

# The Development of The Container Shipping Industry And The Goal of COSCO SHIPPING Lines

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Mediterranean Ports and Shipping 2021 - 7th of October 2021

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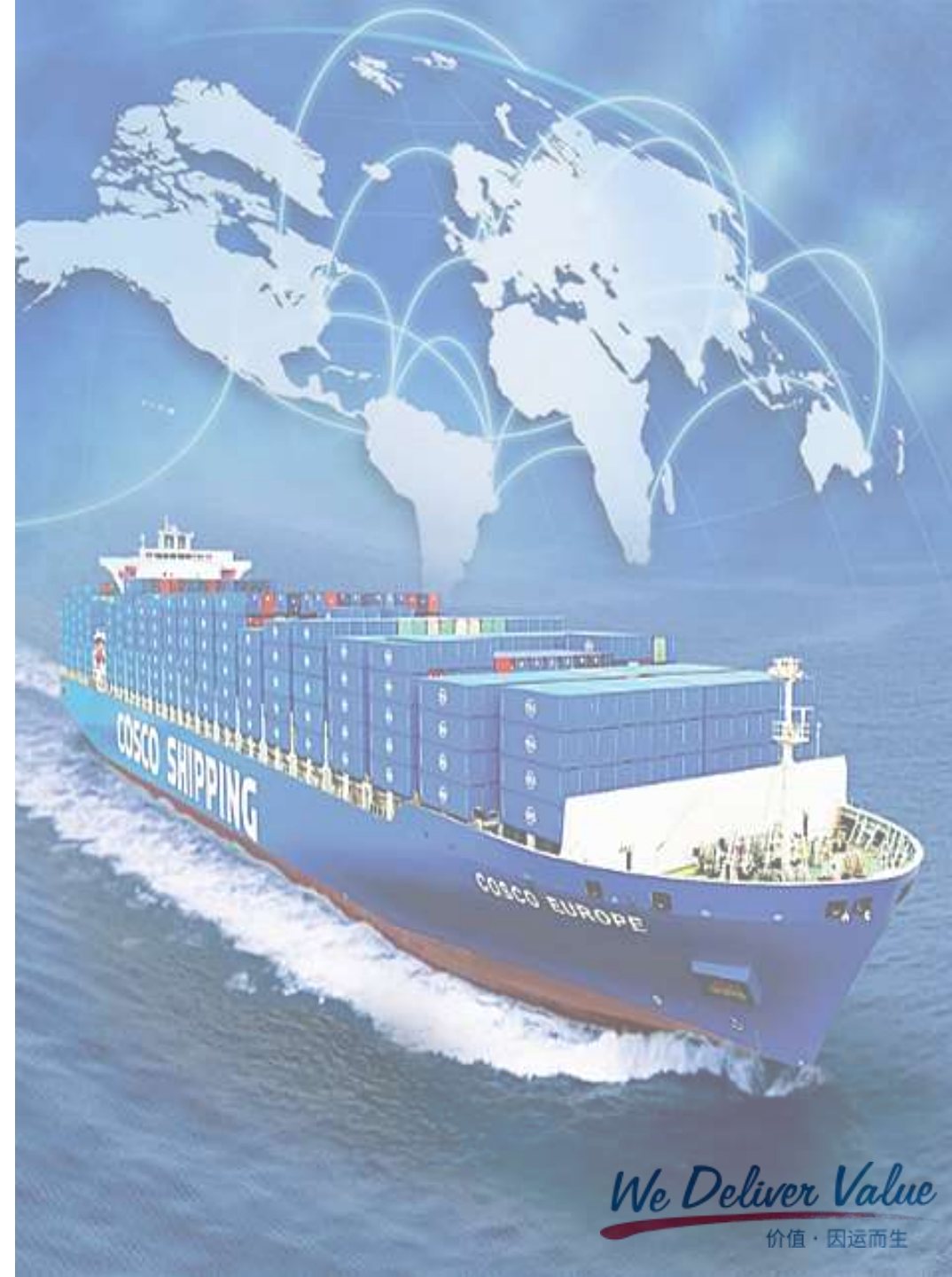
Branch Manager And Global Key Account Manager,  
COSCO Shipping Lines (Spain)

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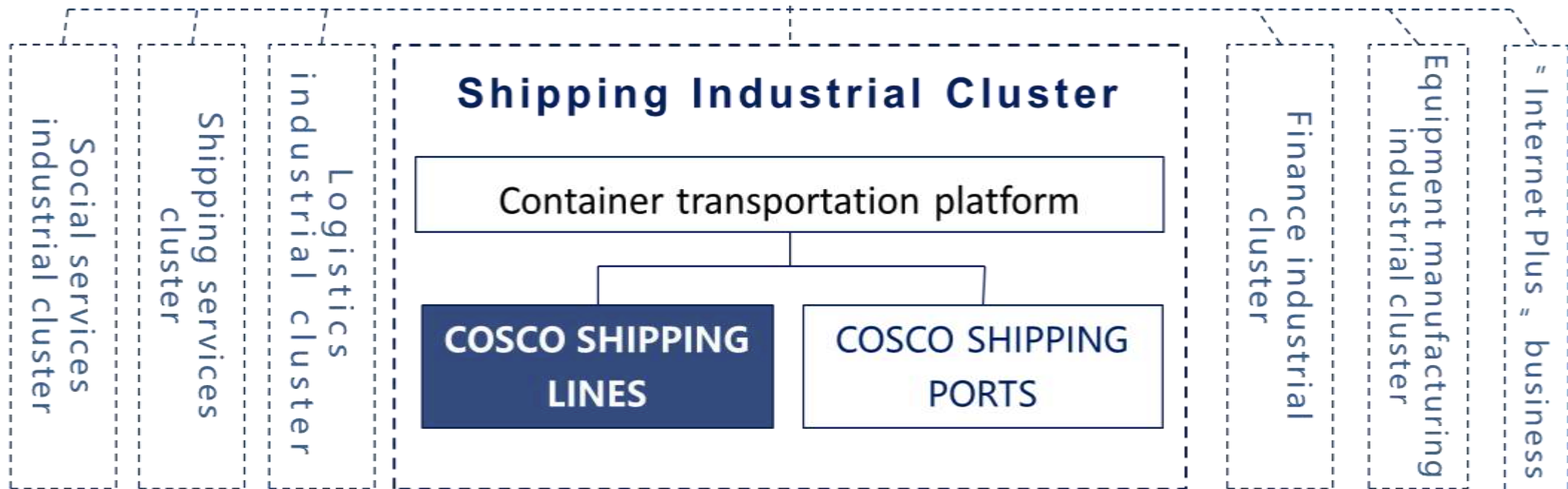
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# COSCO SHIPPING Lines Profile



