Shipping Trends and Impact of Disruptors

Connecting Seas

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20-minute agenda

- GDP & trade
- Energy
- Fleet
- Port capacities
Global GDP growth on a healthy track; +$16Tn the next five years

• China & India almost 20% of global GDP

• Growth in India lower than its potential

• China is rebalancing the economy
  • Positive:
    • Closing down inefficient production could benefit imports
    • Focusing on innovation requires knowledge transfer
    • BRI / OBOR
  • Negative:
    • Slower than planned
    • Fewer speculative real-estate investments

• UK below Euro area 2019-20
Imports to China and India still add a lot of volumes; +2.7Bn tonnes up to 2027. More than half of total growth.

Global trade is 13.4Bn tonnes – 79% seaborne.

35% of US’ cont. imports come from China!
Trade is still a bulky business and 43% is about energy. Thus is the future energy demand crucial to shipping volumes in the longer term.
Wind turbines, solar panels, bio-fuels, bans on fossil fuelled cars; still the fossil fuel era is far from over.

Source: BP Statistical Review of World Energy 2018
Wind turbines, solar panels, bio-fuels, bans on fossil fuelled cars; still the fossil fuel era is far from over.
Future oil demand largely depends on the uptake of non-fossil fuelled vehicles

- Faster switch to EV:
  - Better batteries
  - Cheaper batteries
  - Cheaper EVs
  - Faster ICE scrapping
  - Improved charging infrastructure
  - Renewable power generation

- Slower switch to EV:
  - More efficient ICEs
  - Cheaper ICEs
  - Elec grid failures
  - EV 2nd hand
  - Fossil fuelled power generation

Source: Estimates based on input from Handelsbanken, Bloomberg, and various other sources.

NEW EV sales > new ICE sales
The global fleet gets larger by the day. Not all shipping segments grow, but many do.
∑ To summarize so far

- GDP and global trade growth 3%-4% pa
- Global fleet growth slightly faster the next 3-4 years
- Transition away from fossil fuels is slow
- Oil growth low
- Gas growth rather high
- Renewable growth very high
- Many different types of fuel to handle & transport
Size matters
A number of container terminals in N/NW Europe have expanded their capacities to receive larger vessels. Port throughputs have increased.
New terminal outside of city centre in Gdansk

Source: DCT Gdansk
... and outside of Helsinki ... and several other places
Larger ships are propelled by economies of scale. Limits are set by key ports and passages.
The average size of many ship types increases which has a direct impact on port spatial planning.
Beam, 22.80m

21,000teu, 200,000dwt

2,000teu, 32,300dwt

3,000teu, 47,000dwt

5,000teu, 62,700dwt

8,000teu, 95,000dwt

15,500teu, 157,000dwt

Length, m  0  100  200  300  400

Draft, m

7.4

12.0

13.5

16.0

Beam, 59.00m

21,000teu, 200,000dwt
The box still attracts more cargo; 79% of general cargo is containerized – and increasing. Forest products and chemicals the largest groups.
• More cargo
• More ships
• Larger ships
• Cont’d containerization
• More fuel types
• Insufficient port capacity
• City ports wanted for other uses
• 3D printing no major threat

• ... for yet another while
Thanks!

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