



Beyond Borders  
Towards Tomorrow



SEPTEMBER  
2020

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## II. Market Outlook

# I -1. Company Overview



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## We begin a new voyage with a new name : HMM

.....

As the CEO of HMM, I dream of a great future ahead.

I dream that HMM will not be recognized as a mere shipping company, but that it will develop and grow to become world-renowned as the HMM Group.

I am confident that the day will come when, in the name of HMM, many companies, like HMM Global Logistics, HMM Global IT Systems and HMM startup companies, will be major companies in various fields of shipping and logistics, not just in Korea, but in the world as well.

The diverse skills and experiences of our employees will foster HMM's growth, and create new opportunities for ourselves as well.

HMM's rebound, a DNA that overcomes adversity, and developing into the HMM Group; all of these are fully feasible goals when all members of HMM move forward with the same vision.

For the moment when our new name HMM blooms fully, let us sound our ships' horns together as we set sail on a new voyage to become a global top class shipping company. With our passion and effort, let's make HMM a global top brand.

I am confident that HMM, our new name, will resonate and spread not only in our hearts, but also all over the world with an even greater meaning.

Thank you.

April 1, 2020  
HMM CEO **Jae-Hoon Bae**

# I -1. Company Overview

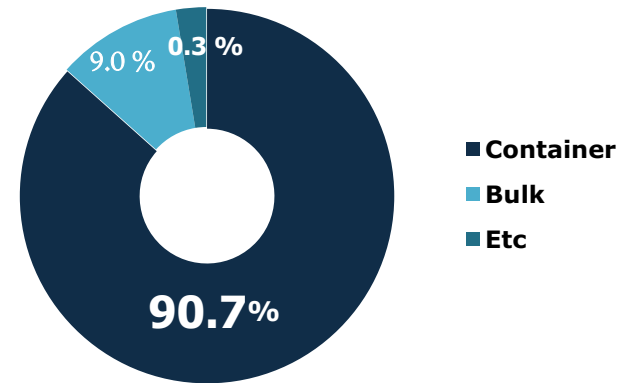
## - Brand Identity

**Connect Values**



**Navigate Growth**

## - Structure & Business Portfolio



(Based on FY 2018 result , Revenue %)

### Organization

**105 Offices in 28 Countries**

### Employees

Total	Ground	Crew
3,590	3,155	435

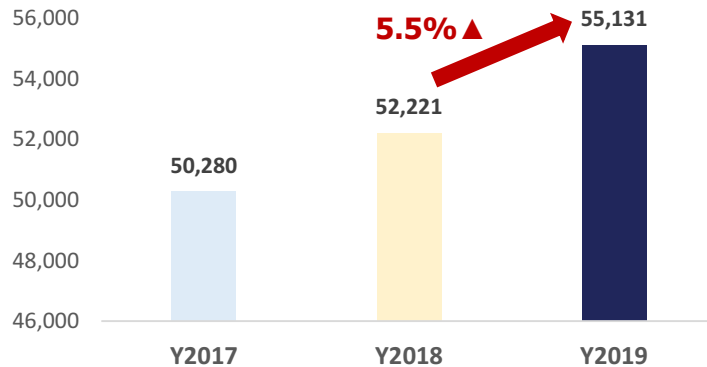
# I -2. Financial Status



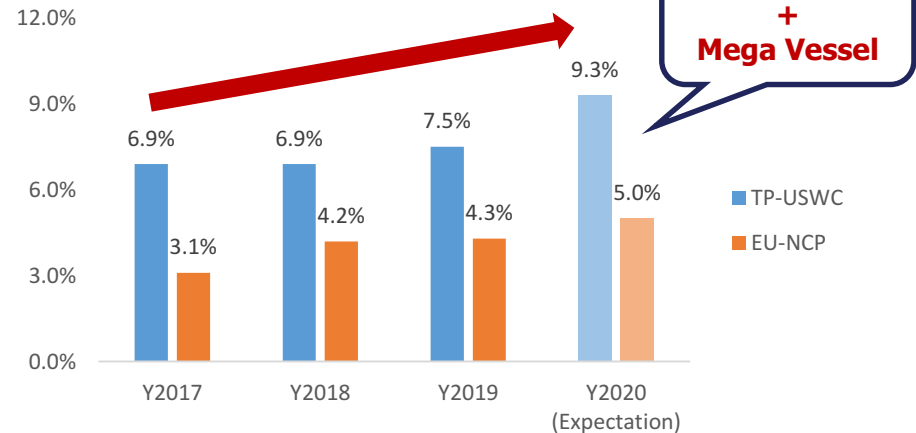
## - Summary of HMM Business

### ■ Revenue / Y2019 Review

(Unit : KRW Bn)



### ■ HMM Market Share(TP-USWC / EU-NCP)



### ■ Governing structure

Share Holder	Share Ratio(%)	Remark
<b>Major Shareholders</b>		<b>73.35%</b>
Korea Development Bank	36.99%	State-Owned Bank
Korea Ocean Business Corporation (KOBC)	36.36%	
<b>Others</b>	26.65%	
<b>Total</b>	<b>100.00%</b>	

» KOBC : Affiliated organization under Ministry of Oceans and Fisheries, Legal capital : 5 trillion won (4.5 bln USD)  
Launched in July, 2018, investing in New ships, supporting shipping companies.



## SMART SHIPPING

Global  
Leading  
Carrier

US\$10 Billion  
Revenue  
by 2022

Capacity,  
One Million TEU  
by 2021

### Soft Ware

#### [Smart Asset Utilization / Oracle]

- Customized E-Service & Specialized Customer service
- Process Innovation : Cloud System (New-GAUS 2020, ISO 27001)
- Internet of Things(IoT), Blockchain(DCSA : Digital Container Shipping Association)
- Big Data(Vessel, EQ, Route Management)

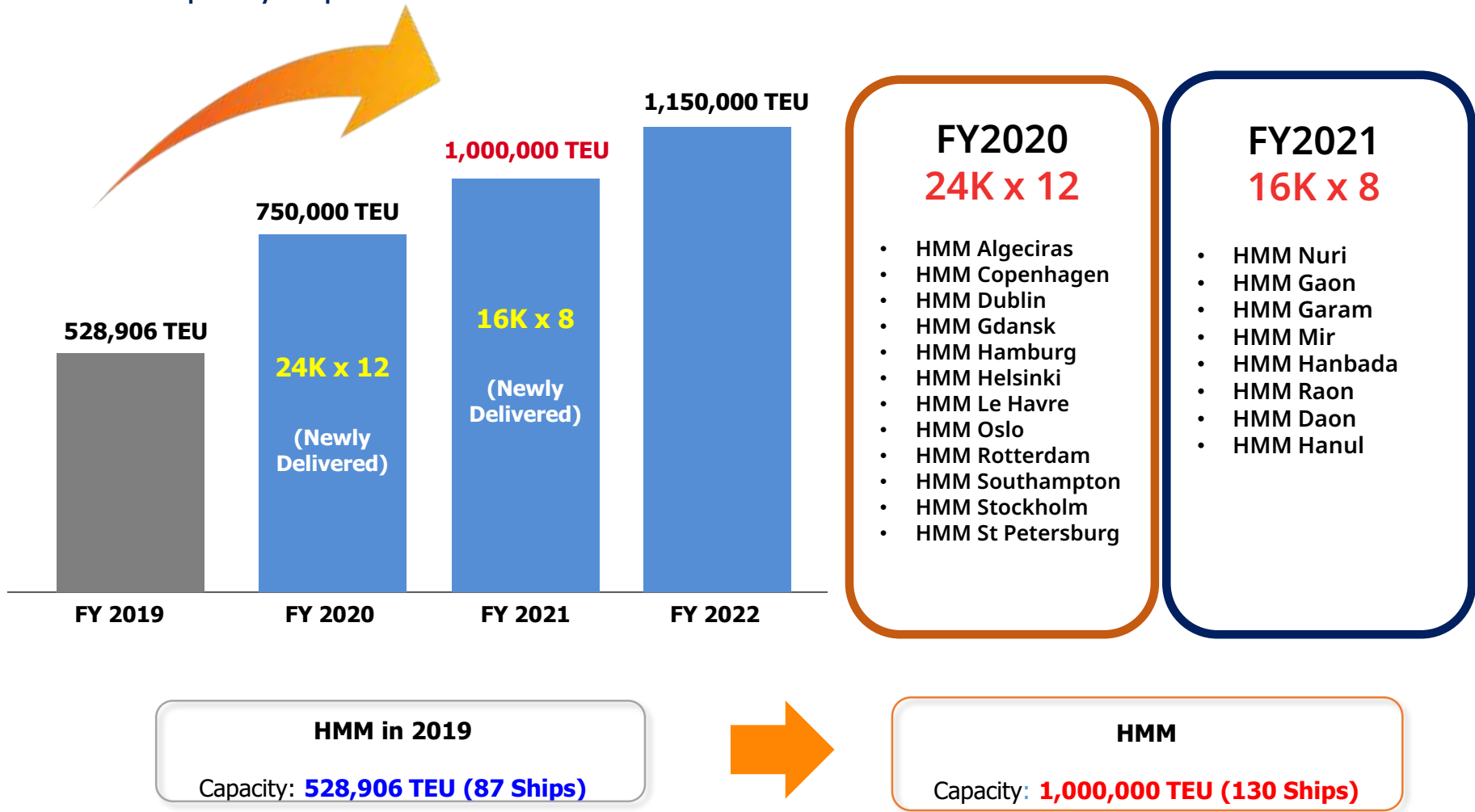
### Hard Ware

#### [Smart/Eco/Mega Ship]

- 2018 : 11,000 TEU X 2
- 2019 : VLCC(300K DWT) X 5
- 2020 : 24K X 12
- 2021 : 16K X 8

# I -3-②. Expansion Plan

## - HMM Capacity Expansion Plan



## Eco-friendly Mega Containerships starts delivery

- Orders placed for twelve 24K & eight 16K mega containerships with scrubber installation in 2018
  - Seven 23,964 TEU at DSME
  - Five 23,820 TEU at Samsung Heavy Industries
  - Eight 15,986 TEU at Hyundai Heavy Industries
- Join THE Alliance FE-NE service

### 24K Special Feature

Increased energy efficiency abt **49%**, required by IMO (EEDI phase 1, Energy Efficiency Design Index)

Optimized hull shape enabling **less footprint(emission)**

Full spade rudder, Pre-swirl stator(DSME), Saver-fin(SHI)

**Hybrid type Exhaust Gas Cleaning System(SCRUBBER)**

Ready for retrofit to use Liquefied Natural Gas

Ballast Water Treatment System fitted

Ready for use shore electricity(internal system only)

Smart Navigation system

Advanced lashing system

LED Light



## Active response in Sulphur Oxide regulation

- Sulphur Oxide regulation becomes strict not just global, but also domestic area -

- **Global Sulphur Oxide regulation comes into effect since Jan 1 2020**
- **In Korea and China, domestic Emission Control Areas are designated**
- **HMM sets up strict compliance method**
  - ▶ No violation reported from both internal audit and port state control
  - ▶ Global supply contract for securing compliant fuel oil
  - ▶ Flag approved Exhaust Gas Cleaning system onboard
  - ▶ Join R&D program for future fuel study

### What is Exhaust Gas Cleaning System?

- In wet type, cleaning exhaust gas by pumping sea water to minimize Sulphur contents
  - ▶ Equivalent, which approved by flag state in accordance with the International Maritime Organization(IMO)'s guidelines
  - ▶ There are 2 types of exhaust gas cleaning system, namely wet type and dry type.
  - ▶ Mainly wet type is used, rather than dry type(which use chemical, not washing water)
  - ▶ Wet type is classified as either close, open or hybrid(both open and close system)
- Normally operate exhaust gas cleaning system in open mode
  - ▶ Even hybrid exhaust gas cleaning system is fitted, normally operate the system in open mode
  - ▶ Because there is restriction in NaOH, holding tank and etc, close mode operation is also limited
- In regard to any harmful effect of washing water to water quality, the IMO encourages member state to submit scientific evidence
  - ▶ Many reports submitted to the IMO contains evidence that washing water results not harmful effect in flowing water
  - ▶ Now the IMO focuses on enclosed or port area for any significant effect of washing water discharged
- Some port/coastal states prohibit the discharge washing water from exhaust gas cleaning system from the precautionary approach(or principle)
  - ▶ Which means there is no scientific evidence for their policy
  - ▶ HMM strictly complies local policy, don't use exhaust gas cleaning system, and to switch low Sulphur fuel oil
  - ▶ If hybrid type exhaust gas cleaning system is fitted, switch to close mode in such area.










# I -3-③. Sustainability Report in 2019

## 1. Time line

1. Market Study	2. Strategy & Plan	3. Governance	4. Draft Report	5. Web-page
Done	Done	Done	Done	Done

## 2. HMM's Approach to each Item

Item	HMM's approach
 <b>E</b> nvironmental Management	- Green-house gas control, Environmental TFT
 <b>I</b> nnovation Management	- Eco-friendly Mega-vessels, Digitalization
 <b>S</b> upply Chain Management	- Partnership evaluation, Risk management
 <b>E</b> mployee Management	- Global competency training, Work & Life balance
 <b>S</b> afety and Health Management	- Industrial Safety and Health Act, DG center
 <b>L</b> ocal Communities	- Social contribution, Volunteer activity
 <b>E</b> thical Management	- Code of ethics, Inspection and Transparency

# I -3-④. Carbon Emissions



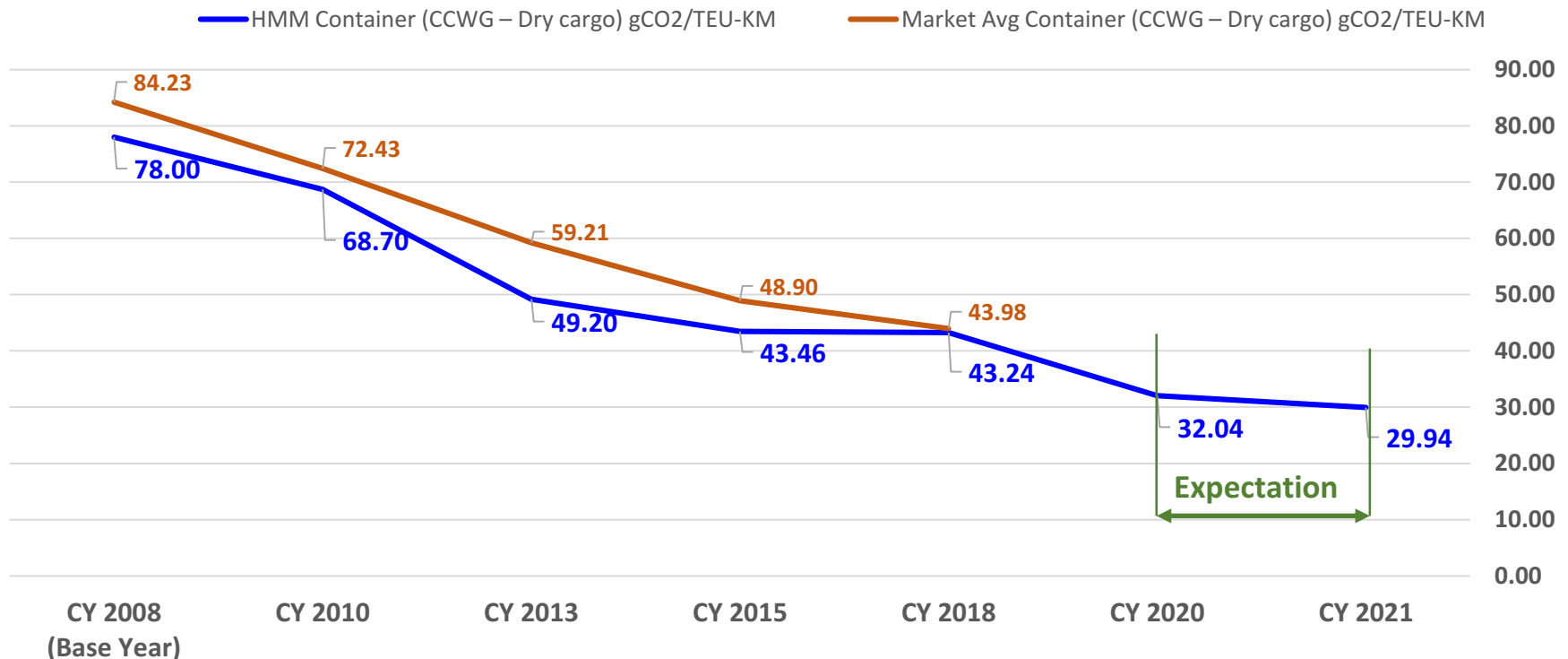
## HMM : CCWG(Clean Cargo Working Group) member

⇒ a group of shippers and suppliers that aim to reduce their carbon footprints and Carbon emissions.

