

Vägen tillbaka till en normal vardag efter en pandemi

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Lloyd's List Intelligence
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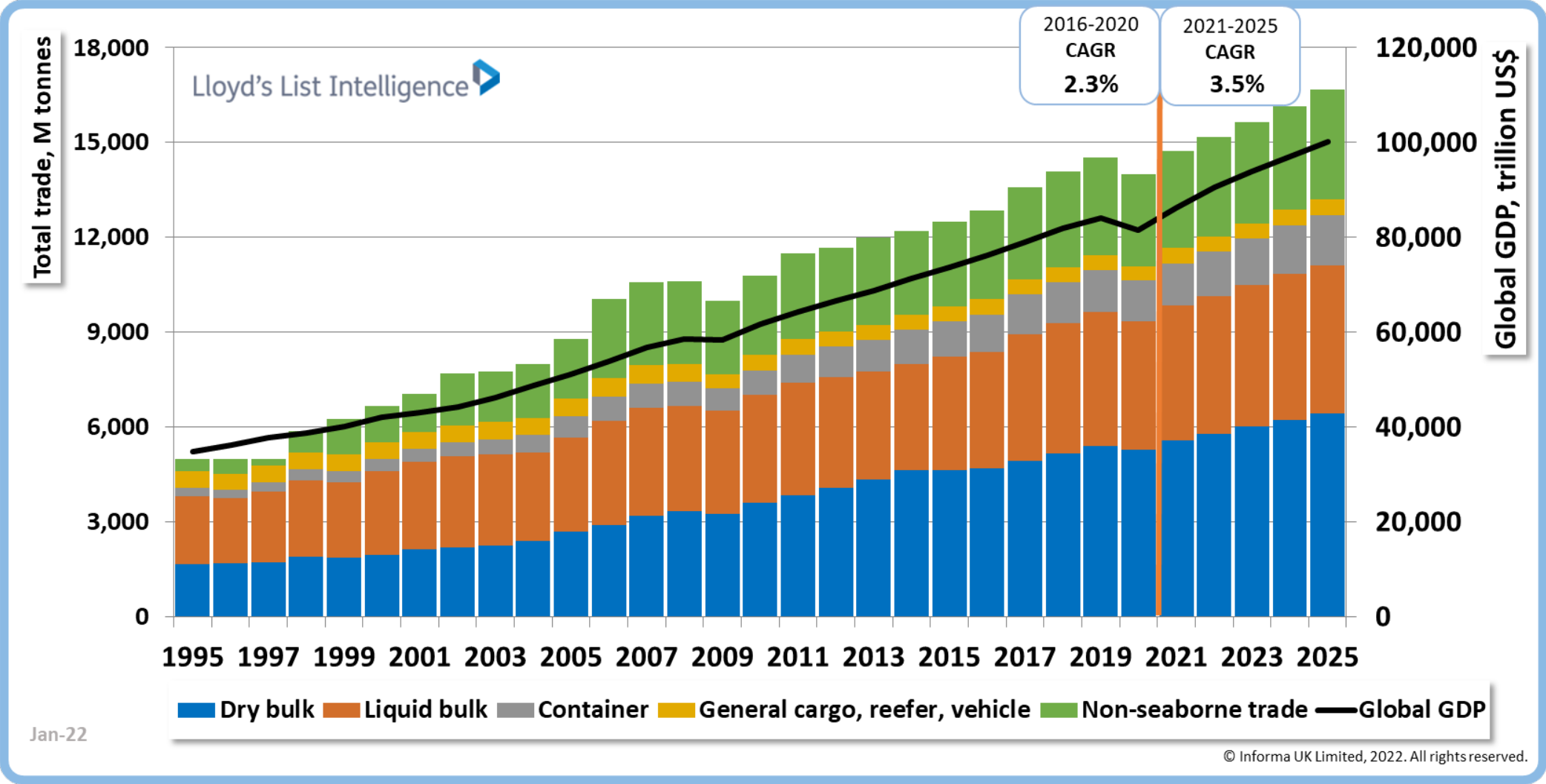


- Global trade
- Liquid bulk (crude & products)
- Dry bulk
- General cargo (container, roro, ropax)
- Shipbuilding

If it ain't broke, don't fix it.

Bert Lance

Total trade in tonnes is set grow in line with global GDP development over the next five years. Close to 80% is carried at sea.

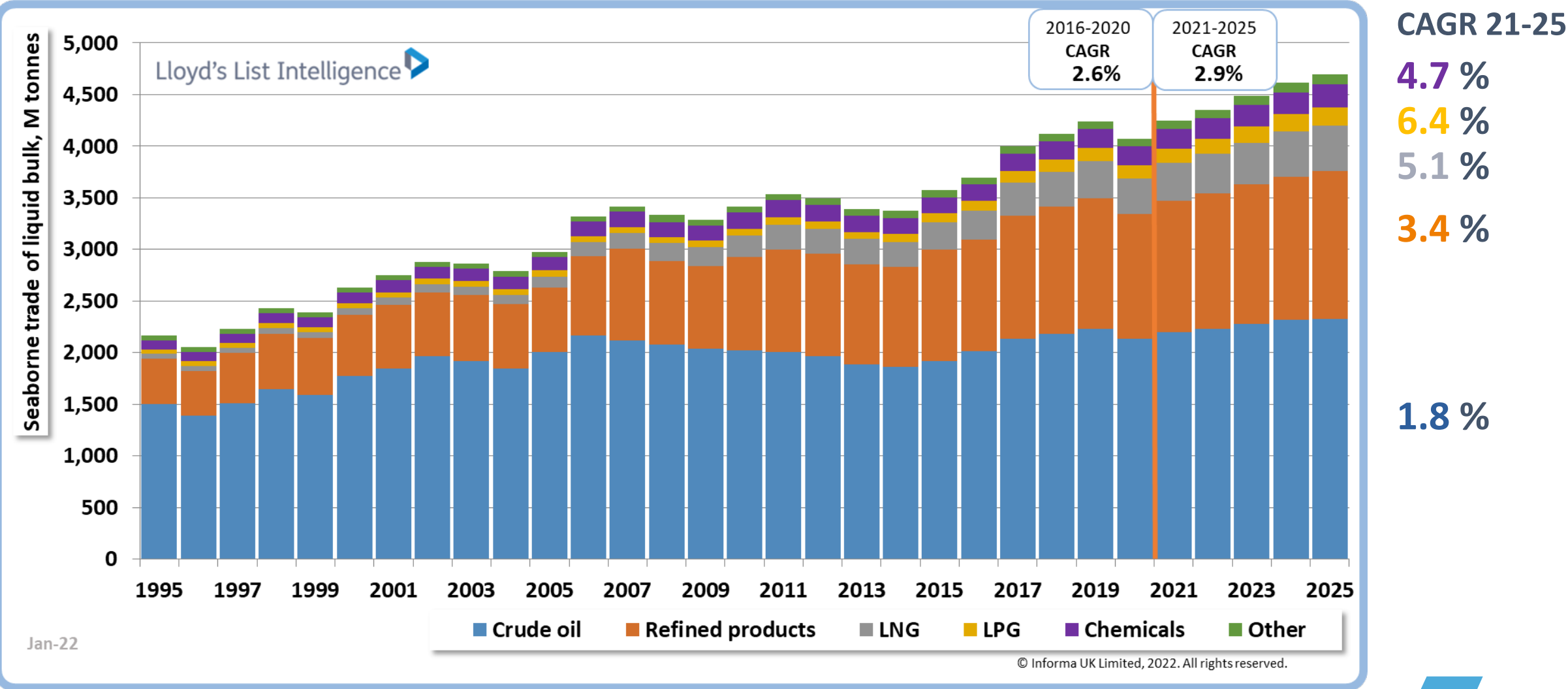


Global GDP 2021-25

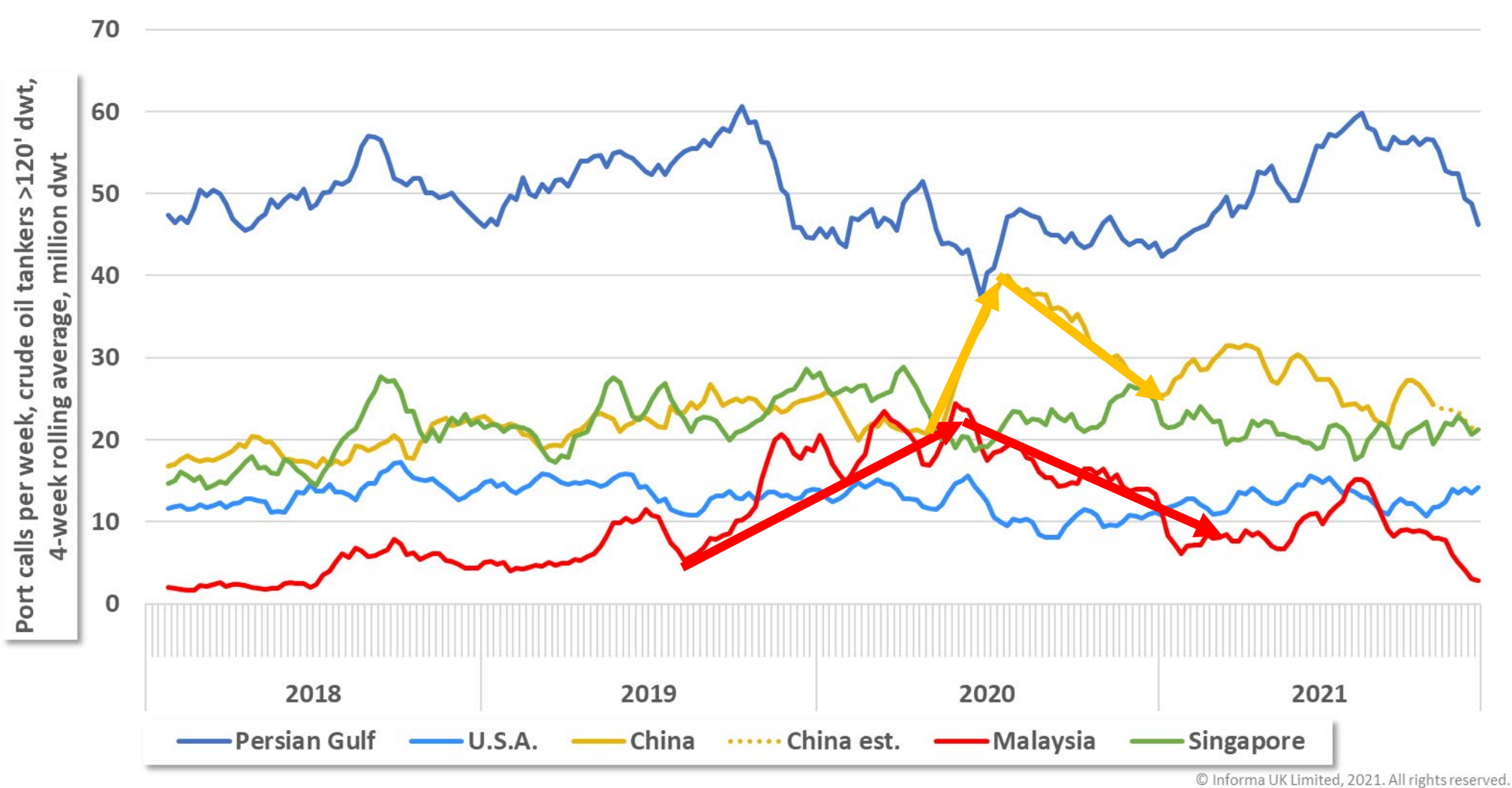
CAGR	4.2%
2021	5.9%
2022	4.9%
2023	3.6%
2024	3.4%
2025	3.3%

