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Maersk looks to further acquisitions to boost synergies

MAERSK'S 2016 DECISION to remodel itself as an integrated container transport and logistics company raised many questions at the time, but appears to have paid off handsomely over the course of the pandemic.

It is now set on further developing the integration of its businesses, and investing externally where it can add products to its portfolio.

The company, which reported a net profit of $2.9bn in its full-year results, was buoyed by the surge in demand during the second half of the year, particularly in the fourth quarter when supply constraints saw rates surge.

It expects the good times to roll for some time yet, with volumes set to grow between 3% and 5% over 2020 this year.

"The tailwinds experienced in the fourth quarter have continued into the first quarter of 2021 and we expect the result to be better than the fourth quarter," chief executive Søren Skou said during an analyst call following the publication of its results.

"Whether demand stays strong after the world re-opens, or whether consumers will spend all their money on services, remains to be seen. We will continue to respond by matching supply to demand in the same way as we did successfully in 2020."

But he added that the focus on sky-high container freight rates was overshadowing the company's other achievements.

"I'm particularly pleased about the progress in logistics and I see the performance as a strong proof point for our integrator strategy," Mr Skou said.

Logistics revenue rose above $2bn for the first time in 2020, up 33% year-on-year and 9% since the third quarter.

"We plan to continue to grow this both organically and inorganically in the coming years," Mr Skou said.

Return on invested capital, Maersk's preferred financial performance metric, also increased to 9.6% after "years of not being in a position of creating economic value".

Now, however, synergies in the integrated model that Maersk developed were starting to pay off.

"We believe there is a strong opportunity within our three main businesses — Logistics and Services, Ocean and Terminals — for each to improve the underlying profitability," Mr Skou said. "We have accelerated the transformation efforts for each of these businesses."

In Logistics and Services, the transformation was about creating a broad and sizeable full-scale product portfolio that is relevant to customers.

"For Ocean, this is about creating a modern and differentiated offering that better suits our customer needs and pulls our Ocean business out of the commodity trap we had fallen into," Mr Skou said.

"In Terminals we have strong traction in transforming from a developer into an operator, improving margins in the process."

But beyond the individual segment developments was the value that could be created by the synergies between all three, he added.

"This plays to our existing strengths and is unique in our industry."

One of the new metrics by which Maersk will judge its performance is the growth in cross-selling revenue between Logistics and Services and its large Ocean customers so it can demonstrate the benefits of its strategy.

But to achieve its goal of further integration, Maersk will have to invest.

"With the return on investment we have, it makes sense to invest in the business as well," said chief financial officer Patrick Jany.

"When you see the strong progress we have in logistics it is definitely the priority for investments, both organic and external. It is not all about acquisitions but also about developing and growing internally."

Capital expenditure across the group's activities over 2021-2022 is expected to be in the range of $4.5-$5.5bn.

"We have a tremendous opportunity growing our logistics business and that's why it features so heavily in our strategy," Mr Skou said. "That is where we want to build a growth engine."

Ocean customers spend as much on landside logistics as they do on ocean freight each year, he added.

"We have an ocean business that is doing $30bn a year and a logistics business of $8bn, so for me the opportunity is significant."

But as well as having to demonstrate organic growth, Maersk would need to look externally.

"We are going to have to do some more acquisitions because there are some products where we simply don't have all the capabilities we would like."

WHAT TO WATCH

P&I clubs taking tough line in renewal, say chief executives

P&I CLUBS are taking a tough line in the current renewal round, in which most International Group affiliates are openly seeking higher premiums in the order of 5%-10%, although some could cave in before next week's deadline, a senior figures in the sector said.

The comments reflect the element of negotiation inevitably involved in renewal season, in which brokers tend to review initial quotes as an opening position, and then seek to whittle down the outlay on behalf of clients.

Last year, for instance, the declared going rate price hike was around 7.5%. In practice, many underwriters settled for “three, maybe three and a half-ish,” according to one broker at the time.

This time the gamut runs from 5% at Shipowners, Steamship, Swedish Club and the American Club to 7.5% at West and 10% at Standard, London, the UK Club, Japan Club and North.

Two clubs have said they will seek additional premiums via ship-by-ship pricing, with Gard aiming for between 2.5% and 5%. Britannia is seeking high single digits in terms of percentage points.

