



# ARE THERE BRIGHTER DAYS AHEAD FOR SHIPPING?

Mark Williams

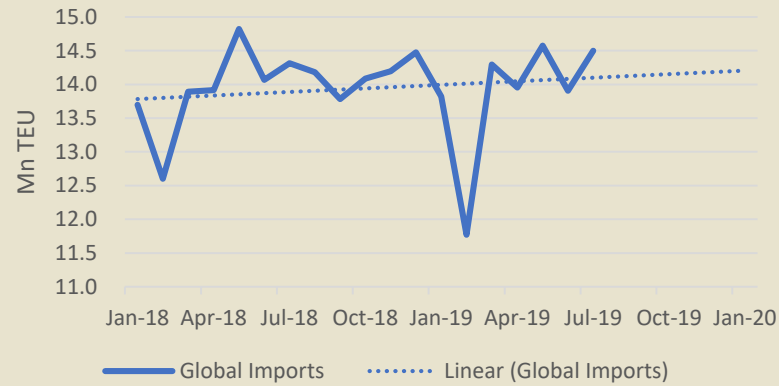
Managing Director, Shipping Strategy Ltd

# SYNOPSIS

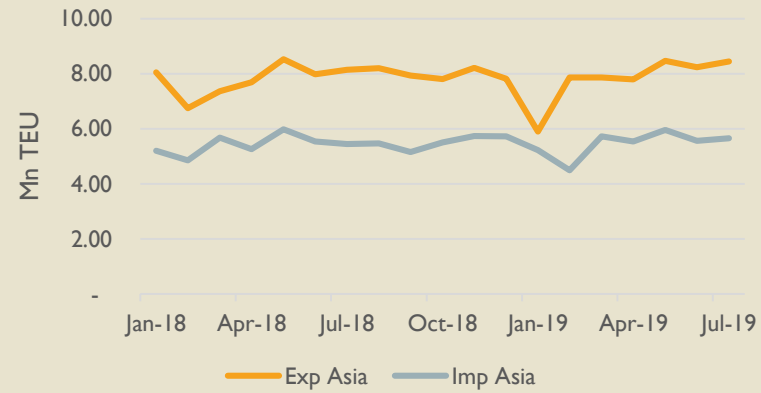
1. Containers
2. Bulk Carriers
3. Oil Tankers
4. Corporatisation
5. Optimisation
6. Finance for the Few?
7. Time for Pearls of Wisdom

