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Rafael Ben-Ari
Vice President Shipping

OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION January 18, 2011

Ms. Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, N.W. Room 1046
Washington, D.C. 20573-0001
U.S.A

Dear Ms Gregory,

Re: FMC EU Study- Response to NOI
Zim Integrated Shipping Services Ltd.

1. Please find attached Zim Integrated Shipping Services Ltd. ("Zim") response to the FMC's NOI. Please note that we are attaching two versions of the response - a "confidential version" and a "public version"
2. Zim is an Israeli shipping company, headquartered in Israel, operating international transportation services consisting of over 60 weekly services to 180 ports of call around the world.

Zim maintains a network of global and regional shipping services, calling on hundreds of ports around the world. Zim is present today on all major international trade routes and offers a wide geographical coverage.

3. Specific Comments on Zim's Response to the NOI

- 3.1 Zim considers that certain responses to the NOI are confidential and should be treated as business secrets. This is because these responses concentrate on Zim's operations which are commercially sensitive and should not be in the public domain.

Accordingly, Zim considers that only the responses to questions 1-4, 7-8, 10, 13-14, 18, 19(b)-19(g), 21-23 and Annexes 2-8 are not confidential, as the information contained therein is in the public domain.

- 3.2 Zim only operates container vessels and the information contained in Zim's response to the NOI relates only to container cargo.
- 3.3 The NOI does not define the countries which should be taken into account in the trades concerning Europe North Europe. Therefore, please be aware that there may be certain inconsistencies between Zim's definition to that given by the different data bases which Zim's referred to in the preparation of its response. Zim believes that these inconsistencies may only have a minor effect on the figures which are presented in the response.

Yours faithfully

Rafael Ben-Ari, Vice-President Shipping
Zim Integrated Shipping Services Ltd

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Section A: General Questions

1. Based on your experience *since September 2006* (when the European Union announced its decision to terminate the block exemption for liner shipping conferences to take effect October 2008), what impacts, if any, have you identified on your company's commercial activities, *in any trade lane*, that you would *attribute to the termination of the E.U. conference block exemption*? Please explain. If you believe there have been such impacts, please indicate when that impact first occurred.

Before September 2006 Zim was a member of several conferences which involved the EU (including EMTA, MEDSAM and FEFC). All of these conference agreements were terminated by or before October 2008. Zim continues to participate in consortia arrangements, such as VSAs, slot swaps and slot charter agreements.

Although the withdrawal of EU immunity for conferences took place at the same time as the 2008-2009 recession, we are still able to identify several impacts of EU withdrawal of immunity on Zim's commercial activities in the European trades:

- Greater and extreme rate volatility in certain trades where there is no immunity (e.g., Asia-Europe trade vs. Transpacific trade¹).
- reduced services and greater number of service terminations where there is no immunity (e.g., Asia-Europe). For example, if we compare the number of services terminated in the EU trades versus the Transpacific trades since 2008², we can see that there is considerably more service volatility in the EU trades.
- less consistent surcharges (which could make price comparison more difficult and less transparent for shippers)
- less data available to carriers regarding supply/demand and overall market trends.
- greater risk for carriers when making decisions regarding investment to meet trade growth.

2. Based on your experience *since October 2008* (when the E.U. exemption for liner conferences was terminated) has any class of shipper or class of vessel-operating common carrier received a competitive advantage or been put at a competitive disadvantage as a result of the E.U. decision to terminate the exemption? If so, please explain.

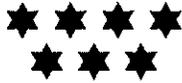
The containerized liner shipping industry is characterized by 3 mega carriers (Maersk, CMA-CGM and MSC) which constitute, together, 35% of the overall market capacity, and many other far smaller carriers which hold very limited shares³. Since 2006 we have seen continued growth in the market share of the of the mega carriers (from 32% in 2006 to 35% in 2011⁴) In Zim's view, the

¹ See table showing Zim's Average Revenue/TEU volatility, Annex 1.

² See table showing general no. of weekly services/AVG vessel size and weekly capacity, Annex 3.

³ See attached table showing total capacity of top 20 carriers based on Alphaliner data, Annex 6.

⁴ Based on Alphaliner "Top 100" figures for January 2006- January 2011.



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abolishment of the conferences in the EU enabled the mega carriers to dictate the market rates, without the stabilizing affect of the conferences, because it prevented the medium-small carriers from providing consolidated competition to the mega carriers. This can be evidenced by the findings of the European Commission Report on "Terminal Handling Charges During and After the Liner Conference Era", published October 2009. Furthermore, the main increase in the Mega carriers' market share took place in the EU markets (whereas in the Transpacific Trade their market-share decreased). It should be pointed out that out of the 5 biggest Carriers 4 are European owned and are based in Europe.

3. Based on your experience *since October 2008* (when the E.U. exemption for liner conferences was terminated), have differences between U.S. and E.U. liner shipping competition regulations created any problems for your company? If so, please explain.

Antitrust immunity for all types of cooperative liner agreements is still the international standard—it is permitted by virtually all major trading nations in virtually all main trade lanes in the world (other than the EU). In fact numerous countries have studied this issue over the past 13 years (most recently Singapore) and reached the conclusion that competition law exemptions should be retained. In the case of the EU trades, Zim was forced to terminate all conference agreements which involved the European market even though they also concerned other markets in which conferences are considered legitimate, thus the impact of the removal of the antitrust immunity in Europe was much wider than the European market.

Based on Zim's experience, different legal standards among different countries ultimately leads to inefficiency, uncertainty, and a substantial increase in the cost and risk of doing business and could also lead to less investment and/or reduced service to areas where there is legal uncertainty or legal restraints which *de facto* act as entry barriers to those markets. In the case of the abolishment of the European Block Exemption for conferences this result is to some extent mitigated by the self-assessment tool.

Zim is also concerned that other national legislation might follow the EU without thorough examination and certainly before the impact of the abolishment of the EU block exemption is fully understood and determined. For this reason, we greatly appreciate the effort by the Commission to carefully study this issue based on facts and consideration of overall policy before reaching conclusions or making recommendations. We have just witnessed such an example in Israel where a future restriction in the Israel Block exemption was adopted in an omnibus budget authorization bill without any real examination, inquiry, deliberation or public hearing (in Zim's view it may also result in the Israeli law being more restrictive than that of the EU due to basic differences between the competition law in the EU and in Israel, but this is still uncertain). In Zim's view, the impact of this Israeli "reform" may very well be evidenced in the future when the number of carriers serving Israeli ports will be substantially reduced. Generally, smaller trades, as well as those with difficult operating conditions or high costs, are more vulnerable to loss of service without rate agreements.

The current system has served the US and other trades well (reasonable rates, lots of service, high levels of competition) and it is difficult to see what real advantages short or long term the shipping public would receive from a loss of antitrust immunity--there might be lower rates for a brief

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period, but often followed by higher rates. There is no real evidence that eliminating immunity would yield benefits, but the clear risk of higher rate volatility (as further described herein) would present real risks to maintaining investment and quality services.

4. Does your company view cooperation among ocean carriers in *operational agreements* (e.g., vessel sharing agreements, alliances, consortia, etc.) as generally having a positive, neutral or negative impact on the availability or cost of liner shipping services? Please explain. Does the E.U. market share threshold of 30% for such operational agreements have any effect with respect to that impact? If so, please explain.

