



Current Maritime Market and China's Role in it

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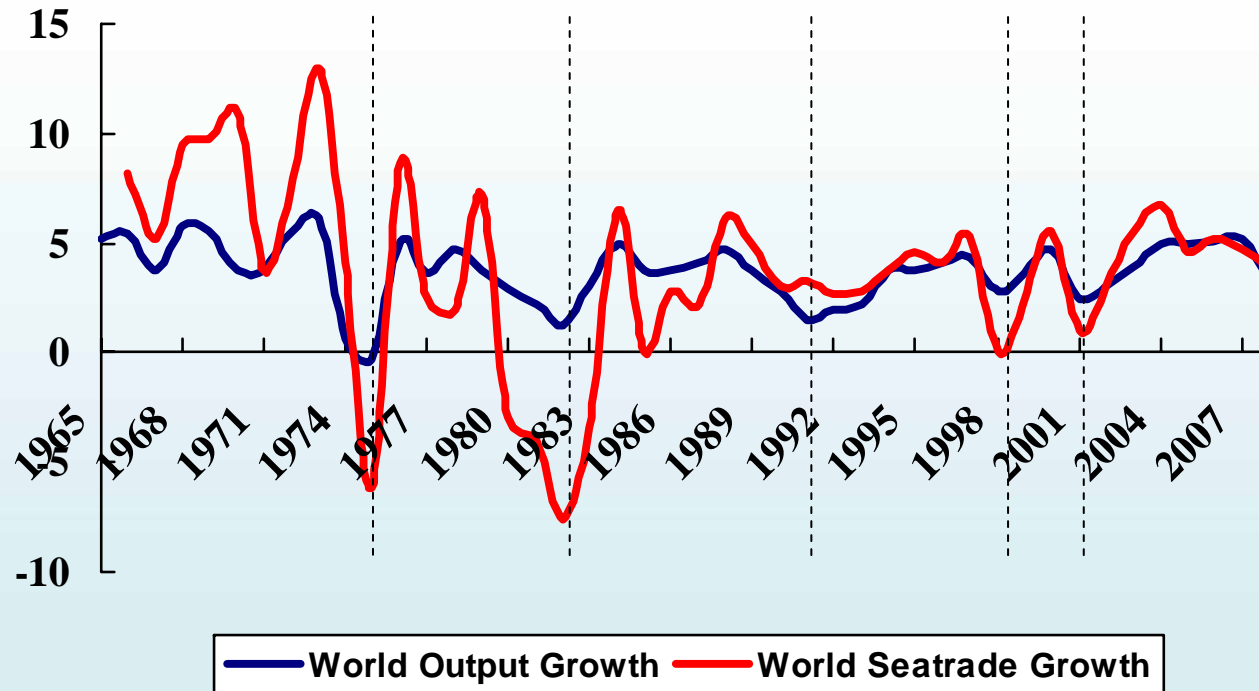


. The Past and Current Shipping Market



Since 1960s, we have experienced 6 cycles of both the world economy and shipping market

World Output Growth vs World Seatrade Growth (% ,yoy)



Source : IEA , COSCO R&D



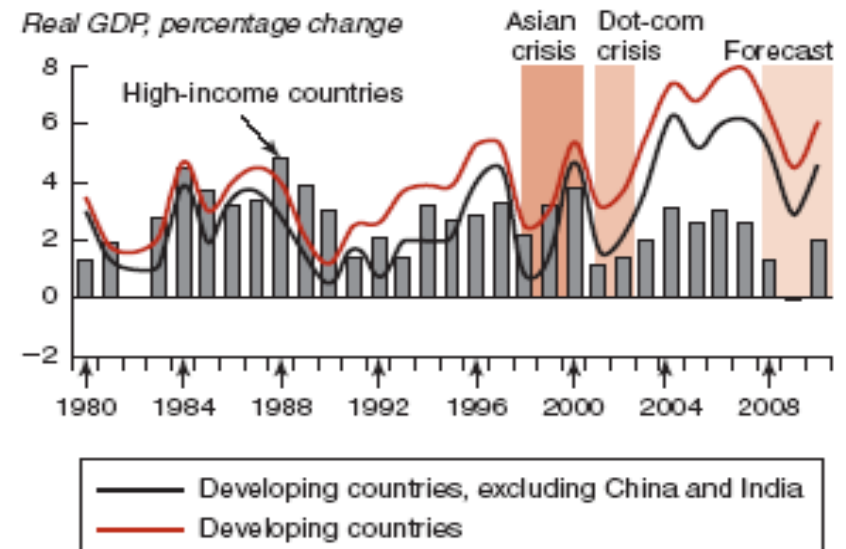
Worst post-war global recession

World GDP: IMF Forecasts

	2008	Projections	
		2009	2010
World output	3.2	-1.0 to -0.5	1.5 to 2.5
Advanced economies	0.8	-3.5 to -3.0	0.0 to 0.5
United States	1.1	-2.6	0.2
Euro area	0.9	-3.2	0.1
Japan	-0.7	-5.8	-0.2
Emerging and developing economies	6.1	1.5 to 2.5	3.5 to 4.5

Source: World Economic Outlook database, March 2009.

World GDP: WB Forecasts



Source: World Bank.