# CONTAINERS

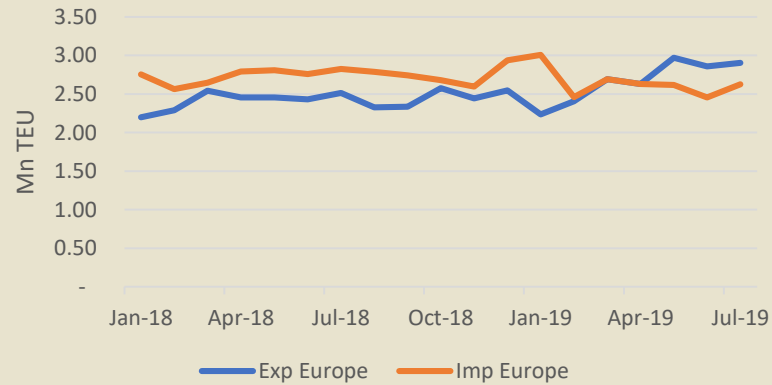
### Global Box Trade



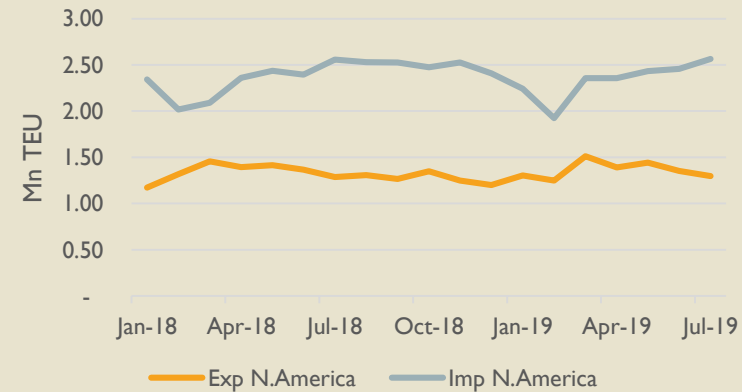
### Asian box trade



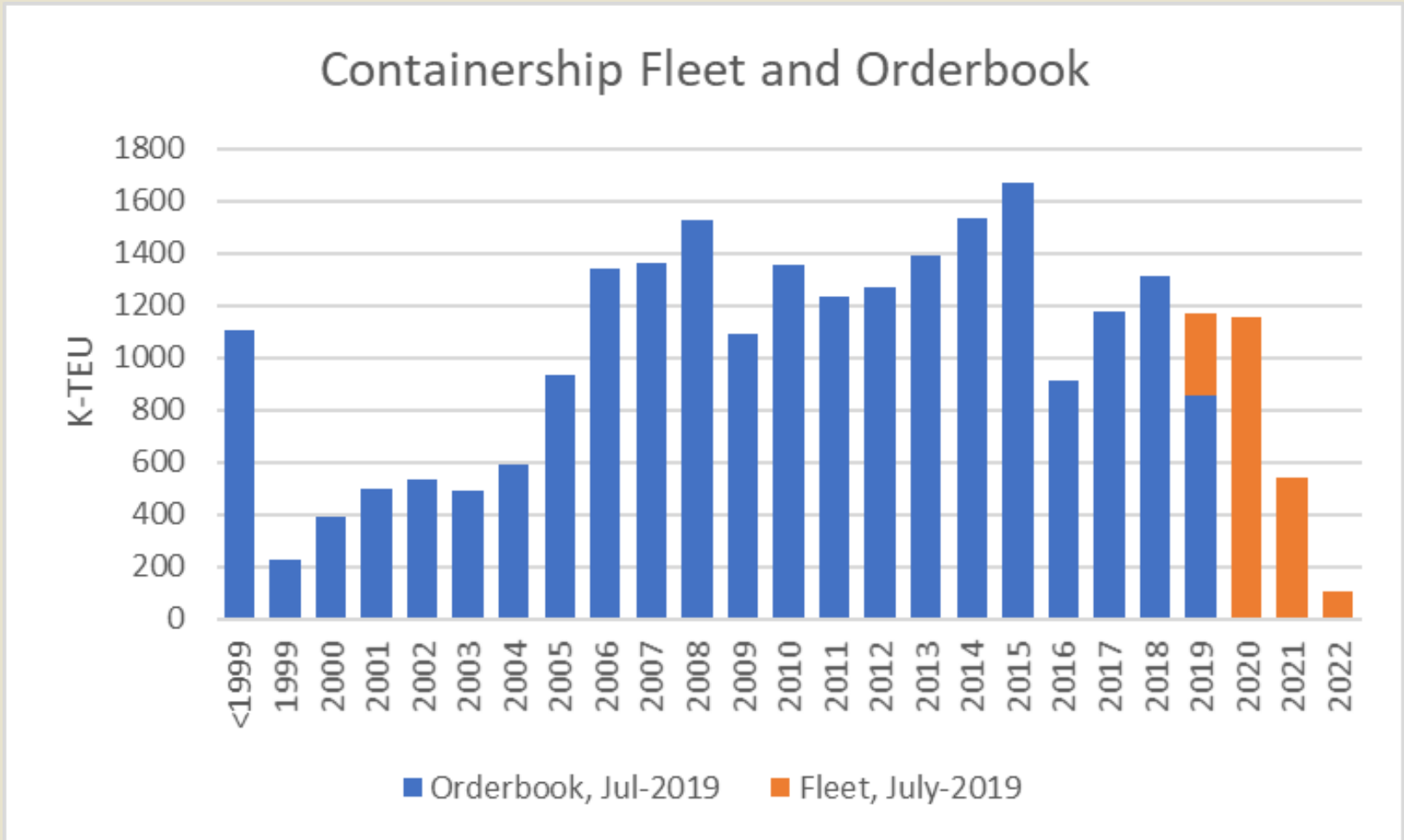
### European box trade



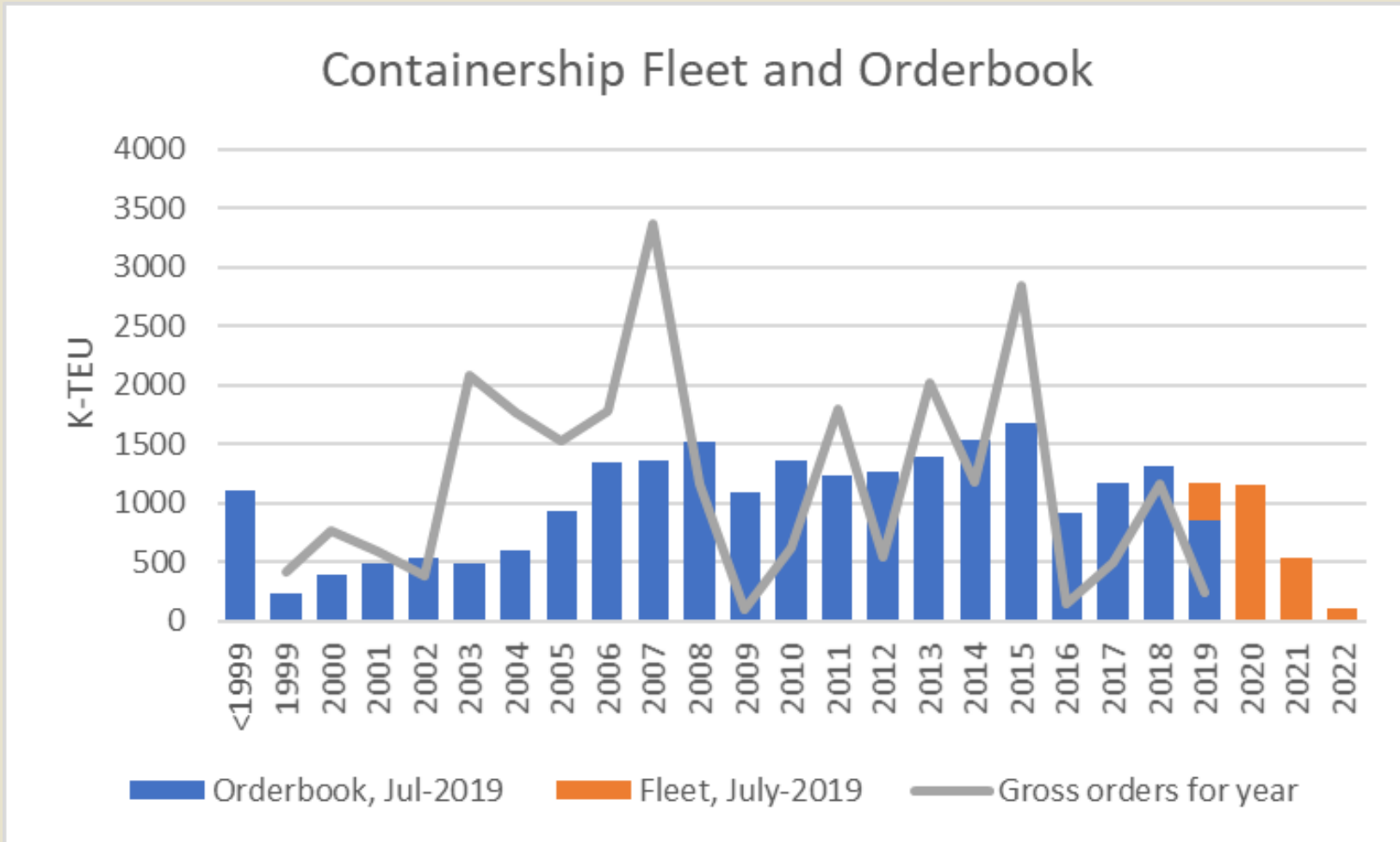
### N America box trade



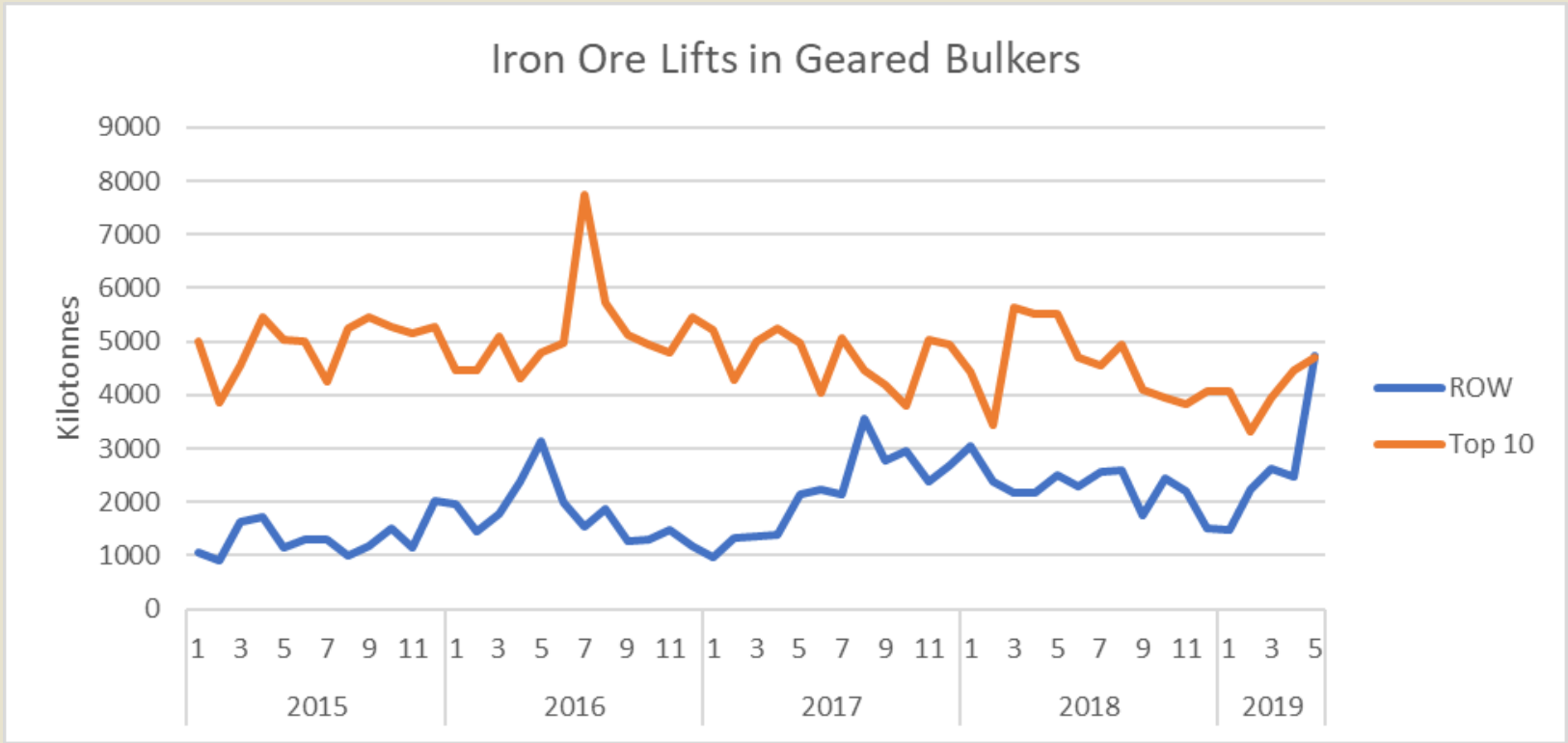
# DOES THIS GIVE US COMFORT?