Zim considers the operational agreements as essential and having a very positive impact on the containerized liner shipping industry:

- carriers (especially small to medium sized carriers (and also large carriers in niche markets)) need to have the option to cooperate by way of vessel sharing arrangements, slot swapping, slot chartering or on an ad hoc basis if they are going to be able to provide a regular service with sufficient scope to meet shippers' requirements especially with regard to the choice and timing of the services available to each individual shipper;
- the operational agreements allow carriers to compete in markets in which they could not sustain an individual service. Relatively few lines are in a position to provide a fully independent service which can provide the range of ports and the regularity of service that would satisfy the requirements of shippers. It should be noted that in today's sophisticated markets shippers ordinarily demand weekly services at fixed dates, such services require a large number of fast modern vessels thus making it difficult for medium and small carriers to open new services and thus preventing them from competing with the mega carriers.
- without the opportunity to form Consortia agreements, the market demands from liner shipping today (such as weekly services, wide range of port coverage and fixed-day performa) would eventually prevent small to medium sized carriers from participating in the market and as a result the competition would be reduced.
- operational agreements allow carriers to share operating and legal expenses and risks, which results in lower overall costs that are passed on to the shippers.
- operational agreements also result in less redundancy and unused space on vessels, which means higher utilizations for carriers.
- operational agreements provide more incentive to carriers to invest in new ships and infrastructure resulting in better and more reliable services.
- cooperation between shipping lines benefits shippers by ensuring they have access to a wider choice of carriers on a particular service. This will especially be the case if a shipping line decides to withdraw its vessels from a particular trade, but at the same time it still wishes to provide a service to shippers on that route. In such circumstances, it



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could enter into a slot charter arrangement with a line/consortium still operating on the trade. This means that shippers will still have the same choice of carriers, even though one carrier no longer operates vessels on the trade.

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As to the EU market-share threshold of 30% for operational agreements, Zim does not support market share caps for these important agreements. Zim's view is consistent with the current approach in the U.S. and the rest of the world (only the EU has such caps). The market-share threshold is applied in Europe across the board without distinguishing between small market to large market or market with unique characteristics. However, the European market-share threshold needs to be understood in the framework of the EU competition law. In Europe, unlike many other jurisdictions, not all agreements containing restrictions will infringe the European prohibition on anti-competitive agreements. Even those agreements that do fall under the prohibition may still be lawful, provided they satisfy the exemption criteria, as set out in Article 101(3)⁵ of the Treaty on the Functioning of the European Union. In order to assist parties in assessing whether their arrangements fulfil the conditions contained in Article 101(3) and therefore qualify for exemption, the Commission has published several guidelines, including special guidelines for the maritime sector⁶.

Section B: Questions about the North Atlantic Trade (North Europe/U.S.)

5. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involves international shipping in the North Europe/U.S. trade? Does your company's business involve US imports (westbound service) only, U.S. exports (eastbound service) only, or both? Please explain briefly.

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6. How, and to what extent, did the recent economic recession (2008 – 2009) affect your company's liner shipping-related business in the North Europe/U.S. trade? Please explain.

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7. Based on your experience *prior to* July 2008, when the Trans-Atlantic Conference Agreement (TACA) disbanded, did the existence of TACA have any impact on your liner shipping-related business in the North Europe/U.S. trade? If so, please explain.

⁵ Previously Article 81 of the EC Treaty (and before that, Article 85 of the EC Treaty).

⁶ Guidelines on the application of Article 81 of the EC Treaty to maritime transport services.



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Zim was not a member of TACA.

8. Based on your experience in the period *from October 2008 to the present* (i.e., since the E.U. block exemption was terminated), has there been any significant change(s) in liner services in the North Europe/U.S. trade *that you attribute to the E.U. terminating the block exemption?*

For example, changes in:

- a. the level of freight rates and surcharges;
- b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);
- c. the assessment of surcharges;
- d. the level of competition among ocean carriers;
- e. the service contracting practices or terms offered by ocean carriers;
- f. the availability of vessel capacity and container equipment; or
- g. the level or quality of liner services (including customer service, billing accuracy, etc.)

If so, please identify and explain those changes.

Although it is difficult to attribute specific changes in services to the termination of the EU BER as the economic recession happened on parallel, it is possible to identify the following:

- much greater rate volatility leading to greater volatility in service (no. of services, capacity, port calls, etc.)
- less incentive over time to invest in trade growth where there are such sharp rate declines, new/higher/less transparent surcharges that are necessary to recover Zim's escalating costs involved in serving this trade
- no carrier organization to address important trade issues, and more shipper complaints, etc.
- The Atlantic Trade is a concentrated market with 3 carriers together holding today approximately 68% of the market share⁷. Moreover, we have observed continuous increase in the above market-share of the mega carriers in the last 3 years (which remained the leading carriers in the trade during this period).

9. For CY 2010 to date, please estimate the percentage of your annual business (by volume) *in the North Europe/U.S. liner trade* that moved under (a) annual (or longer) service contracts, (b) Shorter - term freight agreements, (c) spot rates, and (d) other (please specify). Has that changed significantly since October 2008? If so, please explain.

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10. Following repeal of the E.U. block exemption, ocean carriers created a global information system under *Container Trade Statistics, Ltd. (CTS)* in which a majority of ocean carriers serving the North Europe/U.S. trade participate. CTS provides certain data free on its web site, including indices of the carriers' aggregated average revenue per TEU by month. CTS also sells other data. To what extent, if

⁷ See Alphaliner Carriers East-West market shares, Annex 7.



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at all, does your company access and use CTS Europe/U.S. trade data, and (if it does so) for what purpose(s)?

Zim currently uses the monthly statistics of CTS, which enable Zim to overview market trends which promotes better decision making.

Section C: Questions about the Transpacific Trade (Far East/U.S.)

11. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involve international shipping in the Far East/U.S. trade? Does your company's business involve U.S. imports (eastbound service) only, U.S. exports (westbound service) only, or both? Please explain.

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12. How, and to what extent, did the recent economic recession (2008-2009) affect your company's liner shipping-related business in the Far East/U.S. trade? Please explain.

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The liner shipping industry is based on long term commitments and very high investments which are not sympathetic to unstable markets. Markets with low volatility provide carriers with the ability to enter trades based on strategic considerations (such as stability of market volumes/future revenues) and thus encourage carriers to invest in them. This could be evidenced by the fact that even after the recession ended, although the EU/Far East trade volumes increased more rapidly than in the Transpacific trade, the carriers did not rush to transfer vessels from the latter for the benefit of the EU/Far East trade. In Zim's view the volatility of freight rates during the 2008-9 recession in the Transpacific trade in comparison to European lanes is mainly a result of the fact the conferences were and still are allowed in this trade.

13. Based on your experience *from January 2006 to the present*, have the activities of the Trans-Pacific Stabilization Agreement (TSA) or the Westbound Trans-Pacific Stabilization Agreement (WTSA) had any significant impact on your company's liner shipping-related business in the Far East/U.S. trades? If so, please explain.