43% relate to energy

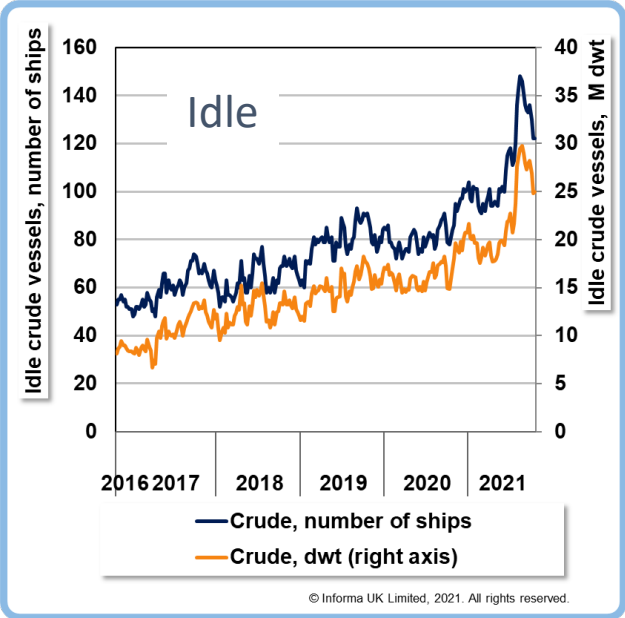
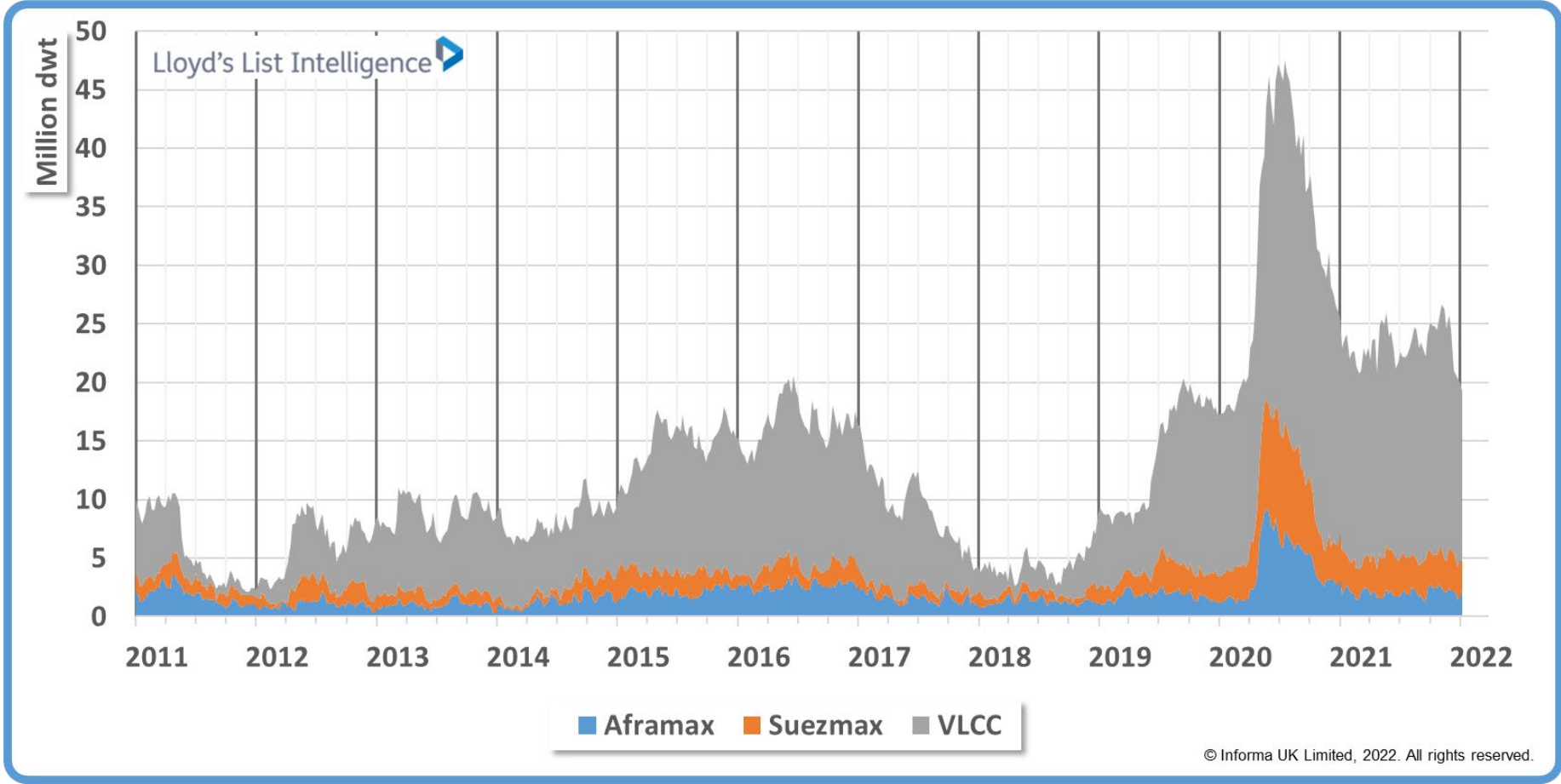
Seaborne trade of **liquid bulk** to grow by 2.9% yearly. Crude oil is the slow growing base load. Gas and chemicals' volumes & distances grow fast!



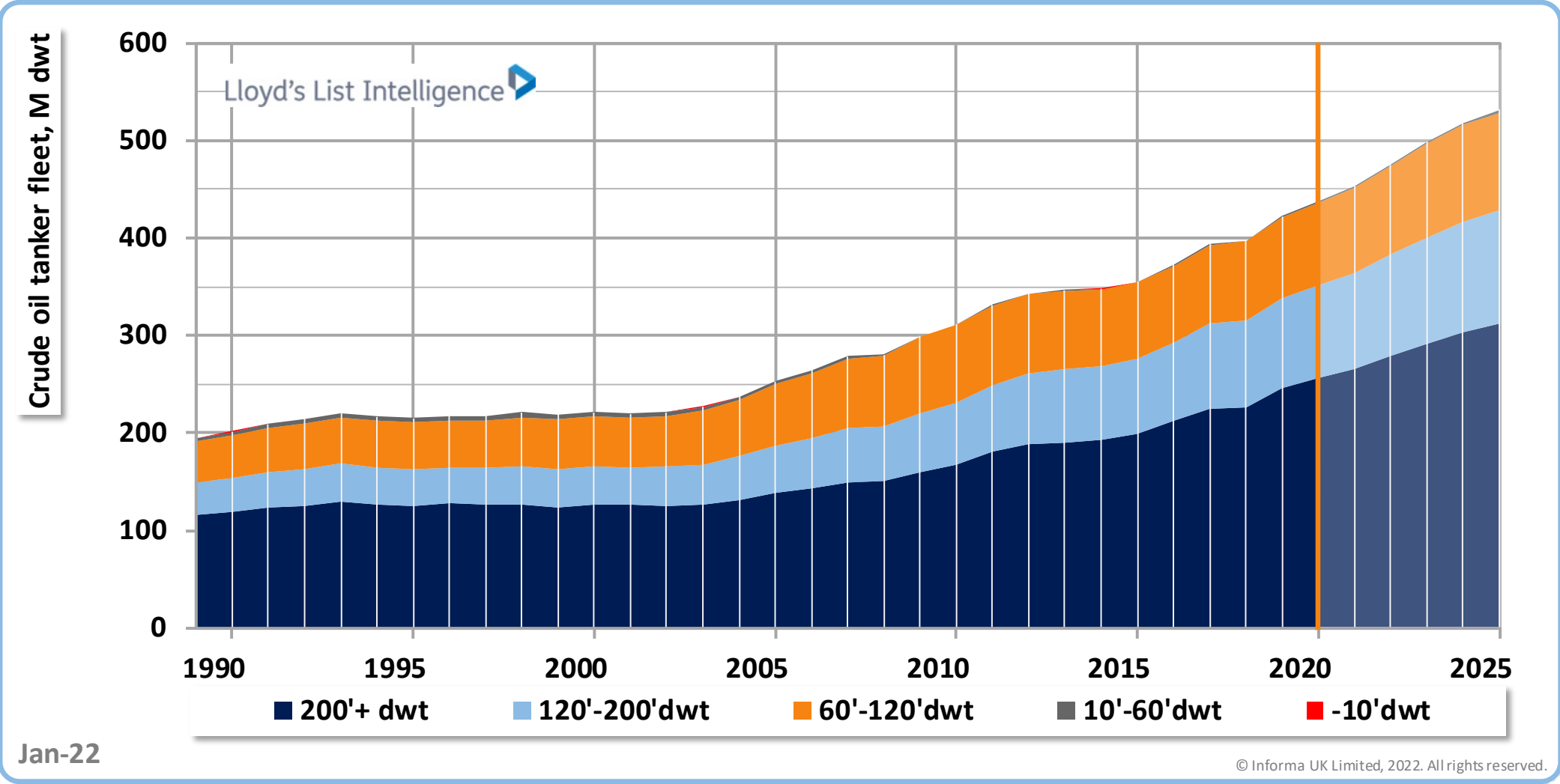
Crude tanker **port calls** were propelled by dramatic oil price changes in 2020. 2021 figures declined towards the end of the year.



In July 2020 more than 45M dwt or 10% of the fleet was used for storage. Now it is 20M dwt spread on 88 ships (21 in Iran). Another 25M dwt of the fleet is currently idle.



The **crude oil fleet** will grow 21% in 2021-25 due to low scrapping and high deliveries. Few forecasted new ship orders will give slower growth post-2025. Demand growth after 2030 very uncertain!



Fleet development

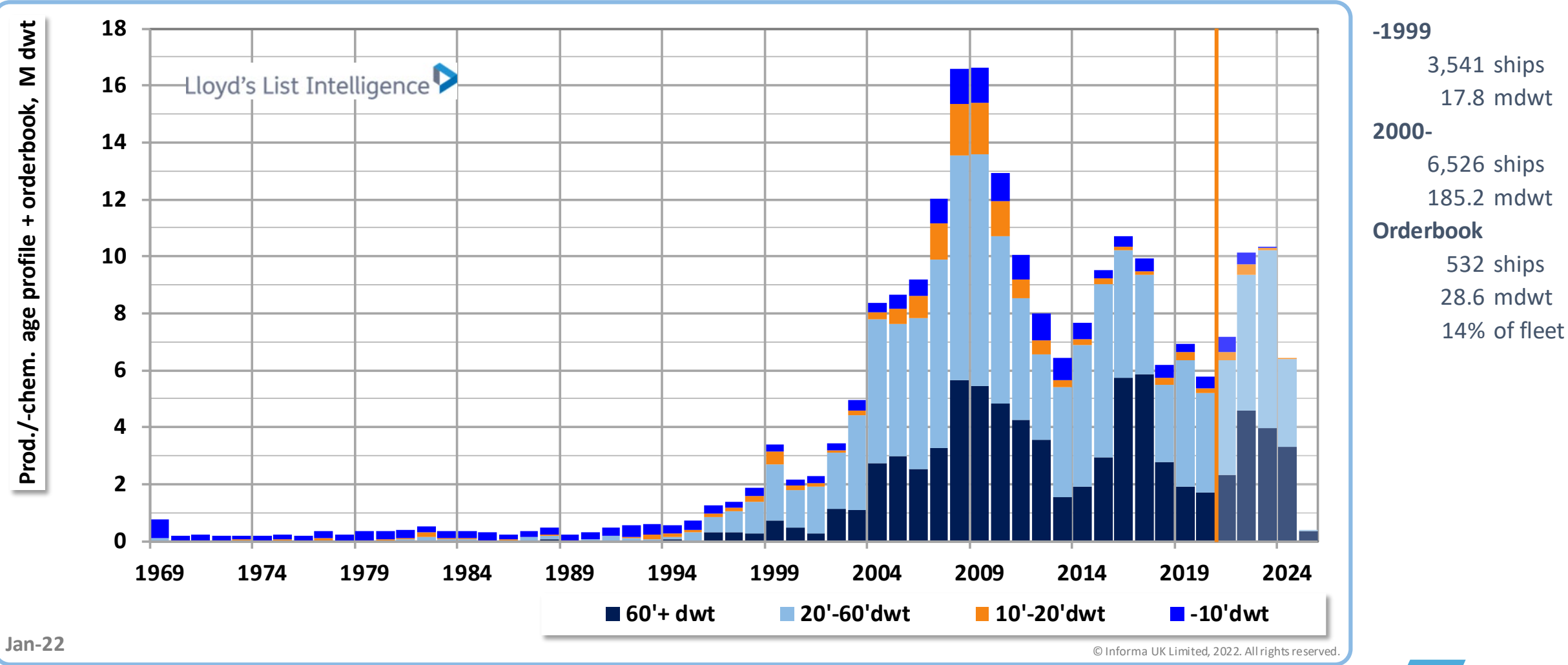
Σ 2021-2025
21% ships
21% cap
4.0% cagr

New orders

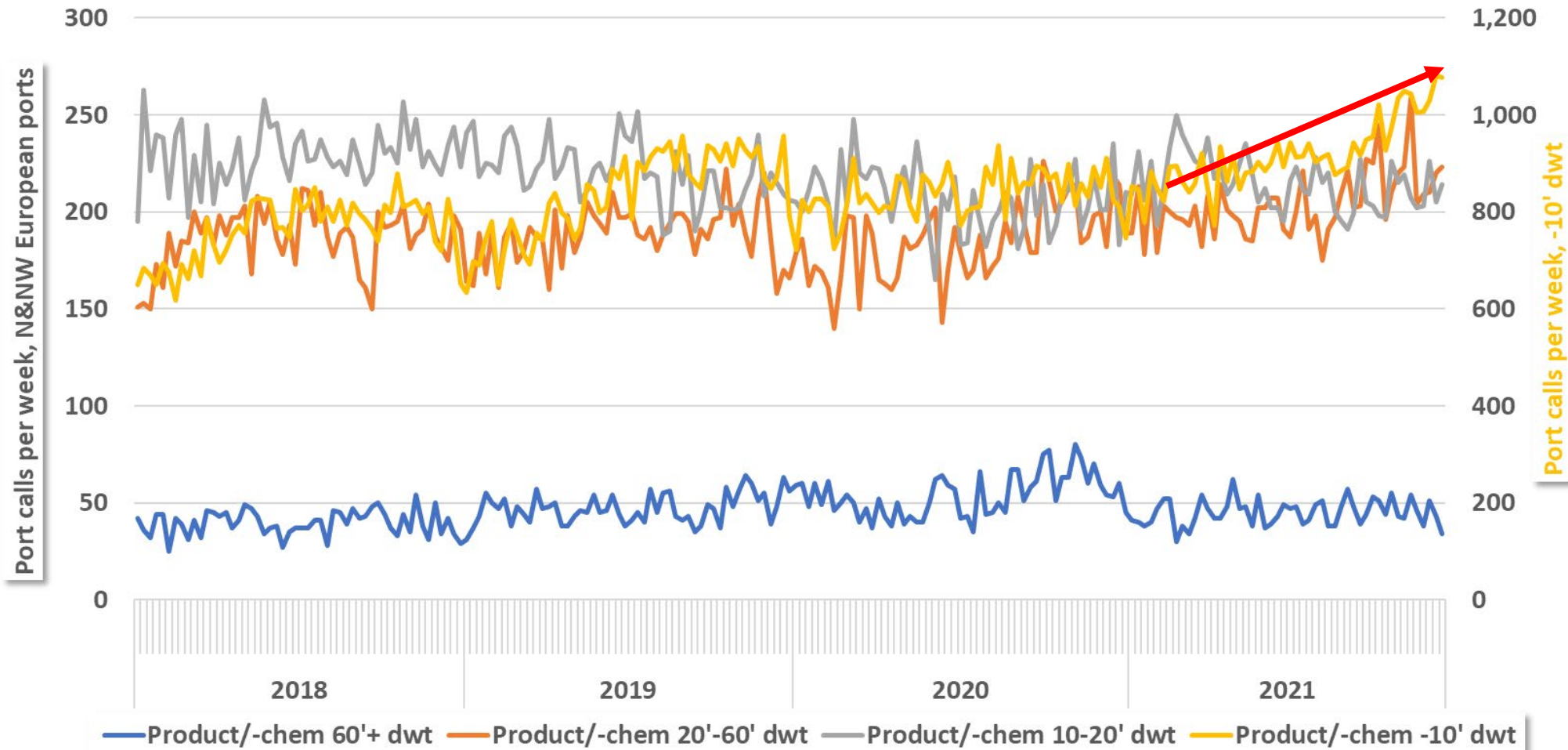
Σ 2021-2025
381 ships

Σ 2016-2020
588 ships

Products & products/chemical carriers. Most of the fleet capacity is built in the last 15 years, but there is a long tail of 4,000 small & old ships.