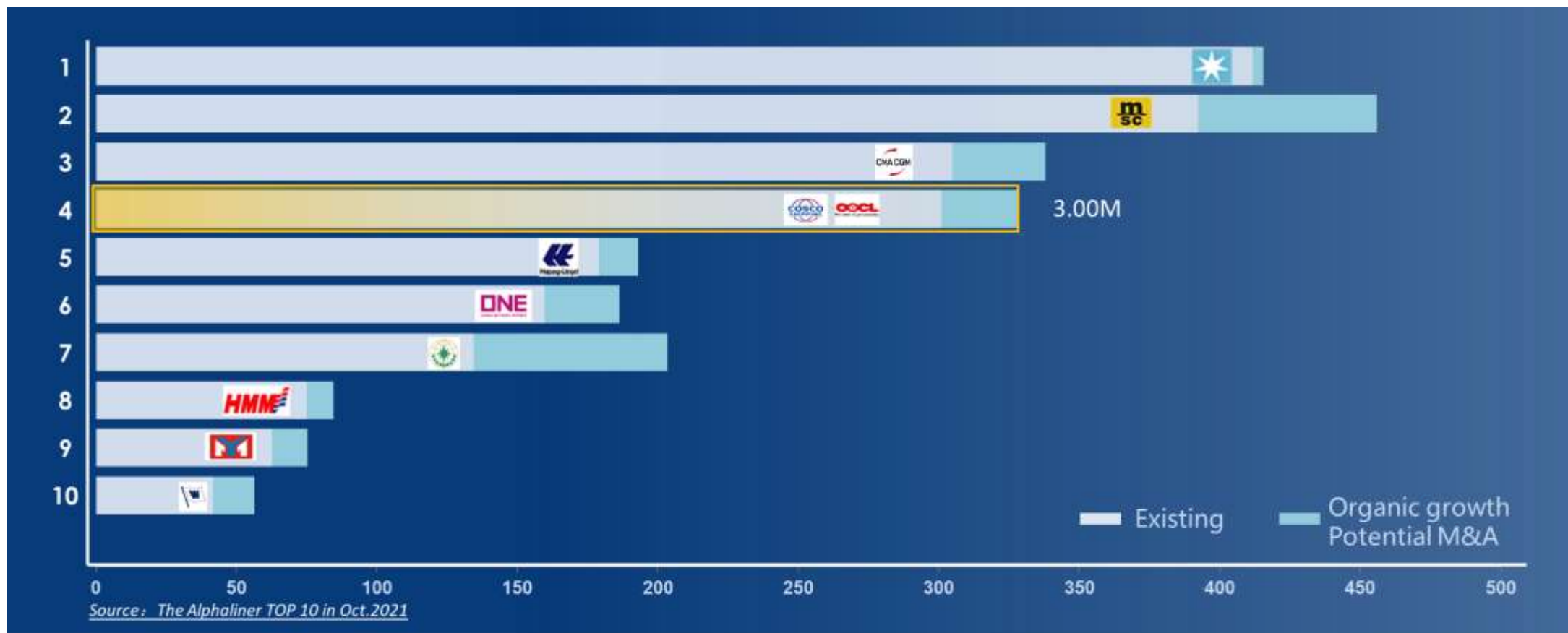
# Global Service Network





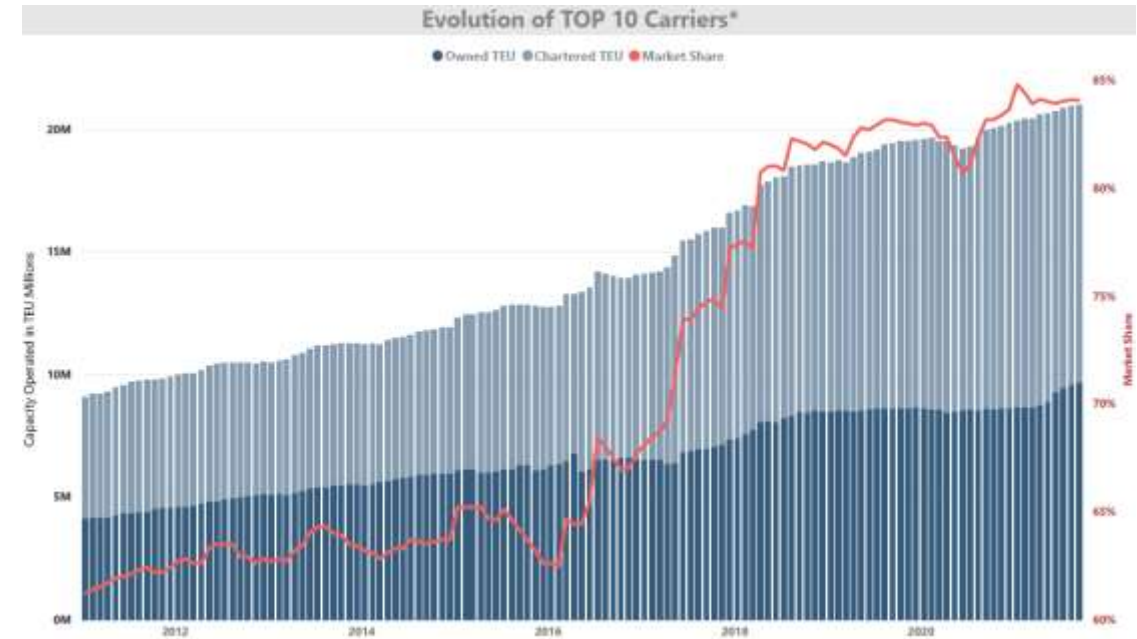
# Global Capacity Target

Maintain the 1st tier in container shipping industry



# Shipping Container Industry Evolution

2010	2016	2017
CMA CGM	2M Maersk MSC	Ocean Alliance COSCO Shipping CMA CGM OOCL Evergreen
Grand Alliance Hapag Lloyd NYK OOCL	Ocean 3 CMA CGM UASC China Shipping	2M Maersk MSC
CKYHE COSCO Hanjin K Line Yang Ming	G6 NYK Line OOCL APL MOL Hapag-Lloyd HMM	THE Alliance Hapag-Lloyd ONE Yang Ming HMM
New World Alliance APL MOL HMM	CKYHE COSCO K Line Hanjin Evergreen Yang Ming	
CSCL – Zim		
UASC		
MSC		
Maersk		
Evergreen		



## » Consolidation process

- CSCL in COSCO Group from 1 Mar 2016
- OOCL in COSCO Group from 1 Aug 2018
- APL in CMA CGM from 1 Jul 2016
- UASC in Hapag-Lloyd from 1 Jun 2017
- Hamburg Sud in APM-Maersk from 1 Dec 2017
- K Line, MOL and NYK in ONE from 1 Apr 2018. Pro-forma combined fleet pre-Apr 2018
- Feedertech in Unifeeder from 1 Jan 2020
- Heung-A in Sinokor from 1 Jan 2020

