

Multipurpose & Heavylift Shipping Market Outlook

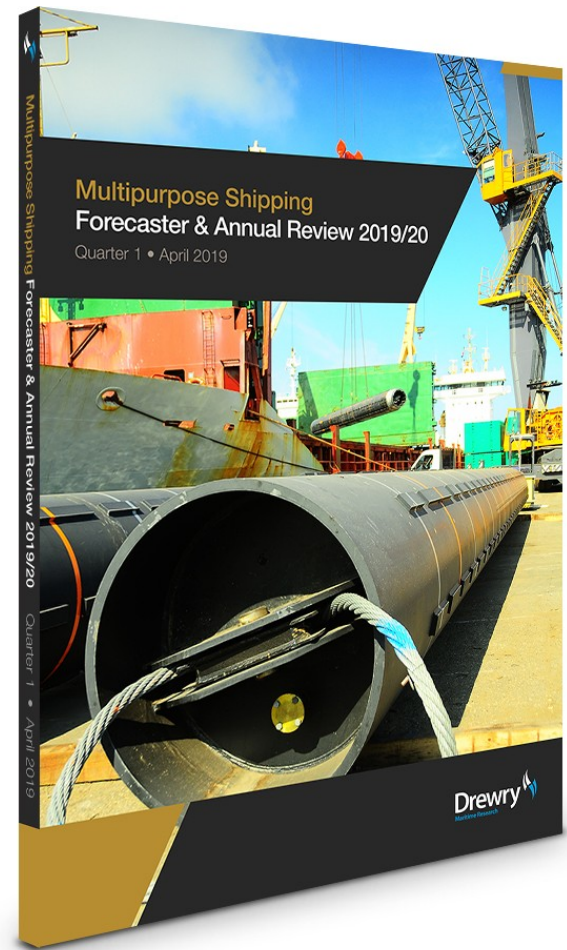
Breakbulk Europe 2019
Bremen 23rd May 2019

Susan Oatway - Senior Analyst for Multipurpose & Breakbulk Shipping

www.drewry.co.uk

Agenda

- Vessel Supply
 - Vessel classification
 - Fleet composition
 - Newbuildings – orders and deliveries
 - Demolitions
 - Fleet development
- Cargo Demand
 - Dry cargo demand
 - MPV market share
 - Pressures on demand
- Market Outlook
 - Challenges and conclusions



Vessel Supply

www.drewry.co.uk

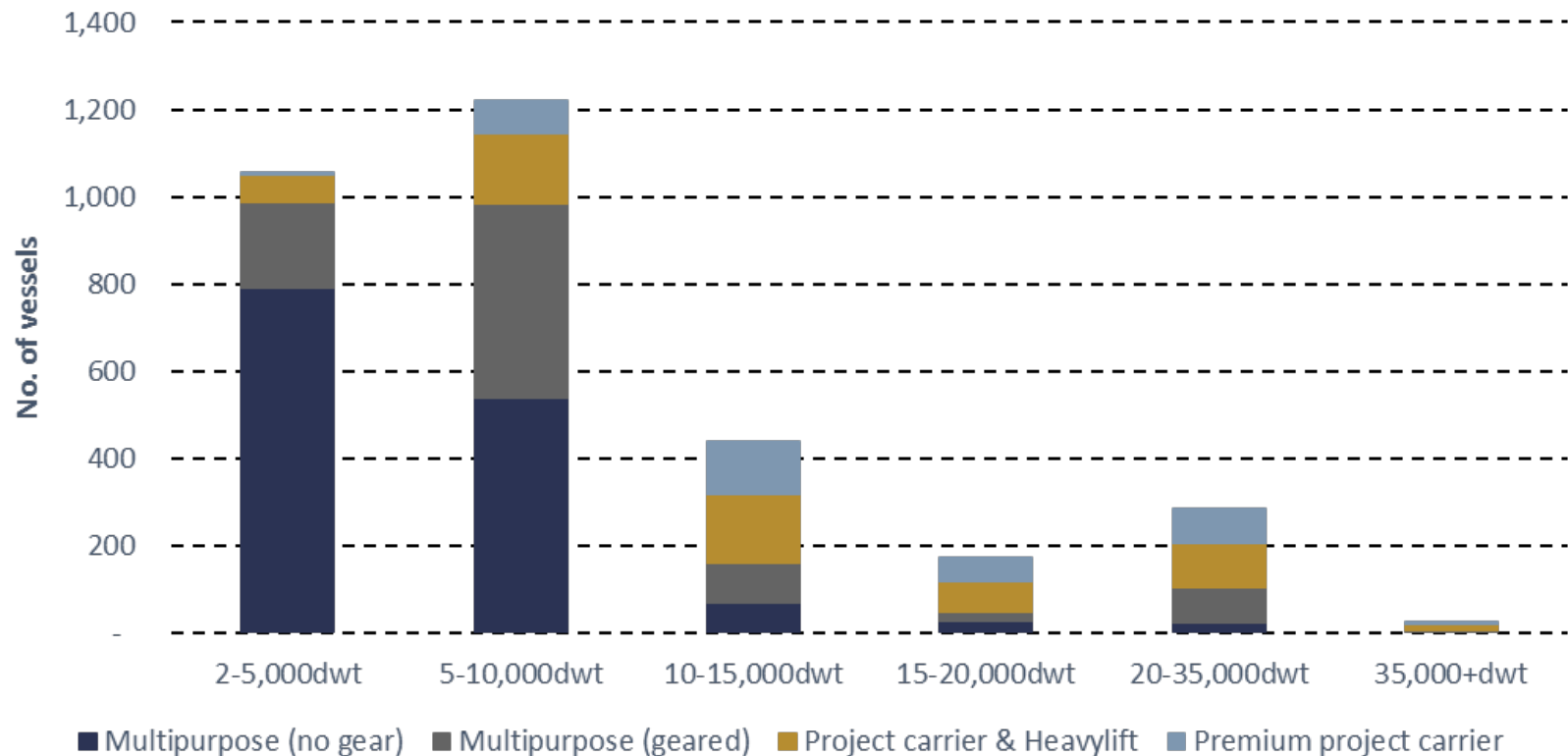
Vessel Supply

Drewry classification of the multipurpose vessel (MPV) fleet

- Multipurpose (no gear): An MPV with TEU and grain capacity but no cranes.
- Multipurpose (geared): An MPV with TEU and grain capacity and cranes with a maximum combinable lift of less than 100t SWL.
- Project carrier: An MPV with cranes with a maximum combinable lift of over 100t SWL built after 1989.
- Heavylift vessel: An MPV with cranes with a maximum combinable lift of over 100t SWL built before 1989.
- Premium Project carrier: An MPV with cranes with a maximum combinable lift of over 250t SWL built after 1989.