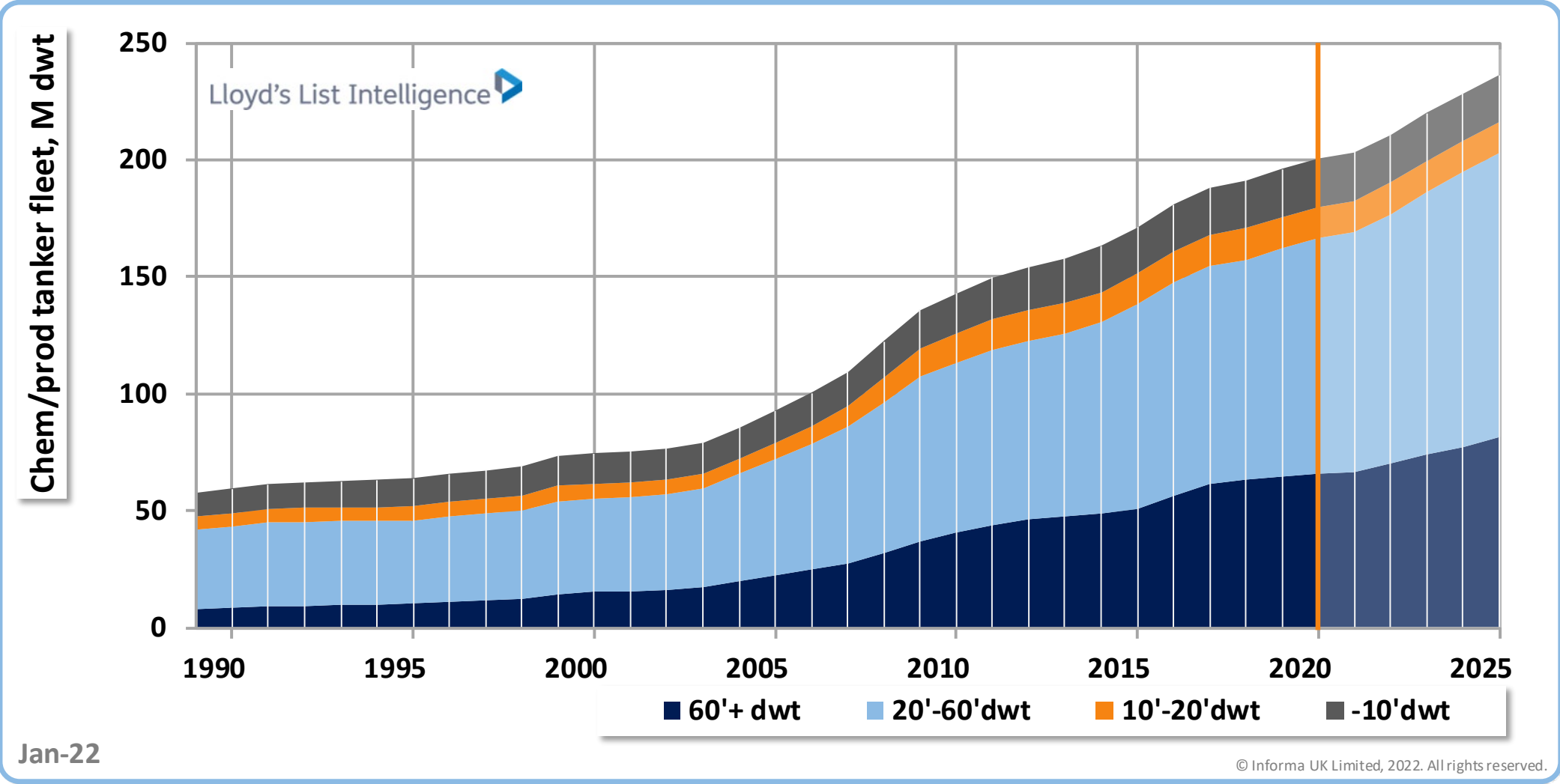


Product tanker **activity** in N & NW Europe has kept up well in the past two years – with the smaller increasing their numbers all through 2021



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Fleet growth at 3.4% yearly. More types of products lead to longer hauls and more cross-trade. Refinery disinvestments and environmental concerns fuel this development. Removals of small ships mostly...



Fleet development

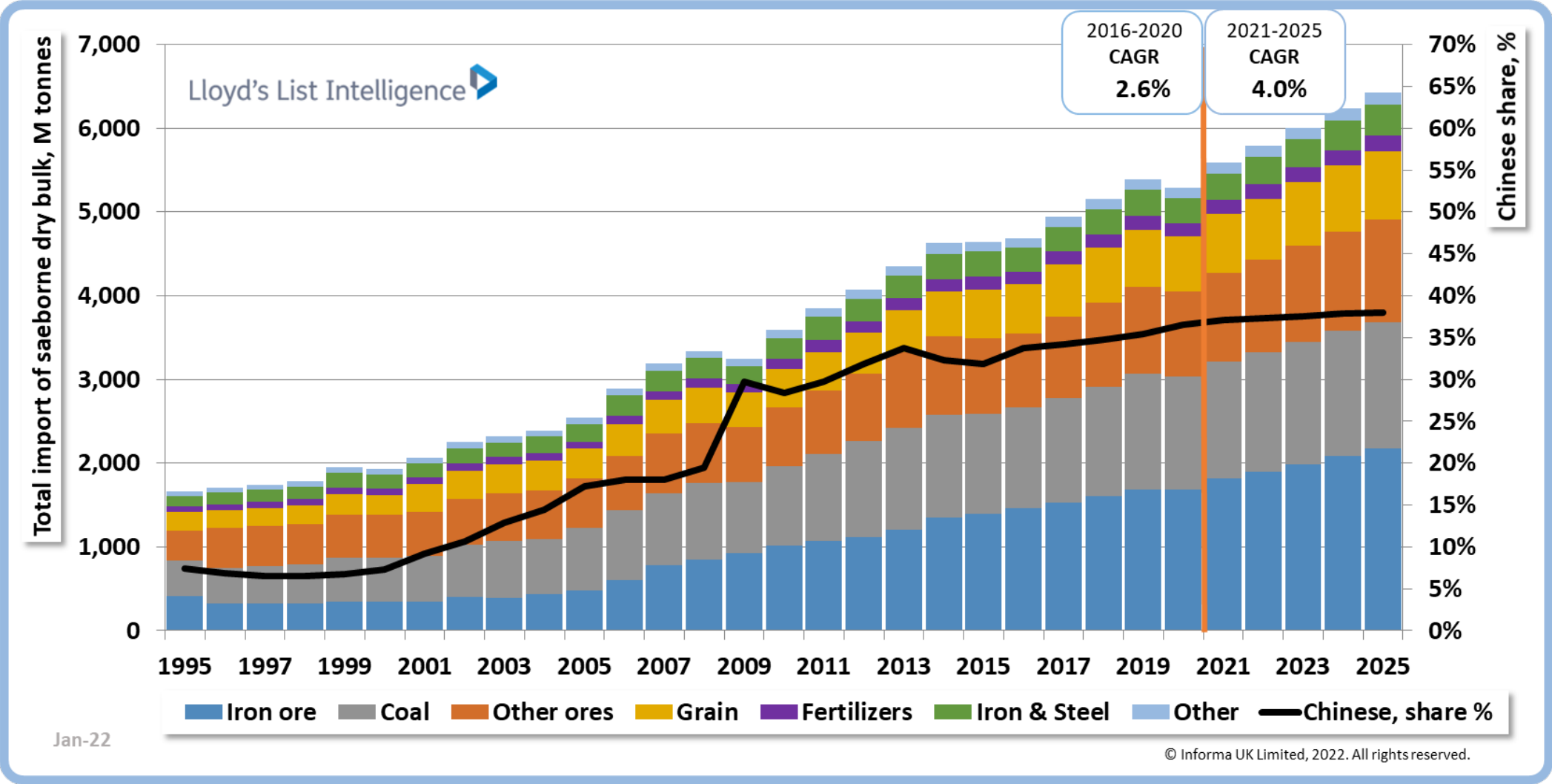
2021-2025
4% ships
18% cap
3.4% cagr

New orders

Σ 2021-2025
956 ships

Σ 2016-2020
940 ships

Dry bulk, international seaborne trade. Chinese share of imports has grown from 7% in year 2000 to 38% in 2020.

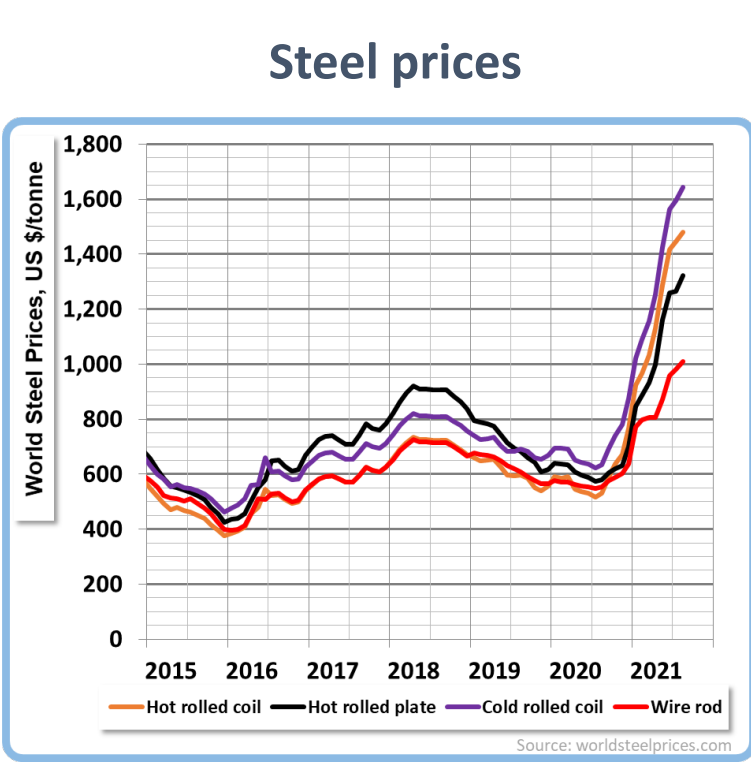
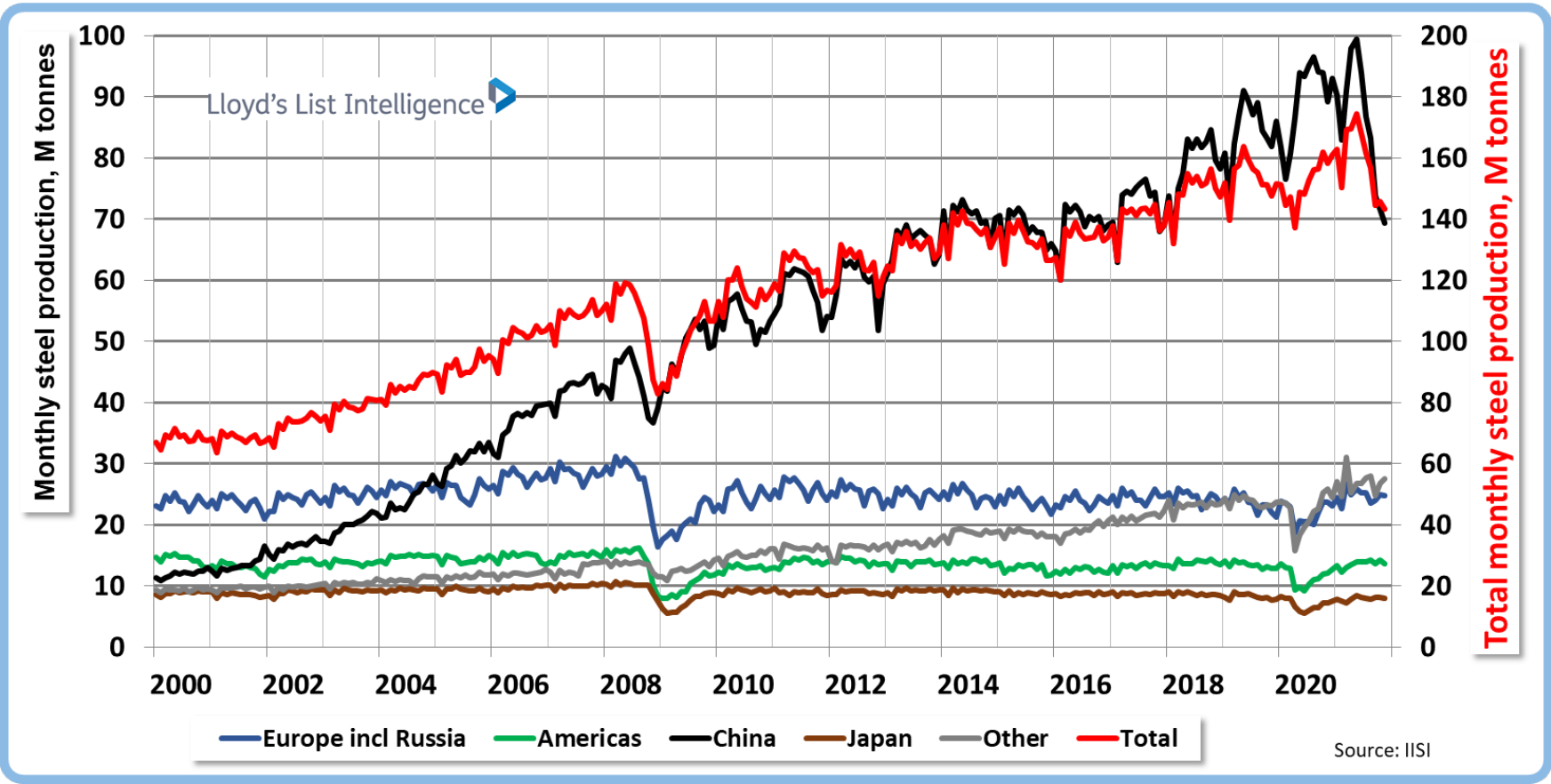


