

Liner Shipping *Report*

May 2005

MARKET SHARES - BRS-Alphaliner report - May 2005

Report dated 30 May 2005

The following report examines the evolution of the global liner market shares of large carriers.

The data shown in this report can be reproduced provided that the source is mentioned.

Between January 2000 and May 2005, the teu capacity deployed on liner trades has risen from 5,150,000 teu to 8,515,000 teu, ie a 65% increase, according to BRS-Alphaliner data. It means that in order to simply keep their market shares during that period, carriers had to increase their fleet capacities by 65%. Those which failed to invest, or charter, enough, to keep the pace have lost market share.

The accompanying graph shows the performance of a selection of carriers among the TOP 30 lines. It is based on the ratio between market shares at 1st January 2000 and 27 May 2005. For example, CSCL market share rose from 1.67% to 3.50%, ie an increase of 109%. The table lists the market shares at the same dates.

Market shares are deducted from the existing on board teu capacities of carriers, compared with the total capacity effectively deployed on liner trades (these figures take into account cellular ships, multipurpose ships and ro-ro ships which are effectively employed on regular liner services, and DOES NOT include ships not operated on liner trades, even if teu fitted). The total market capacity and the carriers market shares are computed daily by BRS-Alphaliner and can be consulted in our TOP 100 page.

The two rising stars of this decade are CSCL and CMA CGM, which have doubled their market shares to 3.5% and 4.8% respectively, only through organic growth (which means at the expense of rivals).

The CSAV Group comes at the third place with a share which has rose from 1.4% to 2.5%, partly thanks to the purchase of Norasia in 2000 and of the Norsul liner services in 2002, and partly to organic growth.

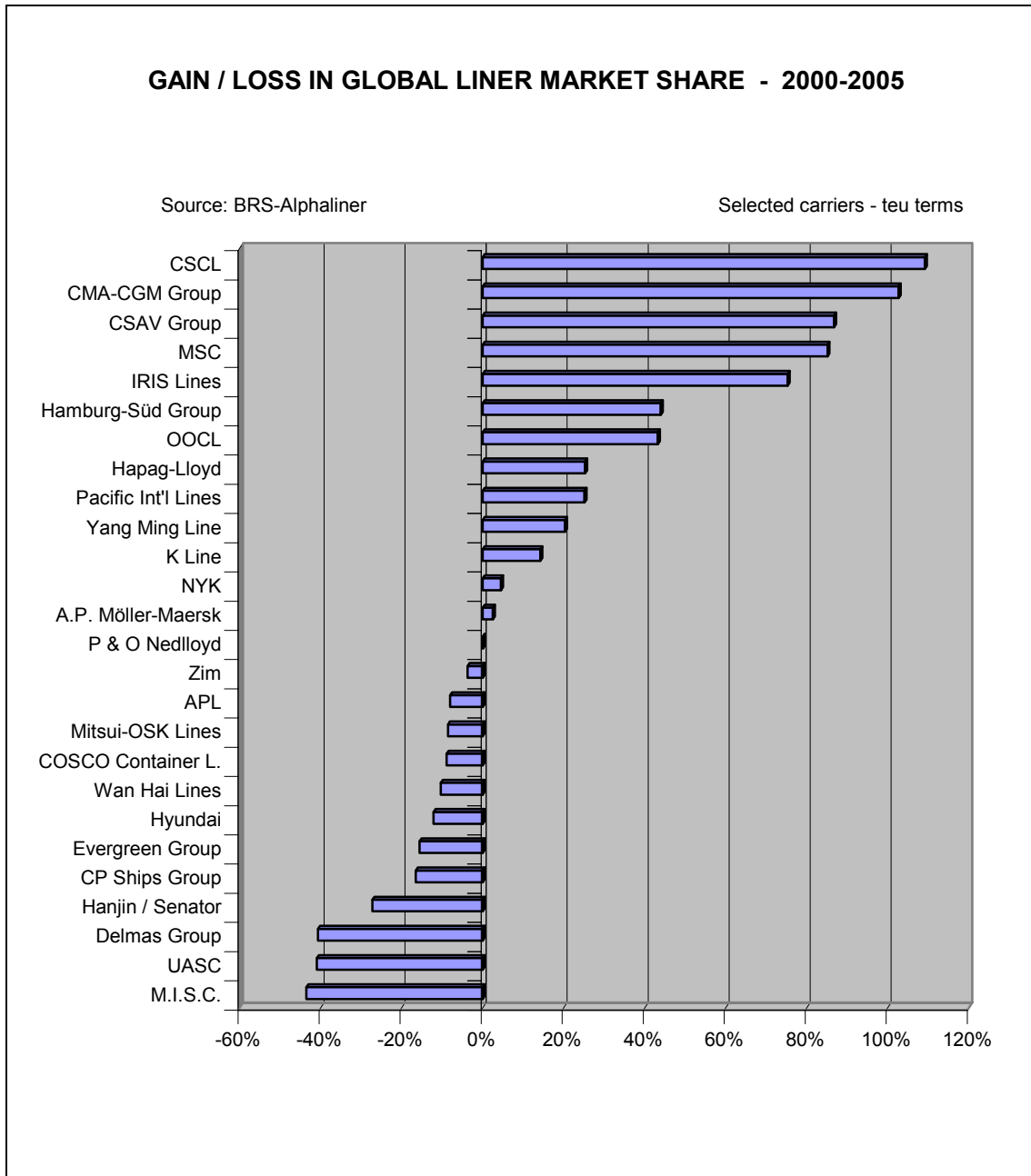
Next comes MSC, which has climbed from the fifth rank to the second rank in the TOP carriers league, with a trebling in fleet capacity, allowing it to increase its market share by 85%.

