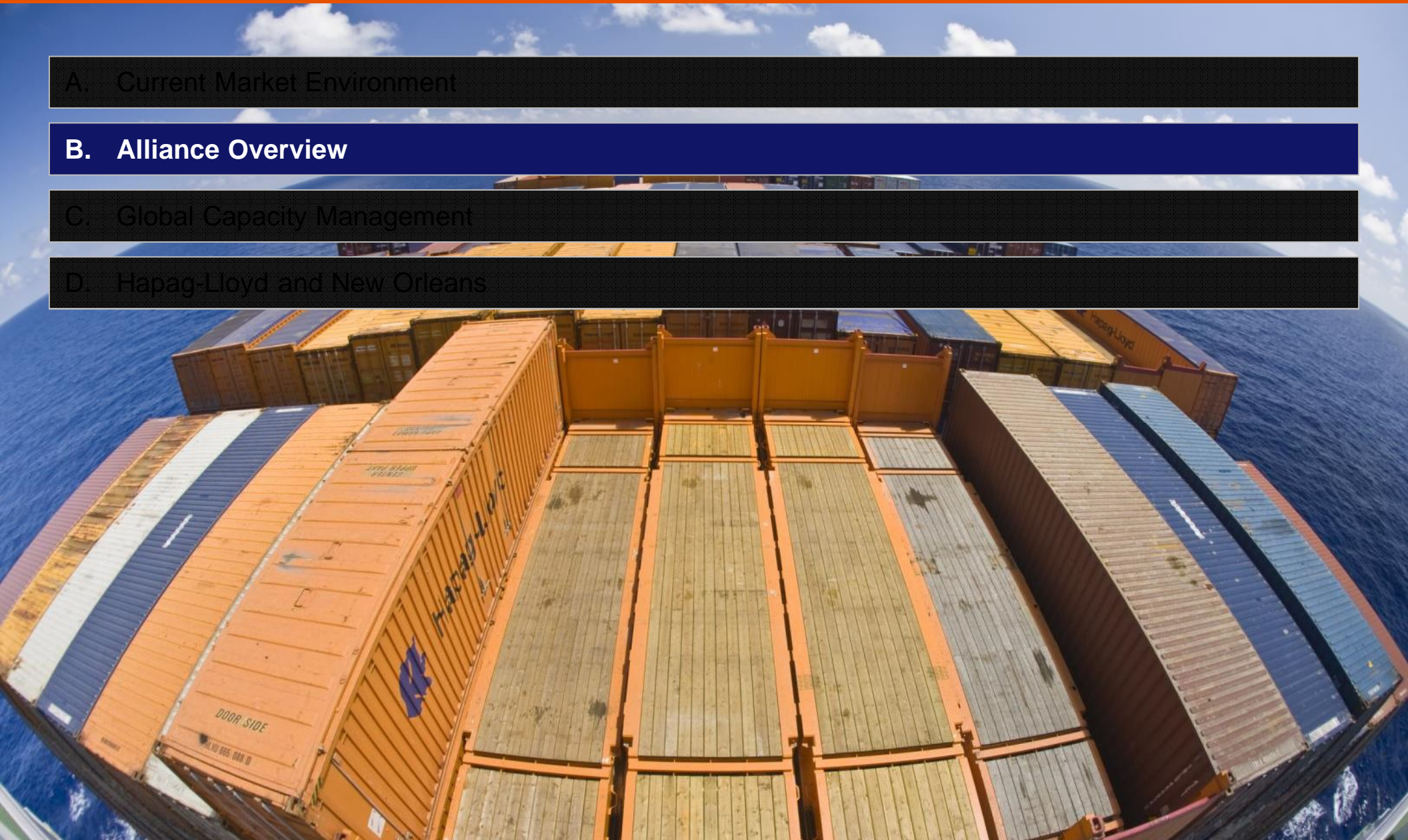
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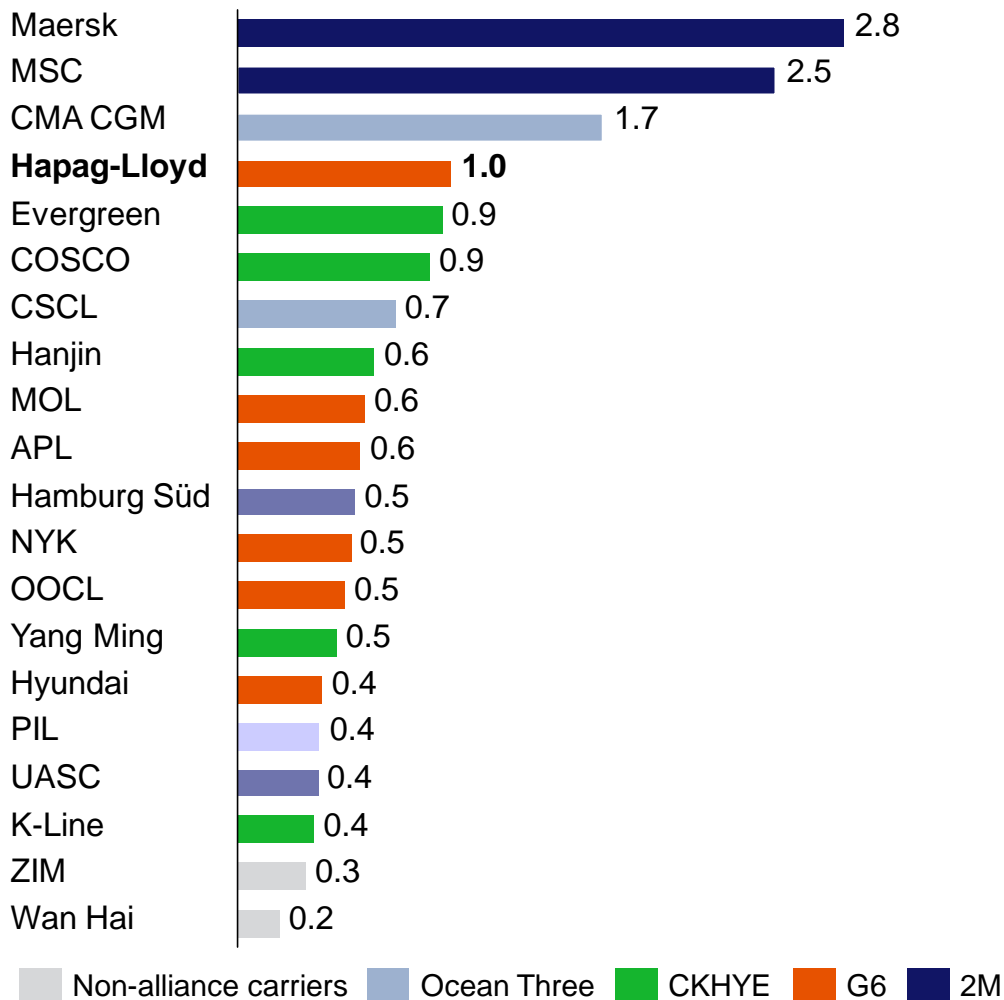
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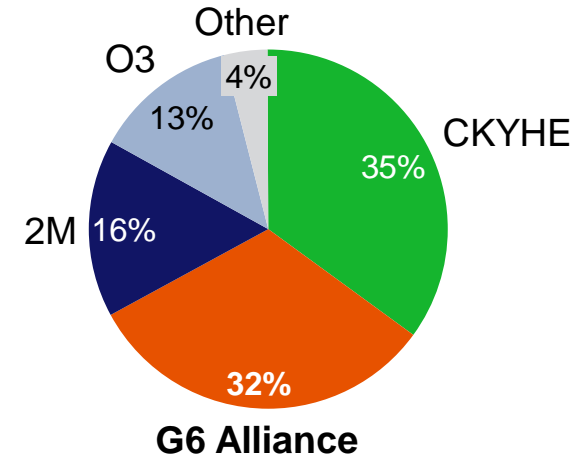