Vessel Supply

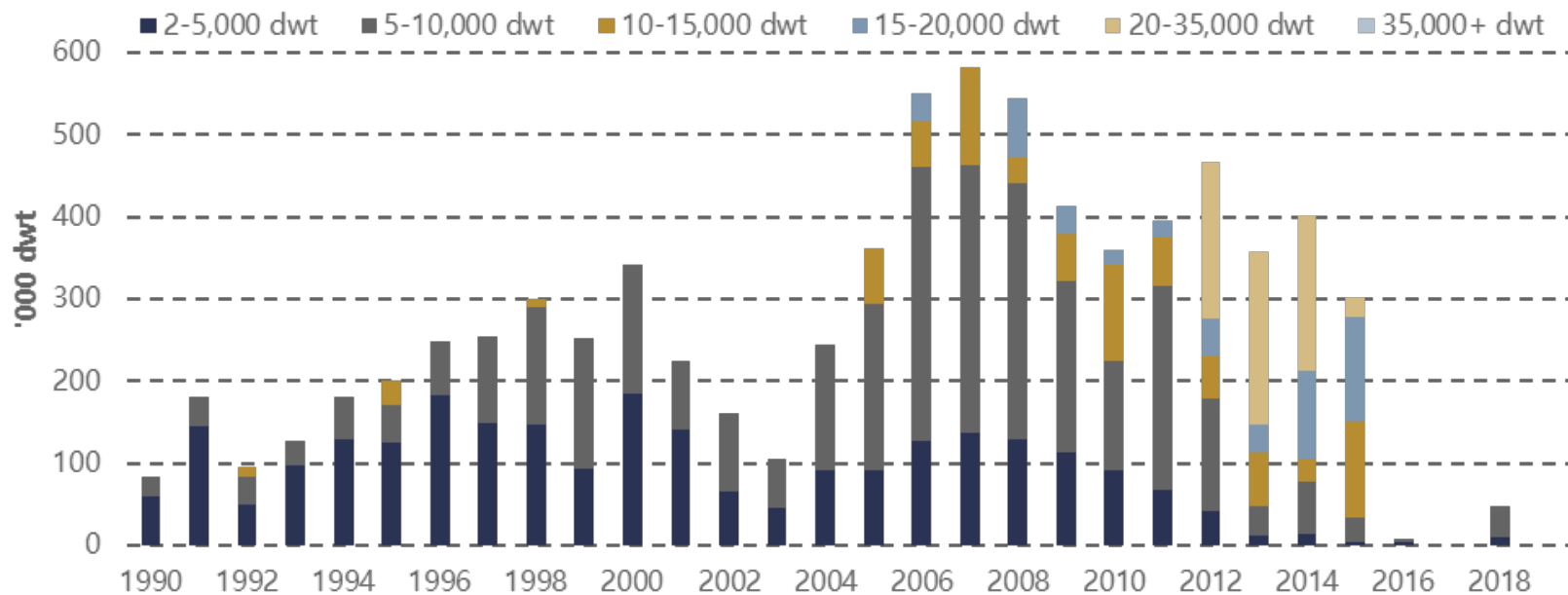
Fleet by sector by dwt segment, 1 May 2019



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

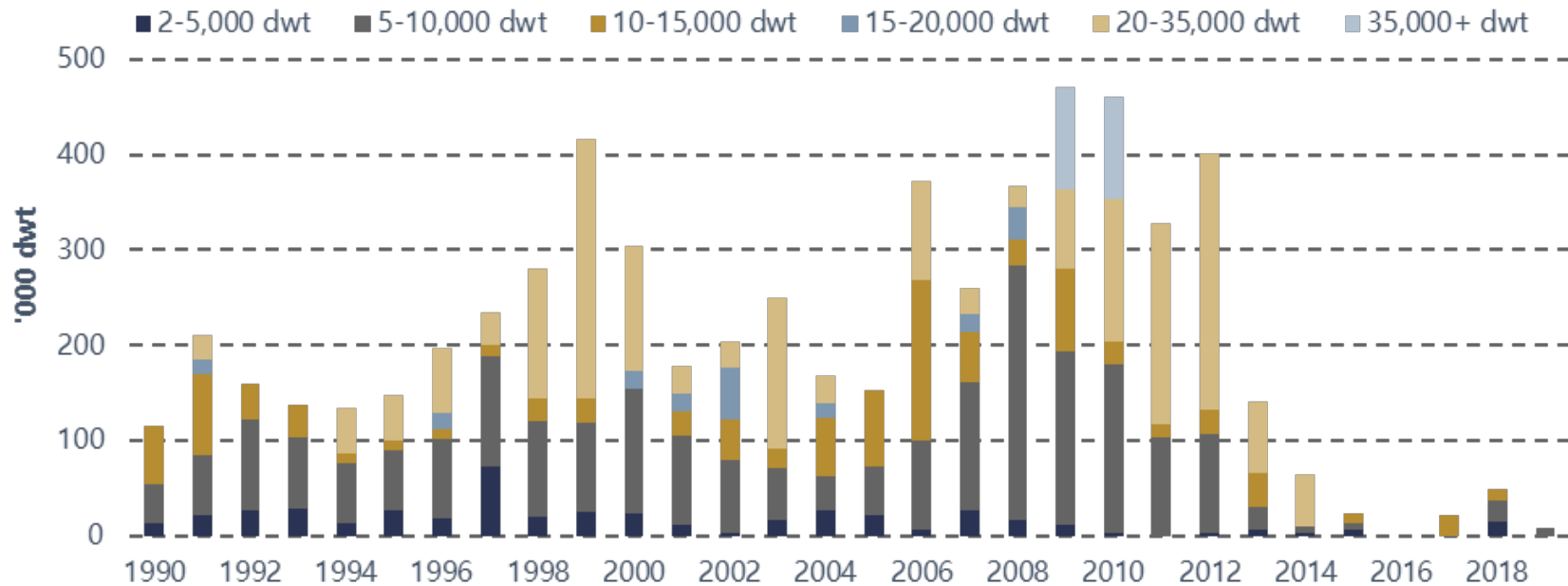
Multipurpose vessel (no gear) fleet age profile, 1 May 2019



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

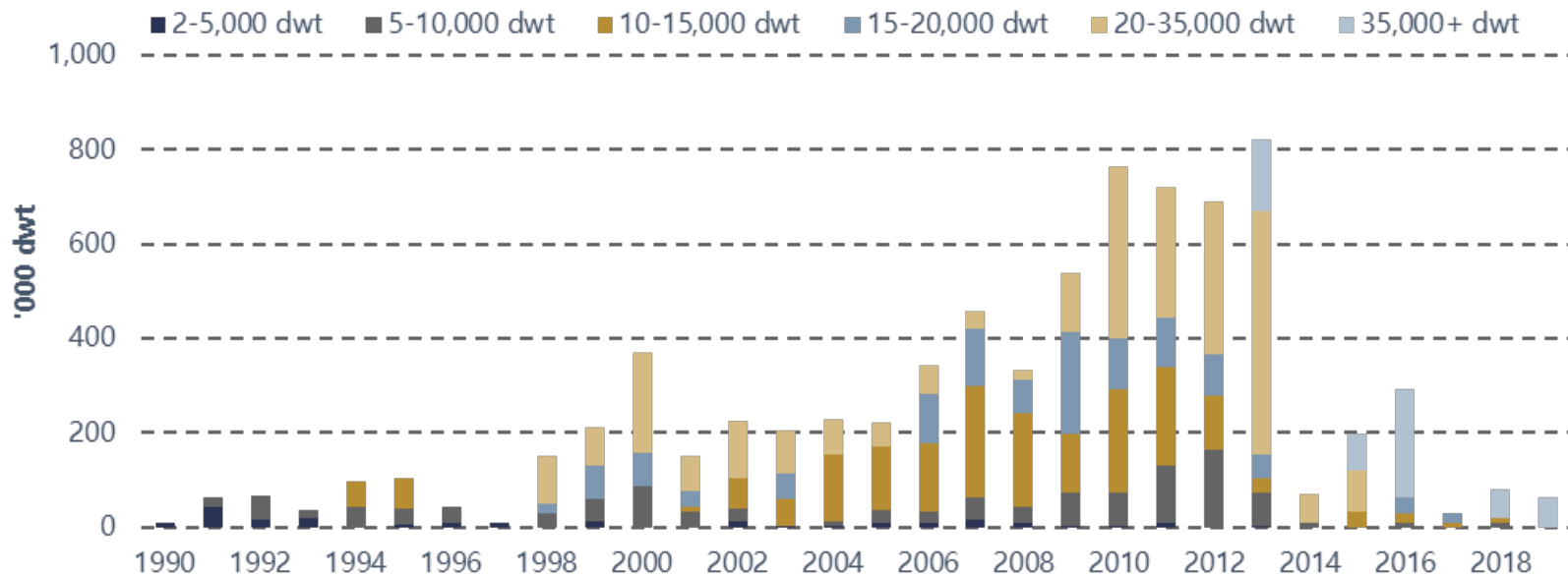
Multipurpose vessel (geared) fleet age profile, 1 May 2019