The following ways TSA's activities are useful to the Zim:

- Through numerous shipper forums and the recently-created shipper advisory board, TSA provides a means to dialogue with a variety of shippers about issues of common interest.
- TSA provides useful data and information about market and industry trends that help our company make more informed business decisions.

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- TSA represents carrier interests in consultations with government regulatory bodies, which assists in carrier understanding of legal and regulatory requirements in various countries.
- TSA provides recommended rate guidelines that provide a rough guide as to where market rates are heading, which is beneficial to carriers and shippers as they negotiate individual service contracts. Ultimately, these guidelines help somewhat in moderating wild and unpredictable swings in rate levels and provide some stability to the trade, which is desirable for shippers and carriers alike. Rates and surcharges in trades without antitrust immunity tend to be more volatile.

14. Based on your experience in the period *from October 2008 to the present*, have there been any significant characteristics of liner services in Far East/U.S. trades that you *attribute to actions taken by TSA or W TSA member lines acting collectively*? For example:

ZIM is a participating carrier in the TSA and will continue to do so in the future. TSA issues recommendations only to its members and as an organization has no direct influence upon rates, surcharges, competition or service contracting practices of ZIM.

a. the level of freight rates and surcharges;

In the absence of the TSA we would evidence much greater rate volatility leading to greater volatility in service (no. of services, capacity, port calls, etc.)

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

Rates and charges are revised less frequently in the TSA trade than in trades where such agreements are not in effect.

c. the assessment of surcharges;

While there is still competition on surcharges, TSA establishes suggested guidelines and fact-based formulas for some surcharges that helps shippers have more transparency on the elements of specific surcharges, and predictability on what to expect, something that many shippers have asked for.

d. the level of competition among ocean carriers;

In comparison to the Europe- Asia trade and the US- Europe trade, the Transpacific trade is substantially less concentrated, with the 3 largest carriers in this trade holding together today only 27% of the market share⁸. This market share has decreased during the last 3 years by 5%, and we have also witnessed frequent substitution in the ranking and market-shares of the top independent carriers in this trade. The Transpacific trade is highly competitive, and lines compete vigorously with both TSA and non-TSA carriers on rates, charges and service. This competition has

⁸ See Alphaliner Carriers East-West market shares, Annex 7.



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increased during this past year as several new carriers have entered the trade (this phenomena was not repeated in the 2 other markets). Independent rate actions and confidential agreements help to maintain very brisk competition between the carriers.

e. the service contracting practices or terms offered by ocean carriers;
Zim individually and confidentially negotiates its contracts with its customers. TSA does not and has never been involved in the members' contract negotiations.

f. the availability of vessel capacity and container equipment; and
TSA has no impact on vessel capacity or equipment availability. Decisions on those issues are made by the lines individually outside of TSA.

g. the level or quality of liner services (including customer service, billing accuracy, etc.)
Customer service is also done individually, and TSA has no involvement in customer service or relations. The only exception is that on a general level, TSA promotes dialogue with customers to obtain their views and recommendations on better practices, which assists the lines adapt their individual operations.

If so, please identify and explain those characteristics.

15. For CY 2010 to date, please estimate the percentage of your annual business (by volume) *in the Far East/U.S. liner trade* that moves under (a) annual (or longer) service contracts, (b) shorter-term freight agreements, (c) spot rates, and (d) other (please specify)? Has that changed significantly since October 2008? If so, please explain.

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Section D: Questions about the Europe – Asia Trade (Far East/Europe)

16. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involve international shipping in the Far East/Europe trade? Does your company's business involve European imports (westbound service) only, European exports (eastbound service) only, or both? Please explain briefly.

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17. How, and to what extent, did the recent economic recession (2008-2009) affect your company's liner shipping-related business in the Far East/Europe trade? Please explain.

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18. Based on your experience *prior to October 2008* (i.e., before the Far East Freight Conference (FEFC) disbanded), did the existence of FEFC have any impact on your liner shipping-related business in the Far East/Europe trade? Please explain.

Zim was a member of FEFC since November 2007 until it was disbanded (October 2008).

The following ways FEFC's activities were useful to Zim:

- **Through numerous shipper forums and the recently-created shipper advisory board, FEFC provided a means to dialogue with a variety of shippers about issues of common interest.**
- **FEFC provided useful data and information about market and industry trends that helped our company make more informed business decisions.**
- **FEFC represented carrier interests in consultations with government regulatory bodies, which assisted in carrier understanding of legal and regulatory requirements in various countries.**
- **FEFC provided recommended rate guidelines that provided a rough guide as to where market rates were heading, which was beneficial to carriers and shippers as they negotiated individual service contracts. Ultimately, these guidelines helped somewhat in moderating wild and unpredictable swings in rate levels and provided some stability to the trade, which was desirable for shippers and carriers alike. Rates and surcharges in trades without antitrust immunity tend to be more volatile.**

19. Based on your experience in the period *from October 2008 to the present* (i.e., since the E.U.block exemption was terminated), has there been any significant change(s) in liner services in the Far East/Europe trade *that you attribute to the E.U.'s ending of the block exemption*? For example, changes in: Changes in service in Far East-EU trade attributable to EU withdrawal of immunity? See Question 8 above. We believe data will likely show that in the period since immunity was withdrawn in this trade, there have been a number of negative effects that exceed those in comparable trades, such as the Transpacific, including greater rate and service volatility. We also understand that there have been more varied surcharges and more shipper complaints.

a. the level of freight rates and surcharges;

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b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

See above.

c. the assessment of surcharges;

The termination of the liner conferences lead the carriers to develop their own formulas for the calculation of surcharges. In our experience these surcharges were and still are usually higher compared to those during the conference era.

d. the level of competition among ocean carriers;

The Europe- Asia market is a more concentrated market with 3 carriers which together hold today approximately 45% of the market share⁹. Moreover, we have observed increase in the above market shares of the mega carriers during the last 3 years. Having said that, this trade remains competitive between the carriers which do participate in it, and lines always competed vigorously even when the FEFC was active. The competition between carries refers to rates, charges, and services.

e. the service contracting practices or terms offered by ocean carriers;

Zim individually and confidentially negotiates its contracts with its customers. The FEFC was never involved in the members' contract negotiations.

f. the availability of vessel capacity and container equipment: and

No, decisions on those issues are made by the lines individually.

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

No, customer service is also done individually, and the FEFC never was involved in customer service or relations. The only exception is that on a general level, FEFC promoted dialogue with customers to obtain their views and recommendations on better practices, which assisted the lines in adapting their individual operations.

If so, please identify and explain those changes.

20. For CY 2010 to date, please estimate the percentage of your annual business (by volume) *in the Far East/Europe liner trade* that moved under (a) annual (or longer) service contracts, (b) shorter-term freight agreements, (c) spot rates, and (d) other (please specify)? Has that changed significantly since October 2008? If so, please explain.

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21. Following repeal of the E.U. block exemption, ocean carriers created a global information system under *Container Trade Statistics, Ltd. (CTS)*, in which a majority of ocean carriers serving the Far East/Europe trade participate. CTS makes certain data free on its web site, including indices of the

⁹ See Alphaliner Carriers East-West market shares, Annex 7.



carriers' aggregated average revenue per TEU by month. CTS also sells other data. To what extent, if at all, does your company access and use Far East/Europe trade data, and (if it does so) for what purpose(s)?

