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## Shipping's size obsession could be ending,

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would impose such significant costs on ports that they would outweigh the advantages of moving cargo in ever-larger vessels.

The research by Drewry comes after lines have poured billions of dollars since the financial crisis into new, bigger ships, which has contributed to the industry's financial woes. Lines have not only had to find hundreds of millions of dollars per vessel to buy the ships but have suffered sharp earning declines as the new ships have created excess capacity, driving down fees per container shipped.

Denmark's AP Møller-Maersk, whose Maersk Line operates the world's biggest container ship fleet, warned in February that the combination of factors was producing market conditions "significantly worse" than during the 2008-09 financial crisis.

The highest-capacity ships currently afloat — Mediterranean Shipping Company's Oscar class, introduced last year — are 395m long, 59m wide and can carry 19,224, 20ft equivalent units (TEUs) of containers. A 40ft container — the most commonly-used size — is around two TEUs. Fifteen years ago, the biggest vessels carried only around 8,000 TEUs.

Tim Power, Drewry's managing director, said the consultancy had modelled the overall costs of moving containers on a series of ship sizes and had found efficiency savings on the biggest ships currently afloat.

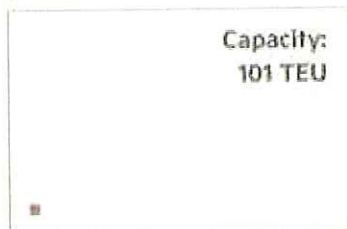
But the company then ran a simulation on a still-larger behemoth that carried 24,000 TEUs

## Big ships are getting bigger

Cargo capacity has more than doubled in the past two decades

### 1956: Ideal X

Breadth: 9 m

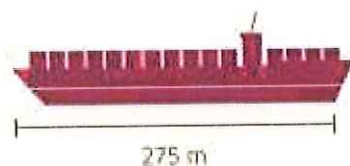
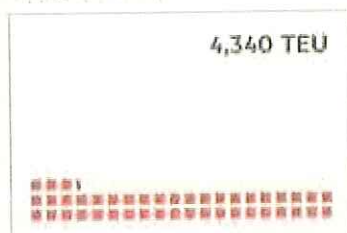


Ship cargo carrying capacity is usually measured in twenty-foot equivalent units (TEU)

### 1988: APL President Truman

Breadth: 39.4 m

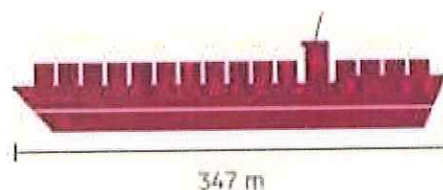
Draught: 12.4 m



### 1997: Sovereign Maersk

Breadth: 42.8 m

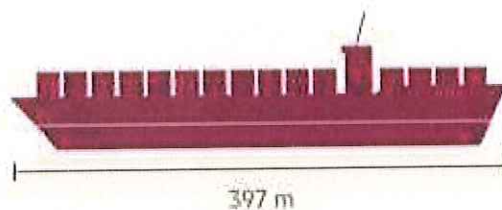
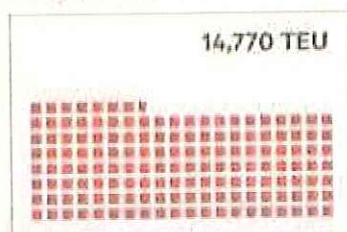
Draught: 15 m



### 2006: Emma Maersk

Breadth: 56.4 m

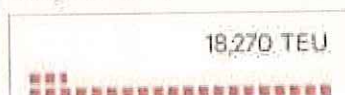
Draught: 16 m



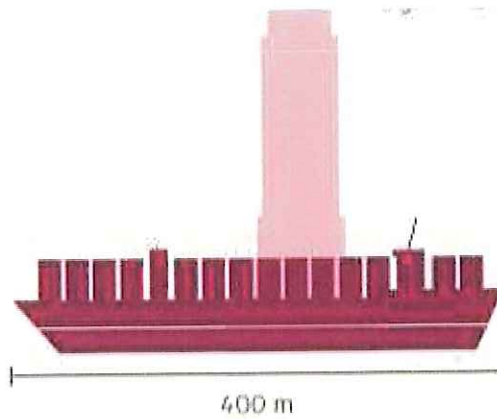
### 2013: Maersk Mc-Kinney Møller

Breadth: 59 m

Draught: 16.5 m

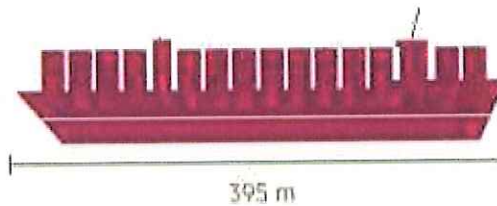
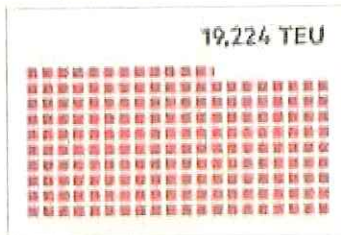






**2015: MSC Oscar**

Breadth: 59 m  
 Draught: 16.0 m



FT graphic: Claire Manizog | Sources: Hofstra University, FT Research

The research has significant implications for world trade because it could mean the steady cuts in transport costs that bigger ships have encouraged start to run out.

Meanwhile, Anders Boenaes, Maersk Line’s head of network planning, echoed some of Drewry’s concerns.

Mr Boenaes said it was premature to talk about a new generation of vessels because terminals were only just learning to cope with vessels of more than 18,000 TEUs — the first of which, Maersk’s Triple-E class, were introduced only in 2013.

There was considerable scope, Mr Boenaes added, for shipyards and shipping lines to devise better designs for ships of the current biggest sizes. That should mean that future ships could enjoy some of the advantages of carrying more containers without imposing on ports and waterways the disadvantages of larger vessels.

Maersk is already expecting a batch of new ships of around the same dimensions as the Triple-Es but able to carry 19,630 TEUs.

“The current form — a 400m long, approximately 60m wide steel hull — still has a lot of potential for optimisation,” Mr Boenaes said. “The next form would mean going to something that without any doubt would mean a different game, not only for ocean terminals but also for something like the Suez Canal to handle.”

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