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# DRY CARGO: CHANGING TRADE LANES?

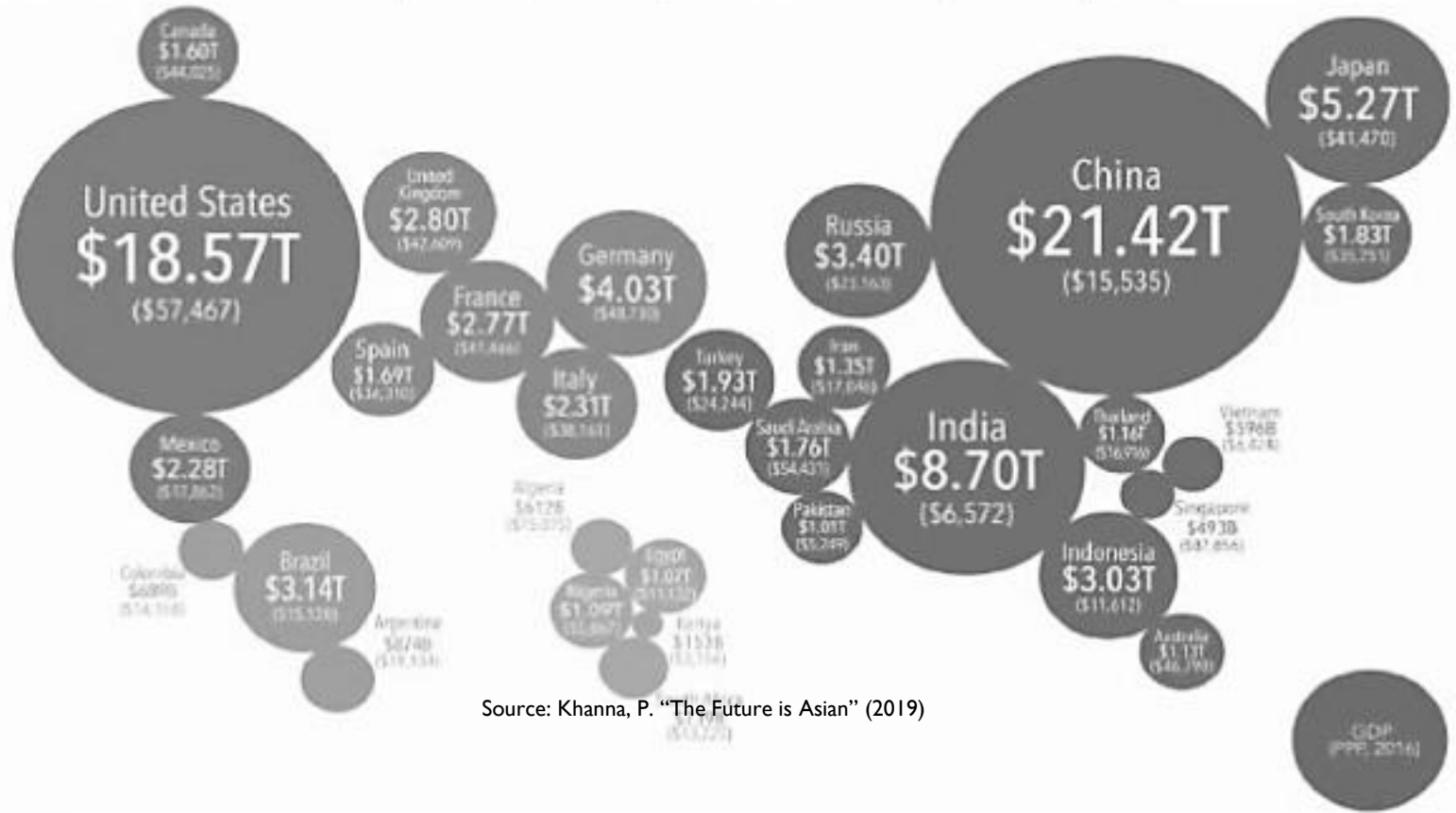


Top 10 load countries are: Australia, Brazil, China, Norway, Oman, Peru, Saudi Arabia, Sierra Leone, South Africa and Ukraine. The biggest step change in May-19 was in Australia and Brazil...a reaction to higher Capesize freight?

# ON A PPP BASIS, TODAY BELONGS TO ASIA

## THINK PPP FOR GDP: ASIANS PAY ASIAN PRICES FOR ASIAN GOODS.

Measured in PPP terms, China has already surpassed the United States as the world's largest economy, while Asia as a whole represents about half of global GDP. The more Asian economies trade with one another, the better able they are to maintain low prices for goods.