Both the AP Møller-Maersk Group and P&O Nedlloyd have seen their market shares stagnating. In this perspective, the APM bid on PONL will allow APM to boost its market share from 12.3% to almost 18% overnight. The equivalent gain in APM share during the 2000-2005 period would then be around 50%, but still lagging behind MSC.

Some carriers with a strong regional focus are also doing well, although for them, the concept of global market share is of low significance. IRIS Lines, Hamburg-Süd Group and PIL have gained significant market shares in global terms, which also means that their regional market shares has

Liner market shares – May 2005

grown still stronger. Conversely, another bunch of regional players have losed grip, with UASC, MISC and Delmas losing 40-50% in relative importance. UASC did not invest (but it has ordered in March eight ships of 6,800 teu). MISC has put the emphasis on energy transportation and has not invested in containerhips at all. Delmas has been hit by the low growth characterising Africa and by limited backing from parent company Bolloré.



Liner market shares – May 2005

Japanese lines NYK, MOL and K Line have managed to maintain more or less their shares, and are no longer as expansive as they used to be.

COSCO Container Lines has seen its share decrease from 3.9% to 3.5% but is now strongly reacting and this slide has come to a halt over the past 12 months. It is now on the rising slope again, an interesting trend at the eve on its listing on the HKSE.

Korean carriers Hanjin-Senator and Hyundai Merchant Marine have suffered of the post-1997 financial crisis. They were at the time the shipping divisions of heavily indebted chaebols, which had to slash expenses. The result is that newbuilding programs have been minimal. They are at least still there, which is not the case of independent compatriot Choyang Line, which disappeared in 2001.

Among smaller carriers, Costa Container Lines built-up a consistent market share on American trades, boosting its global presence from insignificant to 0.4% while the China Navigation Co (Swire Group) strengthened its presence on the South Pacific markets. On their side, Chinese regional carriers SYMS and SITC have made their place. SYMS is even expected to enter the TOP 30 later this year.

Evolution of carriers operated fleets and market shares 2000-2005						
		rank	Jan 2000		May 2005	
			teu	share	teu	share
1	A.P. Möller-Maersk	1	620 324	12,0%	1 051 350	12,3%
2	MSC	5	224 620	4,4%	687 621	8,1%
3	P & O Nedlloyd	3	280 794	5,5%	464 769	5,5%
4	Evergreen Group	2	317 292	6,2%	442 962	5,2%
5	CMA-CGM Group	12	122 848	2,4%	411 723	4,8%
6	APL	6	207 992	4,0%	316 389	3,7%
7	COSCO Container L.	7	198 841	3,9%	299 452	3,5%
8	CSCCL	18	86 335	1,7%	298 589	3,5%
9	Hanjin / Senator	4	244 636	4,8%	294 532	3,5%
10	NYK	8	166 206	3,2%	287 250	3,4%
11	OOCL	16	101 044	2,0%	239 274	2,8%
12	CSAV Group	20	69 745	1,4%	215 336	2,5%
13	K Line	13	112 884	2,2%	213 266	2,5%
14	Hapag-Lloyd	14	102 769	2,0%	212 890	2,5%
15	Zim	11	132 618	2,6%	211 107	2,5%
16	Mitsui-OSK Lines	10	136 075	2,6%	205 724	2,4%
17	CP Ships Group	9	141 419	2,7%	195 177	2,3%
18	Yang Ming Line	17	93 348	1,8%	185 758	2,2%
19	Hamburg-Süd Group	21	68 119	1,3%	162 158	1,9%
20	Hyundai	15	102 314	2,0%	148 681	1,7%
21	Pacific Int'l Lines	24	60 505	1,2%	125 196	1,5%
22	Wan Hai Lines	22	63 525	1,2%	94 173	1,1%
23	UASC	19	74 989	1,5%	73 262	0,9%
24	Delmas Group	23	62 440	1,2%	61 316	0,7%
25	IRIS Lines	42	19 920	0,4%	53 488	0,6%
26	Regional Container L.	33	26 355	0,5%	44 888	0,5%
27	Grimaldi (Napoli)	28	35 283	0,7%	44 049	0,5%
28	M.I.S.C.	26	41 738	0,8%	39 015	0,5%
29	China Navigation Co	60	11 377	0,2%	35 617	0,4%
30	Costa Container Lines	98	4 914	0,1%	35 496	0,4%

Period considered : 1st January 2000 to 27th May 2005.

Source : BRS-Alphaliner