

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

Four years of Modi: an era of all round disaster

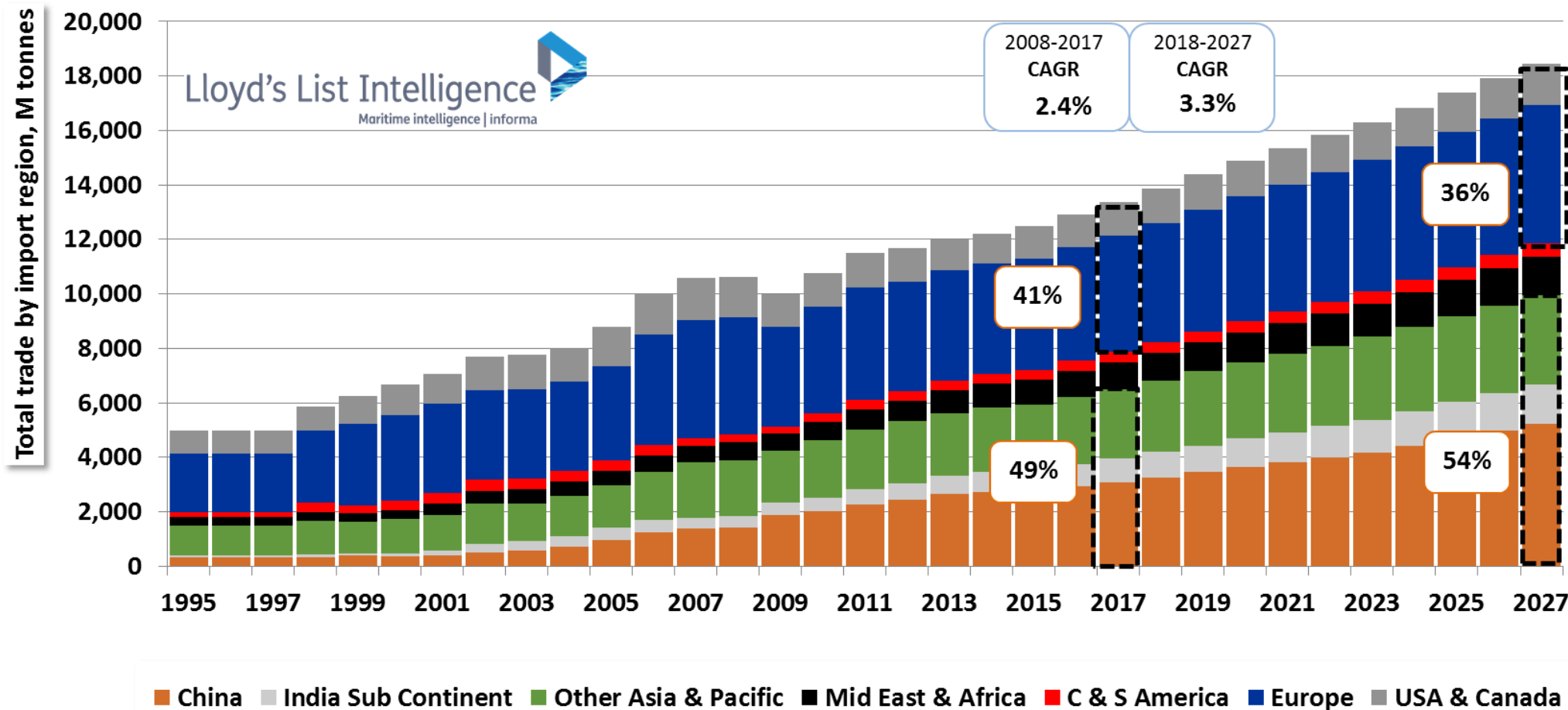


Analysis **Indian politics & policy**

India's shadow banks fear credit crunch will deepen

Debt market liquidity squeeze prompts concerns about serious hit to economic growth

Imports to China and India still add a lot of volumes;
+2.7Bn tonnes up to 2027. More than half of total growth.