Currently we use the monthly statistic of CTS which enable us to over view the market trend.

Section E: Comparisons Among Trades

22. Based on your experience since October 2008 (since the E.U. block exemption was terminated) are there differences in the characteristics of the Far East/U.S. trade versus the Far East/Europe or North Europe/U.S. trades that you attribute to differences between U.S. and European liner competition regulations? For example, differences in:

a. the level of freight rates and surcharges;

In the absence of conferences or voluntary discussion agreements we evidence much greater rate volatility leading to greater volatility in service (no. of services, capacity, port calls, etc.)

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

Rates and charges are revised less frequently in trades where conferences or voluntary discussion agreements exist than in trades where such agreements are not in effect.

c. the assessment of surcharges;

There is a difference. While there is still competition on surcharges, conferences or voluntary discussion agreements establish suggested guidelines and fact-based formulas for some surcharges that help shippers to have more transparency on the elements of specific surcharges, and predictability on what to expect, something that many shippers have asked for.

d. the level of competition among ocean carriers;

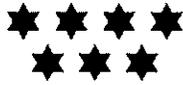
In comparison to the Europe- Asia trade and the US- Europe trade, the Transpacific trade is substantially less concentrated, with the 3 largest carriers in this trade holding together today only 27% of the market share¹⁰. This market share has decreased during the last 3 years by 5%, and we have also witnessed frequent substitution in the ranking and market-shares of the top independent carriers in this trade. Within each of the 3 trades, lines compete vigorously on rates and services, whether or not there is a conference or discussion agreement.

e. the service contracting practices or terms offered by ocean carriers;

There is no difference. Zim individually and confidentially negotiates its contracts with its customers.

f. the availability of vessel capacity and container equipment; and

¹⁰ See Alphaliner Carriers East-West market shares, Annex 7.



There is no difference, since decisions on those issues are made by the lines individually outside of conferences or voluntary discussion agreements.

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

There is no difference, customer service is also done individually, and conferences and voluntary discussion agreements have no involvement in customer service or relations. The only exception is that on a general level, conferences promote dialogue with customers to obtain their views and recommendations on better practices, which assists the lines adapt their individual operations.

If so, please identify and explain those characteristics.

23. Please identify any significant similarities and dissimilarities (for example, cargo volumes, scope or scale of operations, shipper mix, geography, market concentration levels, contracting practices, legal requirements, etc.) that existed in liner shipping markets in the (1) Far East/U.S. trade and the (2) Far East/Europe trade during the period 2006-2010. In your opinion, how (if at all) would those similarities and dissimilarities likely impact a comparison of liner pricing and service behavior across those two trades?

	Far East/US trade	Far East/ Europe	Comments
Cargo volumes ¹¹	The total volume increased by only 3% since 2006. The cargo volumes exported from the US has decreased by 8% since 2006, whereas the import to the US increased by 30%.	The total volume increased by 17% since 2006. The cargo volumes exported from Europe has increased by 10% since 2006, whereas the import to Europe increased by 31%.	Today the cargo volumes in the Far east/US trade are only 10% higher than the Far East/Europe trade. Prior to the recession the differences between the trades were much higher.
Average vessel size ¹²	Increased by 16% (is today 5, 731 TEU). Due to the relative stagnation in volumes in the Far East/US west coast trade combined with the limitations of the Panama Canal (see bellow) the average vessel size in the Far East/US trade cannot continue this major growth until 2014	Increased by 21% (is today 7,653 TEU)	We anticipate that as of 2014, when the Panama Canal will be adapted for the mega vessels the average vessel size on the Far East/US trade will increase to match that of the Far East/Europe trade.
Total weekly	Increased by 16% (is today	Decreased by 6% (is	The total weekly

¹¹ See Market Volumes table, taken from Global Insight data, Annex 9.

¹² See table of average vessel size per weekly string, based on Drewry figures, Annex 4



capacity of trade ¹³	407,000 TEUs per week)	today 375,000 TEUs per week) although the total volume increased by 17% (see Zim view as to the reasons for this in the reply to question 12 above).	capacity of the trades is very similar today.
Scope/scale of operations	Weekly services, fixed day performa, based on land transportation in the US since both export and import locations are mainly inland.	Weekly services, fixed day performa, based on port to port models.	Main difference in this aspect is the cargo pattern.
Geography	The loop is relatively shorter (6,000 miles)	The loop is relatively longer (10,000 miles),	
Market concentration ¹⁴ levels	Relatively minimal concentration, 3 largest carriers in the trade have together a 27% market share.	More concentrated trade, 3 largest carriers in the trade hold together a 45% market share	
No. of mega vessels serving the trade ¹⁵	From 41 vessels in 2008 to 43 vessels in the third quarter of 2010 (in the last quarter of 2010 the number increased to 58 vessels).	From 181 vessels in 2008 to 232 vessels in the third quarter of 2010 (in the last quarter of 2010 the number increased only to 233 vessels).	It is interesting to note that the ratio between the mega vessels operated in these trades remained throughout 2008-2010 20%/80%.
Compatibility for mega vessel based services	Less ports are adjusted to operate with the mega-vessels; Panama Canal is equipped to deal with max. 6,000 TEU vessels (this should be changed by 2014) thus the mega vessels are mainly used on the strings to/from the west coast of North America	More ports are adjusted to operate with the mega-vessels, Suez Canal is equipped to deal with 15,000 TEU vessels	This explains why the ratio brought above has not changed throughout the relevant term.
Rate Volatility	Low	High	
Legal requirements	No significant restraints of common arrangements between carriers	Conferences/voluntary discussion agreements are not allowed.	In Zim's view this caused higher rate volatility in the Far East/

¹³ Based on Drewry data, see Annex 3.

¹⁴ See table of Carriers East-West Market, Alphaliner, Annex 7.

¹⁵ See table of no. of 8,000+ TEU operated vessels, based on Drewry figures, Annex 5.



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Vice President Shipping

	(voluntary discussion agreements, conferences, VSAs and consortia)		Europe and is one of the causes for the high market concentration in that trade.
--	--	--	--

**Section F: Additional Questions for Vessel-Operating Common Carriers
FOR VOCCs ONLY:**

24. Please estimate the percentage of your liner revenues (globally) that were earned in each of the following trade lanes during CY 2010 to date:

CONFIDENTIAL

If those percentages changed significantly during the 2006 through 2010 period, please describe and explain the change.

CONFIDENTIAL

25. In each of the three major East-West trades, please estimate the percent of cargo your company carried for beneficial cargo owners (BCO) accounts, (b) OTi accounts, (c) other accounts (if any, please explain) during CY 2010 to date:

CONFIDENTIAL

Has the relative ranking of shipper types in these trade lanes changed significantly during the 2006 through 2010 period? If so, please describe and explain the change.

CONFIDENTIAL

26. In each of the three major East-West trade lanes, please indicate which lanes have tended to be the relatively most profitable and which was the relatively least profitable for each year between 2006 and 2010 (inclusive). [Write *M* for most, and *L* for least.]

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Vice President Shipping

If those rankings changed significantly during the 2006 through 2010 period, please explain the reason(s) for the change.