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

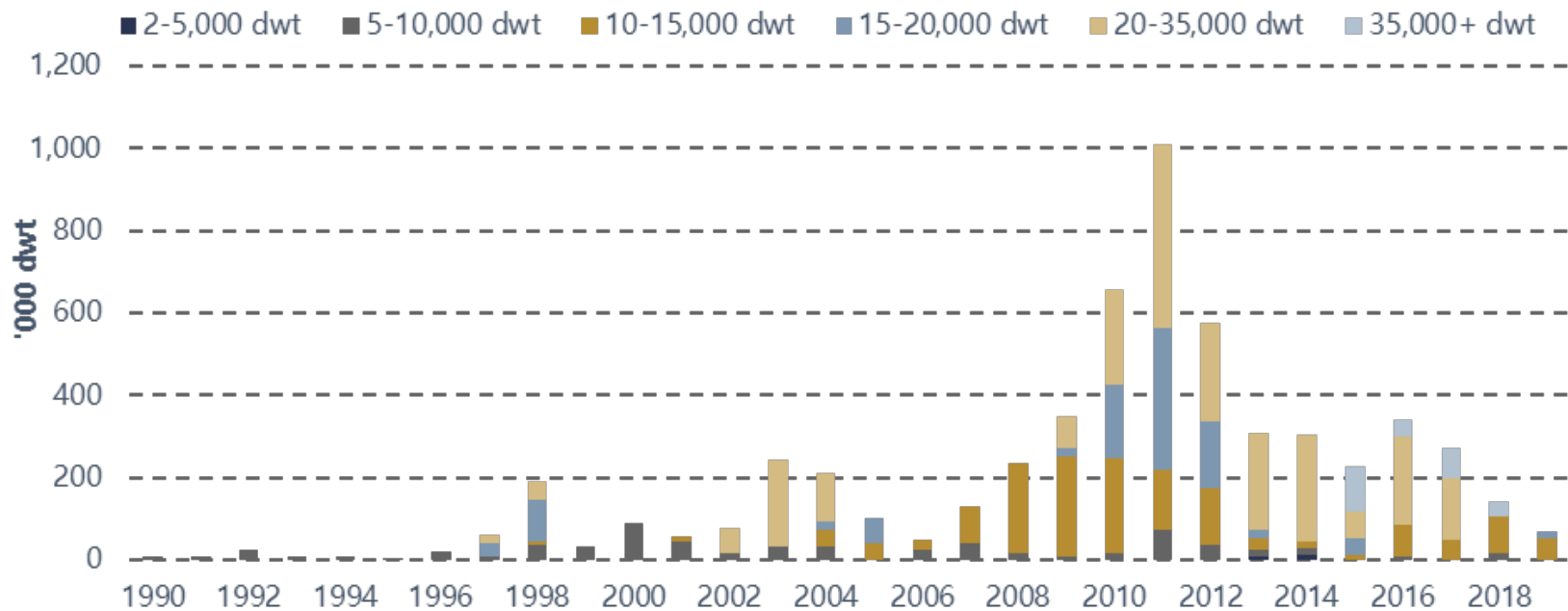
Project carrier & Heavylift vessel fleet age profile, 1 May 2019



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

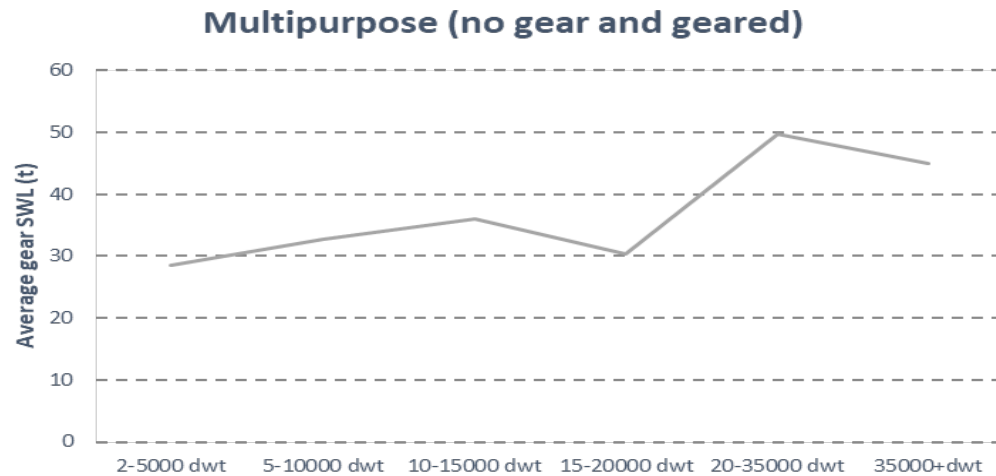
Premium project carrier fleet age profile, 1 May 2019



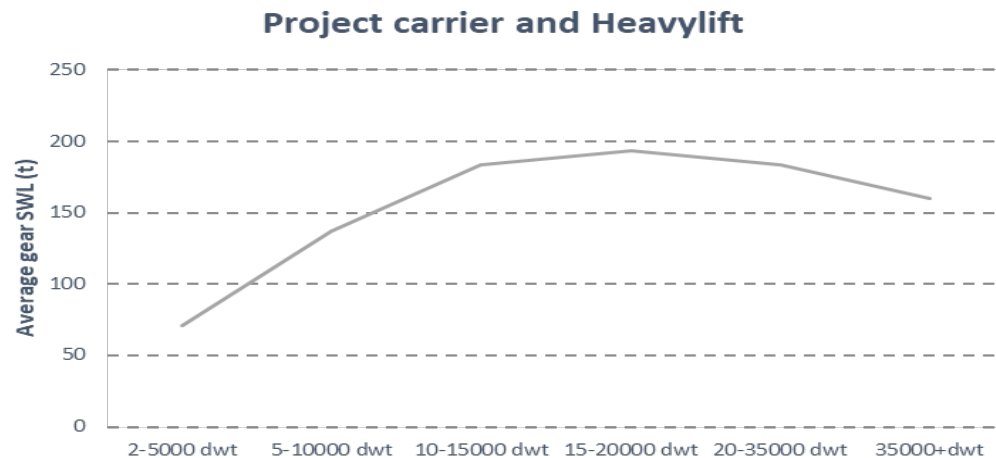
Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

