

# Online supplement to ‘Methods for strategic liner shipping network design’

Judith Mulder<sup>a,\*</sup>, Rommert Dekker<sup>a</sup>

<sup>a</sup>*Econometric Institute, Erasmus School of Economics, Erasmus University Rotterdam, P.O. Box 1738, 3000 DR Rotterdam, Netherlands*

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## Appendix A. Data

### *Ports*

The ports considered in this study are obtained by merging all routes in the Asia-Europe trade lane of Maersk during spring 2010. Port Los Angeles is removed from the list, because it is not on the Asia-Europe trade lane. The 58 remaining ports, countries and regions can be found in natural order in Table A.1.

### *Distance*

The distances between ports can be computed using distance calculators on the internet. The distances between the port combinations can be found in Table A.2.

### *Demand*

In the cargo routing model it is important to know the demand between two ports. However, it is hard to achieve realistic data on the demand. The demand data is obtained from Lachner & Boskamp (2011). First, they determine total demand to be allocated on the Asia-Europe trade lane. This is done using annual reports of Maersk. Furthermore, a growth percentage is included in the calculation and corrections are made for joint services. Thereafter, the total demand is divided over port combinations using port throughput. The port throughput of both the origin and the destination port is used to determine the demand of a port combination. The demand that is generated in this way can be found in Table A.4.

### *Revenue*

The revenue data is also obtained from Lachner & Boskamp (2011). It is assumed that the revenue per unit only depends on the distance between the origin and destination port of the demand and on the direction in which the demand has to be transported. Thereto,

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\*Corresponding author, e-mail address: mulder@ese.eur.nl

two revenue factors are introduced. The first factor gives the revenue of transporting one unit of cargo over one nautical mile in the westbound direction. The other revenue factor gives the revenue of transporting one unit of cargo over one nautical mile in the eastbound direction. Then, for each port combination, it is checked whether cargo has to be transported in westbound or eastbound direction. Finally, the corresponding revenue factor is multiplied with the direct distance between origin and destination port, which gives the revenue per unit of the considered port combination.

Lachner & Boskamp obtained the revenue by taking the 10-year average of historical data. This calculation gives the revenue in USD/TEU for both the eastbound and the westbound direction. Thereafter, they divided these revenues by the average distance between Asian and European ports. This results in the two revenue factors. The revenue factor is 0.0838 USD/nm in eastbound direction and 0.1677 USD/nm in westbound direction.

#### *Available ships*

In Francesetti & Foschi (2002) an overview of costs related to ships with different sizes is given. The ship sizes given in this article are also used in this study. Furthermore, some additional ship sizes are added in this study. The costs of these added ships are obtained by extrapolation on the costs given in Francesetti & Foschi (2002). The available ship sizes for both the main and feeder services can be found in Tables A.6 and A.7. In this study, it is assumed that an unlimited number of feeder ships is available.

#### *Speed*

From Notteboom (2006) it is learned that the speed of container vessels varies between 18 and 26 nautical miles per hour. Therefore, this range of speeds is also considered in this study. Furthermore, it is assumed that the speed can each time be increased by 0.5 nm per hour. Thus, seventeen different values for liner shipping vessels are considered in this study.

Further, it is assumed that feeder ships sail at a constant speed. This speed is assumed to be 22 nautical miles per hour.

#### *Capital and operating cost*

In Francesetti & Foschi (2002), the yearly capital costs are given by 10% of the purchase price of the ship. The factor of 10% is the amortization factor. The purchase prices are given for ships with different ship sizes. The purchase price of the ships considered in this study, that are not given in Francesetti & Foschi (2002) are determined by extrapolation.

The operating costs are defined as 5% of the purchase price of the ship plus 1.5 times the number of crew members times the average yearly wage of the crew. The crew size is multiplied by 1.5 to take illness and holidays into account. The factor 5% of the purchase

price of the ship is used to take cost of maintenance, repairs, etcetera into account. On average, 18 crew members with an average yearly wage of about \$50,000 are present on a ship. The average yearly wage is obtained by correcting the yearly wage of Fracesetti & Foschi (2002) for inflation.

An overview on the yearly capital and operating costs per ship size can be found in Tables A.6 and A.7.

#### *Fuel cost*

The fuel consumption in ton per day is given for the different ship sizes in Francesetti & Foschi (2002) for a speed of 25 nm per hour. When this amount is divided by the distance travelled per day, the fuel consumption in ton per nautical mile is obtained. Thereafter, the fuel consumption is multiplied by the oil price in USD/ton to obtain the fuel cost in USD per nautical mile for the different ship sizes. In this study an oil price of 500 USD per ton is used in the calculations.

In Notteboom (2006) a figure is given that shows the fuel consumption in ton per day for different values of the sailing speed for a ship with capacity of almost 8500 TEU. The relation between fuel consumption and sailing speed will be about the same for different ship sizes. Therefore, this figure can be used to determine factors that indicate how much oil is consumed at different sailing speeds. Finally, these factors can be used to determine the fuel cost in USD per nautical mile for the other sailing speeds of the considered ships.

In Table A.8 an overview of the fuel cost for the different liner ship sizes and sailing speeds is given. The fuel costs for feeder ships are obtained in a similar way and are given in Table A.7.

#### *Port, (un)loading and transshipment cost*

The port, (un)loading and transshipment cost are obtained from Lachner & Boskamp (2011). Port costs are incurred per port visit and usually vary between ports. Furthermore, the port costs may depend on the ship size. However, the differences in port costs are relatively small, so they are assumed to be constant per route type. In this study, ships are charged 25,000 USD per port visit on a main route and 15,000 USD per port visit on a feeder route. Thus, when a port is visited on a main route  $52 \cdot 25,000 = 1,300,000$  USD is charged, because each route is performed once a week. For feeder routes, the port cost per year equals  $52 \cdot 15,000 = 780,000$  USD.

(Un)loading and transshipment costs are incurred per TEU (un)loaded or transhipped in a port. These costs can differ between ports and for different ship sizes. However, it is again assumed that these costs are constant per route type. The cost of (un)loading is 175 USD per TEU on main routes and 125 USD per TEU on feeder routes. A transshipment consist of a unloading and a loading movement, so the cost of a transshipment is  $2 \cdot 175 =$

350 USD on main routes. Because each port (except the cluster centers) are only visited on one feeder route and no demand exists between ports in the same cluster, no transshipments will take place on feeder routes.

#### *Port and buffer time*

The time a ship spends in a port depends on many factors like the number of containers that have to be (un)loaded, the number of cranes available to (un)load, the arrival time, etcetera. However, these factors are uncertain, so it is difficult to determine these times. Therefore, port times are assumed to be constant. The data on these times are obtained from Lachner & Boskamp (2011). In this study, it is assumed that a ship spends 20 hour in a port on a main route and 15 hours in a port on a feeder route.

The buffer time is an additional time that is added to the route time to cover delays. The causes of delays can be divided in four groups: terminal operations, port access, maritime passages and chance (Notteboom (2006)). Chance includes weather conditions and mechanical problems. In this study, a buffer time of at least 2 days has to be allocated to each main route. The buffer time on feeder routes is assumed to be 1 day.

Port name	Country	Region	Port name	Country	Region
Yokohama	Japan	Asia	Port Said	Egypt	Middle East
Shimizu	Japan	Asia	Damietta	Egypt	Middle East
Nagoya	Japan	Asia	Izmit	Turkey	Europe
Kobe	Japan	Asia	Istanbul Ambarli	Turkey	Europe
Busan	South Korea	Asia	Odessa	Ukraine	Europe
Kwangyang	South Korea	Asia	Ilyichevsk	Ukraine	Europe
Dalian	China	Asia	Constantza	Romania	Europe
Xingang	China	Asia	Piraeus	Greece	Europe
Qingdao	China	Asia	Rijeka	Croatia	Europe
Liangyungang	China	Asia	Koper	Slovenia	Europe
Shanghai	China	Asia	Trieste	Italy	Europe
Ningbo	China	Asia	Gioia Tauro	Italy	Europe
Fuzhou	China	Asia	Genoa	Italy	Europe
Taipei	Taiwan	Asia	Fos	France	Europe
Xiamen	China	Asia	Barcelona	Spain	Europe
Kaohsiung	Taiwan	Asia	Valencia	Spain	Europe
Shenzhen Yantian	China	Asia	Malaga	Spain	Europe
Hong Kong	China	Asia	Algeciras	Spain	Europe
Shenzhen Chiwan	China	Asia	Tangiers	Marocco	Europe
Shenzhen Da Chan Bay	China	Asia	Le Havre	France	Europe
Vung Tau	Vietnam	Asia	Felixstowe	United Kingdom	Europe
Laem Chabang	Thailand	Asia	Zeebrugge	Belgium	Europe
Singapore	Singapore	Asia	Antwerp	Belgium	Europe
Tanjung Pelepas	Malaysia	Asia	Rotterdam	Netherlands	Europe
Port Klang	Malaysia	Asia	Bremerhaven	Germany	Europe
Colombo	Sri Lanka	Asia	Hamburg	Germany	Europe
Jebel Ali	Dubai	Middle East	Gothenburg	Sweden	Europe
Salalah	Oman	Middle East	Aarhus	Denmark	Europe
Jeddah	Saudi Arabia	Middle East	Gdansk	Poland	Europe