The analysis was prepared for Zim by BoxTrade Intelligence and the basis for this comparison was the profitability per TEU of each trade. For further explanation for the analysis please see Annex 8 attached hereto.

27. Based on your experience during the period *from January 2006 to the present*, have there been any significant changes in the nature of your business in the North Europe/U.S. liner shipping market related to *changes* in:

- a. Seasonality of cargo movements;
- b. Commodity values;
- c. Directional cargo imbalances (imports vs. exports);
- d. Number of carriers serving the trade;
- e. Minimum scale (# and size of vessels) needed to serve the trade efficiently

If so, please identify and explain those changes.

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28. Based on your company's experience in the North Europe/U.S. trade, please identify any substantial changes that occurred in your liner business (operations, marketing, pricing, etc.) in the two years following repeal of the E.U. liner conference exemption (CY 2009 and 2010) as compared with the two years preceding the repeal (2006 – 2007)? If any, please explain.

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29. Based on your experience during the period *from January 2006 to the present*, have there been any significant changes in the nature of your business in the Far East/U.S. liner shipping market related to *changes* in:

- a. Seasonality of cargo movements
- b. Commodity values –
- c. Directional cargo imbalances (imports vs. exports)
- d. Number of carriers serving the trade;
- e. Minimum scale (# and size of vessels) needed to serve the trade efficiently

If so, please identify and explain those changes.

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30. Based on your experience during the period *from January 2006 to the present*, have there been any significant changes in the nature of your business in the Far East/E.U. liner shipping market related to *changes* in:

- a. Seasonality of cargo movements;
- b. Commodity values;
- c. Directional cargo imbalances (imports vs. exports);

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- d. Number of carriers serving the trade; or
- e. Minimum scale (# and size of vessels) needed to serve the trade efficiently. If so, please identify and explain those changes.

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ANNEXES

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Vice President Shipping

Annex 1 - CONFIDENTIAL

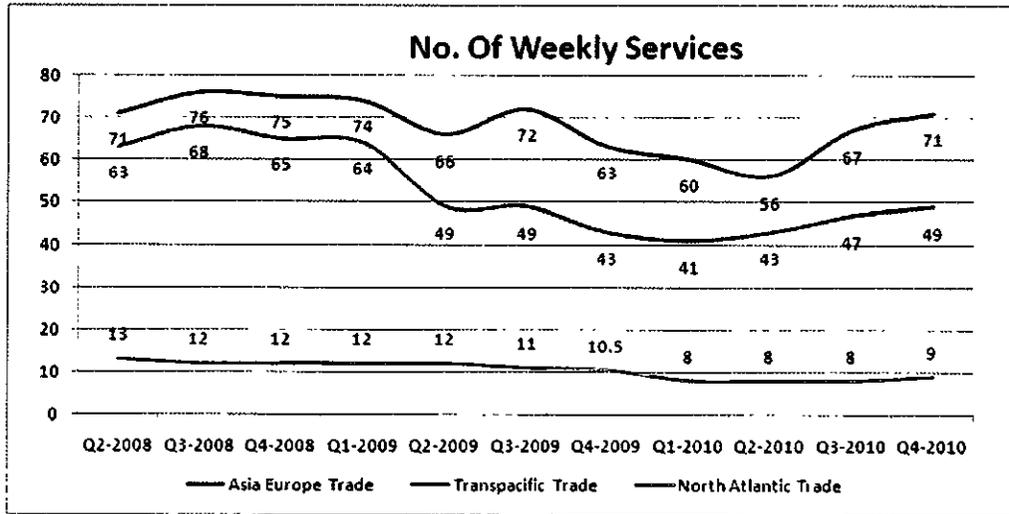
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ari.rafael@il.zim.com



Annex 2



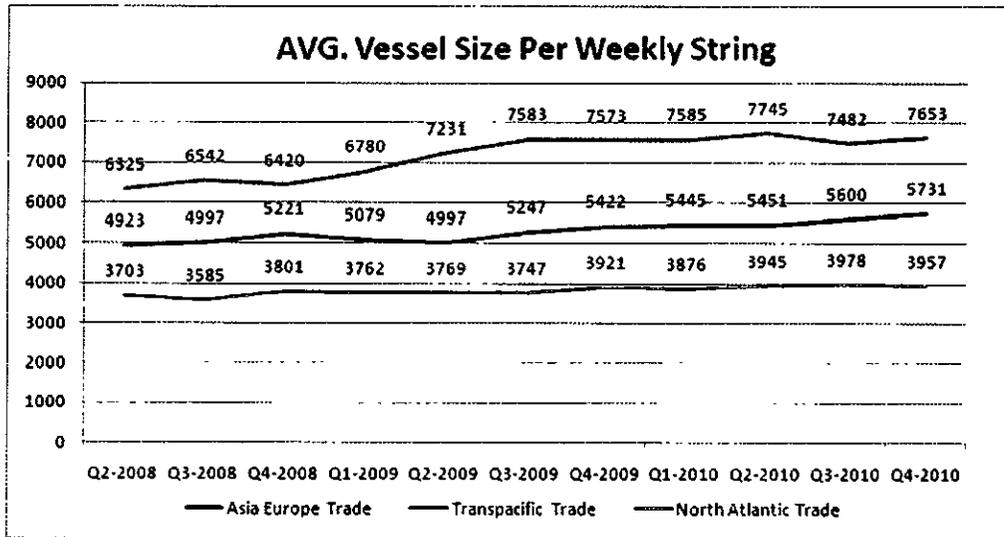
*Figures based on Drewry information.

Annex 3

Summary Table: Based on Weekly Figures			
Q4-2010 vs Q2-2008	No of Services	AVG Vessel Size	Capacity
Asia Europe Trade	-22%	21%	-6%
Transpacific Trade	0%	16%	16%
North Atlantic Trade	-31%	7%	-26%

* Figures based on Drewry information.

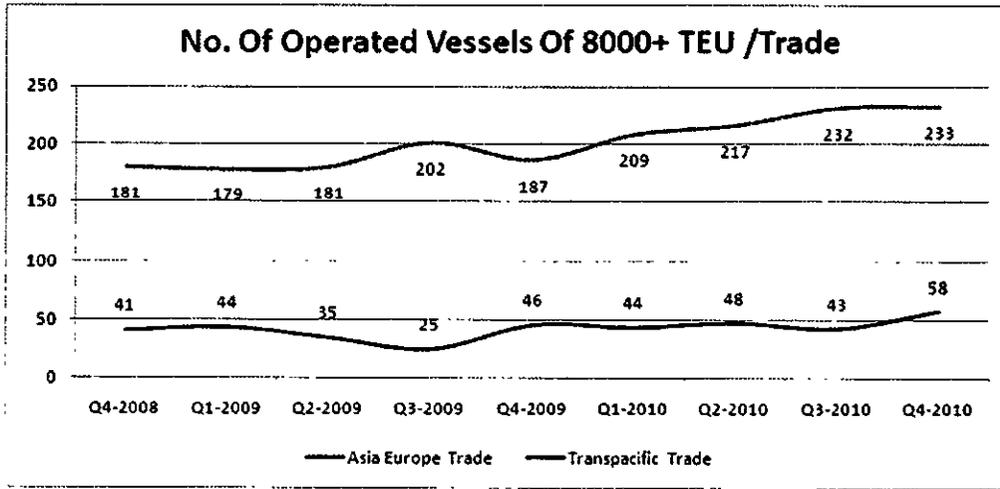
Annex 4



* Figures based on Drewry information.