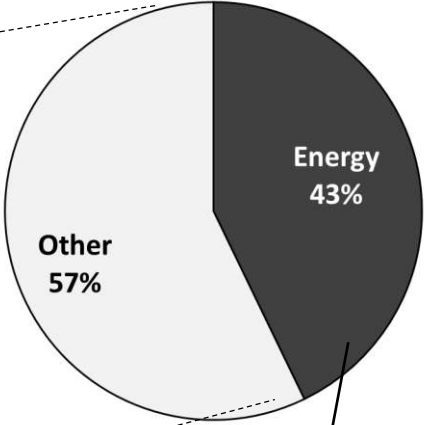
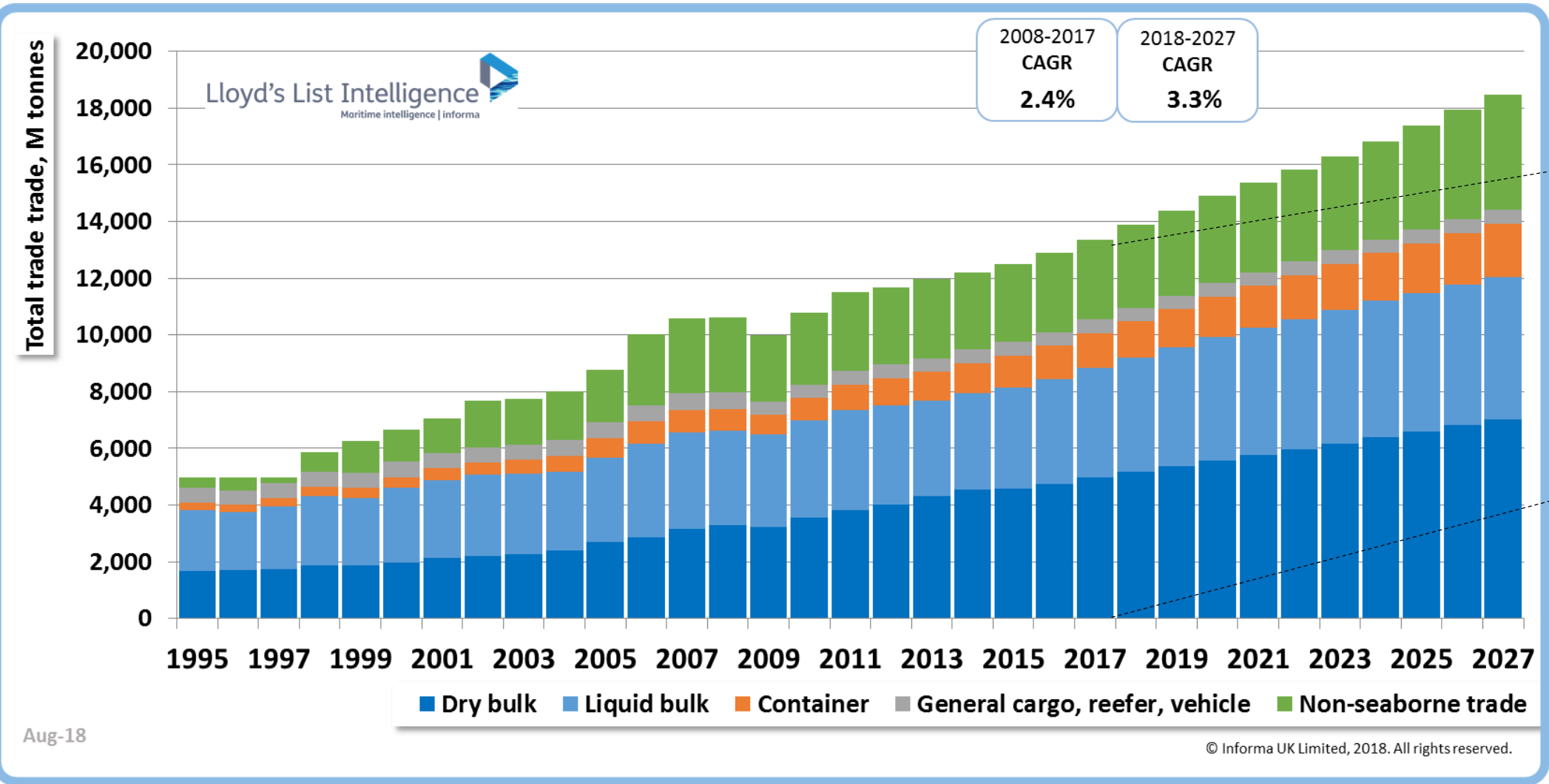
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Global trade is 13.4Bn tonnes – 79% seaborne.