Chinese import share of iron ore 75%

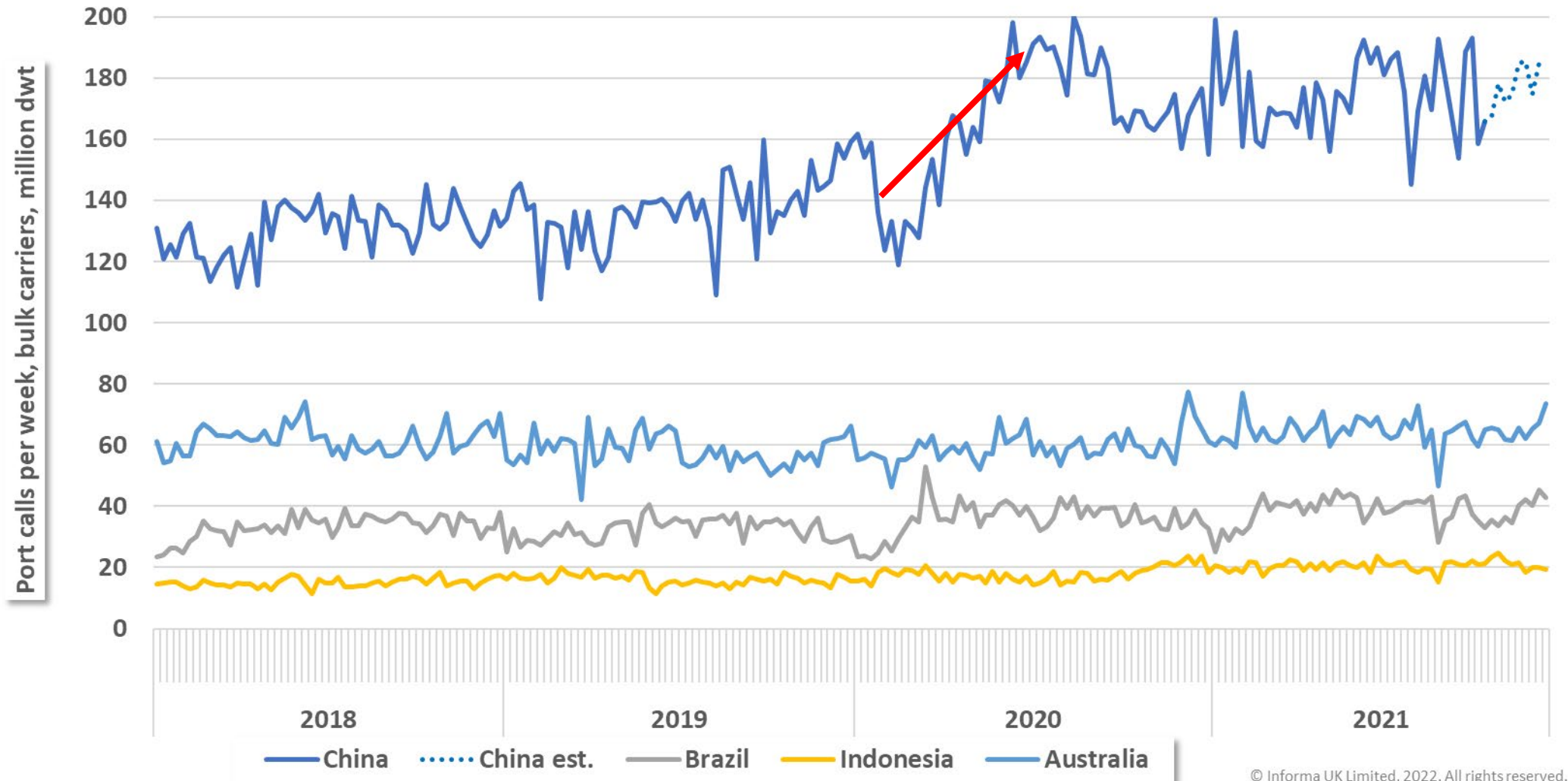
+

1bn ton coal in China domestic sea-borne

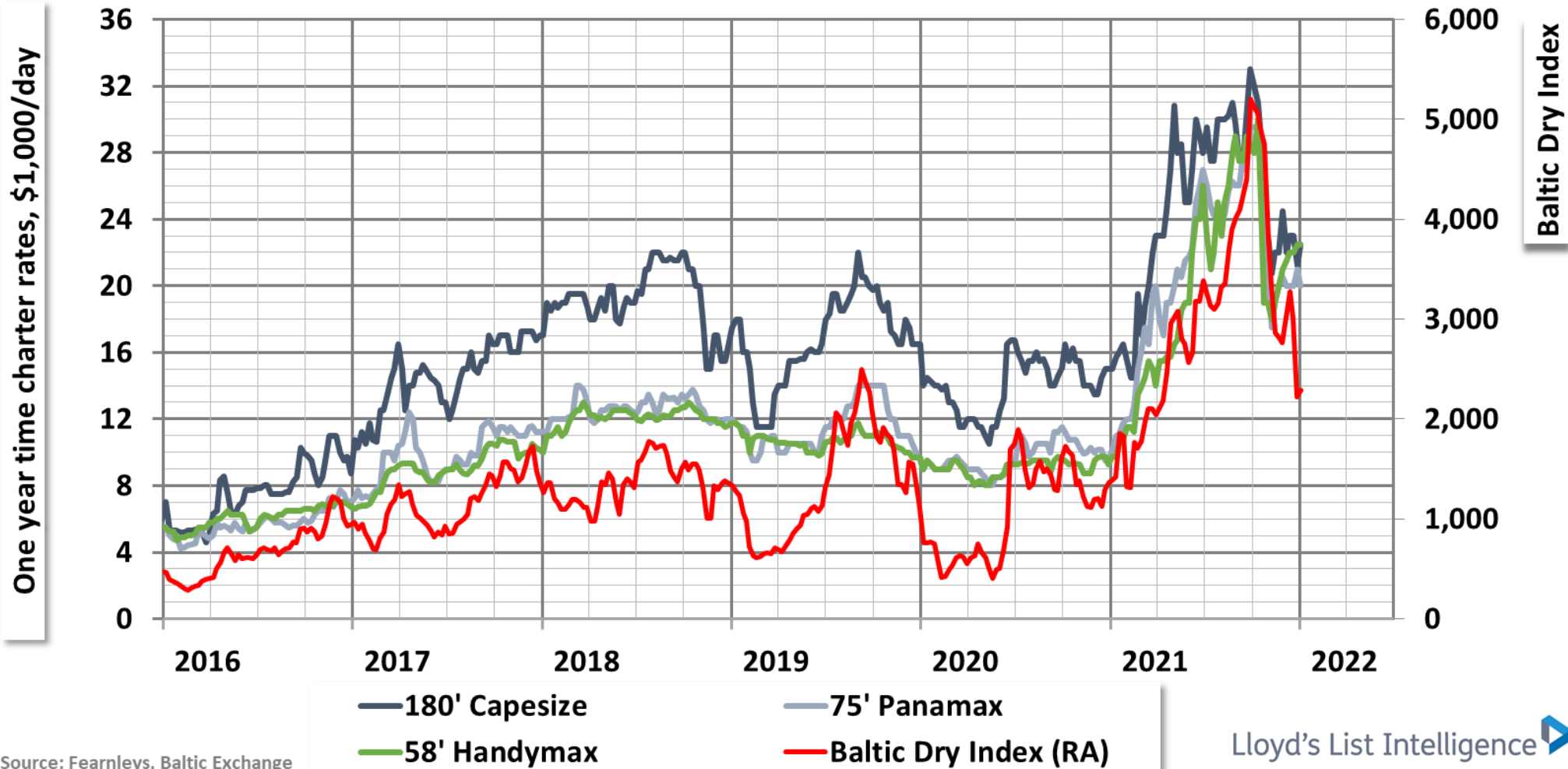
Steel production is the most important indicator for the dry bulk market. 2021 has seen new record steel prices and new record steel production.



The **port calls** in China increased when Covid-19 hit and have remained high since. The main exporting countries' ports were also busy.

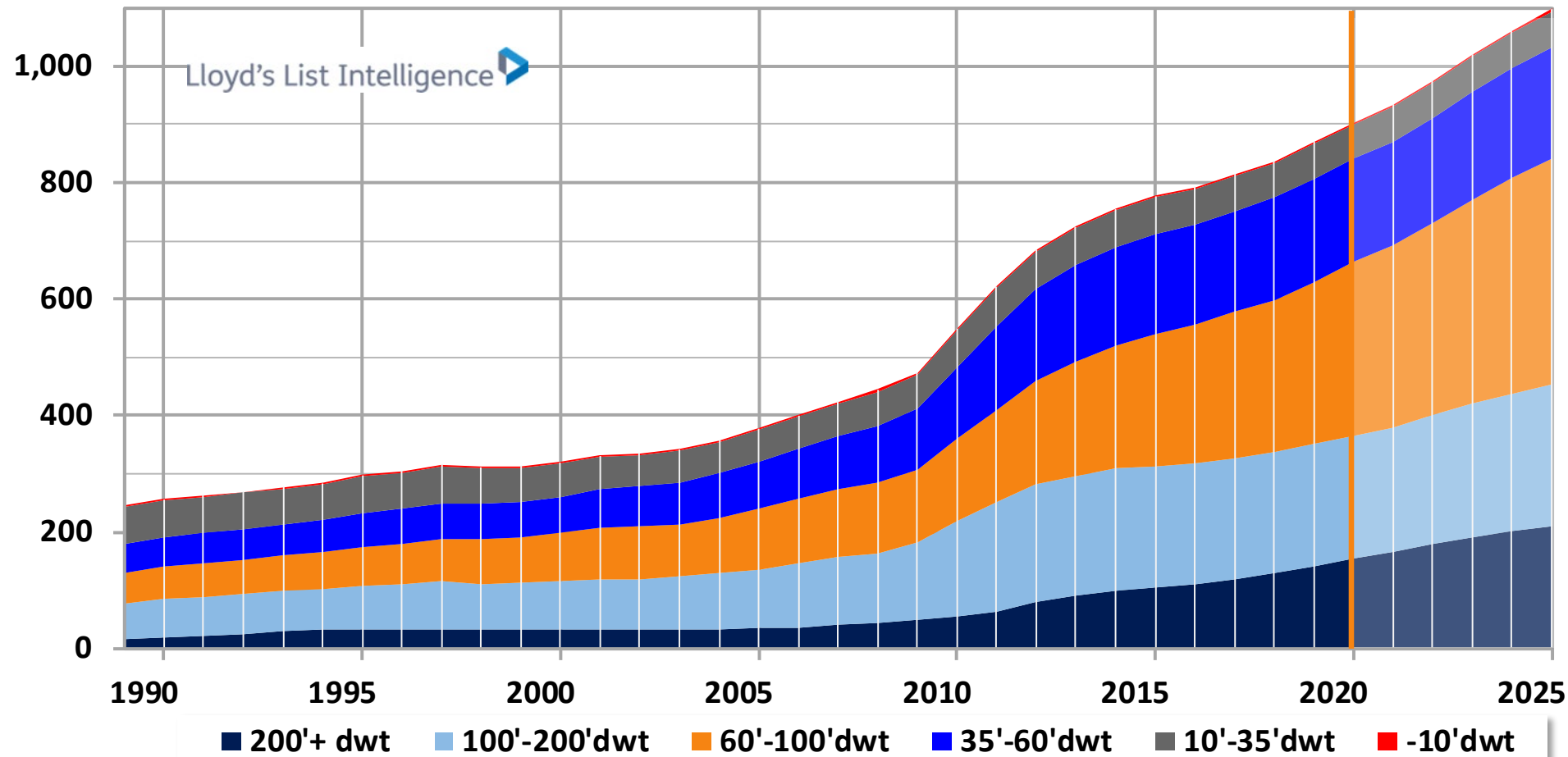


The **Baltic dry index** rose in Q1-21 and stayed level for Q2 and Q3, then fell back to 2020 levels. The Capes have been first movers, both up and down...



Fleet growth to be 4% yearly in the years ahead. 60'-100' dwt to be the movers and will increase their share of total trade.

