Multipurpose & Heavylift Shipping
Market Outlook

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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
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 & Heavylifft 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)
Maximum lift by vessel sector

**Multipurpose (no gear and geared)**

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

**Project carrier and Heavylift**

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

Multipurpose (no gear & geared) deliveries
Project carrier and Heavylift deliveries
Multipurpose (no gear & geared) demolitions
Project carrier and Heavylift demolitions
Multipurpose (no gear & geared) fleet (right axis)
Project carrier and Heavylift fleet (right axis)

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

- Nearshoring / regionalisation
- Product Miniaturisation
- Economic Growth
- Global Trade
- Regulatory Uncertainty
- Geopolitical Risk
- Tariff barrier and trade war
- Digital Disrupters
- Mixed Paper Import Ban

- 3D/4D Printing

Drivers of trade deceleration:
- Pressures on demand
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