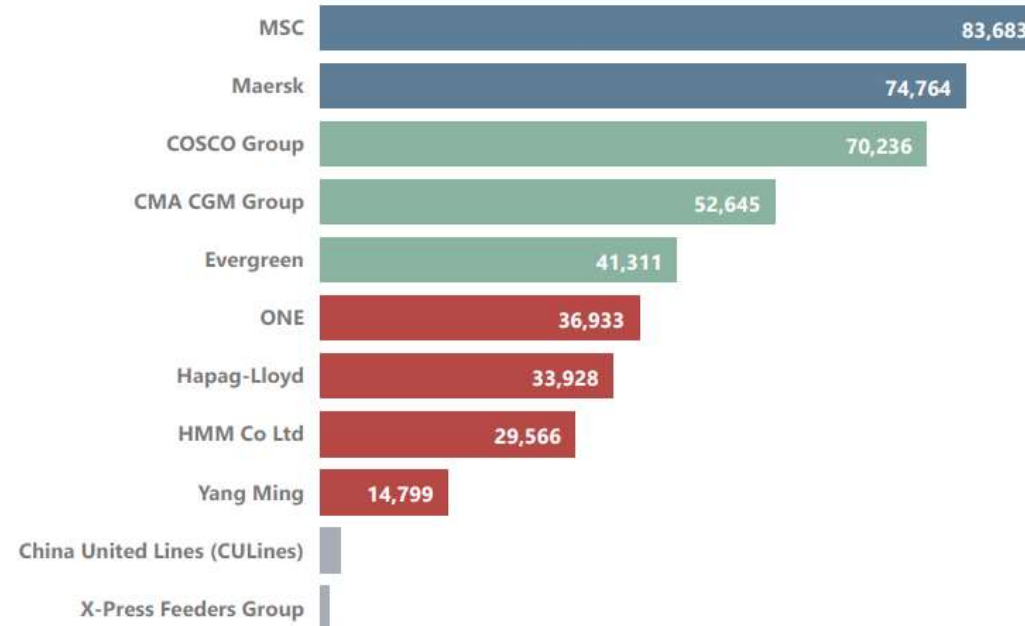
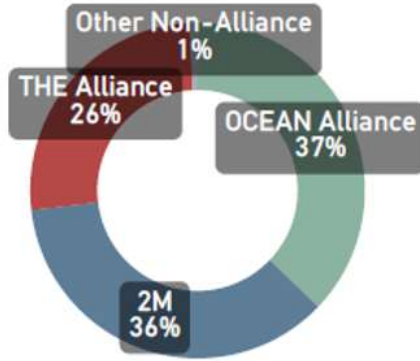
Source: Alphaliner Monthly Monitoring Sep.'21



# Trade Capacity Breakdown by Carrier & Alliance

## FAR East – Europe (TEU/week)

FE-Europe Capacity Share by Alliance



FE-Europe (TEU/week)	Sep-21	Aug-21	MoM % Change	Sep-20	YoY % Change
2M	158,447	159,907	-0.9%	152,890	3.6%
OCEAN Alliance	164,192	160,745	2.1%	153,137	7.2%
THE Alliance	115,226	120,710	-4.5%	98,048	17.5%
Other Non-Alliance	3,298	2,186	50.9%	2,980	10.7%
Total	441,163	443,548	-0.5%	407,055	8.4%

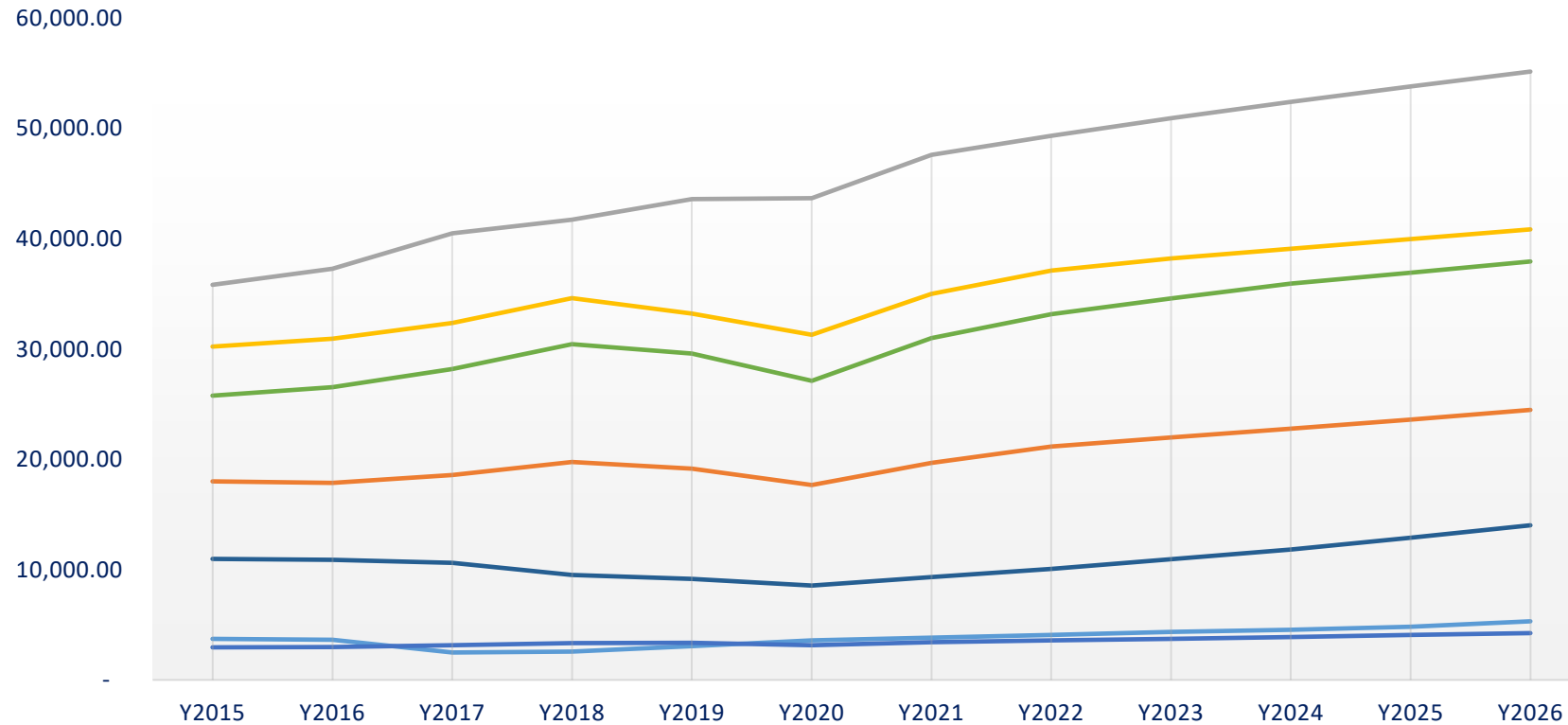


Source: Alphaliner Monthly Monitoring sep.'21



# Economic data of main Countries in the Mediterranean region

## GDP Per Capita (US Dollars/person)



Country	GDP Estimation start after
Egypt	2020
Greece	2019
Israel	2019
Italy	2019
Morocco	2018
Spain	2019
Turkey	2020

\* No data related to France

— Egypt — Greece — Israel — Italy — Morocco — Spain — Turkey



Source: International Monetary Fund





# Current uncertainty

## » Possible new delocalization



Manufacturing prices

## » Port vessel congestion



Demand

Tight inland transport and equipment management

Labor availability

New mandatory regulations

Warehousing storage facilities

## » Low reliability on vessel schedules

Port call omissions



Delay on ETA

## » Blank sailings



COVID-19

Port congestion

Empty equipment shortage



## » Increase of Bunker Price

Rotterdam Bunker Price : IFO380 vs VLSFO \$/ton



Source: Alphaliner Monthly Monitoring Sep.'21

# Current uncertainty

## » Increase of Freight Price

- Trend started in Summer 2020 and increase in the first semester of 2021
- Demonstrated by SCFI