Bulker fleet, M dwt



Jan-22

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Fleet development

Σ 2021-2025
17% ships
22% cap
4.0% cagr

New orders

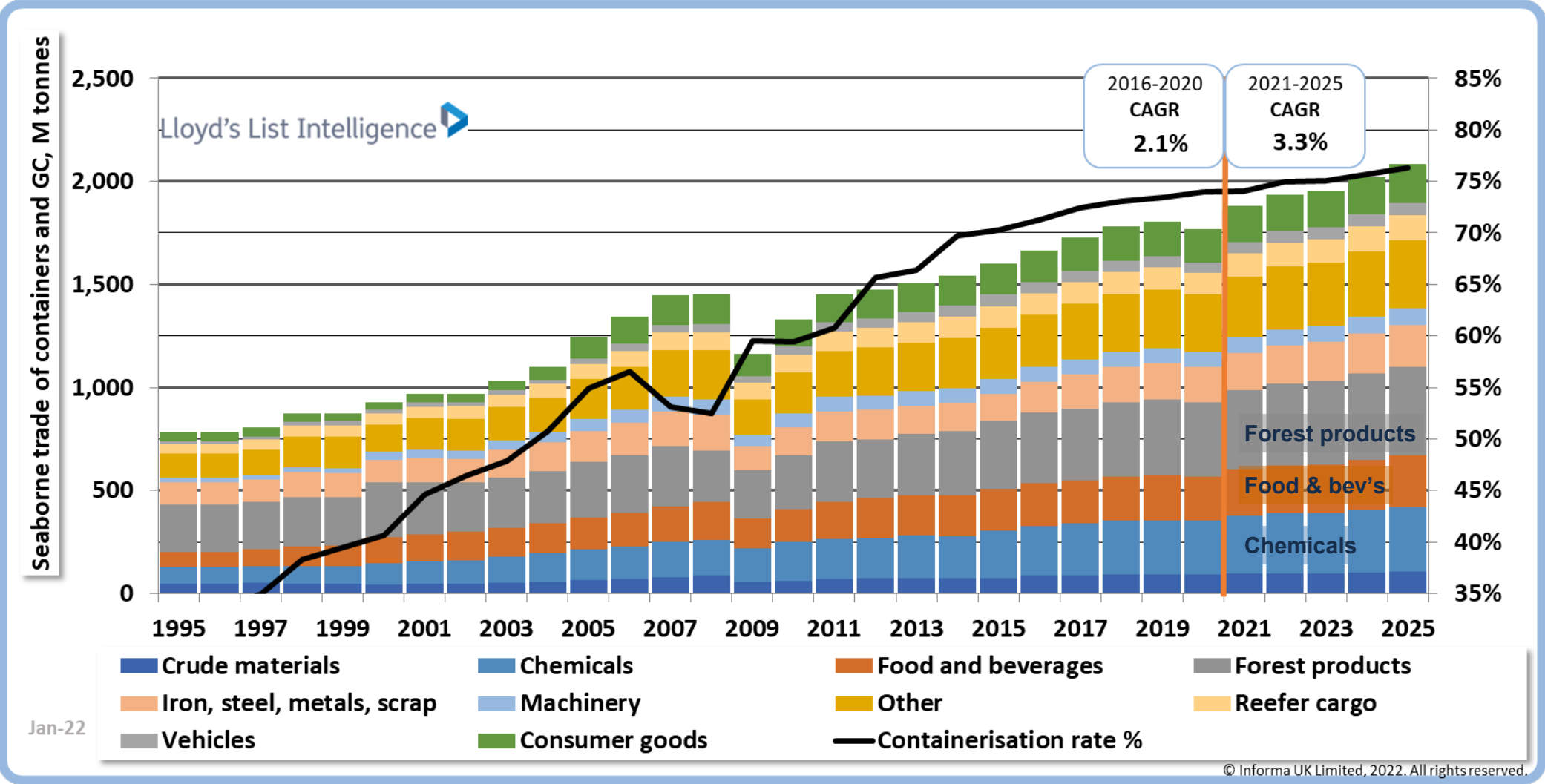
Σ 2021-2025
2,470 ships

Σ 2016-2020
1,426 ships

General cargo: rolling or containerized

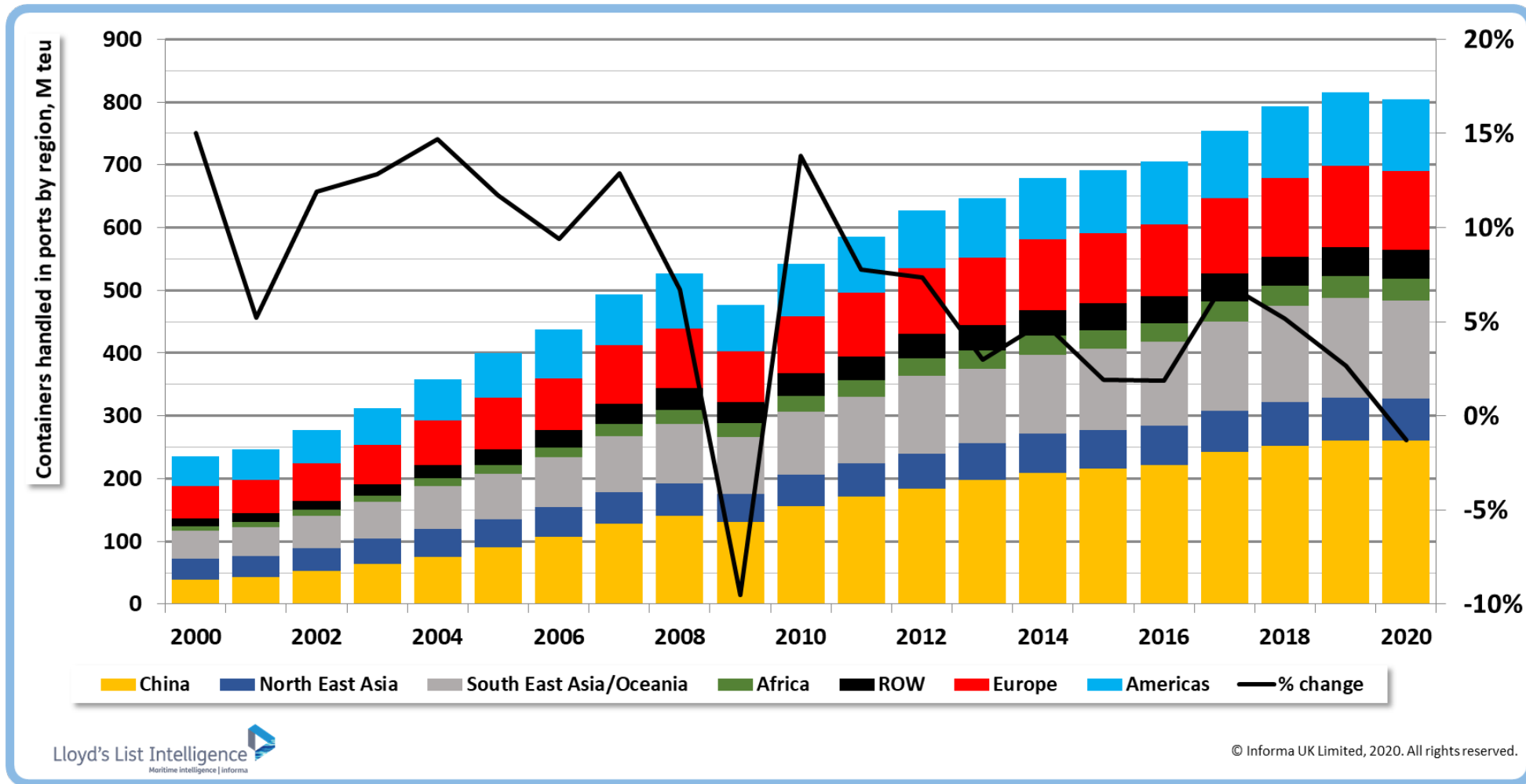


Lower growth in **seaborne general cargo** going forward. Most growth in containerised cargo, even though the Pandemic and the following supply chain chaos have paused containerisation for now.



Containerisation potential in:
-forest products
-iron & steel

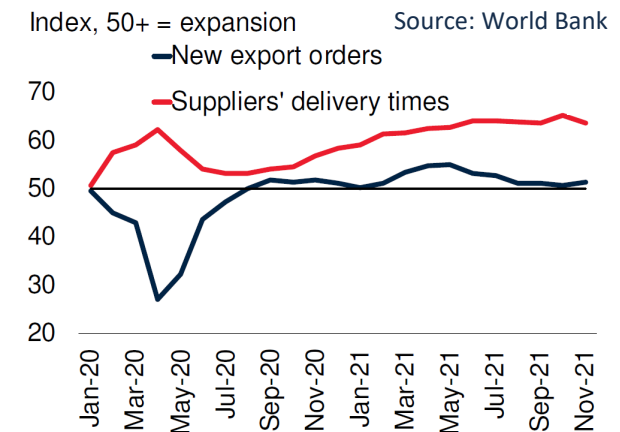
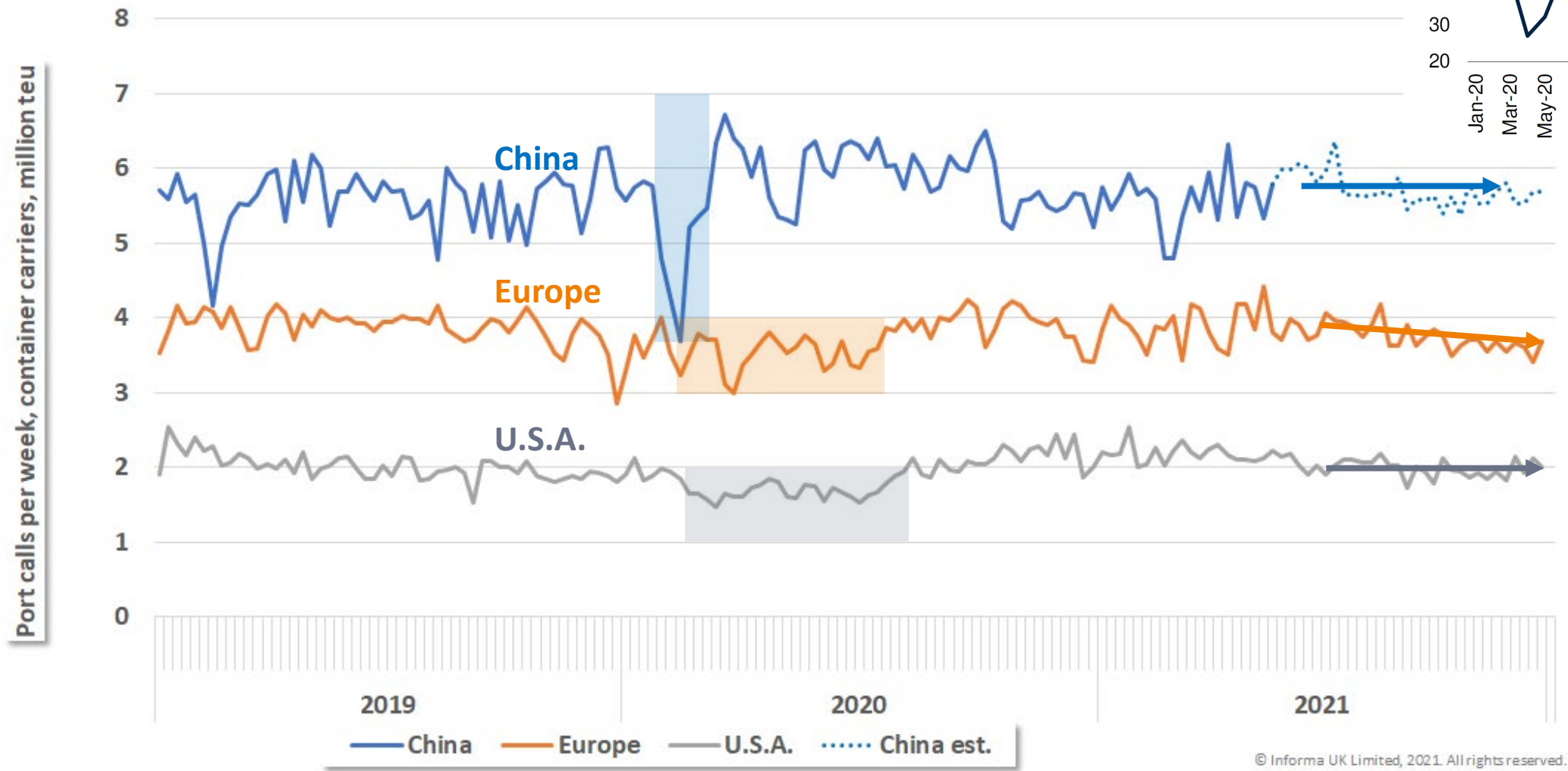
Container handling in ports was 815M teu in 2019. China stands for 1/3 of the volume. Volumes down 1% in 2020.