Global trade shrinks under pressure

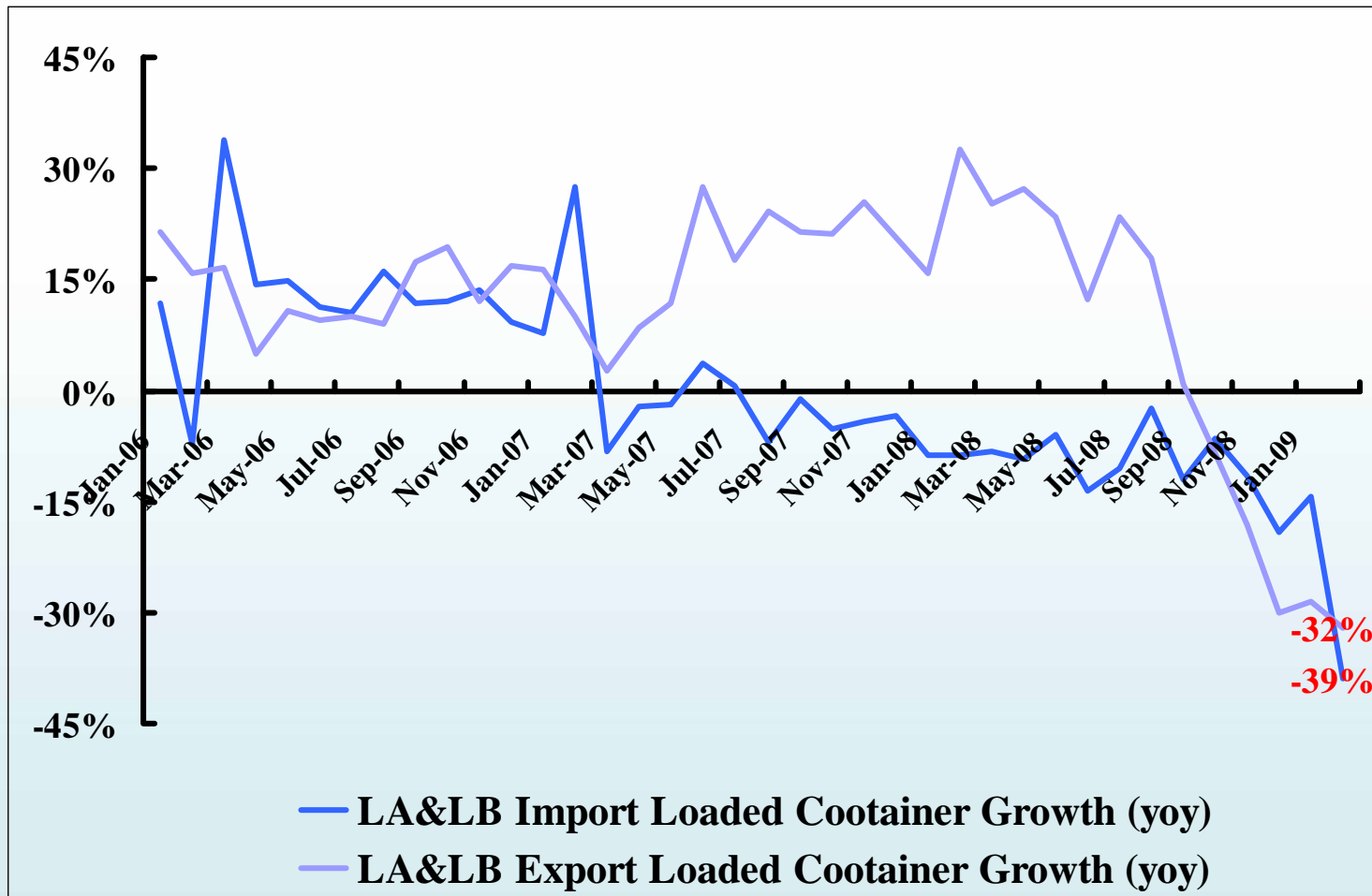
	2008		Nov.2008		Dec.2008		Jan.2009	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
USA	11.8	7.3	-5.7	-16.2	-11.4	-15	-16.4	-22.8
Japan	9.5	22.5	-16.1	-2	-19.9	-3.3	-46.3	-31.7
UK	8.4	4.9	-14.6	-25.4	-19.5	-25.7		
Canada	8.5	7.3	-18	-15.9	-18.8	-11.8		
Australia	32.4	20.8	14	-11.8	6.2	-1.2		
New Zealand	13.4	11.2	-18.8	-21.1	-23.9	-16.8		
South Africa	14.8	13.9	-26.3	-10.7	-21.4	-21		
Turkey	22.9	18.3	-17.2	-27.8	-20.6	-29.8		
Ukraine	36.1	41	-16.5	-9.5	-15.5	-27.9		
Brazil	23.2	43.6	5	9.3	-2.9	8.7		
Argentina	25.6	28.4	-8.4	-5.4	-27.8	-10.9		
Peru	13.1	46.3	-11	15.8	-30.4	4.1		
South Korea	13.6	22	-19.5	-15	-17.9	-21.6		
Hong Kong	6	6.1	-4.2	-6.4	-9.6	-15.1		
Thailand	9	19	-26.8	-8.2	-21.9	-16.5		

Source: National Governments

COSCO R&D



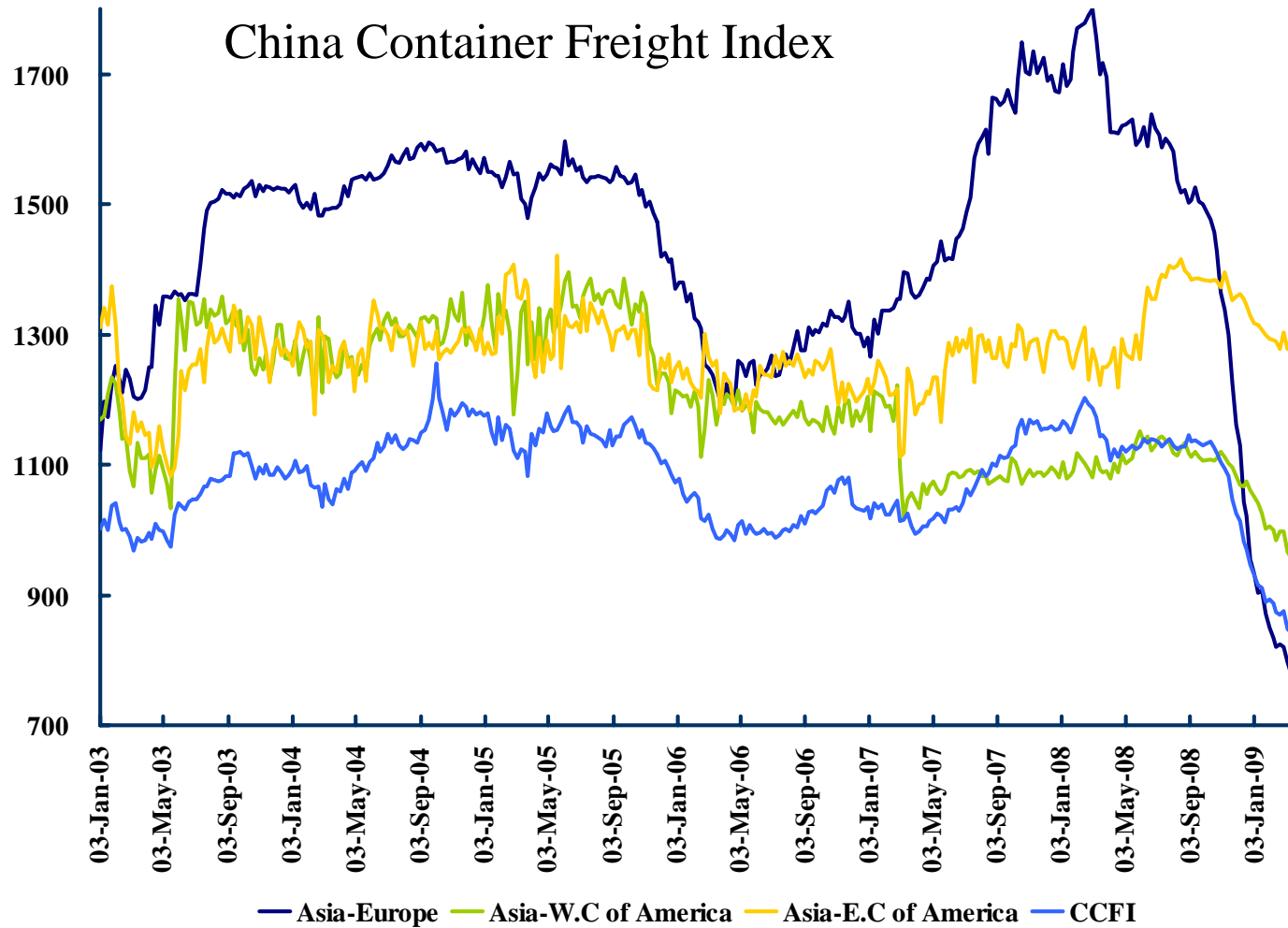
Shipping trade has seen a dramatic decline.



