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Container market development and the containerisation potential!

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Agenda

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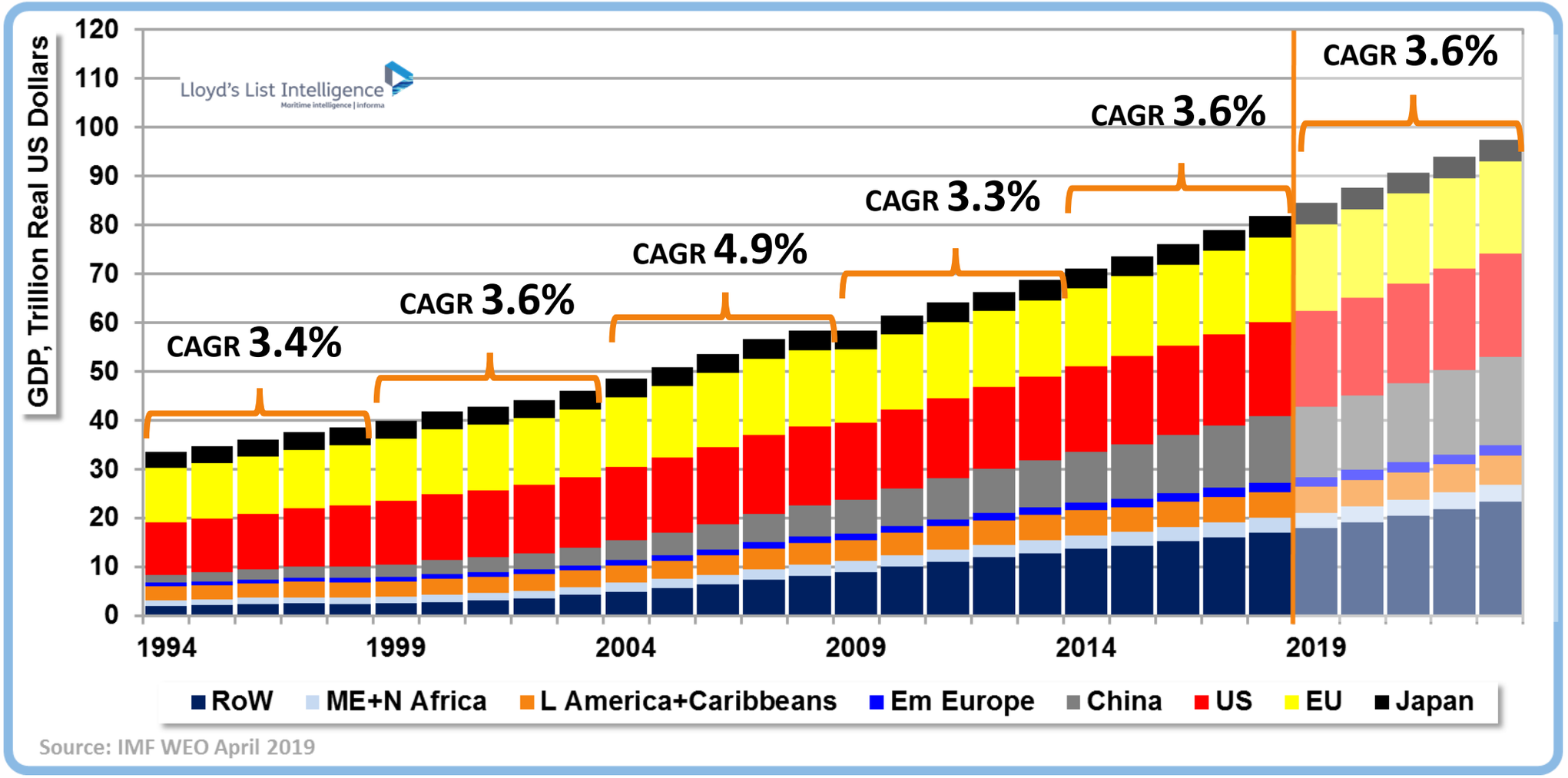
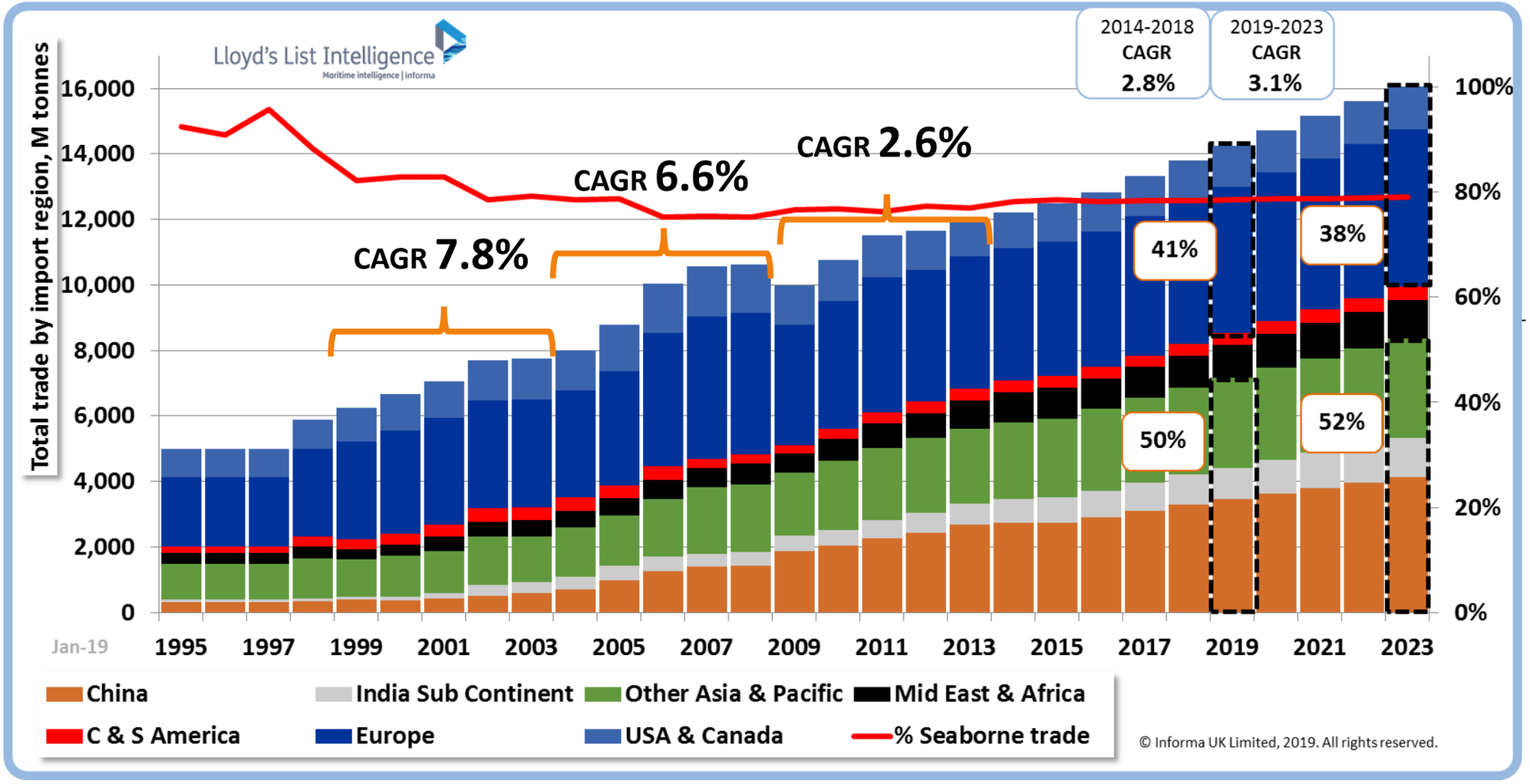
- GDP, trade, obstacles
- Containerisation potential
- Container market

