

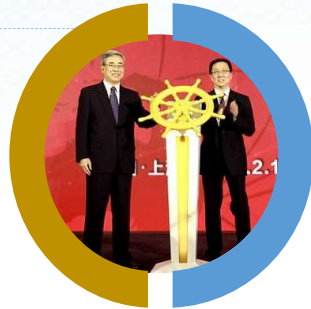
# 8<sup>TH</sup> BLACK SEA PORTS & SHIPPING 2019



The Black Sea as a link for international trade between Central-East Europe and Central Asia

# Who We Are

*We Deliver Value*  
价值·因运而生



**Founded In Shanghai/China On February 18<sup>th</sup> , 2016**

**Integrated By**

**China Ocean Shipping (Group) Company & China Shipping(Group) Company.**

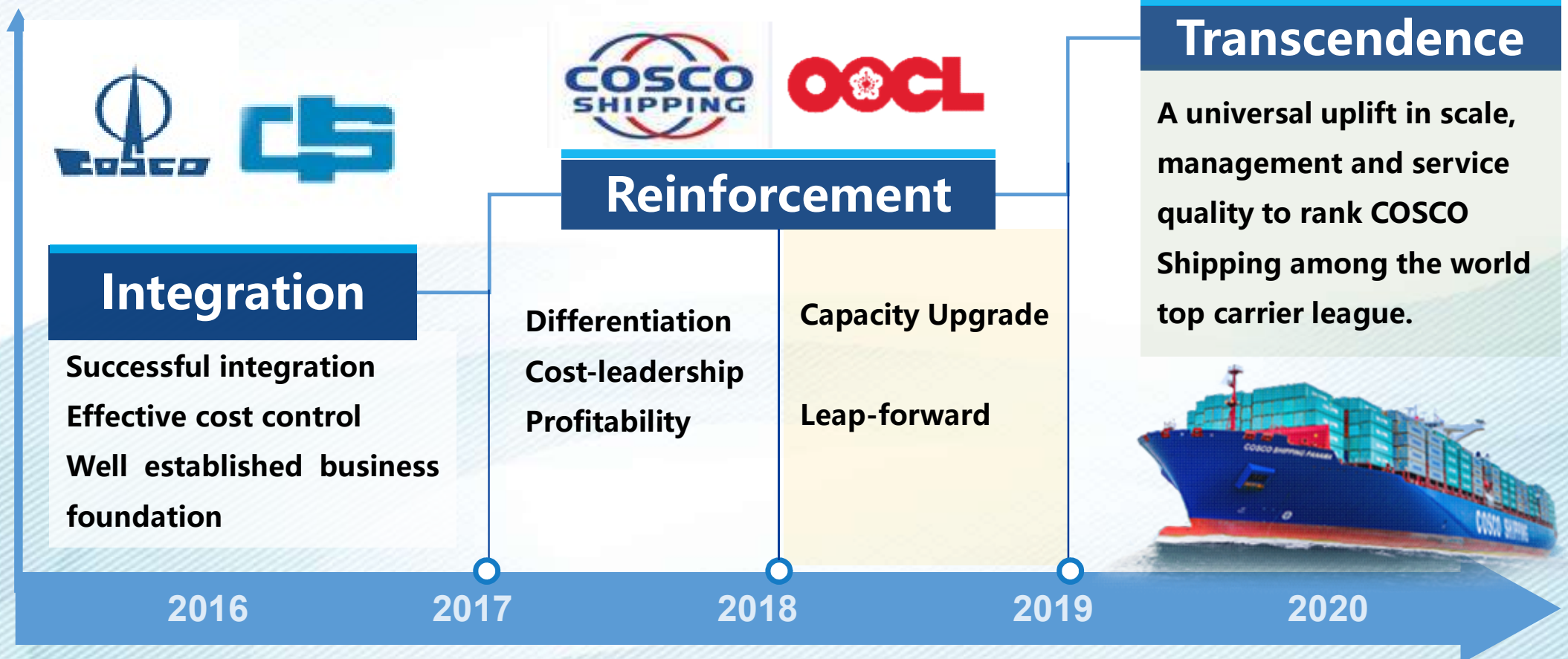
- ❑ COSCO Shipping Lines is one of the leader Carriers in container liner-transport worldwide. Our Company philosophy and development is focused based on the “One Belt One Road Initiative” building-up worldwide multimodal container transport networks and services customized on the real market’ s needs and challenges.