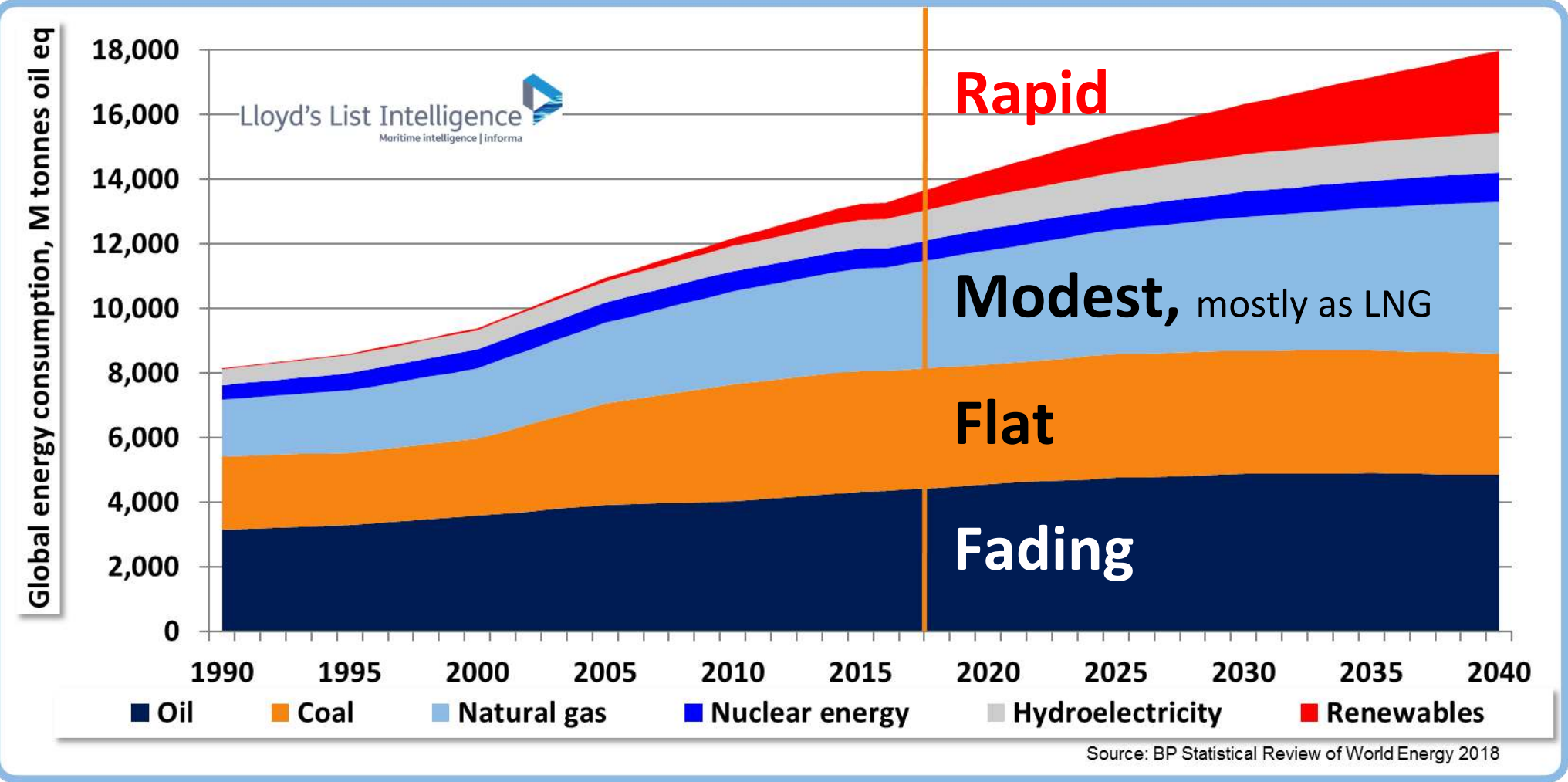
35% of US' cont. imports come from China!

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.



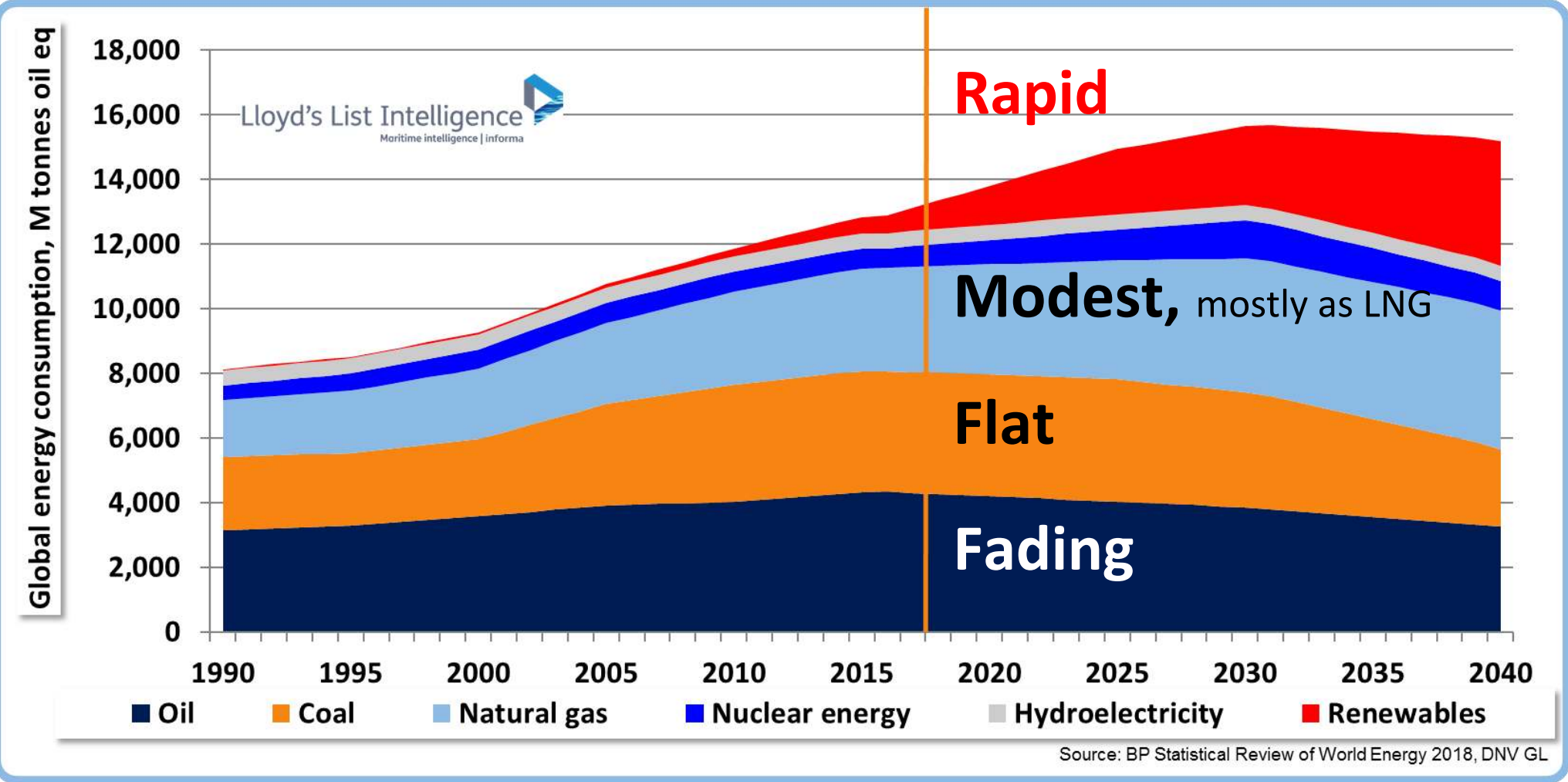
1. China
2. Japan
3. USA
4. India
5. S Korea

