



TIEFGANG#3

PORT

Feasibility study for "JadeWeserPort II" shows: A port expansion is technically feasible and economically viable. **Page 3**

NORTH SEA COAST

Interview with Rolf Habben Jansen, CEO of Germany's largest liner shipping company, Hapag-Lloyd. Read it here: **Page 4-5**

SHIPPERS

Hartmann International ships rubber goods via Wilhelmshaven to Shanghai for an automotive customer. **Page 7**

GOODS AND CONTAINER HANDLING IN GERMAN SEAPORTS 2015*

Goods handling in German seaports

296.2
million tonnes

-2.6 %

+12 %

Goods handling in Lower Saxony's seaports

52

million tonnes

Container handling in German seaports

15.2
million TEUs

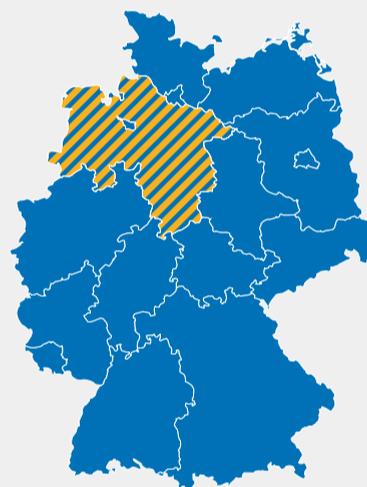
-4.6 %

+536.2 %

Container handling in JadeWeserPort

426,751

TEUs



*CHANGES AS COMPARED WITH LAST YEAR

SOURCES: DESTATIS, EUROGATE, SEAPORTS OF NIEDERSACHSEN

STRONG GROWTH AGAINST THE TREND

JadeWeserPort and other seaports of Lower Saxony significantly increased their sea freight handling in 2015. While overall German goods handling declined by 2.6 percent to 296.2 million tonnes compared to the previous year, Lower Saxony's seaports handled around 52 million tonnes of sea freight and thus recorded an increase of 12 percent.

The development at JadeWeserPort, Germany's only deep-water container port, is particularly remarkable: in Wilhelmshaven, the container volume handled is 426,751 TEUs - more than a six-fold increase compared to the previous year. Overall, terminal operator Eurogate handled more than 200 large container ships, each with a transport capacity of more than 18,000 TEUs, on the North Sea in 2015.

Size is a trend that promises continued positive development in JadeWeserPort - and not only in terms of mega-carriers. Industry experts expect liner shipping companies to form new container shipping alliances following the wave of consolidation. Hapag-Lloyd's CEO, Rolf Habben Jansen, expresses his opinion on the topic in the present issue of TIEFGANG, in an interview that can be found on pages 4 and 5.

Back in April of this year, Eurogate CEO Emanuel Schiffer told the Deutsche Verkehrs-Zeitung (DVZ) newspaper he expects that, in addition to the 2M Alliance between Maersk and MSC, there will soon be at least one more alliance of a similar size. "And the larger these alliances get, the better it is for Wilhelmshaven, as larger alliances tend to use larger vessels."

HOME24 SHIPS VIA JADEWESERPORT

Successful test run in Wilhelmshaven: since June 2015, Home24 has been shipping some of its goods via JadeWeserPort. Europe's largest online furniture store is working on continuously improving its supply chain and remaining well positioned in the container business even in times of constantly changing conditions. "We believe that Wilhelmshaven can offer such opportunities and constitutes a genuine alternative to the traditional port locations," says Sebastian Hultsch, responsible for the Import/Projects department at Home24. The company has so far moved 50 TEUs through Germany's only deep-water container port. The fact that the containers are shipped

via Wilhelmshaven also has something to do with Home24 commissioning its latest and biggest ever logistics centre in Walsrode Lower Saxony in October 2015. The online retailer intends to use the approximately 60,000-square-foot centre to make even faster deliveries to its customers in seven European markets and meet the increasing demand for online furniture. Strategically, the company will use the logistics centre in Walsrode mainly for large items that are delivered to customers by freight forwarders. Home24 uses the second warehouse location in Ludwigsfelde near Berlin mainly for parcels. The online retailer operates both warehouses on its own.