East-West trades: Now consolidated in 4 key alliances

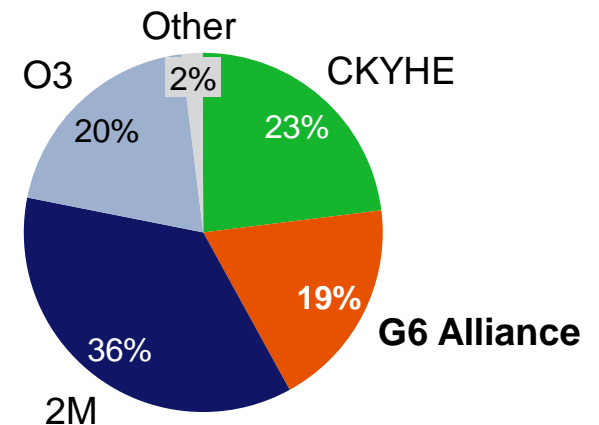
Top 20 – Current fleet [TEU m]¹⁾



Transpacific (capacity share)



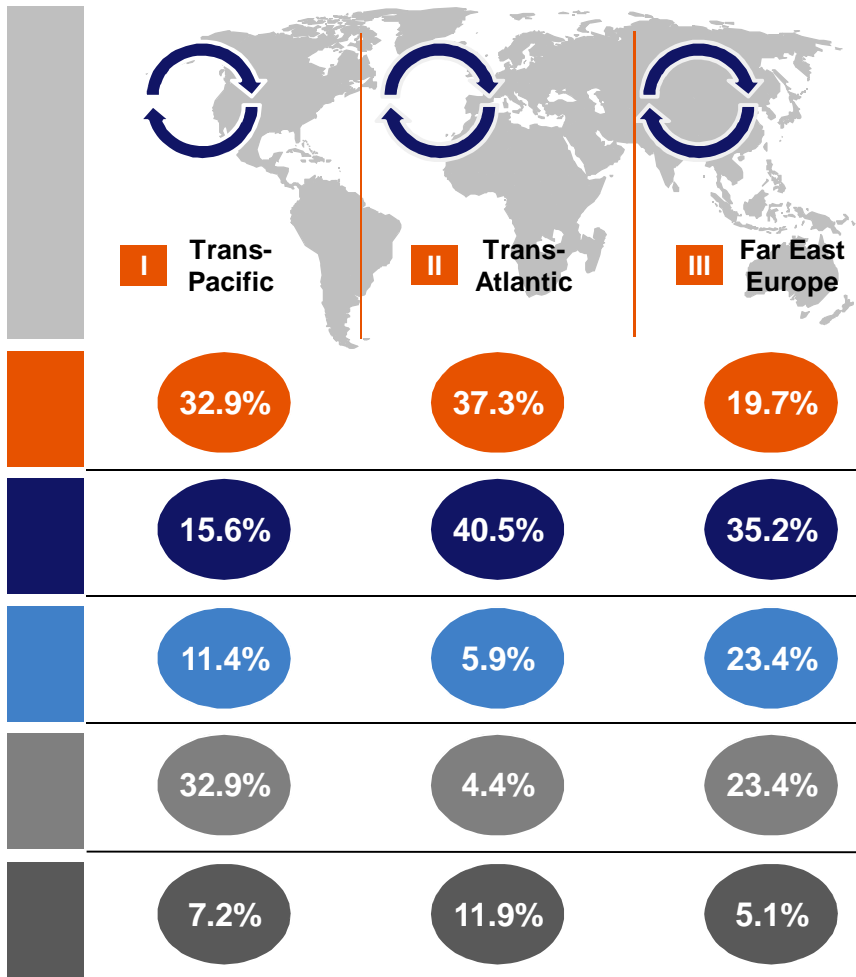
Far East (capacity share)