Table A.1: List of ports

Table A.2: Distances between ports

Origin	Yokohama	Shimizu	Nagoya	Kobe	Busan	Kwangyang	Dalian	Xingang	Qingdao	Lianyungang	Shanghai	Ningbo	Fuzhou	Taipei	Xiamen	Kaohsiung	Shenzhen Yantian	Hong Kong	Shenzhen Chiwan	Shenzhen Da Chan Bay	Vung Tau	Laem Chabang	Singapore	Tanjung Pelepas	Port Klang	Colombo	Jebel Ali	Salalah	Jeddah
0	96	188	333	626	679	1095	1246	1060	1086	1008	1020	1211	1134	1316	1319	1565	1582	1592	1597	2418	2972	2879	2899	3072	4431	6303	6045	7190	
96	0	119	268	560	614	1030	1181	994	1020	942	954	1146	1064	1250	1254	1516	1526	1531	2555	2907	2818	2838	3011	4370	6242	5984	7129		
188	119	0	219	511	565	980	1132	945	971	893	905	1097	1028	1201	1205	1451	1467	1472	2322	2858	2771	2791	2964	4323	6195	5937	7082		
333	268	219	0	341	394	810	961	775	801	729	761	999	917	1103	1107	1353	1369	1379	1384	2213	2760	2679	2699	2872	4231	6103	5845	6990	
626	560	511	341	0	72	503	654	467	493	445	495	752	688	869	898	1120	1137	1147	1152	1977	2551	2483	2503	2676	4035	5907	5649	6794	
679	614	565	394	72	0	437	588	401	427	382	436	699	616	817	840	1062	1084	1094	1099	2493	2428	2448	2621	3980	5852	5594	6739		
1095	1030	980	810	503	437	0	188	251	324	477	556	843	851	961	1006	1212	1229	1249	1244	2111	2659	2576	2596	4128	6000	5742	6887		
1246	1181	1132	961	654	588	188	0	394	468	621	699	987	996	1105	1150	1356	1372	1382	1387	2242	2773	2720	2740	2913	4272	6144	5886	7031	
1060	994	945	775	467	401	251	394	0	89	307	386	675	697	793	838	1044	1061	1071	1076	1959	2526	2408	2428	2601	3960	5832	5574	6719	
1086	1020	971	801	493	427	324	468	89	0	258	337	626	641	745	790	996	1012	1022	1027	1876	2407	2360	2380	2553	3912	5784	5526	6671	
1008	942	893	729	445	382	477	621	307	258	0	101	390	421	509	554	760	776	786	791	1675	2242	2124	2144	2317	3676	5548	5290	6435	
1020	954	905	761	495	436	556	699	386	337	101	0	318	355	436	481	687	704	714	719	1572	2103	2051	2071	2244	3603	5475	5217	6362	
1592	1516	1467	1369	1137	1084	1229	1372	1061	1012	776	704	1012	1012	1146	1150	1382	1406	1416	1421	1488	1410	1430	1603	2962	4834	4576	5721		
1592	1526	1477	1379	1147	1094	1249	1382	1071	1022	786	714	1012	1012	1146	1150	1382	1406	1416	1421	1488	1410	1430	1603	2962	4834	4576	5721		
1597	1531	1482	1384	1152	1099	1244	1387	1076	1027	791	719	1012	1012	1146	1150	1382	1406	1416	1421	1488	1410	1430	1603	2962	4834	4576	5721		
2418	2355	2322	2213	1977	1905	2111	2242	1959	1876	1675	1572	1318	1312	1150	1121	947	927	937	942	0	681	646	666	839	2198	4070	3796	4958	
2972	2907	2858	2760	2551	2493	2659	2773	2526	2407	2242	2103	1888	1877	1714	1653	1482	1489	1499	1504	681	0	831	836	1009	2368	4240	3982	5127	
2879	2818	2771	2679	2483	2428	2576	2720	2408	2360	2103	1888	1877	1714	1653	1482	1489	1499	1504	681	0	831	836	1009	2368	4240	3982	5127		
2899	2838	2791	2699	2503	2448	2596	2740	2428	2380	2144	2071	1804	1832	1658	1631	1456	1430	1440	1440	1613	2983	2988	4834	4576	5721				
3072	3011	2964	2872	2676	2621	2769	2913	2601	2553	2144	2071	1804	1832	1658	1631	1456	1430	1440	1440	1613	2983	2988	4834	4576	5721				
4431	4370	4323	4231	4035	3980	4128	4272	3960	3912	3676	3603	3336	3364	3190	3163	2988	2962	2983	2988	2198	2368	2368	4240	3982	5127				
6303	6242	6195	6103	5907	5852	6000	6144	5832	5784	5475	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208	5208
6045	5984	5937	5845	5649	5594	5742	5886	5574	5526	5290	5217	4950	4970	4804	4777	4582	4576	4586	4591	3796	4982	3166	3146	2985	1633	894	0	894	2152
7190	7129	7082	6990	6794	6739	6887	7031	6719	6671	6375	6362	6095	6123	5949	5922	5747	5721	5731	5736	4957	5127	4311	4291	4130	2788	2152	1270	0	
7894	7833	7782	7698	7498	7443	7591	7735	7423	7375	7139	7066	6799	6822	6653	6626	6451	6425	6435	6440	5658	5837	5015	4995	4834	3492	2857	1975	715	
7925	7864	7817	7725	7519	7426	7622	7766	7454	7406	7170	7097	6830	6842	6674	6657	6486	6466	6471	5668	5806	5036	5025	4854	3508	2888	2006	746		
8669	8608	8561	8469	8273	8219	8366	8510	8198	8150	7914	7841	7574	7591	7428	7401	7226	7200	7210	7215	6425	6599	5790	5770	5609	4267	3632	2750	1490	
9016	8955	8908	8816	8620	8539	8713	8857	8545	8497	8261	8188	7921	7938	7775	7748	7573	7547	7557	7562	6772	6956	6137	6117	5943	4607	3979	3097	1837	
8872	8811	8764	8672	8476	8422	8569	8713	8401	8353	8117	8044	7777	7794	7631	7604	7429	7403	7413	7418	6628	6802	5993	5973	5812	4470	3835	2953	1693	
9139	9078	9031	8939	8743	8691	8836	8980	8668	8620	8384	8311	8044	8070	7898	7871	7696	7670	7680	7685	6904	7071	6260	6240	6079	4737	4102	3920	1960	
9178	9117	9070	8978	8782	8727	8875	9019	8707	8659	8423	8350	8083	8109	7937	7910	7738	7719	7724	6943	7124	6299	6279	6117	4776	4141	3259	1899		
9186	9120	9078	8986	8790	8735	8883	9027	8715	8667	8431	8358	8091	8114	7945	7918	7738	7717	7722	6948	7116	6302	6282	6109	4773	4149	3267	2007		
8822	8761	8714	8622	8426	8371	8519	8663	8351	8303	8067	7994	7727	7753	7584	7557	7379	7353	7363	7368	6587	6768	5943	5923	5762	4420	3785	2903	1643	
9305	9244	9197	9105	8909	8854	9002	9146	8834	8786	8550	8477	8210	8237	8064	8037	7862	7836	7847	7852	7071	7252	6426	6406	6245	4903	4268	3386	2126	
9405	9344	9297	9205	9009	8954	9102	9246	8934	8886	8650	8577	8310	8332	8164	8137	7962	7936	7946	7951	7166	7340	6526	6506	6345	5003	4368	3486	2226	
9476	9415	9368	9276	9080	9029	9173	9317	9005	8957	8721	8648	8381	8408	8235	8208	8033	8007	8034	8039	7241	7409	6597	6577	6416	5074	4439	3585	2297	
9556	9495	9448	9356	9160	9109	9253	9397	9085	9037	8801	8728	8461	8487	8315	8288	8113	8087	8097	8102	7489	6677	6657	6496	5154	4519	3637	2377		
9758	9690	9650	9558	9362	9275	9455	9599	9324	9289	9040	8930	8663	8684	8517	8490	8315	8326	8336	8341	7518	7683	6872	6859	6679	5343	4758	3839	2679	
9804	9743	9696	9604	9408	9340	9501	9645	9334	9285	9049	8976	8709	8735	8563	8536	8361	8335	8335	8339	7569	7736	6925	6905	6744	5402	4767	3885	2625	
9835	9763	9728	9624	9440	9348	9533	9677	9365	9305	9081	9008	8741	8767	8595	8568	8393	8367	8410	8415	7591	7757	6945	6937	6752	5416	4799	3915	2657	
10933	10872	10825	10736	10540	10485	10633	10774	10462	10414	10178	10105	9841	9864	9692	9668	9490	9467	9477	9482	8698	8879	8054	8034	7873	6534	5899	5014	3757	
11056	10995	10948	10856	10663	10605	10756	10897	10585	10537	10301	10228	9961	10013	9815	9788	9613	9587	9640	9645	8847	9014	8177	8157	7996					