⇒ 2030 Target : Reducing carbon emission by 70%

⇒ [2050 Target : Carbon neutrality](#)

### ※ Container (CCWG – Dry cargo) gCO<sub>2</sub>/TEU-KM



## HMM to join THE Alliance



From left to right : The CEO of HMM, HLC, ONE, YML

Name of Alliance	THE Alliance
Member Line	HMM, Hapag Lloyd, Yang Ming Ocean Network Express,
Scheme	<b>Full Membership</b>
Duration	<b>10 Years (April / 2020~March/2030)</b>
Scope	Asia - North America West Coast Asia - North America East Coast (via Panama and Suez Canal) Asia - North Europe Asia - Mediterranean Asia - Middle East

Dear Valued Customers,

We are pleased to announce that Hyundai Merchant Marine will have a new beginning with "THE Alliance" as a full member from April 2020. The members of THE Alliance have also decided to establish a new cooperation with four members and a term until 2030. The actions were agreed in Taipei on 19 June 2019. Subject to the necessary regulatory approvals, the new contract between the four lines will start on 1 April 2020.

In an initiative aimed at stronger capability and leverage in the global shipping market, we will organize closer cooperative relationship with new partners, that is, Hapag-Lloyd, Yang Ming, and Ocean Network Express (ONE). HMM's participation in 'THE Alliance' will enable the whole members to enjoy win-win strategy working out a further development of higher-quality service and sales power.

HMM has ordered twelve 23,000 TEU vessels which will be delivered in the second quarter of 2020. Additionally, eight 15,000 TEU new buildings will join HMM's fleet in the second quarter of 2021. HMM's 23,000 TEU new buildings will be deployed in the Far East – North Europe trade and will further strengthen THE Alliance's service portfolio.

HMM's membership will significantly strengthen the competitiveness of THE Alliance towards the other two alliances. Being a full member of THE Alliance gives us a lot of pride. We are convinced that we will be successful and generate additional value for our customers, employees and shareholders with combined experience, strategic skills, competitive fleet and strong focus on our clients' needs."

Thank you.

Yours Sincerely,  
Hyundai Merchant Marine Co., Ltd.

## THE Alliance Unveils Expanded Service Network for 2020

2020-01-16

- **FMC filing of HMM to join as a full member of THE Alliance became effective.**
- **New service structure; 33 services; coverage of 78 ports throughout Asia, Europe including Mediterranean, North and Central America, the Middle East, Red Sea and Indian Subcontinent.**
- **Deployment of over 280 efficient container vessels with expanded capacity allowing the implementation of enhanced service coverage with enhanced frequency, rapid transit times, and more comprehensive port coverage.**

The members of THE Alliance, Hapag-Lloyd, Ocean Network Express, and Yang Ming are happy to welcome HMM as a new core member of THE Alliance. With the FMC acceptance of HMM membership, THE Alliance offers an attractive upgraded product package and it will be launched around April 1st, 2020. Based on the existing comprehensive network of THE Alliance, the newly enhanced product package will offer increasing frequency particularly from South East Asia, as well as new direct port coverage and improved transit times.

The upgraded service package includes:

A new pendulum service replacing the existing Asia-Europe FE5 and Transpacific PS7 services with a new highly efficient design. This new service, to be further named, will be operated by 18 modern 14000+ TEU ships and provides added weekly Transpacific coverage between South East Asia and Southern California, thereby expanding the number of services directly covering this lane to three, in addition to FP1 and PS3.

[A modified PS3 will offer new direct coverage of Haiphong creating more value and choice for the customers.](#)

Further to the enhanced Transpacific coverage of South East Asia, a new Transpacific loop, PS8, focusing on Central China and Korea (including new coverage of Incheon) will be inaugurated around 1st April 2020.

For Asia and North Europe, the group will deploy two efficient 20,000+ TEU vessel services in a newly revised FE2 and FE4 design which will bring economies of scale and positive environmental benefits.

THE Alliance outlined its enhanced service network as follows:

2020-01-16

## **Asia and North Europe**

- FP1 – From TPWC – Tokyo - Shimizu – Kobe – Nagoya –Tokyo – Singapore – (Suez Canal) – Rotterdam – Hamburg – Le Havre – (Suez Canal) – Singapore – Kobe – Nagoya – Tokyo – To TPWC
- FE2 – Pusan – Shanghai – Ningbo – Yantian – Singapore – (Suez Canal) – Southampton – Le Havre – Hamburg – Rotterdam – (Suez Canal) – Port Kelang – Pusan
- FE3 – Hong Kong – Xiamen – Kaohsiung – Yantian – (Suez Canal) – Rotterdam – Hamburg – Antwerp – London Gateway – (Suez Canal) – Jebel Ali – Singapore – Yantian – Hong Kong
- FE4 – Qingdao – Pusan – Ningbo – Shanghai – Yantian – (Suez Canal) – Algeciras – Rotterdam – Hamburg – Antwerp – London Gateway – Algeciras – (Suez Canal) – Singapore – Qingdao
- FP2 – From TPWC – Yokohama - Hong Kong - Laem Chabang – Cai Mep – Singapore – Colombo – (Suez Canal) – Rotterdam – Hamburg – Antwerp – Southampton – (Suez Canal) – Jeddah – Singapore – Laem Chabang – Cai Mep – Hong Kong – Yantian – To TPWC

## **Asia and the Mediterranean**

- MD1 – Qingdao – Pusan – Shanghai – Ningbo – SPRC – Singapore – Jeddah – (Suez Canal) – Damietta – Barcelona – Valencia – Tangier – Genoa – Damietta – (Suez Canal) – Jeddah – Singapore – SPRC – Qingdao
- MD2 – Pusan – Qingdao – Shanghai – Ningbo – Kaohsiung – SPRC – Singapore – (Suez Canal) – Piraeus – La Spezia – Genoa – Fos – Genoa – Piraeus – (Suez Canal) – Singapore – SPRC – Pusan
- MD3 – Pusan – Ningbo – Shanghai – SPRC – Singapore – Jeddah – (Suez Canal) – Ashdod – Istanbul – Izmit – Aliaga – Mersin – (Suez Canal) – Jeddah – Singapore – Kaohsiung – Pusan

## **Asia and the Middle East**

- AG1 – Ningbo – Kaohsiung – Xiamen – Shekou – Singapore – Jebel Ali – Dammam – Hamad – Sohar – Singapore – Ningbo
- AG2 – Shanghai – Ningbo – Xiamen – Shekou – Port Kelang – Jebel Ali – Hamad – Umm Qasr – Hamad – Jebel Ali – Singapore – Shanghai
- AG3 – Qingdao – Pusan – Shanghai – Singapore - Jebel Ali – Dammam – Jubail – Abu Dhabi – Port Kelang – Singapore – Hong Kong – Qingdao

## Transpacific – West Coast

2020-01-16

- PN1 – Xiamen – Kaohsiung – Ningbo – Nagoya – Tokyo – PNW – Tokyo – Kobe – Nagoya – Xiamen
- PN2 – Singapore – Laem Chabang – Cai Mep – Haiphong – Yantian – PNW – Tokyo – Kobe – Singapore
- PN3 – Hong Kong – Yantian – Shanghai – Pusan – PNW – Pusan – Kaohsiung – Hong Kong
- PN4 – Qingdao – Ningbo – Shanghai – Pusan – Prince Rupert – PNW – Pusan – Kwangyang – Qingdao
  
- FP1 – From Europe – Singapore – Kobe – Nagoya – Tokyo – LA/LB – Oakland – Tokyo – Shimizu – Kobe – Nagoya – To Europe
- PS3 – Nhava Sheva – Pipavav – Colombo – Port Kelang – Singapore – Cai Mep – Haiphong – LA/LB – Oakland – Pusan – Shanghai – Ningbo – Shekou – Singapore – Port Kelang – Nhava Sheva
- PS4 – Xiamen – Yantian – Kaohsiung – Keelung – LA/LB – Oakland – Keelung – Kaohsiung – Xiamen
- PS5 – Shanghai – Ningbo – LA/LB – Pusan – Shanghai
- PS6 – Qingdao – Ningbo – Pusan – LA/LB – Oakland – Kobe – Qingdao
- FP2 – From Europe – Singapore – Laem Chabang – Cai Mep – Hong Kong – Yantian – LA/LB – Oakland – Yokohama – Hong Kong – Laem Chabang – Cai Mep – Singapore – Colombo – To Europe
- PS8 – Shanghai – Kwangyang – Pusan – LA/LB – Oakland – Pusan – Kwangyang – Incheon – Shanghai

## Transpacific – East Coast (via Panama and Suez Canals)

- EC1 – Xiamen – Kaohsiung – Hong Kong – Yantian – Shanghai – Pusan – Tokyo – (Panama Canal) – Manzanillo – Savannah – Jacksonville – Charleston – Norfolk – Manzanillo – (Panama Canal) – Panama Pacific Call – Tokyo – Kobe – Xiamen
- EC2 – Qingdao – Ningbo – Shanghai – Pusan – (Panama Canal) – Caribbean hub – New York – Norfolk – Wilmington – Savannah – Charleston – Caribbean hub – (Panama Canal) – Pusan – Qingdao
- EC3 – Ningbo – Shanghai – Pusan – (Panama Canal) – Caribbean hub – Savannah – Norfolk – Charleston – Caribbean hub – (Panama Canal) – Panama Pacific Call – Pusan – Ningbo
- EC4 – Kaohsiung – Hong Kong – Yantian – Cai Mep – Singapore – (Suez Canal) – New York – Norfolk – Savannah – Charleston – New York – Singapore – Kaohsiung
- EC5 – Laem Chabang – Cai Mep – Singapore – Port Kelang – Colombo – (Suez Canal) – Halifax – New York – Savannah – Jacksonville – Norfolk – Halifax – (Suez Canal) – Jebel Ali – Singapore – Laem Chabang

## HMM Names World's Largest Container Vessel, 'HMM Algeciras'

2020-04-23

- **Vessel Particulars of HMM Algeciras :**  
**LOA- approx. 399.9m, Beam : 61.0m, Depth : 33.2m**

### News Article :

HMM held a naming ceremony for a 24,000 TEU-class containership 'HMM Algeciras', the world's largest containership, at the DSME (Daewoo Shipbuilding & Marine Engineering)'s Okpo shipyard in Geoje, Korea.

About 160 distinguished persons attended the ceremony, including [Moon Jae-in \(President of the Republic of Korea\)](#), Hong Nam-ki (Deputy Prime Minister and Minister of Economy and Finance), Moon Seong-hyeok (Minister of Oceans and Fisheries), Eun Sung-soo (Chairman of Financial Services Commission), Lee Dong Gull (Chairman and CEO of Korea Development Bank), Hwang Ho-seon (President of Korea Ocean Business Corporation) and Bae Jae Hoon (President and CEO of HMM).

In particular, First Lady Kim Jung-sook served as godmother who cut the ropes to officially name the ship during the ceremony. 'HMM Algeciras' is the first of twelve 24,000 TEU-class vessels scheduled to be sequentially delivered until September, 2020. In September 2018, HMM signed a formal contract for its twenty eco-friendly mega container vessels with three shipyards – DSME, HHI(Hyundai Heavy Industries) and SHI(Samsung Heavy Industries) in an effort to take proactive actions towards market change as well as form a sustainable profit-generating structure.

"For me, it is very meaningful that HMM takes delivery of the most technologically advanced containership in this difficult time. I would like to celebrate it and hope that HMM continues to secure a competitive advantage as a Korean national flagship carrier.", says Moon Jae-in, President of the Republic of Korea.

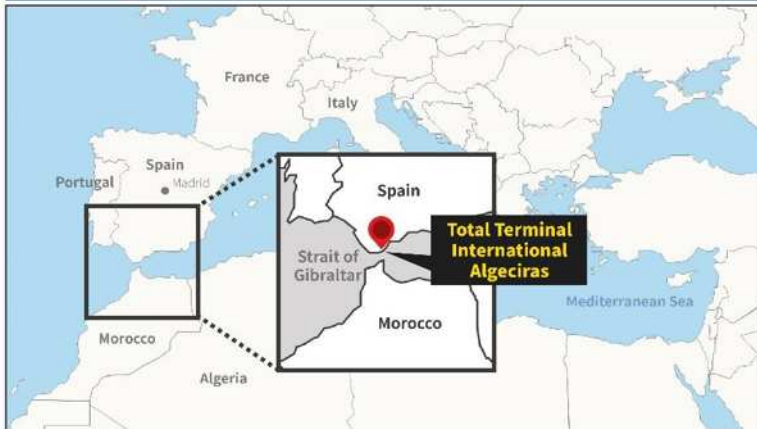
"HMM will strive to expand its presence in the global shipping industry based on optimised fleet management and new cooperation with THE Alliance." adds Bae Jae Hoon, President & CEO of HMM.