Source : China Customs Statistics , COSCO R&D



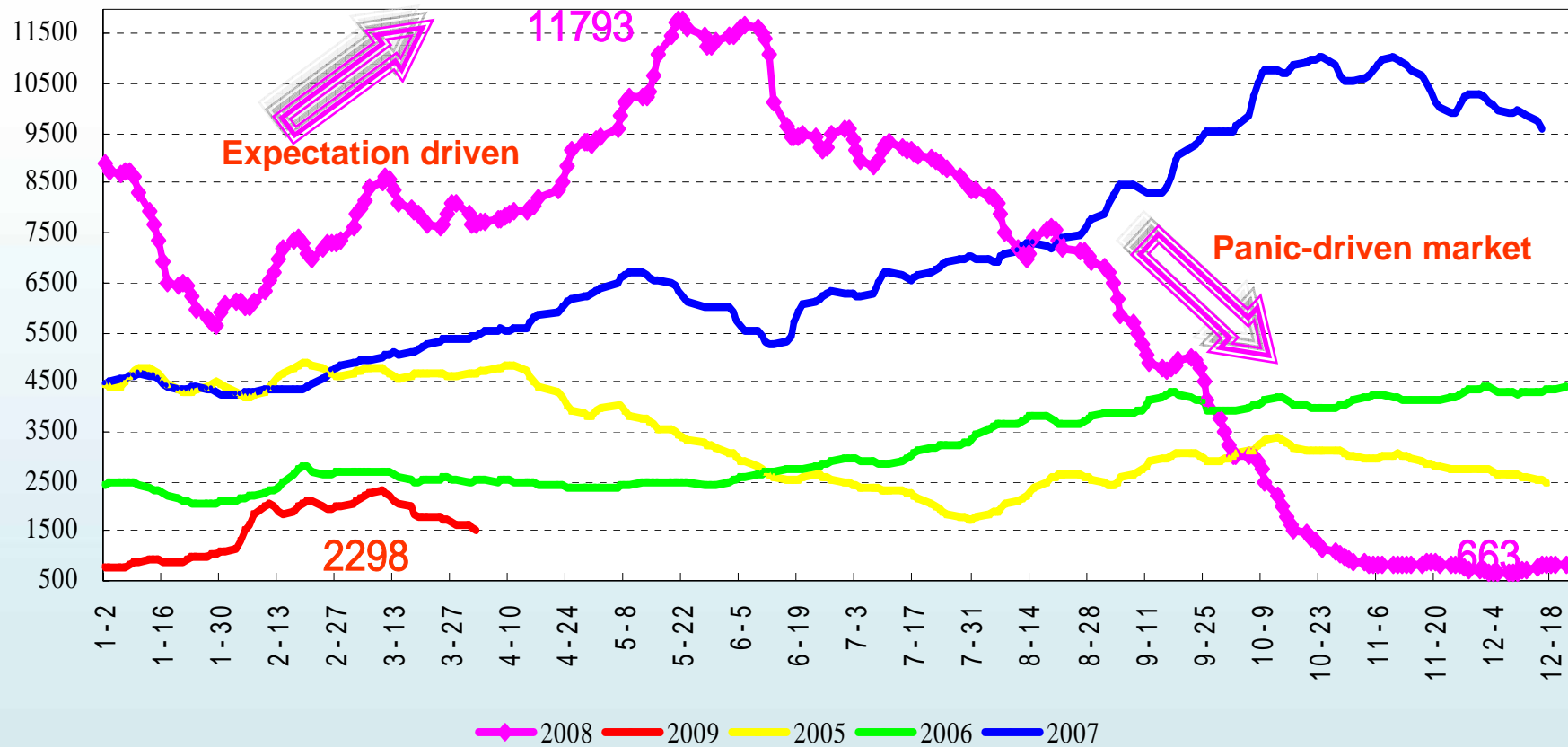
Freight rates are under unprecedented pressure in container shipping.