Global GDP growth on a healthy track; +$16Tn the next five years



Source: IMF WEO April 2019

Halted growth, but still imports to China and India add a lot of volumes; +1.12Bn tonnes up to 2023. This is 50% of the total growth!



Global trade 2018 was 13.8Bn tonnes

78% was seaborne!

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US – China trade tensions & Brexit

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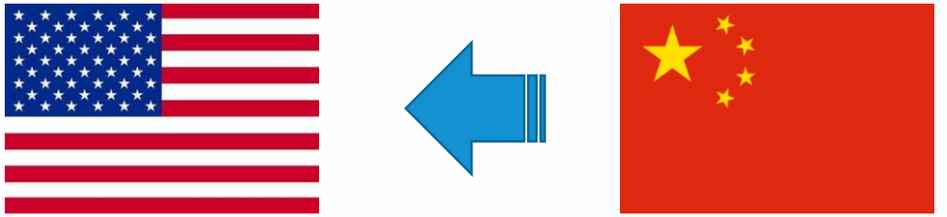
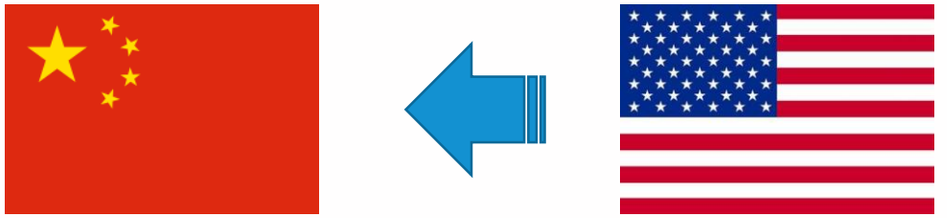
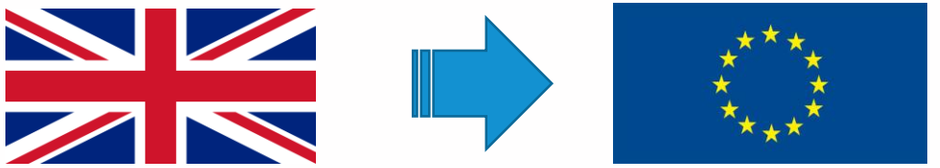
- **US seaborne imports from China:**
  - 35% of US containerized imports
  - The tariffs targets 32% of the Container cargo



- **China's seaborne imports from the USA:**
  - 24% of China's containerized imports
  - The tariffs targets 26% of the Container cargo



- **UK, 26Mt general cargo exports**
  - 83% to EU, iron & steel, food, cars, chemicals



- **UK, 53Mt general cargo imports**
  - 84% from EU, forest products, food, iron & steel, paper

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General cargo trade

The box still attracts more cargo; 77% of general cargo is containerized – and increasing.