The round is off to a slow start, with clubs tending to quote late because of the extra time involved in drawing up higher quotes. But Asian owners are said to be renewing with alacrity, on account of Chinese New Year.

There appears to be little churn at this stage, although some owners are expected to switch clubs next week and others may split fleets to obtain keenest pricing.

Lars Rodin, chief executive of the Swedish Club, said clubs were now playing hardball in talks with members.

“Clubs — not only us — are holding out. There have been four or five years without increases, and some clubs started last year,” he said.

Factors at work include escalating pools claims, which Lloyd’s List reported are likely top half a billion dollars this year, with earlier years continuing to deteriorate.

“We cannot run away from what is happening in the pool in the last three years. We have not seen such an accumulation for many, many years. It has to be paid.

“But I’m not quick to say, this is a trend. One thing is the number of claims, another thing is the severity of value of claims. It’s more the high value of claims than the frequency.”

Among this year’s standout casualties will be *ONE Apus*, the Japan Club-entered 14,000 teu boxship that suffered a massive container stack collapse en route to Long Beach last August, with the loss of 1,900 boxes.

One P&I club chief executive said yesterday that his club used a figure of $20,000-$30,000 per lost container as a rule of thumb, implying an eventual bill of $60-$70m for the pool.

Mr Rodin described that yardstick as far too low, and for vessels laden with manufactured goods ex-China, the $120,000-$130,000 range is more applicable. That means the payout for containers alone on *ONE Apus* could be in the order of $250m.

On top of that, there is general claims inflation, which is currently running at 2%-3% per annum, Mr Rodin went on.

Needless to say, shipowners are not keen to pay more, and the marine mutual is at pains to explain its need for more money. At least for now, it claims to be on target for what it set out to achieve.

“We normally have a renewal rate of 98% or something in that region, and so far we have had no loss that we did not want to have,” Mr Rodin said.

Indeed, the Swedish Club may even be able to trumpet a gain in tonnage once firm figures are at hand, mainly due to growth in the course of the year rather than at renewal.

Another P&I club chief executive, who preferred not to be named, said: “All the clubs have openly said there is an underwriting deficit across the whole industry and rates are not adequate to cover the deficits we all have.”

His club’s claims experience has also pointed to high levels of claims, including for larger cargo losses and FFOs — to use marine insurance jargon for fixed and floating objects — and that’s before getting to the pool.

His club has also opted for a general increase, even though some of its rivals have abandoned the concept in favour of ship-by-ship pricing.

But the chief executive believes that GIs are valid for mutuals, especially when additional premiums are applied on the basis of loss records.

“For those clubs that choose to have a general increase, it’s one of the tools that underwriters use to try and negotiate rates up.

“It can be a starting point, in that you build in an additional premium, so you can have GI plus 5% for record or 10% for record, or whatever.”

No owners pay what they should pay, and sometimes for good reason, he argued. If owners have had a claim for many millions, they can't be expected immediately to address the deficit.

"This is mutuality. Another year, someone else has that claim and it's absorbed by their peers. You can never get the rates exactly, so there will always be some who feel more hard done by than others."

According to the chief executive's feedback, a number of the clubs that have chosen not to declare general increases have actually been more aggressive in their quest for increases in rates than those with GIs.

If there is going to be much movement, most of it will come next week, especially if some clubs espy what they see as a chance to grab market share through undercutting others.

"I'm hearing more and more from brokers that clubs are starting to collapse and agreeing terms. We're trying not to, we're trying very hard to keep a tough line."

Push to improve West Africa's security vessels market

BIMCO is working on a standard contract to help shipowners hire armed security escort vessels as piracy drives shipowners toward private security.

Most Gulf of Guinea states ban foreign armed guards from their waters, or ban local guards from boarding foreign vessels, so ships cannot use them the way they did to deter Somali pirates.

But some private maritime security companies provide security escort vessels, which typically carry a team of local navy guards with a liaison officer from the PMSC.

BIMCO head of maritime safety and security Jakob Larsen said there were more than 100 SEVs operating from Nigeria today. BIMCO hopes developing a standard contract will make it easier and faster for shipowners to hire protection by harmonising terms and conditions.

"A standard SEV contract will help shipowners and vendors establish clear roles and responsibilities and thereby reduce the commercial risks to the shipowner," Mr Larsen told Lloyd's List. "Hopefully a standard contract can also raise the bar for the SEV industry, which has been known for delivering services of varying quality."