10% + growth in 1H21 vs 1H20.
Lower 2H21.
(based on 175 ports globally, China +13%)

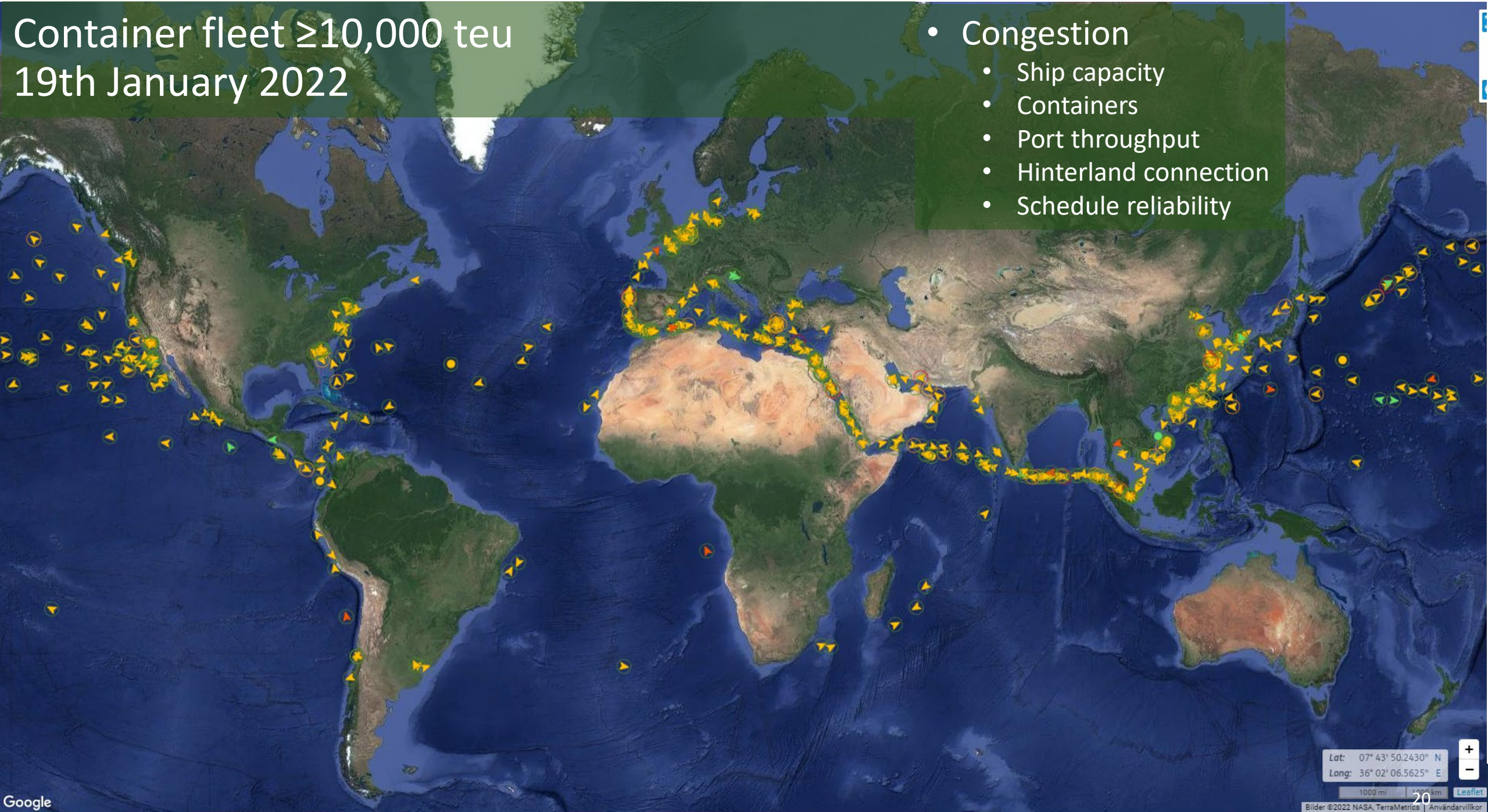
2021
Shanghai + Singapore
=84.5M teu.
10% of the total.
+ 5% vs 19 & 20

Container port calls recovered first in China, then in Europe and the U.S. The entire system became out-of-synch. Problems mounted – but the port calls continued apace!

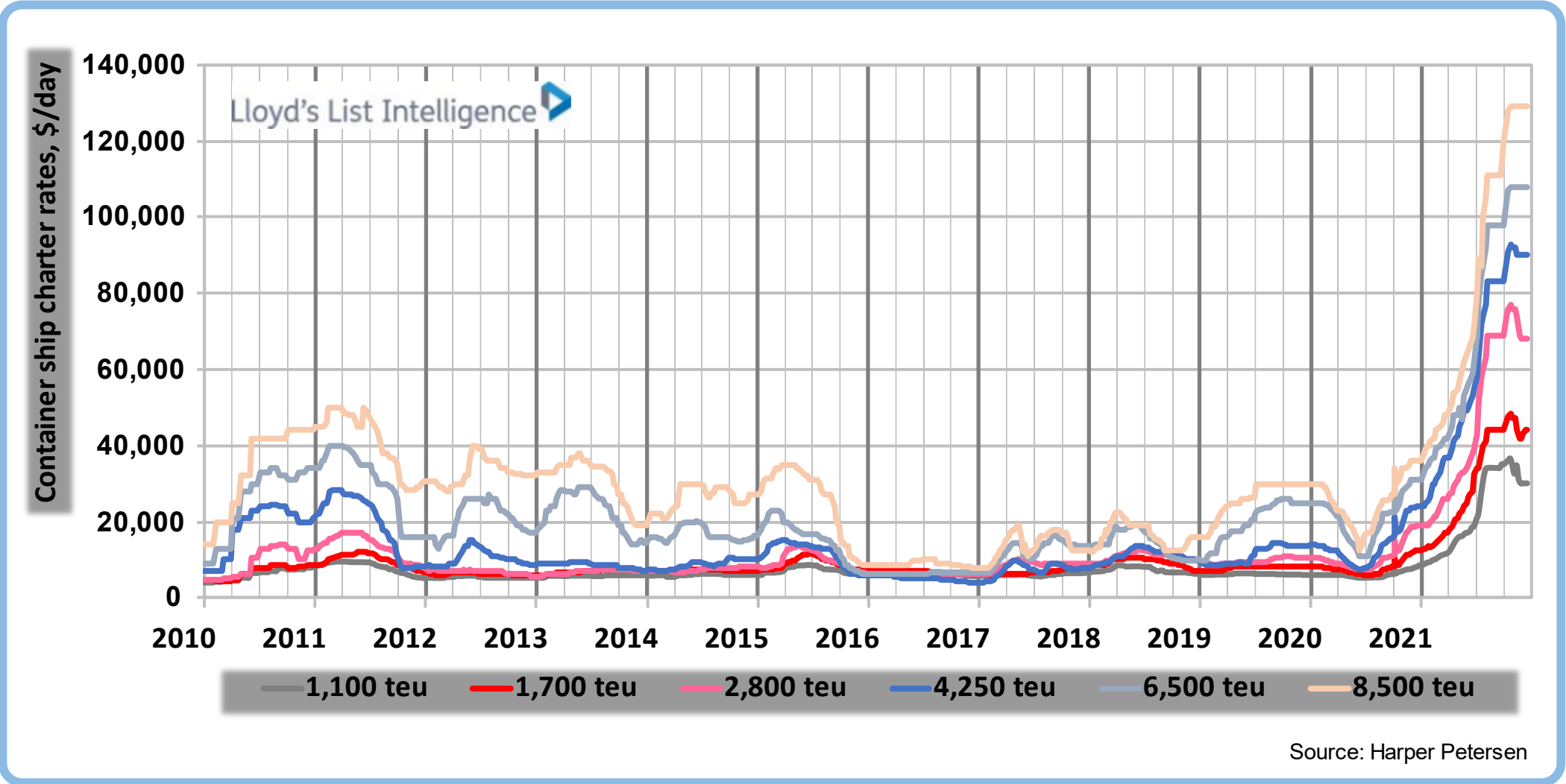


Container fleet $\geq 10,000$ teu
19th January 2022

- Congestion
 - Ship capacity
 - Containers
 - Port throughput
 - Hinterland connection
 - Schedule reliability



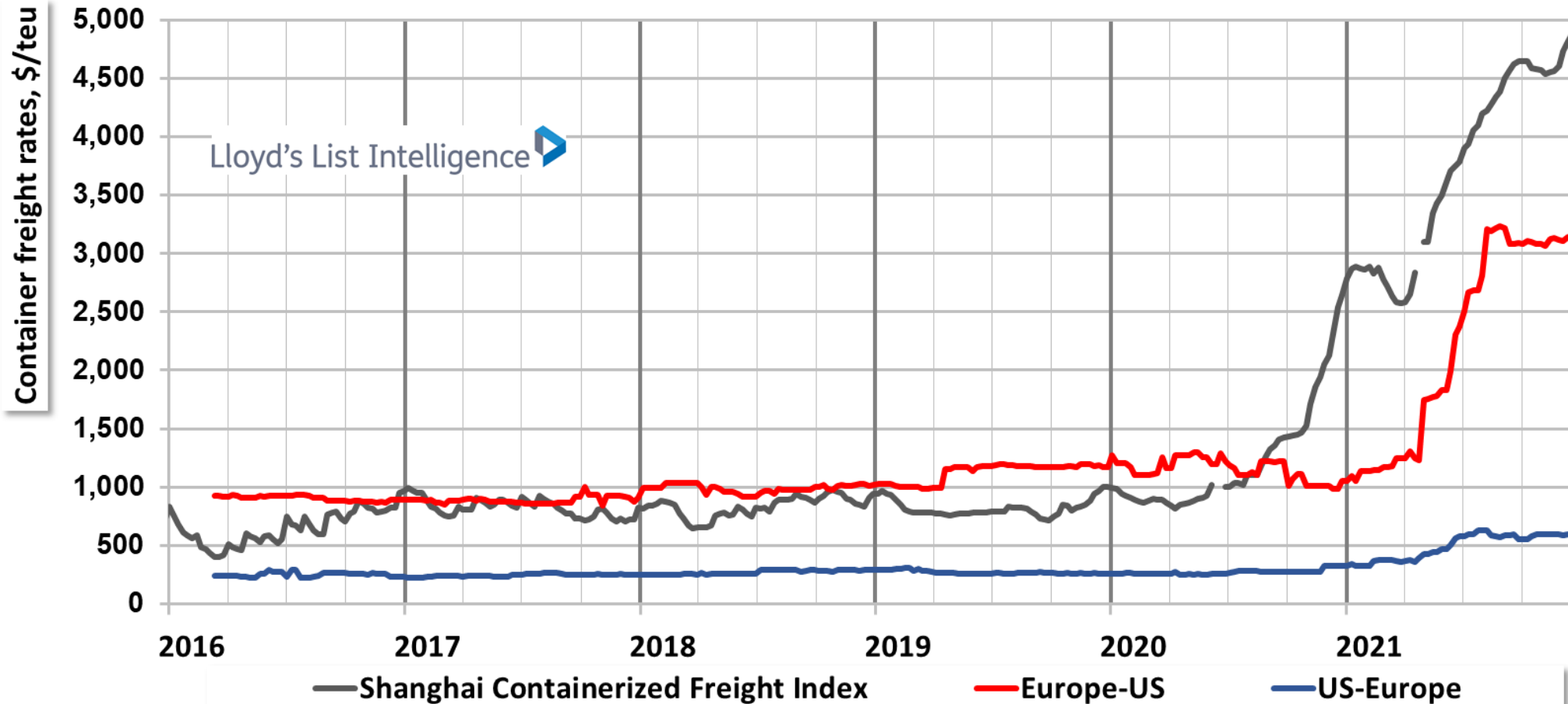
Charter rates for the carriers halved in Q2-20 – now all-time highs. Everyone is looking for more capacity.



Second hand market bonanza



Asia-Europe freight rates broke all time high in November/December 2020 – much higher since. All other routes also up.



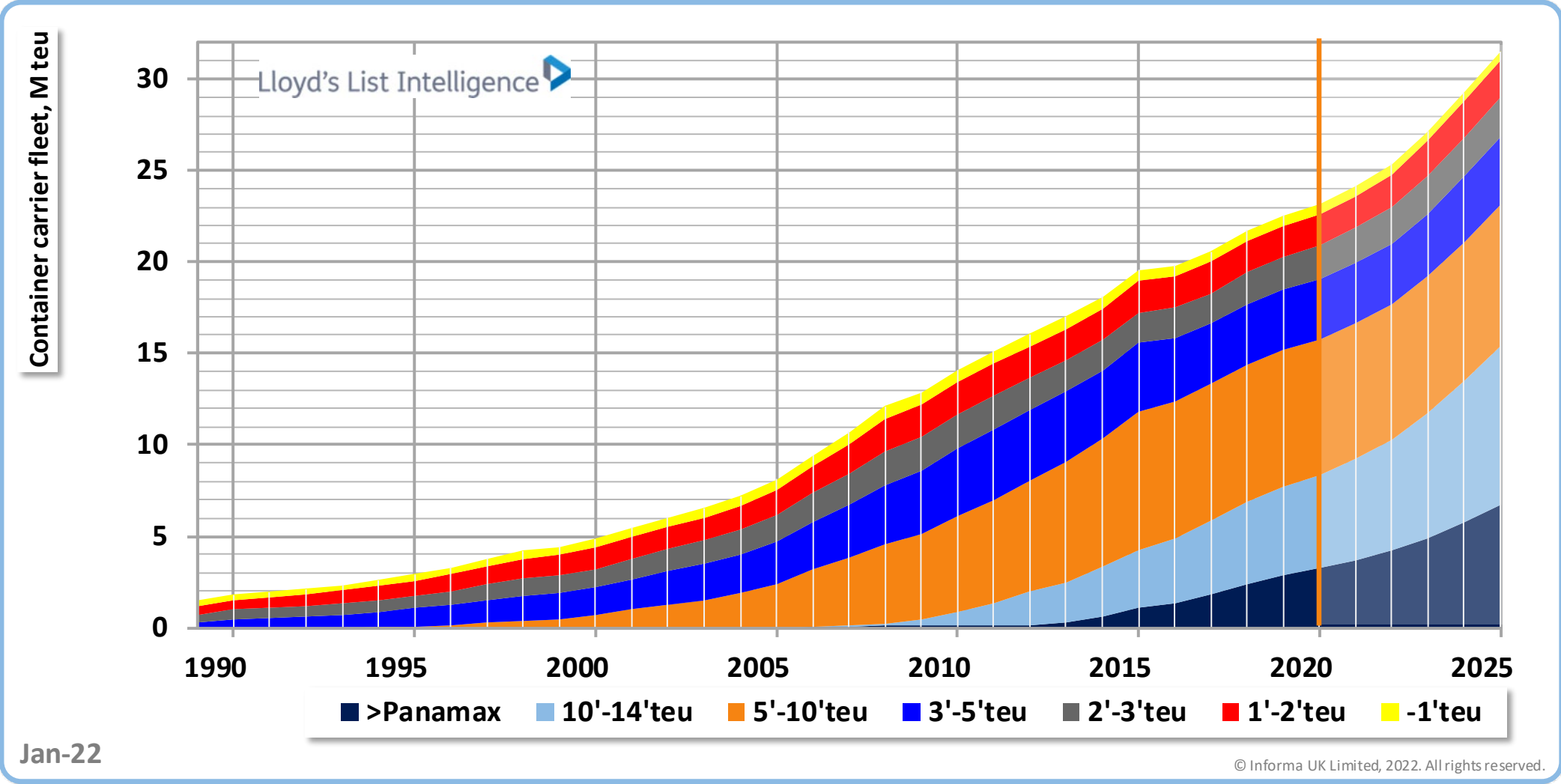
Negative containerisation.