Average growth of general cargo in line with GDP

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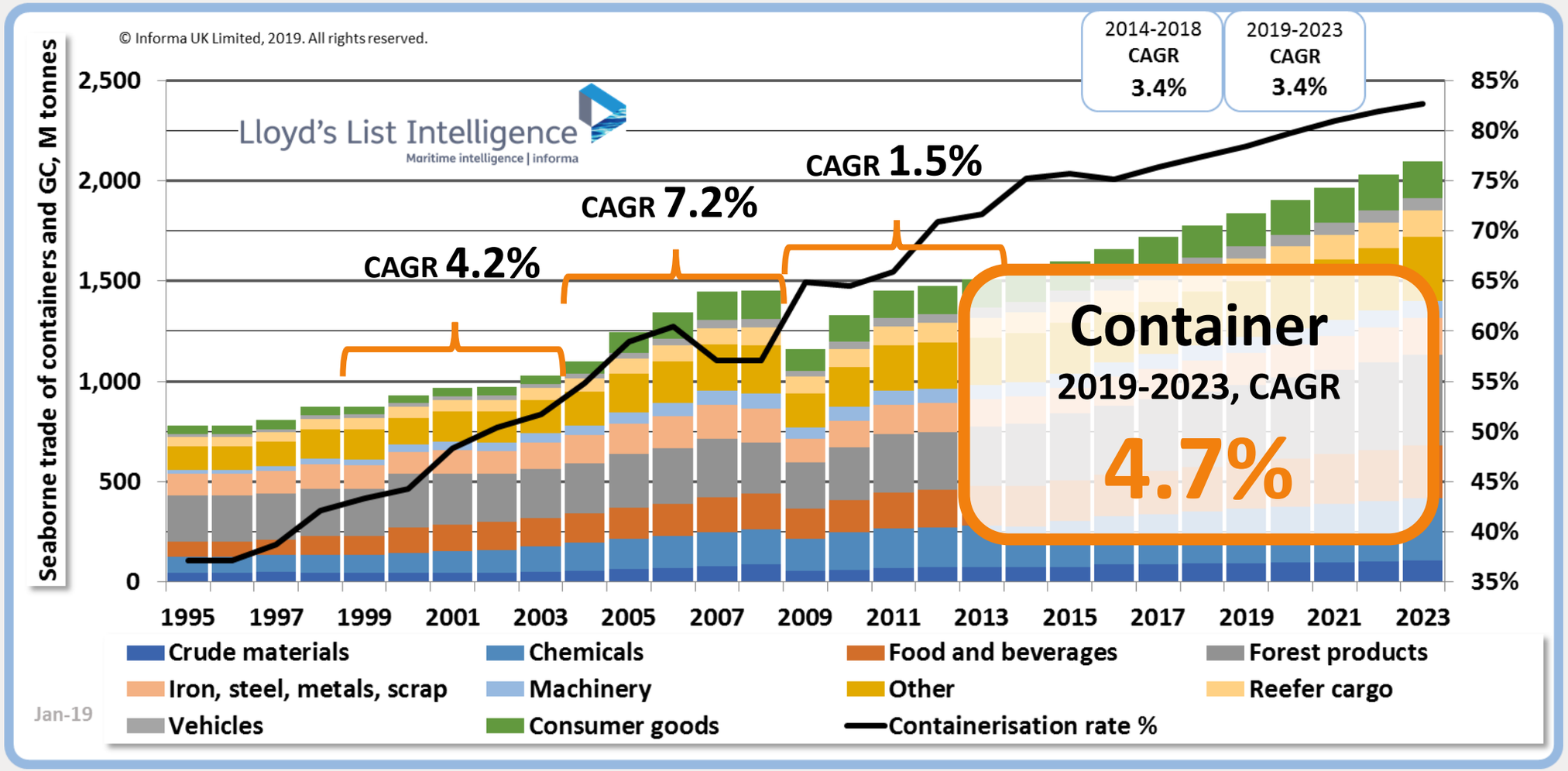

2014-2018	5.0%
2009-2013	5.9%
2004-2008	9.4%
1999-2003	8.1%

Forest products and chemicals the largest groups.

Forest products and Iron/steel/metals are the fastest movers, but still below the average containerisation rate

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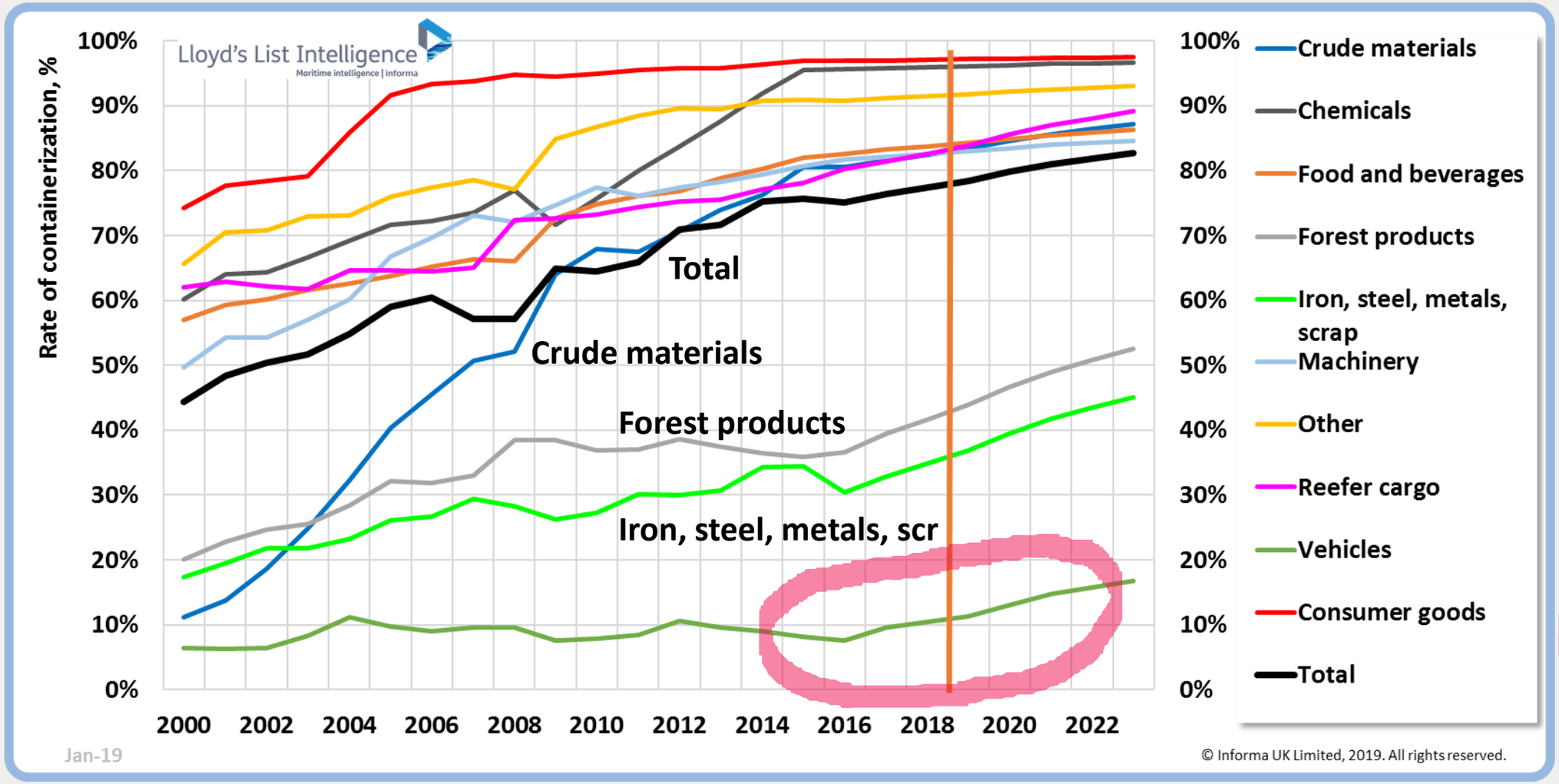