Source: Khanna, P. "The Future is Asian" (2019)

# WORLD TRADE CENTRED ON ASIA-EUROPE: THE FUTURE IS EURASIAN

## GROWING TOGETHER: EUROPE AND ASIA FORM THE MOST SIGNIFICANT AXIS OF GLOBAL TRADE.

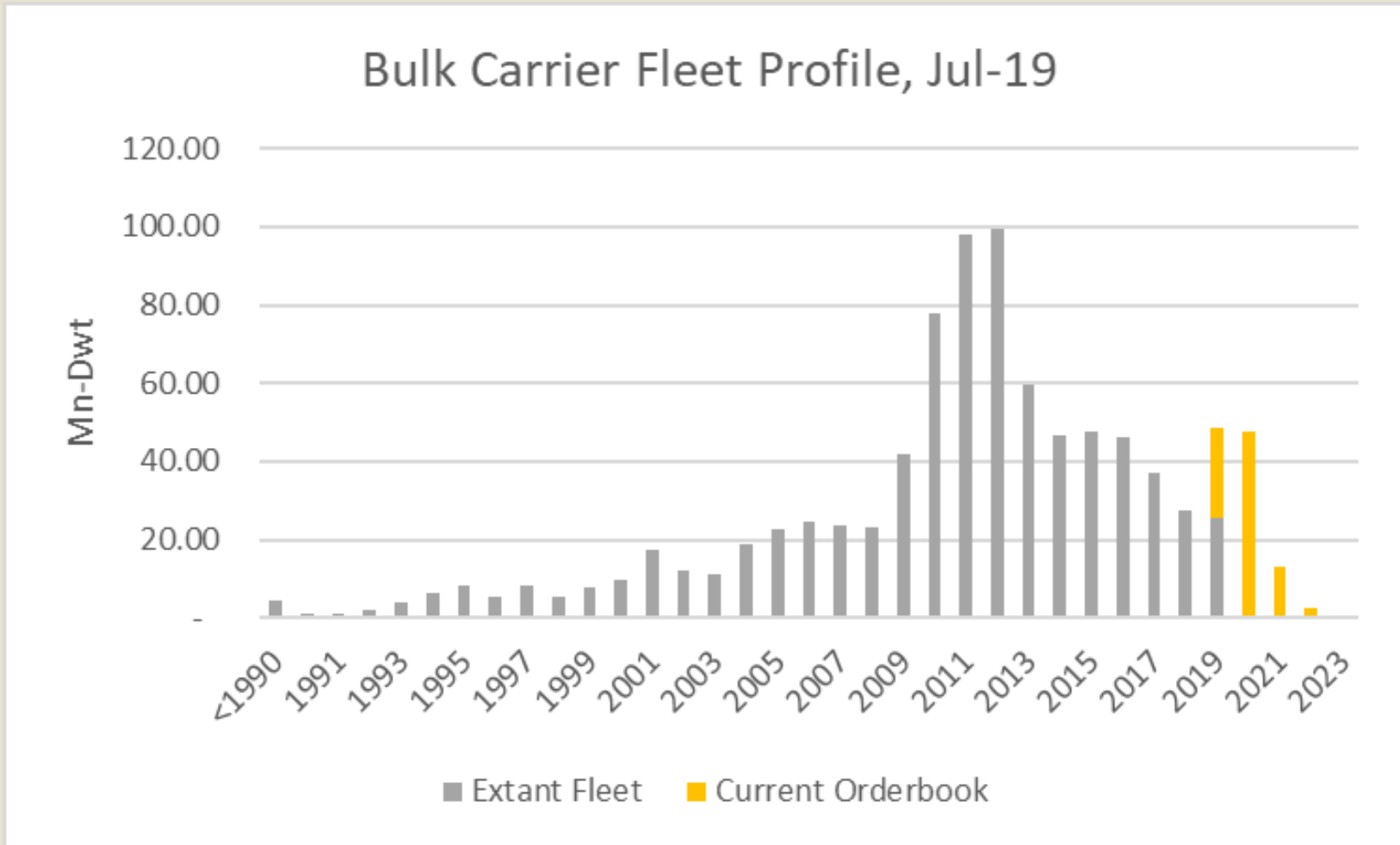
Europe and Asia are the two most significant regions in global trade, and their trade with each other comprises a greater trade volume than any other pair of regions. As infrastructural linkages and trade agreements expand, Eurasian trade is accelerating and far outstripping either region's trade with North America.



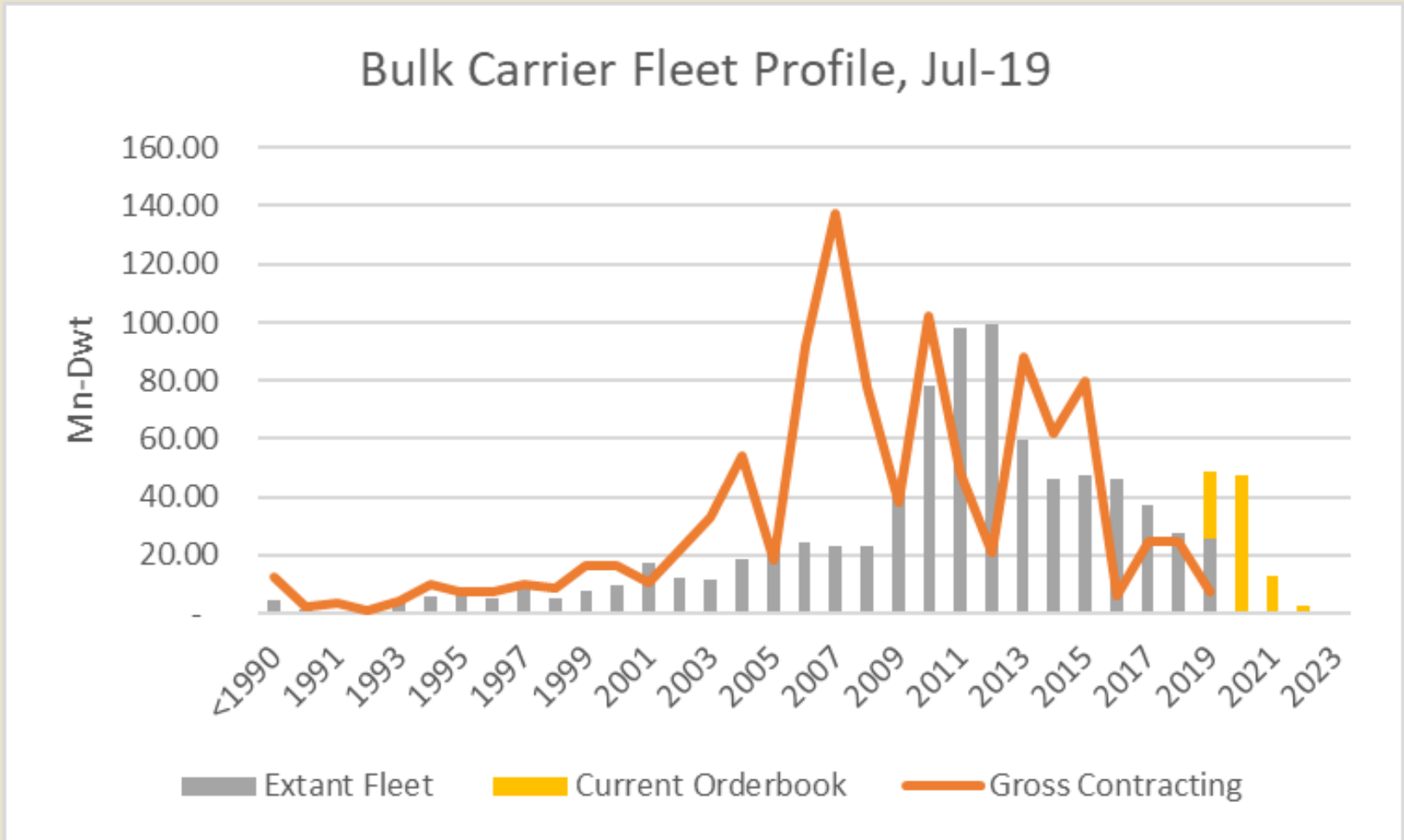
Source: Khanna, P. "The Future is Asian" (2019)