MORE AND MORE MEGA-CARRIERS VISITING JADEWESERPORT MORE AND MORE OFTEN

The trend towards large container ships is not letting up: at the German Eurogate terminals, the number of port calls by freighters with a transport capacity of more than 10,000 TEUs increased by almost 35 percent to a total of 618 last year. The terminal operator reports that one-third of these vessels already boast a transport capacity of over 18,000 TEUs - and about 19 percent of these mega-carriers docked in Wilhelmshaven. Germany's only deep-water container terminal offers optimal conditions

for handling large container ships and is regularly visited by mega-carriers of the 2M Alliance between Maersk and MSC.

The round trip by the MSC Beryl, with its capacity of 13,000 TEUs, means the MSC shipping company once again has a Europe-Iran service on its itinerary. From Wilhelmshaven, a weekly transshipment feeder service can now be booked via Jebel Ali (Dubai) to Shahid Rajae

(Bandar Abbas) using the existing Lion service. Transit time from Wilhelmshaven to Shahid Rajae is 31 days. Via Xiamen, Singapore and Jebel Ali, the Lion service currently connects the Far East with the North Range ports of Wilhelmshaven, Hamburg, Rotterdam, Felixstowe, Antwerp and Le Havre.

You can access the MSC itineraries directly at: <http://bit.ly/26OR7vE>



The world's biggest container cranes for the largest mega-carriers: the 18,340 TEU capacity Mary Maersk docked at the Wilhelmshaven Container Terminal.

PHOTO: SVEN BÖHME



CONTAINERS WEIGH IN AT FREIGHT CENTRE

New service at the JadeWeserPort freight transport centre: logistics and transport company Meta & Peter Beeken provides shippers and their forwarders the opportunity to determine the gross container weight of the containers to be shipped - daily between 8am and 4pm, on their way to the terminal entrance. Due to changes in SOLAS guidelines, from 1 July 2016 information about gross container weight must be submitted before ships are loaded. Containers should be registered at least 24 hours before delivery, but short-term requests are possible.

The local contact is:

Maik Tietz, Tel.: +49 (0)4421 - 506 13 70, E-mail: tietz@beeken-wlhv.de.

NEW "HAFEN TRIFFT FESTLAND" (PORT MEETS MAINLAND) EVENTS

Together with the Seaports of Niedersachsen, JadeWeserPort continues its series of "Hafen trifft Festland" (Port Meets Mainland) events to reflect the increasing importance of German seaports for inland destinations. These events offer logistics-based and producing companies as well as trade and service representatives the opportunity to find out about the advantages offered by Germany's only deep-water container port. Following the format's successful premiere in Göttingen, three further event dates are scheduled this year: 12 July in Nuremberg, 14 September in Cologne and 27 October in Bielefeld. For more information and to register, send an e-mail to: s.thomas@jadeweserport.de (Nuremberg and Bielefeld) or info@seaports.de (Cologne).

FEASIBLE AND ECONOMICALLY VIABLE

Plans for the construction of a second container terminal in JadeWeserPort are set to be driven forward as soon Wilhelmshaven handles more than one million standard containers (TEUs).



Following the presentation of the “JadeWeserPort II” feasibility study in February, Germany’s only deep-water port is expected to reach its capacity limit in less than ten years. The study’s key finding is that expansion of the terminal, which is currently designed for a maximum of 2.7 million TEUs, is approvable in principle, technically feasible, and also makes economic sense in the medium term. The Bremen Institute of Shipping Economics and Logistics (ISL) carried out the needs assessment. The extrapolation of total handling at JadeWeserPort shows that - presumably by 2025 (potential scenario), but no later than by 2027 (baseline scenario) - there will be more incoming containers at Wilhelmshaven than the existing infrastructure can handle.