Forest products
372M tonnes

Iron, steel, metals, scr
156M tonnes

Are vehicles the next mover???

Global container port throughput increased by 4% in 2018, the total surpassed 780M teu and China handled 32%.

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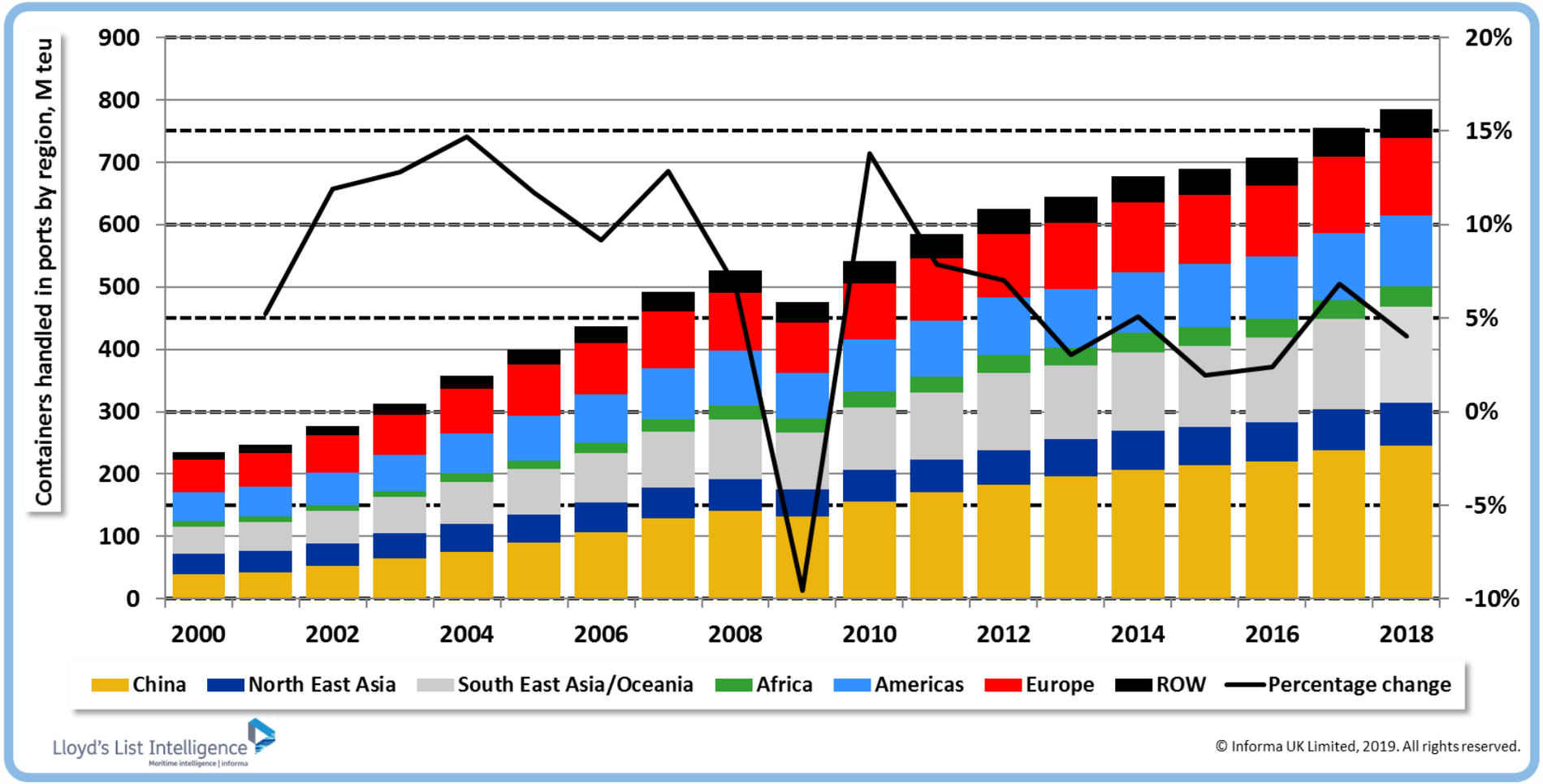

Port \ Mteu	2017	2018	Δ %
Busan	20.47	21.67	6%
Chittagong	2.56	2.80	9%
Shanghai	40.25	38.30	-5%
Singapore	33.67	36.00	7%
Tanjung Pelepas	8.26	9.00	9%
Colombo	6.20	7.00	13%
Hong Kong	20.76	19.72	-5%
Kaohsiung	10.27	10.37	1%
Long Beach	7.54	8.02	6%
Los Angeles	9.34	9.33	0%
Vancouver BC	3.25	3.41	5%
Antwerp	10.45	11.00	5%
Valencia	4.83	5.10	6%
St Petersburg	1.92	2.13	11%
Hamina/Kotka	0.69	0.66	-5%

Asia is involved in 65% of ALL container trade. The share is still increasing!

The container trade on the main trades grew by 5.3% in 2017, but only 3.6% in 2018.