## HMM joins forces with CMA CGM on TTI Algeciras operation

2020-08-10

### Total Terminal International Algeciras, Spain



(Source: HMM)



### News Article :

HMM announced that the company has signed a sales and purchase agreement with CMA CGM for the sale of its 50% stake minus one share in Total Terminal International Algeciras (TTI Algeciras), a container terminal in the south of Spain.

Shares of TTI Algeciras are owned by HMM and HT Algeciras which is a special purpose company wholly controlled by HMM. HMM directly owns a stake of 50% minus one share, with the remaining 50% stake plus one share held by HT Algeciras.

HMM has decided to sell its own 50% stake minus one share but still maintains its position as the largest shareholder through HT Algeciras. The financial details including the price of the deal were not disclosed. HMM expects a great synergy effect based on strategic cooperation with CMA CGM in terms of enhancing profitability and operational capabilities by securing additional cargoes.

HMM official said, "TTI Algeciras has a great geographical advantage to play an integral role as a trans-shipment hub located at the centre of containerised cargo flow on main trade lanes. We believe TTI Algeciras will take centre stage in the Gibraltar area as it has a high potential for future growth and development. We are expecting more business opportunities in the years to come based on stable operations of the terminal."

This transaction, subject to regulatory approval, is expected to be completed in Q4 2020 for joint operations to be started. Meanwhile, TTI Algeciras was formerly operated by Hanjin Shipping but HMM acquired a 100% stake in the terminal in 2017.

## 'Hyundai Merchant Marine' rebrands as 'HMM'

2020-03-31

### News Article :

HMM announced that the company has decided to stop using the name 'Hyundai Merchant Marine' as its official corporate name and brand, starting on 1 April 2020.

The decision was approved at the 44th annual shareholders meeting of the company, which was held at HMM headquarters, Seoul, on 27 March.

The name 'Hyundai Merchant Marine' has been used for 37 years since the company changed its name from the 'Asia Merchant Marine' in 1983.

'HMM', the new official name, has been widely known as the acronym for 'Hyundai Merchant Marine' to date. However, for the record, 'HMM' itself becomes the sole corporate name and brand to represent the company, not standing for 'Hyundai Merchant Marine'.

HMM has reviewed the introduction of its independent brand since the company was completely separated from Hyundai Group in August 2016 as part of enhancing its brand equity. The launch of a new Corporate Identity(CI), which was unveiled in May 2019, was also in line with this rebranding initiative.

Jae Hoon Bae, President & CEO of HMM, said, "This is another step in our company's bright future. I believe it is vital for us to rebrand ourselves in the course of a huge leap forward in 2020" and added, "Most of our customers and employees will not be confused as the name 'HMM' has already been recognised and familiar to the global market".

Mr. Bae also stressed "HMM will continue to expand its business coverage and develop more capabilities to successfully serve our valued customers."



Before	Hyundai Merchant Marine Co., Ltd. HMM Co., Ltd(Acronym)
After	HMM Co., Ltd

## Deploys Underwater Robots for Hull Cleaning

2020-03-02

- Underwater robots help to prevent industrial accidents and cut environmental pollution

HMM announced that it plans to replace human labourers in a risky environment with underwater robots when it comes to hull cleaning work on its vessels.

As part of the plan to use the automated robots to clean underwater parts of hull surfaces, HMM has signed a cooperation agreement with TAS GLOBAL CO., LTD., a domestic manufacturer specialising in underwater robots.

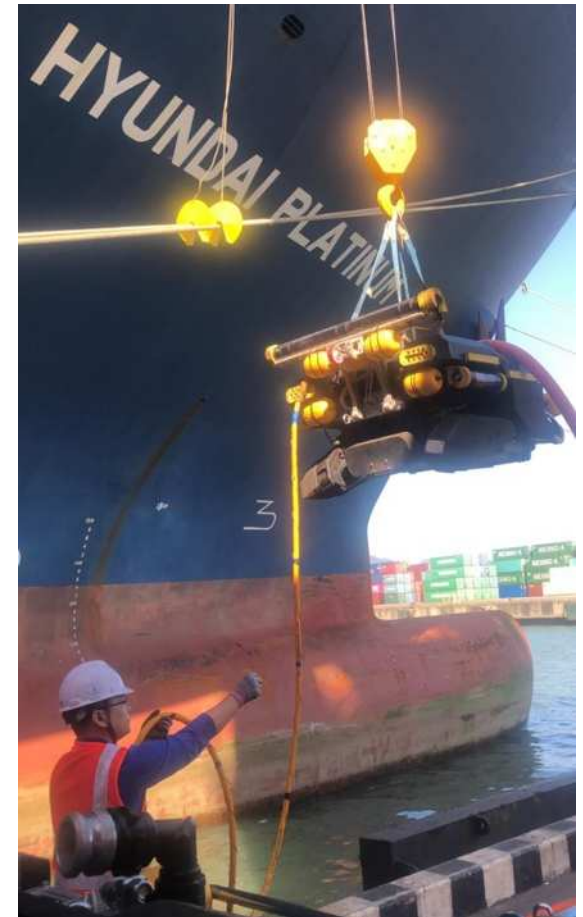
Fouling on the hull such as barnacles, seaweed, moss, etc. is widely known to decrease the speed of vessels and increase fuel consumption by creating additional friction. Therefore, shipping companies have made an effort to improve fuel efficiency and reduce greenhouse gases through periodic underwater hull cleaning performed by divers sent down under a vessel in many instances.

**The diver-free alternative adopted by HMM is expected to not only prevent industrial accident but also contribute to protect ocean life.** Several countries are currently prohibiting *in-water cleaning*\* of vessels in their waters due to the high risk of *aquatic invasive species(AIS)\*\** being easily transferred across the oceans as well as toxic hull paints which jeopardise the marine ecosystem.

However, underwater robots are designed to capture hull fouling and transfer it to shore refining facilities through a filtration system connected to their main body. This robotic technology enables to prevent environmental hazards caused by the transfer of aquatic invasive species.

It is also expected to lower costs by as much as 40% with substantially reduced working hours and to perform a more precise cleaning process without damage to hull coatings.

HMM will continue efforts to incorporate sustainability into every aspect of its business in terms of environmental footprint.



[Photo] A underwater robot is deployed to clean the hull of the 5,000-TEU container ship M/V Hyundai Platinum.

## HMM joins “Getting to Zero Coalition”

2019-11-18

On 18 November 2019, HMM announced its participation in “Getting to Zero Coalition,” a powerful alliance of nearly 100 organizations within various industrial sectors to achieve significant reduction of greenhouse gas (GHG) emission in the maritime industry.



“Climate change is a defining issue of our time and the scale of the environmental regulation we are facing is unprecedented. In order to ensure sustainable growth on the pathway to decarbonisation, all players need substantive reaction to the technological solution of ZEV (Zero Emission Vessel) as well as the development of carbon neutral fuels. HMM is well prepared to cooperate with relevant authorities and institutions within the Coalition,” says Jae-Hoon Bae, President & CEO of HMM.

**HMM is committed to reducing carbon emission by 70% by the year 2030 compared to 2008 levels and thereby reach carbon neutrality by 2050 for its entire container fleets.** HMM already reorganized R&D team to accelerate a range of research studies including the exploration of the commercial viability of hydrogen-powered system and collaboration with DSME for smart ship development.

HMM official said, “HMM’s carbon emission target is ambitious, but achievable. Along with “Getting to Zero Coalition”, HMM expects to make a better contribution to overall industry in moving towards carbon neutrality,” and added “HMM’s achievement and progress in line with its environmental roadmap can be found in the corporate sustainability report scheduled to be published next month.” - END -

## HMM wins Lloyd's List "Global Freight Award"

2019-11-18



### **Lloyd's List Global Freight Award 2019:**

Global Freight Award 2019 is the industry's flagship award programme that recognises and rewards excellence across the supply chain community. The event is now in its 23rd year. The Awards have a range of categories suitable for any successful organisation to increase their profile and benchmark themselves against their peers; from large private and public companies through to thriving entrepreneurial business, promising start-ups and established small and medium-sized (SME) enterprises.

*(Source : Lloyd's List)*

On 18 November 2019, **HMM is pleased to announce that the company is honored as the winner of the 'Environmental Award' in the Global Freight Award 2019.** The award ceremony was hosted at the Royal Lancaster Hotel in London on 14 November 2019. A total of six companies were shortlisted as a finalist in the environment category.

HMM's continued effort to reduce emissions played an important role in the prize. A panel of judges recognised the HMM for its long standing commitment to emission calculation and reduction with tangible results.

"On behalf of HMM, the prestigious environmental award is a great honor for our company", says Peter Livey, Managing Director UK of HMM. "Climate change is our collective challenge. For a zero emission future, for which no carbon neutral fuels or technology currently exist, we more than ever need to strive to improve, innovate, and collaborate on minimizing the potentially severe problems climate change could bring for future generations", Peter Livey added.

## HMM to develop the cloud-based next-generation IT system

2019-01-31

### News Article :

HMM made an announcement on January 31 that it will **develop the cloud-based next-generation IT system** under the tentative name **"New-GAUS 2020" in 2020.**

"New-GAUS 2020" is the shipping and logistics system to be independently developed by HMM and is a project that increases efficiency and convenience by rebuilding the existing "GAUS" (Global Advanced & Unified System) as a cloud-based IT system. To this end, HMM will sign a main contract with Oracle and start developing it in earnest.

"New-GAUS 2020" is a proprietary IT system that manages all of HMM's information, such as vessel-related information, including sailing information, and contracts and reservation management, as well as information related to personnel, management, and operations.

HMM and Oracle plan to establish a cloud environment to support its container and bulk business and will gradually implement the conversion of all of the company's applications and data, including shipping and logistics systems, into a cloud-based system.



## HMM Acquires ISO Certification for Information Protection

2018-12-07

- Certified **ISO 27001** International Standards, the most prestigious in information protection field
- HMM comprehensively prepared to respond to cyber attacks and protect customer information

### News Article :

HMM announced on December 7 that it has **acquired ISO 27001** certification, the most authoritative international standard in the field of information protection established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

The certification can only be acquired by a proven company after it undergoes rigorous examination in 14 general areas and 114 detailed areas, including the company's information protection policy, human and physical security, and development and operation-related security.

HMM has proved that it has established **reliable information protection measures** by acquiring this certification. The certificate will be renewed every three years during which HMM will be subject to continuous management, including receiving a certification review every year to maintain the security system.



An HMM official said, "We will respond effectively to security threats such as cyber attacks, which have increased recently, through continuous improvement and strengthening of our information protection management system. We will continue to make efforts to improve reliability, such as responding to information protection requirements to meet customers' information protection requirements for safe transactions."

Meanwhile, in addition to **ISO 27001** certification, HMM currently possesses other international certifications, including **ISO 9001** (Quality Management System), **ISO 14001** (Environmental Management System), **ISO 50001** (Energy Management System), and **OHSAS 18001** (Occupational Safety and Health Management System).

## HMM to regain control in Pusan New-Port Terminal

2019-01-30

### News Article :

On January 30, 2019, HMM held a signing ceremony for the 'PSA-Hyundai Pusan New Port (PHPNT) Pier 4' sales contract. This sales contract includes that the private equity fund, Yuanta-HPNT, which will acquire stakes of Waska Inc. which holds 50% stakes of PHPNT.

The total investment amount will be KRW 221.2 billion which consists of HMM and PSA's investment of KRW 177 billion and 44.2 billion, respectively. As result, **HMM will become co-owner of PSA-Hyundai Pusan New Port with PSA, each with 50% equal stakes.**

HMM will also secure stable berths for 23,000 TEU mega containerships which are planned to be delivered in the second quarter of 2020. What is more, HMM plans to attract global liners participating in the shipping alliance to call at Pusan port in order to increase transit cargo volume and terminal revenue.

**SAFETY4SEA**



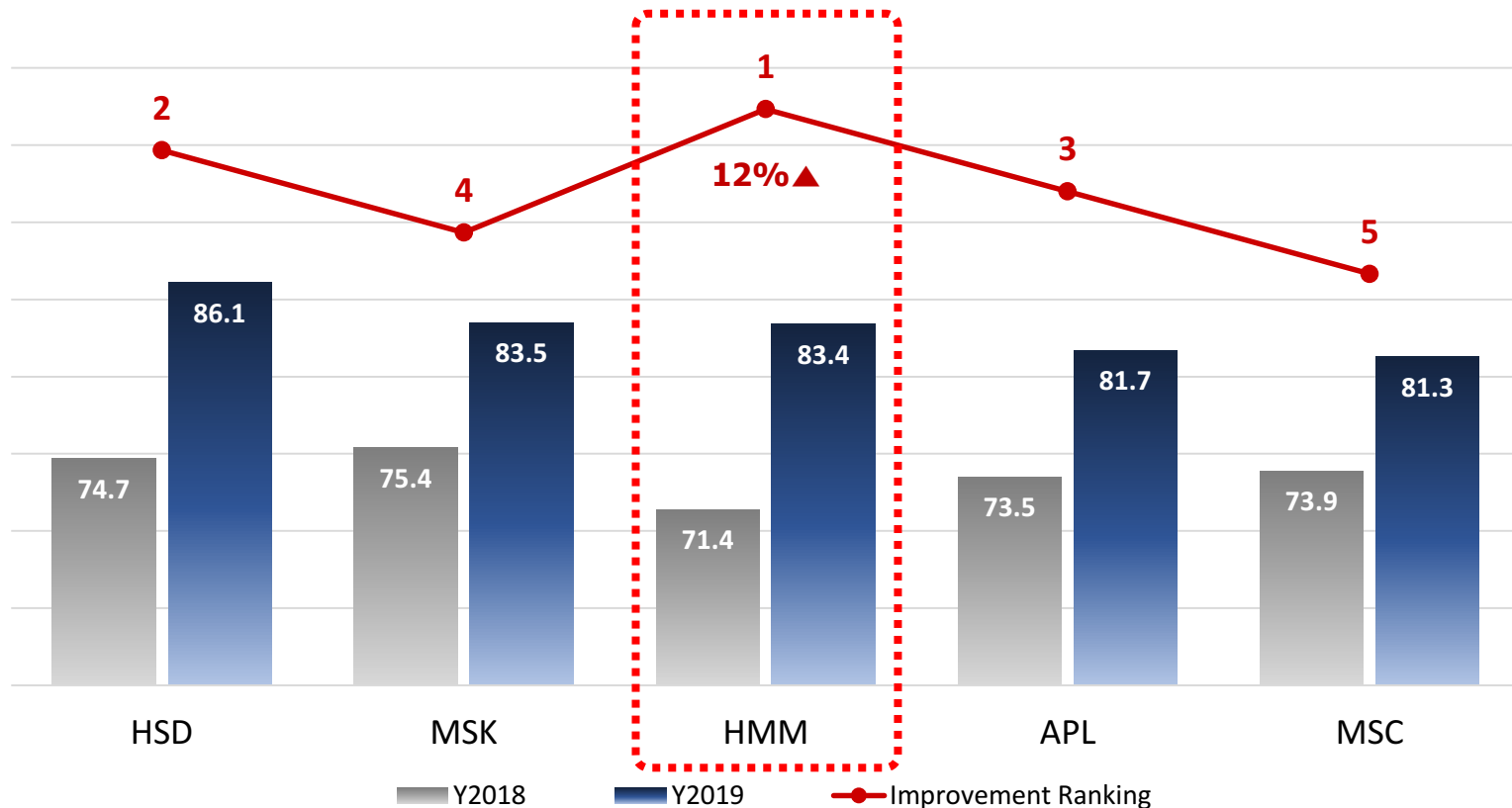
# I -3-⑥. Global Schedule Reliability in 2019



## HMM ranked Top 3 reliable carrier and recorded the most Y/Y improvement ratio-12.0% in 2019

Global schedule reliability reached 78.0% in 2019, a considerable improvement over the 70.7% recorded in 2018. This was also the highest that global schedule reliability has been since 2016. With improving schedule reliability, the global average delay for ALL vessel arrivals also improved Y/Y, decreasing to 0.82 days in 2019. That said, the average delay for LATE vessel arrivals increased Y/Y to 4.12 days, which is the highest recorded delay. This means that the vessels that are late, are becoming increasingly late.