The Association of Lower Saxony Chambers of Industry and Commerce (NIHK) welcomes medium-term implementation of the second stage of expansion: “I think it is wise to deal with the expansion of JadeWeserPort as early as possible - and not only by the time bottlenecks have already become apparent,” explained NIHK President Thomas Windgassen. The current plan is to start construction work in 2023, given the continued confirmation of handling forecasts. The idea is to extend the existing quay 1.8 kilometres northwards and to ensure the water depth will accommodate a ship draught of 16.50 metres.

Regarding further planning, Lower Saxony’s Economics Minister Olaf Lies suggested that Hamburg and Bremen also participate in a second deep-water terminal in Wilhelmshaven. According to the Minister, the stated aim after all is “More containers for Germany”.



In the case of the second container terminal, it is possible to extend the quay 1.8 km to the north. PHOTO: JWP

DELUSIONS OF GRANDEUR? FORESIGHT!

Since JadeWeserPort launched operations at the end of 2012, various parties have questioned whether the port is needed at all, due to the small volumes it has handled thus far. And now there is even talk of a second stage of expansion, resulting in a renewed shaking of heads. However, is this idea really so far-fetched?

The original plan was to put the new port into operation at a point in time when the other German container ports would be facing concrete capacity limits. Due to the crisis and ongoing weak global economic and container traffic development, demand has developed considerably more slowly in recent years compared to what had been observed up to 2008. In the coming years, experts expect the economy to regain momentum and container traffic to grow. Even a moderate growth in demand for handling capacity at German container ports of 3.9 percent per year would result in the full utilisation of existing and planned capacities in the second half of the next decade. In order to avoid an almost automatic migration of traffic to the western ports and the associated economic and environmental drawbacks, German ports must provide additional capacities. The growth in ship sizes is another issue. The importance of mega-carriers is growing much faster than had been expected 5 years ago.

Time and market trends are working in favour of JadeWeserPort. 2015 brought the port significant growth; the need for additional deep-water port capacities is foreseeable. The exact point in time depends on various regional and global developments and is therefore subject to uncertainty. The most important thing is to be prepared for this!



PHOTO: ISL

PROF. DR. BURKHARD LEMPER

Institute of Shipping Economics and Logistics (ISL), Bremen University of Applied Sciences

“PARTNERSHIPS ARE ESSENTIAL IN OUR INDUSTRY”

Speaking to TIEFGANG, Hapag-Lloyd CEO Rolf Habben Jansen gives his view on ways out of the shipping crisis, the trend towards ever larger container ships and the future of shipping company alliances. The Dutchman also explains why no Hapag-Lloyd ship has yet called at JadeWeserPort.*



You have headed Hapag-Lloyd, Germany’s largest liner shipping company, since July 2014. How are you planning to hold your ground in the eighth year of the international commercial shipping crisis?

We finished last year with a good result, despite a challenging market environment. For the current fiscal year, we are cautiously optimistic that we can take another step forward. Our package of measures in terms of cost reductions as well as increases in efficiency and turnover will help us achieve the goal we have set ourselves.

The trend towards ever larger container ships is not letting up. CMA CGM, for example, plans to order another nine mega freighters, each with a capacity of 20,000 TEUs. Is Hapag-Lloyd also planning to invest in new mega-carriers?

Not in the short term. We can however certainly imagine investing in such large vessels over the medium and long term.

While the ships are getting bigger, freight rate development is going in the opposite direction. Do shipping companies thus partly have themselves to blame for the shipping crisis? And how are you reacting to the growing overcapacity?

Who or what is to blame is not the point. What matters is maintaining a healthy balance between capacity and demand. We currently expect rates to rise on many routes in the course of the year. After all, the current rate level is not adequate for any of the global carriers.

Handling mega-carriers presents many ports with major challenges. How do you assess this development - and who benefits from the mega-carriers?

What matters in all infrastructure projects is that the parties involved cooperate closely. That is how airline companies and airports jointly dealt with the challenges resulting from the world’s largest passenger aircraft, the A380. I am sure that we will manage things similarly with the ultra large vessels. Moreover, I am convinced that we have reached the end of the line in

terms of ship sizes from 18,000 to 20,000 TEUs - economically rather than technologically.