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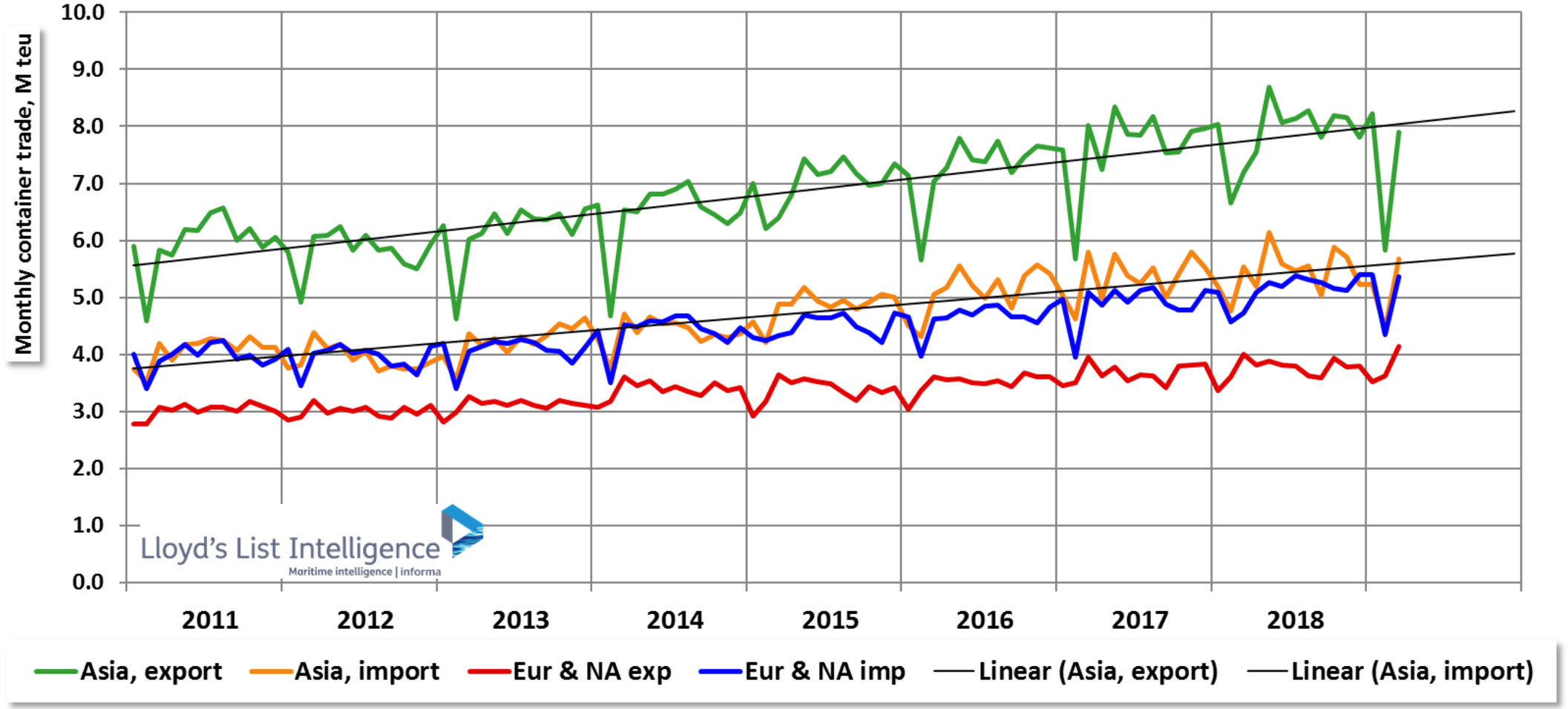

Source: Container Trade Statistics

Container market

The fleet is still fairly young and the orderbook at 22%. 3-5,000teu will be removed in style from 2025 and onwards

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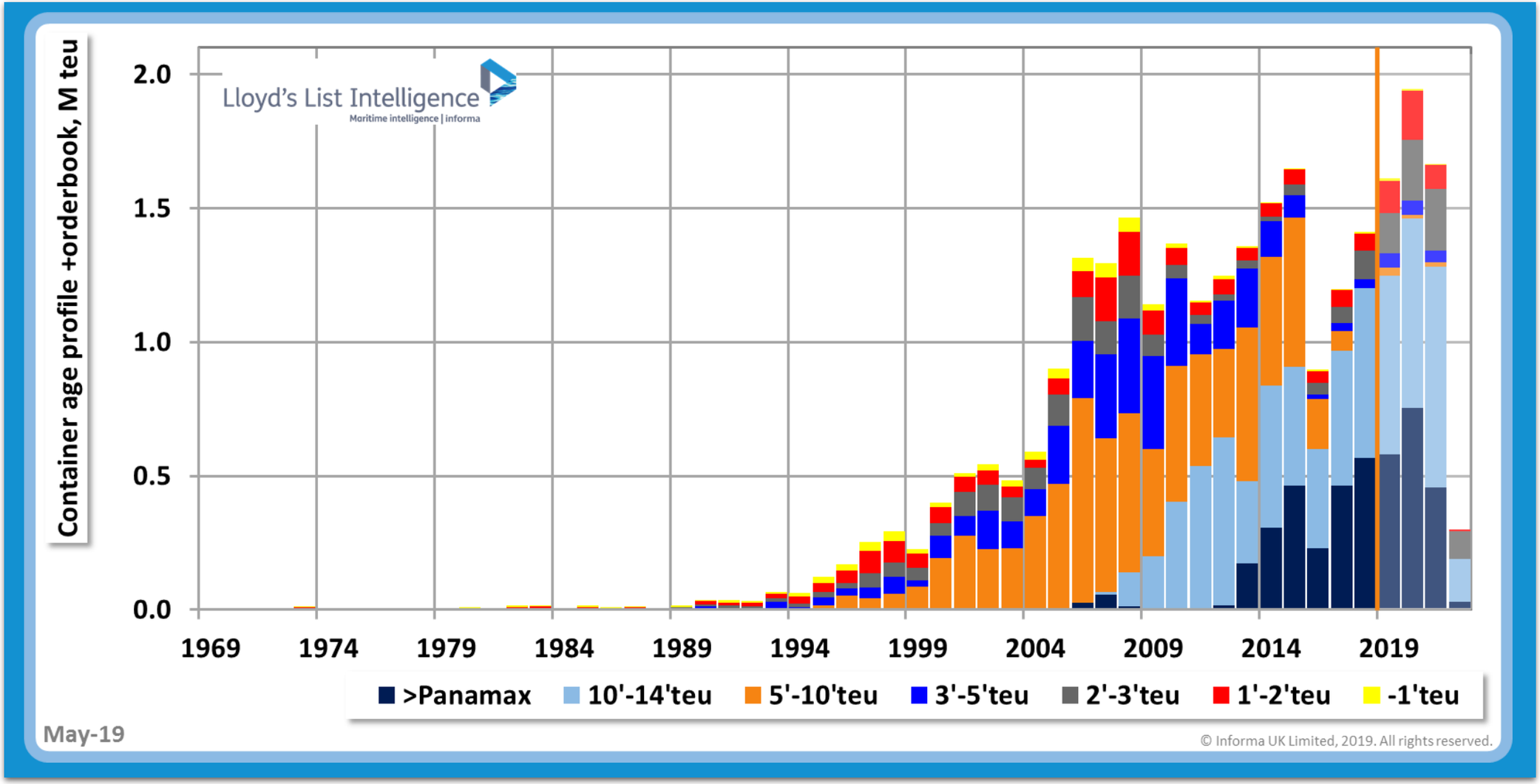