Origin	Destination	Port Said	Damietta	Zmit	Istanbul Ambarli	Odessa	Ilychevsk	Constantza	Praetns	Rifeka	Koper	Trieste	Gioia Tauro	Genoa	Fos	Barcelona	Valencia	Malaga	Algeiras	Tangiers	Le Havre	Felixstowe	Zeebrugge	Antwerp	Rotterdam	Bremerhaven	Hamburg	Gothenburg	Aarhus	Gdansk
7894	7925	7818	8669	9015	9013	8872	8481	9139	9178	9186	8822	9305	9405	9476	9556	9758	9804	9835	10933	11056	11083	11170	11133	11328	11416	11568	11662	11792		
7833	7864	8650	8954	8941	8811	8420	9078	9117	9120	8761	9244	9344	9415	9495	9690	9743	9763	10872	10995	11022	11109	11072	11022	11109	11072	11267	11355	11507	11601	11731
7786	7817	8617	8905	8876	8373	9031	9070	9078	9117	9197	9297	9368	9456	9696	9728	10825	10948	10975	11062	11025	11220	11322	11460	11554	11684	11824	11962	12126	12312	12488
7694	7725	8518	8469	8815	8809	8672	8281	8938	8978	8986	8622	9105	9276	9356	9558	9604	9624	10736	10856	10883	10970	10933	11128	11216	11368	11462	11618	11762	11922	12098
7498	7519	8329	8273	8619	8617	8476	8085	8743	8782	8790	8426	9009	9080	9160	9362	9408	10540	10663	10687	10774	10737	10932	11034	11117	11269	11386	11532	11688	11844	12000
7443	7426	8278	8219	8539	8526	8422	8033	8691	8727	8735	8371	8854	9029	9120	9275	9340	9348	10485	10605	10624	10711	10690	10877	10971	11117	11227	11393	11549	11715	11881
7591	7622	8422	8366	8712	8731	8569	8178	8836	8875	8883	8519	9002	9102	9173	9253	9455	9501	9533	10633	10756	10780	10867	10830	11025	11142	11268	11419	11589	11755	11931
7735	7766	8566	8510	8856	8869	8713	8322	8980	9019	9027	8663	9146	9246	9317	9397	9599	9645	9677	10774	10897	10924	10986	10974	11169	11242	11409	11591	11781	11971	12161
7423	7454	8254	8198	8544	8563	8401	8110	8668	8707	8715	8351	8834	9005	9085	9324	9363	9665	10462	10585	10629	10699	10662	10857	10974	11097	11242	11409	11591	11781	11971
7375	7406	8206	8150	8496	8494	8353	7962	8620	8659	8667	8303	8786	8886	8957	9037	9239	9285	9305	10414	10537	10626	10614	10809	10882	11049	11205	11373	11541	11709	11877
7139	7170	7970	7914	8260	8279	8117	7726	8384	8423	8431	8067	8586	8650	8721	8801	9040	9049	9081	10178	10301	10328	10415	10378	10573	10690	10813	10964	11137	11305	11473
7066	7097	7898	7841	8187	8185	8044	7653	8311	8350	8358	7994	8477	8577	8648	8728	8930	8976	9008	10105	10228	10255	10317	10305	10500	10573	10740	10721	10964	11137	11305
6799	6830	7630	7574	7920	7939	7777	7386	8044	8083	8091	7727	8210	8310	8381	8461	8663	8709	8741	9841	9961	9988	10075	10038	10233	10350	10476	10615	10809	11000	11190
6822	6842	7644	7591	7938	7935	7794	7412	8070	8109	8114	7753	8240	8332	8407	8487	8684	8735	8757	9864	10013	10017	10078	10081	10286	10334	10524	10654	10853	11044	11234
6653	6674	7484	7428	7774	7772	7631	7240	7898	7937	7945	7581	8064	8164	8235	8315	8517	8563	8595	9692	9815	9842	9929	9892	10087	10175	10327	10421	10541	10731	10921
6626	6657	7450	7401	7747	7741	7604	7213	7871	7910	7918	7554	8037	8137	8208	8288	8490	8536	8556	9668	9788	9815	9902	9865	10060	10148	10300	10394	10524	10714	10904
6451	6482	7275	7226	7572	7592	7429	7038	7696	7735	7738	7379	7862	7962	8033	8113	8315	8361	8393	9490	9613	9640	9701	9690	9885	9956	10125	10276	10426	10616	10806
6425	6456	7256	7200	7546	7565	7403	7012	7670	7709	7717	7353	7836	7936	8007	8087	8286	8335	8367	9467	9587	9614	9701	9664	9859	9976	10099	10250	10400	10590	10780
6435	6466	7266	7210	7556	7573	7413	7022	7680	7719	7727	7363	7847	7946	8034	8097	8336	8385	8410	9477	9640	9624	9711	9674	9889	9979	10141	10258	10408	10600	10790
6440	6471	7271	7215	7561	7578	7418	7027	7685	7724	7732	7368	7852	7951	8039	8102	8341	8390	8415	9482	9645	9629	9716	9679	9894	9984	10146	10263	10414	10606	10796
5656	5668	6478	6425	6772	6769	6628	6246	6904	6943	6948	6587	7071	7166	7241	7321	7518	7569	7591	8698	8847	8851	8912	8915	9120	9168	9358	9369	9726	9916	10106
5837	5806	6654	6599	6964	6951	6818	6413	7071	7124	7116	6759	7243	7340	7409	7489	7683	7736	7757	8852	9014	9018	9077	9082	9249	9332	9525	9507	9893	10083	10273
5015	5036	5832	5790	6136	6123	5993	5602	6260	6299	6302	5943	6426	6526	6597	6677	6872	6925	6945	8054	8177	8204	8291	8254	8449	8537	8689	8783	8903	9093	9283
4995	5025	5825	5770	6116	6114	5973	5582	6240	6270	6282	5923	6406	6506	6577	6657	6859	6905	6937	8034	8157	8184	8246	8234	8429	8502	8669	8763	8892	9082	9272
4834	4854	5639	5609	5943	5930	5812	5421	6079	6117	6109	5762	6245	6345	6416	6496	6679	6744	6752	7873	7996	8023	8094	8084	8268	8342	8508	8602	8721	8911	9101
3492	3508	4327	4607	4594	4470	4079	4737	4776	4773	4776	4420	4903	5003	5074	5154	5343	5402	5416	6534	6657	6681	6758	6742	6926	7006	7169	7262	7375	7565	7755
2857	2888	3687	3632	3979	3996	3835	3444	4102	4141	4149	3785	4268	4368	4439	4519	4758	4767	4799	5899	6021	6046	6133	6107	6291	6408	6531	6682	6755	6945	7135
1975	2006	2805	2750	3097	3094	2953	2562	3220	3259	3267	2903	3386	3486	3557	3637	3839	3885	3915	5014	5137	5164	5234	5214	5409	5490	5649	5626	5753	5943	6133
715	746	1539	1490	1837	1834	1693	1302	1960	1999	2007	1643	2126	2226	2297	2377	2579	2625	2657	3757	3877	3904	3991	3965	4149	4237	4389	4483	4613	4793	4983
0	31	824	779	1120	1115	982	590	1248	1287	1294	931	1413	1513	1585	1665	1864	1913	1941	3042	3165	3195	3279	3256	3437	3525	3677	3771	3867	3957	4047
31	0	848	793	1150	1137	996	610	1267	1307	1310	962	1434	1536	1603	1683	1877	1930	1951	3073	3196	3212	3271	3276	3468	3526	3707	3701	3808	3898	3988
824	848	0	55	397	384	251	390	1150	1186	1190	837	1321	1420	1504	1588	1762	1643	1675	2798	3121	3062	3147	3126	3378	3261	3432	3535	3800	3898	3988
779	793	55	0	347	344	203	349	1097	1137	1145	790	1273	1373	1460	1542	1731	1698	1730	2853	2976	2929	3079	3053	3248	3336	3487	3582	3829	3916	3996
11126	1150	397	347	0	13	170	694	1444	1484	1492	1137	1620	1720	1807	1889	2078	2040	2156	3195	3391	3334	3421	3395	3663	3751	3903	3997	4244	4332	4422
11115	1137	384	344	13	0	160	681	1441	1481	1481	1128	1612	1707	1798	1879	2075	2027	2059	3280	3305	3348	3397	3482	3687	3645	3816	3911	4184	4272	4362
982	996	251	203	170	160	0	552	1300	1340	1348	983	1476	1576	1663	1745	1934	1894	2012	3049	3247	3188	3359	3249	3519	3607	3759	3853	4100	4188	4278
590	607	390	349	694	681	552	0	790	829	837	483	966	1066	1153	1235	1432	1484	1505	2614	2737	2773	2847	2834	3009	3095	3249	3343	3590	3678	3768
1248	1265	1150	1097	1444	1441	1300	790	0	103	110	581	1064	1164	1251	1338	1554	1603	1628	2732	2855	2929	3073	2953	3127	3215	3367	3461	3708	3796	3886
1287	1307	1186	1137	1484	1477	1340	829	103	0	8	620	1103	1202	1290	1377	1593	1642	1667	2772	2894	2931	3009	2992	3166	3254	3406	3500	3747	3835	3925
1294	1310	1190	1145	1492	1481	1348	837	110	8	0	625	1109	1208	1296	1383	1598	1647	1672	2777	2925	2936	3014	3000	3205	3260	3436	3531	3804	3892	3982
931	962	837	790	1137	1128	993	483	581	620	625	0	484	583	671	758	973	1022	1047	2152	2275	2311	2389	2372	2547	2635	2787	2881	3128	3216	3306
1413	1434	1321	1273	1620	1612	1476	966	1064	1103	1109	484	0	208	350	508	798	847	871	1997	2100	2136	2213	2197	2372	2460	2630	2706	2953	3041	3131
1513	1536	1420	1373	1720	1707	1576	1066	1164	1202	1208																				

