



The Trend for Fewer Port Calls Will Continuously Increase Feeder Demand

How Are The Feeders Coping?



SEA CONSORTIUM

“The Global Common Carrier”

- ⊕ Founded in 1972
- ⊕ 40 scheduled container feeder services
- ⊕ Operate between major hub ports & regional ports in the East Asia, South- East Asia, Indian Subcontinent, Arabian Gulf, Red Sea, Mediterranean, Black Sea and Europe
- ⊕ 1.5 million teus in 2005
- ⊕ 55 container ships in operation
- ⊕ 28th in ranking by BRS Alphaliner’s Top 100 Liner Operators (Jan 2006)



The Trend for Fewer Port Calls Will Increase Feeder Demand. How Are The Feeders Coping?

1. Traditional “Hub & Spoke” Feeder Concept
 - Shuttle Services
 - Feeder Port to Hub Port
2. Hub-Spotting and Multi-hubbing
3. Dedicated Feeder Services vs Common Carrier
4. Less Conventional Forms of Feeder



“Hub & Spoke” Feederling

Examples

⊕ Singapore – Calcutta

- Draft limitations
- Increase in number of vessel calls to cater
- Mainline carriers with own feeders: CMA, APL

⊕ Port Klang – Penang

- covered in mainline routes e.g. Middle East – Far East

⊕ Colombo – Cochin

⊕ Dubai – Bandar Abbas

- covered in mainline routes e.g. Far East – Middle East



Hub-spotting & Multi-Hubbing

Examples

- ⊕ Singapore & Port Klang
- ⊕ Tg Pelapas & Port Klang
- ⊕ Colombo vs Salalah vs Tg Pelapas



Dedicated Feeder OR Common Carrier

Joint Services between Feeder & MLO to achieve:

- ⊕ Economies of scale
- ⊕ Service frequency

.... and prevent:

- ⊕ Overtonnaging
- ⊕ Freight rate erosion



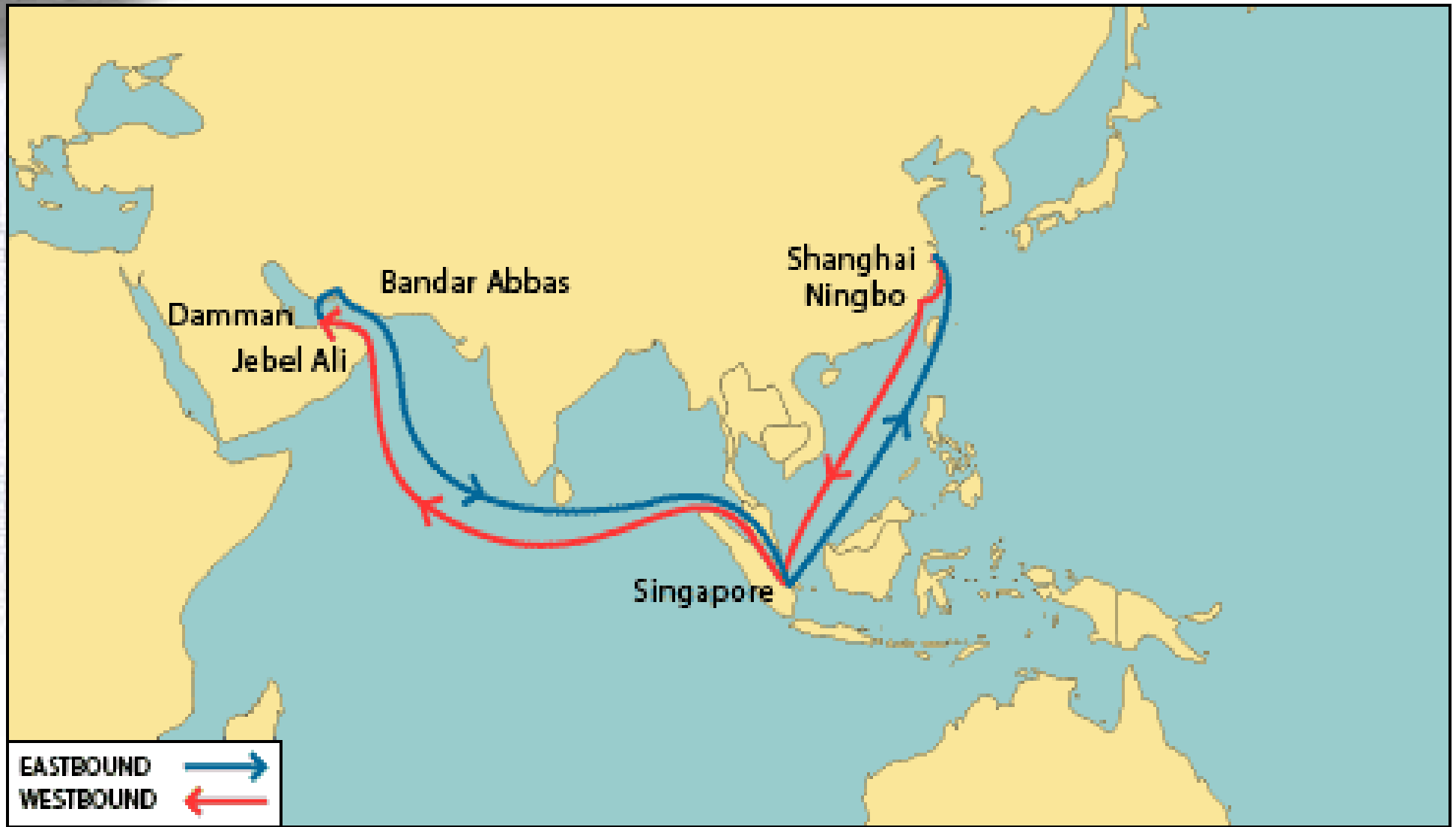
Less Conventional Forms of Common Carriage

Space charter by MLOs or NVOCCs

- ⊕ Overflows
- ⊕ Volumes exceed capacity
- ⊕ New in the trade – build up volumes first



FAR EAST – MIDDLE EAST





CONCLUSION

Keys To Feeders Staying Competitive

- ⊕ Flexibility
- ⊕ Creativity
- ⊕ Fast to Adapt to Changes
- ⊕ Ability to Form Partnerships with MLOs



Thank You!