Accumulated
≈\$150 bn surplus

The floor is higher than before.

Source: LLI/Drewry, Shanghai Shipping Exchange

Scale of economy (cost & environment) drives growth – in both the post-panamax and the neo-panamax size segments



Fleet development

2021-2025

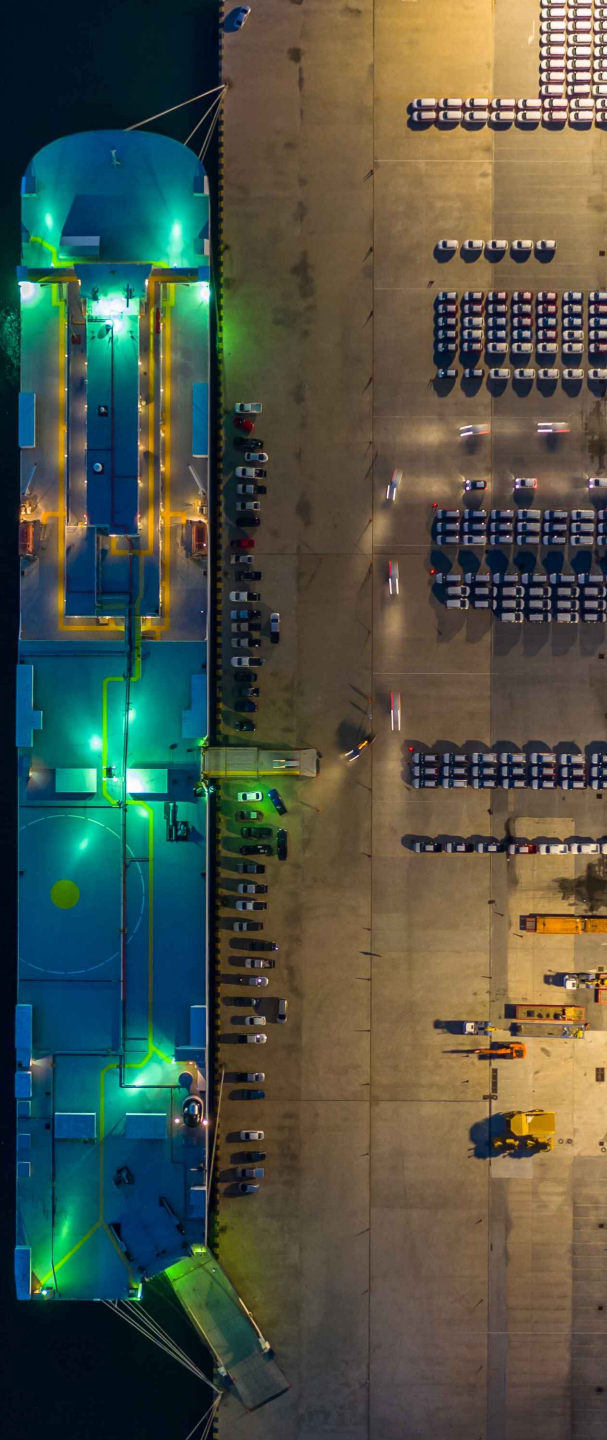
14% ships
36% cap
6.3% cagr

New orders

Σ 2021-2025
1,415 ships

Σ 2016-2020
590 ships

Roro & Ropax



Roro & Ropax kept the intra-EU trade going throughout the pandemic.



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Roro & Ropax

- Roro fleet: small, old (62% built prev millennium)
 - Mostly few but large ships on order
 - Fleet to decline in numbers but grow 210,000 lane meters 2021-2025
- Ferry fleet: large, very old (1,000 ships >50 years)
 - Few ships on order
 - Fleet to decline in numbers but grow 200,000 lane meters 2021-2025

Medium to long-term challenges/possibilities

- ❖ **Environmental challenges**
- ❖ **More energy commodities types to ship – but lower volumes**
- ❖ **Shippers review supply chains and storage strategies**
- ❖ **Pandemic-related delays ease off**
- ❖ **Marked changes in both supply & demand**
- ❖ **Geo-/political tensions (as always)**

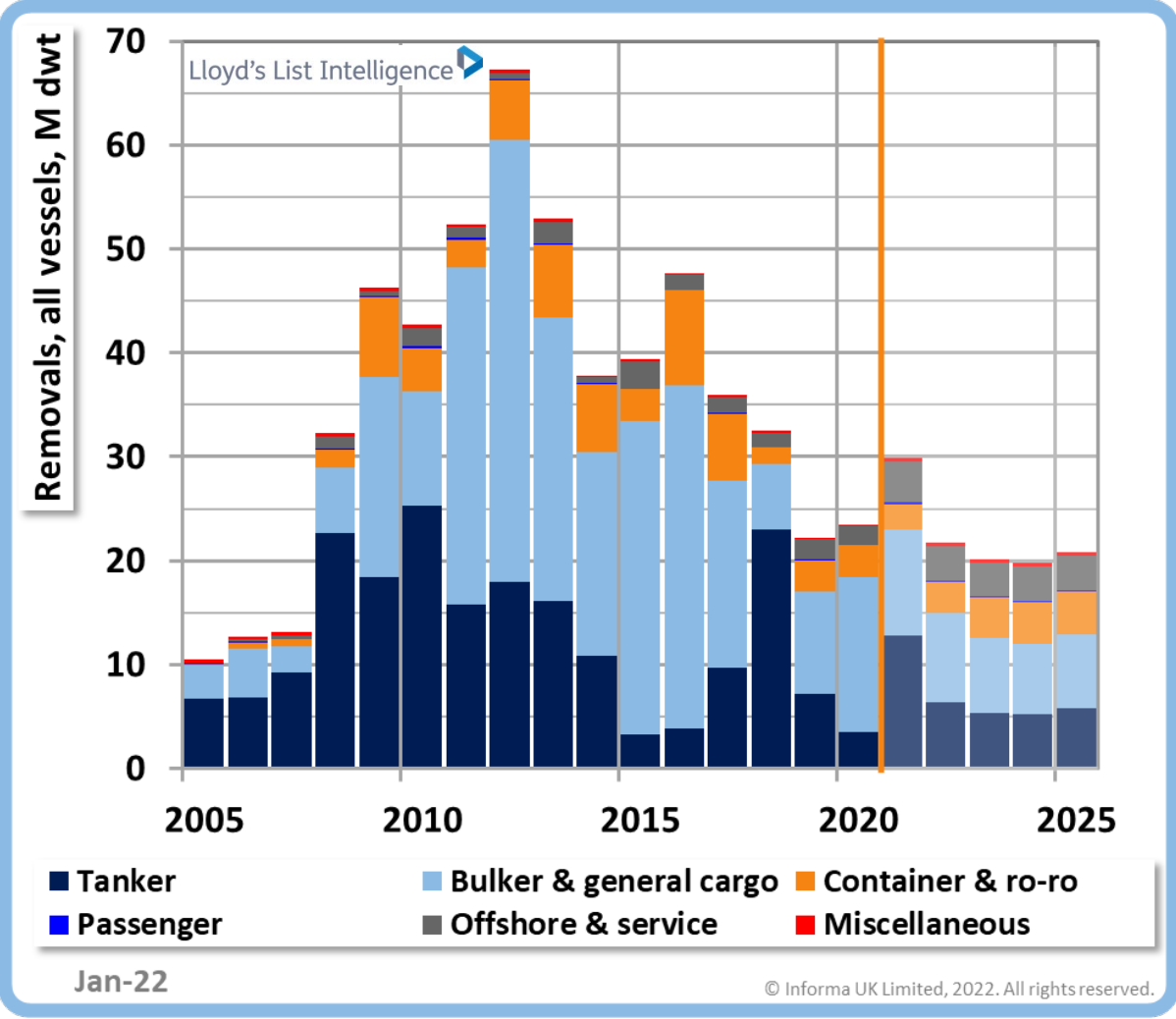
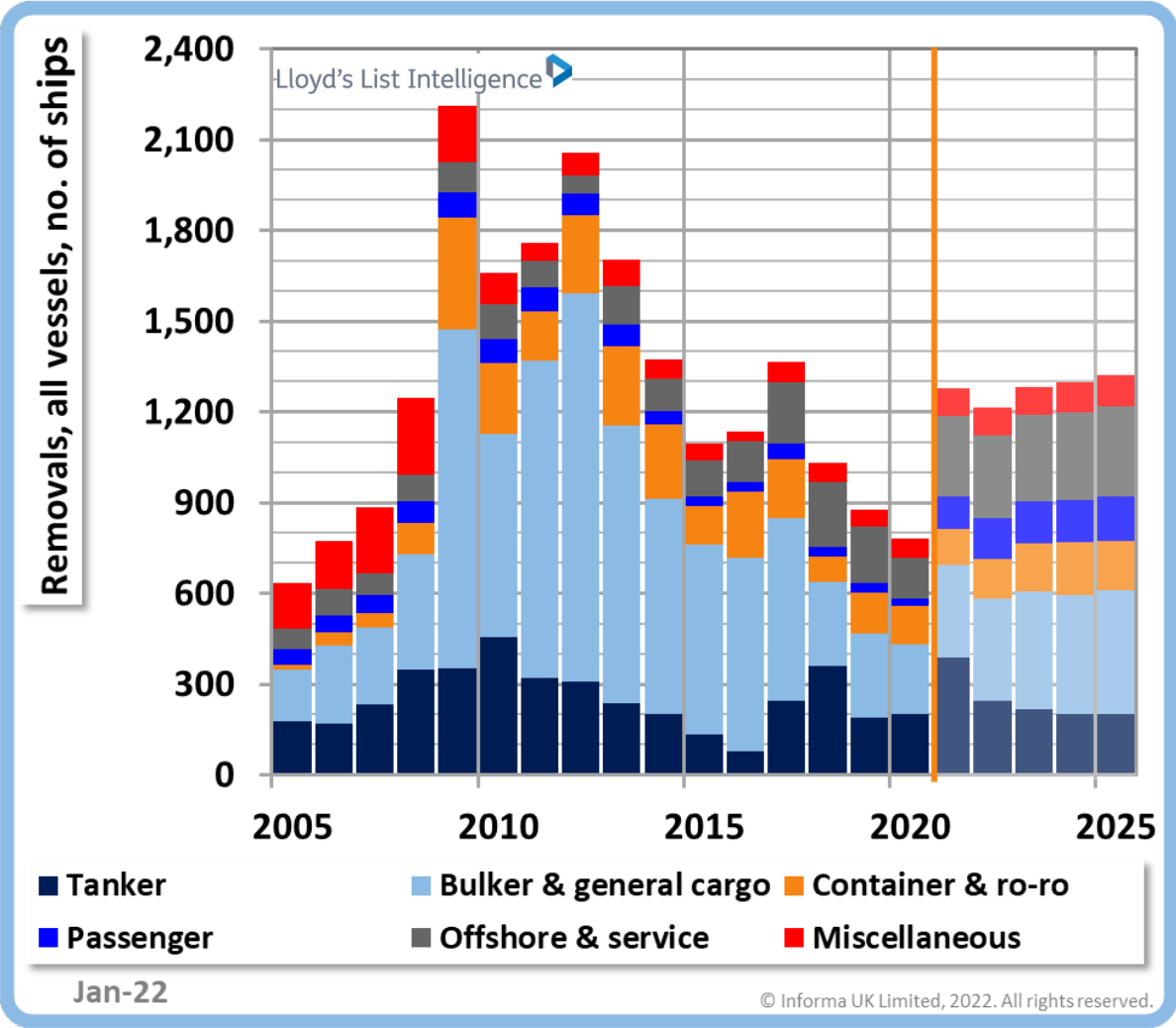


