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## Slowdown signs - Germany urges Korea to reschedule payments of ships

*Friday, 26 Feb, 2010*

It is reported that South Korean shipyards are being pressed by the German government to delay deliveries and reschedule payments on containerships on behalf of troubled German carriers and charterers.

The German President, Mr Horst Koehler's recent state visit to South Korea was used as an opportunity to appeal for delivery delays and rescheduling of debt as the industry faces ruinous charter rates.

The German delegation hoped that the problem can be resolved in the interest of both sides in such a way that South Korean yards won't see their customers dying out.

This comes amid concerns that German shipowners, who control one of the world's biggest container fleets, will go under as charter rates do not cover operating costs and financial obligations.

According to reports, this initiative comes as Germany's biggest carrier, Hapag Lloyd, the world's fifth-largest container shipping line, is in talks with yards to delay deliveries and defer payments on 11 ships aggregating 96,250 TEUs.

It is also learnt that other leading container lines are also trying to get yards to cancel contracts and delay deliveries.

(Sourced from Exim News Service)

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