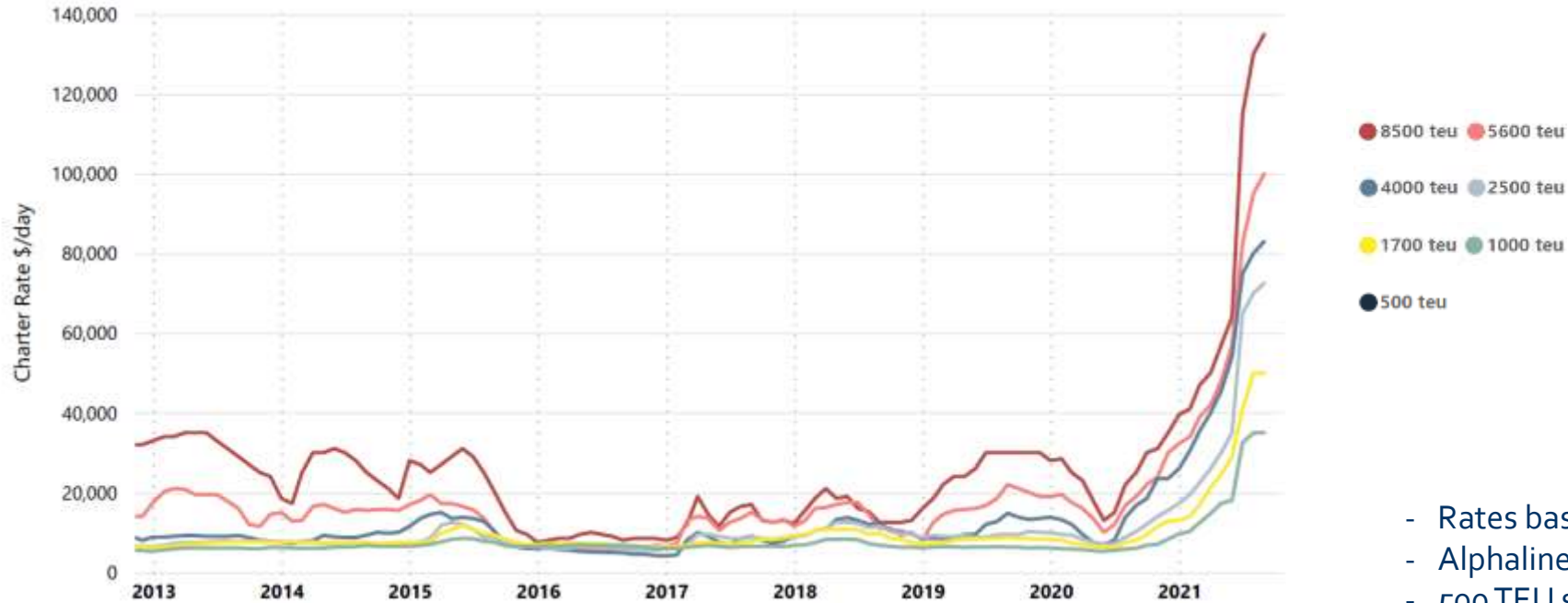


Source: Alphaliner Monthly Monitoring sep.'21

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# Current uncertainty

## » Increase of Charter Rate



Size	Jul 2021 \$/day	Aug 2021 \$/day	MoM Change %	Aug 2020 \$/day	YoY Change %	Sep 2021 \$/day
8500 teu	115,000	130,000	13% ↗	22,000	491% ↗	135,000
5600 teu	82,500	95,000	15% ↗	16,750	467% ↗	100,000
4000 teu	75,000	80,000	7% ↗	13,750	482% ↗	83,000
2500 teu	65,000	70,000	8% ↗	8,750	700% ↗	72,500
1700 teu	41,000	50,000	22% ↗	7,500	567% ↗	50,000
1000 teu	32,500	35,000	8% ↗	5,800	503% ↗	35,000
Alphaliner Index	396	442	12% ↗	70	528% ↗	456

- Rates based on 6-12 month fixtures
- Alphaliner Index Jan 2000 = 100
- 500 TEU series discontinued from Jan 2012 due to decreasing demand for this size
- 5,600 TEU and 8,500 TEU series added from Jan 2012 when the market became liquid for these sizes
- Alphaliner Index re-based to accommodate the above changes



Source: Alphaliner Monthly Monitoring sep.'21

# Strategy of COSCO SHIPPING Group

COSCO SHIPPING 中远海运集装箱运输有限公司  
COSCO SHIPPING LINES CO., LTD.

Ocean & Plus

双品牌  
Dual Brand

加强并发挥与东方海外的协同效应，满足市场需求，在中远海运集团大家庭的新平台上创造更大价值，实现共创、共赢、共享。  
Strengthen and develop the synergy with OOCL to meet the demand of the market. We will realize greater value on the platform of COSCO SHIPPING and we create together, win together and share together.

COSCO SHIPPING OOCL  
We take it personally




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COSCO SHIPPING 中远海运集装箱运输有限公司  
COSCO SHIPPING LINES CO., LTD.

Ocean & Plus

端到端  
End-End

以稳定卓越的海运服务、完善全面的多式联运服务和个性化的端到端供应链服务提升客户体验，挖掘服务价值，推动收益增长。  
Our stable and excellent maritime transport service, overall multi-modal transport service and personalized end-end logistics service will enhance customer experience, develop service value and increase the profits.




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COSCO SHIPPING LINES CO., LTD.

Ocean & Plus

数字化  
Digitalization

通过云计算、区块链、人工智能、大数据等数字化创新，不断改善客户体验，提升运营效率，优化商业模式，打造航运共赢生态圈。  
The innovation based on cloud-computing, block chain, AI, big data etc. will be applied to improve customer experience, promote the efficiency, optimize business mode and build the win-win ecology of global maritime transport industry.



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COSCO SHIPPING LINES CO., LTD.

Ocean & Plus

全球化  
Globalization

进一步完善全球网络，加强行业领先地位，满足客户国际化的物流需求。  
Optimize global network, strengthen the leadership in global maritime transport industry and satisfy the globalized logistics demands of customers.



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# Standardization

## Convenient

- » Booking
- » Equipment Release
- » Counter Service
- » B/L Releasing
- » Invoicing

Convenience sets the **foundation** for any possibilities.

Meet the standard of Being Convenient, our expert teams make strict demands on themselves.

## Reliable

- » Schedule Reliability
- » Transshipment
- » Arrival Notice
- » Issues Resolution

Maintain **one's leadership** in the ever-changing Global Market

Our logistic experts are dedicated to marking COSCO Shipping Lines your **most reliable partner**, to help grip the full picture of the market



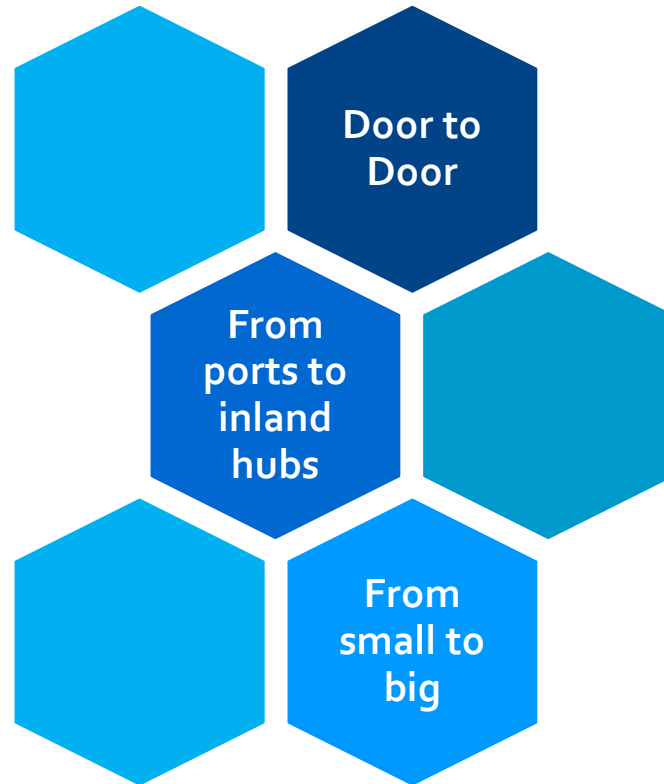
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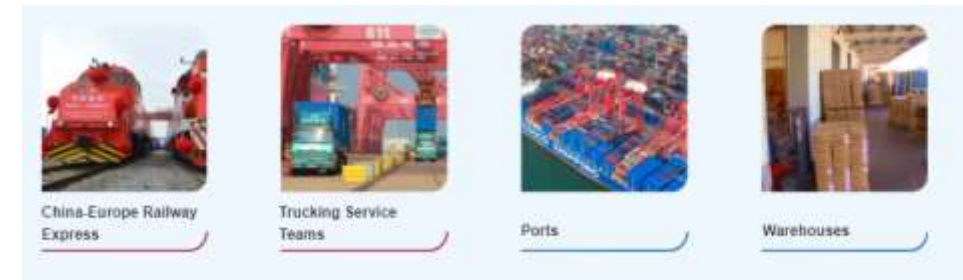
# Supply Chain Solution