Maximum lift by vessel sector



Maximum average lift of Crane #1 is 50t in the 20-35,000 dwt sector

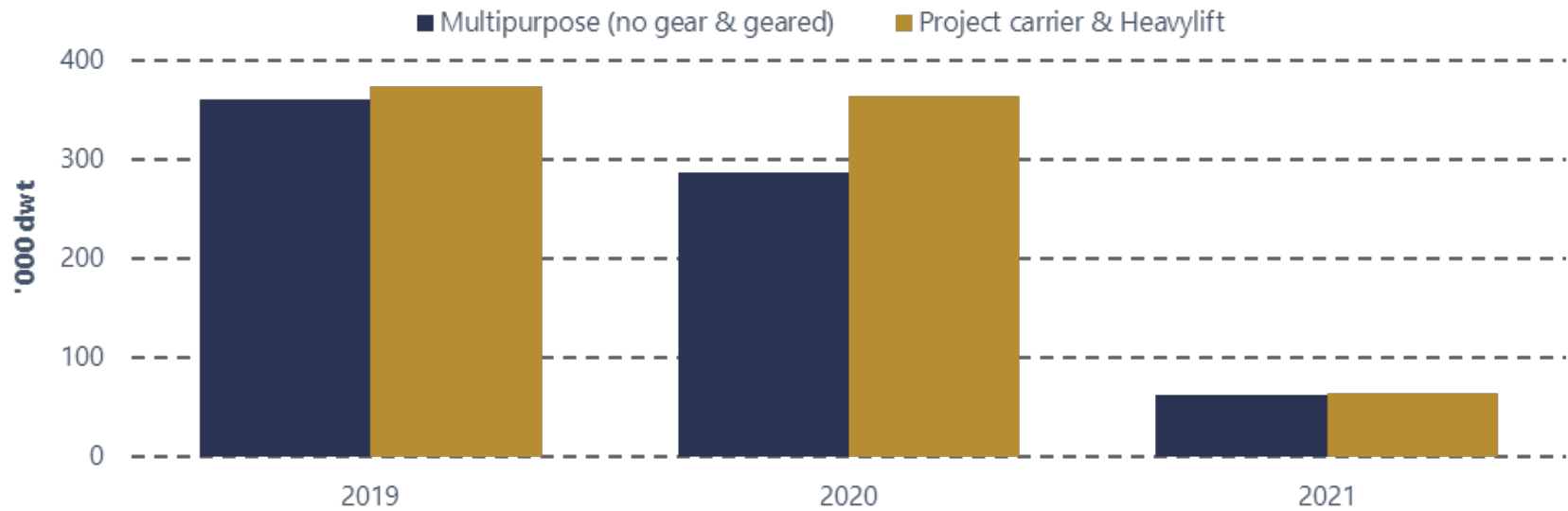


Maximum average lift of Crane #1 is 193t in the 15-20,000 dwt sector

Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

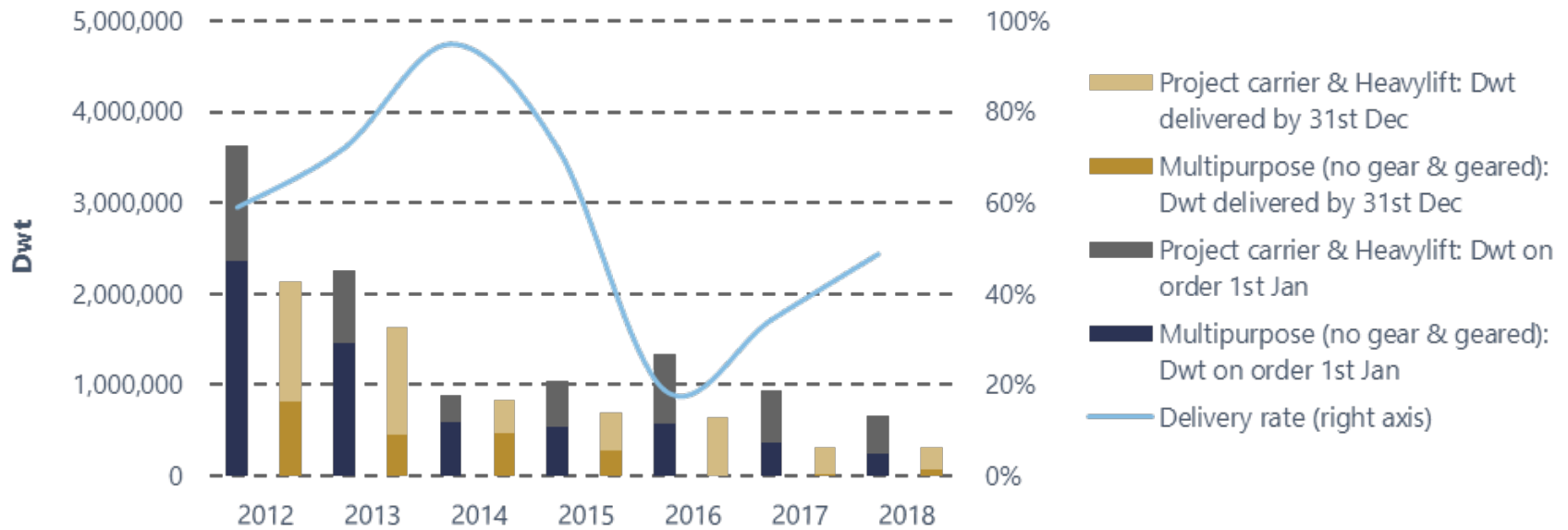
Orderbook schedule as at 1 May 2019