1) Carriers do not employ total current fleet within alliances

Cooperations: The East-West trades are now dominated by four alliances

East-West Alliances capacity by route¹⁾



Advantages of G6 Alliance

Cost efficiencies

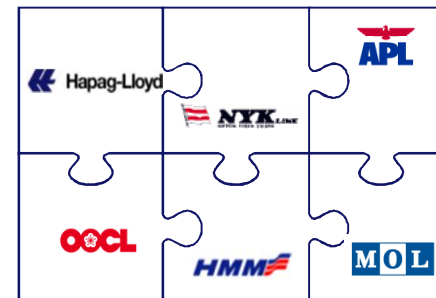
- Increased average vessel size

Use of capacity / vessels

- Efficient vessel deployment
- Streamlined phasing-in of ULCVs
- Improved utilization

Larger network and improved service

- Larger network scope
- Shorter transit times
- Higher frequency
- More direct port calls



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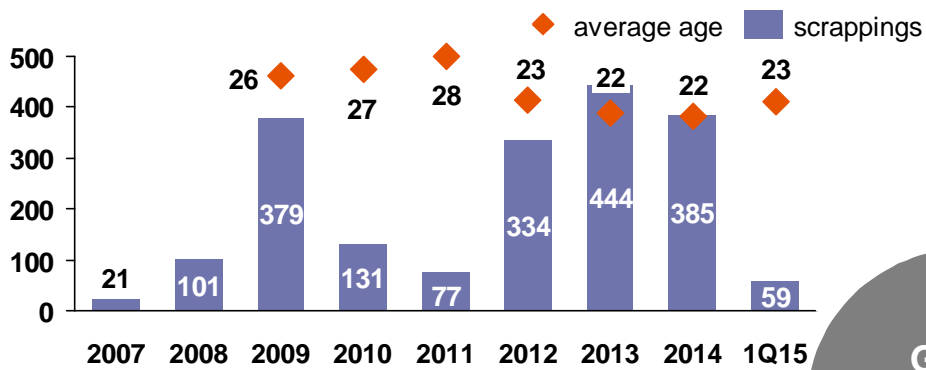
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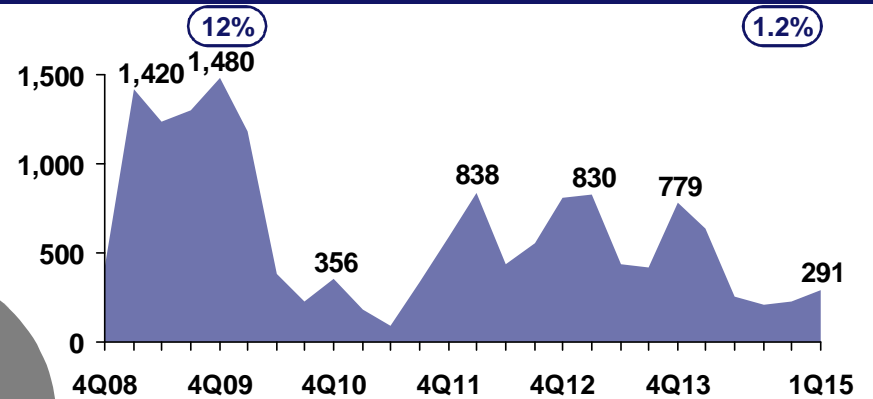


Global capacity management

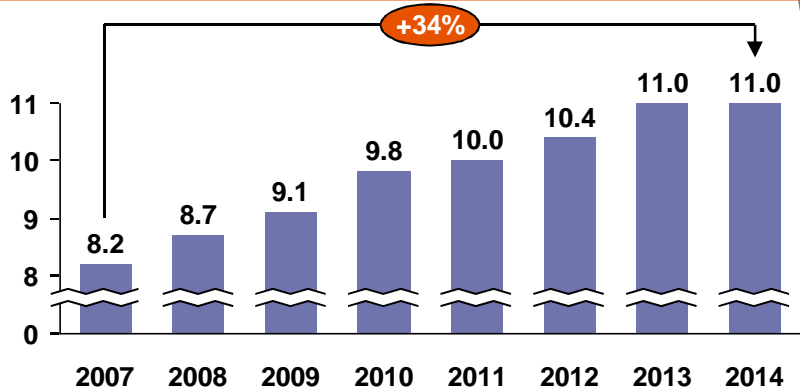
Scrapping [TTEU]