Following the steps of "One Belt One Road", all **ports** and **inland** economies involved into its service planning, and **railway**, **trucking** service teams to fully coordinate our **resources** of port, storage yard and warehouse.



Exploring business opportunities with its container fleet, railway and trucking teams working **24/7 across the world**. Delivering cargo to the **right place** at the **right time** is our goal.



Always committed to optimize route between **origin** and **consumers**, eliminating obstacles during transportation. Keep **track of shipments** for customers to get **real-time** information.

# Digitalization / eBusiness

## » SynConHub

- **Space booked** directly in the platform; this space reserved (order) can be converted into a **Booking**
- Additional **main interactions** done directly **through platform**
- Freight closed when the space is acquired (order)



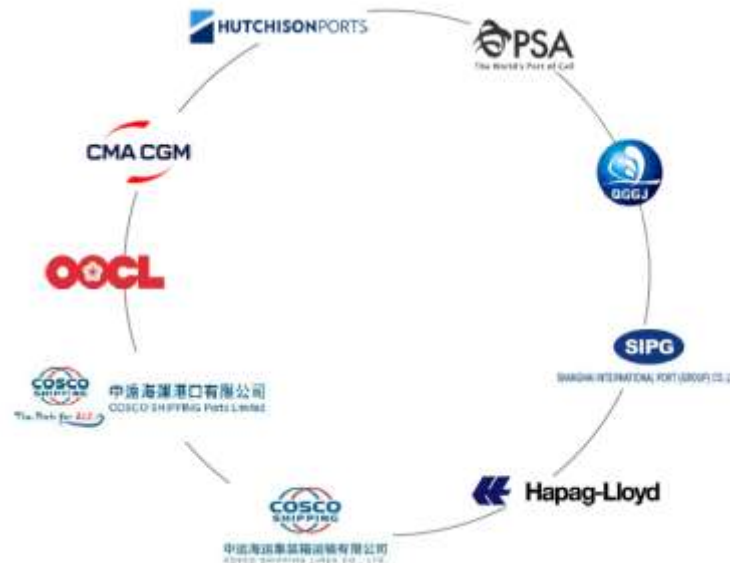
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## » Promotion of IoT based product MyReefer

## » Promotion of Blockchain eBL



## » GSBN blockchain platform



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# Sustainability

## Response to climate change

- » Emission reduction: saving fuel and improve fleet performance
- » Environmental protection activities
- » Energy-saving measures
- » Effluent and waste treatment



## Carbon emission calculator

**COSCON CARBON CALCULATOR**

Calculate the CO<sub>2</sub> emissions of your cargo in our ship

The diagram illustrates the carbon calculator's scope. It features a central COSCO SHIPPING logo. Three large, curved arrows (blue, red, and green) point towards the logo, each with a green plus sign. The blue arrow is associated with a truck image, the red arrow with a truck image, and the green arrow with an airplane image. Below the diagram, the text 'COSCO SHIPPING LINES' is displayed.

Origin	<input type="text"/>
Destination	<input type="text"/>
Cargo WT/TEU	<input type="text"/> <input checked="" type="radio"/> Ton <input type="radio"/> TEU
<input type="button" value="Calculate"/>	

# Diamond Line profile



Capacity  
**60,000**  
TEU

Operating Vessels  
**28**

Network Covering  
**25** countries

Network Covering  
**50** ports





# Diamond Line Own Feeder Service in Europe



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# COSCO SHIPPING Ports

Main port regions

5

Operating Berth

357

Network Covering

36 ports

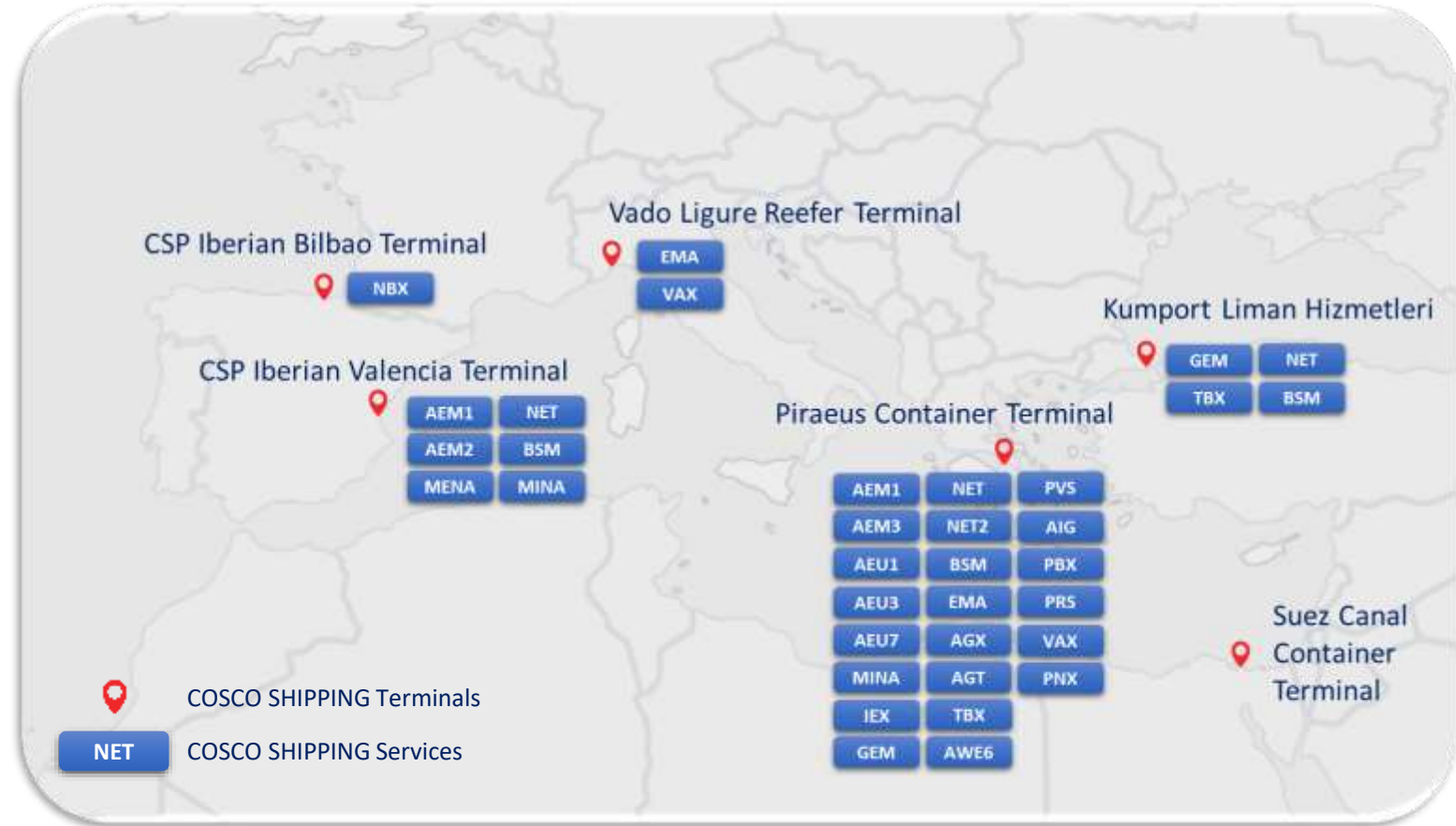


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# COSCO SHIPPING Group in the Mediterranean