Origin	Yokohama	Shimizu	Nagoya	Shimizu	Nagoya	Kobe	Busan	Kwangyang	Dalian	Xingang	Qingdao	Liangyungang	Shanghai	Ningbo	Fuzhou	Taipei	Xiamen	Kaohsiung	Shenzhen Yantian	Hong Kong	Shenzhen Chiwan	Shenzhen Da Chan Bay	Vung Tau	Laem Chabang	Singapore	Tanjung Pelepas	Port Klang	Colombo	Jebel Ali	Salalah	Jeddah									
	3215	575	2428	2582	13757	2080	5231	9997	11790	3471	28730	12069	1352	1149	5378	9861	13981	24112	5243	1748	2126	5311	29723	6835	8400	3981	0	0	0	0	0	0								
	1009	180	762	810	4310	653	1641	3136	3699	1089	9014	3786	424	361	1687	3094	4386	7565	1645	548	667	1666	9325	2163	2635	1249	0	0	0	0	0	0	0							
	893	160	675	718	3818	578	1454	2778	3276	965	7984	3354	376	319	1495	2740	3885	6700	1457	486	591	1676	8260	1916	2334	1106	0	0	0	0	0	0	0	0						
	1003	179	757	805	4285	649	1632	3118	3678	1083	8962	3765	422	358	1678	3076	4361	7521	1635	545	663	1657	9272	2151	2620	1242	0	0	0	0	0	0	0	0						
	321	57	242	257	1370	207	522	997	1176	346	2865	1203	135	115	536	983	1394	2404	523	174	212	530	2964	687	838	397	0	0	0	0	0	0	0	0						
	53	9	40	42	226	34	86	164	194	57	472	198	22	19	88	162	230	396	86	29	35	87	489	113	138	65	210	66	58	210	66	58	210	66	58					
	621	111	469	499	2653	402	1010	1931	2277	670	5549	2331	261	222	1039	1904	2700	4657	1013	338	411	1026	5741	1332	1622	769	2469	775	686	775	686	775	686	775	686					
	42	7	31	33	178	27	68	130	153	45	373	156	18	15	70	128	181	313	68	23	28	69	385	89	109	52	166	52	46	166	52	46	166	52	46	166				
	32	6	24	26	137	21	52	100	118	35	287	121	14	11	54	99	140	241	52	17	21	53	297	69	84	40	128	40	36	128	40	36	128	40	36	128				
	201	36	152	161	859	130	327	625	737	217	1796	754	85	72	336	616	874	1507	328	109	133	332	1858	431	525	249	799	251	222	222	222	222	222	222	222	222	222			
	475	85	358	381	2028	307	772	1476	1741	512	4241	1782	200	170	794	1456	2064	3560	774	258	314	784	4388	1018	1240	588	1887	592	524	524	524	524	524	524	524	524	524			
	49	9	37	39	210	32	80	153	180	53	438	184	21	18	82	150	213	368	80	27	32	81	453	105	128	61	195	61	54	195	61	54	195	61	54	195	61	54		
	116	21	88	93	496	75	189	361	424	125	1037	436	49	41	194	356	505	703	153	51	62	155	866	201	245	116	372	117	103	372	117	103	372	117	103	372	117	103		
	947	169	715	761	4046	613	1541	2945	3473	1022	8462	3555	398	338	1584	2904	4118	7102	1544	515	626	1564	8755	2031	2474	1173	3765	1181	1046	3765	1181	1046	3765	1181	1046	3765	1181	1046		
	519	93	392	417	2216	336	844	1613	1902	560	4635	1947	218	185	868	1591	2256	3890	846	282	343	857	1112	1355	642	2062	647	573	573	573	573	573	573	573	573	573	573	573		
	299	53	225	240	1275	193	486	928	1095	322	2667	1121	126	107	499	916	1298	2239	487	162	197	493	2760	640	780	370	1187	372	330	372	330	372	330	372	330	372	330	372		
	609	109	460	489	2601	394	991	1893	2233	657	5441	2285	256	218	1018	1867	2648	4566	993	331	403	1006	5629	1306	1591	754	2421	759	673	759	673	759	673	759	673	759	673	759		
	1236	221	933	992	5280	800	2011	3843	4532	1334	11043	4639	520	442	2067	3790	5374	9268	2015	672	817	2041	11425	2650	3229	1530	4913	1541	1365	1541	1365	1541	1365	1541	1365	1541	1365	1541		
	98	18	74	79	419	63	160	305	360	106	876	368	41	35	164	301	426	735	160	53	65	162	906	210	256	121	390	122	108	390	122	108	390	122	108	390	122	108		
	1029	184	777	826	4397	666	1674	3200	3774	1111	9196	3863	433	368	1721	3156	4475	7718	1678	559	680	1700	9514	2207	2689	1274	4092	1284	1137	4092	1284	1137	4092	1284	1137	4092	1284	1137	4092	
	338	60	255	272	1445	219	550	1052	1240	365	3022	1270	142	121	566	1037	1471	2536	552	184	224	559	3127	725	884	419	1345	422	374	422	374	422	374	422	374	422	374	422	374	
	744	133	562	598	3179	481	1211	2314	2728	803	6649	2793	313	266	1245	2282	3236	5580	1213	404	492	1229	6879	1596	1944	921	2958	928	822	928	822	928	822	928	822	928	822	928	822	
	1048	187	792	842	4480	678	1706	3260	3845	1132	9369	3936	441	375	1754	3216	4559	7863	1710	570	693	1732	9693	2248	2739	1298	4168	1308	1158	4168	1308	1158	4168	1308	1158	4168	1308	1158	4168	
	787	141	595	632	3364	510	1281	2448	2887	850	7036	2956	331	281	1317	2415	3424	5905	1284	428	521	1301	7280	1689	2057	975	3131	982	870	982	870	982	870	982	870	982	870	982	870	
	2472	442	1867	1985	10563	1600	4022	7687	9066	2669	22091	9280	1040	884	4135	7582	10750	18540	4031	1344	1634	4084	22855	5302	6459	3061	9829	3084	2731	3084	2731	3084	2731	3084	2731	3084	2731	3084	2731	3084
	3295	589	2488	2646	14080	2132	5361	10247	12084	3558	29446	12370	1386	1171	5512	10107	14330	24713	5374	1791	2179	5443	30465	7067	8609	4080	13102	4110	3641	4110	3641	4110	3641	4110	3641	4110	3641	4110	3641	
	1534	274	1158	1232	6555	993	2496	4770	5625	1656	13708	5759	645	548	2566	6075	6671	11505	2502	834	1014	2534	14182	3290	4008	1899	6099	1914	1695	1914	1695	1914	1695	1914	1695	1914	1695	1914	1695	
	2371	424	1790	1904	10130	1534	3857	7372	8694	2560	21186	8900	997	847	3966	7271	10310	17780	3866	1289	1567	3916	21918	5084	6194	2936	9426	2957	2619	2957	2619	2957	2619	2957	2619	2957	2619	2957	2619	
	277	49	209	222	1182	179	450	860	1014	299	2471	1038	116	99	463	848	1202	2074	451	150	183	457	2556	593	722	342	1099	345	306	1099	345	306	1099	345	306	1099	345	306	1099	345
	231	41	174	186	987	149	376	718	847	249	2064	867	97	83	386	708	1005	1732	377	126	153	382	2136	493	604	286	918	288	255	918	288	255	918	288	255	918	288	255		
	81	15	61	65	348	53	132	253	298	88	727	305	34	29	136	250	354	610	133	44	54	134	752	175	213	101	324	102	324	102	324	102	324	102	324	102	324	102	324	

Table A.4: Demand between ports



Ship Name	Ship Capacity (TEU)	Total Capacity (TEU/year)	Capital Cost (\$/year)	Operating Cost (\$/year)	Nr available
M1	4000	208000	4500000	3600000	5
M2	5000	260000	5400000	4050000	5
M3	6000	312000	6000000	4350000	5
M4	7000	364000	6500000	4600000	5
M5	8000	416000	7000000	4850000	5
M6	9000	468000	7500000	5100000	5
M7	10000	520000	8000000	5350000	2
M8	14000	728000	10000000	7850000	1

**Table A.6:** Liner ship characteristics

Ship Name	Ship Capacity (TEU)	Total Capacity (TEU/year)	Capital Cost (\$/year)	Operating Cost (\$/year)	Fuel cost (\$/nm)
F1	200	10400	800000	1450000	16.667
F2	350	18200	950000	1525000	20.833
F3	500	26000	1100000	1600000	25.000
F4	700	36400	1400000	1750000	26.667
F5	800	41600	1500000	1800000	29.167
F6	900	46800	1600000	1850000	31.667
F7	1000	52000	1750000	1925000	33.333
F8	1250	65000	2100000	2100000	41.667
F9	1500	78000	2300000	2200000	50.000
F10	1750	91000	2500000	2300000	58.333
F11	2000	104000	2700000	2400000	66.667
F12	2250	117000	2950000	2525000	75.000
F13	2500	130000	3200000	2650000	83.333
F14	4000	208000	4500000	3600000	91.626
F15	5000	260000	5400000	4050000	104.264

**Table A.7:** Feeder ship characteristics

Ship Name	Speed																
	18	18.5	19	19.5	20	20.5	21	21.5	22	22.5	23	23.5	24	24.5	25	25.5	26
M1	85.637	84.925	84.250	83.610	83.002	83.870	84.696	88.242	91.626	94.860	101.820	108.483	114.869	120.995	126.875	132.525	137.957
M2	97.449	96.639	95.871	95.143	94.451	95.438	96.379	100.413	104.264	107.944	115.864	123.447	130.713	137.684	144.375	150.804	156.986
M3	109.261	108.353	107.492	106.675	105.900	107.006	108.061	112.584	116.902	121.028	129.908	138.410	146.557	154.372	161.875	169.083	176.014
M4	121.073	120.067	119.113	118.208	117.348	118.575	119.743	124.755	129.540	134.112	143.952	153.373	162.401	171.061	179.375	187.363	195.043
M5	132.886	131.780	130.734	129.740	128.797	130.143	131.425	136.927	142.178	147.196	157.996	168.336	178.245	187.750	196.875	205.642	214.071
M6	144.698	143.494	142.354	141.273	140.245	141.711	143.107	149.098	154.816	160.280	172.040	183.299	194.090	204.439	214.375	223.921	233.100
M7	156.510	155.208	153.975	152.805	151.694	153.280	154.790	161.269	167.454	173.364	186.084	198.263	209.934	221.128	231.875	242.200	252.129
M8	203.758	202.063	200.458	198.935	197.488	199.553	201.519	209.954	218.007	225.701	242.261	258.115	273.310	287.884	301.875	315.317	328.243

**Table A.8:** Fuel cost for different speeds and ship sizes

## Appendix B. Reference network

Table B.9 shows the routes in the reference network during spring 2010. Next, Table B.10 shows the different types of ships used on each of the routes.