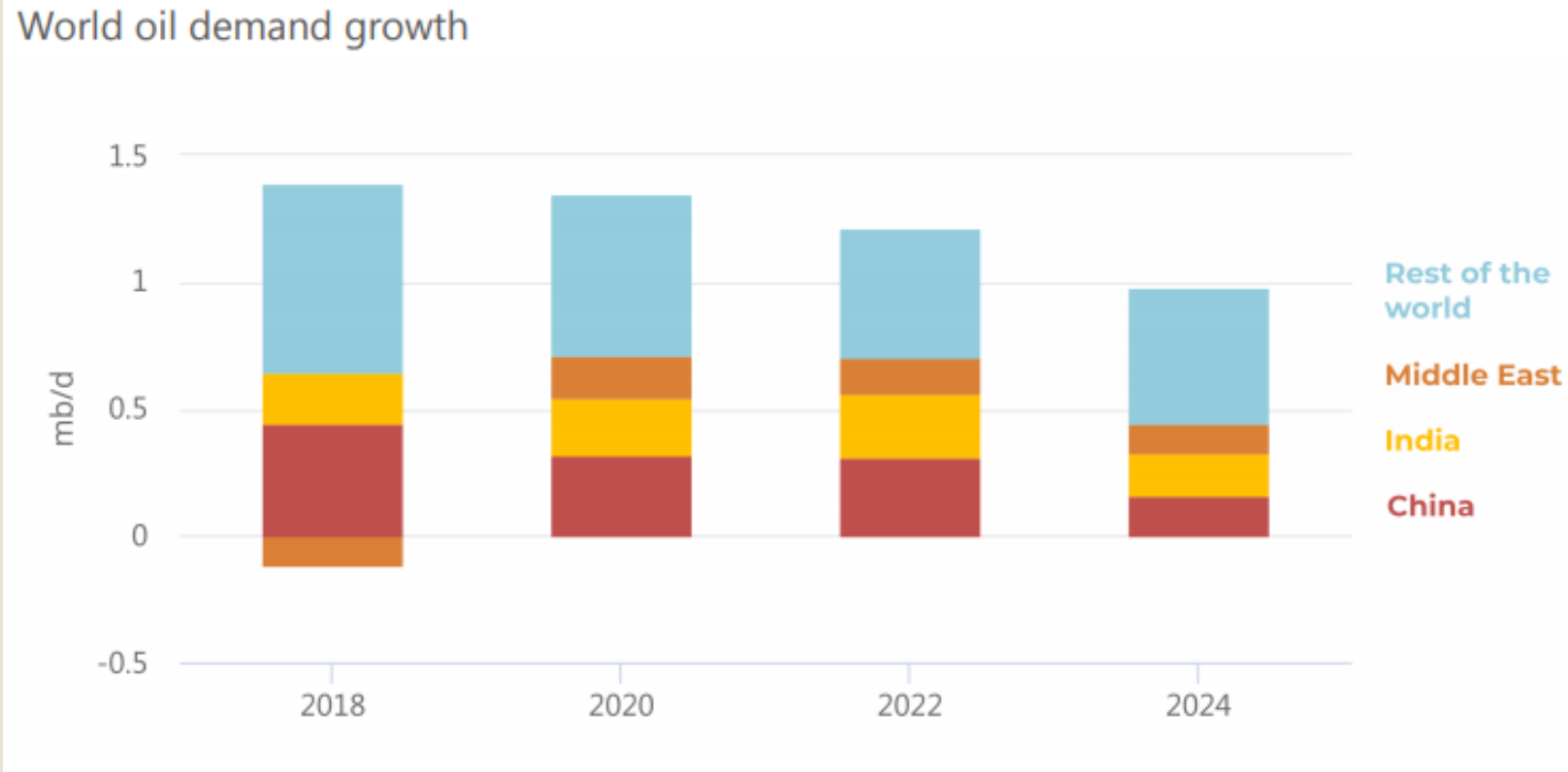
# BULKER FLEET PROFILE



# BULKER FLEET PROFILE AND CONTRACTING

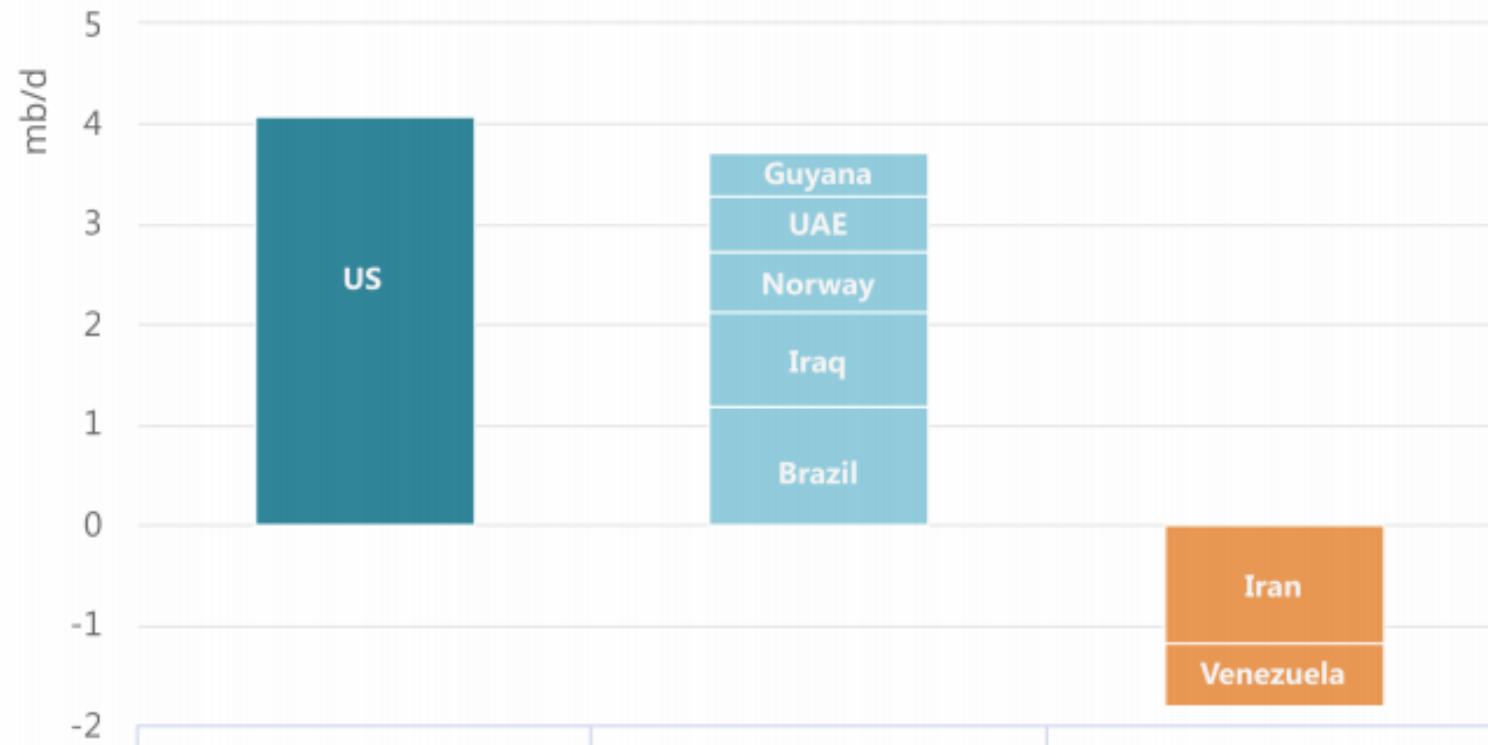


# OIL TANKERS: SOLID DEMAND FUNDAMENTALS



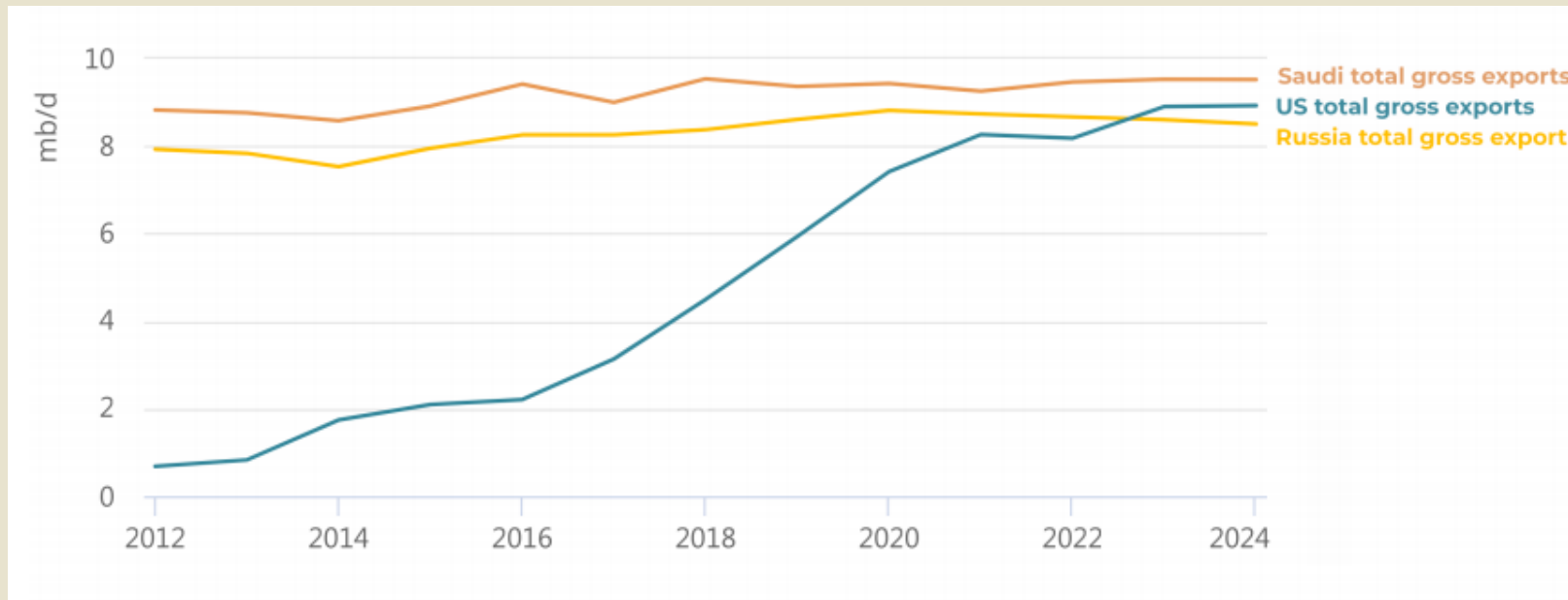
# US THE KEY TO OIL SUPPLY GROWTH

Change in total oil supply 2018-24



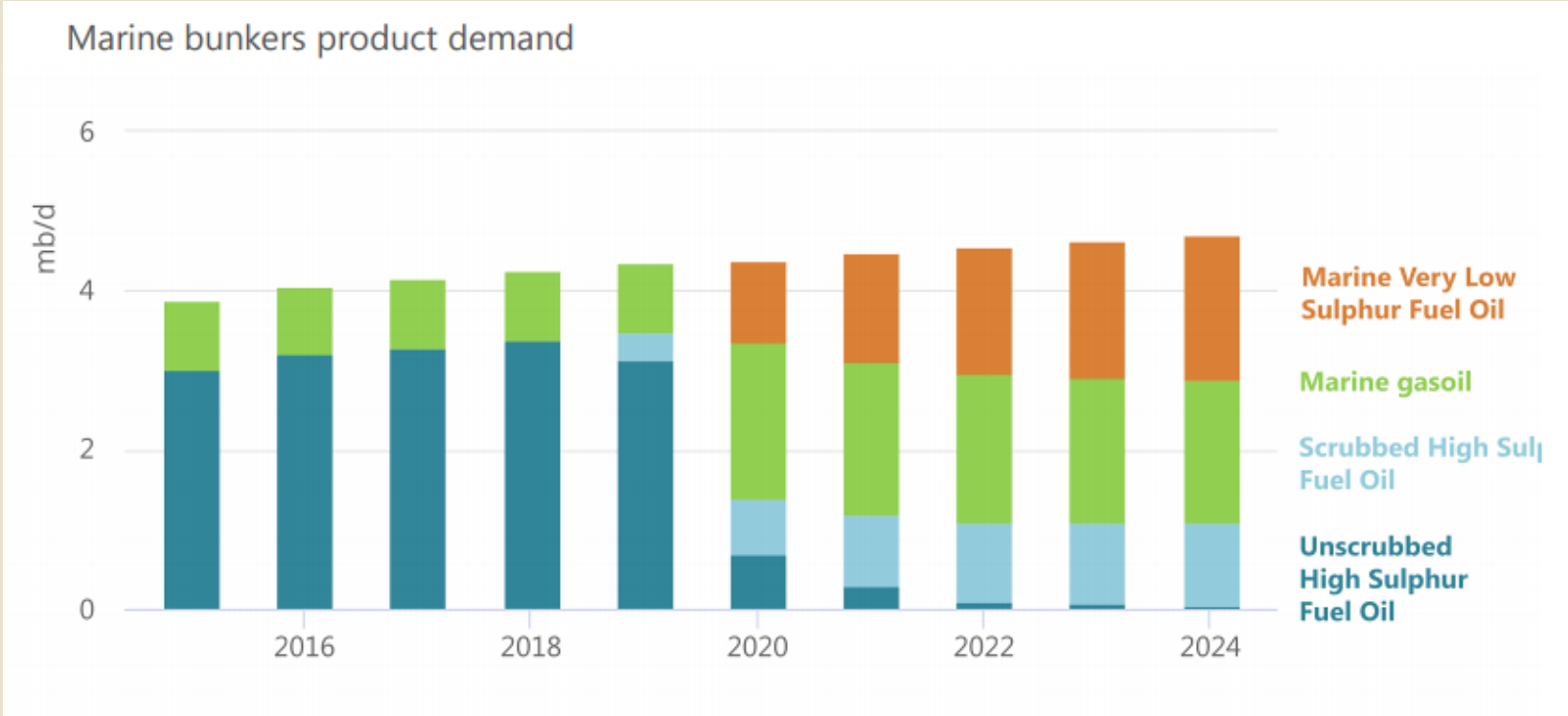
Source: IEA 2019

# US EXPORTS TO CATCH SAUDI & RUSSIA



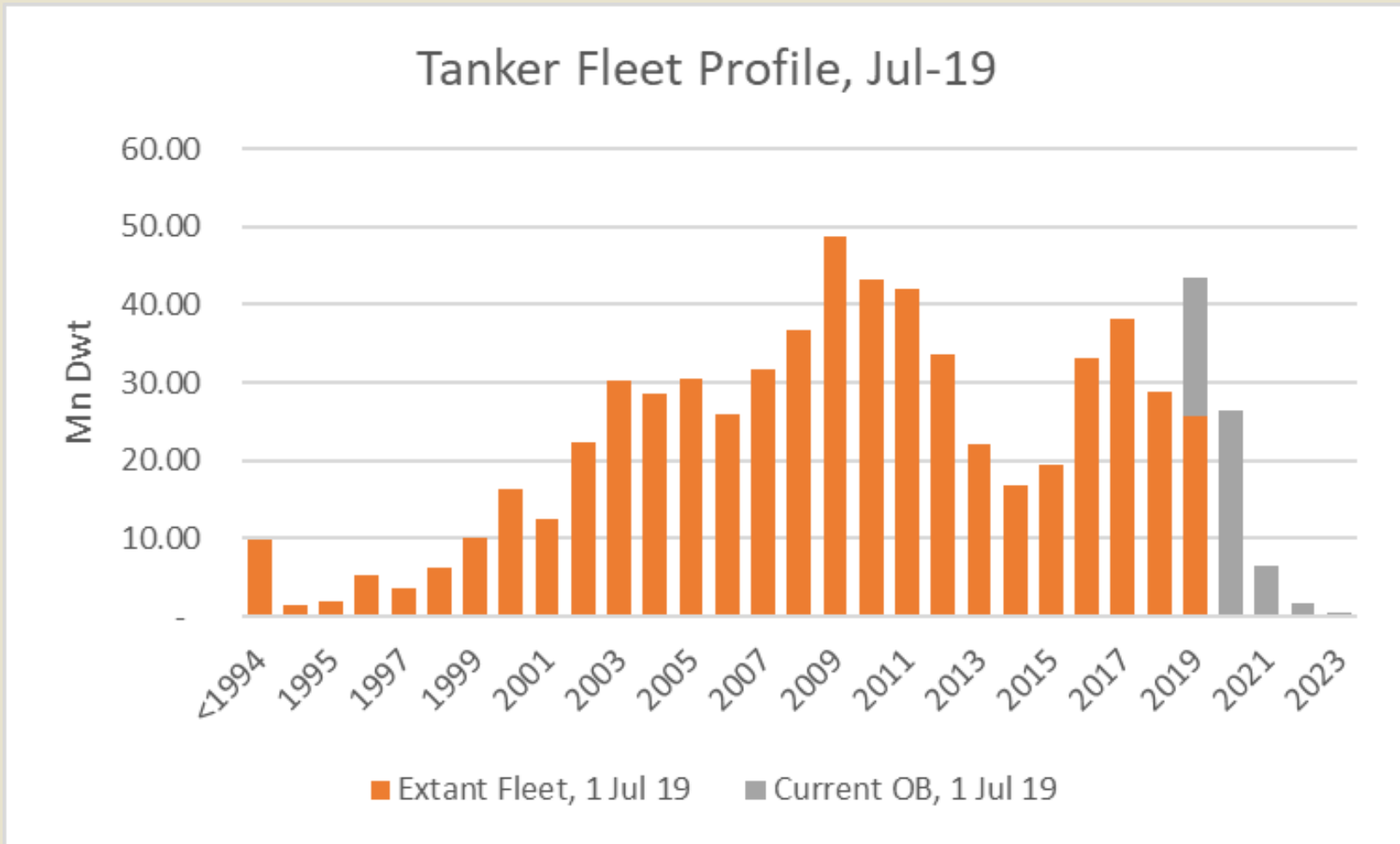
Source: IEA 2019

