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## Slowdown signs - NYKK may slash US container service further

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It is reported that Nippon Yusen KK may reduce its Asia US container service by an additional 15% as it struggles with the money losing unit amid declining trade worldwide. The carrier, which cut its container shipping service with the US by 10% in October, wants to widen reductions as soon as possible.

Mr Mikitoshi Kai head of investor relations at NYKK said that "I do not think we will be able to make a profit next fiscal year on the container business. We are trying not to sink."

Mr Kai said that demand for container transport used to carry construction materials, furniture, electronics and other consumer goods are sliding as US consumer confidence fell to the lowest ever last month amid rising unemployment and falling home values. The Grand Alliance, which includes Nippon Yusen and other container shipping lines, already decided to reduce 20% of its European container service.

Nippon Yusen cut its net income forecast to JPY 73 billion for the year ending March 31st 2009. That's 48% lower than its previous prediction. It forecasts a pretax loss of JPY 19 billion at its container shipping business in the period as compared with a profit of JPY 11.5 billion last fiscal year.

Japan Maritime Center said that container shipments from Asia to the US fell a record 13.3% to 1.03 million boxes in November 2008. The drop is the most since the center began compiling figures in 1995. The US recession, which began in December 2007, has so far cost about 2.6 million jobs and is already the longest in a quarter century.

(Sourced from [www.bloomberg.net](http://www.bloomberg.net))

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