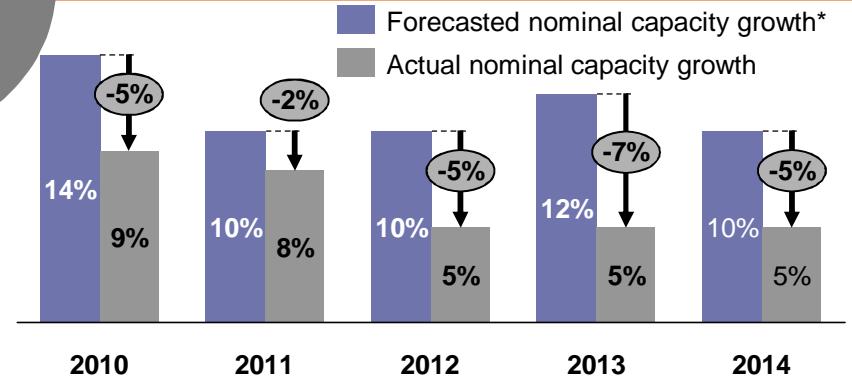
Idle fleet [TTEU]



Global capacity measures



Slow Steaming (Avg. duration FE-N.Europe loops) [Weeks]



Actual Capacity Development

*according to planned orderbook at the beginning of the year

Various factors do influence available capacity

Why is Nominal not the Effective Capacity

Existing nominal capacity

+ Newbuildings to be delivered this year

- Scrappings

= New nominal capacity

- Requirements for long-distances services

- Operational constraints

- Infrastructure & productivity constraints

- Slow steaming

= Effective capacity

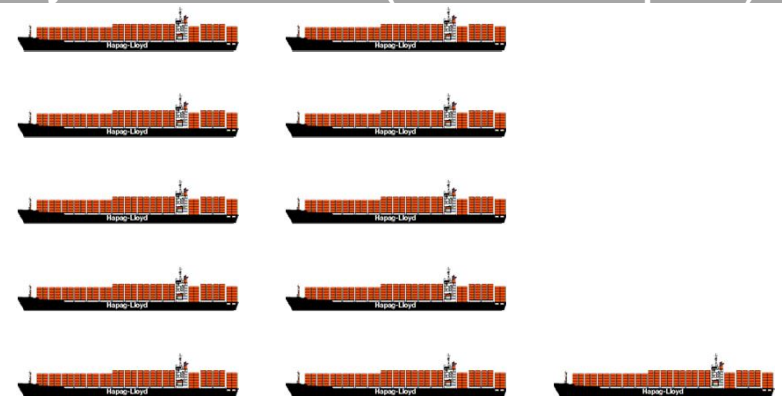
How does distance influence capacity requirement?

- Atlantic trade: 4 vessels are required to run a weekly Atlantic East Coast service
- Far East: 11 vessels are required to run a weekly Far East service
- Long distance services do require higher overall capacity

Weekly Atlantic Service (4 vessels required)



Weekly Far East Service (11 vessels required)



Nominal Capacity is only half the story - Fleet Growth is NOT Comparable with Demand Growth

Calculation Example: Vessel on the TP Westbound Trade

Existing nominal capacity of a specific vessel e.g.:	8,750 TEU		
- Deadweight limitations approx.	- 1,750TEU	→	Due to a high average deadweight per TEU, the vessel cannot load to maximum TEU capacity. (down but not full)
- High Cube Factor approx.	- 0 TEU	→	The High Cube factor is not relevant on the TPWB trade as deadweight limitations do already supersede this factor.
- OOG Factor approx.	-100 TEU	→	Loading of OOG cargo means also lost slots
- Dangerous Goods Factor approx.	-25 TEU	→	Certain Dangerous Goods cargo has to be separated from other DG Groups. Also this can lead to reduced TEU capacity
Effective capacity for this trade approx.:	6,875 TEU		