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

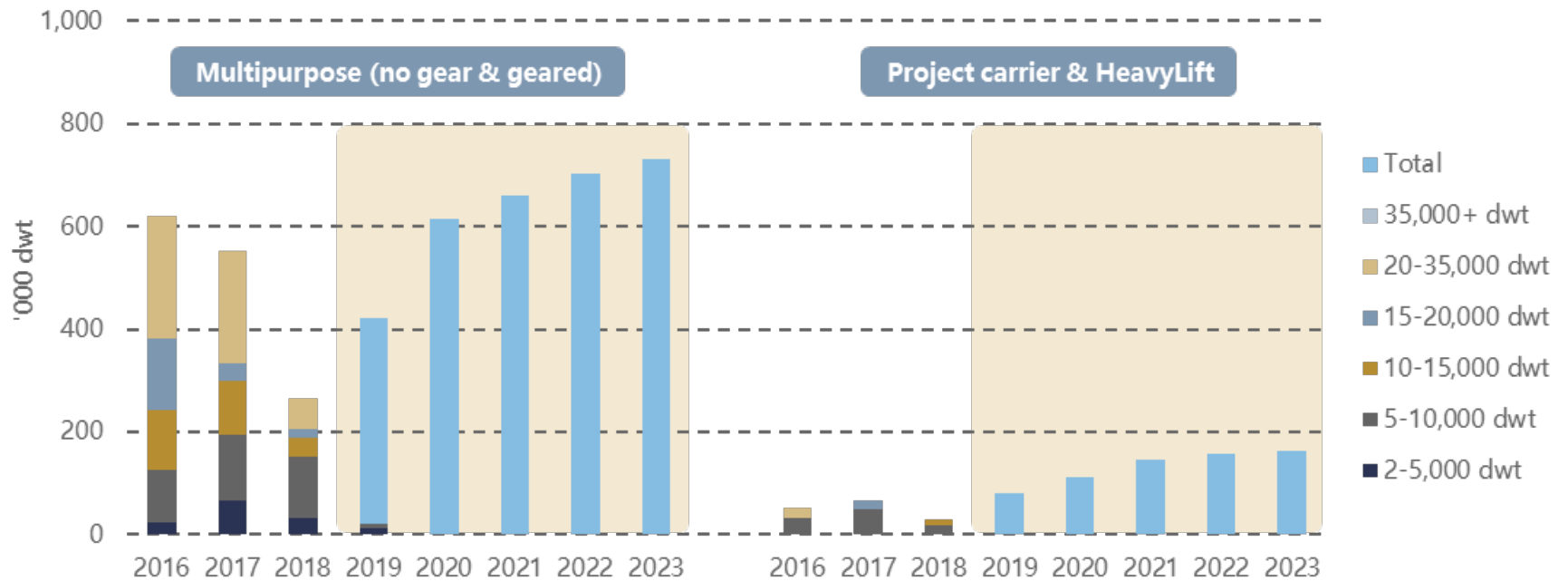
Fleet slippage data, 2012 - 2018



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

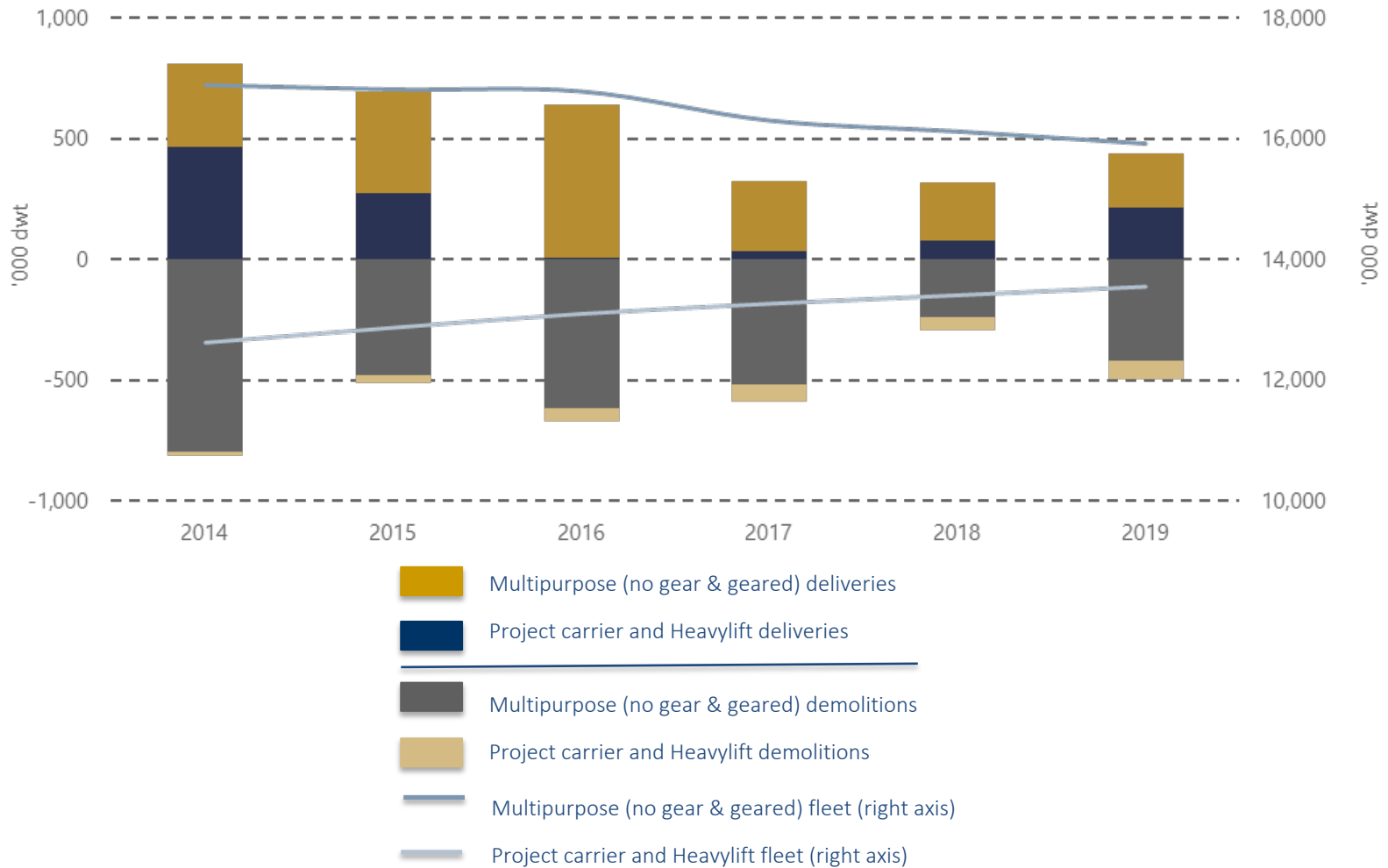
Demolition by segment



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Vessel Supply

Fleet development

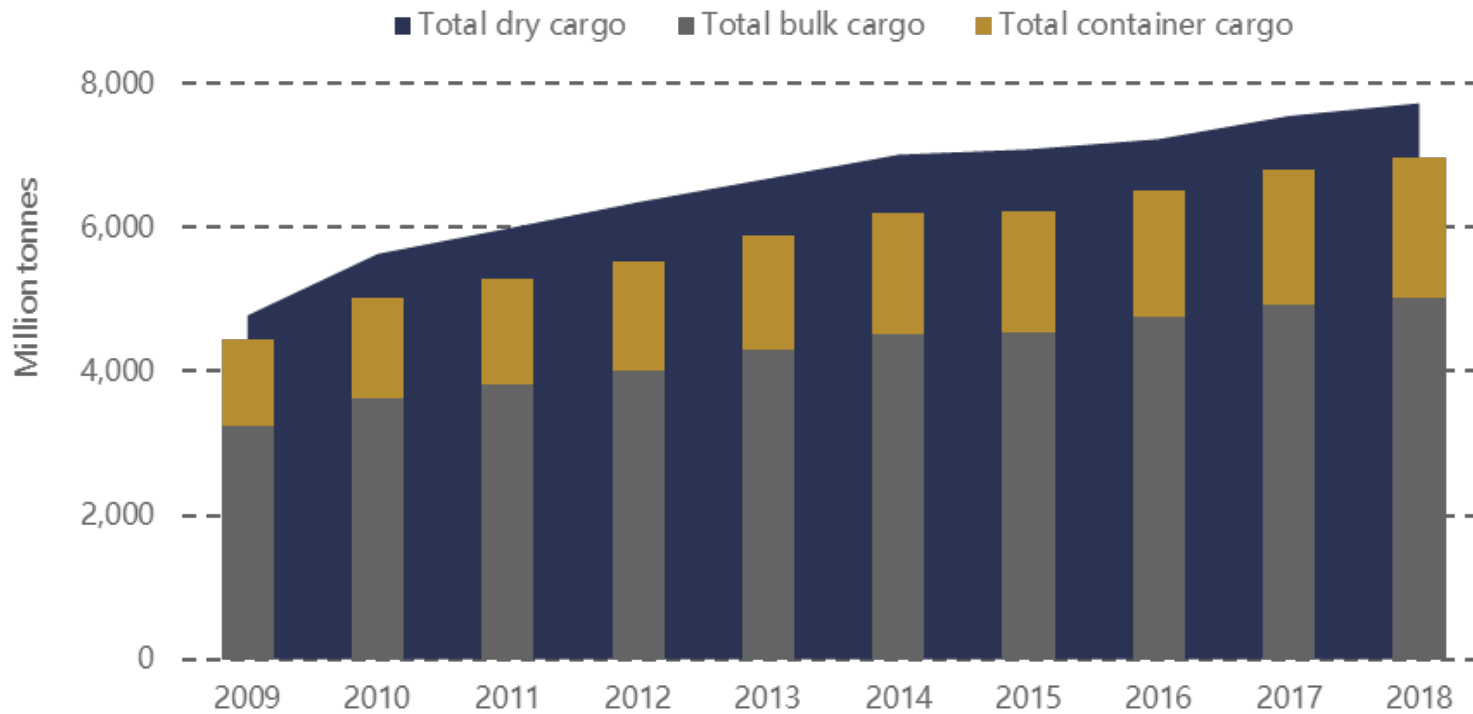


Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

Cargo demand

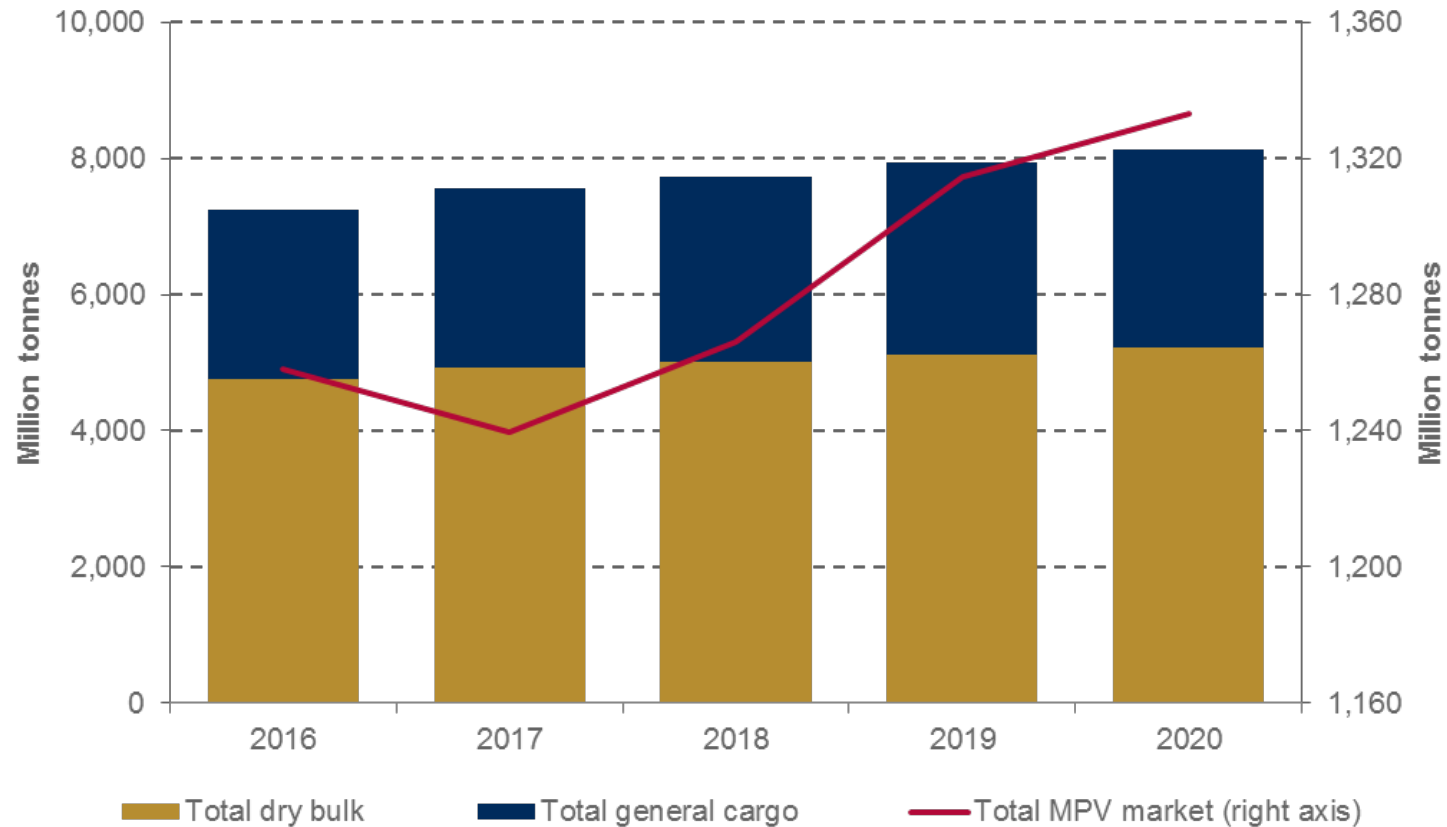
Development of dry cargo demand



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

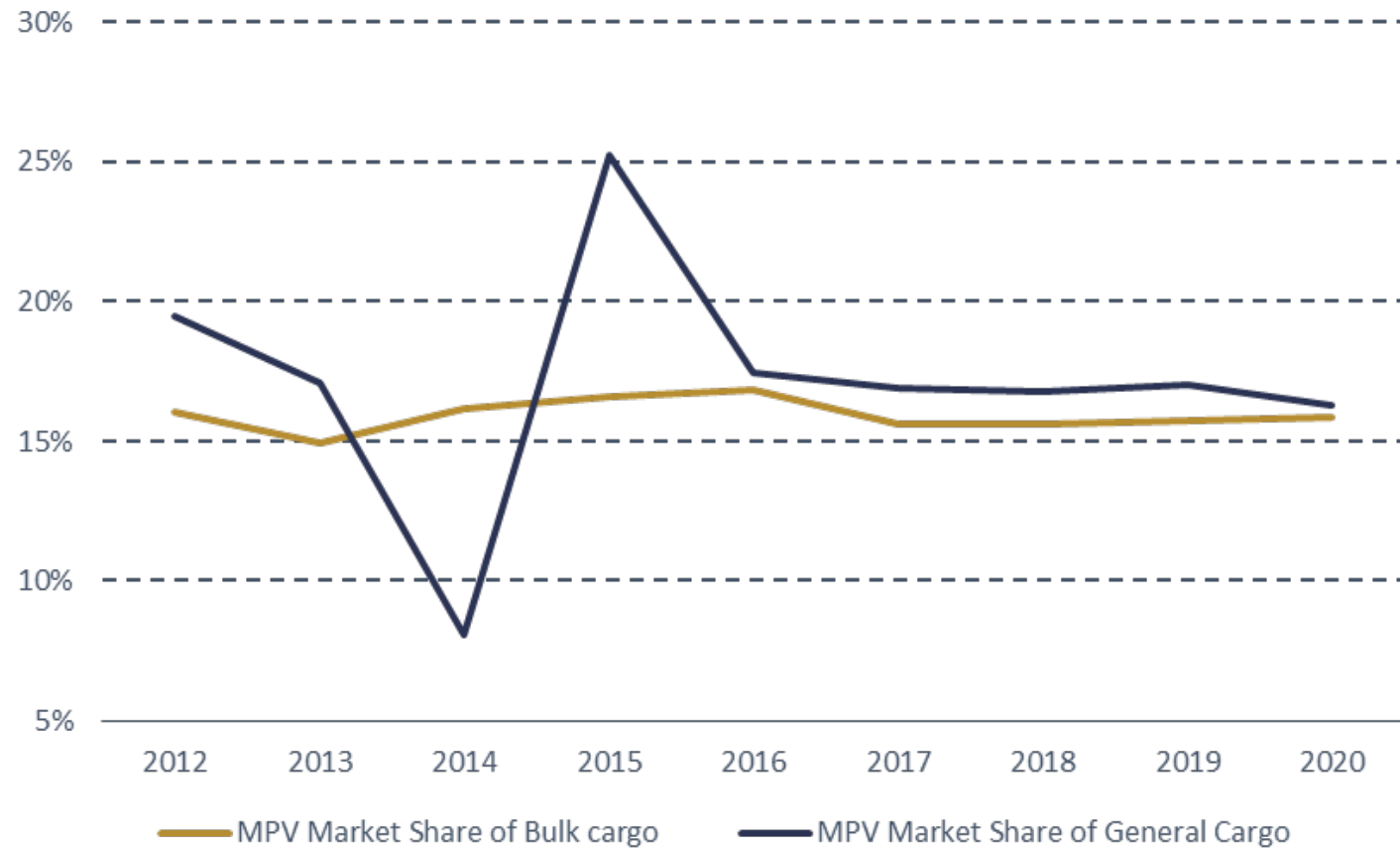
Development of MPV market share



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