Wind turbines, solar panels, bio-fuels, bans on fossil fuelled cars; still the fossil fuel era is far from over.



Share 2017	% CAGR	Share 2030
4.3%	7.9%	9.5%
6.9%	1.7%	7.1%
4.3%	1.8%	4.7%
24%	1.8%	25%
29%	0.2%	23%
33%	0.8%	30%

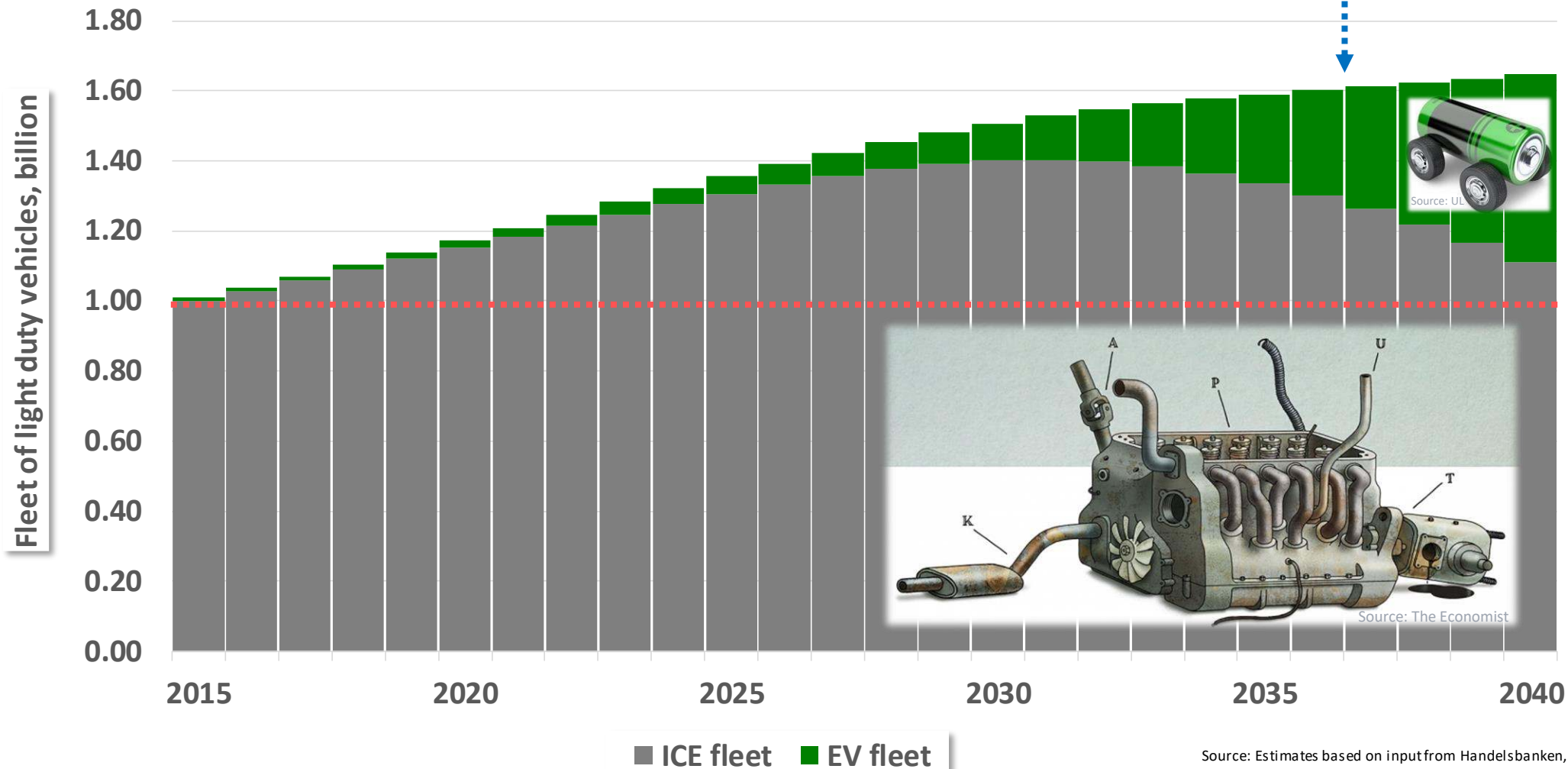
Wind turbines, solar panels, bio-fuels, bans on fossil fuelled cars; still the fossil fuel era is far from over.



