

# Nieuwsblad Transport Then the shippers themselves hire a ship for container shipping

## HIGH RATES LINE SHIPPING

"Then we will do it ourselves", several forwarders and shippers have already taken a rigorous decision in response to the great pressure and the high rates charged in the maritime container transport between Asia and Europe. They themselves hired a cargo ship to bring containers to Europe.

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Admittedly: as a frustrated container customer you can say tough that you are going to charter a ship yourself if the container shipping companies charge sky-high prices, barely have space and do not sail on time, but to then put the deed to the word is another story. Like container rates, charter rates for cargo ships have skyrocketed recently, and the container shipping lines for which container transport is the daily bread are also on the finest line to get the best vessels at the best possible price. The forwarder or shipping party who wants to take matters into their own hands in this fighting market must therefore be smart and have a bit of luck to be able to take advantage of great opportunities.

### Geodis

For example, the French forwarding agent Geodis, the company that has so far declared with the greatest self-confidence that it would like to sail containers from the Far East to Europe with several ships under its own direction, currently en route at sea with the "UHL Faith". This is a brand new vessel, the first of a series of eight fuel-saving ships, which will normally only have to perform heavy jobs for the German shipping company United Heavy Lift (UHL), but that on its maiden voyage from the Chinese yard to home port of Hamburg. still had plenty of room for a trip to the container business. The heavy-load ship has 435 40-foot containers on board for Geodis and should arrive in Hamburg on 28 February.

Danish forwarding agent DSV kicked off the do-it-yourself trend in December by chartering three multipurpose ships that could each take 700 to 1,200 teu on a one-way trip from China to Denmark.

As Geodis posed with a Geodis flag in front of the 'UHL Faith', with a pride à la Buzz Aldrin planting an American flag on the moon, so at the end of January with a DHL flag was posed at a ship that for DHL Global Forwarding a several hundred containers unloaded in the port of Moerdijk. That ship, the BBC Raise, belonged to BBC Chartering and sailed from Singapore. According to CCT (Combined Cargo Terminals) in Moerdijk, it will not be the last ship for DHL between Singapore and Moerdijk.

### China United Lines

A German purchasing organization for retail companies, Xstaff, has also changed course and chartered a ship itself to avoid the problems in the Asia-Europe sailing area. A real container ship in this case. The hired "Laila" (2,700 teu) from the Chinese shipping company China United Lines (CU Lines) departed from the Chinese port city of Yantian last week and will make a short stopover in Rotterdam after arriving in Europe before docking in Hamburg in early March. On board the ship there are containers full of non-food products for European supermarket chains and do-it-yourself stores.

CEO Patrik Berglund of the Norwegian data platform Xeneta recently stated that the enormous demand on the Asia-Europe route has left the door ajar for new players, citing CU Lines as a company that shows "a sense of opportunity". Although it cannot yet be said that CU Lines, which has specialized in intra-Asia transport since its establishment in 2005, has immediately set a foot in the door on the Europe route with the Xstaff assignment. Not even a big toe. Last month, CU Lines signed

the purchase of two new 2,000 teu vessels, with an option for two more of those vessels, a ship size that will certainly not make international container carriers nervous with their 24,000 teu giants.

But the dissatisfaction expressed by the various ships that now choose the open sea for freight forwarders and shippers, will certainly not be able to shrug their shoulders stoically.

#### Chinese ship

Xstaff, founded in Düsseldorf in 2016 by the retail companies Colruyt (Belgium) and Coop (Swiss, not to be confused with the Dutch Coop), says that with the chartered Chinese ship it wants to offer an alternative for customers who ship goods from Asia to Europe has recently been confronted with 'extremely high freight rates, limited container availability and frequent delays'. "And all this despite rates that have risen to 800 percent from the same time a year ago."

#### After container rates hit record highs in recent months

After container tariffs had risen to record highs in recent months in the run-up to the Western holidays, stabilization occurred in mid-January and then even a cautious fall in tariffs, but there has been no plunge in prices so far. The average spot rate for a 20-foot container from China to Europe, according to the Shanghai Containerized Freight Index (SCFI), still costs more than \$ 4,000; more than in the week before Christmas.

As a negotiator on behalf of shippers with the container shipping companies, the market situation put Xstaff in a difficult position, according to the German purchasing company. "Our members need planning certainty, a contractual cost framework and reliability in the provision of services. In view of the compelling market conditions, we therefore took the decision to take matters into our own hands," said Bodo Knop, chairman of Xstaff. "It became necessary to explore new ways in the interest of our customers." Container tariffs on the "Laila" sailing are, according to Xstaff, "in the lower echelons" because making money was not the main goal. "The main goal of this project is a smooth running transport of goods to Europe, easing the pressure on export companies and doing our bit to improve the trading environment for both exporters and importers."

#### Security in the chaos

Freight forwarding agent Geodis, in turn, has said that by chartering the "UHL Faith" it wants to offer customers "security in the chaos". "Market forces have created fickle and unpredictable spikes in demand for Asian goods," said Onno Boots, Geodis Regional President Asia Pacific. In order to be able to ship things in that logistic cauldron, Geodis is looking at every possibility to achieve this in an economically responsible way, whether by rail, by air or by water. The French freight forwarder has said it firmly intends to charter more ships and has put words into action by releasing a second vessel with containers from China to Europe last week. That ship is expected in Europe in March, with Hamburg again as the port of discharge.

Although the supermarket-chartered "Laila" was originally intended as a one-off escapade, Xstaff has now also begun preparations for a second departure. The available space on the "Laila" was sold out within a few days, according to Xstaff, so this adventure still makes me want more. Unless the situation in Asia-Europe traffic improves drastically quickly, a second departure will take place in the first half of this year, Xstaff said.