Hapag-Lloyd has traditionally been linked to the “home port” of Hamburg. However, the port only has four berths available for large container ships over 18,000 TEUs. Is the infrastructure in Hamburg reaching its limits?

The Port of Hamburg can currently still handle such large vessels without problems. In order to remain competitive and viable as the third largest port in Europe in the future however, I see the deepening and in particular the widening of the Elbe as essential.

JadeWeserPort in Wilhelmshaven is Germany’s only deep-water container port where mega-carriers can dock fully loaded and independent of the tides. Would it thus not make sense, if only for reasons of nautical accessibility, to transfer certain liner services within your G6 Alliance to Wilhelmshaven?

As the G6 Alliance, we regularly assess the major ports in Europe. We have also regularly considered Wilhelmshaven in the process. Calling port at Wilhelmshaven however does not fit into our current liner, partner and customer structure.

What needs to happen for JadeWeserPort to attract Hapag-Lloyd?

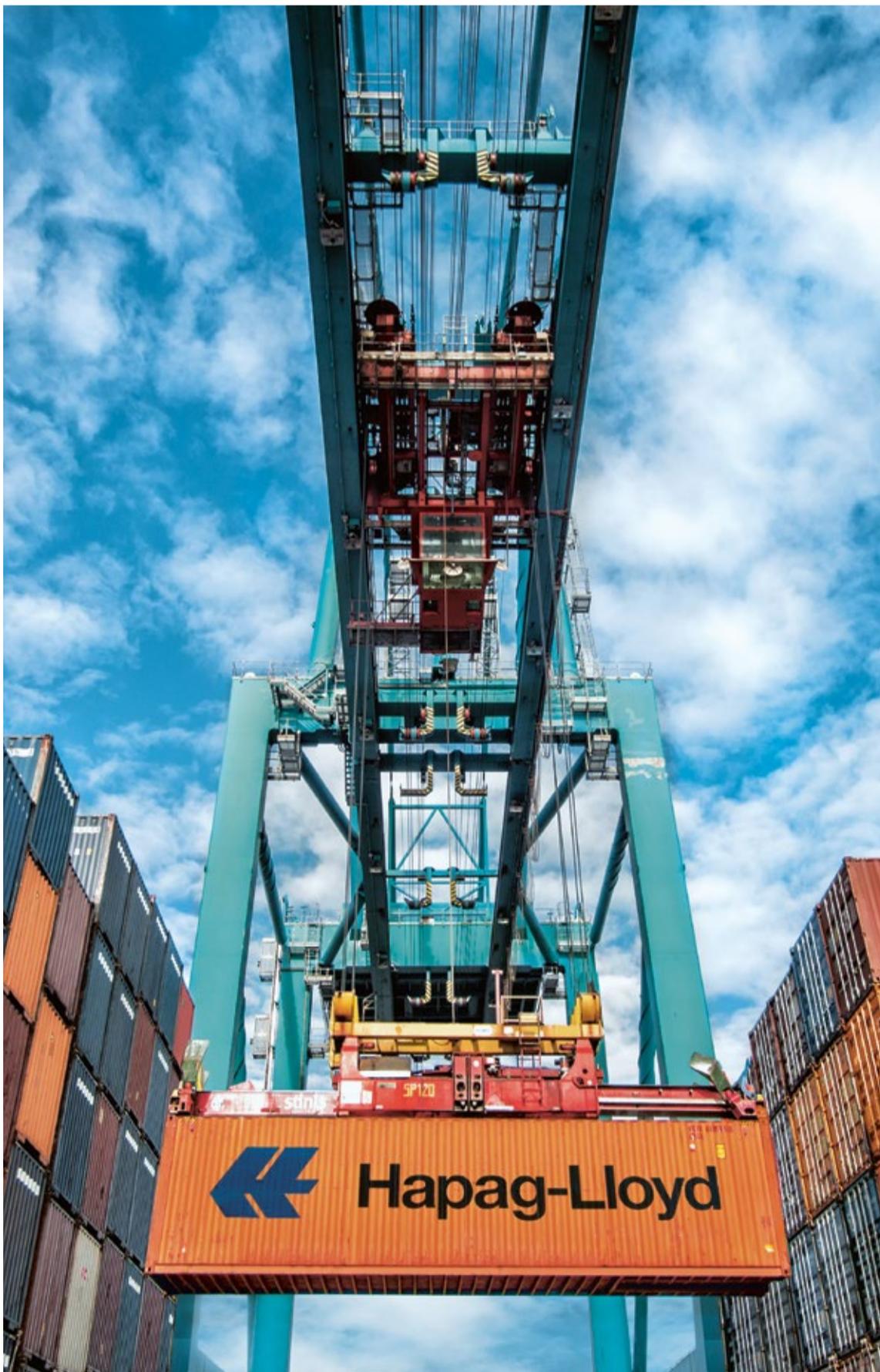
As I said, the port must be suitable - for our liner structure, our alliance partner structure and also for our customer structure. A considerable number of our containers that are unloaded in Hamburg are transported from there within a radius of approximately 200 kilometres. In this regard, Hamburg has a well-established, reliable and high-frequency network of hinterland transport connections.