SEV companies need a memorandum of understanding with the Nigerian Navy to operate, so foreign PMSCs partner with about 20 MOU holders to broker security services.

But a security consultant said not all of these are reliable or provide up-to-spec vessels.

"There is this cowboy factor in Nigeria and you've got to be really careful about that," he said.

He said the numbers of middlemen meant shipowners did not always know who was guarding their vessels. "The more removed it becomes, the less reliable and more complex it is."

Protection Vessels International managing director Jim Hilton said the Nigerian MOU system increased its navy's capacity overnight by putting private vessels under its command. But this could be a problem for private ships, since the SEVs guarding them could be called away to other incidents if needed.

Mr Hilton said the MOU system, while not perfect, did offer shipowners a way to protect their ships for a price. But outside Nigeria this was harder.

"In Togo, for example, you've got a 96-hour lead time to book an escort vessel, if there's one available," he said. "And even then, they'll only go to 50 nautical miles; they won't push out to the EEZ boundary, so you're still vulnerable coming in from 200 nm."

Patrols have displaced attacks to less secure areas such as Equatorial Guinea, Gabon and Sao Tomé, making it hard for owners to judge where and when to hire SEVs.

At the weekend pirates hijacked a Chinese tuna boat off Gabon and have since used it to stage attacks on three more ships: they boarded the chemical and oil tanker *Sea Phantom* (IMO: 9326653); tried to board the very large crude carrier *Seaking* (IMO: 9292187); and fired at the LNG carrier *Madrid Spirit* (IMO: 9529276). No crew have been harmed but the pirate vessel is reportedly still at large.

Mr Hilton said running floating armouries was "incredibly risky" because of the region's high pirate activity. Patrol boats cannot usually respond to far-off attacks quickly, so shipowners' options are limited.

"Increasingly what it's doing is shipowners are becoming desperate and they may turn to security companies (who) might try to bend the rules or try to do something outside the legal framework because the client's asking them to," he said.

John Justice, chief executive of DG Risk Group, which recently acquired Mr Hilton's company PVI, said the standard of Nigerian security vessels had improved, "but for the demand it's still a long way off".

The hope was that local companies would take on more security work as their capacity improved over time, he said.

With more Western warships unlikely to intervene soon, the private sector could help suppress piracy until the Gulf of Guinea states could police their waters themselves.

"The ability now for the Nigerian Navy to police their waters has expanded hugely," Mr Hilton said. "If you can create that capacity in other jurisdictions, you achieve the same ends. We're under no illusion that we're going to solve the problem but we can certainly assist in suppressing it, in getting on top of it."

He hoped the BIMCO's new SEV contract would improve on Guardcon, the old BIMCO contract for PMSCs in the Indian Ocean, which he said created liability gaps when applied to West Africa.

Mr Larsen said the new contract should not be interpreted as a blanket endorsement of the Nigerian SEV concept. He said the involvement of law enforcement agencies or officials, including recently retired senior officials, in commercial protection could lead to conflicts of interest and should be avoided.

BIMCO will consult with PMSCs, shipowners, P&I clubs and legal experts to draft a standard contract, which will then go out for consultation.

ANALYSIS:

Hackers threaten vessel operations, not just data

CYBER attacks on operational technology have soared and insurance companies are not covering the higher risk, Ince's senior partner has warned.

"I've seen examples of an ethical hacker taking over the entire control systems of a vessel within 23 minutes of putting his foot on the deck," said Julian Clark. "And where's the insurance coverage for that?"

Speaking on the International Chamber of Shipping's leadership insights webinar, he said hackers were a threat not just to data, but to vessels' engines, ballast systems and navigation.

Statistics showed a 400% rise in cyber incidents targeting the maritime sector last year, with a 900% rise in attacks on operational technology in the three years to 2020.

Mr Clark said insurers had reacted to the risk by "a policy of reserving their position", with most P&I clubs adopting the Lloyd's Market Association's LMA 5403 cyber exclusion clause.

"There are buybacks available, but a number of leading underwriters have themselves said that they don't think that the amount of coverage available at the moment is sufficient to meet the risk," he said.

Several clubs had issued warnings and circulars that cover could be compromised if a member did not have a sufficient cyber resilience program in place. There were gaps in international regulation and questions over due diligence and limitation of liability, he added.