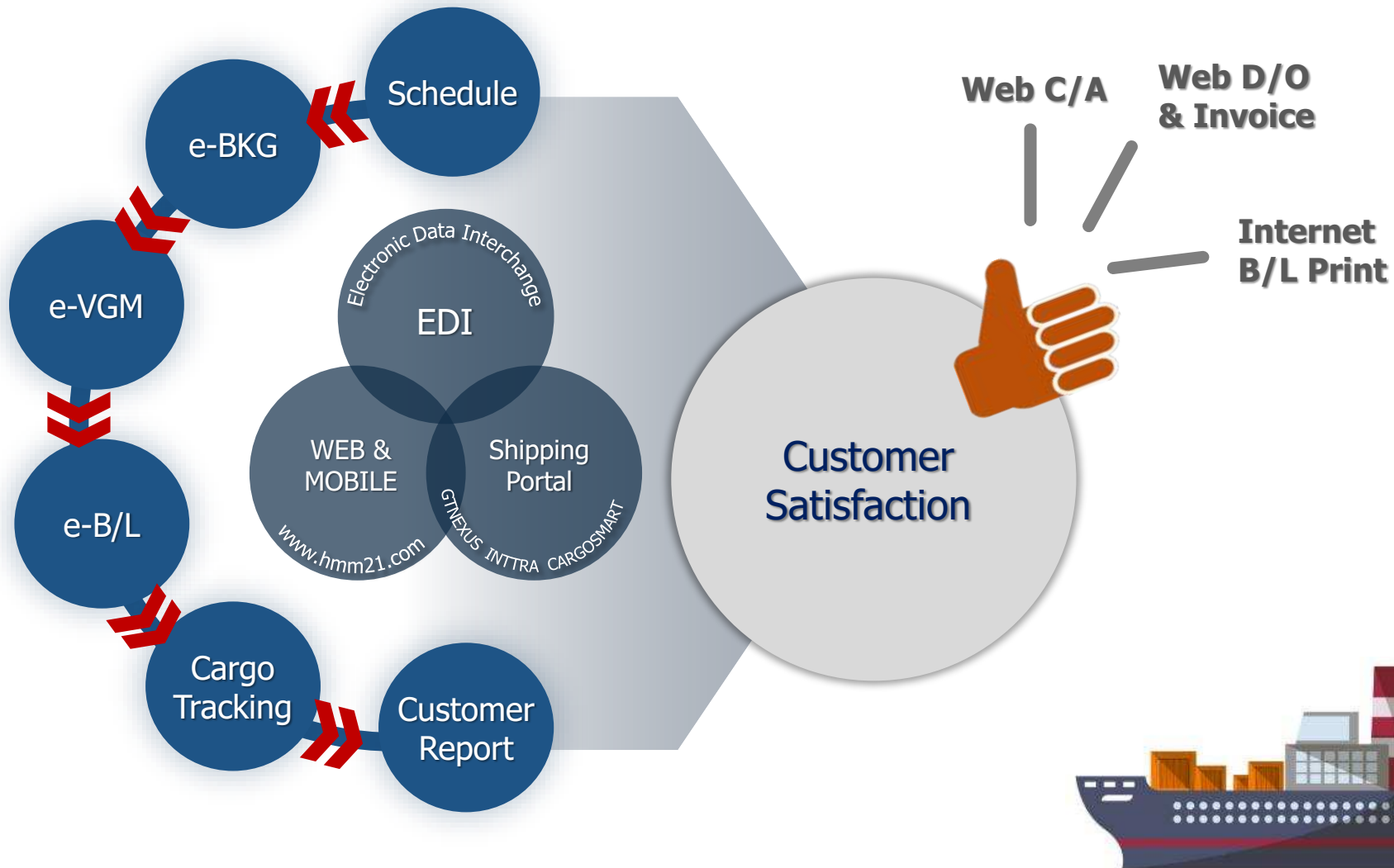
HSD was the most reliable carrier in 2019, with schedule reliability of 86.1%, followed by MSK with 83.5% and HMM with 83.4%.



(Source: Sea-Intelligence-GLP report – 2019-FY, excl Wan Hai)

# I -4. E-Business Solution (1/5)

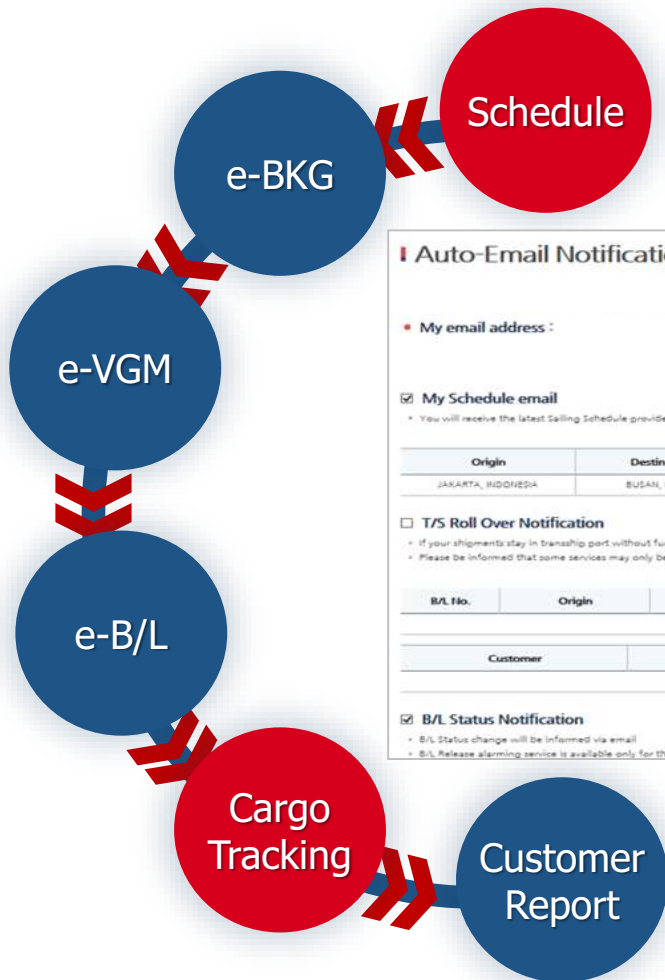
- Connect your value via HMM e-Service



# I -4. E-Business Solution (2/5)



## - HMM-SPECIALIZED FUNCTION



### Auto-Email Notifications

Auto-email notifications for  
Vessel Schedule,  
T/S Roll,  
B/L status,  
Cargo Tracking,  
Customer Report

**Auto-Email Notifications**

My email address :

☒ My Schedule email  
You will receive the latest Sailing Schedule provided by HMM main system.

Origin	Destination	Duration	Recipient list	Control
JAKARTA, INDONESIA	BUSAN, KOREA	Monthly, 10	hmmidpry@hmm21.com	Modify / Delete

☐ T/S Roll Over Notification  
If your shipments stay in tranship port without further movement for any reason, you will be informed via your registered email.  
Please be informed that some services may only be available once you have advanced registration.

B/L No.	Origin	Destination	Over day	Recipient list	Control
No Data					

☒ B/L Status Notification  
B/L Status change will be informed via email.  
B/L Release alarming service is available only for those customer who prints out their original B/L via HMM website.

Setup total recipient list

**Setup total receipt list**

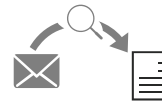
Email Address	
1	<input type="text"/>
2	<input type="text"/>
3	<input type="text"/>
4	<input type="text"/>
5	<input type="text"/>
6	<input type="text"/>
7	<input type="text"/>
8	<input type="text"/>
9	<input type="text"/>
10	<input type="text"/>

Save Cancel

# I -4. E-Business Solution (3/5)

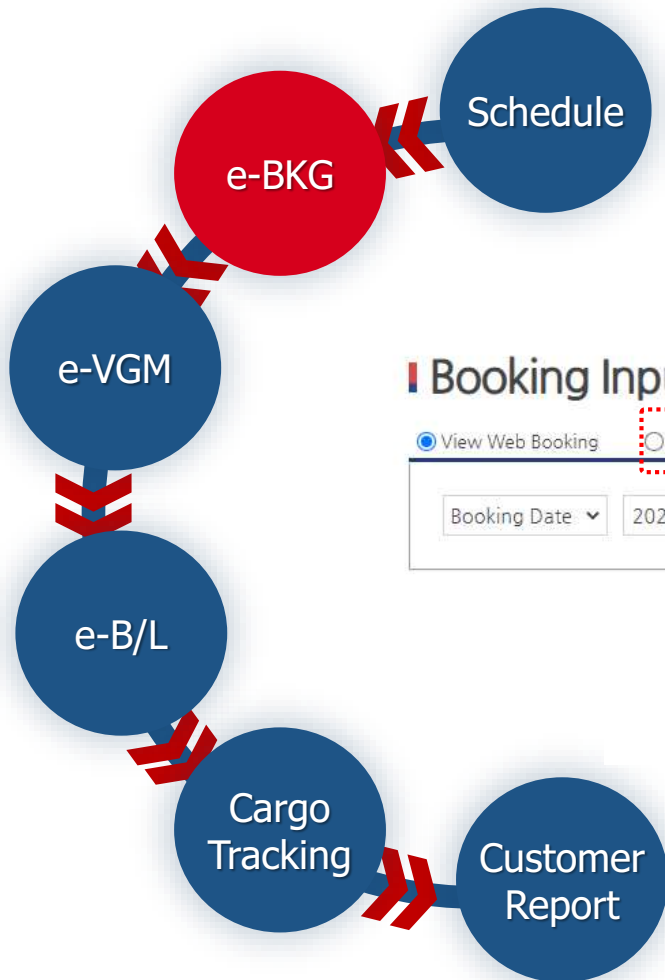


## - HMM-SPECIALIZED FUNCTION



### EDI and Manual Booking on Webpage

EDI and even Manual Booking can be handled on Webpage as if those booking requests are received thru HMM Webpage



### Booking Input/Update/Inquiry

☒ View Web Booking

☐ View EDI Bookings Transferred to Web

Booking Date

20200818

~

20200825



1 Week

All Status

Trade (All)

Inquiry

Booking Input (NEW)

Inquiry & Update

Booking Note

Create S/I

Surcharge Inquiry

Track & Trace

Export

Booking Input/Update/Inquiry

BKG Inquiry(Incl.EDI/EML BKG)

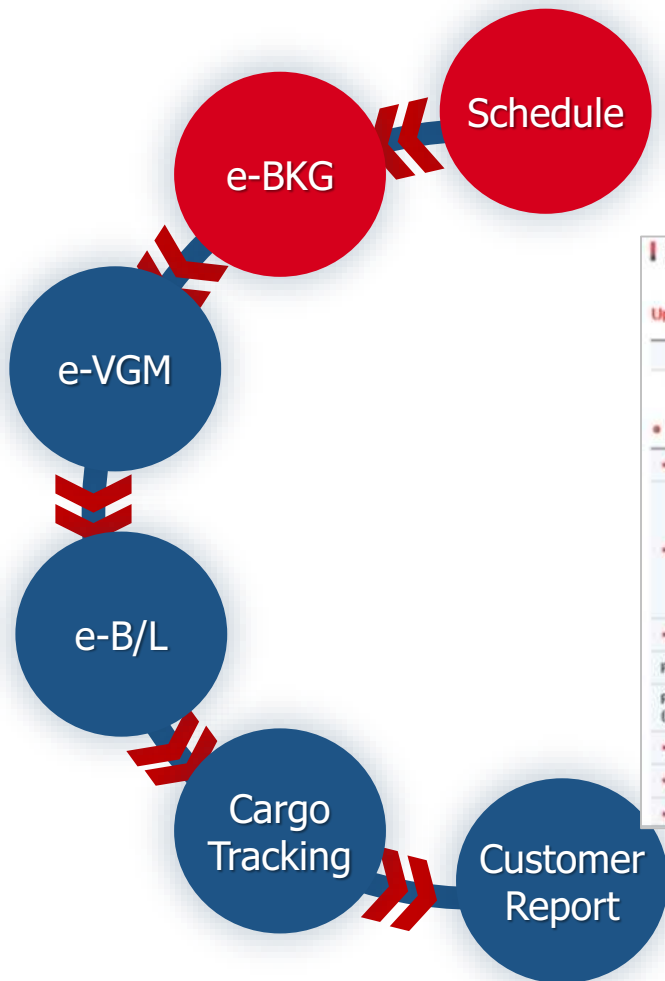
# I -4. E-Business Solution (4/5)



## - HMM-SPECIALIZED FUNCTION

 Live Chat in Homepage (US, CN only)

Customer can inquire BKG, B/L related information HMM WEB and receive answer in prompt manner




**Booking Input/Update/Inquiry**

[Video Tutorial](#) [Manual](#)

**Update**

Booking number	CALB764398		
<b>Location &amp; Vessel</b>			
Trade Lane	North America to Asia <input checked="" type="checkbox"/> Frequently Used Locations Only		
Place of receipt	<input checked="" type="radio"/> U.S.A. <input type="radio"/> Canada <input type="radio"/> Argentina <input type="radio"/> Brazil <input type="radio"/> Chile <input type="radio"/> Colombia <input type="radio"/> Ecuador <input type="radio"/> Mexico <input type="radio"/> Peru <input type="radio"/> Uruguay		
Place of receipt	LONG BEACH, CA		
POI Mode	US West Coast	Route	All
Place of Loading (Optional)	LONG BEACH, CA		
Place of Discharging (Optional)	BUSAN, KOREA		
Place of delivery	BUSAN, KOREA		
Departure	2018 09 10		
Duration	8 weeks		



**Richard**  
Support Agent

Richard 11:35  
Welcome to HMM !  
What can I help you ?