# Who we are & our Strategic Planning

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## New Phase in the Post-integration Era



# OCEAN & PLUS

**Globalization**



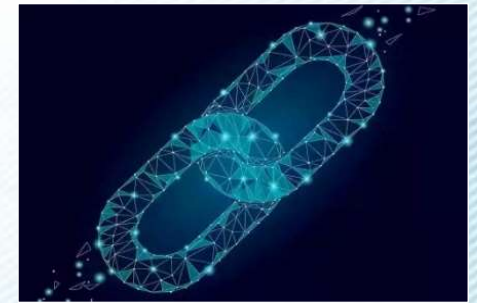
**Dual-brand**



**End-to-end**



**Digitalization**



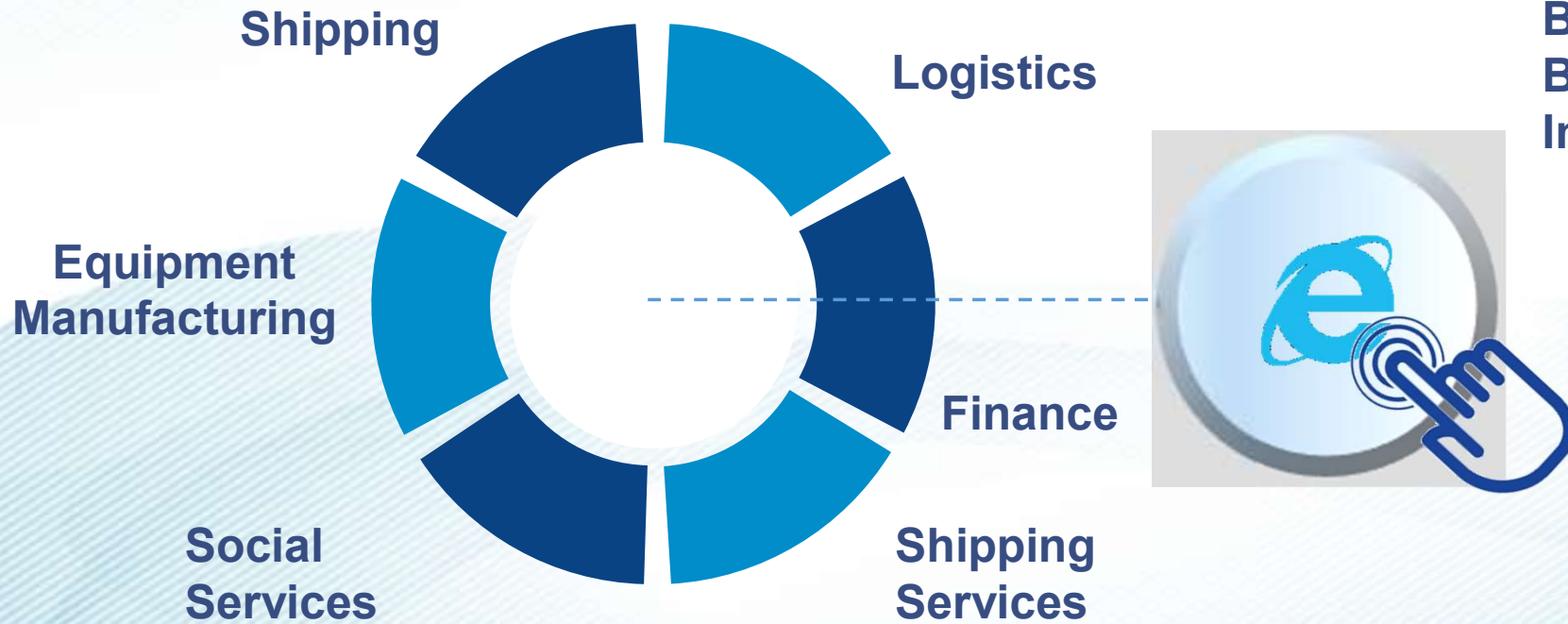
# Overseas Network

## 7 Regional Companies+3 Country Companies

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# "6+1" Business Clusters Layout



**"Internet Plus"  
Business Based On  
Business Model  
Innovation**

# Shipping Cluster

*We Deliver Value*  
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- ❑ Total Fleet Overpass 86 Million DWT--- No.1
- ❑ Dry Bulk Fleet--- No.1
- ❑ Tanker Fleet--- No.1
- ❑ General Cargo and Specialized Cargo Fleet---No.1
- ❑ Throughput of Terminals---No.1
- ❑ Ship Bunker Fuel---No.1
- ❑ Container Leasing Business---No.3
- ❑ Container Fleet---No.3, No.1 within Asia

A Significant Size and Resources Increase For The New Group, Ranking No.1 In The Global Shipping Companies

# Logistics Cluster

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More than 500 sales and service offices in China and 17 other countries, offering full logistics solutions for domestic and foreign customers.

Specialized in project logistics, freight forwarding, multi-modal transport, Integrated logistics, warehousing, shipping agents, supply chain management etc.