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-1999

1,018 ships
1.5 mteu

2000-

4,356 ships
20.7 mteu

Orderbook

783 ships
4.9 mteu
22% of fleet

Average miles have fallen since mid-2018, but…

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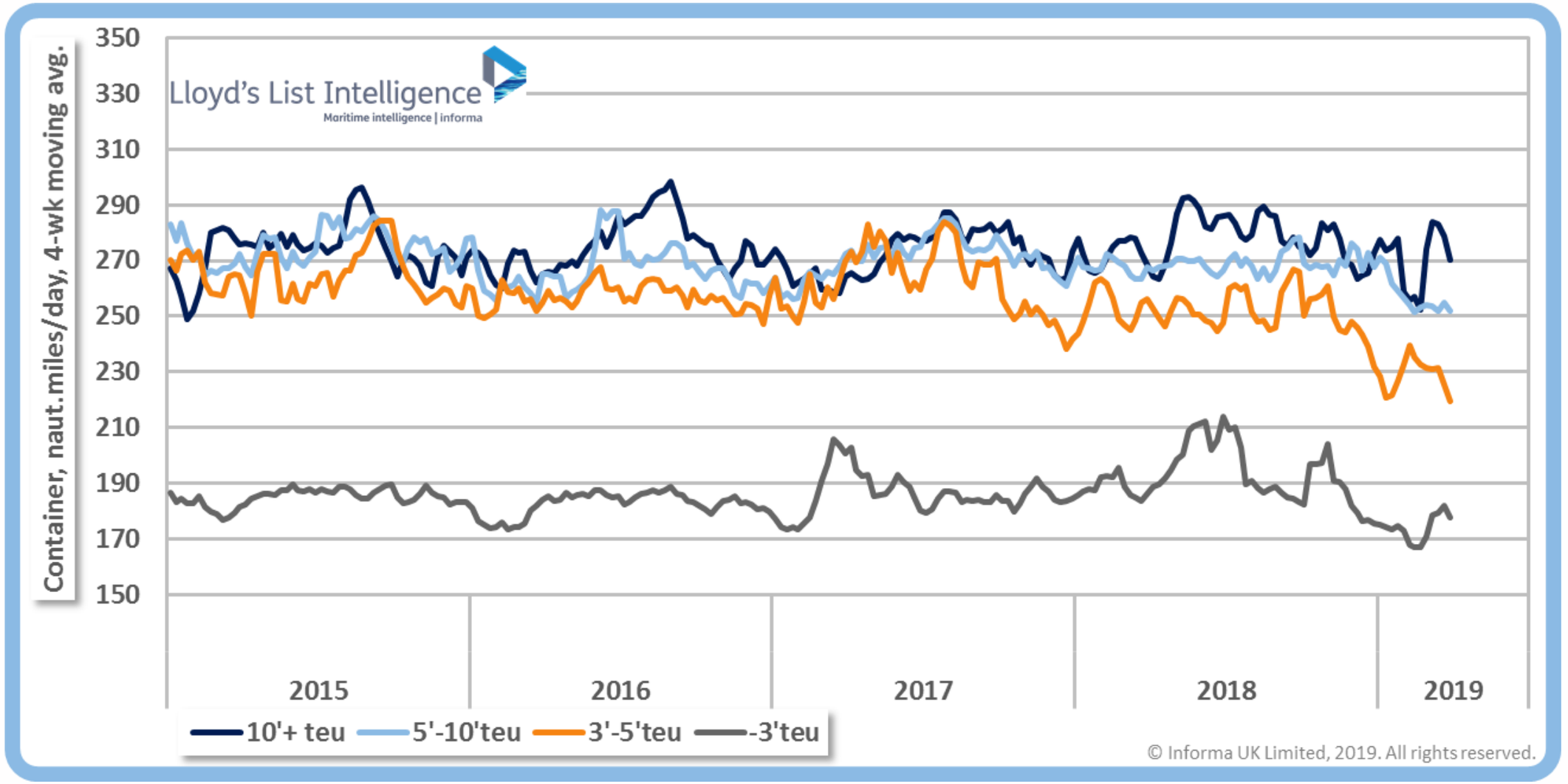

The past 12 months, container freight rates have risen for US trades, whereas Europe-Asia and Intra Asia have stayed the same.