HudsonAnalytix training and advisory services senior manager Chronis Kapalidis, a former Greek naval officer, said hackers had breached one ship through its wi-fi light bulbs, since their default username and password had not been changed.

"Any sort of system that we use, either in a shipping company's office or on board the ship that has some sort of software component, is vulnerable to potential cyber incidents," he said.

He said recent denial-of-service attacks, such as against the International Maritime Organization, had followed the same pattern "because the industry is using more or less the same solutions when it comes to data management and data handling".

There were several ways to access a company's systems, but the main threat was "causing disruption to services in order to gain a competitive advantage potentially for a competitor within the industry," though he said there were no examples of this.

Phillip Morgan, a professor of human factors and cognitive science at Cardiff University, in Wales, said his research questioned the assumption that humans were the weakest link in the cyber chain, and people could adapt to new threats as they always have.

He said hackers exploited cognitive biases and better understanding these could help companies outsmart attackers: "The playing field is more level than we think."

Wärtsilä Voyage head of cybersecurity Päivi Brunou said risks would become harder to identify as more objects were connected to the internet.

Securing networks meant ensuring "no unwanted software, no USB stick that shouldn't be there".

"We have seen for example PlayStations in these networks and it's quite human, you get bored on the vessel… but in no condition should you be doing that."

Companies needed a culture where staff felt safe to report incidents or suspicions, she added.

Mr Clark said the industry should work together, as it did in response to Somali piracy, to build a tried and tested system that could then be regulated.

Mr Morgan said the difference could come down to staff spending an extra 30 seconds verifying emails. "I'm not saying never trust anything that comes in, but at least try and verify it," he said.

Maersk pushes IMO to take lead on green regulations

MAERSK has called on the International Maritime Organization to begin talks on market-based measures for shipping in 2021 as it considers accelerating its own decarbonisation strategy.

The world's biggest shipping company, which consumed 10.4m tonnes of fuel oil and emitted 33.9m tonnes of carbon dioxide from operations under its direct control, has committed to net zero emissions by 2050.

The company's 2020 sustainability report showed Maersk has cut its relative CO_2 emissions by 46.3% since 2008, edging closer to its 2030 target of 60%.

Simon Bergulf, the company's regulatory affairs director, said there had been rapid changes since 2018 when these targets and the goal to have commercially viable zero emissions vessels by 2030 were considered moonshots.

"Things have changed so quickly and so exponentially over the past two years, that we also internally at Maersk have to ask ourselves if we don't need to accelerate our own strategy as has been said by my CEO recently," he told a virtual event hosted by the IMO this week. "So watch that space."

As part of its decarbonisation strategy, Maersk is focusing on four different types of fuel to help its fleet get there; biodiesel, methanol, lignin mixed with alcohol-based fuels, and ammonia.

Mr Bergulf emphasised that a key factor for global decarbonisation in shipping was progress in the IMO, warning that 2021 would be a crucial year.

"IMO needs to leapfrog, it needs to demonstrate leadership and it needs to open up the difficult discussions," he said.

The IMO's environmental committee is meeting in June with the priority to finalise short term emissions reductions measures, that focus on technical and operational efficiency measures.

The IMO needed to look beyond these short-term policies and embark on negotiations on market-based measures, a politically controversial policy option that is widely thought to be the most effective one in accelerating decarbonisation, Mr Bergulf said.

"I know this is a big one, I know it is a difficult discussion, but if we want a chance to have an MBM in place by the end of this decade, we have to start opening the discussion because it is going to take time," he said.

The measure needs to be "future proof" to withstand the potentially higher ambitions that the 2023 revision of the IMO's decarbonisation strategy will have as well as the life cycle assessment of marine low carbon fuels, he added.

When in 2018 the IMO adopted its target to reduce shipping emissions by at least 50% by 2050 compared to 2008, it also agreed it would start discussing MBMs from 2023 onwards and possibly finalise one by 2030.

But the intensifying momentum for global decarbonisation, the threat of regional action by the EU through unilateral measures and the individual pressure on shipping companies have led to calls for a faster discussion of market-based measures.

At the IMO environmental meeting in November, major shipping nations and economies such as China, the US and Russia rejected a call to begin discussing MBMs, setting up the scene for challenging negotiations in the future.

Following the meeting, Maersk expressed its disappointment with the result and called on governments to begin discussing market-based measures this year.