# 2019 New and Complex Market Trend

## Higher Market Concentration

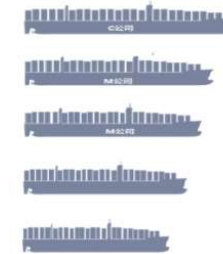
**20** Liners Jan. 2013 Market Share  
Million TEU %

MAERSK LINE	2.58	15.4
MSC	2.23	13.2
CMA CGM	1.38	8.2
EVERGREEN	0.72	4.3
WALTON	0.72	4.3
Hapag-Lloyd	0.63	3.8
APL	0.58	3.8
HANJIN SHIPPING	0.57	3.4
CE	0.55	3.3
MOL	0.51	3.0
OOCL	0.45	2.7
HAMBURG SÜD	0.42	2.5
NYK LINE	0.40	2.4
YANG MING	0.36	2.1
K LINE	0.35	2.1
HMM	0.35	2.1
ZIM	0.32	1.9
PIL	0.30	1.8
UASC	0.27	1.6
CSAV	0.26	1.5

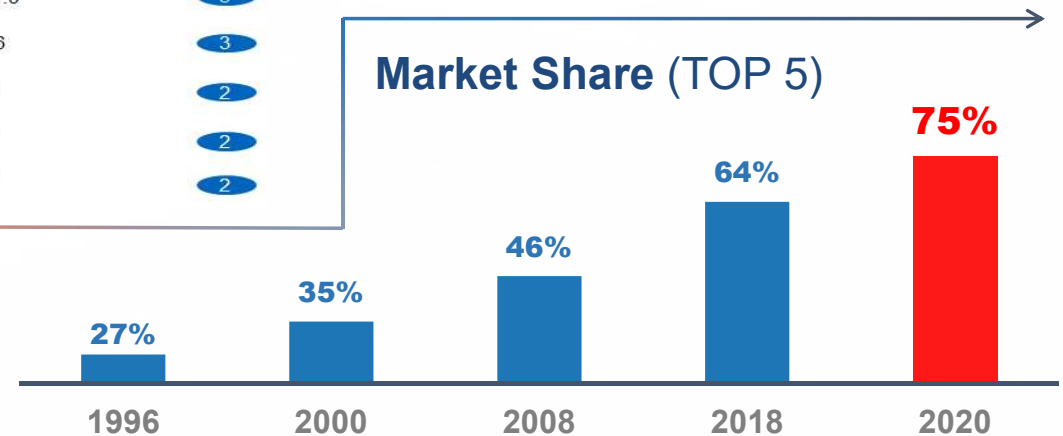
**11** Liners Jun. 2018 Market Share  
Million TEU %

MAERSK LINE	4.0	20
MSC	3.1	15
OOCL	2.4	12
CMA CGM	2.3	12
Hapag-Lloyd	1.5	8
CSAV	1.5	7
MOL	1.5	7
EVERGREEN	1.0	5
YANG MING	0.6	3
PIL	0.4	2
ZIM	0.3	2
HMM	0.3	2

**3-5** Liners Market in the future



### Market Share (TOP 5)



# China –Europe Block Train Service

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Since the beginning of 2018, COSCO SHIPPING Lines has opened block train services from China inland cities, such as Tianjin, Nanchang, Wuhan, Dalian etc.) to Moscow, also from Lianyungang to Tashkent, Uzbekistan and Almaty, Kazakhstan.