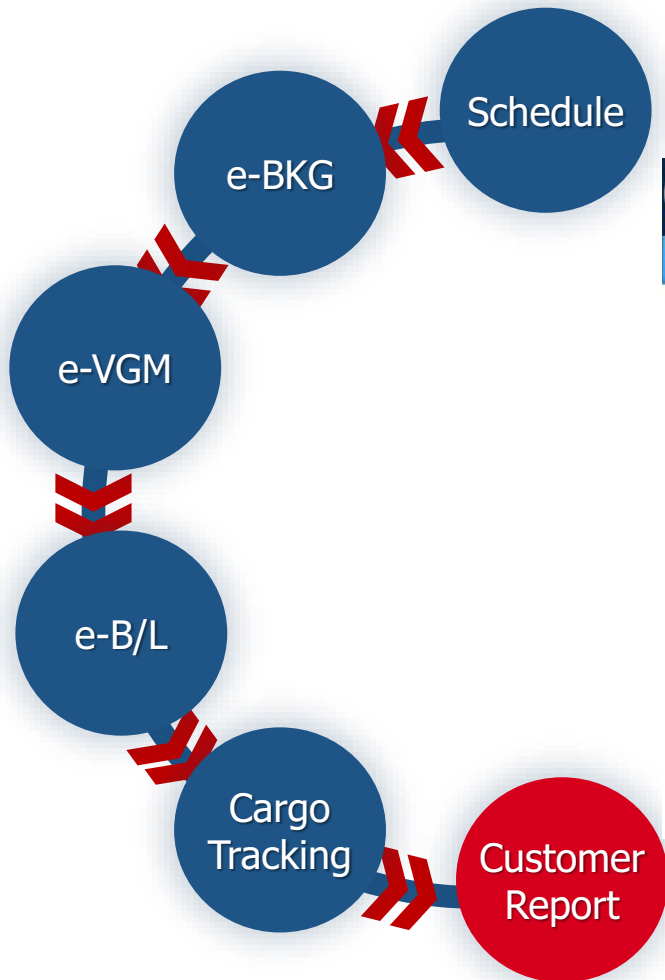
John Kim 11:35  
Hello, I would like to know what the latest vessel sailing LA to Pusan is

Type your message here and press Enter to send

# I -4. E-Business Solution (5/5)



## - HMM-SPECIALIZED FUNCTION



### Customer report

Customized report for BKG, B/L and tracking data  
Report will be automatically sent to customer's contact point

#### Customer Report

[New Report](#)[Standard Report](#)[My Report](#)[Auto email Setup](#)[Item Description](#)

Pre-made reports with often used item fields that you can edit as needed.

#### 01. Basic Report (Most frequently used items)

Report includes basic and essential shipment information of the most frequently used items. (18 Items)

[Go](#)

BL No.	Container No.	Container Size	Container Type	Shipper	Current Location	POR (Place of Receipt)
BULBXXXXXX	HDMUXXXXXX	40	DC	OOOOO	-	BUSAN, KOREA
XGWBXXXXXX	HDMUXXXXXX	40	RF	OOOOO	CHICAGO	XINGANG, CHINA

#### 02. Cargo detail Report

Report contains more cargo detail information including commodity, package count, weight etc. (25 Items)

[Go](#)

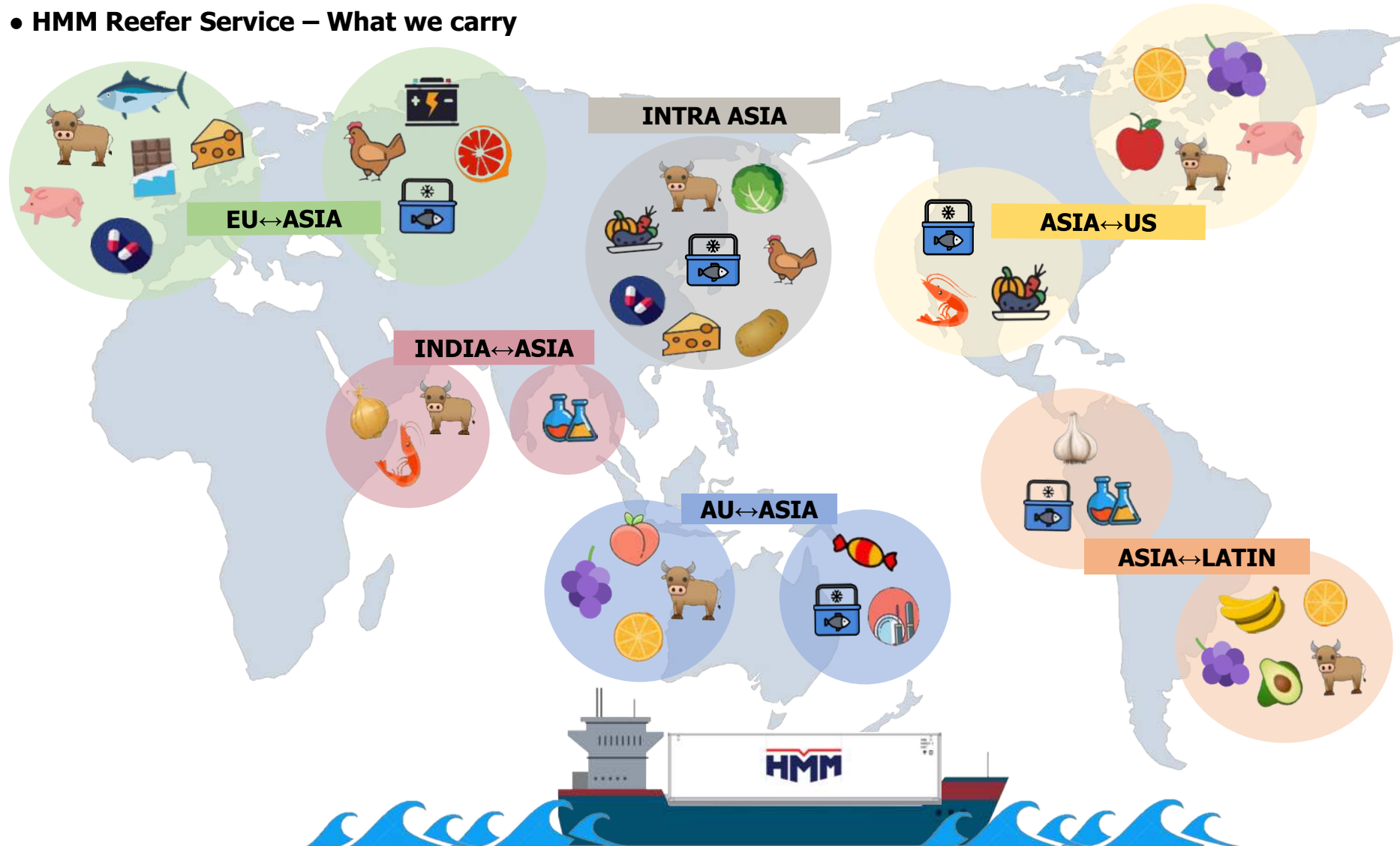
BL No.	Container No.	POR (Place of Receipt)	POL (Port of Loading)	Vessel Name	Voyage Number
BULBXXXXXX	HDMUXXXXXX	BUSAN, KOREA	BUSAN, KOREA	HYUNDAI INDEPENDENCE	115E
YNWBXXXXXX	BHCUXXXXXX	YANTIAN, CHINA	YANTIAN, CHINA	HYUNDAI INDEPENDENCE	115E

# I -4. Special Cargo Business (1/6)



## - Reefer Container

### • HMM Reefer Service – What we carry



# I -4. Special Cargo Business (2/6)



## - Special Reefer Container

### • CA (Controlled Atmosphere) Container



#### ► What is CA container?



Controlled Atmosphere has become an effective way to secure and preserve cargo quality by managing the amount of CO<sub>2</sub>.

HMM has our own CA containers to keep fruits and vegetables fresh, which allows them to have a longer shelf life by preventing early ageing and ripening.

#### ► Benefits of CA for fresh product



Delay of ripening, ageing, decay and related changes prolongs the shelf life of products



Reduction of water loss and weight shrinkage



Longer transit time becomes possible



Higher sales price for the retail trade

#### ► Main Commodity



AVOCADO



BERRIES



ASPARAGUS

# I -4. Special Cargo Business (3/6)



## - Special Reefer Container

- **UF (Ultra Freezer) Container**



### ►What is UF container?

Ultra-freezer is very advanced technology of maintaining the interior of a container below  $-60^{\circ}\text{C}$ . All live products usually stop their natural decaying process below  $-60^{\circ}\text{C}$ . No matter how far away you are, Ultra Freezer containers allow us to deliver high value fresh products preserving first-day product freshness and taste.



### ►Benefits of UF

Controlling the percentage of inside liquid is the key to maintaining the quality of tuna. This is why Ultra Freezer is needed in order to keep your cargo fresh when it's traveling long distances.

### ►Main Commodity



**TUNA**



**DIPPIN DOTS**

# I -4. Special Cargo Business (4/6)



## - OOG & Break Bulk Business

All solution and state of the art  
know-how for Project cargo handling

### Pricing : special offer

- OOG & Break Bulk
- EPC Project

### Space & EQ Coordination

- Guaranteed space
- New van order

### Consulting

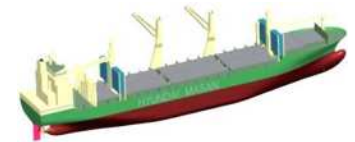
- Loading & Discharging
- Safety first



# I -4. Special Cargo Business (5/6)

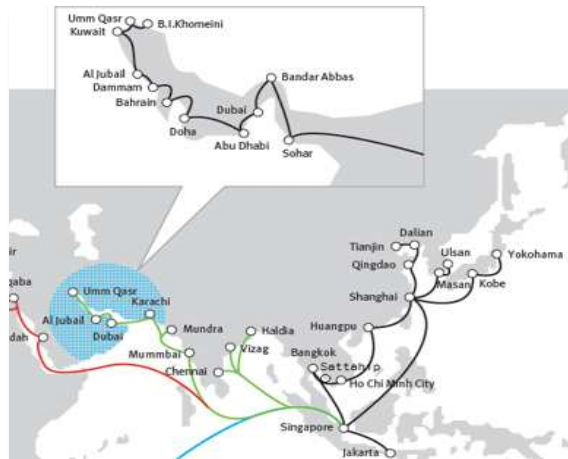


## - Heavylift Business



Vessel	Built	Dwt	Crane
Dalian	2004	30,000	Max 640T (320T x 2)
Hyundai Masan	2010	30,000	
Hyundai Ulsan	2011	30,000	
Hyundai Dubai	2011	30,000	
Hyundai Antwerp	2011	30,000	

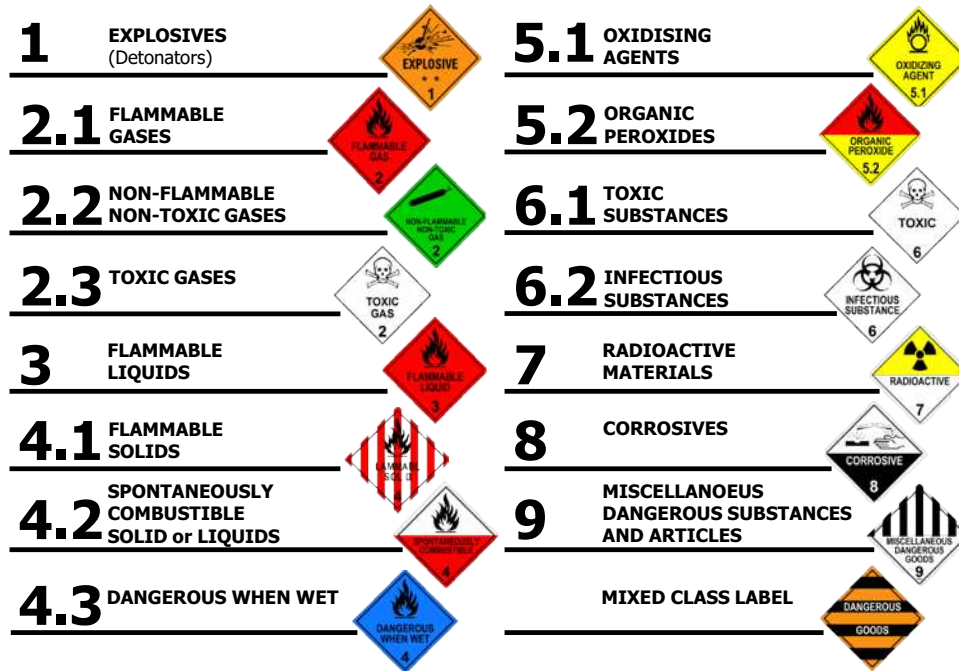
- Launched service in 2007
- 5 Heavy-lift vessels with lifting capacity up to 640MT.  
Commodity : Project-related equipment and Plant
- Far East ⇔ Middle East, South East Asia  
(2~3 sailings per month, for detailed service refer to the appendix)
- Project cargoes for Refinery, Petro-Chemical, Power Plant, etc.
- Customized – tailored solution with 3D solution system  
in terms of cargo size and specific requirement of each cargo.
- Overseas Offices : Shanghai, Singapore, Dubai



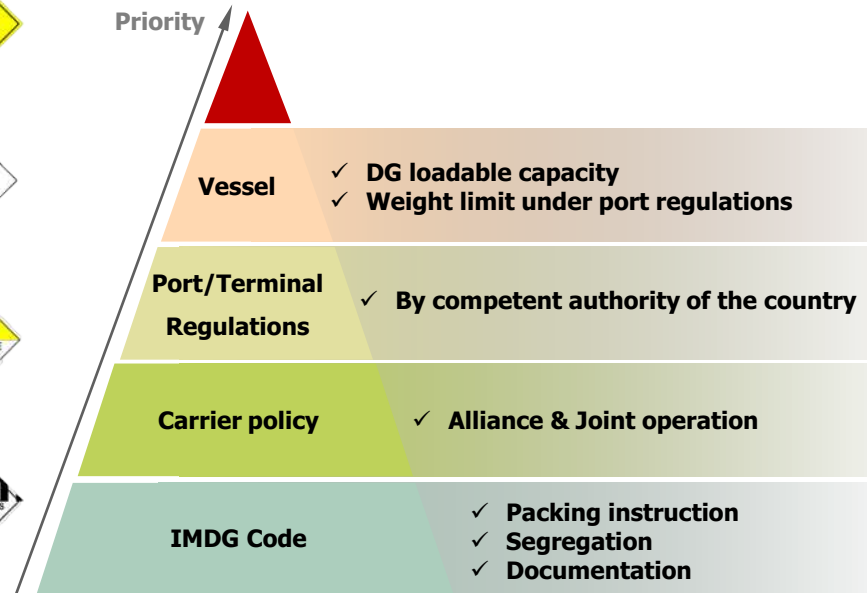
# I -4. Special Cargo Business (6/6)