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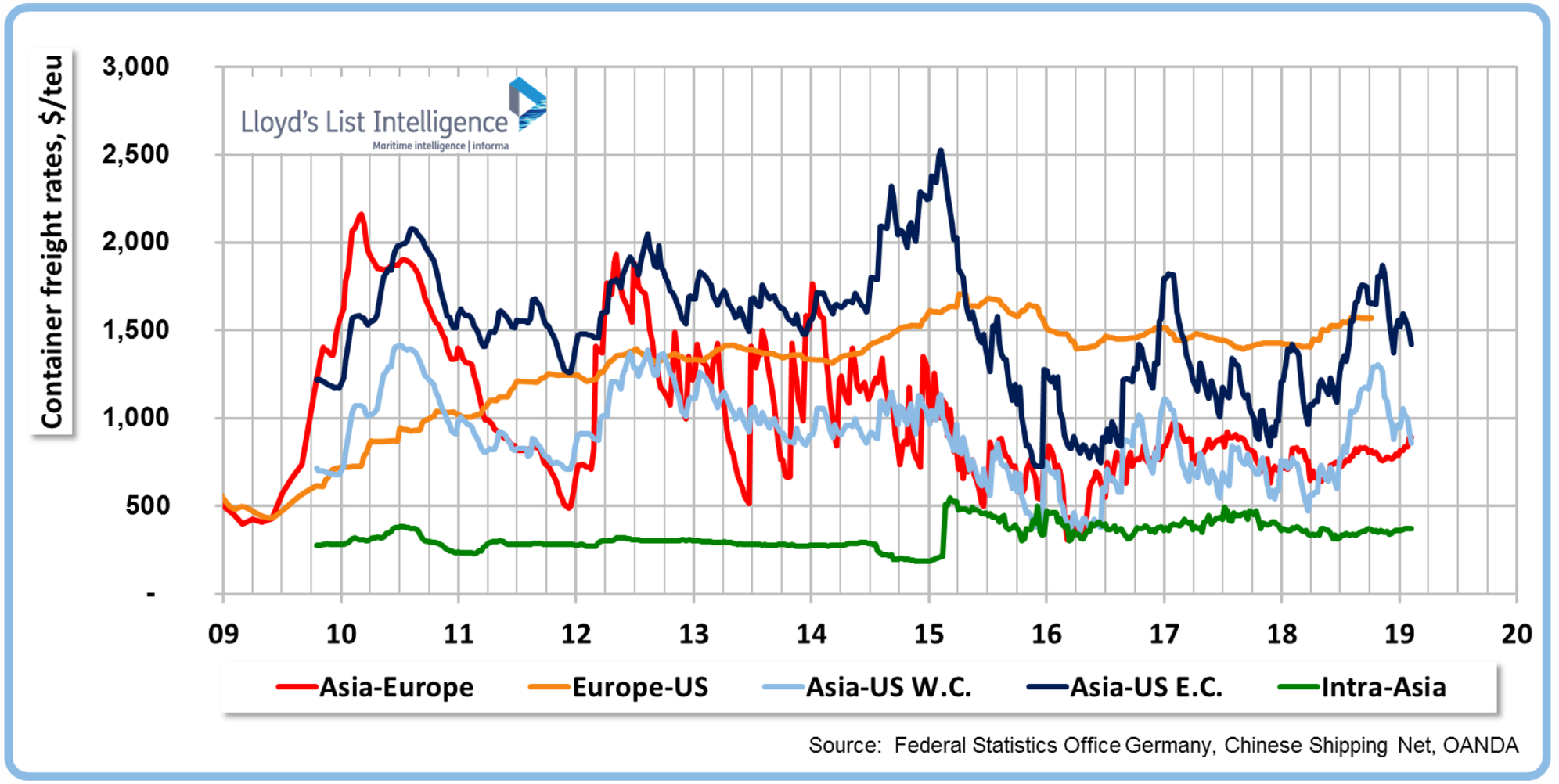

Higher rates for the US trades have kept the idle container ship capacity low and steady in 2018