# The Transcaucasia and Central Asia Plan

The Caucasus and Central Asia

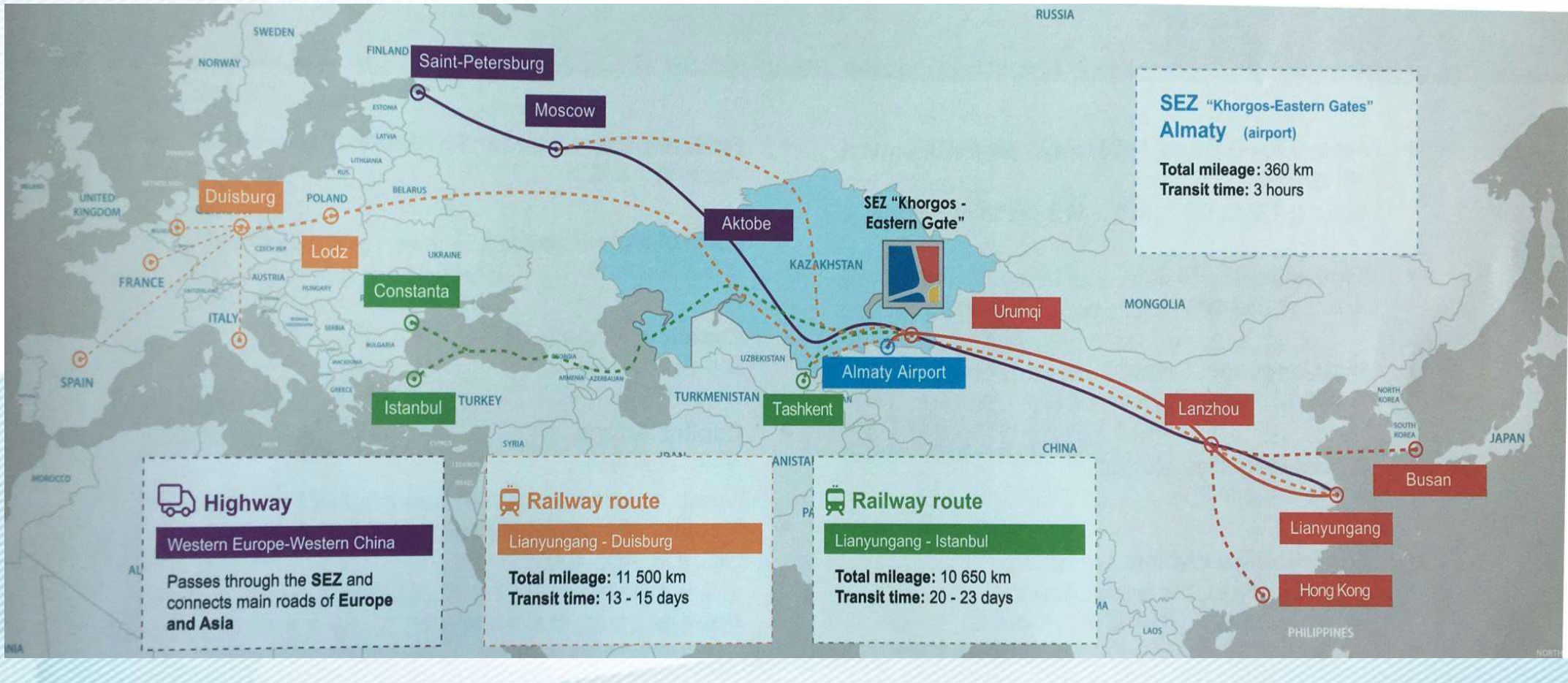


The New Silk Road Economic Belt is considered to be “the longest and most promising economic corridor in the world”. Countries along the route have huge potential for development in infrastructure construction, agriculture, energy, tourism, trade, and transportation.

As the core area of the new Silk Road economic belt, the five Central Asian countries are the top priority of the construction of the new Silk Road economic belt.

The countries across the Transcaucasian are important partners along the “Belt and Road”. The geographical advantage and the population of nearly 20 million people make it a great potential for cooperation with China and Central-Eastern European countries.

# Khorgos Gateway Dry port (24.5% Shares)



# Main connections between Caspian and Black Sea options

Middle Corridor and the logistics hubs that connects trains from North West China, Kazakhstan, Azerbaijan and Georgian hubs, canvassing and delivering also the cargoes from or to the Caspian region and neighbor countries and link them by multimodal transport chain to the Black Sea ports for further destinations in Europe and worldwide.



Seasonal sea-river vessels from the Caspian Sea to the Black Sea on the internal waterways, the Sea of Azov and the Black Sea basin . With the limited seasonal nature of this mode of transport, workable for the existing port facilities in the Caspian Sea and for the goods with standardization and containerization limits, project or oversize cargoes but also for big volume goods which face similar seasons of trading with the sailing period on the internal waterways .



# The “sea bridge” between the Caspian and Black Sea Constanta Port the Eastern European Gate and hub to worldwide services

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- We will need to develop the multimodal transport and infrastructure for the Central Asia and Black Sea connection as the cargo’s transshipment solutions to enhance other markets targeted by the main users of the Central Asia and Caspian market.
- We need to focus on the Central Asia as well as to Eastern and Central Europe for the necessity to connect the markets. Consumer’s goods, resources and technology, chemicals, fertilizers or traditional products of the Caspian region such as cotton, raw materials or others, needs to meet in the demand – offer debate without the limits of transportation.
- We have to link Caspian market to the global container or break bulk networks services to all areas of the world using the Black Sea main ports.
- We believe that key link is to develop and improve the actual transport and logistics solutions. The train corridors should be the direct connected by a “sea bridge” to the main containers transshipment ports in the Black Sea such as Constanta Port, by regular direct feeder service from Georgian Ports Poti or Batumi.
- The feeder’s capacity should be gradually dimensioned to the volume of goods flows on the corridors and their developments.

The limits to be overcome at the beginning :

- to insure the necessary steady break-even point volumes of cargoes on both ways.
- to achieve acceptable operating costs in the Black Sea ports and optimizing the feeder’s running costs.



# AKTAU / BAKU / POTI OR BATUMI / CONSTANTA INTERMODAL HUBS

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- The first step to connect over the Caspian Sea with regular feeder service from Aktau to Baku on weekly basis was already done.
- Next step should enable and optimize the connection of the cargoes flows from the train corridors to the ports that has regular services to and from the Black Sea ports with the Mediterranean Sea, Persian Gulf, North Africa, Far East, Central and Northern Europe or the United States.
- COSCO Shipping has a proactive attitude towards the Caspian market and in order to provide more logistic support and assistance in the development of the containerized and multimodal transport, we have established the agencies and sub-agencies that are actively involved within the related markets. We are delivering transport services in Romania, Moldavia, Georgia, Azerbaijan, Turkey, Ukraine, Russia and we develop markets as Kazakhstan or Turkmenistan.
- Also, COSCO Shipping has improved and upgraded during last period containers, general cargoes and project cargoes services to Black Sea, that connects now with the worldwide transport network .