## - DG Cargo Business

### • 9 Classes of IMDG Code Classification system



### • Regulations



### • Dangerous cargo loading process



**Shipper**

#### Classify & Declaration

- IMDG Classification
- DG Declaration
- Compliance with packing instruction

#### Loading & Securing

- Segregation
- Proper securing
- DG Label & Placard

#### Documentation

- DG Cert(DGD)
- MSDS
- Tank inspection Cert
- Others

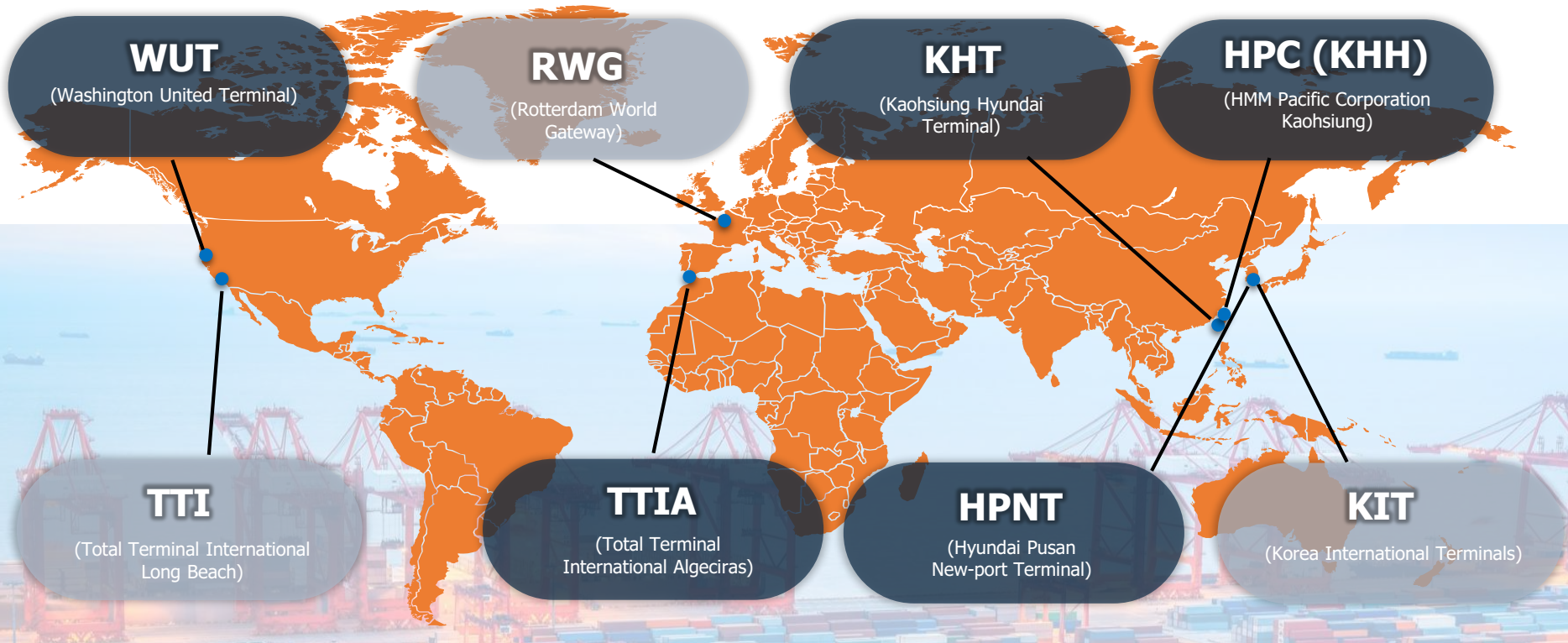
#### Loading



**Carrier**

✚ Classification of dangerous cargo shall be made by the shipper/consignor with full responsibility

# I -4. HMM Terminals



## < Benefits from key terminals >

- **Cost Saving**
  - Logistical expense reduction
- **Stable berth operating**
  - Reduction of waiting time and expense
- **Additional benefits from new terminal business**
  - Business extension to the 3<sup>rd</sup> party via terminal business

**Acquired HJS Core Asset : TTIA, HPC, TTI**

HMM  
Own Terminal

Share  
Participation  
Terminal

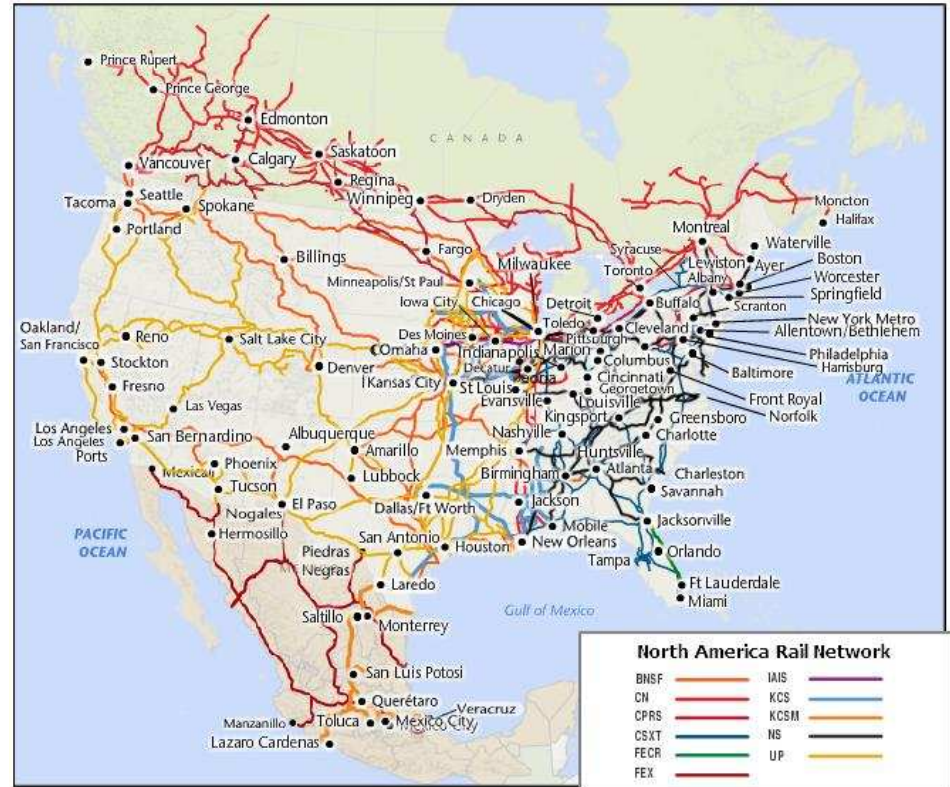
# I -4. Intermodal & Feeder Networks (1/2)



## - Intermodal Network in N. America

- Providing North America intermodal service optimized with HMM's gateway/service products
- Connecting major North America hub points served by Class 1 railroads

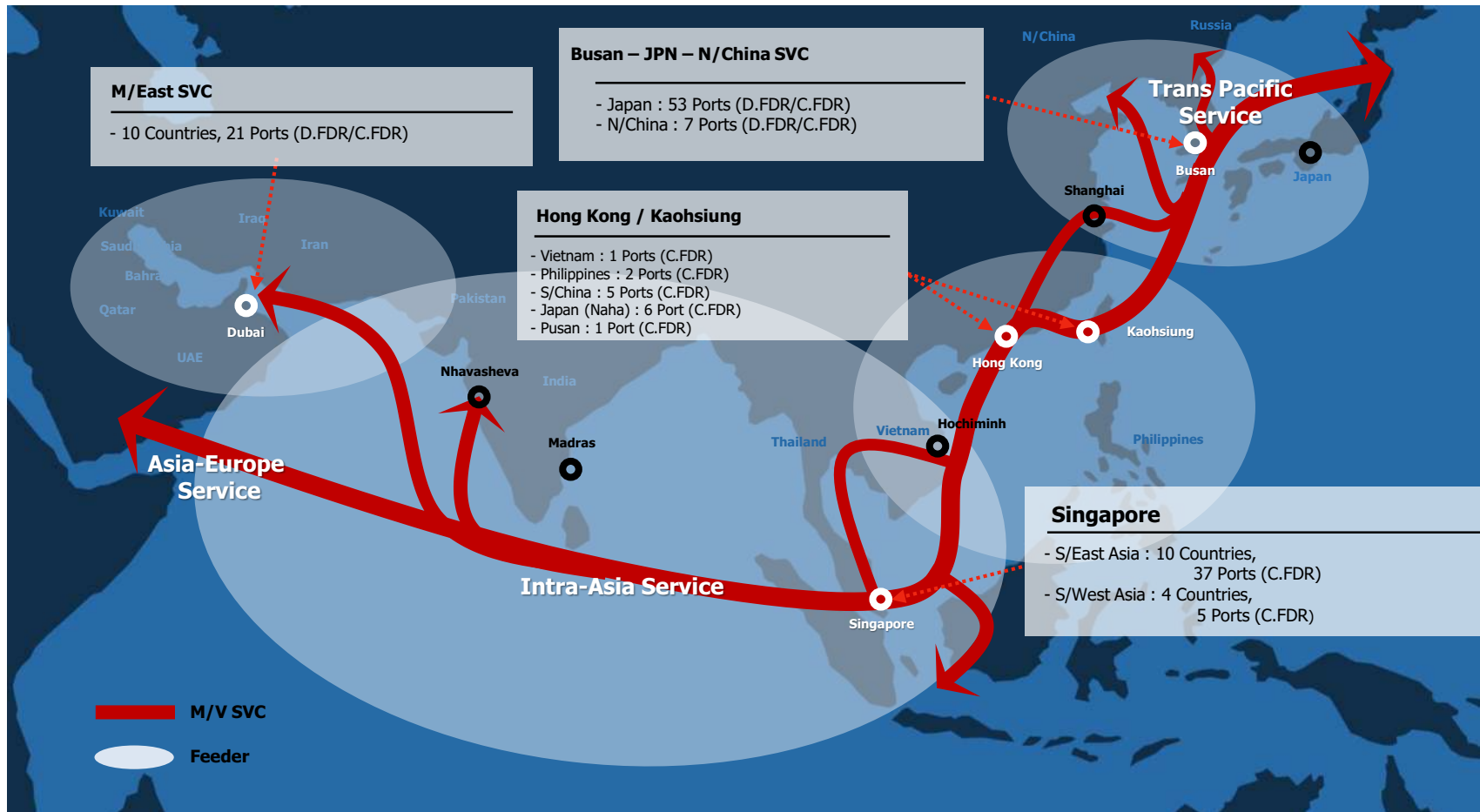
	U.S. West Coast	U.S. East Coast	Canada
<b>Rail Service Provider</b>			
<b>Coverage</b>	U.S. Pacific Coast to/from Chicago, Midwest, Gulf, Memphis, South East	From/To East Coast, Chicago/Mem-phis Beyond svc via I/C with Western Railroads	Western Canada to Canada inland and U.S. Midwest (Chicago, Minneapolis, Detroit)



### HMM Advantage

- » Superior Transit time extending PN/PS service routes in/out to Inland points
- » Seamless Rail Service with volume handling WC terminals as APMT LA, TTI LGB, WUT(Tacoma)
- » Tailor made Service with Western/Eastern railroads combination

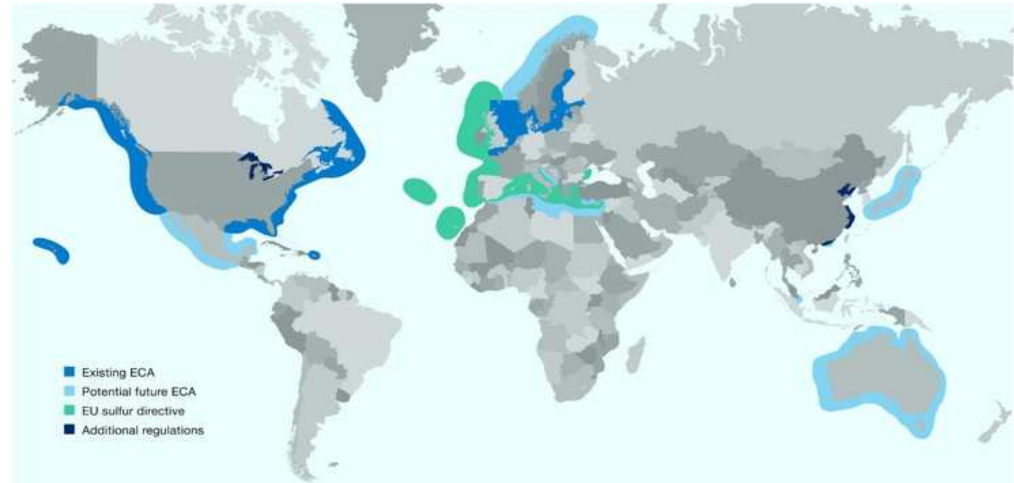
# I -4. Intermodal & Feeder Networks (2/2)



- » HMM provides comprehensive & feeder network services through timely & seamless connection with main haul routes.
- » For more detailed information, please find appendix "Feeder Service" on the last page

# I -4. Regulation & Safety Rules –Green Operation

HMM maintains Eco-Friendly Policies,  
such as preventing marine & atmospheric  
pollution, minimizing waste products and  
making economical use of resources & oil zero  
spills,  
to preserve the environment



## » HMM Execution and Plan for International Polices for Fuel Sulfur Limits

Region	Restricted Area	Allowed Fuel	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Global Limit	World Wide	All Kind Fuel	Under 4.5%	Under 3.5%								Under 0.5%		
EU	Baltic/ North Sea		Under 1.0%						Under 0.1%					
	EU Port		Under 0.1%											
US	Within 24 miles coast of California	LSGO	Under 1.0%						Under 0.1%					
	Within 200 miles USA/Canada/Hawaii						Under 1.0%							
ASIA	Hong Kong	All Kind Fuel	Under 0.5%						Under 0.5%					
	Shenzhen Area		Under 4.5%	Under 3.5%					Under 0.5%					
	Yangzhou Area		Under 4.5%	Under 3.5%						Under 0.5%				
	Main 12 China Port										Under 0.5%			
	All China Port												Under 0.5%	
	Taiwan												Under 0.5%	