Mr Bergulf said IMO policies needed to reward first movers for the risks they take and costs they incur in adopting new technologies.

MARKETS:

Bulkers boosted by higher share of US soyabean exports

BULKERS are not only benefiting from record US soyabean exports, they are also being buoyed by having a higher share of the total.

According to shipping association BIMCO, 37.1m tonnes were transported on bulk carriers between September and December, which is the start of the US marketing year, while 2.5m tonnes were carried on containers.

"Despite the record high containerised soyabean exports, the share of total US soyabean exports being sent in containers has fallen from previous years and is currently at its lowest level since the same period in 2017," said the association's chief shipping analyst Peter Sand.

"The scenario is unfolding at a time when some agricultural exporters report of difficulties getting access to containers, accusing carriers of preferring to send empty containers back to start a new fronthaul trip out of Asia, rather than accept agricultural cargoes."

Almost half of US containerised soyabeans are exported from the west coast ports of Los Angeles and Long Beach, while 40% is exported from the New York and Virginia ports on the east coast. Of the total, 99.7% is sent to Asia.

Assuming that one 20-foot container can fit 20 tonnes of soyabeans, about 124,400 teu containers have sailed from the US with the oilseed in the first four months of this season, a rise of about 81,700 teu from the previous season.

While the share of bulkers involved in the US trade has increased, a slow start to the South American grain season is a negative for bulker demand in the short-term.

"But luckily this is being offset by the US factor and is soothing the pain," Mr Sand said.

Product tanker market poised for rapid turnaround, says Ardmore

ARDMORE Shipping, an Irish owner of product and chemical tankers, expects improving market conditions later this year.

"During 2020, the product tanker market experienced its most extreme period of volatility in many years," chief executive Anthony Gurnee said.

Medium range tanker rates rose to record highs of about $77,000 per day during the first half of last year, followed by charter rates hitting new lows as the pandemic impacted oil demand and cargo volumes.

MR charter rates so far this quarter have risen to about $11,700 per day, from fourth-quarter lows of $9,600 per day, said Mr Gurnee, driven by "modest economic recovery and winter market activity".

He said he expects chemical tanker performance to improve over the course of 2021, given the high correlation of demand to global GDP growth.

Overall, he remains cautious about the first half of 2021 for tankers, but believes the second half will bring "rapidly improving market conditions and set the stage for a full recovery driven by above-trend demand growth and constrained product tanker supply growth".

Beyond the immediate post-pandemic recovery, product tankers "will experience continued overall demand growth to the end of the decade, with global economic growth and refinery developments away from points of consumption more than offsetting the initial impact of the energy transition", he said.

"However, we expect the energy transition to put a significant damper on tanker supply as new regulations such as EEXI accelerate the phase-out of inefficient vessels, resulting in a tight market.

"As we look forward to a brighter future for the tanker market and opportunities in the energy transition, we must not forget the challenges and hardships the ongoing pandemic presents, most of all for our seafarers, but also our shore staff in lockdown and in travel-related quarantine on our behalf."

The company reported a net loss of $19.5m in the fourth quarter of last year compared with net income of $1.9m in the year-earlier period, it said.

It has 26 vessels in its fleet. Most are trading in the spot market.

The company sold the 2006-built MR tanker *Ardmore Seamariner* (IMO: 9379519) for $10m in December and the vessel was delivered to its new owner in mid-January.

Ardmore is expecting to have 40 drydock days this quarter. That compares with 142 drydock days, including repositioning, in the fourth quarter of 2020.

Concordia Maritime, another product tanker owner, said last month it expects a gradual strengthening of the markets through 2021, following a particularly weak fourth quarter.

A positive effect on demand for tanker transportation was anticipated from the third quarter of this year.

IN OTHER NEWS:

Maersk's record fourth quarter lifts full-year earnings

MAERSK has closed a volatile year with a record fourth-quarter performance that lifted full-year operating earnings 44% to $8.2bn

AP Moller-Maersk chief executive Søren Skou said: "2020 will forever be remembered for the Covid-19 pandemic that negatively impacted our lives, jobs, businesses and the global economy."

He added: "I am proud that we have accelerated our transformation and delivered earnings growth during every quarter of 2020, despite very different market conditions, beginning with negative Covid-19 impact in the first half to a rebound in the fourth quarter."