% CAGR	Share 2030
9.8%	15.5%
0.0%	3.0%
5.0%	7.6%
1.9%	27%
-0.4%	23%
-0.8%	25%

Future oil demand largely depends on the uptake of non-fossil fuelled vehicles

New EV sales
> new ICE sales



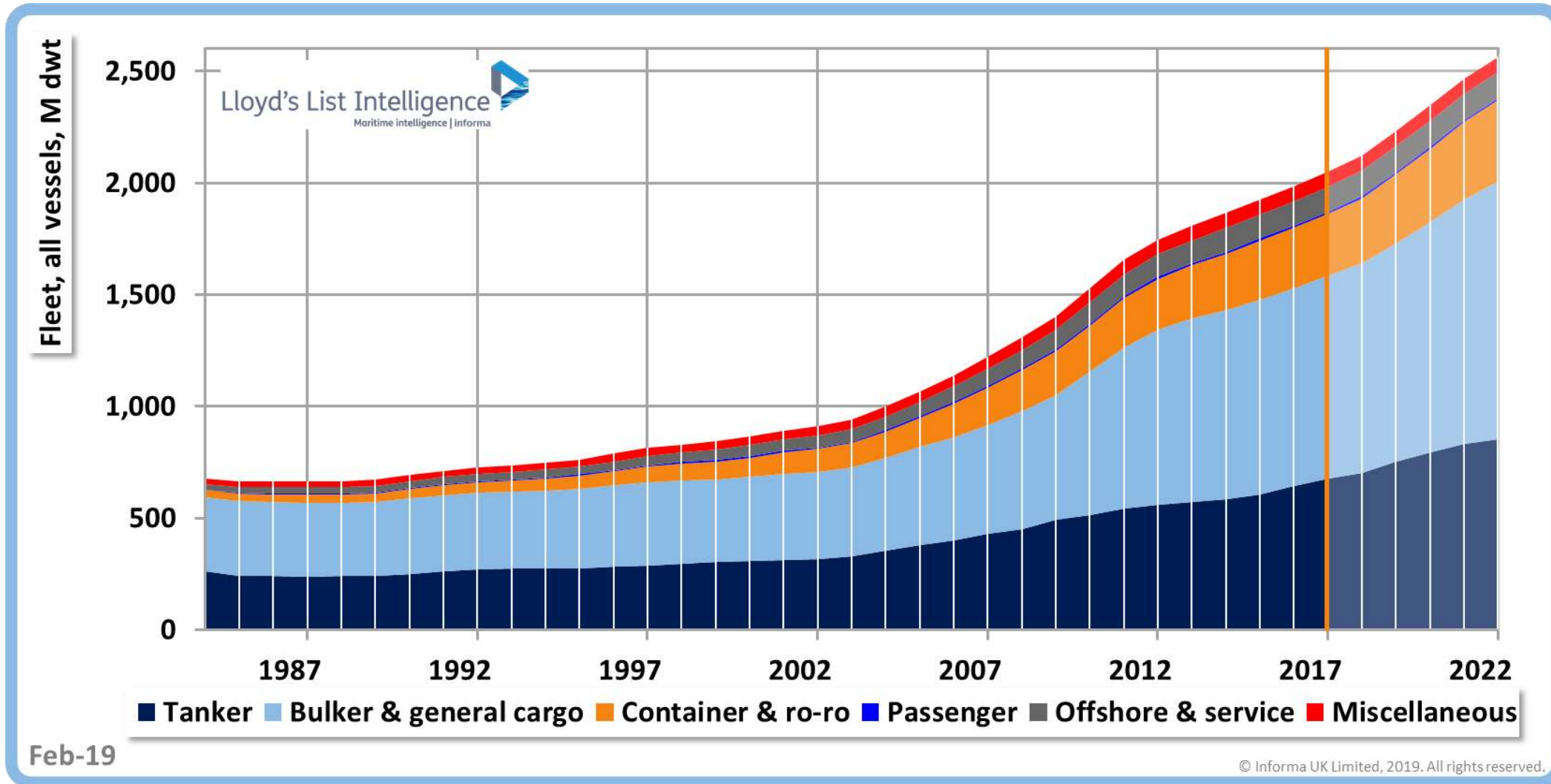
Faster switch to EV:

- 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

The global fleet gets larger by the day. Not all shipping segments grow, but many do.