Annex 5

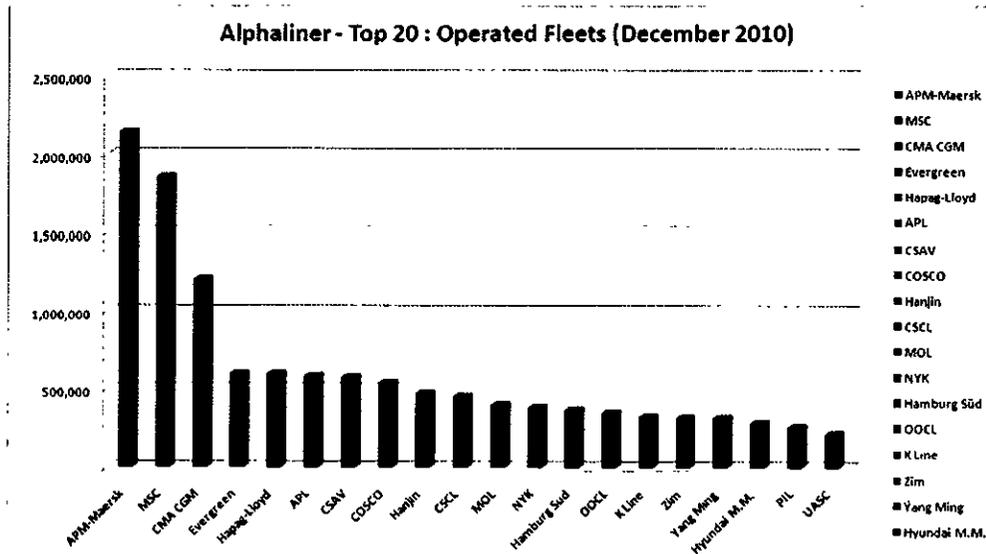


*Based on Drewry Container Forecaster Data



Rafael Ben-Ari
Vice President Shipping

Annex 6



*Based on Alphaliner data.



Annex 7

Carriers East-West market shares									
Date : 01 Jan 2011									
Carrier	Weekly teu capacity by route			Market share by route			Weekly teu	Market share	
	Eur-N.Am	FE-N.Am	FE-Europe	Eur-N.Am	FE-N.Am	FE-Europe			
APM-Maersk	12 013	37 775	74 707	11.5%	10.1%	20.2%	124 495	14.7%	
Mediterranean Shg Co	32 524	20 610	47 079	31.2%	5.5%	12.7%	100 213	11.8%	
CMA CGM Group	2 513	21 757	43 308	2.4%	5.8%	11.7%	67 578	8.0%	
Hapag-Lloyd	26 587	23 051	13 777	25.5%	6.3%	3.7%	64 015	7.6%	
Evergreen Line	1 412	31 004	18 950	1.4%	8.3%	5.1%	51 366	6.1%	
Harjin Shipping	1 511	30 237	19 023	1.4%	8.1%	5.1%	50 771	6.0%	
APL	2 178	29 717	9 927	2.1%	8.0%	2.7%	41 822	4.9%	
COSCO Container L.	678	22 189	17 448	0.6%	6.0%	4.7%	40 311	4.8%	
CSCL		17 189	14 629		4.6%	4.0%	32 098	3.8%	
Hyundai M.M.		19 800	11 053		5.3%	3.0%	30 853	3.6%	
NYK Line		17 707	12 577		4.8%	3.4%	30 284	3.6%	
Yang Ming Marine Transport Corp.		17 040	12 512		4.7%	3.4%	30 152	3.6%	
OOCL	6 431	12 358	11 184	6.2%	3.3%	3.0%	29 973	3.5%	
MOL	2 558	14 175	11 815	2.5%	3.8%	3.2%	28 548	3.4%	
K Line		15 455	11 362		4.1%	3.1%	26 817	3.2%	
Zim	6 014	11 688	7 848	5.8%	3.1%	2.1%	25 548	3.0%	
CSAV Group	1 370	8 196	11 182	1.3%	2.2%	3.0%	20 748	2.5%	
UASC	1 504		11 775	1.4%		3.2%	13 279	1.6%	
Matson		6 453			1.7%		6 453	0.8%	
PIL (Pacific Int. Line)		1 642	4 005		0.4%	1.1%	5 647	0.7%	
Hamburg Süd Group	1 281	2 880		1.2%	0.8%		4 141	0.5%	
Wan Hai Lines		671	2 752		0.2%	0.7%	3 423	0.4%	
The Containership Company (TCC)		2 936			0.8%		2 936	0.3%	
Grimaldi (Napoli)	2 908			2.8%			2 908	0.3%	
Horizon Lines		2 825			0.8%		2 825	0.3%	
Hainan P O Shipping Co		2 646			0.7%		2 646	0.3%	
HDS Lines			2 584			0.7%	2 584	0.3%	
Independent Container Line	1 953			1.9%			1 953	0.2%	
Turkmen Line	897			0.9%			897	0.1%	
Westwood		864			0.2%		864	0.1%	
T/S Lines		548			0.1%		548	0.1%	
Marinet		102			0.0%		102	0.0%	
TOTAL	184 318	372 697	369 823	100%	100%	100%	846 838	100%	
Alliance (sub totals)	Eur-N.Am	FE-N.Am	FE-Europe	Eur-N.Am	FE-N.Am	FE-Europe	EW Total	EW Total	
CKYH partners	2 187	85 522	60 372	2.1%	22.9%	16.3%	148 081	17.5%	
Grand Alliance partners	33 018	53 716	37 538	31.7%	14.4%	10.2%	124 272	14.7%	
New World Alliance partners	4 737	63 693	32 794	4.5%	17.1%	8.9%	101 224	12.0%	
	CKYH = COSCO + K Line + Yang Ming + Hanjin # GA = Hapag-Lloyd + OOCL + NYK # NWA = APL + MOL + HMM								
Copyright Alphaliner 2011	These capacities and market shares are derived from the tracking of all carriers' ships as per the Alphaliner website								

Notes
This analysis is based on the ships capacities deployed by each carrier between North America, East Asia and Europe, including all slots, as per the Alphaliner database (even if used for non-North Am, non-Europe or non-FE related cargoes).
As these non-East-West cargoes participate to the filling of ships plying the East-West routes, they are taken into account.
Note - A few services with route overlaps are weighed at 50% of their capacity for each route covered

Eur-N. Am (usually referred to as transatlantic)
Most Europe-North America services are arterial services covering the trade between the Europe and Med sectors and the USA, Canada and Mexico, catering not only for genuine Europe-NAM cargoes, but also for Caribbean cargoes (T/S in Florida and Caribbean hubs)