Leading Terminals and own services calling in the Mediterranean

COSCO SHIPPING Ports' Terminal	No. of container berths	Annual handling capacity (TEU)	Water depth (m)
Piraeus Container Terminal	8	6,200,000	14.5-19.5
Kumport Liman Hizmetleri	6	2,100,000	15.0-16.5
Suez Canal Container Terminal	8	5,000,000	17.0
Vado Ligure Reefer Terminal	2	250,000	14.5
CSP Iberian Valencia Terminal	6	4,100,000	16.0
CSP Iberian Bilbao Terminal	3	1,000,000	21.0



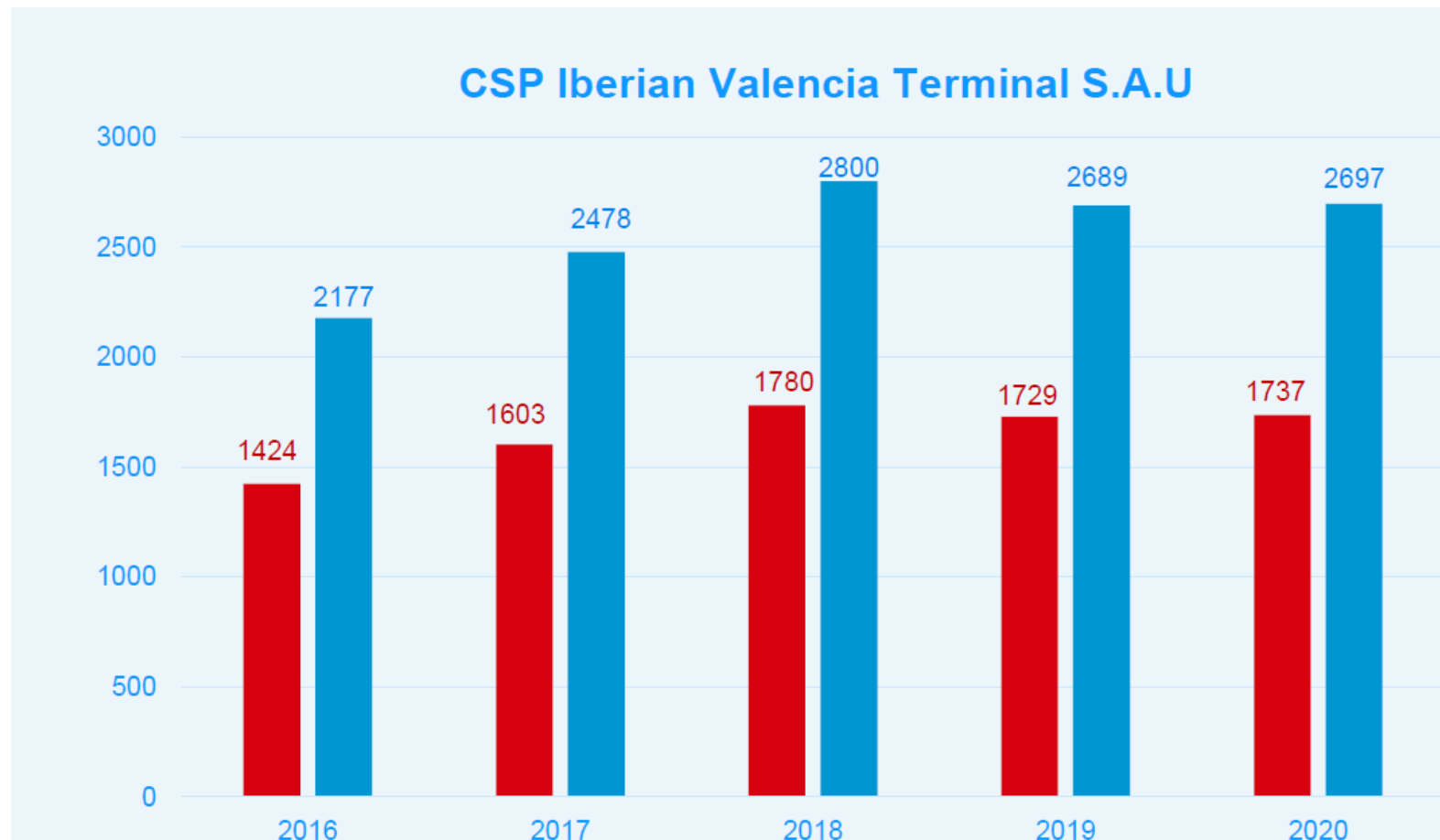
- » The Mediterranean constitutes a special area of interest.
- » To improve its overseas port network as well as strengthen management of its ports and terminals.

# CSP Iberian Valencia Terminal

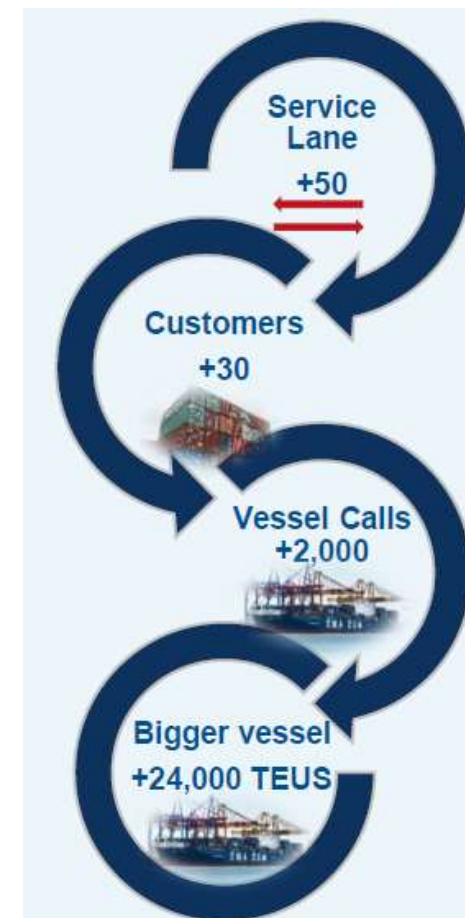


- » Ideal **maritime gateway** for the Iberian Peninsula and the natural port of Madrid.
- » A **reference hub** terminals for the main Shipping companies.
- » Excellent **feeder network** to other regions, best mix local vs. T/S
- » Proximity to the Suez - Gibraltar route. Best **east/west interoceanic routes**.