"In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing."
Theodore Roosevelt

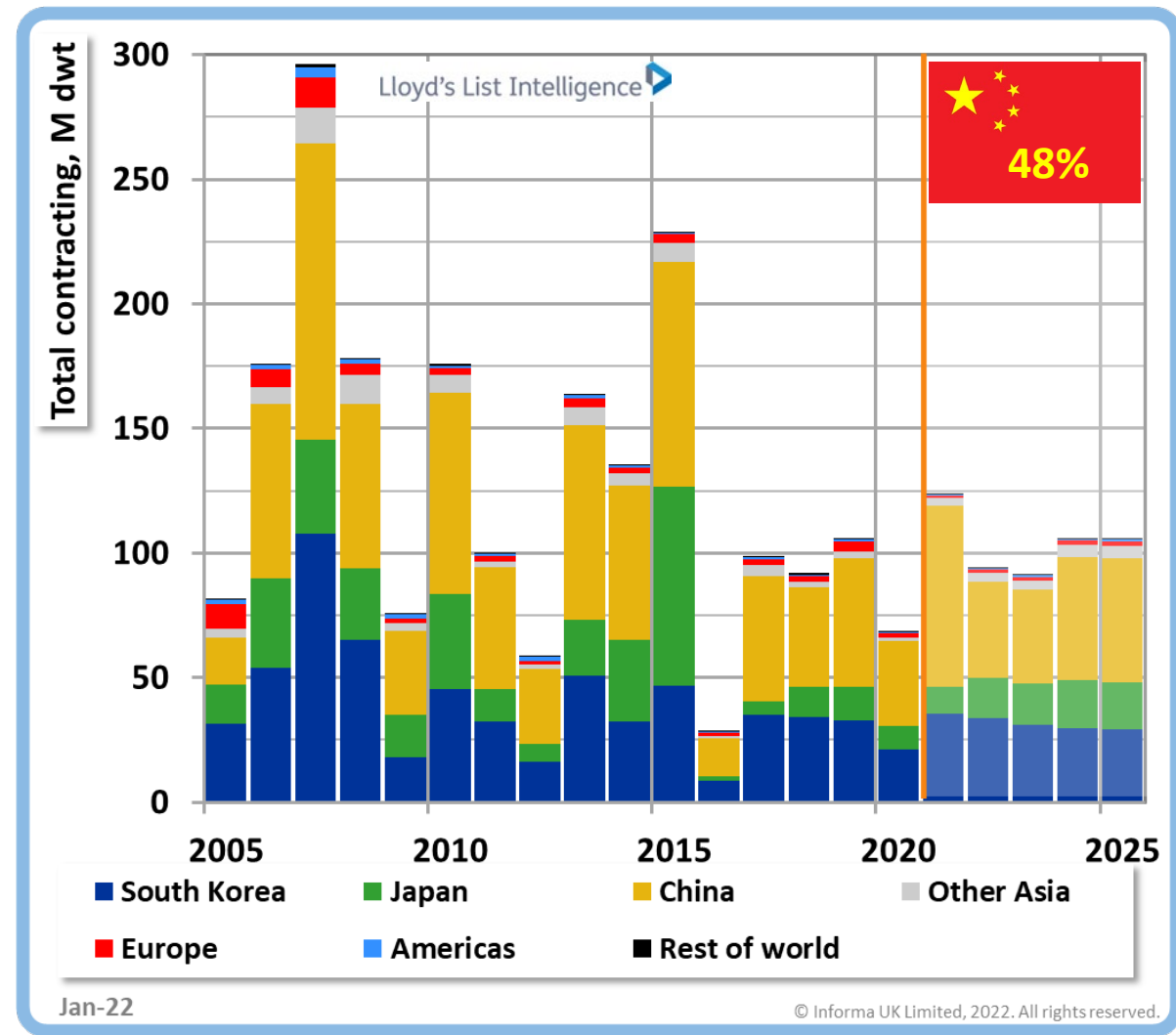
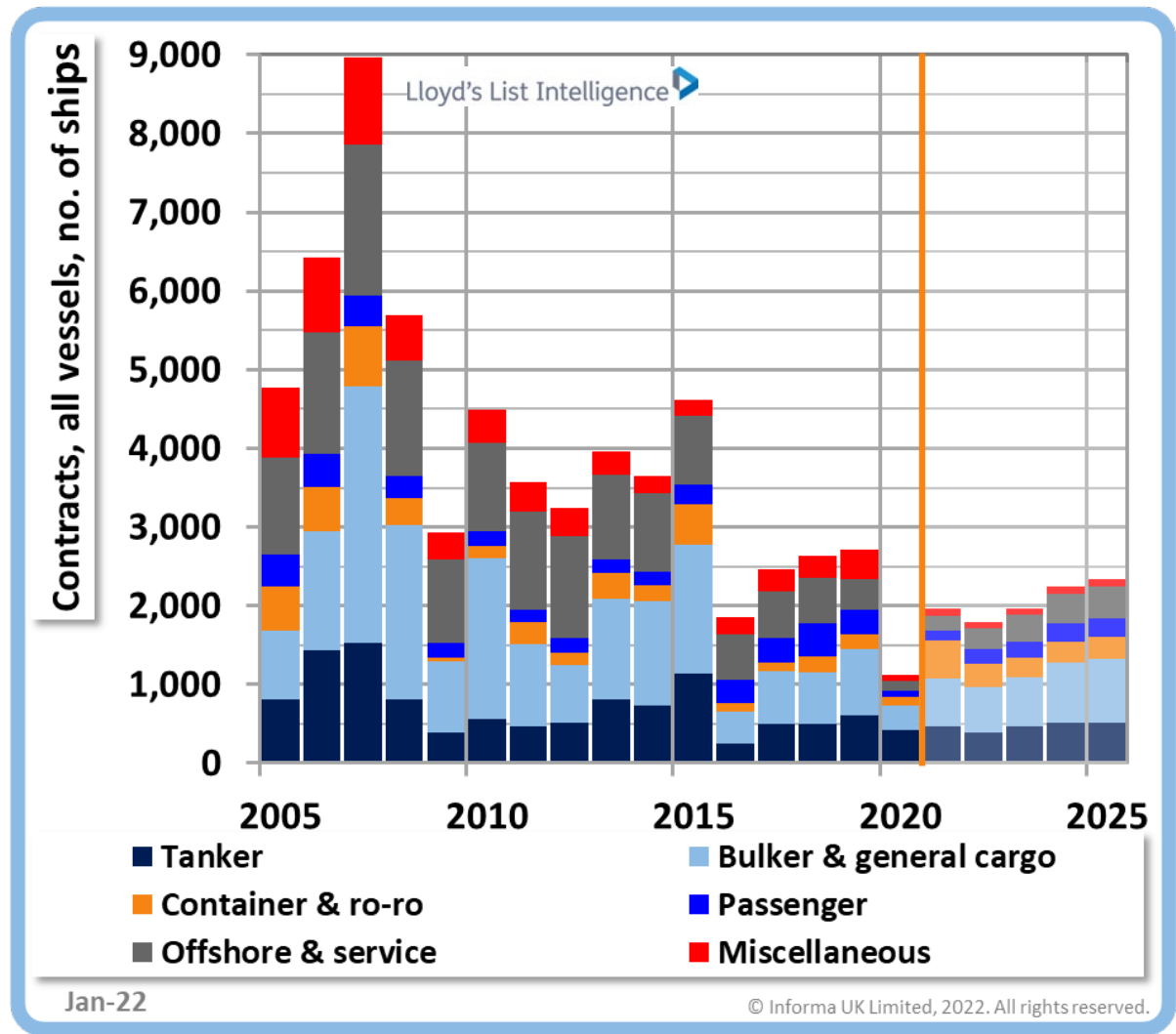
Total Shipbuilding



Environmental challenges drive **removals**. A large modern fleet and difficult financing hold removals back. Many small ships to be removed though.

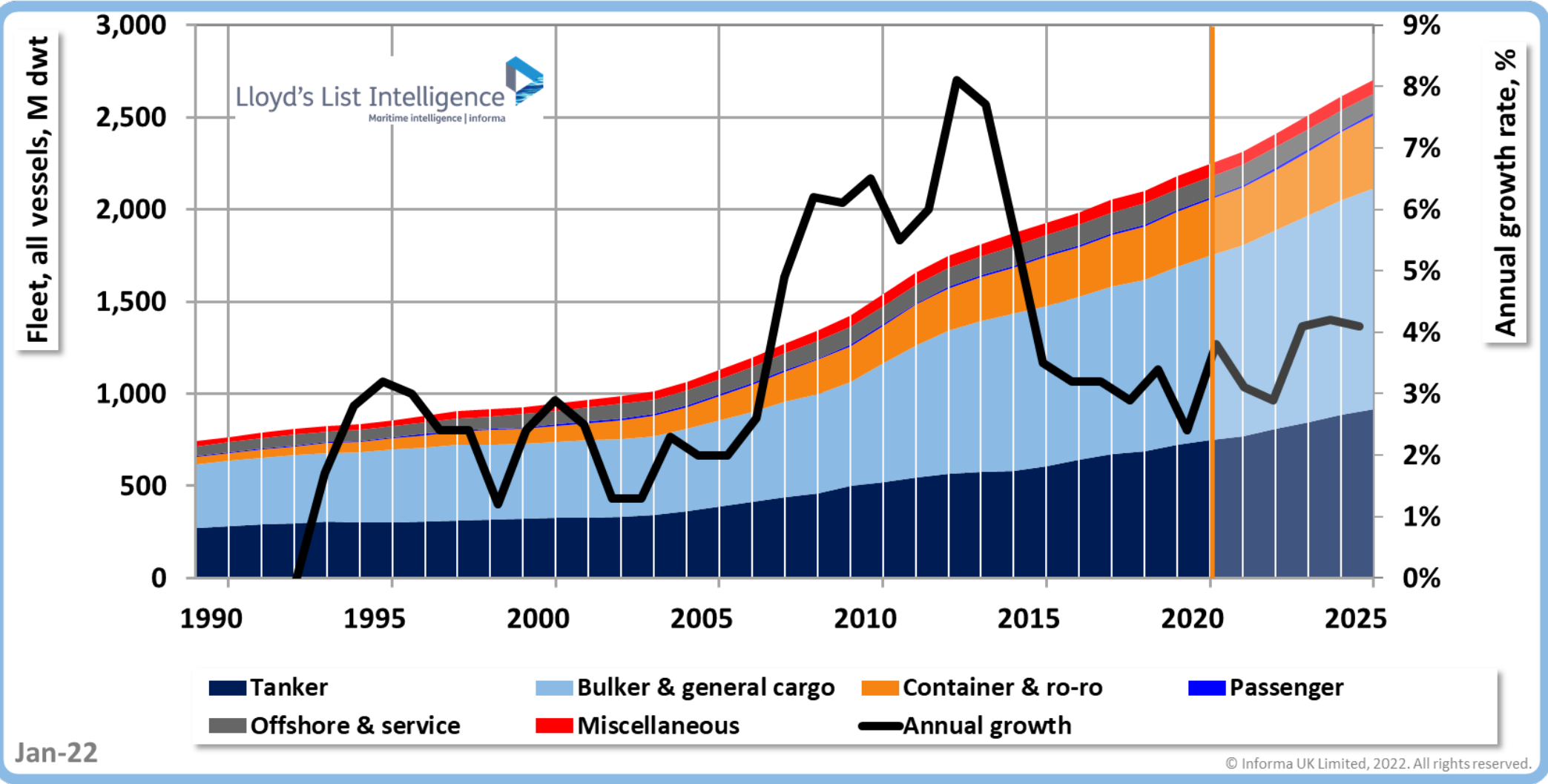


New orders at around 2,000 per year. Many large ships.
Ordering above 100M dwt per year on average 2022-2025.



Fleet growth 3.7% in CAGR until year-end 2025

Global GDP 2021-25	
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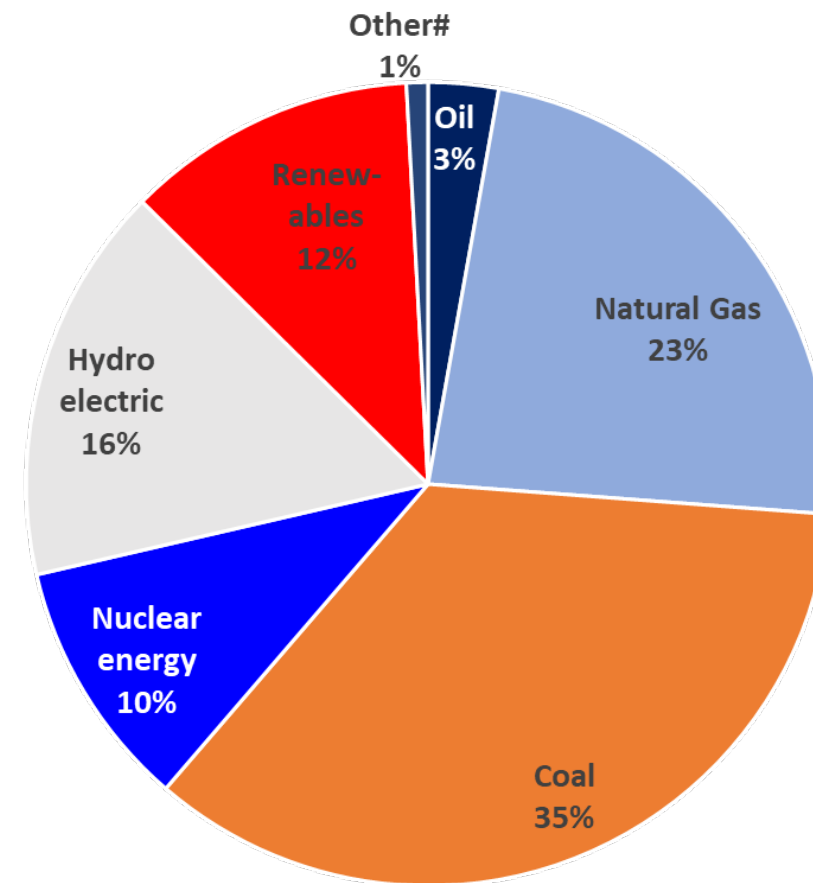
Fleet development

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4% ships
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3.7% cagr

Σ 2016-2020
6% ships
18% cap
3.3% cagr

Vägen tillbaka

- Energiomställning
 - Kol → Gas
 - Olja → El/e-/bio = Gas
- Containersjöfart
 - Högre kostnadsbotten
 - Industrier omstrukturerar
 - Expansionen sker i Asien
- Grön varvsboom
 - Osäkerheter → beslutsångest



World total electricity generation 2020

Thank you



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