# HOW LONG WILL IMO2020 IMPACT?

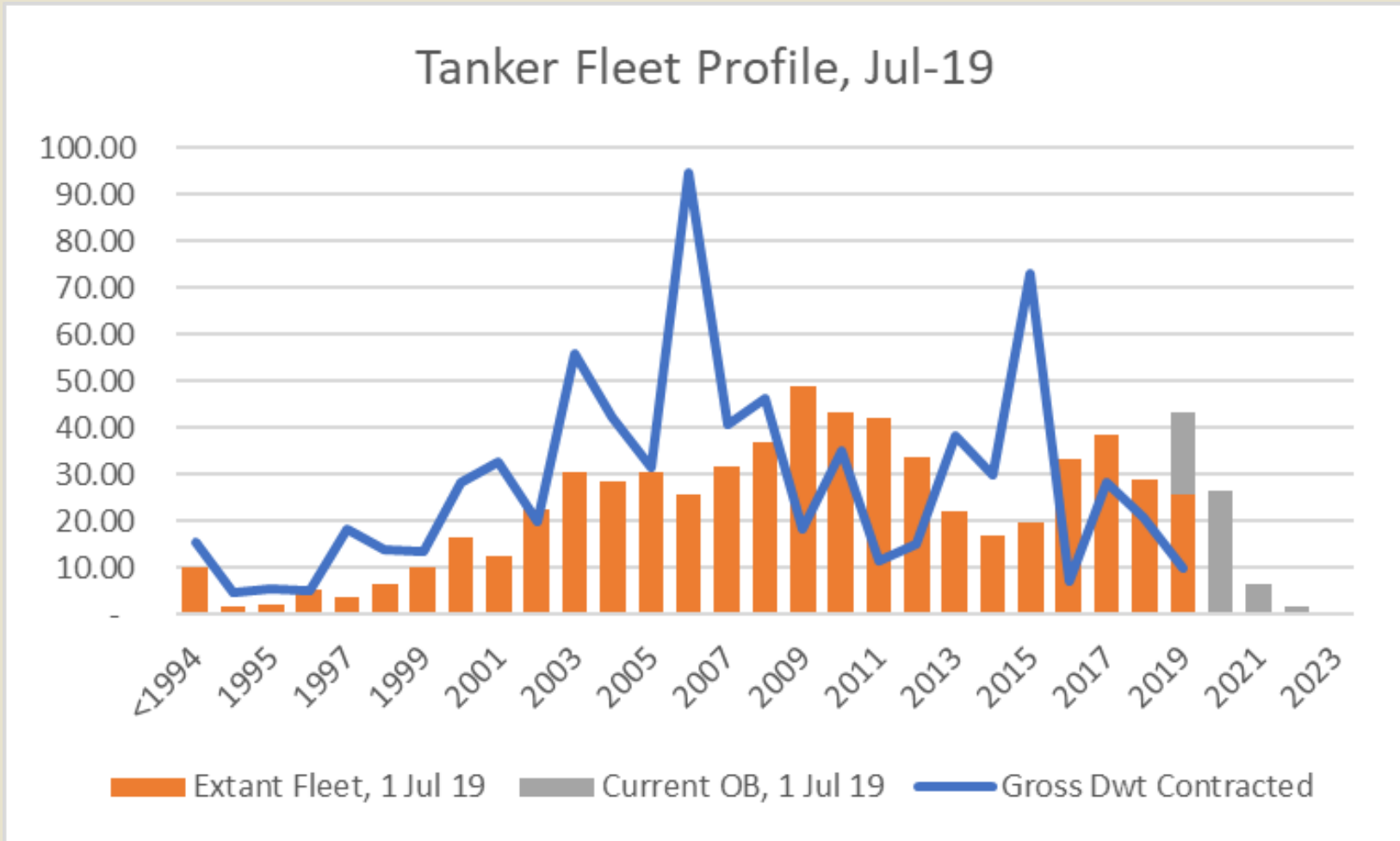


Source: IEA 2019

# TANKER FLEET PROFILE



# TANKER FLEET PROFILE AND CONTRACTING





# SHIP OWNERS' ~~WORRIES~~ STRATEGIC CHOICES

Will my ship's value  
depreciate faster as it  
ages?

I want to sell my ship....  
Is my HMI up to date?

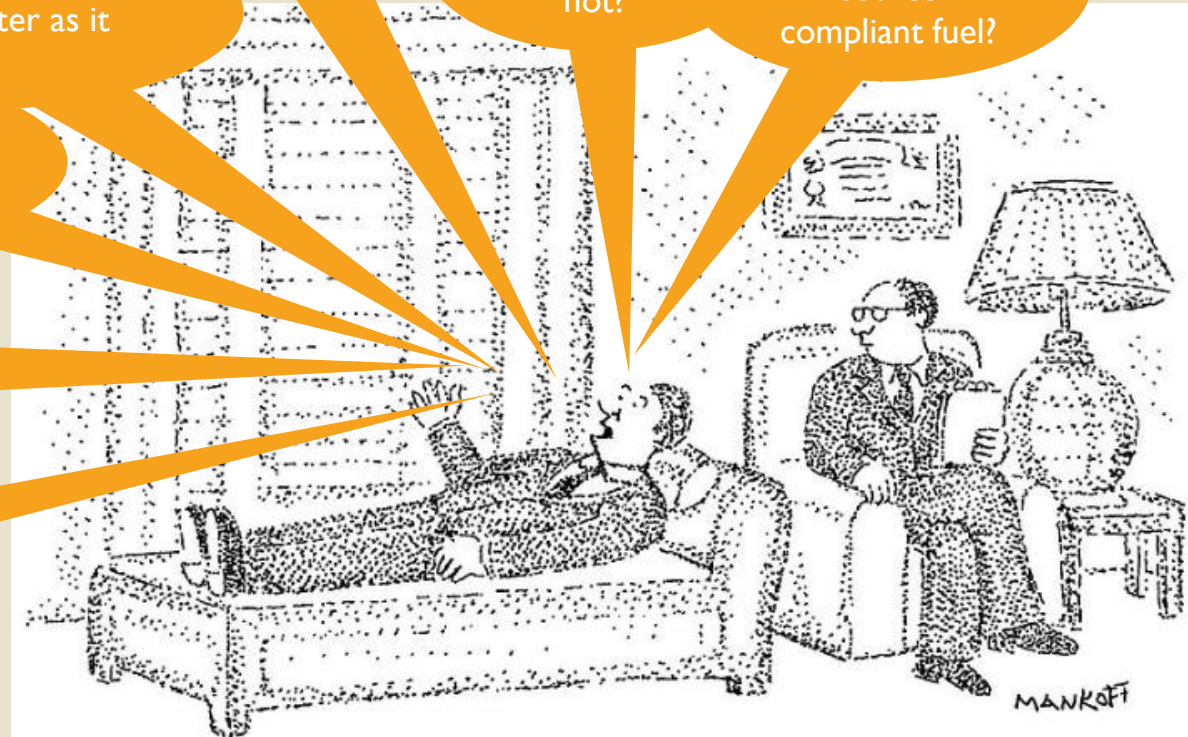
Can I find a buyer for  
my elderly ship to pass  
on the HKC obligations?

What happens to my  
end of life cash bonus?

Can I fit ballast  
water systems on  