FE-N. Am (usually referred to as transpacific)
Most Far East-North America services are arterial services covering the trade between the Far East and the USA, Canada and Mexico, catering not only for genuine FE-NAM cargoes, but also for non-FE-NAM related cargoes such as :
-> ANZ-NAM cargoes (either T/S in SE Asia hubs or direct services) (ANZ integrated in Far East sphere)
-> Middle East/South Asia-NAM cargoes (T/S in SE Asia hubs or direct)
-> Some East Africa cargoes (T/S in SE Asia hubs)
Note - FE-US/SC services via Suez are naturally included in the FE-NAM count

FE-Europe
Most FE-Europe services are arterial services catering not only for genuine FE-Europe cargoes, but also for non-FE-Europe related cargoes such as :
-> ANZ-Europe (T/S in SE Asia hubs)
-> FE-Near East cargo (T/S in Med hubs or direct)
-> FE-North Africa cargoes (T/S in Med hubs or direct)
-> FE-West Africa cargoes (T/S in Med hubs)
-> FE-ECSA cargoes (T/S in Med hubs)
Note 1 - Several FE-Europe loops call in South Asia and/or Middle East en route. Their full nominal capacity has however been retained.
Note 2 - The services connecting Europe to ANZ and coming back via SE Asia (westbound) are considered for the whole of their capacity (ANZ integrated in Far East sphere).
Note 3 - The services connecting Europe to ANZ via the USA and Panama have been considered for 50% of their capacity (ANZ integrated in FE sphere).



 Carriers East-West market shares <small>The worldwide reference in liner shipping</small>									
Date : 01 Jan 2010	Weekly teu capacity by route			Market share by route			Weekly teu	Market share	
Carrier	Eur-N. Am	FE-N.Am	FE-Europe	Eur-N. Am	FE-N.Am	FE-Europe	EW total	EW total	
APM-Maersk	10 800	34 293	90 250	11.0%	11.6%	22.3%	114 358	16.4%	
Mediterranean Shg Co	22 610	12 505	40 722	24.0%	4.3%	13.1%	75 838	10.9%	
CMA CGM Group	2 098	17 112	30 719	2.3%	5.8%	12.8%	58 929	8.6%	
Hapag-Lloyd	27 000	14 735	13 403	29.7%	5.0%	4.3%	55 138	7.9%	
Evergreen Line	1 413	25 529	16 688	1.6%	8.7%	5.4%	43 630	6.3%	
Hanjin Shipping	2 137	28 160	13 063	2.4%	9.5%	4.2%	43 360	6.2%	
APL	2 373	28 927	5 700	2.6%	9.1%	1.9%	35 000	5.0%	
COSCO Container L.	686	13 716	15 336	0.8%	4.6%	4.9%	29 738	4.3%	
OOCL	6 359	19 828	6 728	7.0%	6.7%	2.2%	32 913	4.7%	
CSCCL		13 508	12 594		4.6%	4.1%	26 100	3.7%	
Yang Ming Line		14 872	10 948		5.0%	3.5%	25 820	3.7%	
K Line		14 885	10 047		5.0%	3.2%	24 932	3.6%	
MOL	2 336	11 954	9 900	2.6%	4.1%	3.2%	24 250	3.5%	
Hyundai M.M.		14 330	9 372		4.9%	3.0%	23 702	3.4%	
NYK	238	11 686	11 560	0.3%	4.0%	3.7%	23 460	3.4%	
Zim	5 961	9 388	4 253	6.6%	3.2%	1.4%	19 602	2.8%	
UASC	1 504		11 181	1.7%		3.6%	12 685	1.8%	
Horizon Lines		2 825				1.0%	2 825	0.4%	
CSAV Group			4 646			1.5%	4 646	0.7%	
HDS Lines			3 769			1.2%	3 769	0.5%	
Grimaldi (Napoli)	2 908			3.2%			2 908	0.4%	
Matson		2 758			0.0%		2 758	0.4%	
Hamburg Süd Group		2 709			0.9%		2 709	0.4%	
P.L. (Pacific Int. Line)		1 115	532		0.4%	0.2%	1 647	0.2%	
Wan Hai Lines		1 114	532		0.4%	0.2%	1 646	0.2%	
Independent Container Line	1 478			1.6%			1 478	0.2%	
Turkmen Line	1 009			1.1%			1 009	0.1%	
Westwood		864			0.3%		864	0.1%	
Marfret		93			0.0%		93	0.0%	
TOTAL	90 925	295 001	316 893	100%	100%	100%	696 821	100%	
Alliance (sub totals)	Eur-N. Am	FE-N.Am	FE-Europe	Eur-N. Am	FE-N.Am	FE-Europe	EW Total	EW Total	
CKYH partners	2 823	71 642	49 365	3.1%	24.3%	15.9%	123 800	17.8%	
Grand Alliance partners	33 567	42 446	31 697	37.0%	14.4%	10.2%	107 740	15.5%	
New World Alliance partners	4 709	53 210	25 131	5.2%	18.0%	8.1%	83 050	11.9%	
	CKYH - COSCO + K Line + Yang Ming + Hanjin // GA - Hapag-Lloyd + OOCL + NYK // NWA - APL + MOL + HMM								
Copyright Alphaliner 2010	These capacities and market shares are derived from the tracking of all carriers' ships as per the Alphaliner website								

Notes

This analysis is based on the ships capacities deployed by each carrier between North America, East Asia and Europe, including all slots, as per the Alphaliner database (even if used for non-North Am, non-Europe or non-FE related cargoes).

As these non-East-West cargoes participate to the filling of ships plying the East-West routes, they are taken into account.

Note - A few services with route overlaps are weighed at 50% of their capacity for each route covered

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Most Europe-North America services are arterial services covering the trade between the Europe and Med sectors and the USA, Canada and Mexico, catering not only for genuine Europe-NAM cargoes, but also for Caribbean cargoes (T/S in Florida and Caribbean hubs)

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Most Far East-North America services are arterial services covering the trade between the Far East and the USA, Canada and Mexico, catering not only for genuine FE-NAM cargoes, but also for non-FE-NAM related cargoes such as :
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 - Some East Africa cargoes (T/S in SE Asia hubs)
 Note - FE-USEC services via Suez are naturally included in the FE-NAM court

FE-Europe
Most FE-Europe services are arterial services catering not only for genuine FE-Europe cargoes, but also for non-FE-Europe related cargoes such as :
 - ANZ-Europe (T/S in SE Asia hubs)
 - FE-Near East cargo (T/S in Med hubs or direct)
 - FE-North Africa cargoes (T/S in Med hubs or direct)
 - FE-West Africa cargoes (T/S in Med hubs)
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 Note 1 - Several FE-Europe loops call in South Asia and/or Middle East en route. Their full nominal capacity has however been retained
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 Note 3 - The services connecting Europe to ANZ via the USA and Panama have been considered for 50% of their capacity (ANZ integrated in FE sphere).