PHOTO: HAPAG-LLOYD AG

ROLF HABBEN JANSEN

Chairman of the Board at Hapag-Lloyd AG



According to Rolf Habben Jansen, whether Hapag-Lloyd will continue to ship containers via JadeWeserPort depends on the future development of his shipping company's liner, partner and customer structures. PHOTO: HAPAG-LLOYD AG

According to the “shipping forecast 2030” commissioned by the Federal Ministry of Transport, the total handling volume in German seaports will increase from 269 million tonnes in 2010 to 468 million tonnes in 2030. In the face of such growth rates in loading volumes, will Hamburg not essentially be forced to participate in the planned expansion of JadeWeserPort?

This question must be answered in the political arena. It is clear that the volume of globally transported shipping containers actually grows by approximately 5 percent per year - and has been doing so for decades.

Is port cooperation not required in order to secure the competitiveness of German ports?

I see partnerships as an indispensable part of our industry. Loners cannot survive over the long haul in an increasingly consolidated and globalised industry.

Following the merger of COSCO and CSCL, Neptune Orient Lines (NOL), parent company of G6 member APL, is now being acquired by CMA CGM. However, the new partnership in different alliances - APL is switching to “Ocean Three” and, following the takeover of CSCL, CMA CGM and COSCO have even formed a new alliance called Ocean Alliance. How do you see the future of alliances in the container shipping industry and especially those of G6 without APL?

Alliances will continue to play an important role in future - including for Hapag-Lloyd. We are currently in productive discussions with several potential partners, and you can bet that we will continue to be part of a strong and powerful alliance in the future.

Within the G6, a working group is dealing with the topic of hinterland transport connections. The aim is to better coordinate these and to transport fewer empty containers. Have there been any concrete results yet?

Not yet. But I am convinced that better coordination is linked with the potential for considerable savings.

Let's attempt another look into the future: what role will the German seaports and specifically JadeWeserPort play in 2030?

Historically, the maritime industry and the associated respective ports have always been central to the economy and to employment in northern Germany. I am sure that this will also be the case in 2030.

* AS THE INTERVIEW WENT TO PRESS IN MID-MAY, HAPAG-LLOYD WAS IN THE MIDST OF COOPERATION TALKS WITH UASC.

MEYER & MEYER MOVES INTO CUSTOMS OFFICE AT JADEWESERPORT



Working from the “Pacific One” office building, the fashion logistics provider allows its customers to benefit from the advantages of JadeWeserPort.

PHOTO: GENIUSSTRAND.DE

In order to offer its customers in Europe, Asia and North Africa customs services and additional freight forwarding services beyond mere customs handling, the family-run business Meyer & Meyer, based in Osnabrück, is moving into a customs office at JadeWeserPort.