# COSCO Shipping - Black Sea Services

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## • Container transportation:

### 1. Asia East Mediterranean Service direct service- AEM3

Rotation: Pusan - Shanghai - Ningbo - Kaohsiung - Xiamen - Shekou - Singapore - Port Said - Beirut - Piraeus - Izmit - Istanbul - Constanta - Odessa - Istanbul - Mersin - Port Said - Jeddah - Port Kelang - Busan

#### Outbound

- ▶ Direct service to Jeddah, Port Kelang, Busan, Shanghai, Ningbo, Kaohsiung, Xiamen, Shekou
- ▶ Short leg connection with Port Said, Mersin
- ▶ Weekly calls in Constanta, usually each Monday
- ▶ 10 vessels of abt. 9000 TEUs each, deployed in the service
- ▶ Connection with GEM, GEM2, WAF, EAF services via Istanbul / Port Kelang
- ▶ Connection with SE Asia services via Port Kelang
- ▶ Connection with Port Sudan via Jeddah
- ▶ Connection with Yangtze and Pearl River PODs via Shanghai / Shekou





# COSCO Shipping - Black Sea Services

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• Container transportation:

## 2. Feeder Service TBX – Turkey Black Sea Service

Rotation: Piraeus – Istanbul – Novorossiysk – Constantza – Varna – Istanbul – Thessaloniki – Piraeus

Outbound

- ▶ Connection with GEM, GEM2, NET, NET2, MENA / TAT1 and other Intra Europe services via Istanbul and Piraeus
- ▶ Direct connection with Istanbul, Piraeus, Novorossiysk
- ▶ Weekly calls in Constanta
- ▶ 2 vessels deployed

## 3. Common Feeder Service – Black Sea Service

Rotation: Piraeus – Poti – Varna – Piraeus

Outbound

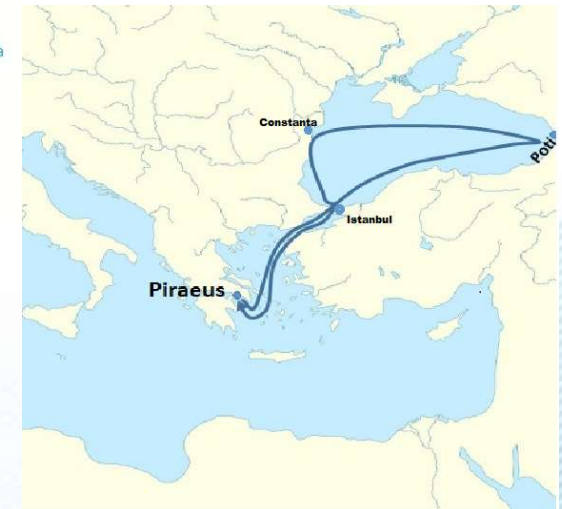
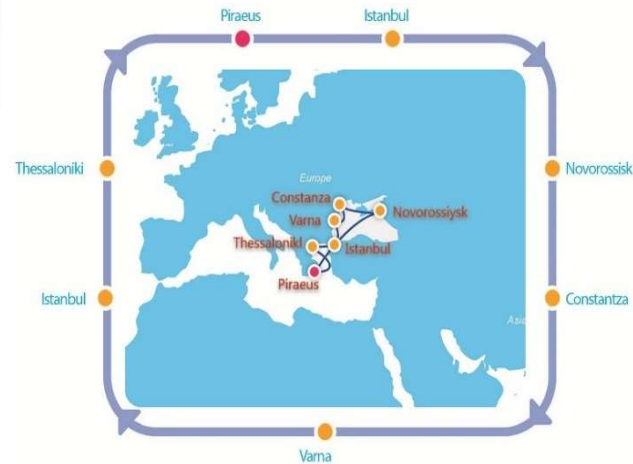
- ▶ Connection with GEM, GEM2, NET, NET2, MENA / TAT1 and other Intra Europe services via Piraeus
- ▶ Direct connection with Piraeus and Varna
- ▶ Weekly calls in Poti and Piraeus
- ▶ 2 vessels deployed

## 4. Common Feeder Service – BXS Service

Rotation: Piraeus – Istanbul - Poti – Constanta – Istanbul - Piraeus

Outbound

- ▶ Connection with GEM, GEM2, NET, NET2, MENA / TAT1 and other Intra Europe services via Piraeus and Istanbul
- ▶ Direct connection with Piraeus, Constanta and Istanbul
- ▶ Weekly calls ▶ 2 vessels deployed



# COSCO Shipping - Container transportation: Worldwide services network connections

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## • From Black Sea via Piraeus and Istanbul

### - Gulf East Med Services

**GEM** service, rotation: Dammam – Jubail - Jebel Ali – Jeddah – Port Said W – Mersin – Piraeus – Izmit – Kumport – Aliaga – Beirut – Damietta – Jeddah – Khorfakkan – Jebel Ali – Dammam

