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**Maersk, APL and NYK Line Are Leaders in Trans-Pacific Ocean Carrier Quality;  
Pioneering CCMI Survey Uncovers What Quality Means to Shippers, Forwarders**

ALEXANDRIA, Va. (May 26, 2004) – Maersk, American Presidents Line (APL) and NYK Line are the leaders in Trans-Pacific ocean carrier quality, according to survey results released today by Capital Consulting & Management, Inc. (CCMI). For the first time, shippers and forwarders have identified what comprises quality in an ocean carrier partner, naming network and delivery as the most critical performance factors, followed by price, then service and technology.

Approximately 400 shippers and forwarders ranked quality performance factors and then scored the carriers against them. Copenhagen-based Maersk and Singapore-based APL ranked number one or number two in the individual performance categories of Network, Delivery, Service, and Technology, with scores that were generally 10-20 percent higher than the industry average for these performance factors.

K Line (Tokyo), NYK Line (Tokyo) and Orient Overseas Container Line (OOCL, Hong Kong) emerged as the highest “value” carriers, based on the level of performance they provide for the price they charge. Shippers and forwarders indicated that each of these carriers has above-average performance on non-price factors, and each was ranked as close to industry average on a relative price ranking.

“Shippers clearly indicated that price is not the overwhelming factor in making carrier decisions in this segment, ranking price third overall,” said Scott Elliff, president of CCMI, a supply chain and logistics consulting firm. “Network and delivery factors – like having ocean capacity and containers when and where customers need them, as well

as delivering shipments on time to destination ports and inland locations – comprised more than 60 percent of the overall quality ranking. These are the keys to winning and keeping customers.” Price captured about 19 percent of the overall quality score.

A total of 850 shippers, forwarders, carriers, non-vessel-owning common carriers (NVOCCs), and others involved in Trans-Pacific trade filled out a broader survey on industry concerns and freight flow trends.

Key issues facing the industry included:

- Security: Federally-imposed security requirements, customs regulations, and terrorism dominated the list
- “Traditional” issues: labor contracts, fuel prices, carrier financial health, and adequacy of eastbound capacity represented a second tier of concern
- Severe Acute Respiratory Syndrome (SARS) and global political unrest: contrary to publicity levels, these issues ranked lowest, though carriers participating in this part of the survey ranked them higher.

Major freight-flow trends identified included:

- Little market share change in the coming year between air and ocean cargo
- Strong growth in water shipping from Asia to the East Coast of the U.S., with more than 60 percent of respondents projecting moderate or substantial growth, and for consolidation and value-add activity at Asia origination
- Growth in mixed-product containers that can flow through to end-customer locations in the U.S.

“These trends highlight the ongoing need for speed and flexibility in the Asia-to-U.S. supply chain,” said Elliff. “More and more shippers want carriers to get the right product mix directly to the store, saving them days and weeks in delays for in-demand merchandise.”

Further survey detail and analysis, as well as materials related to other CCMI-sponsored surveys focused on global supply chain operations, can be obtained by contacting CCMI at 703-370-2607.

Capital Consulting & Management, Inc. (CCMI) has more than 18 years' experience developing and implementing supply chain process improvements that reduce costs, shorten cycle times, improve performance on key financial measures and strengthen strategy and capabilities. Overall, CCMI has helped clients save more than \$2 billion in annual operating costs and inventories, with typical reductions of 15-plus percent in procurement, manufacturing, transportation, logistics, order fulfillment and related areas. CCMI has had a leading role on projects for a diverse set of clients, including Amgen, Amtrak, AT&T, General Electric, Kmart, Lucent Technologies, NexPress Solutions, Sara Lee, SkyJet, and Zenith Electronics. For more information, visit [www.ccmiservices.com](http://www.ccmiservices.com).