Remark: All figures are sample figures only and may vary from vessel to vessel

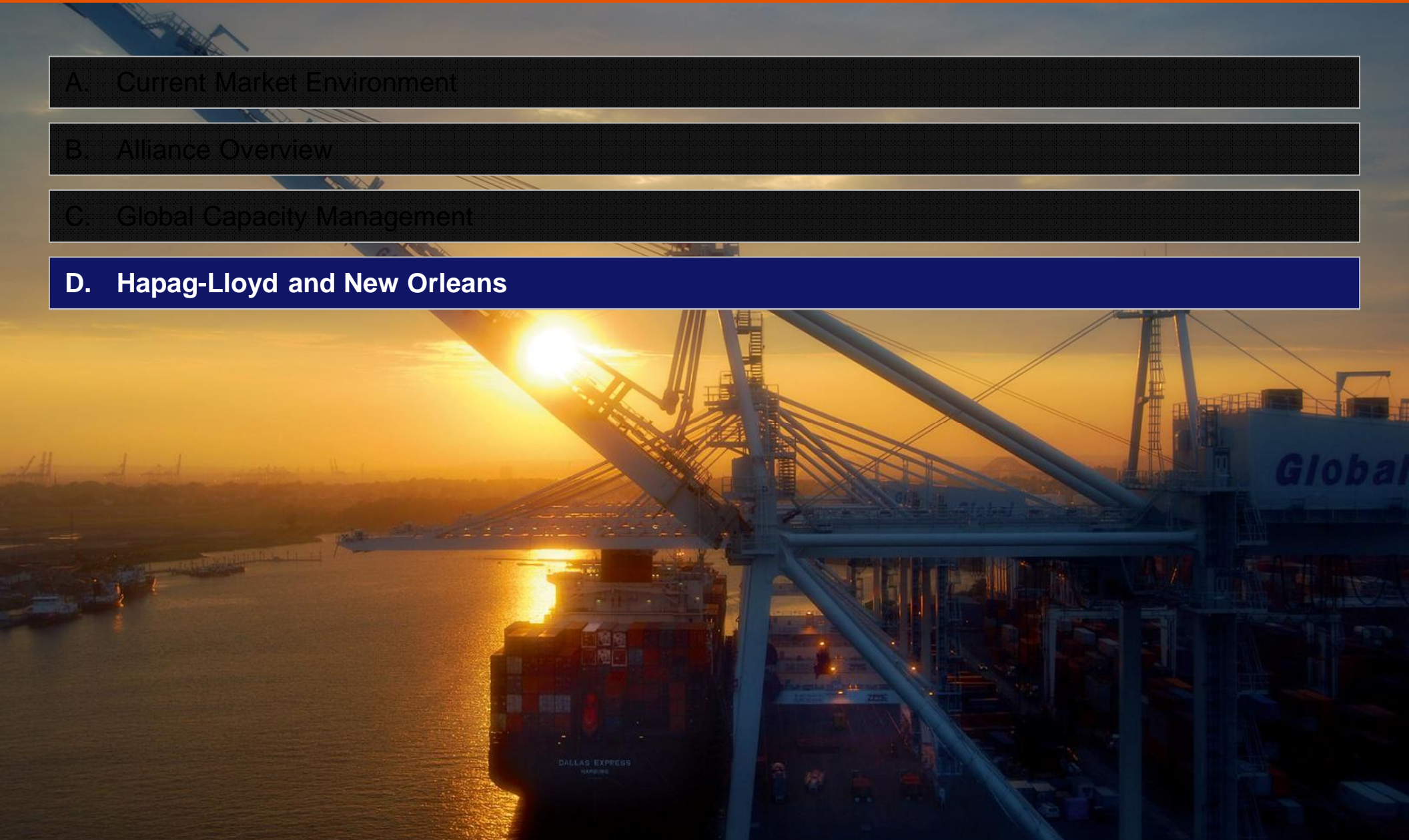
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Atlantic Express 2 (AX2)



Mediterranean Gulf Express (MGX)



Connecting New Orleans to South America

US Gulf - South America Eastcoast Loop 1 (GS1)





Thank You for Your Attention!

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