Outbound

- ▶ Connection via Istanbul via TBX / AEM3 service
- ▶ 6 vessels of 6500 TEUs deployed in the service
- ▶ Connection with other ports in Gulf / Middle East area via Jebel Ali / Khorfakkan / Dammam (Bahrain, Bandar Abbas, Shuaiba, Shuwaikh, sohar, Port Sudan, Riyadh, Abu Dhabi)

**GEM2** service, Rotation: Jebel Ali – Hamad - Port Qasim – Mundra – Hazira - Nhava Sheva – Djibouti – Jeddah – Damietta – Piraeus – Malta – Aliaga – Mersin - Port Said – Aqaba - Jebel Ali

Outbound

- ▶ Connection via Piraeus via TBX
- ▶ 5 vessels of 4250 TEUs deployed in the service
- ▶ Connection with Pakistan and India Ports

### - Intra Europe / Mediterranean Services

**NET** service, rotation: Felixstowe – Hamburg – Antwerp – Piraeus – Istanbul – Gebze – Izmir – Salerno – Felixtowe

**NET2** service, rotation: Rotterdam – Felixstowe – Hamburg – Antwerp – Casablanca – Piraeus – Alexandria – Haifa – Mersin – Piraeus – Casablanca – Rotterdam

**IAS** service , rotation: Koper – Ravenna – Venice – Piraeus – Haifa – Ashdod – Koper

**AGT** service, rotation: Piraeus – Rijeka – Koper – Venice – Ancona – Piraeus – Istanbul – Gebze – Izmir – Piraeus

Northbound / Westbound

- ▶ Connection via Piraeus / TBX service
- ▶ Wide network for European ports including Mediterranean Sea, Adriatic Sea, Baltic Sea
- ▶ Coverage of the main North, West and South European ports
- ▶ Connection via Rotterdam / Hamburg with destinations in:

Germany: Bremerhaven, Bremen, Duisburg

Netherlands: Moerdijk

Denmark: Copenhagen, Aarhus, Fredericia, Kalundborg

Sweden: Gothenburg, Helsingborg, Malmo, Stockholm, Ahus, etc.

Norway: Oslo, Moss, Kristiansand, Larvik, Brevik, Tananger, etc.

Finland: Kotka, Helsinki, Rauma, Oulu, Kemi, etc.

Poland: Gdynia



# COSCO Shipping - Container transportation: Worldwide services network connections

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## - Transatlantic Services

### Outbound

- ▶ 4 fixed-day weekly loops, 22 vessels, 24 ports of call, 73 port pair
- ▶ New ports at Houston, Baltimore, New Orleans, Veracruz, Altamira
- ▶ Connection from Constanta via Piraeus and / or Malta / North Europe port

**MENA / TAT1 service**, rotation: Malta – Salerno – Livorno – Genoa – Fos – Barcelona – Valencia – New York – Norfolk – Savannah – Miami – Algeiras – Valencia – Malta

**TAE / TAT2 service**, rotation: Southampton – Antwerp – Rotterdam – Bremerhaven – Le Havre – New York – Baltimore – Norfolk – Charleston – Southampton

**EAG / TAT3 service**, rotation: Le Havre – Antwerp – Rotterdam – Bremerhaven – Miami – Veracruz – Altamira – Houston – New Orleans – Le Havre

### - Africa Services

**West Africa Service – MAF service**, rotation: Genoa – Castellon – Valencia – Algeiras – Dakar – Lome – Apapa – Lagos – Tema – Takoradi – Abidjan – Algeiras – Genoa