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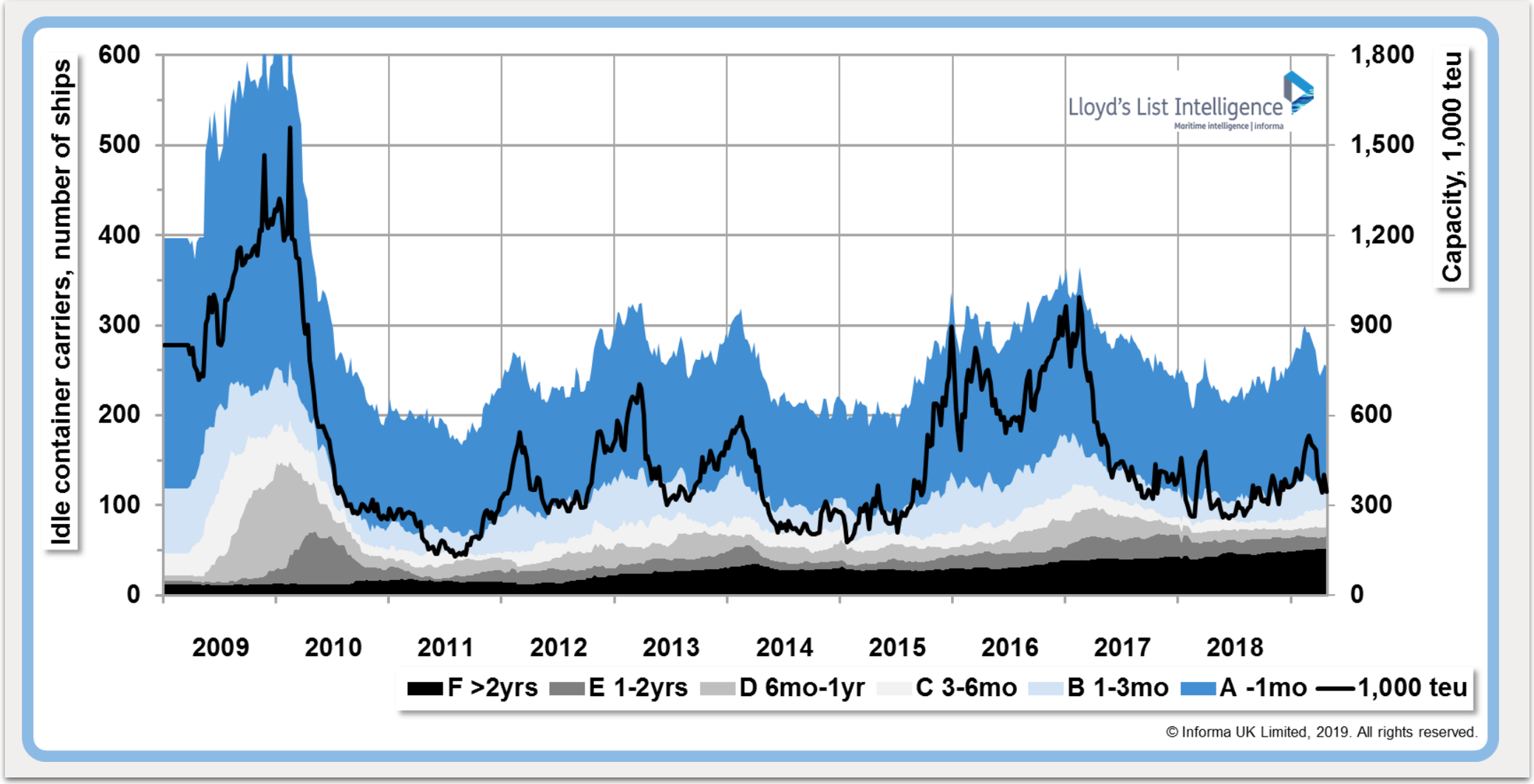

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Demand growth strong, supply growth stronger!
Low freight rates — more cargo to be containerized.
M&A activity to continue + new trading patterns evolve.

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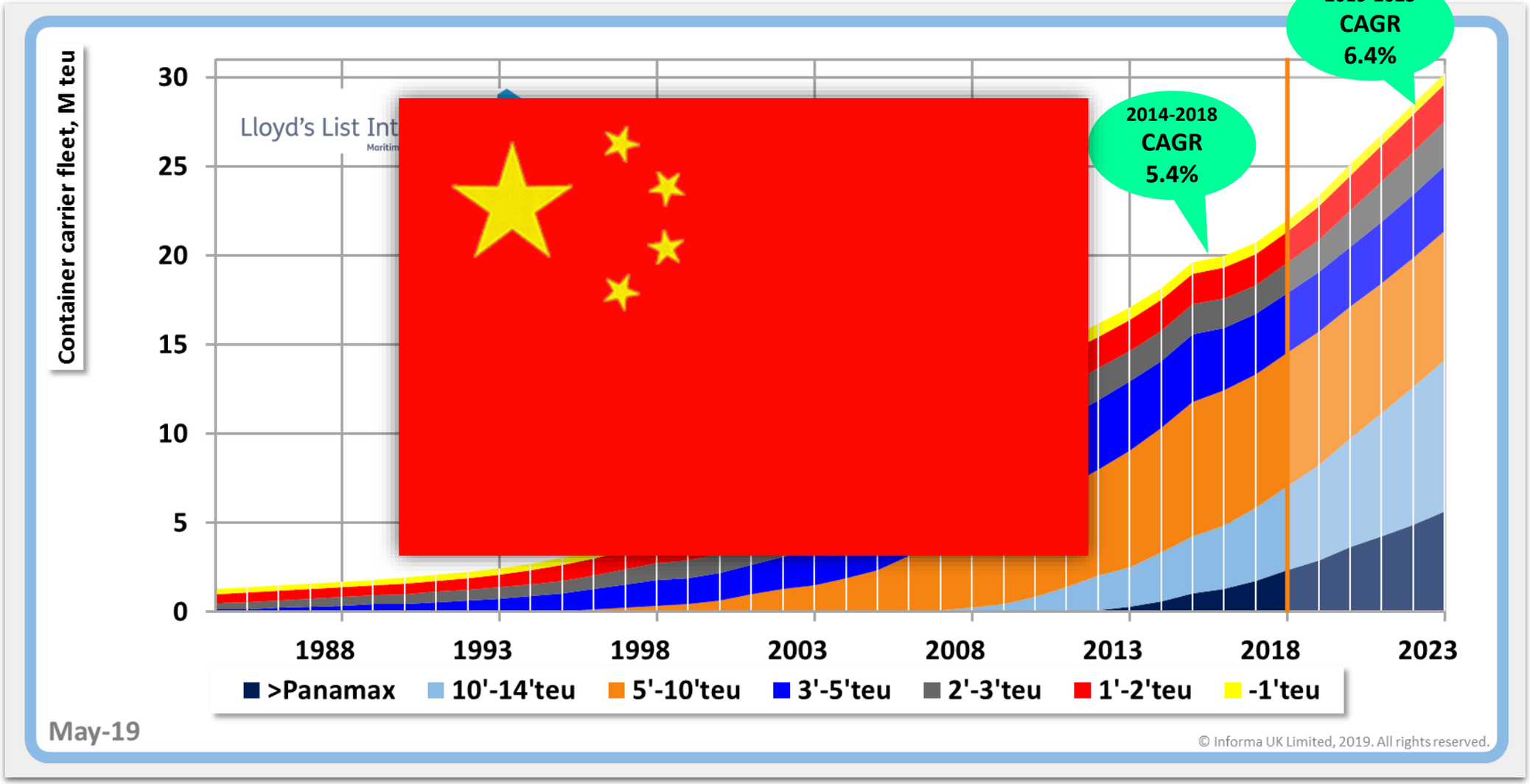

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Thank you!