# CSP Iberian Valencia traffic evolution

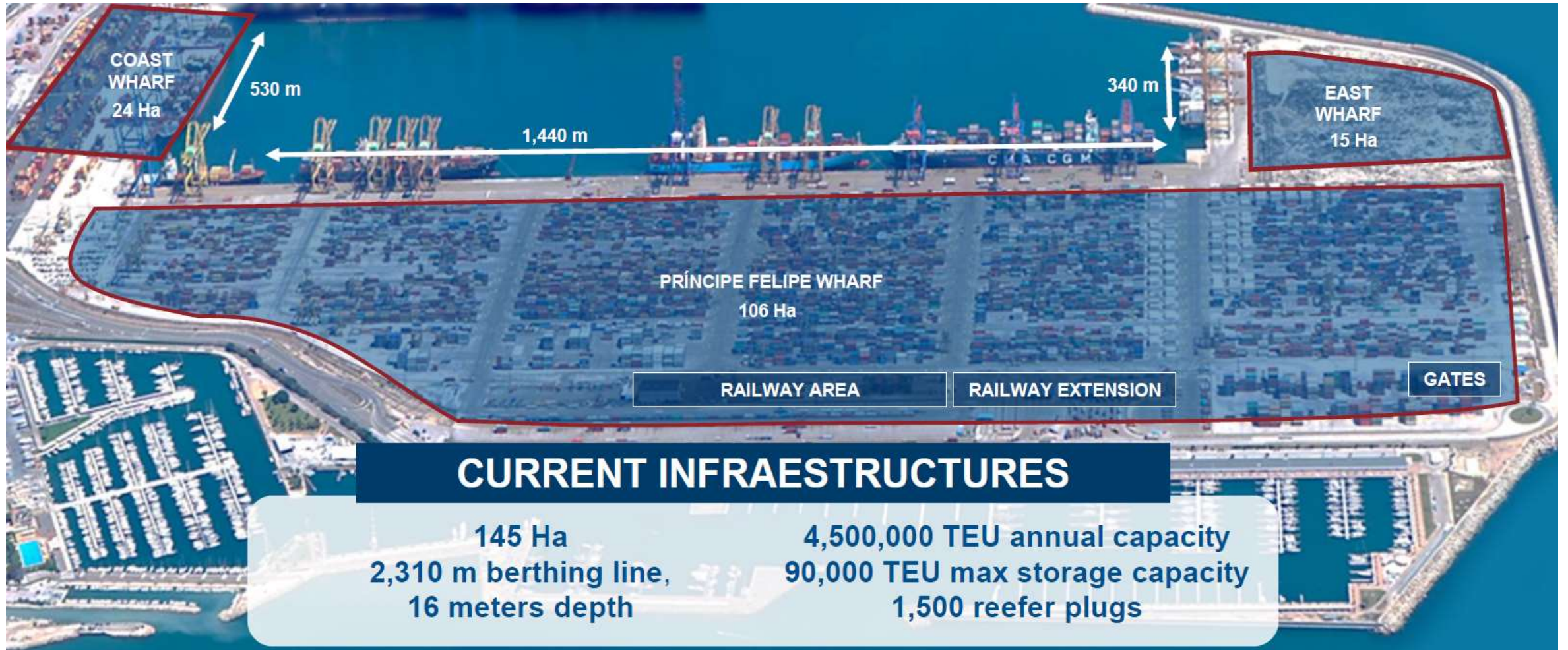


ooo's ■ Moves ■ TEU



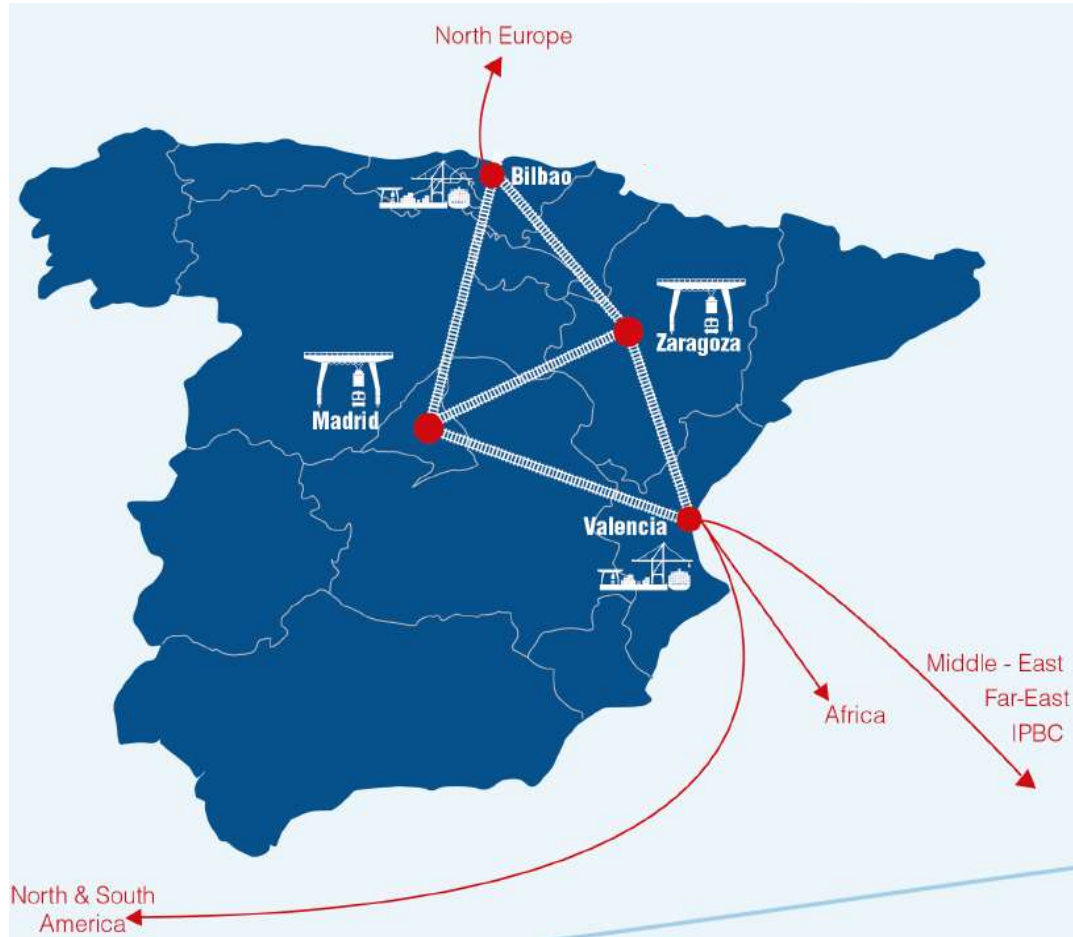


# CSP Iberian Valencia current infrastructure





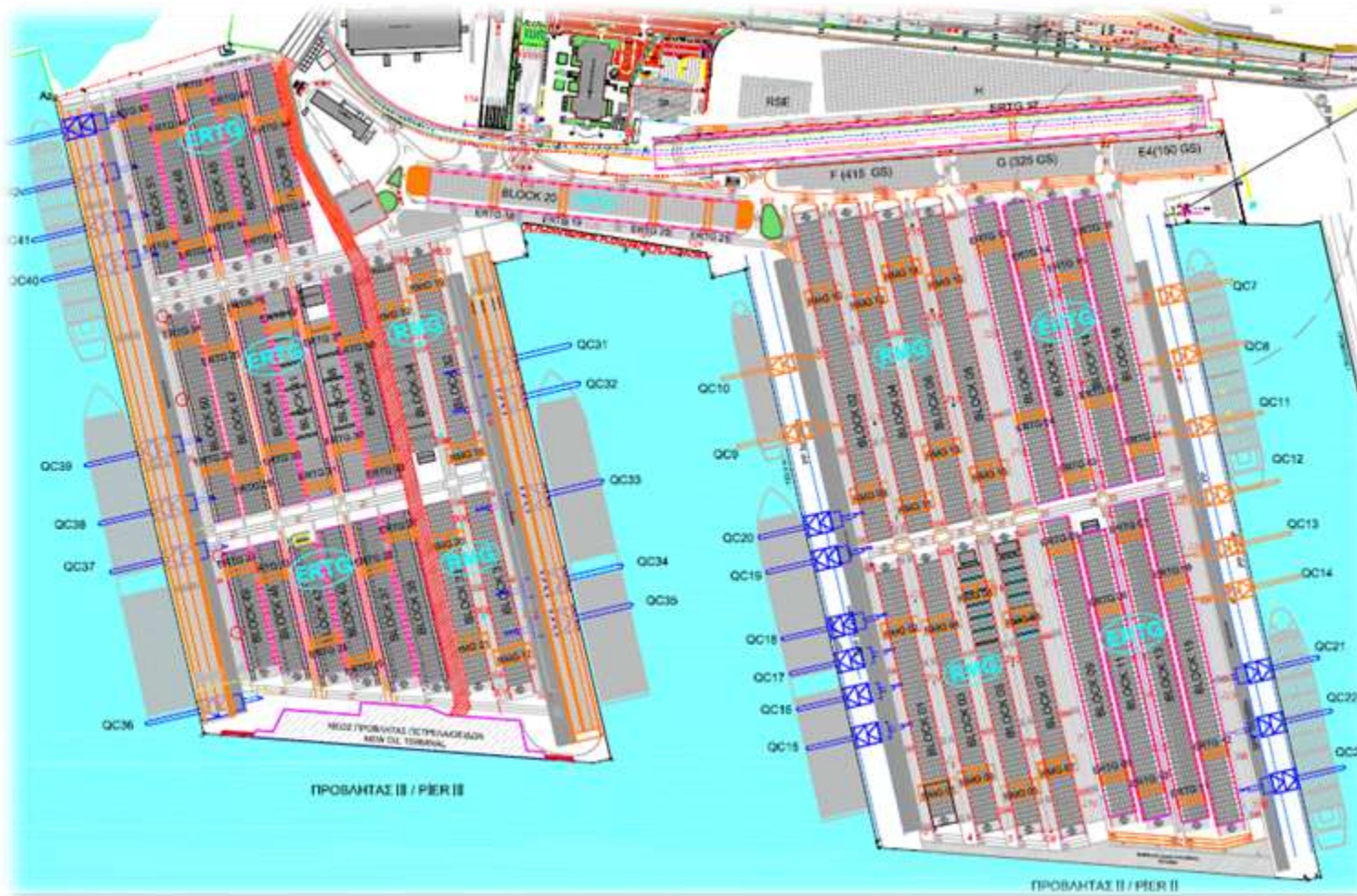
# Rail Terminal connections



- » **Daily rail services to: Madrid, Zaragoza, Bilbao**
- » Providing dedicated **Block Train** based on clients' needs
- » **E2E** monitoring through **Control Tower** scheme
- » **Customs brokerage** formalities
- » **Last Mile** trucking from Rail CY up to **Door**
- » **Green corridor: sustainable intermodally** and **reduced GHG emissions, noise and congestion**



# Piraeus Container Terminal (PCT)



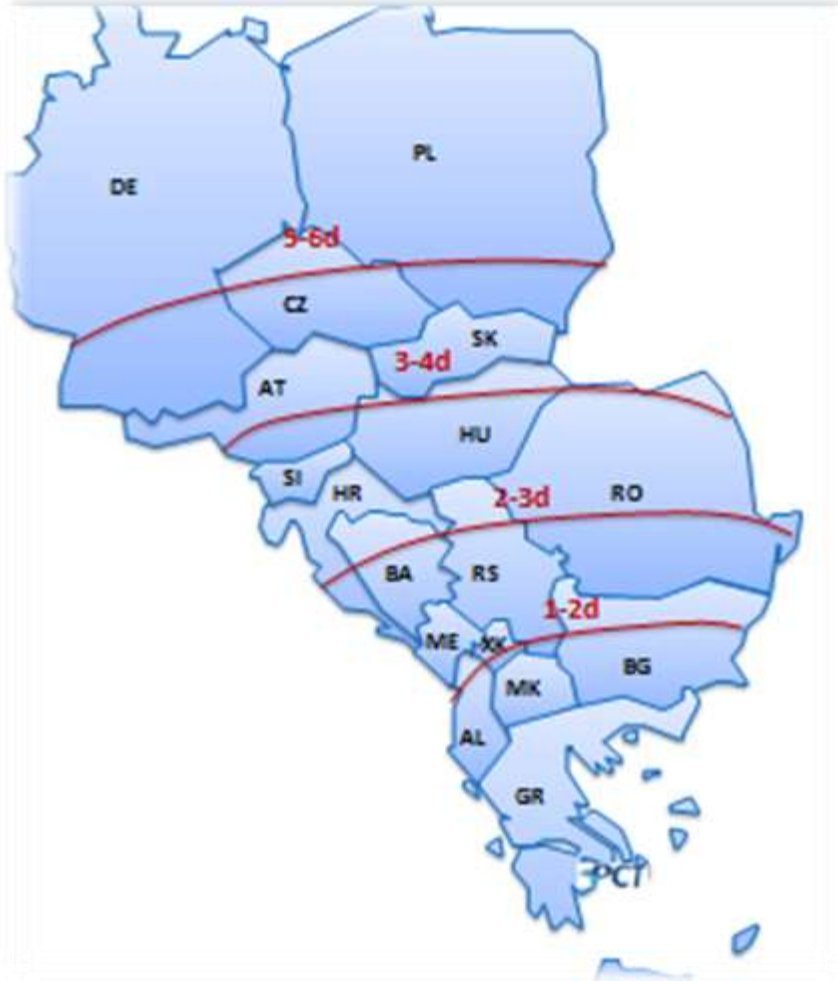
Terminal Capacity:  
Pier II: 3,2M TEU - Pier III: 3,0M TEU

**TOTAL: 6,2M TEU**

- ❖ Ability to serve 25.000 TEUs vessels
- ❖ Ability to serve 4 Giga Carriers with no draft limitation concurrently
- ❖ Gateway and Distribution Center to EMEA



# PCT Railway link with Eu Rail Network



- » The **Piraeus Container Terminal** is linked with the European Rail Network with its owned **Rail Ramp**
- » Providing dedicated **Block Train** facilities to CE and Balkans
- » Owned free zone (NO VAT, no duties)
- » Owned modern facilities with advanced warehouse functions



# Vado Ligure Reefer Terminal



- » Fully automated yard
- » Gateway for North Italy, Switzerland, Southern Germany, Austria
- » Gotthard pass: an opportunity to connect faster Central European markets





## Our commitment with Mediterranean region

As the world's leading provider of shipping and integrated logistics solutions, we will take the **value proposition** of our customers as our value pursuit, **grow together** with our customers, and continue to **create value** for our customers!





*Thank you!*