BDI Index - 11793 vs 663

Market was not driven by D/S balance

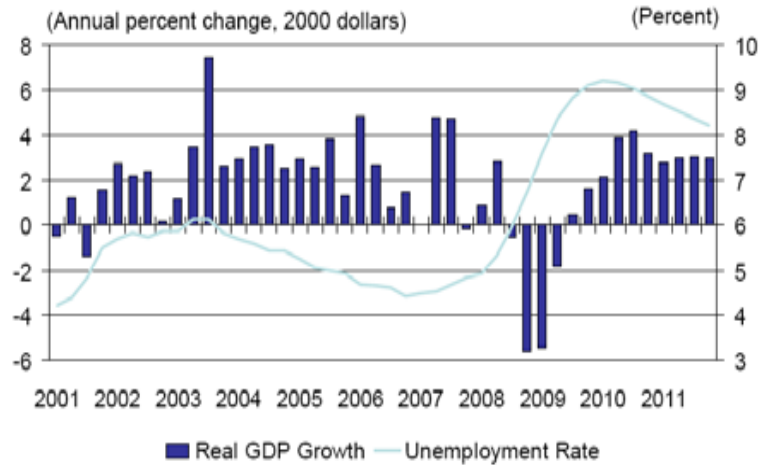


Source : Baltic Exchange

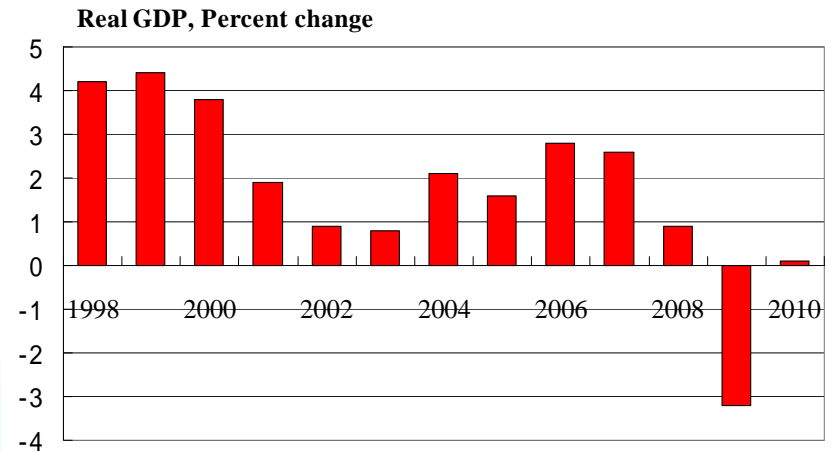


Further with the process of globalization, the crisis would be easily transmitted to other economies

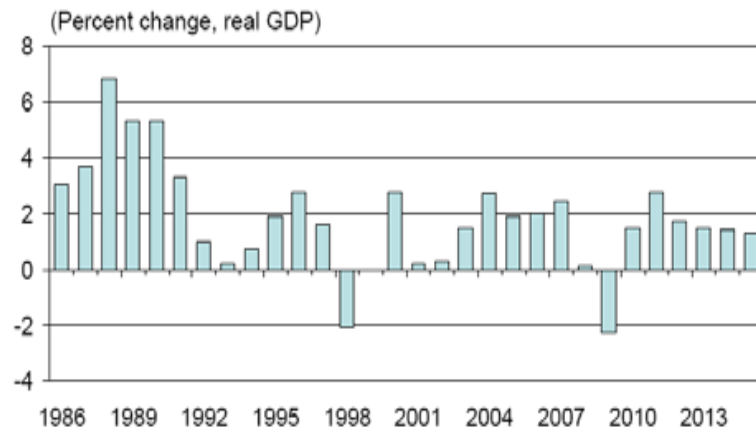
U.S. Expected To Contract by 2.5% in 2009



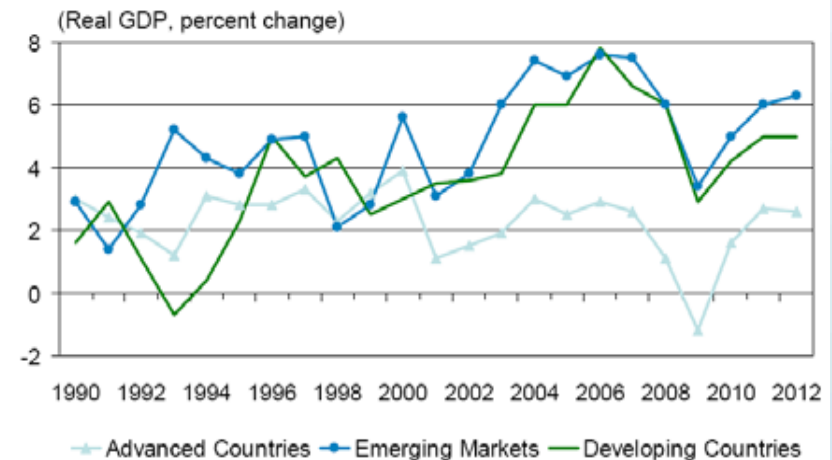
Euro Area Expected to contract by 3.2% in 2009