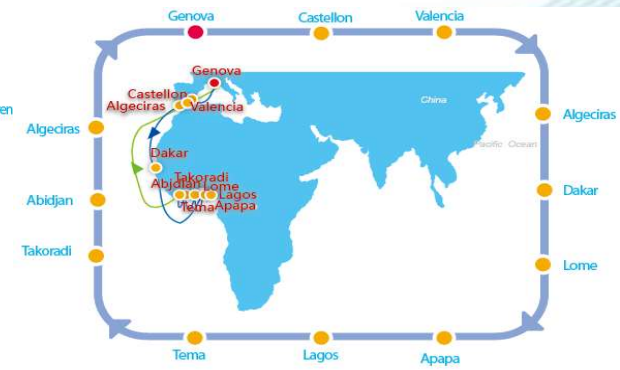
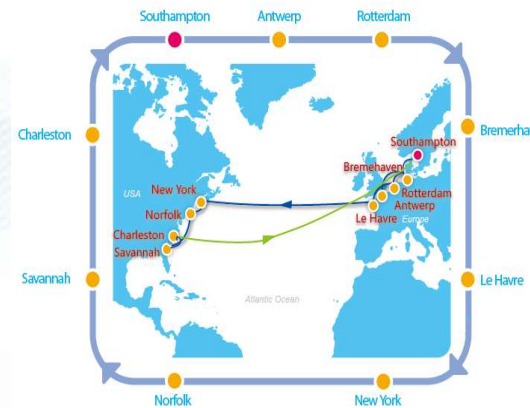
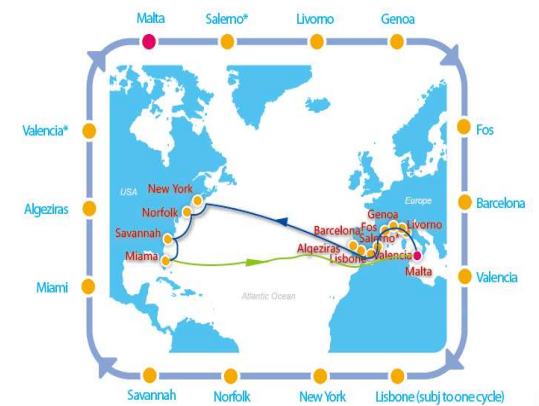
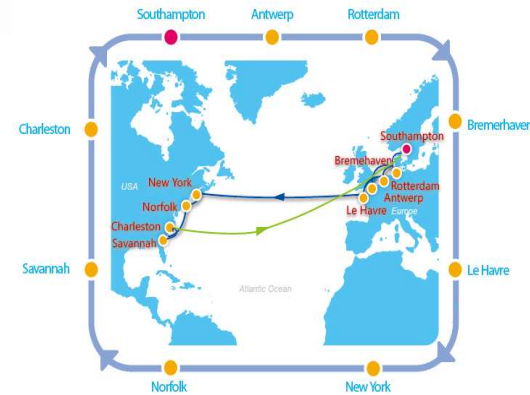
### Outbound

- ▶ express service to West Africa
- ▶ Connection from Constanta via Piraeus and Valencia

**South East Africa service EAX3**, rotation: Port Kelang – Tanjung Pelapas – Singapore – Colombo – Mombasa – Colombo – Port Kelang

**EAX4 service**, rotation: Leam Chabang – Singapore – Port Kelang – Colombo – Dar Es Salaam – Colombo – Singapore – Leam Chabang

**ZAX2 service**, rotation: Kaohsiung – Xiamen – Hong Kong – Shekou – Singapore – Port Kelang – Durban – Cape Town – Port Kelang – Singapore – Kaohsiung



# COSCO Shipping - Black Sea Services

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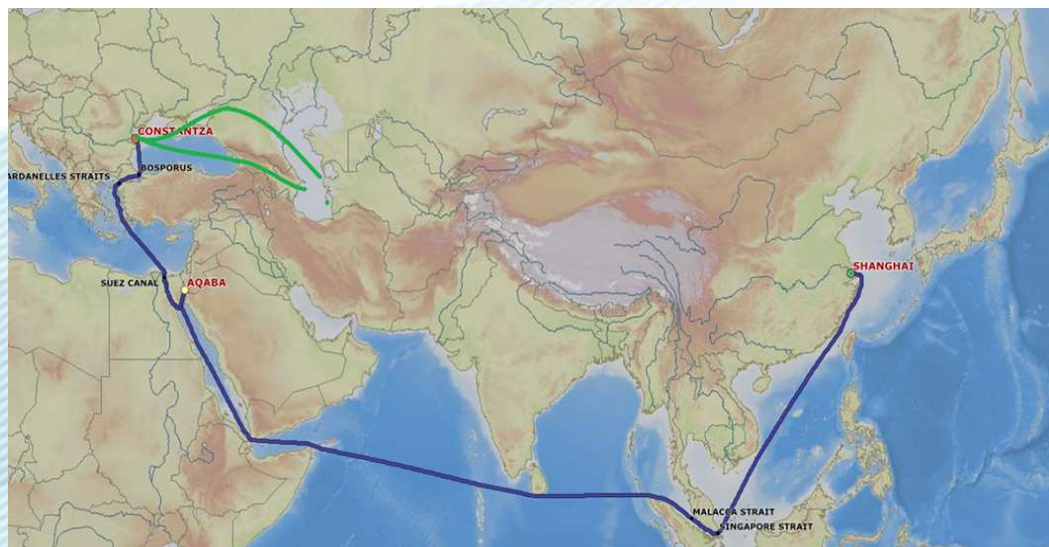
- **Break Bulk and Multipurpose vessels:**

- 1. **China - Red sea – Turkey – Black sea**

- Frequency, 1-2 sailings per month, Vessels type, Song type or Da 2,
    - Base port, Aqaba, Constanta, Constanta port, offering very good and attractive facilities for transshipment in terms of handling, storages and costs in the Black Sea.

- Main port, Jeddah, Adabiya, Iskenderun, Diliskelesi, Odessa/Ilychevsk, Poti.