AE1/AE10	AE10/AE1	AE2	AE3	AE6
Yokohama	Shenzhen Yantian	Busan	Dalian	Yokohama
Hong Kong	Hong Kong	Xingang	Xingang	Nagoya
Shenzhen Yantian	Tanjung Pelepas	Dalian	Busan	Shanghai
Tanjung Pelepas	Le Havre	Qingdao	Shanghai	Ningbo
Felixstowe	Zeebrugge	Kwangyang	Ningbo	Xiamen
Rotterdam	Hamburg	Shanghai	Taipei	Hong Kong
Hamburg	Gdansk	Bremerhaven	Shenzhen Chiwan	Shenzhen Yantian
Bremerhaven	Gothenburg	Hamburg	Shenzhen Yantian	Tanjung Pelepas
Tangiers	Aarhus	Rotterdam	Tanjung Pelepas	Jeddah
Jeddah	Bremerhaven	Felixstowe	Port Klang	Barcelona
Jebel Ali	Rotterdam	Antwerp	Port Said	Valencia
Shenzhen Da Chan Bay	Singapore	Tanjung Pelepas	Damietta	Algeciras
Ningbo	Hong Kong	Busan	Izmit	Tangiers
Shanghai	Kobe		Istanbul Ambarli	Tanjung Pelepas
Kaohsiung	Nagoya		Constantza	Vung Tau
Yokohama	Shimizu		Ilyichevsk	Shenzhen Yantian
	Yokohama		Odessa	Hong Kong
	Shenzhen Yantian		Damietta	Yokohama
			Port Said	
			Port Klang	
			Tanjung Pelepas	
			Dalian	
AE7	AE9	AE11	AE12	
Shanghai	Laem Chabang	Qingdao	Shanghai	
Ningbo	Tanjung Pelepas	Shanghai	Busan	
Xiamen	Port Klang	Fuzhou	Hong Kong	
Hong Kong	Colombo	Hong Kong	Shenzhen Chiwan	
Shenzhen Yantian	Zeebrugge	Shenzhen Chiwan	Tanjung Pelepas	
Algeciras	Felixstowe	Shenzhen Yantian	Port Klang	
Tangiers	Bremerhaven	Tanjung Pelepas	Port Said	
Rotterdam	Rotterdam	Port Klang	Piraeus	
Felixstowe	Le Havre	Salalah	Koper	
Bremerhaven	Tangiers	Port Said	Rijeka	
Malaga	Salalah	Gioia Tauro	Trieste	
Shenzhen Yantian	Colombo	Genoa	Damietta	
Hong Kong	Port Klang	Fos	Port Said	
Shanghai	Singapore	Genoa	Jeddah	
	Laem Chabang	Damietta	Port Klang	
		Port Said	Singapore	
		Salalah	Shanghai	
		Port Klang		
		Singapore		
		Liangyungang		
		Qingdao		

**Table B.9:** Routes in the Maersk network

AE1/AE10	Capacity	AE10/AE1	Capacity	AE2	Capacity
Sofie Maersk	8160	A.P. Moller	8160	Maersk Seville	8478
Albert Maersk	8272	Skagen Maersk	8160	Maersk Saigon	8450
Carsten Maersk	8160	Sally Maersk	8160	Adrian Maersk	8272
Maersk Singapore	8478	Arnold Maersk	8272	Maersk Salina	8600
Clementine Maersk	8648	Svendborg Maersk	8160	Maersk Savannah	8600
Maersk Seoul	8450	Svend Maersk	8160	Anna Maersk	8272
Maersk Taurus	8400	Columbine Maersk	8648	Arthur Maersk	8272
Sine Maersk	8160	Maersk Tukang	8400	Maersk Stepnica	8600
Axel Maersk	8272	Clifford Maersk	8160	Maersk Semarang	8400
Cornelia Maersk	8650	Maersk Salalah	8600	Maersk Stralsund	8450
		Maersk Stockholm	8600		
Average	8365		8316		8439
AE3		AE6		AE7	
Maersk Kinloss	6500	Mathilde Maersk	9038	Eugen Maersk	14770
CMA CGM Debussy	6627	Maersk Antares	9200	Elly Maersk	14770
Maersk Kuantan	6500	Gunvor Maersk	9074	Evelyn Maersk	14770
Maersk Kowloon	6500	Mette Maersk	9038	Edith Maersk	14770
CMA CGM Corneille	6500	Marit Maersk	9038	Estelle Maersk	14770
Maersk Kelso	6500	Gerd Maersk	9074	Maersk Algol	9200
CMA CGM Musset	6540	Maersk Altair	9200	Ebba Maersk	14770
Maersk Kwangyang	6500	Gudrun Maersk	9074	Eleonora Maersk	14770
CMA CGM Bizet	6627	Marchen Maersk	9038	Emma Maersk	14770
Maersk Kensington	6500	Maren Maersk	9038	Gjertrud Maersk	9074
CMA CGM Baudelaire	6251	Georg Maersk	9074		
		Grete Maersk	9074		
		Maersk Alfirk	9200		
		Margrethe Maersk	9038		
Average	6504		9086		13643
AE9		AE11		AE12	
Maersk Sembawang	6478	Charlotte Maersk	8194	Maersk Kyrenia	6978
Maersk Sebarok	6478	Maersk Surabaya	8400	Safmarine Komati	6500
Maersk Serangoon	6478	Maersk Santana	8478	CMA CGM Belioz	6627
SL New York	6420	CMA CGM Faust	8204	Safmarine Kariba	6500
Maersk Seletar	6478	Soroe Maersk	8160	CMA CGM Balzac	6251
Maersk Kendal	6500	Susan Maersk	8160	Maersk Karachi	6930
Maersk Sentosa	6478	Caroline Maersk	8160	CMA CGM Ravel	6712
Maers Semakau	6478	Cornelius Maersk	8160	CMA CGM Flaubert	6638
Maersk Senang	6478	Chastine Maersk	8160	CMA CGM Voltaire	6456
Average	6474		8230		6621

**Table B.10:** Ships and capacities on the Maersk network

## Appendix C. Cluster design

Table C.11 shows the composition of the ten clusters obtained after aggregation in this study.

Shanghai	Hong Kong	Singapore	Colombo	Jebel Ali
Yokohama	Xiamen	Vung Tau	Colombo	Jebel Ali
Shimizu	Kaohsiung	Laem Chabang		Salalah
Nagoya	Shenzhen Yantian	Singapore		
Kobe	Hong Kong	Tanjung Pelepas		
Busan	Shenzhen Chiwan	Port Klang		
Kwangyang	Shenzhen Da Chan Bay			
Dalian				
Xingang				
Qingdao				
Liangyungang				
Shanghai				
Ningbo				
Fuzhou				
Taipei				
Port Said	Valencia	Rotterdam	Antwerp	Hamburg
Izmit	Gioia Tauro	Zeebrugge	Antwerp	Bremerhaven
Odessa	Genoa	Le Havre		Hamburg
Jeddah	Fos	Felixstowe		Göteborg
Port Said	Barcelona	Rotterdam		Aarhus
Damietta	Valencia			Gdansk
Istanbul Ambarli	Malaga			
Ilyichevsk	Algeciras			
Constantza	Tangiers			
Piraeus				
Rijeka				
Koper				
Trieste				

**Table C.11:** Design of the ten clusters

Appendix D. Best Network

M1	M2	M3	M4
Tanjung Pelepas	Shenzhen Yantian	Busan	Ningbo
Singapore	Shenzhen Chiwan	Qingdao	Busan
Port Klang	Shenzhen Da Chan Bay	Xingang	Qingdao
Colombo	Hong Kong	Dalian	Xingang
Gioia Tauro	Xiamen	Shanghai	Dalian
Valencia	Kaohsiung	Ningbo	Liangyungang
Algeciras	Singapore	Hong Kong	Shanghai
Felixstowe	Tanjung Pelepas	Shenzhen Chiwan	Fuzhou
Zeebrugge	Port Klang	Shenzhen Yantian	Hong Kong
Rotterdam	Port Said	Jeddah	Shenzhen Yantian
Bremerhaven	Felixstowe	Port Said	Xiamen
Hamburg	Le Havre	Bremerhaven	Kaohsiung
Rotterdam	Rotterdam	Hamburg	Algeciras
Damietta	Zeebrugge	Aarhus	Tangiers
Port Said	Port Klang	Gothenburg	Malaga
Jeddah	Tanjung Pelepas	Antwerp	Valencia
Tanjung Pelepas	Singapore	Algeciras	Fos
	Shenzhen Yantian	Valencia	Genoa
		Gioia Tauro	Barcelona
		Port Said	Gioia Tauro
		Jeddah	Ningbo
		Colombo	
		Shenzhen Chiwan	
		Hong Kong	
		Shenzhen Yantian	
		Busan	
9000	10000	14000	9000
M5	M6	M7	
Shenzhen Yantian	Ningbo	Shenzhen Yantian	
Shenzhen Chiwan	Qingdao	Shenzhen Chiwan	
Hong Kong	Busan	Shenzhen Da Chan Bay	
Xiamen	Xingang	Hong Kong	
Kaohsiung	Dalian	Xiamen	
Jebel Ali	Shanghai	Kaohsiung	
Salalah	Jebel Ali	Jeddah	
Antwerp	Valencia	Port Said	
Hamburg	Felixstowe	Damietta	
Bremerhaven	Le Havre	Shenzhen Yantian	
Rotterdam	Rotterdam		
Zeebrugge	Zeebrugge		
Algeciras	Antwerp		
Valencia	Port Said		
Barcelona	Singapore		
Gioia Tauro	Hong Kong		
Port Said	Ningbo		
Port Klang			
Tanjung Pelepas			
Singapore			
Vung Tau			
Shenzhen Yantian			
14000 TEU	9000 TEU	9000 TEU	8000 TEU

**Table D.12:** Main routes of the best network

Route	Capacity	Ports visited
F01	350	Rotterdam Le Havre Felixstowe Rotterdam
F02	900	Shanghai Liangyungang
F03	2000	Shanghai Ningbo Nagoya Shanghai
F04	500	Shanghai Fuzhou Shimizu Yokohama
F05	2000	Shanghai Taipei Kobe Kwangyang
F06	1250	Hong Kong Xiamen Kaohsiung Shenzhen Da Chan Bay
F07	2250	Singapore Vung Tau Laem Chabang Singapore
F08	1250	Hamburg Aarhus Gdansk Gothenburg
F09	200	Port Said Jeddah Port Said Hamburg
F10	1750	Port Said Istanbul Ambarli Port Said
F11	200	Port Said Ilyichevsk Odessa
F12	1750	Port Said Piraeus Constantza Port Said
F13	200	Port Said Rijeka Damietta Port Said
F14	700	Port Said Trieste Koper Port Said
F15	2250	Valencia Tangiers Fos Barcelona
F16	200	Valencia Malaga Valencia

**Table D.13:** Feeder routes of the best network

## Appendix E. Solution approach

In this section, some solution methods are discussed in more detail.