Carriers East-West market shares									
Date : 01 Jan 2009									
Carrier	Weekly teu capacity by route			Market share by route			Weekly teu EW total	Market share EW total	
	Eur-N. Am	FE-N.Am	FE-Europe	Eur-N. Am	FE-N.Am	FE-Europe			
APM-Maersk	21 010	41 001	68 010	17.8%	12.2%	19.4%	130 627	10.1%	
Mediterranean Shg Co	24 017	10 243	47 275	20.3%	4.8%	13.5%	87 535	10.8%	
Evergreen Line	5 802	37 146	24 734	5.0%	10.9%	7.1%	67 772	8.4%	
CMA CGM Group	3 014	17 885	37 035	3.1%	5.3%	10.6%	58 534	7.2%	
Hapag-Lloyd	28 928	12 150	10 074	24.5%	3.0%	4.8%	57 758	7.1%	
OOCL	7 501	30 302	5 402	6.3%	8.0%	1.6%	43 205	5.3%	
Hanjin / Senator	2 677	21 547	18 687	2.3%	6.3%	5.3%	42 911	5.3%	
NYK	2 400	15 250	18 050	2.1%	4.5%	5.1%	35 778	4.4%	
CSCL	1 060	15 632	17 594	0.9%	4.6%	5.0%	34 285	4.2%	
COSCO Container L.	666	17 629	15 217	0.6%	5.2%	4.3%	33 532	4.1%	
APL	2 323	25 579	5 487	2.0%	7.5%	1.0%	33 389	4.1%	
Yang Ming Line	740	17 505	13 818	0.6%	5.2%	3.0%	32 123	4.0%	
MOL	2 303	12 901	12 627	1.9%	3.8%	3.6%	27 821	3.4%	
K Line	602	19 496	7 407	0.6%	5.7%	2.1%	27 565	3.4%	
Hyundai M.M.		10 640	10 304		4.0%	3.0%	27 043	3.3%	
Zim	5 657	11 050	3 076	4.8%	3.4%	1.0%	20 989	2.6%	
UASC	2 215		9 300	1.9%		2.7%	11 515	1.4%	
CSAV Group			8 823			2.5%	8 823	1.1%	
MISC Berhad			4 800			1.4%	4 800	0.6%	
Horizon Lines		2 825			0.8%		2 825	0.3%	
IRIS Lines			4 307			1.2%	4 307	0.5%	
Grimaldi (Napoli)	2 908			2.5%			2 908	0.4%	
Matson		2 758			0.8%		2 758	0.3%	
Wan Hai Lines		2 056	619		0.6%	0.2%	2 675	0.3%	
Hamburg Süd Group		1 986			0.6%		1 986	0.2%	
Independent Container Line	1 478			1.3%			1 478	0.2%	
PIL (Pacific Int. Line)		520	700		0.2%	0.2%	1 235	0.2%	
Turton Line	1 153			1.0%			1 153	0.1%	
Westwood		864			0.3%		864	0.1%	
Atlanticargo	500			0.5%			500	0.1%	
Dannebrog / Nordana	251			0.2%			251	0.0%	
Marinet		93			0.0%		93	0.0%	
TOTAL	118 143	340 438	358 756	100%	100%	100%	889 337	100%	
ALLIANCE (sub totals)	Eur-N. Am	FE-N.Am	FE-Europe	Eur-N. Am	FE-N.Am	FE-Europe	EW Total	EW Total	
CKYH partners	4 705	70 237	55 120	4.0%	22.4%	15.7%	130 131	16.8%	
Grand Alliance partners	38 898	57 708	40 225	32.0%	17.0%	11.5%	136 831	16.9%	
New World Alliance partners	4 826	55 210	28 508	3.9%	16.2%	8.1%	88 553	10.9%	
CKYH = COSCO + K Line + Yang Ming + Hanjin // GA = Hapag-Lloyd + OOCL + NYK // NWA = APL + MOL + HMM									
Copyright Alphaliner 2009									
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 - Middle East/South Asia-NAM cargoes (T/S in SE Asia hubs or direct)
 - Some East Africa cargoes (T/S in SE Asia hubs)
 Note - FE-USEC services via Suez are naturally included in the FE-NAM count

FE-Europe
 Most FE-Europe services are arterial services catering not only for genuine FE-Europe cargoes, but also for non-FE-Europe related cargoes such as :
 - ANZ-Europe (T/S in SE Asia hubs)
 - PE-Near East cargo (T/S in Med hubs or direct)
 - FE-North Africa cargoes (T/S in Med hubs or direct)
 - FE-West Africa cargoes (T/S in Med hubs)
 - FE-ECSA cargoes (T/S in Med hubs)
 Note 1 - Several FE-Europe loops call in South Asia and/or Middle East en route. Their full nominal capacity has however been retained.
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 Note 3 - The services connecting Europe to ANZ via the USA and Panama have been considered for 50% of their capacity (ANZ integrated in FE sphere).



Annex 8



Input into the question

Year	Far East/U.S.	Far East / Europe	North Europe/U.S.
2006		L	M
2007	L		M
2008	M		L
2009	M	L	
2010		M	L

Indexed changes within each trade lane using 2006 as a base in each trade

Year	Far East/U.S.	Far East / Europe	North Europe/U.S.
2006	100	100	100
2007	89	316	85
2008	181	320	75
2009	43	-263	17
2010	134	225	80

Explanations for change

2007	Freight rates were rising in the FE/EUR and FE/USA trades, but they rise more rapidly in FE/EUR due to the lag created by FE/USA Trades annual contracts. North Europe / USA trade was on the decline in the period.
2008	Freight rates were strong in the FE/USA trades, and their network costs were lower than in FE/EUR which requires more vessels. While North Europe/USA was least profitable, it was close in profitability to FE/EUR
2009	Freight rates crashed in FE/EUR and while lower in FE/USA, they eroded less quickly. Average network costs in both trades were reduced by over 20% (lower charters and reduced bunkers), but not enough to cover the shortfall in revenue. Freight rates edged lower in the North Europe / USA trades, but profits remained slightly positive.
2010	FE/EUR freight rates increased very quickly due to strength in the market, where FE/USA lagged a bit. With improved revenue against lower network costs, much improved profitability in 2010. North Europe / USA trades do not swing as violently as the FE trades, so while profits improved dramatically in the trade they did not have as steep a recovery as the FE trades.

Points to note:-

- 1) BoxTradeIntelligence analyses port to port profitability only, hence does not include intermodal or terminal activity.
- 2) 2010 estimation based on Q1-Q3 2010 actuals.
- 3) Market and industry figures are based on BoxTradeIntelligence's Container Business Database, and as such are an industry wide benchmark rather than a statement of individual carrier's profitability.

Source: Container Business Database, 08.12.2010

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Annex 9

Global Insight Volumes						
Europe	F.East	8,880,280	10,214,635	10,053,417	8,689,755	9,783,976
F.East	Europe	4,344,020	4,777,446	4,736,764	4,977,455	5,697,896
Changes		YOY		13%	-1%	-8%
		2010 vs. 2008				13%
		2010 vs 2006				5%
						17%

United States	F.East	12,070,053	12,280,312	11,537,239	9,425,975	11,067,813
F.East	United States	4,600,956	5,200,421	5,799,675	5,577,218	6,082,328
Changes		YOY		5%	-1%	-13%
		2010 vs. 2008				14%
		2010 vs 2006				-1%
						3%

N.EUR	United States	1,015,626	1,173,781	1,283,531	919,165	1,082,402
United States	N.EUR	1,813,247	1,721,188	1,727,593	1,369,019	1,570,723
Changes		YOY		2%	4%	-24%
		2010 vs. 2008				16%
		2010 vs 2006				-12%
						-8%



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Rafael Ben-Ari
Vice President Shipping

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