Thessaloniki expands box terminal as shareholding change awaits approval

THESSALONIKI, Greece's second-largest port, is pushing ahead with an expansion plan as it awaits clearance for a majority takeover bid by one of its main stakeholders.

It has ordered two "exclusively-designed" ship-to-shore cranes for its container terminal from manufacturer Shanghai Zhenhua Heavy Industries (ZPMC) at a cost of €15.7m ($19m), the port authority said.

Expected to be operational in the first quarter of 2022, the cranes will have a capacity of 65 tonnes in twin-lift mode and 50 tonnes in single-lift mode and will enable the port to serve neo-panamax container vessels of well over 10,000 teu capacity.

Samsung Heavy trials autonomous shipping system

SAMSUNG Heavy Industries is gearing up to test its autonomous navigation system on a large training ship, aiming to commercialise the technology in 2022.

The 3,643 dwt vessel, *Segero* (IMO 9807267), is operated by Mokpo National Maritime University in South Korea, the shipbuilding major said in a release.

The two parties have signed an agreement to co-develop the self-driving product, the Samsung Autonomous Ship. Testing will start from August on several routes between two ports in South Korea, Mokpo and Jeju.

Petronas and Jera team up to push for LNG bunkering

MALAYSIA and Japan are joining forces to develop a global liquefied natural gas bunkering network.

Petronas, as the custodian of Malaysia's oil and gas resources, and Jera, the world's largest single LNG buyer, have signed an agreement detailing among other things, joint advocacy for the use of LNG, according to a statement released on Tuesday.

Petronas completed in November its maiden in-country LNG bunkering operation at Pasir Gudang in Johor state.

HHLA volumes slump 10%

GERMAN container port operator Hamburger Hafen und Logistik, or HHLA, saw volumes drop dramatically in 2020 as the coronavirus took its toll.

HHLA, which operates three terminals in Hamburg, as well as overseas interests in Estonia, Ukraine and Italy, saw throughput fall 10.6% year on year to 6.8m teu.

The Hamburg-based group was hit hard in the first half of the year when liner customers cut capacity to manage reduced demand during the height of the first outbreak of the virus.

Maritime leaders detail US pandemic concerns before Congress

US MARITIME industry representatives told a Congressional hearing of their concerns about the impact of the coronavirus pandemic on workers and the supply chain, the growth of China's sea-going prowess, and the need to maintain a strong US capability.

The hearing was called by the House Coast Guard and Maritime Transportation subcommittee of the House Committee on Transportation and Infrastructure to discuss the impacts of the coronavirus pandemic on the US maritime industry.

Mario Cordero, chairman of the board of the American Association of Port Authorities, said that the pandemic caused "one of the most erratic and volatile years in terms of container volume".

Trafigura and Cheniere extend charters on Höegh FSRUs

OSLO-LISTED Höegh LNG has secured a new contract and extensions on charters for three vessels on its fleet.

Trading giant Trafigura has agreed to extend the existing interim charter on floating storage, regasification and offloading unit *Höegh Gannet* for another 12 months, according to a statement released by Höegh LNG on Tuesday.

Höegh Gannet (IMO: 9822451), which has been on charter with Trafigura since the second quarter of 2020, has been shipping cargoes from Sabine Pass terminal in the US over the past five months.

US regulators continue monitoring ocean carriers and marine terminals

OCEAN CARRIERS and terminal operators that violate supply-chain rules around congested US ports may be subject to penalties, according to at least one member of the Federal Maritime Commission.

Commissioner Rebecca Dye initially thought last year's shocks to global trade would be a replay of the 2010 snapback from the financial crisis, but in an interview with Bloomberg, said "we quickly realised that was not the case".

Instead, US ports are deluged with throughput that is behind sharply rising shipping costs and complicating logistics for shippers.

Wan Hai upgrades Asia-USWC offering to four loops

WAN HAI LINES will extend its current offering of two Asia-California services to four independent transpacific loops in mid-March, Alphaliner reports.

The weekly newsletter said the four loops will call at a reduced number of ports to decrease turnaround times. The Taiwanese carrier will also reintroduce direct South Asia-US west coast sailings and offer a separate service to the US west coast ports of Seattle and Oakland.

Alphaliner said the rotation of the current Asia–US west coast AA1 service will become limited to Shanghai, Ningbo, Los Angeles, Shanghai only to allow the service to turn in five weeks.

Classified notices follow