### Appendix E.1. Aggregation

First, we will describe the methods used to aggregate ports into port clusters. Thereto, we will first create lists of central, noncentral and intermediary ports. Thereafter, initial clusters will be designed, which are updated in the next step. After this step, the final clusters are known and the cluster data have to be constructed.

#### Appendix E.1.1. Lists of central, noncentral and intermediary ports

First, construct the lists of central, noncentral and intermediary ports:

$$\begin{aligned}\mathcal{H}^c &:= \{h \in \mathcal{H} : x_h \geq M\bar{x}\} && \text{central ports.} \\ \mathcal{H}^{nc} &:= \{h \in \mathcal{H} : x_h \leq m\bar{x}\} && \text{noncentral ports.} \\ \mathcal{H}^m &:= \{h \in \mathcal{H} : h \notin \mathcal{H}^c \cup \mathcal{H}^{nc}\} && \text{intermediary ports.}\end{aligned}$$

In this definitions,  $\mathcal{H}$  is the set containing all ports,  $m$  and  $M$  are the minimum and maximum factor respectively. In our case study, we used  $m = 0.2$  and  $M = 2$ . Further, when  $d_{a,b}$  is the demand from port  $a$  to port  $b$ , we have:

$$\begin{aligned}x_h &= \sum_{h' \in \mathcal{H}} d_{h,h'} + \sum_{h' \in \mathcal{H}} d_{h',h} && \text{throughput of port } h; \\ \bar{x} &= \frac{1}{|\mathcal{H}|} \sum_{h \in \mathcal{H}} x_h && \text{average throughput per port.}\end{aligned}$$

#### Appendix E.1.2. Initial clusters

Next, we create initial clusters. For each  $h_i \in \mathcal{H}^c$ , create a new cluster  $C_i := \{h_i\}$  (with  $i = 1, \dots, |\mathcal{H}^c|$ ) only containing port  $h_i$  and the central port of the cluster is  $c_i = h_i$ . Let  $I$  denote the number of clusters. Then, we have  $I = |\mathcal{H}^c|$  initial clusters all containing exactly one port. Next, we will add intermediary and noncentral ports to the nearest existing cluster if they are within the maximum cluster distance. We will only compare the distance between the considered port and the central port of the cluster with the maximum cluster distance, because this distance has to be covered on the feeder lines. Thus, it is possible that the distance between two ports in the same cluster exceeds the maximum cluster distance, but these ports will then not be visited on the same feeder service. Thus, for each  $h \in \mathcal{H}^{nc} \cup \mathcal{H}^m$ , we will have

$$\begin{aligned}C_i &= C_i \cup \{h\} && \text{if } D_{h,c_i} = \min_{1 \leq j \leq I} D_{h,c_j} \leq D^{max} \\ C_i &= C_i && \text{else,}\end{aligned}$$

where  $D_{a,b}$  is the distance between port  $a$  and  $b$  and  $D^{max}$  the maximum distance allowed between ports in a cluster. In our case study we used  $D^{max} = 1250$  nm, such that direct feeder lines between a port in the cluster and the central port of the cluster can always be served within one week.

### Appendix E.1.3. Update clusters

Let

$$\begin{aligned} \mathcal{H}_a &:= \{h \in \mathcal{H}^{nc} \cup \mathcal{H}^m : h \in \cup_i C_i\} && \text{allocated ports.} \\ \mathcal{H}_{na}^m &:= \{h \in \mathcal{H}^m : h \notin \cup_i C_i\} && \text{nonallocated intermediary ports.} \\ \mathcal{H}_{na}^{nc} &:= \{h \in \mathcal{H}^{nc} : h \notin \cup_i C_i\} && \text{nonallocated noncentral ports.} \end{aligned}$$

As long as  $\mathcal{H}_{na}^m \neq \emptyset$ , take port  $h \in \mathcal{H}_{na}^m$  with the largest throughput ( $x_h = \max_{h' \in \mathcal{H}_{na}^m} x_{h'}$ ). Create a new cluster,  $I = I + 1$  and  $C_I = \{h\}$ ,  $c_I = h$ . Add intermediary and noncentral ports to the new cluster if they are nearest to this cluster and their distance is within the maximum distance allowed. That is, for each  $h \in \mathcal{H}^{nc} \cup \mathcal{H}^m$ , we will have

$$\begin{aligned} C_I &= C_I \cup \{h\} && \text{if } D_{h,c_I} = \min_{j \leq I} D_{h,c_j} \leq M \\ C_I &= C_I && \text{else,} \end{aligned}$$

where  $D_{a,b}$  is again the distance between port  $a$  and  $b$  and  $M$  the maximum distance allowed between ports in a cluster. For all port  $h \in C_I$  check whether they were already allocated to a cluster, that is check whether

$$h \in \cup_{1 \leq i \leq I-1} C_i.$$

If the port was already allocated to a cluster, remove it from the cluster, so if  $h \in C_j$  with  $1 \leq j \leq I - 1$ , then let  $C_j = C_j \setminus \{h\}$ . Update the sets with allocated and nonallocated ports and repeat this procedure until  $\mathcal{H}_{na}^m = \emptyset$ .

If  $\mathcal{H}_{na}^{nc} \neq \emptyset$ , then determine for each  $h \in \mathcal{H}_{na}^{nc}$  to which cluster it is closest and add it to this cluster:

$$\begin{aligned} C_i &= C_i \cup \{h\} && \text{if } D_{h,c_i} = \min_{1 \leq j \leq I} D_{h,c_j} \leq M \\ C_i &= C_i && \text{else.} \end{aligned}$$

The clusters  $C_i$  for  $1 \leq i \leq I$  are the final clusters that will be used as input for the cargo routing model. It only remains to determine the relevant port cluster data, which will be explained in the next section.

*Appendix E.1.4. Determine cluster data*

To determine the profitability of a given network, the demand, distance and revenue between port pairs are needed. Furthermore, the (un)loading, transshipment and visit costs are needed for each port, as is the time of a port visit. The distance, costs and port time of a cluster are all incurred in the central port of the cluster, so we set:

$$\begin{aligned} D_{C_i, C_j} &= D_{c_i, c_j} & 1 \leq i, j \leq I; \\ c_{C_i} &= c_{c_i} & 1 \leq i \leq I; \\ t_{C_i} &= t_{c_i} & 1 \leq i \leq I, \end{aligned}$$

where  $D_{a,b}$  is the distance between port/cluster  $a$  and  $b$ ,  $c_a$  denote the relevant costs of port/cluster  $a$  and  $t_a$  is the port time of port/cluster  $a$ . Furthermore,  $C_i$  denotes cluster  $i$ , while  $c_i$  is the central port of cluster  $i$ . Since it is not possible to determine the origin and destination port of a cargo flow between clusters when solving the cargo routing model, we let the revenue between port pairs be equal to the revenue between the central ports of the relevant clusters. That is, we let:

$$r_{C_i, C_j} = r_{c_i, c_j} \quad 1 \leq i, j \leq I.$$

The demand between clusters depend on the demand between the ports in the clusters. Cluster demand equals the sum of all individual port demands in the cluster:

$$d_{C_i, C_j} = \sum_{h \in C_i} \sum_{h' \in C_j} d_{h, h'} \quad 1 \leq i, j \leq I,$$

with  $d_{a,b}$  the demand between ports/clusters  $a$  and  $b$ .

*Appendix E.2. Disaggregation*

In practice, it is necessary to know the exact origin and destination port of each cargo flow. Therefore, the cargo flows between port clusters have to be disaggregated into cargo flows between ports. This section will describe the method to obtain these disaggregated flows.

The disaggregation process can be performed for each combination of port clusters separately. Thus, select two port clusters  $C_i$  and  $C_j$  and the corresponding total flow over the network

$$f = \sum_{s \in \mathcal{S}} x_{C_i, C_j, s}^{tot}.$$

So, the total cargo flow from cluster  $C_i$  to cluster  $C_j$  over the network is equal to  $f$ . Now, we want to determine the origin and destination ports of the flow. Repeat the following until  $f = 0$ . Select the combination  $(h, h')$  with  $h \in C_i$  and  $h' \in C_j$  with the largest

expected revenue. Now, allocate as much flow as possible to the combination  $(h, h')$ , so

$$f_{h,h'} = \min(d_{h,h'}, f),$$

where  $d_{h,h'}$  is the demand between port  $h$  and  $h'$  and  $f_{h,h'}$  is the allocated flow from port  $h$  to port  $h'$ . Update the flow to be allocated:

$$f = f - f_{h,h'}.$$

### *Appendix E.3. Feeder network*

In the disaggregation phase, cargo flows between ports are determined. We will use feeder services to ship the cargo from and to ports in the cluster. After an initial feeder network is constructed, some methods are described to improve the network. These methods include reallocating demand in order to reduce the capacity on the feeder lines, exchanging ports between feeder lines and adding ports to the main route network. In this section, a description of these methods will be given.

#### *Appendix E.3.1. Initial feeder network*

In first instance, for each port in the cluster (except the central port) a direct feeder service is constructed between this port and the central port of the cluster. Let  $\mathcal{F}^C$  be set of feeder services in cluster  $C$ , then

$$\mathcal{F}^C := \{(c, h, c) : h \in C \setminus \{c\}\} \quad \text{initial feeder network of cluster } C,$$

where  $c$  is the central port of cluster  $C$ . The capacity of a line  $F \in \mathcal{F}^C$  is given by

$$b_f = \min \{b \in \mathcal{B} : b \geq \max(f_{c,h}, f_{h,c})\}.$$

#### *Appendix E.3.2. Reduce feeder capacity*

The method to reduce the capacity is performed for each cluster separately. Therefore, we describe the method for a given cluster  $C$ . In the algorithm, we will determine and store the difference in profit of reducing the feeder capacity for each feeder service in the cluster separately. Thus, we select one by one the feeder services in the cluster.