**I. About HMM**

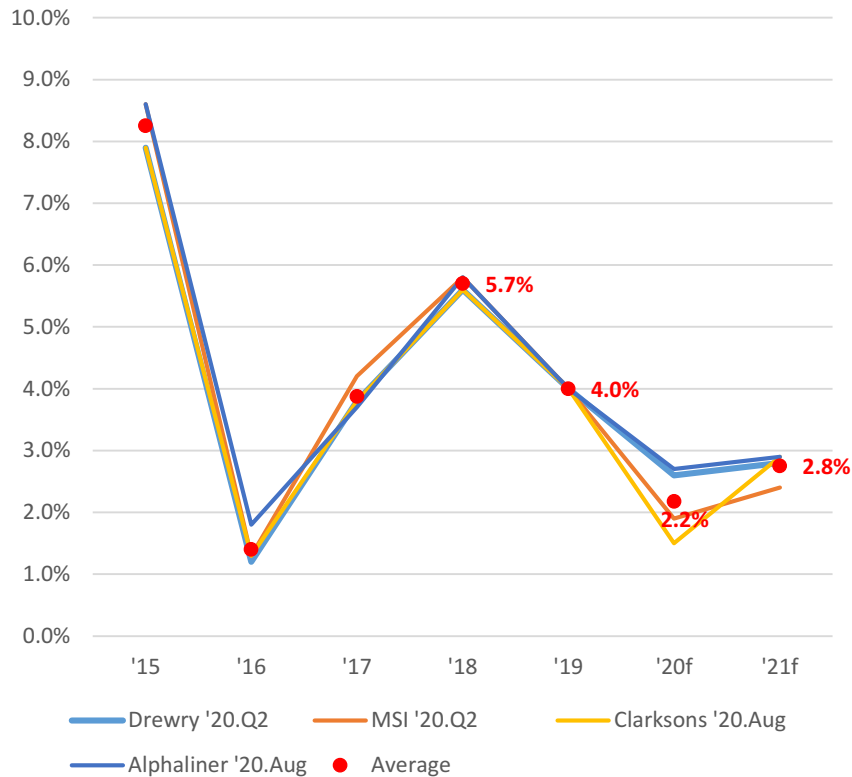
**II. Market Outlook**

1. Supply & Demand	-----	43
2. Market Issue	-----	50

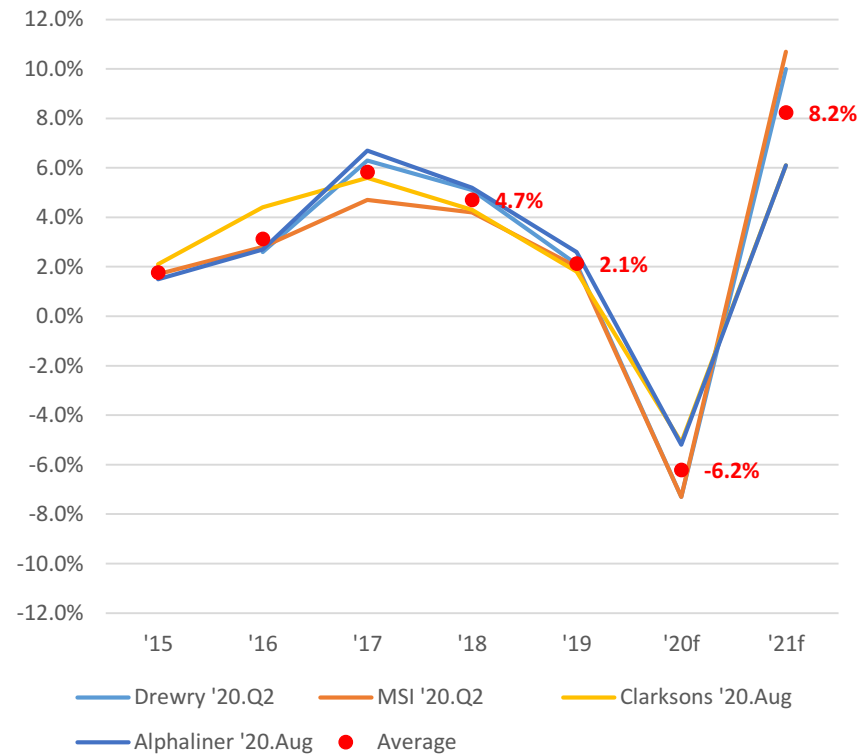
## II -1. Supply & Demand (1/3)



Supply Growth Rate Forecast



Demand (Container Trade) Growth Rate Forecast



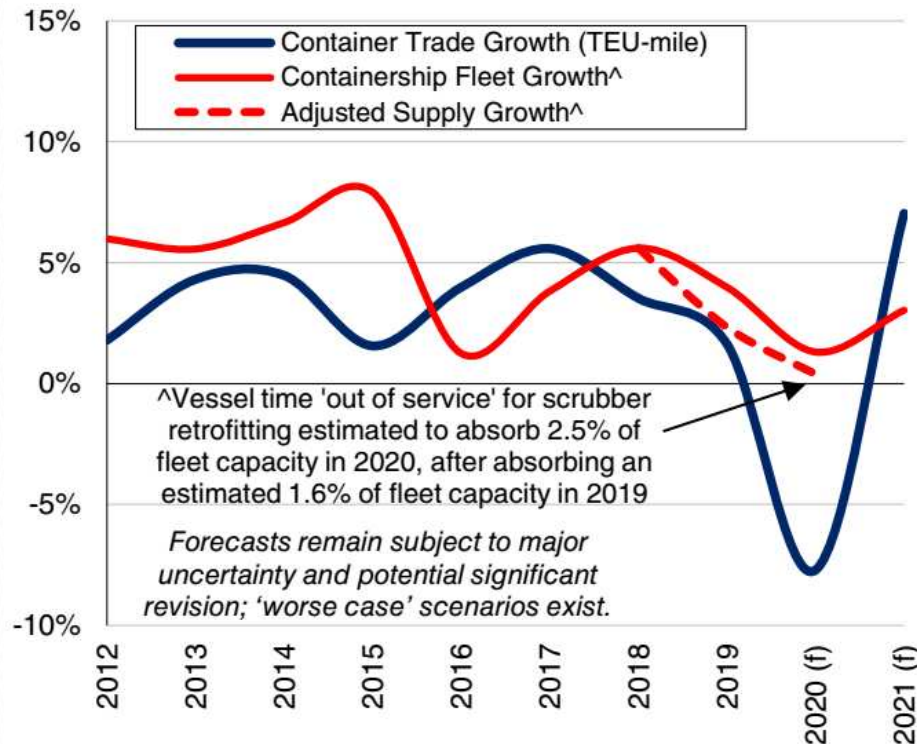
- COVID-19 slowed down deliveries and demolitions in 1Q 20, limiting the quarterly net addition to its lowest in three years.
- Only 65% of the 2020 orderbook is expected to be delivered this year.
- Annual fleet growth through 2024 is expected to be held at 2-3%.

- The impacts of COVID-19 remain the key drivers of the containership sector.
- However, with volume improvement underway, the 'base case' outlook would now see 2019 levels regained in 2021

(Source: Drewry Q2 2020, Clarksons Container Intelligence Monthly Aug 2020)

## II -1. Supply & Demand (2/3)

### - Containership Supply-Demand Trends



- The impacts of COVID-19 remain the key drivers of the containership sector. However, following severe negative pressure, the box freight market, and more recently the containership charter market, have now seen clear improvements.

- With disruption to the world economy, global box trade saw a deep contraction in Q2 (down ~9% y-o-y). But by late 1H pressures were easing (volumes down ~5% in June), with a number of trades (including intra-Asia, Transpac., FE-Eur.) faring better than widely expected.

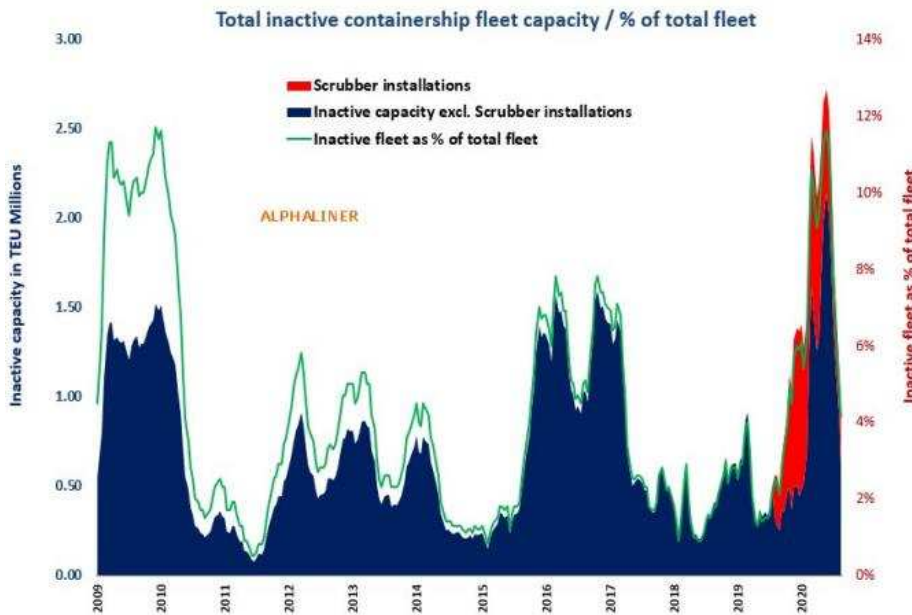
- Idle fleet capacity had eased by mid August to <5% from a peak of c.11% in May. The risk profile now focusses on developing world trade and a Covid-19 'second wave'.

- With volume improvement underway, the 'base case' outlook would now see 2019 levels regained in 2021. However, a prolonged downturn scenario still exists; the timing and strength of recovery is uncertain.

(Source: Clarksons Container Intelligence Monthly, Aug 2020)

## II -1. Supply & Demand (3/3)

### - Inactive Containership Capacity (2000-2020f)



- The inactive containership fleet dipped below 1m TEU mark for the first time in 2020
- These numbers mark a decrease of about 586,959 TEU in comparison to the previous count in early August.

TEU Range	Units idle	Trend	of which, NOO		*SR
			Units	%	
500-999 teu	40	↘	35	88%	0
1,000-1,999	61	↘	51	84%	1
2,000-2,999	23	↘	11	48%	3
3,000-5,099	24	↘	11	46%	1
5,100-7,499	32	↘	6	19%	4
7,500-12,499	27	↗	3	11%	15
12,500 & over	16	↘	0	0%	11
<b>Total units</b>	<b>223</b>	↘	<b>117</b>	<b>52%</b>	<b>35</b>

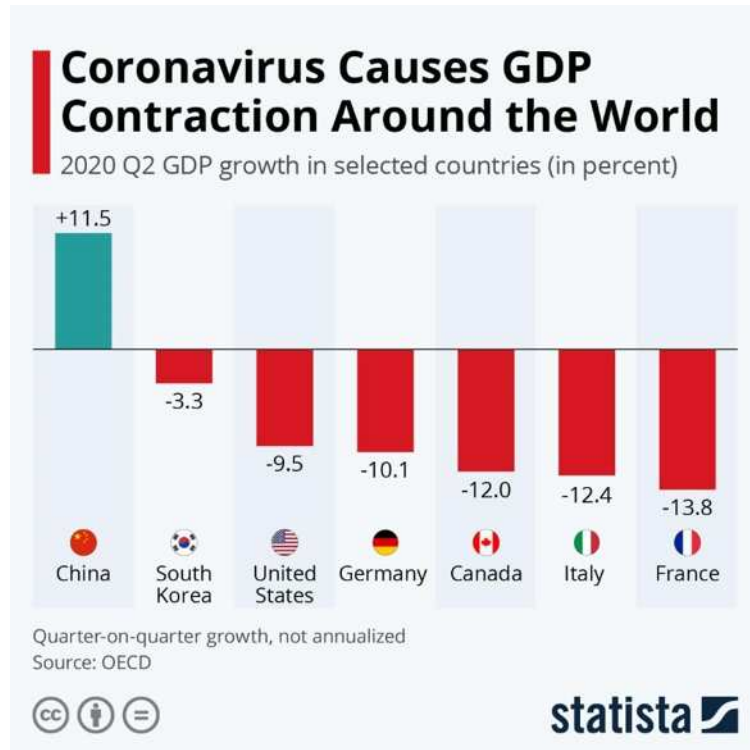
\*SR: Undergoing scrubber retrofits

- Inactive Containership Fleet (Aug 17, 2020) :  
223 Units / 969,000 TEU / 4.1% of total fleet

(Source: Alphaliner Weekly Newsletter, Issue 34)

## II -2. COVID-19 Impacts (1/4)

### - COVID-19 Impact on Economy



#### □ COVID-19 Causes GDP Contraction Around the World

- GDP figures for the second quarter of 2020 are slowly rolling in and the impact the COVID-19 has had on economies around the world is fairly catastrophic.
- The U.S. was the latest to announce its Q2 results, which had the country's economy contract by a non-annualized 9.5% (32.9% annualized).
- China saw its economy contract by 6.8% in Q1, which was the biggest Q1 loss listed by the OECD in 2020. But the country's economy bounced right back in Q2.