Worst Growth in Japan Since the Asia Crisis



Emerging Markets: No De-Coupling



Source: Global Insight

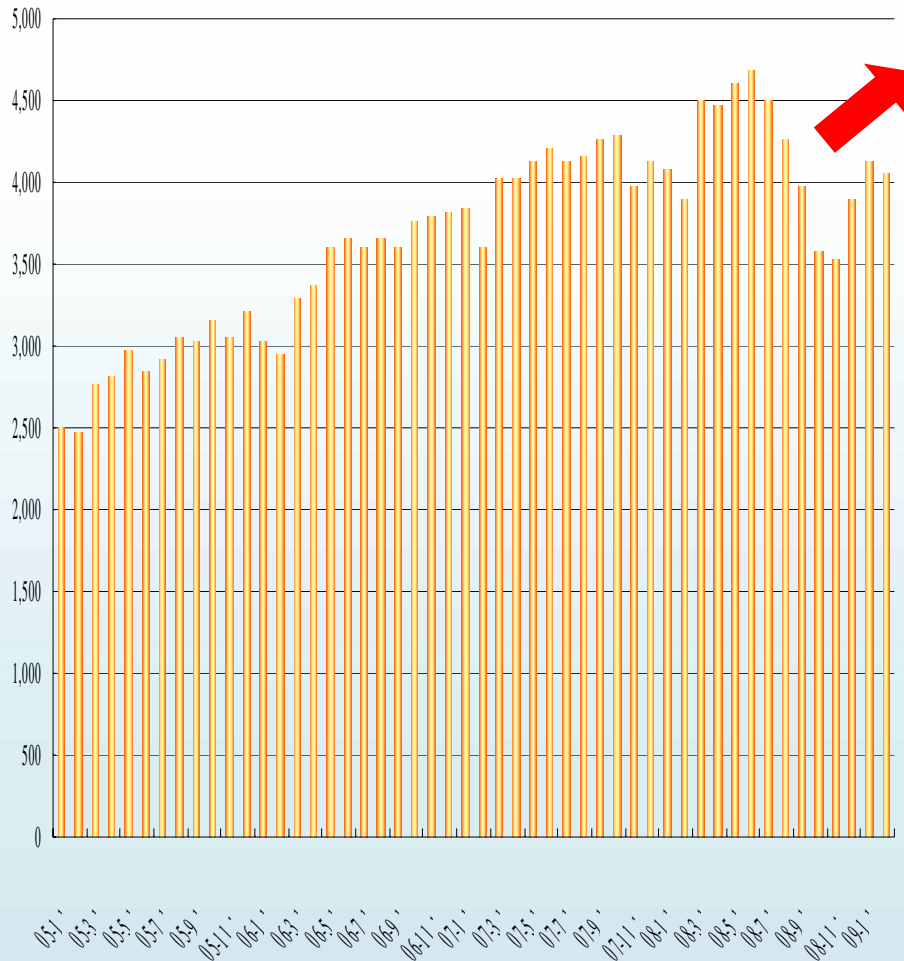


. China's Role in Shipping Trade

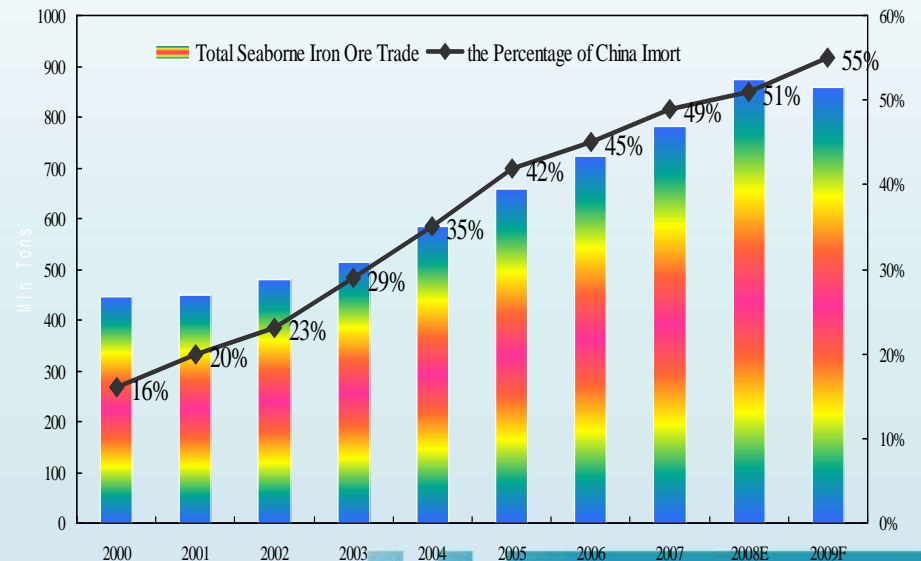
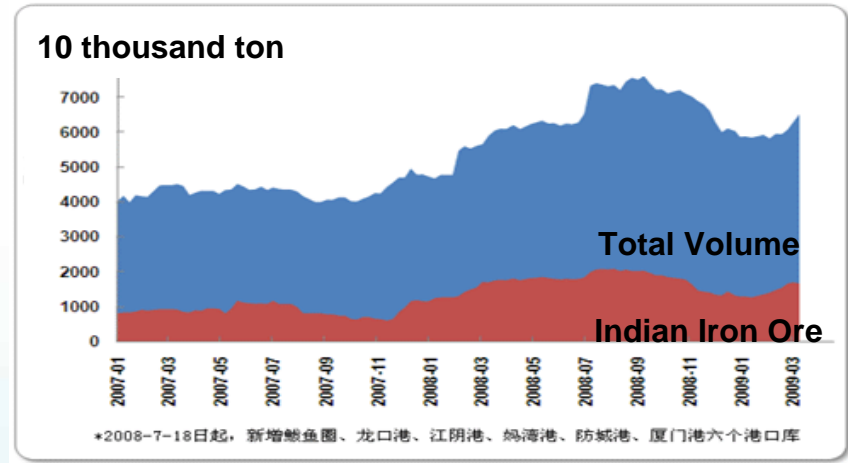


The process of industrialization and urbanization boosts China mainland's iron ore import .