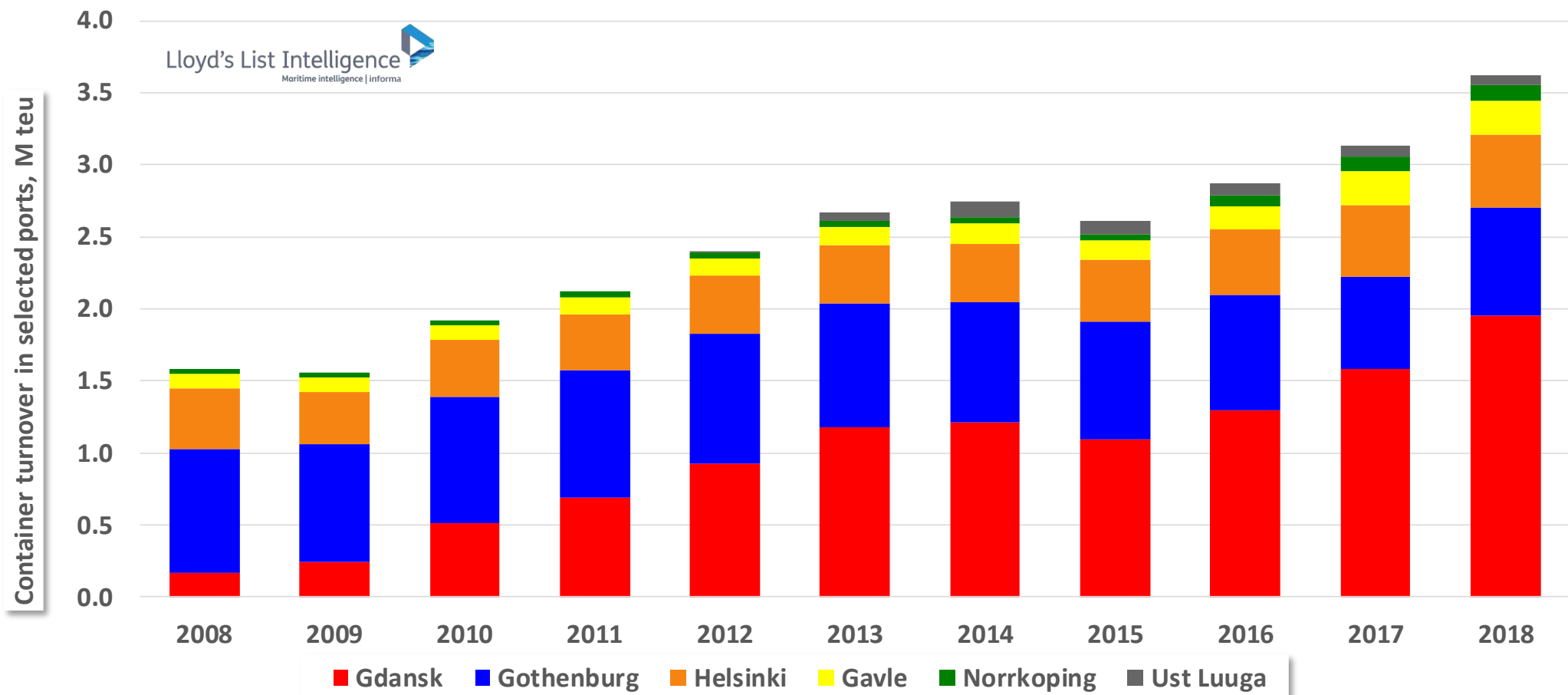
Σ To summarize so far

- **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.



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New terminal outside of city centre in Gdansk