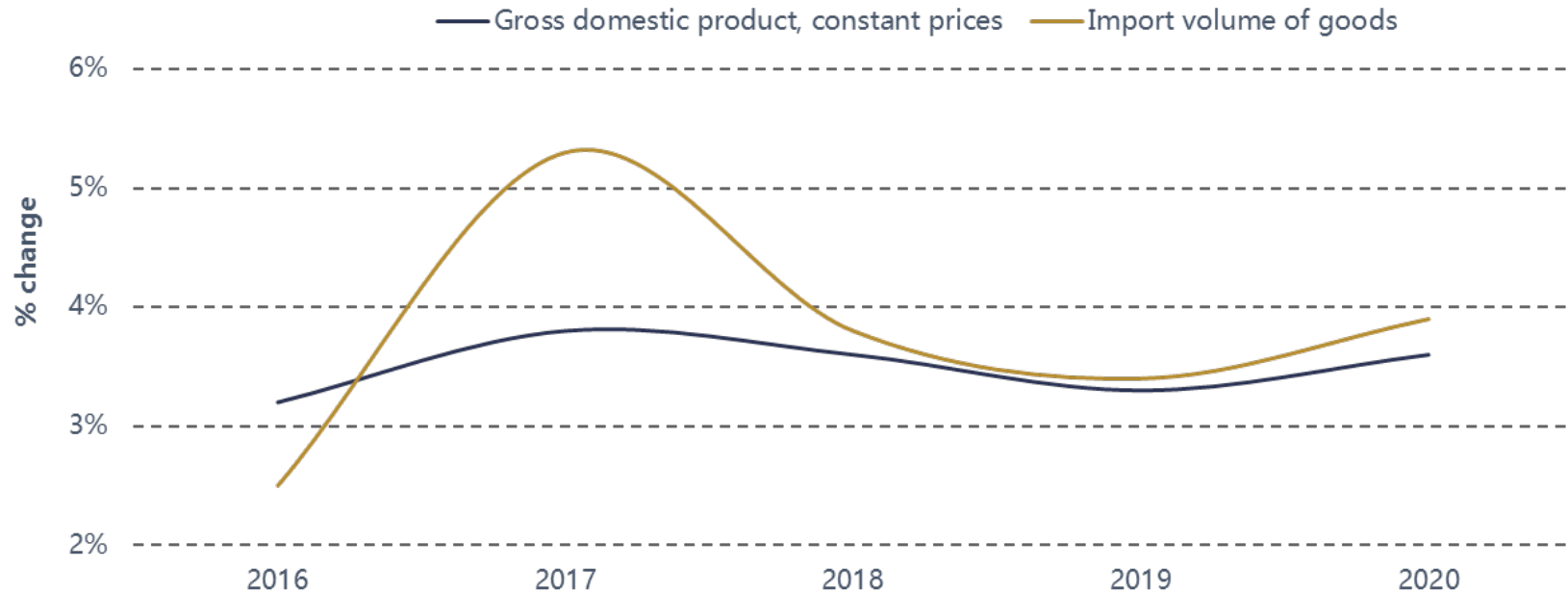
Competition for market share



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

Pressures on demand – Flagging global trade

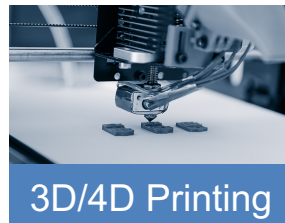


Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

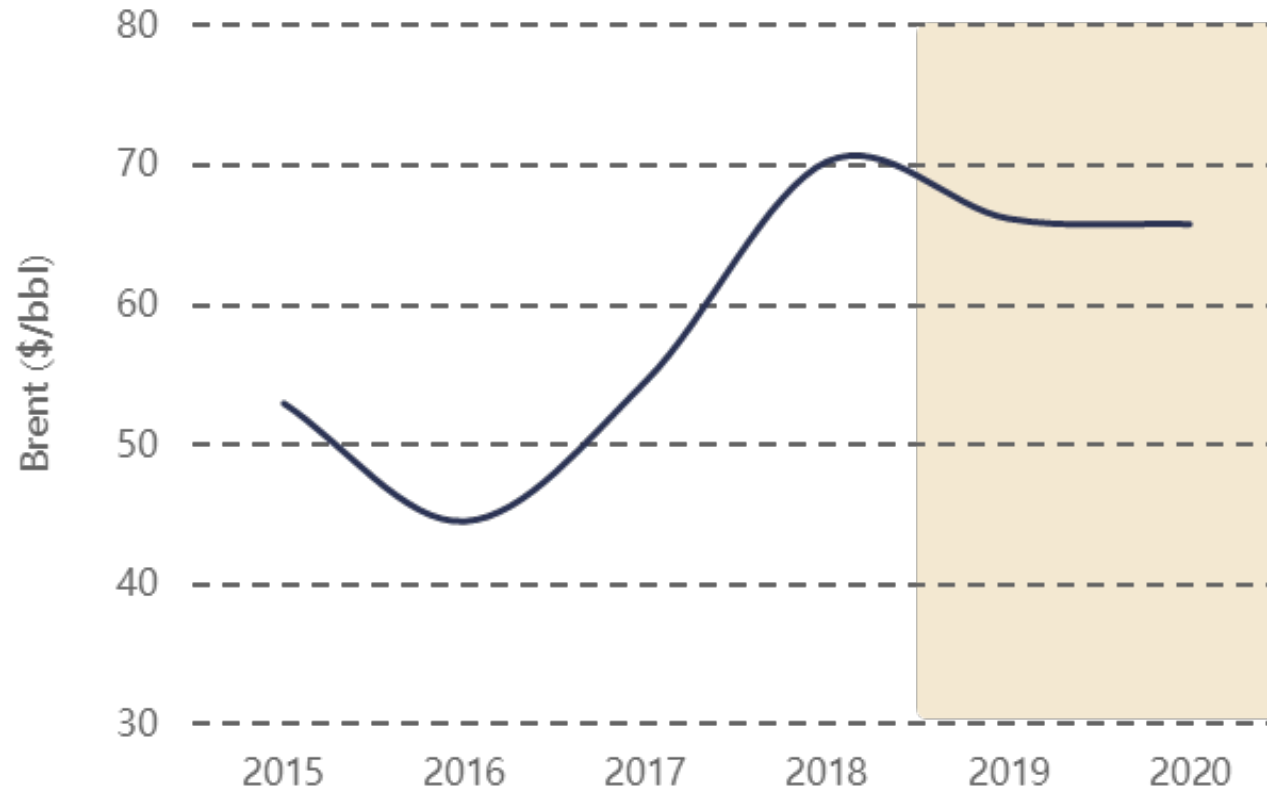
Pressures on demand - Drivers of trade deceleration