China mainland monthly crude steel production



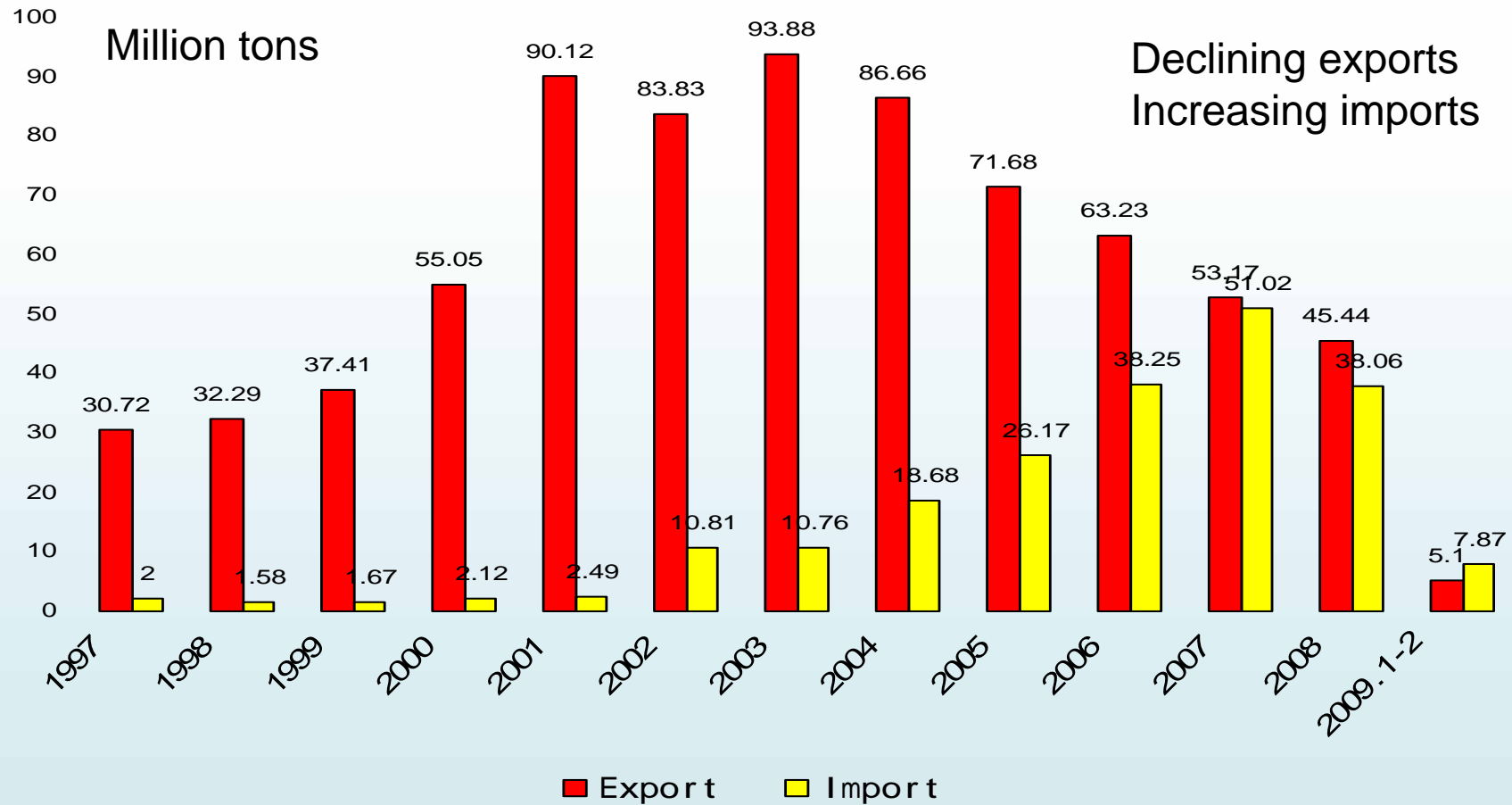
China mainland port stockmile iron ore



Source : My steel , China Customs



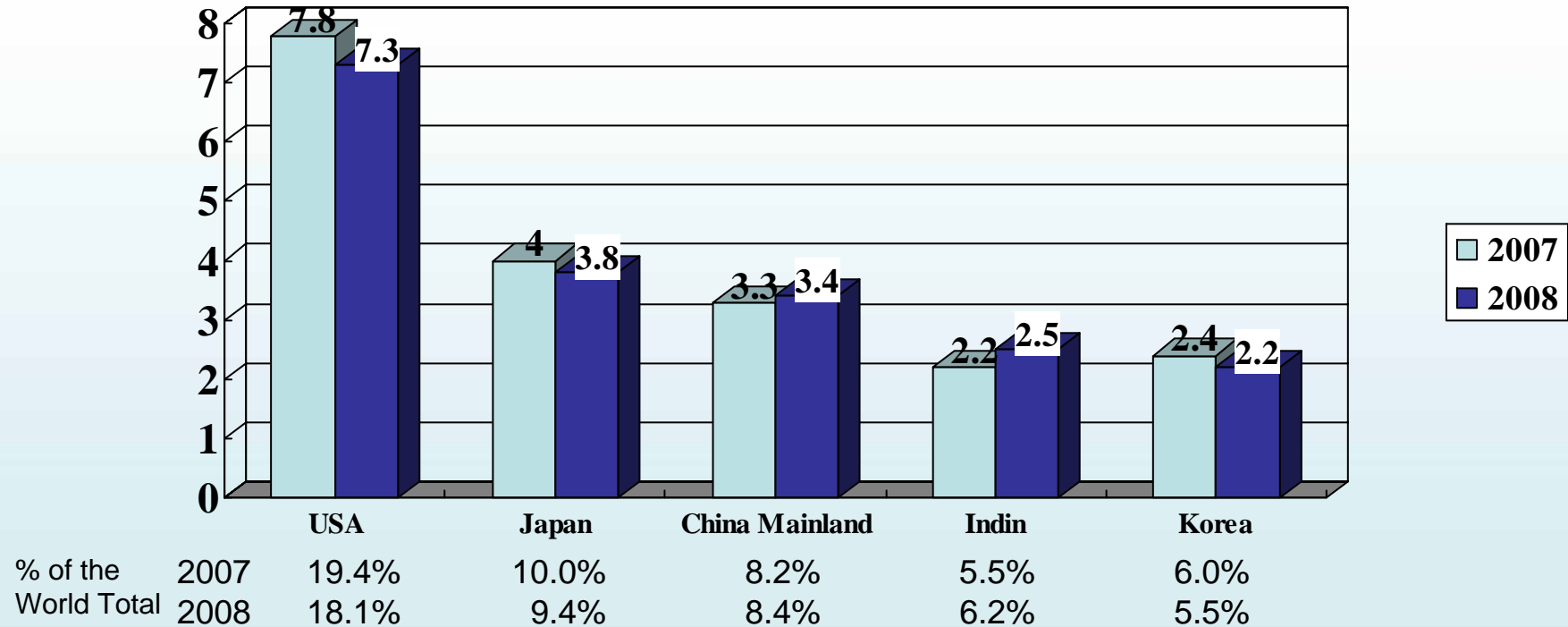
China mainland's coal export & import





China mainland imported 178 million tons of crude oil in 2008 which listed the third largest area in the world.