Source: DCT Gdansk

... and outside of Helsinki ... and several other places



Source: Port of Helsinki

**Larger ships are propelled by economies of scale.
Limits are set by key ports and passages.**



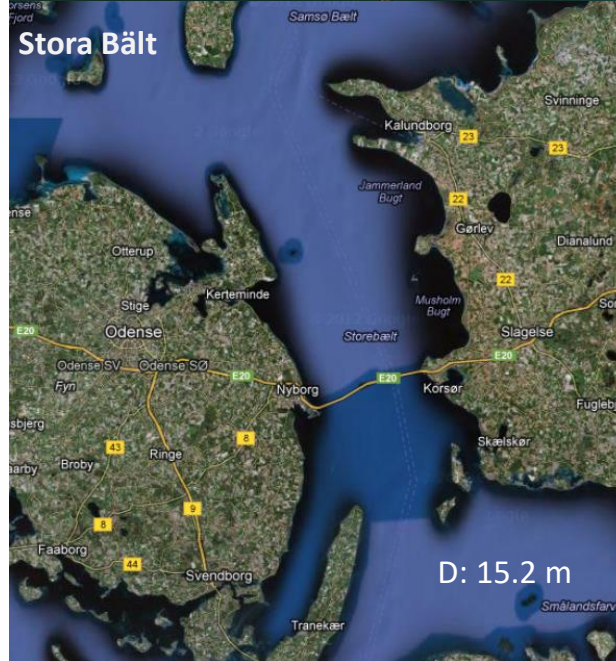
Panama Canal



**Suez Canal Bridge
Shohada 25 January Bridge
Egyptian-Japanese Friendship Bridge**



Bosphorus Strait



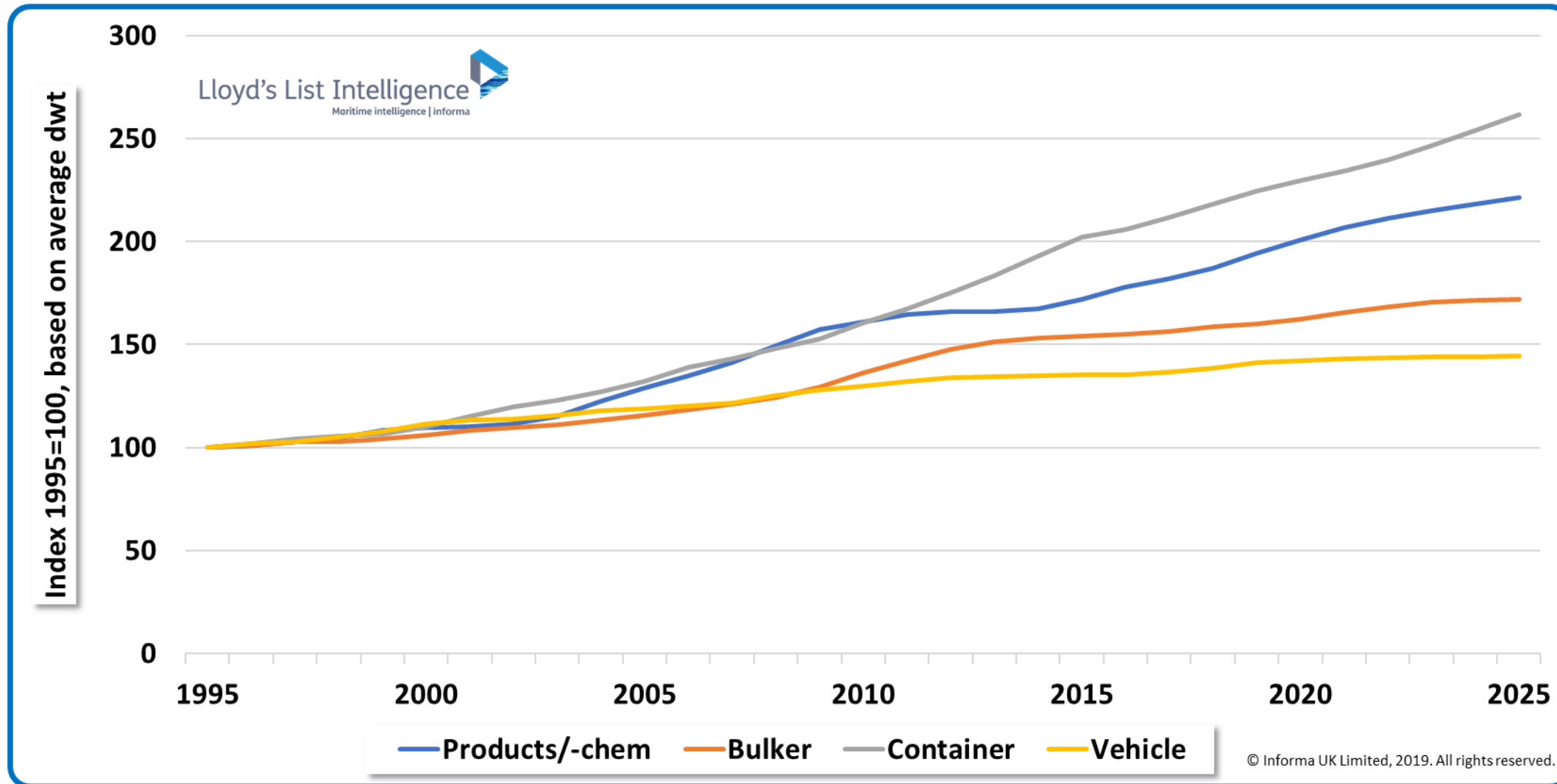
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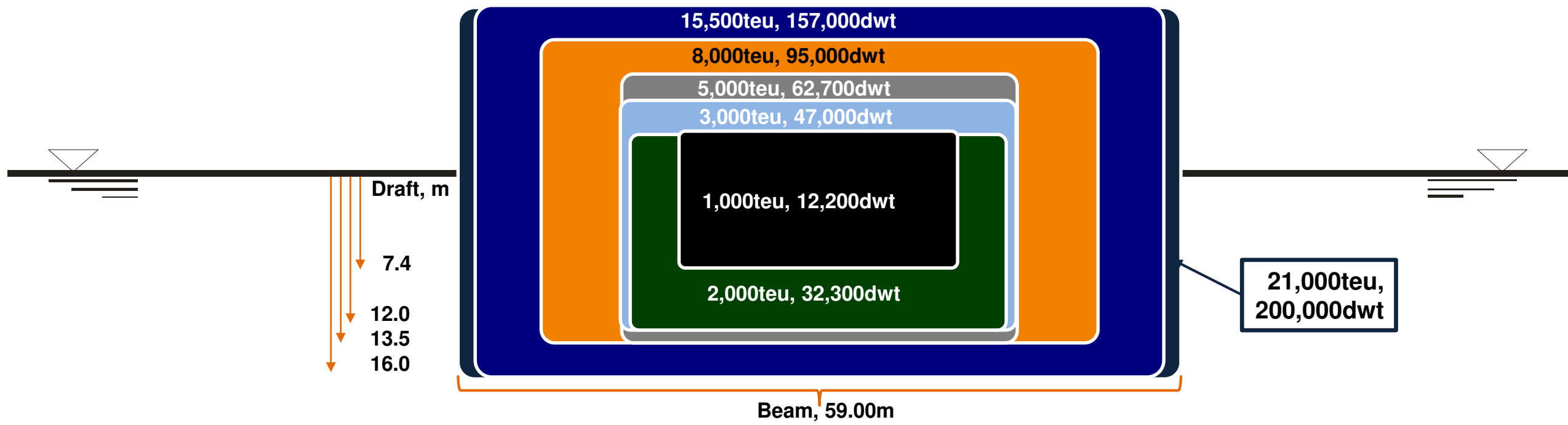
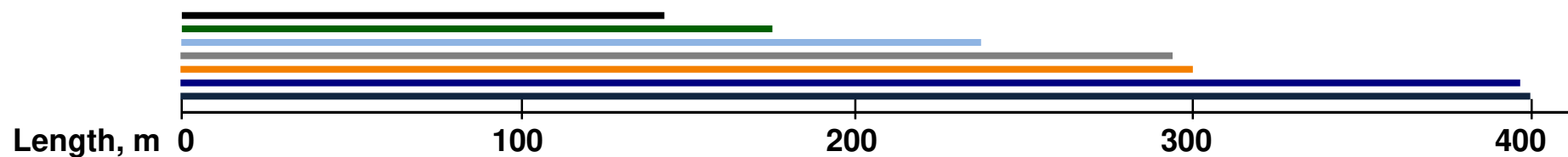
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Bayonne Bridge