2000 2010



Cargo demand

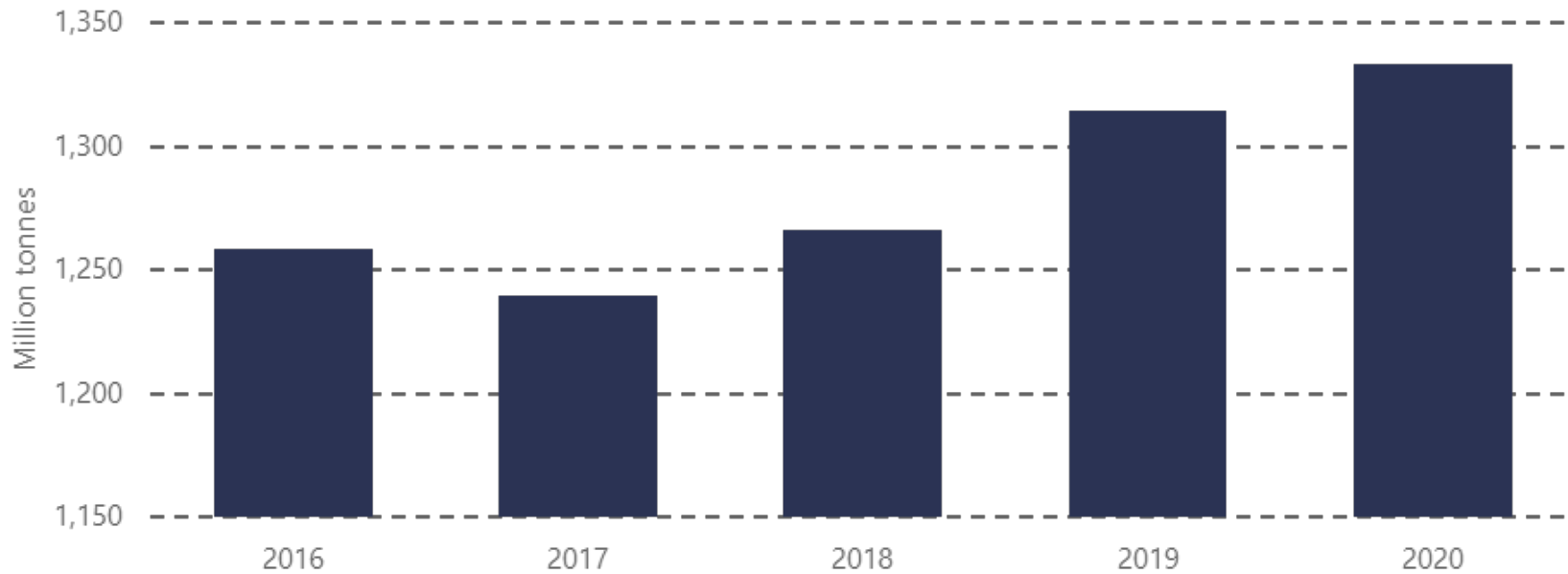
Pressures on demand – Crude oil price



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Cargo demand

Effective demand for the multipurpose sector

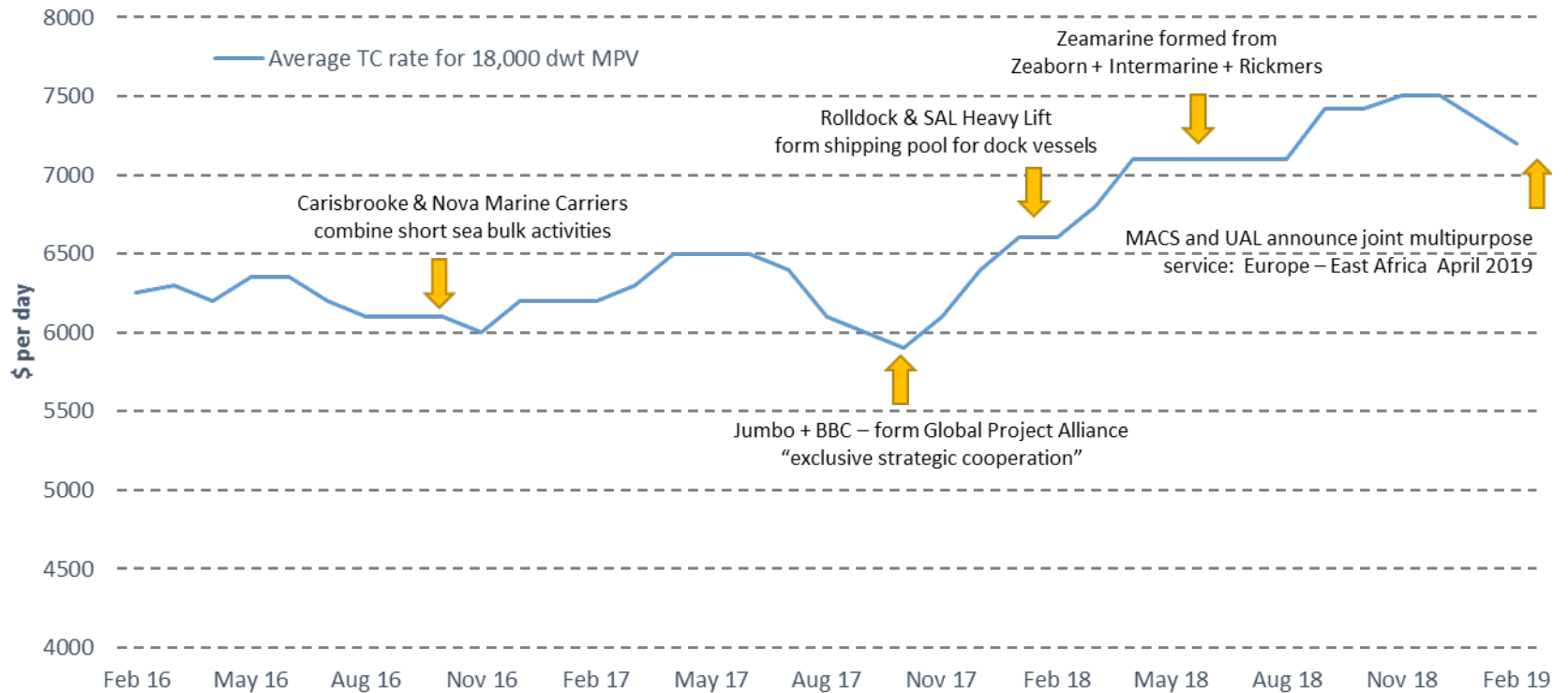


Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Outlook

Consolidation

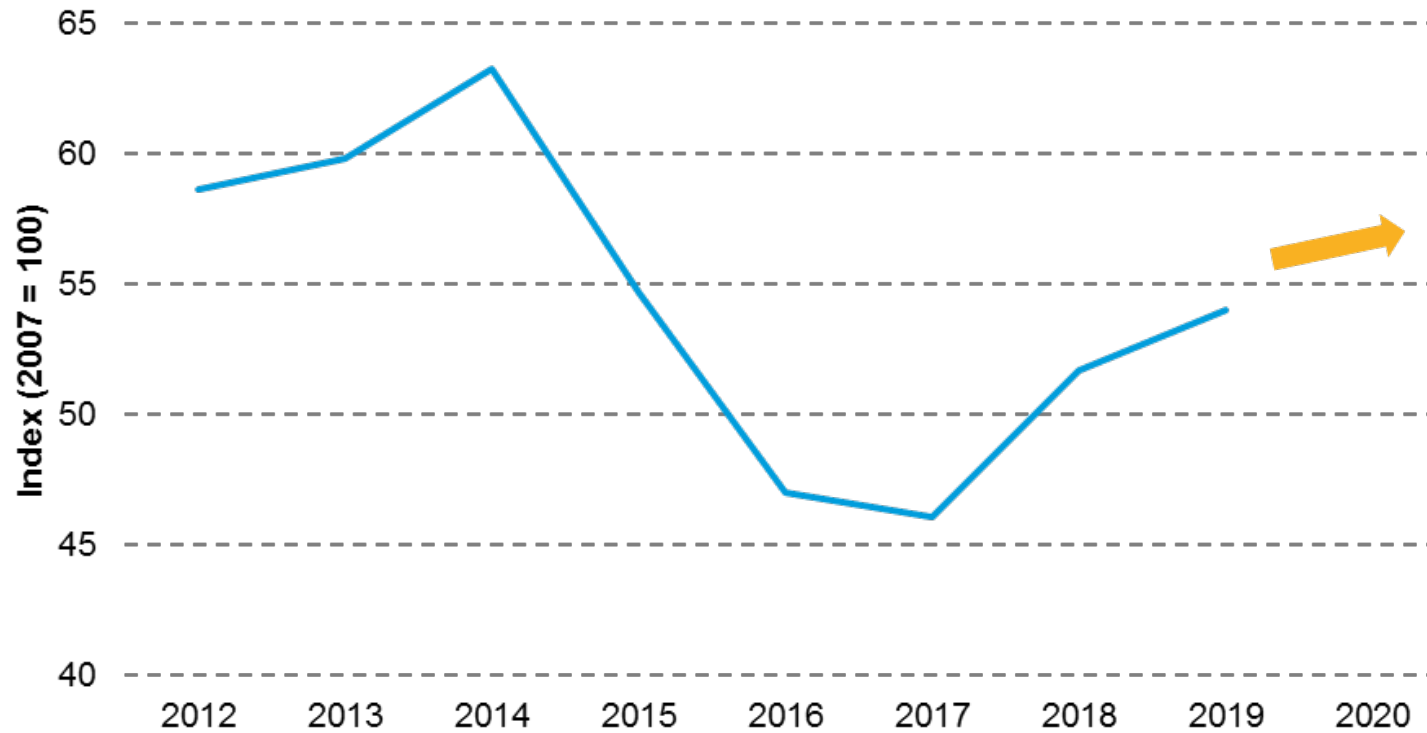
Consolidation events against average TC rate



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Market outlook

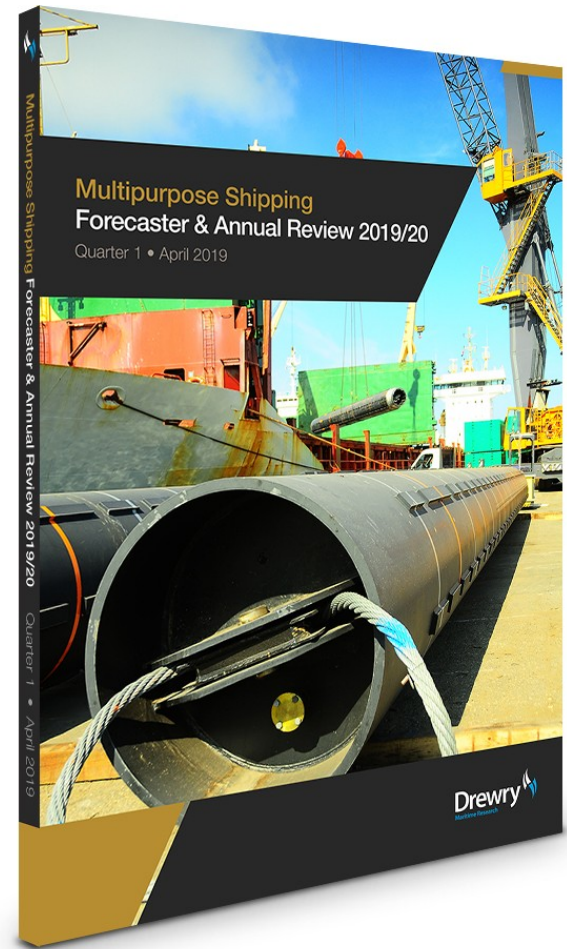
Multipurpose freight market Index, based on timecharter rates received from brokers



Source: Drewry's Multipurpose Shipping Market Review and Forecast (www.drewry.co.uk)

Conclusions

- Outlook
 - Low demolition candidates over 2018, led to slight improvement in fleet numbers but expectation is for contraction over longer term. Project carrier fleet expecting strong growth against decline of the simple multipurpose vessel.
 - Global GDP and investor confidence are positive drivers for this sector. However the uncertainty surrounding these will dampen any market improvements.
- Challenges and Opportunities
 - The ongoing US / China trade war has the potential to severely damage competing markets, prompting increased competition for these cargoes.
 - Of growing importance to shippers is the financial health of the carriers – a robust due diligence procedure is necessary in today's climate





enquiries@drewry.co.uk

www.drewry.co.uk

UK

15-17 Christopher Street
London
EC2A 2BS
United Kingdom

INDIA

209 Vipul Square
Sushant Lok - 1
Gurgaon 122002
India

SINGAPORE

#13-02 Tower Fifteen
15 Hoe Chiang Road
Singapore 089316

CHINA

Unit D01, Level 10,
Shinmay Union Square
Tower 2, 506 Shangcheng Road
Pudong, Shanghai 200120