Top 5 Largest Crude Oil Sea Imported Areas (m bpd, 2007-2008)

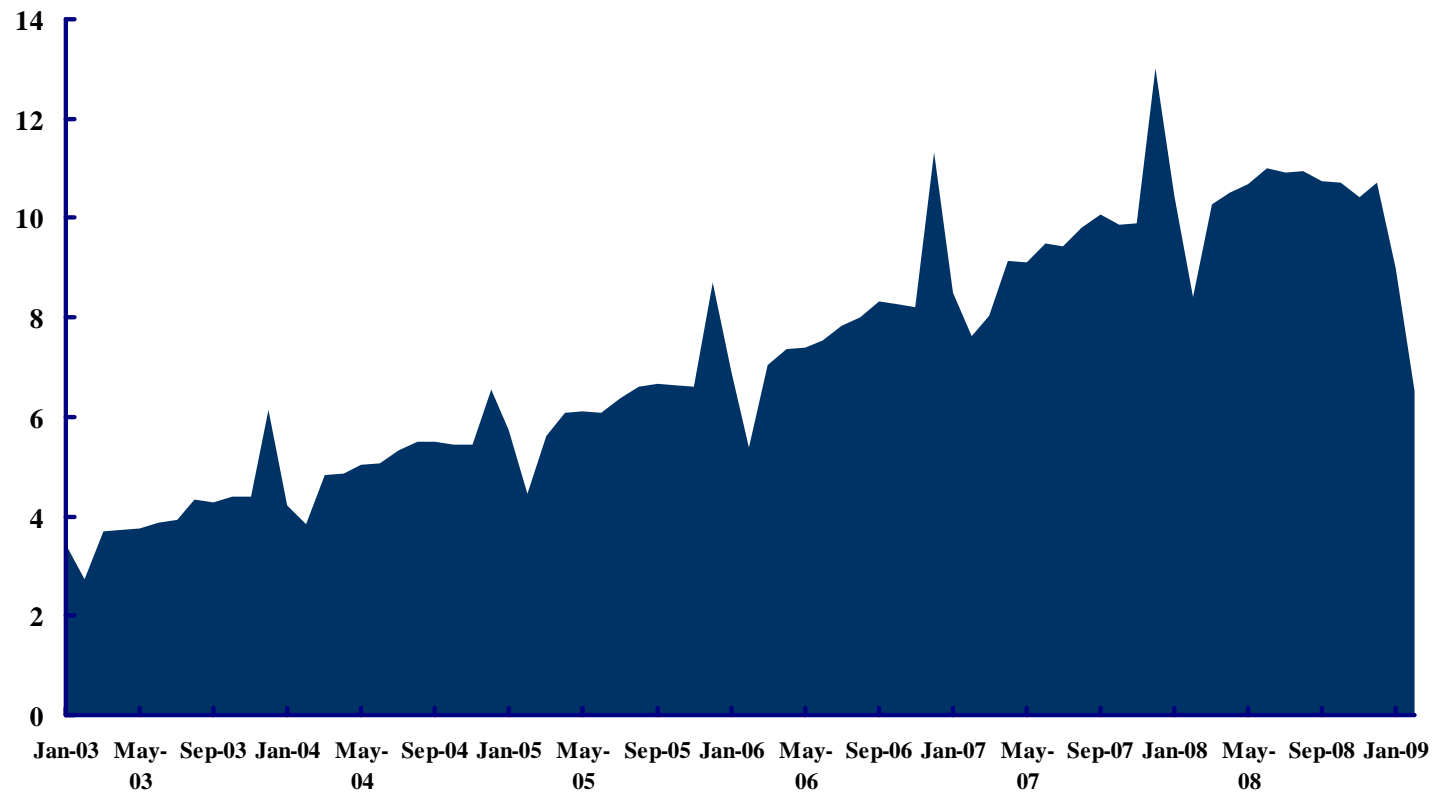


Source : Clarkson , COSCO R&D



China mainland container port throughputs

(monthly, million TEUs)



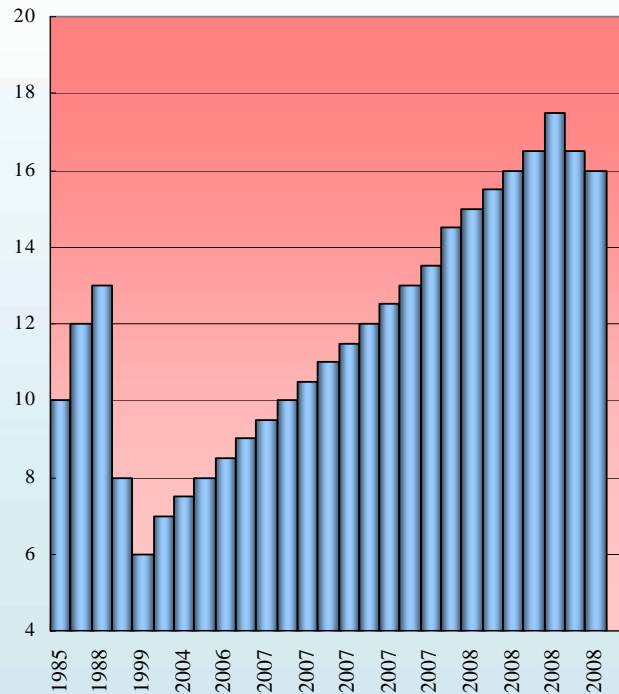


China mainland's Stimulus Plan

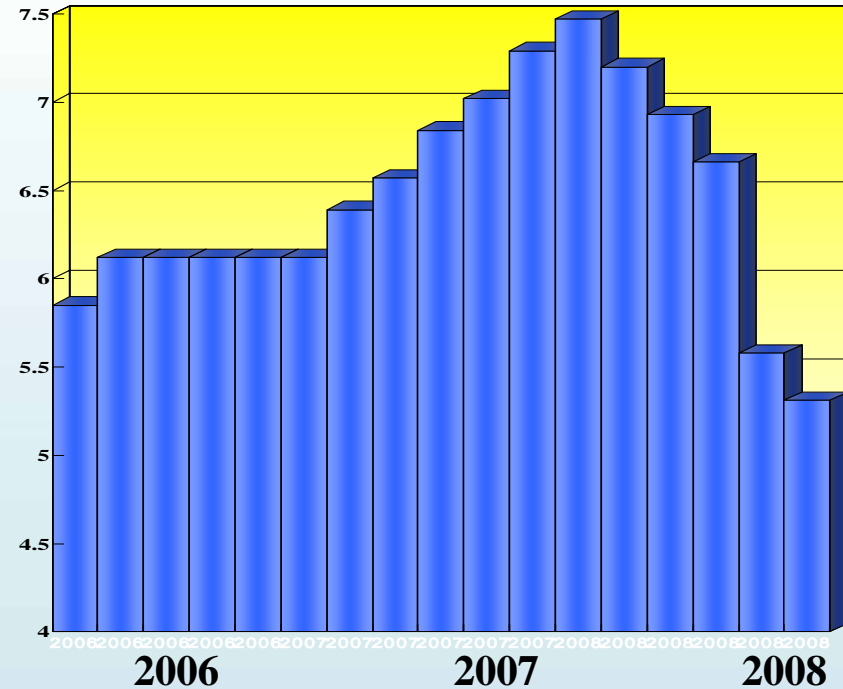
4-trillion-yuan (\$586 billion) stimulus package
10 Industry rejuvenating plan