##### *Flow over legs.*

Let  $F$  be the selected feeder line. For this service, we first determine the flow on each leg of the feeder line. Let the legs of the line be given by  $l_1, \dots, l_n$ , where  $n$  is the number of legs of the service and let the feeder route be given by  $p_1, \dots, p_n, p_1$  (leg  $l_1$  corresponds to the leg between ports  $p_1$  and  $p_2$ ). Furthermore, let

$$f_{p_i}^o = \sum_{h \in \mathcal{H}} f_{p_i, h}$$

be the total flow with origin port  $p_i$  and

$$f_{p_i}^d = \sum_{h \in \mathcal{H}} f_{h,p_i}$$

be the total flow with destination port  $p_i$ . Then, the flow on leg  $1 \leq i \leq n$  is given by

$$f_{l_i} = \sum_{j>i} f_{p_j}^d + \sum_{j \leq i} f_{p_j}^o.$$

*Reduce capacity.*

Let  $b_c$  be the current capacity of the feeder service and  $b_n$  the capacity when we reduce this capacity by one size. Then, the reduction needed on leg  $l_i$  is equal to

$$y_{l_i} = \max(f_{l_i} - b_n, 0).$$

That is, we only need to reduce the flow over a leg if it is currently larger than the new capacity of the service.

*Valid combinations to exchange demand.*

The flow over a leg can be reduced by changing the origin and/or destination port of a cargo flow. Since cargo flows between ports are obtained from cargo flows between clusters, there are multiple feasible allocations of the flow to the port pairs. We determine the port combinations between which cargo flows can be exchanged in order to reduce the flow over  $F$ .

$$\begin{aligned} \mathcal{L}^o &:= \{((h_1, h_2), (h_3, h_2)) : h_1 \in F, h_2 \notin C, h_3 \in C \setminus F\} && \text{combinations with origin in } C. \\ \mathcal{L}^d &:= \{((h_1, h_2), (h_1, h_3)) : h_1 \notin C, h_2 \in F, h_3 \in C \setminus F\} && \text{combinations with destination in } C. \\ \mathcal{L} &:= \mathcal{L}^o \cup \mathcal{L}^d && \text{valid port combinations.} \end{aligned}$$

The set  $\mathcal{L}$  consists of all valid combinations of port pairs between which cargo can be exchanged to reduce the cargo flow on feeder line  $F$ . If  $((h_1, h_2), (h_3, h_4)) \in \mathcal{L}$ , then the cargo flow over  $F$  can be reduced by increasing the satisfied demand between ports  $h_3$  and  $h_4$  and at the same time reducing the demand between ports  $h_1$  and  $h_2$  with the same amount. In this way, the total demand satisfied between clusters does not change as long as ports  $h_1$  and  $h_3$  belong to the same cluster and ports  $h_2$  and  $h_4$  belong to the same cluster. Furthermore, we only want to change the flow over the feeder network in cluster  $C$ , so we will add the restriction that the port that does not belong to  $C$  is not allowed to be changed. In  $\mathcal{L}^o$  the origin port belongs to  $C$  and thus we see that the destination port in both port pairs is the same (namely  $h_2$ ) and, similarly, for  $\mathcal{L}^d$  the origin port ( $h_1$ ) is the same for both pairs. Furthermore, we want to reduce the cargo flow over line  $F$ , so we do not want to shift cargo from one leg of service  $F$  to another leg. Therefore, we add

the restriction that the new port in cluster  $C$  is not allowed to be on line  $F$ . Thus, port  $h_3$  in the definition of both  $\mathcal{L}^o$  and  $\mathcal{L}^d$  is an element of  $C \setminus F$  (all ports in  $C$  that are not visited on line  $F$ ).

*Exchange demand between port pairs.*

For each combination  $((h_1, h_2), (h_3, h_4))$  of port pairs in  $\mathcal{L}$ , the revenue decrease per unit of exchanging cargo from the first demand pair to the second is given by  $r_{h_1, h_2} - r_{h_3, h_4}$ , where  $r_{a,b}$  denotes the revenue of satisfying one unit of demand from port  $a$  to port  $b$ .

Select the combination with the lowest decrease in revenue. We want to exchange as much cargo as possible from the first port pair to the second pair. Clearly, the maximum amount that can be exchanged is bounded by the amount of cargo that is currently transported between the first port pair and the unsatisfied demand between the new port pair. Furthermore, it is bounded by the free capacity of the feeder line over which the new flow has to be transported.

Let  $p_o$  denote the port in  $C$  of the first port pair,  $p_n$  the port in  $C$  of the second port pair and  $p'$  the port not in  $C$  that is part of both port pairs. Furthermore, let  $D_{a,b}$  and  $D_{a,b}^{sat}$  be the demand and satisfied demand between ports  $a$  and  $b$  respectively. The demand to be exchanged is bounded by

$$D_d^{ex} = \begin{cases} \min(D_{p',p_o}^{sat}, D_{p',p_n} - D_{p',p_n}^{sat}) & \text{if } p' \text{ is the origin port,} \\ \min(D_{p_o,p'}^{sat}, D_{p_n,p'} - D_{p_n,p'}^{sat}) & \text{if } p' \text{ is the destination port.} \end{cases}$$

Exchanging demand will also change the flow on the feeder lines containing  $p_o$  and  $p_n$ , but only the flow on the new feeder line is relevant in this case, because this flow will be increased. Let  $F_n$  be the new feeder service. The definition of  $\mathcal{L}$  guarantees that  $F_n \neq F$ . If  $p'$  is the origin ports of the pairs, then the flow between the port pairs will be on the feeder line for all legs before port  $p_n$ , while it will be on the feeder line for all legs after port  $p_n$  if  $p'$  is the destination ports. Let  $p_n$  be the  $k$ -th port of feeder line  $F_n$  and let  $n$  the length of the feeder line. Furthermore, let  $f_{l_i}^n$  be the flow on feeder line  $F_n$  over leg  $l_i$ . Then, the amount of cargo that can at most be exchanged is bounded by

$$D_f^{ex} = \begin{cases} \min_{1 \leq i < k} b_{F_n} - f_{l_i}^n & \text{if } p' \text{ is the origin port,} \\ \min_{k \leq i \leq n} b_{F_n} - f_{l_i}^n & \text{if } p' \text{ is the destination port.} \end{cases}$$

Thus, the maximum amount of cargo that can be exchanged between the combinations of port pairs is given by:

$$D^{ex} = \min(D_d^{ex}, D_f^{ex}).$$

The flow over the feeder services has to be updated when we exchange this amount.

Thereeto,

$$f_{l_i}^o = \begin{cases} f_{l_i}^o - D^{ex} & 1 \leq i < j & \text{if } p' \text{ is the origin port,} \\ f_{l_i}^o - D^{ex} & j \leq i \leq m & \text{if } p' \text{ is the destination port,} \end{cases}$$

where port  $p_o$  is the  $j$ -th port on feeder line  $F$  and  $f_{l_i}^o$  is the flow over leg  $l_i$  of feeder line  $F$  and  $m$  is the length of feeder service  $F$ . Similarly,

$$f_{l_i}^n = \begin{cases} f_{l_i}^n + D^{ex} & 1 \leq i < j & \text{if } p' \text{ is the origin port,} \\ f_{l_i}^n + D^{ex} & j \leq i \leq m & \text{if } p' \text{ is the destination port.} \end{cases}$$

The costs of exchanging the demand is given by:

$$C^{ex} = C^{ex} + \begin{cases} (r_{p',p_o} - r_{p',p_n} + c_{p_n}^h - c_{p_o}^h)D^{ex} & \text{if } p' \text{ is the origin port,} \\ (r_{p_o,p'} - r_{p_n,p'} + c_{p_n}^h - c_{p_o}^h)D^{ex} & \text{if } p' \text{ is the destination port,} \end{cases}$$

where  $c_p^h$  is the handling cost per unit in port  $p$  and  $C^{ex}$  is initialized at 0 each time we consider a new feeder service  $F$ .

Next, we can update the reduction needed on each leg and repeat this procedure until either all valid combinations of port pairs are considered or the reduction needed equals zero on each leg. If the capacity of the feeder service can be reduced (the reduction needed equals zero for each leg of the service), then the profit is given by

$$P^{ex} = c_{b_c}^c + c_{b_c}^f - (c_{b_n}^c + c_{b_n}^f) - C^{ex},$$

where  $c_b^c$  is the capital and operating costs on the feeder line  $F$  when a ship with capacity  $b$  is used and  $c_b^f$  is the fuel costs on  $F$  for a ship with capacity  $b$ .

### Appendix E.3.3. Exchange port between feeder services

Next, we describe the method to exchange a port between two feeder services. The cargo allocation is not changed in this method, so we can consider the different clusters separately. Thereeto, we first select a cluster  $C$ . For each combination of two feeder lines in cluster  $C$  and each port on the first feeder line, we will consider the increase in profit when we exchange this port from the first service to the second service. Thus, we select two feeder service  $F_1$  and  $F_2$  in  $C$ . Furthermore, let  $q$  be a noncentral port on feeder line  $F_1$ . Then, we will determine at which location it is most profitable to add port  $q$  to line  $F_2$  and how large the profit increase is.

Let  $(p, p')$  be a consecutive port combination on feeder service  $F_2$ . First, determine the cost of the feeder services  $F_1$  and  $F_2$  as they are before we exchange a port:

$$C^{old} = c_{b_{f_1}}^c + c_{b_{f_1}}^f + c_{b_{f_2}}^c + c_{b_{f_2}}^f,$$

where  $b_{f_1}$  and  $b_{f_2}$  are the capacities of  $F_1$  and  $F_2$  respectively and  $c_b^c$  and  $c_b^f$  are the capital and operating and fuel costs for a ship with capacity  $b$  respectively.