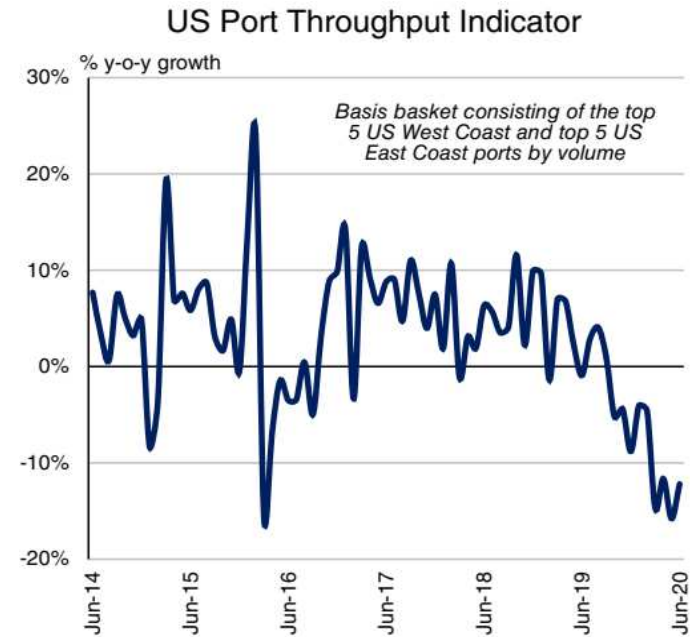
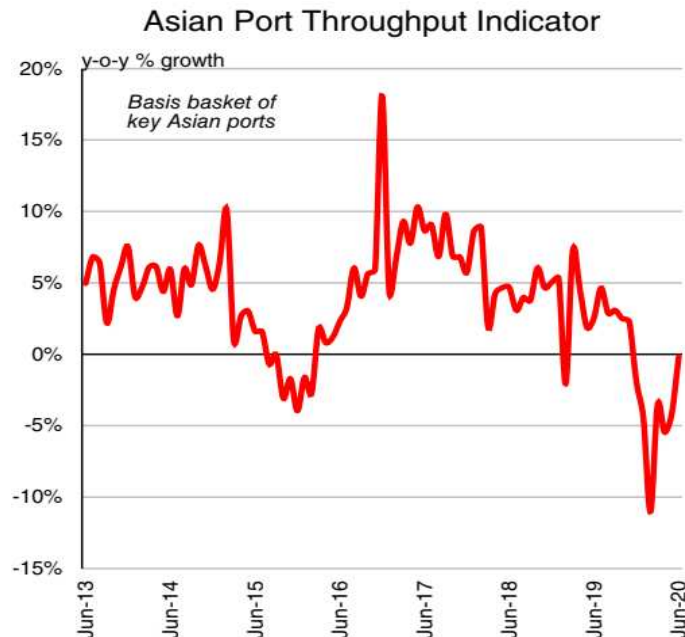
(Source: Statista-Global Economy, Aug 3, 2020)

## II -2. COVID-19 Impacts (2/4)

### - COVID-19 Impact on World Container Ports

#### □ World Port News (Aug, 2020)

- The impact of COVID-19 on the containership sector appears to have continued to ease, with global boxship port calls (basis data up to 16th August) down by 2.7% y-o-y in July and by 1.5% y-o-y in the first half of the August.
- In Asia, boxship port calls were up by 0.3% y-o-y in July and by 3.1% y-o-y in the first half of August (compared to a decline of 3.3% y-o-y in both February and in March).
- Boxship port calls in the US were down by 4.2% y-o-y in July and then by 4.3% y-o-y in the first part of August.



(Source: Clarksons Container Intelligence Monthly, Aug 2020)

## II -2. COVID-19 Impacts (3/4)

### - COVID-19 Impact on Carrier Vessel Operation

#### ❑ Carriers prepare for vessel quarantines

- SHIPPING companies are contingency planning in the event of their vessels being placed into quarantine by port state control because of coronavirus measures.
- At least six vessels, including three containerships, have been reported anchoring in Hong Kong waters under a 14-day quarantine period after infected crew members were found on board.
- The situation will be more difficult for cargo concerns, as vessels calling at a major transshipment hub, such as Hong Kong, cannot be worked during their quarantines. While there are indications that barges could be used to unload smaller vessels, this would not be a solution for larger tonnage.
- Cargo owners have already had to deal with high levels of delays and roll-overs as capacity has been taken out of the market by carriers.

(Source: Lloyd's List, July 2020)

#### ❑ COVID-19 Status on Containerships

Date	Operator	Capacity (TEU)	Previous Port	Port	Next Port	COVID-19 IMPACT	
						Vessel	Infectee
2020-03-26	M**	9,000	Hongkong	Ningbo	Europe	Delayed +14 days	5
2020-06-19	M**	6,000	Bremen	Newyork	Norfolk	Delayed +9 days	10
2020-07-01	M**	13,000	Hongkong	Ningbo	Pusan	Anchoring (Quatantine)	11
2020-07-14	H**	3,200	Savannah	Norfolk	Antwerp		1
2020-07-14	H**	3,200	Houston	Savannah	Norfolk		1
2020-07-16	K***	3,700	Hongkong	Port klang	Pasir gudang		-

#### ❑ HMM in COVID-19 outbreak world

- HMM is strictly following "Port Entry Restrictions" at all the calling ports
- No COVID-19 impact on HMM service- Delay, Quarantines and Health of Seafarers based on well-prepared policy

## II -2. COVID-19 Impacts (4/4)



### - COVID-19 Impact on Supply Chain



[Photo] Kaohsiung HMM Terminal(KHT)



#### □ Container shortage issue

Customer all around the world, especially, in China and Vietnam might be facing with a shortage of 40FT containers since June, 2020. At the beginning stage of COVID-19 Outbreak, carriers decided extensive blank sailings based on negative forecast of container demand and very uncertain customer demand.

However, surge of imports began in July unexpectedly and is projected to continue through September at least. In order to respond this significant increase in demand, carriers are taking actions diligently such as reinstatement of blanked sailing and extra loader deployment. But this sudden capacity increase deepens container shortage inevitably, owing to the prolonged turnaround time of container.

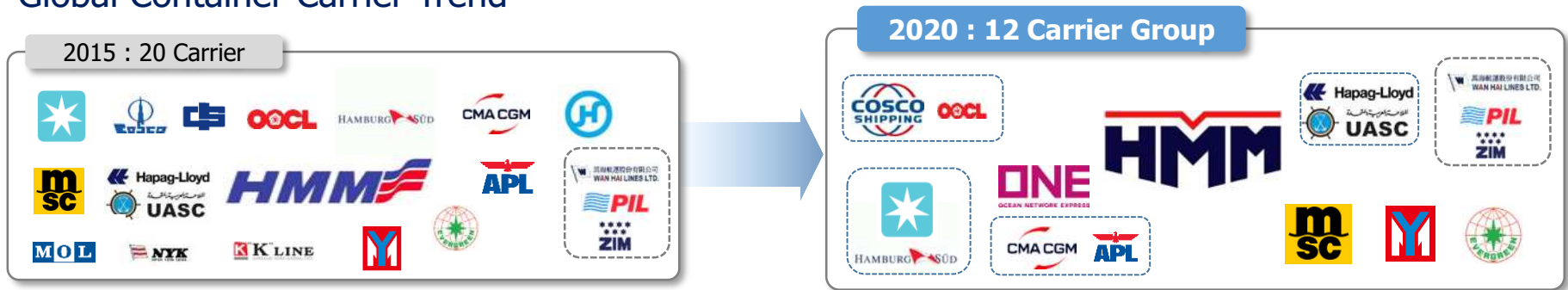
In addition, for a while new container order from both carrier and leasing company has not been facilitated with COVID-19 Outbreak since early this year.

Another critical factor is chassis shortages and dislocations are becoming serious in U.S. West Coast as importers are concentrating their imports through Los Angeles-Long Beach because uncertain consumer demand during the coronavirus disease 2019 (COVID-19) allows them to defer designation of the US destination until their shipments arrive in Southern California.

(Source: HMM Customer Advisory, Aug 27, 2020)

## II -2. Market Issue (1/5)

### - Global Container Carrier Trend



- ❑ Market Player Decreased : Active consolidation (Top **20** Carrier → **12** Carrier Group)
- ❑ Fleet Enlargement : Capacity increasing trend by each carrier(M&A and new ULCV delivery)
- ❑ Competition among nation : 1 nation 1 carrier (China, Japan and etc.)

### - CURRENT



## II -2. Market Issue (2/5)

### - Carrier Plan on IMO 2020 Sulphur Cap

#### NEW SHIPPING PARADIGM – Environment Regulation

**1 January 2020**

When **IMO 2020** comes into force

**80%**

IMO's Global Sulphur reduction target

**3.5%**

Current maximum fuel Sulphur limit

**0.5% & 0.1%**

New maximum fuel Sulphur limit



**Mandatory options for carrier to comply with IMO2020**

#### SCRUBBER INSTALLATION

Sulphur(on engine exhaust) reduction device on the Vessel

#### LOW SULPHUR FUEL

Sulphur with 0.5% limited Fuel 50%△  
Expensive than High Sulphur Fuel



#### IMO 2020 impact on shipping industry

Higher fuel price and operation expense to comply with IMO 2020 regulation

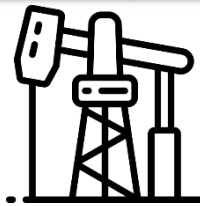


High Sulphur Fuel (HFO)

**\$200 ~ 350/TON Price Higher**



More Expensive



Supply Shortage



Low Sulphur Fuel (LSFO)



#### LNG FUEL

Charter LNG VSL or Convert existing VSL to LNG VSL

## II -2. Market Issue (3/5)

### - LSFO Quality Issues Resurfaced

#### ☐ **Industry on alert as off-spec IMO 2020-compliant fuel oil is detected**



- Samples of fuel oil complying with the IMO 2020 sulphur limit supplied out of Rotterdam, were found containing sediment levels above a limit set by an industry standard.

Fuel oil product with off-spec sediment content have resurfaced in the Amsterdam-Rotterdam-Antwerp region after a similar high-sediment level problem was found at the start of the year, as well as in Singapore.

Concerns about such off-spec bunkers have heightened following the implementation of the IMO 2020 regulations imposing a 0.5% limit on sulphur content in marine fuels. (Lloyd's List, Aug 2020)

#### ☐ **Quality crisis: Alarm after bunker survey uncovers safety issues with new fuel supplies**

- Nearly 30% of respondents (56 out of 192) said they had experienced bunker fuel products whose sulphur content may exceed 0.5%.

A bunker survey by prominent shipping organizations has painted an alarming picture for vessel operators, with many maritime professionals still encountering marine fuel not meeting required standards.

**"The transitions to IMO 2020 compliant fuel oil has not been without problems,"** Bimco, Intertanko, Intercargo and the International Chamber of Shipping said in the survey report. (TradeWinds, Aug 2020)

### Container data standards effort builds with new carriers joining

2019-05-14

- ❑ Digital Container Shipping Association (DCSA) carrier members now control 70 percent of the world's container vessel capacity.(Source : [www.JOC.com](http://www.JOC.com))



A consortium aimed at harmonizing data in the container shipping industry is gaining momentum, thanks to the addition of five major carriers to the group that now encompasses nine of the 11 largest carriers.

[Launched in November](#) and [cleared by US regulators in April](#), the Digital Container Shipping Association (DCSA) is designed to bring carriers together to discuss ways to bring uniformity to data protocols across their various systems.

The new carrier members — CMA CGM, Evergreen Line, Yang Ming, HMM, and Zim Integrated Shipping Services — join founding DCSA members Maersk Line, Mediterranean Shipping Co., Hapag-Lloyd, and Ocean Network Express (ONE). CMA CGM was an original founding member but was not included in the initial list of members announced in April. The other four new members will join pending regulatory approval.

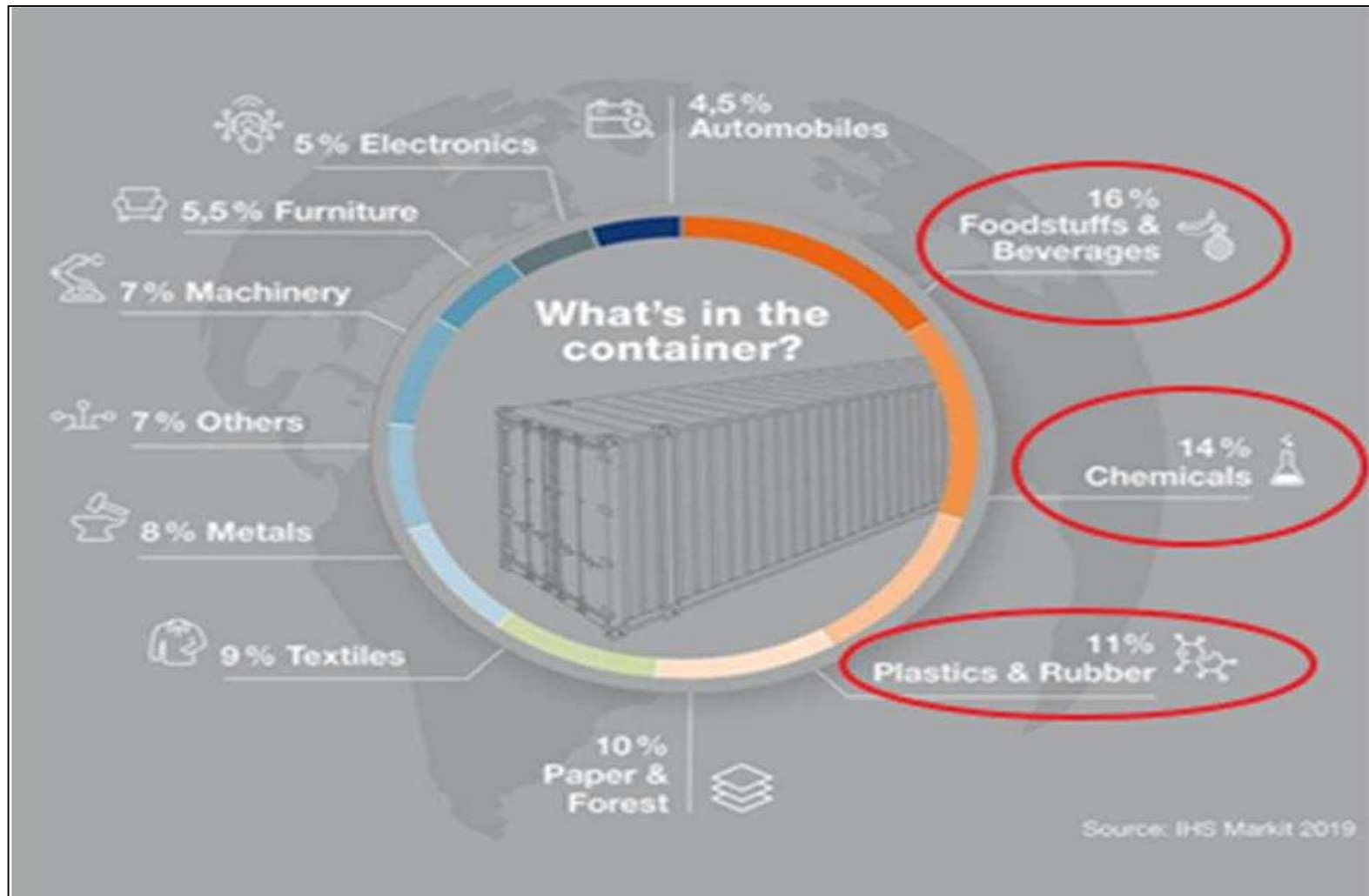
The nine DCSA members control approximately 70 percent of global containership capacity (up from nearly 47 percent from the original four members). Cosco Shipping is the only line among the top five container carriers not participating. "All shipping lines are invited to join," the association said in a statement.

The broader idea behind the association is to allow other stakeholders, such as shippers, third-party logistics companies, ports, and terminal operators to [access data and software across all carriers](#), DCSA CEO Thomas Bagge told JOC.com shortly after the association received regulatory approval from the US Federal Maritime Commission.

## II -2. Market Issue (5/5)

- Vessel transport 90% of what we buy

*What are the most common shipped products?*



## Smart Shipping



**“Thanks for  
your attention.”**



More information available in our web-site:  
<https://www.hmm21.com>