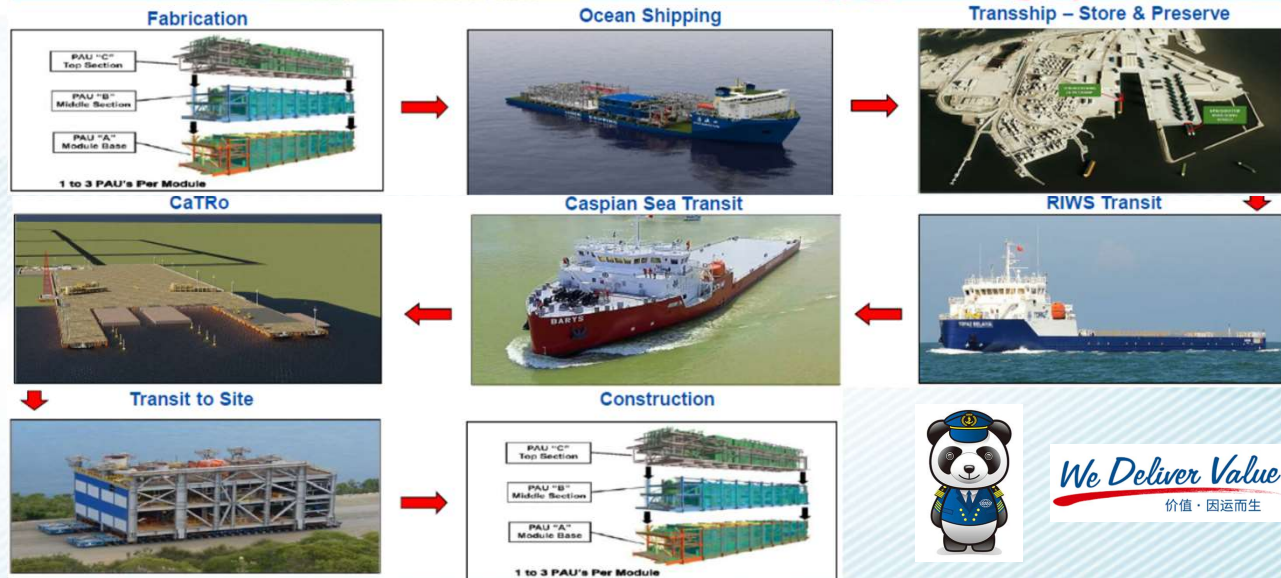
- Minor port, Djibouti, Port Sudan, Ashdod, Alexandria, Piraeus, Izmir/Aliaga, Haydarpasa, Varna, Novorossiysk, other ports



# Tengizchevroil WPMP FGP - TCO Project via Black Sea South base in Burgas

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- **Tengizchevroil WPMP FGP - TCO Project** is one of the examples that open the path and contribute to the Caspian Region industrial cluster development with highly specialized transportation solutions performed via Black Sea, Burgas Port as South base.
- New deep sea to sea-river vessels connection solutions, already used in the TCO project by COSCO Shipping to transport by the semi-submersible vessels, the modular industrial parts and equipment that brings cost-effectiveness in the industrial development of the Caspian region.



## Black Sea, Constanta Port to Central and Eastern European countries

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- **Constanta Port the Eastern European gate to Central and Eastern Europe:** Austria, Bulgaria, Hungary, Moldavia, Slovenia, Germany, Czech Republic, Serb Republic and Croatia
- River transport with barges to the Danube riparian countries from Constanta, an inexpensive and convenient way of transport for large typology of goods, either bulk or containerized cargoes, connecting destinations in Romania, Bulgaria, Serbia, Hungary, Austria, Slovakia, Germany.
- COSCO Shipping in partnership with specialized logistics providers has developed Sea-river connection with Girugiulesti, Moldavia for containers, on weekly service connecting our worldwide network via Constanta Port
- COSCO Shipping perform regular over gauge and project cargoes transshipments from our MPP vessels to barges, for cargoes from Asia or other regions to Danube destinations. Also we perform bulk raw materials shipments on weekly service from Caucasian region via Poti and in transshipment through Constanta Port to final destination Serbia.
- Domestic haulage and rail multimodal solutions for the local market and neighboring countries.



## Black Sea, Constanta Port to Central and Eastern European countries

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### TO DO LIST, TO ENHANCE THE PAN-EUROPEAN CORRIDORS :

- RAIL INFRASTRUCTURE AND CONECTIVITY IMPROVEMENT TO LINK THE EUROPEAN RAIL NETWORK;
- ROAD CONECTIVITY INFRASTRUCTRE ;
- DANUBE NAVIGABLE INFRASTRUCTURE, CONTROLLED WATER LEVEL;
- DANUBE PORTS DEVELOPMENT;
- HINTERLAND MULTIMODAL LOGISTICS HUBS;
- DIRECT LINK BETWEEN THE MIDLE CORRIDOR AND PAN-EUROPEAN CORRIDORS;
- INTERNATIONAL COOPERATION TO IMPROVE THE CONECTIVITY AND LOGISTICS INFRASTRUCTURES TO / FROM BLACK SEA AS A LINK BETWEEN THE CENTRAL ASIA AND THE CENTRAL AND EASTERN EUROPE COUNTRIES.



THANK YOU !



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