From July 2016, two employees in the “Pacific One” office building will ensure that Meyer & Meyer customers benefit from the advantages offered by Germany’s only deep-water container port. For the customs service provider, the excellent transport links offered by JadeWeserPort were among the decisive reasons for relocating, as these enable fast container trucking via the A29 or by train towards Meyer & Meyer’s major logistics centres. Further advantages that influenced the fashion logistics company’s decision were the 24-hour operation independent of tides, and the smooth handling of even the largest mega-carriers. “The new customs office at JadeWeserPort is part of our in-

ternational growth strategy and ensures particularly rapid clearance of goods,” says Till Kramer, Manager BU Customs Services at Meyer & Meyer. “We are convinced that JadeWeserPort will continue to show significant growth, and are pleased to be one of the first on-site customs service providers.” Customs services are an essential part of the company’s extensive “From Sheep to Shop” services that accompany its customers’ entire textile supply chain. In addition to fashion logistics, Meyer & Meyer’s services profile includes further specific logistics solutions for the automotive industry, consumer electronics and various particularly sensitive goods.



A SUCCESSFUL PREMIERE

The Paderborn-based forwarder Hartmann International has managed an initial project via JadeWeserPort for a customer from the automotive industry - and there may be more to come.



Hartmann International has been transporting three to four containers of rubber goods to Shanghai per month since the beginning of the year for this automotive customer. According to Bernhard Dillhage, Head of Air & Sea at Hartmann International GmbH & Co. KG, the company made the decision to begin shipping via JadeWeserPort because the shipments involve time-critical parts and Wilhelmshaven offers the best time window for the crossing to China. “Tak-

ing into account the loading date, Wilhelmshaven offered the fastest shipping option.” For Hartmann International, it was the first direct export via JadeWeserPort - and may not be the last, because, according to Dillhage, JadeWeserPort plays an increasingly important role in daily business and constitutes a real alternative to the standard ports such as Hamburg or Rotterdam. “We are in any case totally satisfied with our first container loading via Wilhelmshaven. There

were no waiting times, the departure fit our schedule, and we were quickly given the delivery slot.” That is why they will continue to take JadeWeserPort into full consideration for upcoming shipments. After all, they always aim to achieve the best results for Hartmann International customers. What’s more, this topic even holds potential for JadeWeserPort itself: those in charge plan to expand the location’s automotive logistics department in the future.



Shipping time-critical parts to Shanghai: for Hartmann International, JadeWeserPort plays an increasingly important role in daily business.

PHOTOS: HARTMANN (2), JWP

**“Americans may need
the telephone,
but we don’t.
We have plenty of couriers.”**

Sir William Preece, Chief Engineer at the British Post Office, 1896



Even experts sometimes make mistakes!

**Germany needs a deep-water port to remain competitive.
While there is an undiminished trend towards ever larger container ships
and many ports are reaching their utilisation limits, JadeWeserPort offers
expandable deep-water port capacities.**

www.mehrcontainerfuerdeutschland.de



Impressed by Germany's only deep-water port: Chinese government delegation from Beijing as guests at JadeWeserPort.

PHOTO: JWP

JadeWeserPort is attracting increased attention from China's port sector. A high-ranking Chinese government delegation from Beijing was impressed by Germany's only deep-water port in a visit on 29 April 2016. Li Tianbi, head of the water transport department in the Chinese Ministry of Transport, emphasised China's great interest in investing in Germany and mentioned that the Chinese port sector increasingly recognises the importance of Wilhelmshaven. Both sides expressed the wish to develop joint projects on site. There was also a discussion about the possible expansion of JadeWeserPort. Intensified discussions about the second stage of expansion are scheduled for another meeting in China.

Learn more at www.mehrcontainerfuerdeutschland.de about these and other topics relating to the container shipping industry. Why not see the diversity of content for yourself and browse through the more than 150 posts? The website is updated on a weekly basis, so it's worthwhile dropping by regularly to take a look.

IMPRINT

TIEFGANG#3 | 2016



Publisher

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Print

Optimal Media, Röbel