my ship?

Should I fit a  
Scrubber or  
not?

How can I  
source  
compliant fuel?



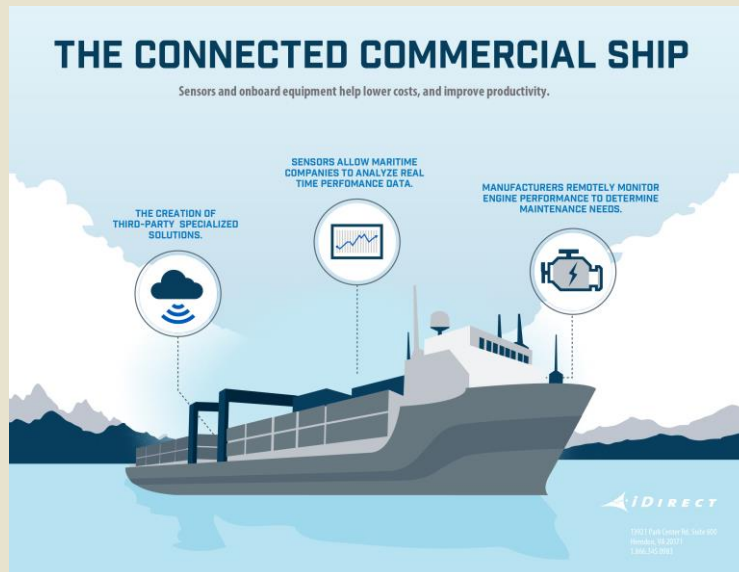
## CORPORATISATION: A GOOD THING?

- **March of the Corporations:** big companies want big partners and big suppliers
- **Regulatory environment:** higher barriers undermine independent ship operators due to higher cost ratio
- **Technology:** not in favour of small independent ship owners

# OPTIMISATION

## Internet of things

- Predictive analytics
- Physical risk management
- End-to-end logistics chains



## Interconnectedness

- Automation
- Optimization
- Financial risk management



# FINANCE FOR THE FEW?

**Decline of traditional sources**

+

**Oversight from rating agencies**

+

**State capitalism**

+

**Poseidon principles**

+

**Optimisation**

=

**Finance for the Few**

# THANK YOU FOR LISTENING...

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## ...TIME FOR PEARLS OF WISDOM

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