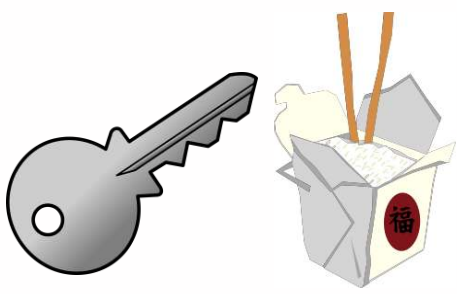
The average size of many ship types increases which has a direct impact on port spatial planning



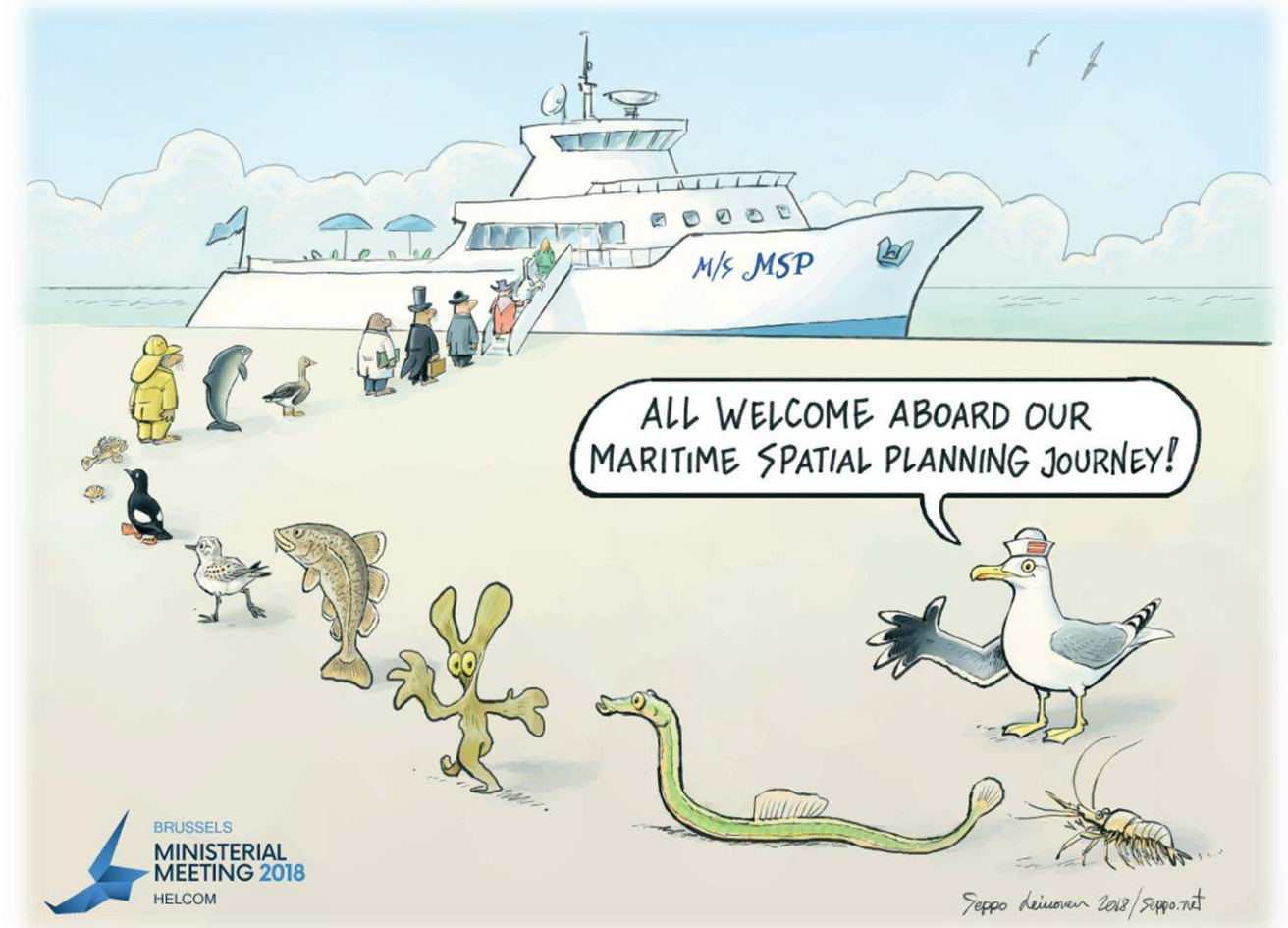


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- More cargo
 - More ships
 - Larger ships
 - Cont'd containerization
 - More fuel types
 - Insufficient port capacity
 - City ports wanted for other uses
 - 3D printing no major threat
-
- ... for yet another while



Thanks!

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