Monetary policy

Deposit Reserve Rate



Loan Interest Rate



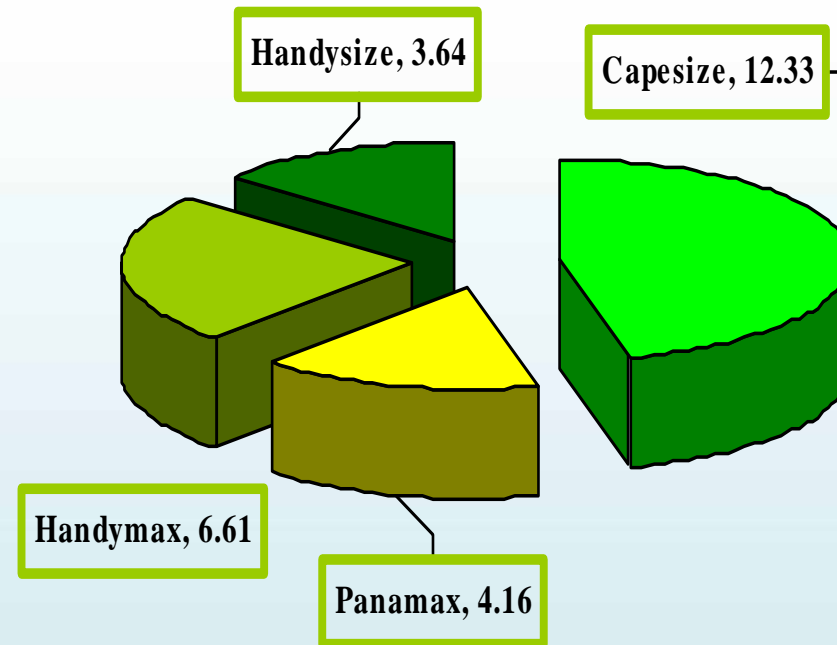


. About the Future Shipping Market



Dry bulk fleet (million dwt)

Orderbook delayed or cancelled in 2009

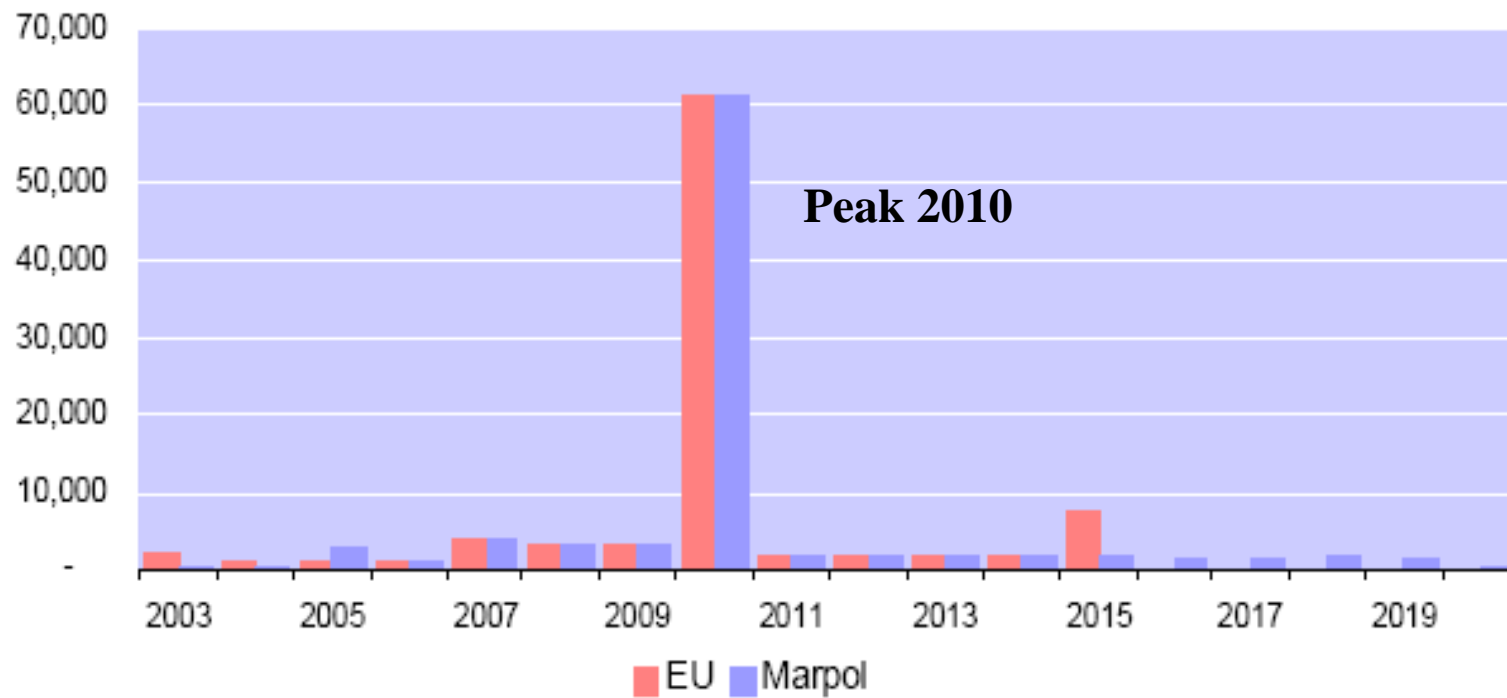




Single-hull tanker phase-out

SH Tanker Phase Out

Figures in '000 dwt



Source : Fearnleys , COSCO R&D



We need to work together, change our priority to overcome the recession.

World Shipping (China) Summit 2009

Date: Nov. 5 – 6

Theme: Changing Priority

Jointly-organized by



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Thank you for your attention!

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