Let  $q$  now be visited in between ports  $p$  and  $p'$  on feeder service  $F_2$ , that is, remove leg  $(p, p')$  from  $F_2$  and add legs  $(p, q)$  and  $(q, p')$  to  $F_2$ . Since  $q$  will now be visited on line  $F_2$ , we remove it from line  $F_1$ . The method described in Section Appendix E.3.2 can be used to determine the new flows on the feeder services  $F_1$  and  $F_2$ , because the satisfied demand between port pairs is known. When the flow over each leg is known, the capacity of the feeder service can be determined by:

$$b_f = \min \left\{ b \in \mathcal{B} : b \geq \max_{1 \leq i \leq n} f_{l_i} \right\},$$

where the feeder service is given by  $l_1, \dots, l_n$ .

The costs of the feeder services  $F_1$  and  $F_2$  after exchanging port  $q$  can again be calculated by:

$$C^{new} = c_{b_{f_1}}^c + c_{b_{f_1}}^f + c_{b_{f_2}}^c + c_{b_{f_2}}^f,$$

where  $b_{f_1}$  and  $b_{f_2}$  are now the new capacities on the feeder lines. The increase in profit is given by:

$$P^q = C^{old} - C^{new}.$$

Repeat this procedure until all consecutive port combinations on  $F_2$  are considered. Then, repeat until all noncentral ports on  $F_1$  are considered.

#### *Appendix E.3.4. Add ports to main routes*

In the aggregation phase, we decided to create port clusters in order to reduce the computation time of the cargo-routing model. Central ports of the clusters are visited on the main route network, while all other ports are currently only visited on the feeder network. However, it might be profitable to visit some of those ports on the main network. Ports are clustered based on distance to the central port, so if the central port is visited on a main route, the additional distance that has to be sailed in order to include a noncentral port to the main route will in general be quite small. In this section, we describe a method to add noncentral ports to the main routes.

First, select a main route  $R$  and determine the clusters  $C_1, \dots, C_n$  that are visited on  $R$ . If a cluster is visited twice on a route, we consider it to be two different clusters. So, a distinction is made between the cluster when it is visited on the eastbound part of the route and the cluster when it is visited on the westbound part of the route. So, each cluster that is visited on a route is unique for the route. Consider a cluster  $C$  on route  $R$  and let  $q$  be a port that belongs to cluster  $C$  and is not yet visited on route  $R$ , that is,  $q \in C \setminus R$ . Let  $(p, p')$  be a consecutive port combination on main route  $R$ , satisfying

$p \in C$  and/or  $p' \in C$ . Furthermore, let  $F$  be the feeder service on which port  $q$  is currently visited ( $q \in F$ ).

*Cargo reallocation.*

Let  $q$  now be visited in between ports  $p$  and  $p'$  on main route  $R'$ , that is, let  $R' = R$  and remove leg  $(p, p')$  from  $R'$  and add legs  $(p, q)$  and  $(q, p')$  to  $R'$ . Since it is probably not feasible to (un)load all cargo from/to port  $q$  on route  $R$  (some cargo might be on a different route, or the ship capacity will not suffice to transport all cargo directly via route  $R$ ), we cannot remove port  $q$  from the feeder line  $F$ . We want to reallocate as much cargo as possible from feeder service  $F$  to main route  $R$ , because the handling and transshipment costs will be reduced in this way. The amount of cargo that can be reallocated is first of all restricted by the total amount of cargo from/to port  $q$  that is present on the ship. Furthermore, it depends on the unused capacity of the ship on the additional legs. To determine how much cargo can be reallocated according to the unused capacity of the ship, first the position of the inserted port  $q$  with respect to the center of the cluster has to be determined.

Two situations can be distinguished: the central port of the cluster is already visited when port  $q$  is visited on the main route, or the central port of the cluster has still to be visited when port  $q$  is visited. Figure E.1 shows the two possibilities. In the figures, only the central ports of the clusters and port  $q$  are considered, but all conclusions that will be drawn, will also hold when more ports are on the route.

Now, consider the left figure, where port  $q$  belongs to cluster  $C$  and is visited after the central port of the cluster. In the original route, the ship visits first the central port  $c$  of cluster  $C$  and directly thereafter the central port  $c'$  of the cluster  $C'$ . Thus, the cargo flows from and to port  $q$  are (un)loaded in  $c$ . Now, let  $f_{c,c'}$  be the flow from port  $c$  to port  $c'$ . The cargo flow with destination port  $q$  will be unloaded in port  $c$ , so this flow is not included in flow  $f_{c,c'}$ . On the other hand, the cargo flow with origin port  $q$  is included in flow  $f_{c,c'}$ , because it is loaded in port  $c$ .

When port  $q$  is added to the main route after the central port  $c$  in the cluster, flows  $f_{c,q}$  and  $f_{q,c'}$  have to be determined. The difference with the original situation is that the cargo flow from and to port  $q$  is now (un)loaded in port  $q$  instead of in port  $c$ . Thus, the cargo flow to port  $q$  is included in flow  $f_{c,q}$ , while the flow from port  $q$  is not included. Combining this with the flows included in flow  $f_{c,c'}$ , it can be seen that  $f_{c,q} = f_{c,c'} - q_f^{out} + q_f^{in}$ , where  $q_f^{in}$  is the amount of cargo flow unloaded in port  $q$  (flow with port  $q$  as destination) and  $q_f^{out}$  is the amount of cargo flow loaded in port  $q$  (flow with origin port  $q$ ). In flow  $f_{q,c'}$  the cargo flow to port  $q$  is not included, where the flow from port  $q$  is included, so it holds that  $f_{q,c'} = f_{c,c'}$ . Thus,  $q_f^{out}$  is not included in  $f_{c,q}$  and included in both  $f_{c,c'}$  and  $f_{q,c'}$ , so all cargo with origin port  $q$  on ship route  $R$  can be loaded in port  $q$ , without exceeding

the capacity of the ship. However, the amount of cargo that can be unloaded in port  $q$  is bounded by  $q_f^{in} \leq b_R - f_{c,c'} + q_f^{out}$ , since this cargo is included in the new flow  $f_{c,q}$  but not in the old flow  $f_{c,c'}$ .



Port  $q$  is visited after the center of the cluster

Port  $q$  is visited before the center of the cluster

**Figure E.1:** Example of the positioning of port  $q$  with respect to the central port  $c$  and  $c'$  of the cluster

The other situation is shown in the right figure. In this case, port  $q$  belonging to cluster  $C$  is visited before the central port  $c$  of the cluster. The flow on the initial route between central ports  $c'$  and  $c$  is denoted by  $f_{c',c}$ . In this case, the flow to port  $q$  is included in flow  $f_{c',c}$ , while the flow from port  $q$  is not included, because it will be loaded in the central port  $c$  of cluster  $C$ . Now, consider flow  $f_{c',q}$  between central port  $c'$  and port  $q$ . In this flow, the cargo flow to port  $q$  is included and the cargo flow from port  $q$  is not included. Thus, in this case  $f_{c',q} = f_{c',c}$ . The cargo flow to port  $q$  is now unloaded in port  $q$ , so this flow is not included in  $f_{q,c}$ . However, the flow from port  $q$  is already loaded in port  $q$ , so is included in  $f_{q,c}$ . Together with the flows included in  $f_{c',c}$ , it can be found that  $f_{q,c} = f_{c',c} - q_f^{in} + q_f^{out}$ , where  $q_f^{in}$  and  $q_f^{out}$  have the same definitions as above. Now, all cargo to port  $q$  can be unloaded without exceeding the capacity of the ship when sailing to port  $q$ , but the amount of flow that is loaded is bounded by  $q^{out} \leq b_R - f_{c',c} + q_f^{in}$ , since this cargo is included in the new flow  $f_{q,c}$  but not in the old flow  $f_{c',c}$ .

The amounts of flow (un)loaded in port  $q$  are equal to

$$q^{out} = \min(q_f^{out}, q_s^{out})$$

and

$$q^{in} = \min(q_f^{in}, q_s^{in}),$$

where  $q_s^{out}$  and  $q_s^{in}$  are the amounts of cargo present on the ship on route  $R$  with port  $q$  respectively as origin and destination port. Thereafter, the new flows can be determined using the formulas for  $f_{a,b}$  given above. Furthermore,  $q^{in}$  and  $q^{out}$  can be used to update the flows on the feeder service visiting port  $q$  by subtracting the flows from the legs over which it should be transported. When no flows are loaded and unloaded anymore in port  $q$  on the feeder service, the port can be deleted from the feeder service.

### *Cost reduction.*

Which costs incurred at the main and feeder network are relevant in this method depend on where in the solution algorithm this procedure is executed. When the methods to reduce the feeder network are not yet performed, only the handling costs on the feeder network are considered to be relevant. However, when these methods are already performed also the capital, operating, fuel and port costs of the feeder network are relevant. The handling, port, capital, operating and fuel costs of the main network are relevant in both cases.

The route costs  $c_R^r$  and  $c_{R'}^r$  consisting of the capital, operating, port visit and fuel costs of the main routes  $R$  and  $R'$  can be obtained from the method to determine the optimal speed, which is described in Section 3.2.2. The new capacity needed on the feeder route can be obtained from the method described in Section Appendix E.3.2. Thereafter, the new route costs of the feeder route can easily be computed by adding the capital, operating, port visit and fuel costs, because the route duration and speed are fixed. Furthermore, the difference in handling costs can be obtained using  $q^{in}$  and  $q^{out}$ .

After the cost reduction is determined, repeat this procedure for a new consecutive port combination  $(p, p')$  on route  $R$  with  $p \in C$  and/or  $p' \in C$  until as long as they are not all considered yet. Next, repeat until all noncentral ports  $q \in C \setminus R$  are considered, all clusters  $C \in R$  are considered and finally until all routes  $R$  are considered. Then, add the port for which the cost reduction is largest to the main route and at the location where this cost reduction will be obtained. This method is repeated until no cost reduction can be obtained anymore by adding a port to a main route.