

# The Future of Dry Bulk & Shipbuilding

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# **BIMCO's vision and mission**

**Our vision:**

**“To be the chosen partner trusted to provide leadership to the global shipping industry”**

**Our mission:**

**“To be at the forefront of global developments in shipping, providing expert knowledge and practical advice to safeguard and add value to our members' businesses”**

A decorative graphic at the bottom of the slide, consisting of several overlapping, semi-transparent blue shapes that create a sense of depth and movement, resembling a stylized horizon or a series of waves.

# BIMCO's 4 core services



## Products

- Contracts and clauses
- IDEA2
- Shipping KPIs
- Publications

## Training

- eLearning
- Face-to-face courses
- Webinars
- Tailor-made courses

## Regulation

- NGO at IMO
- Regular engagement with regional regulators

## Information & advice

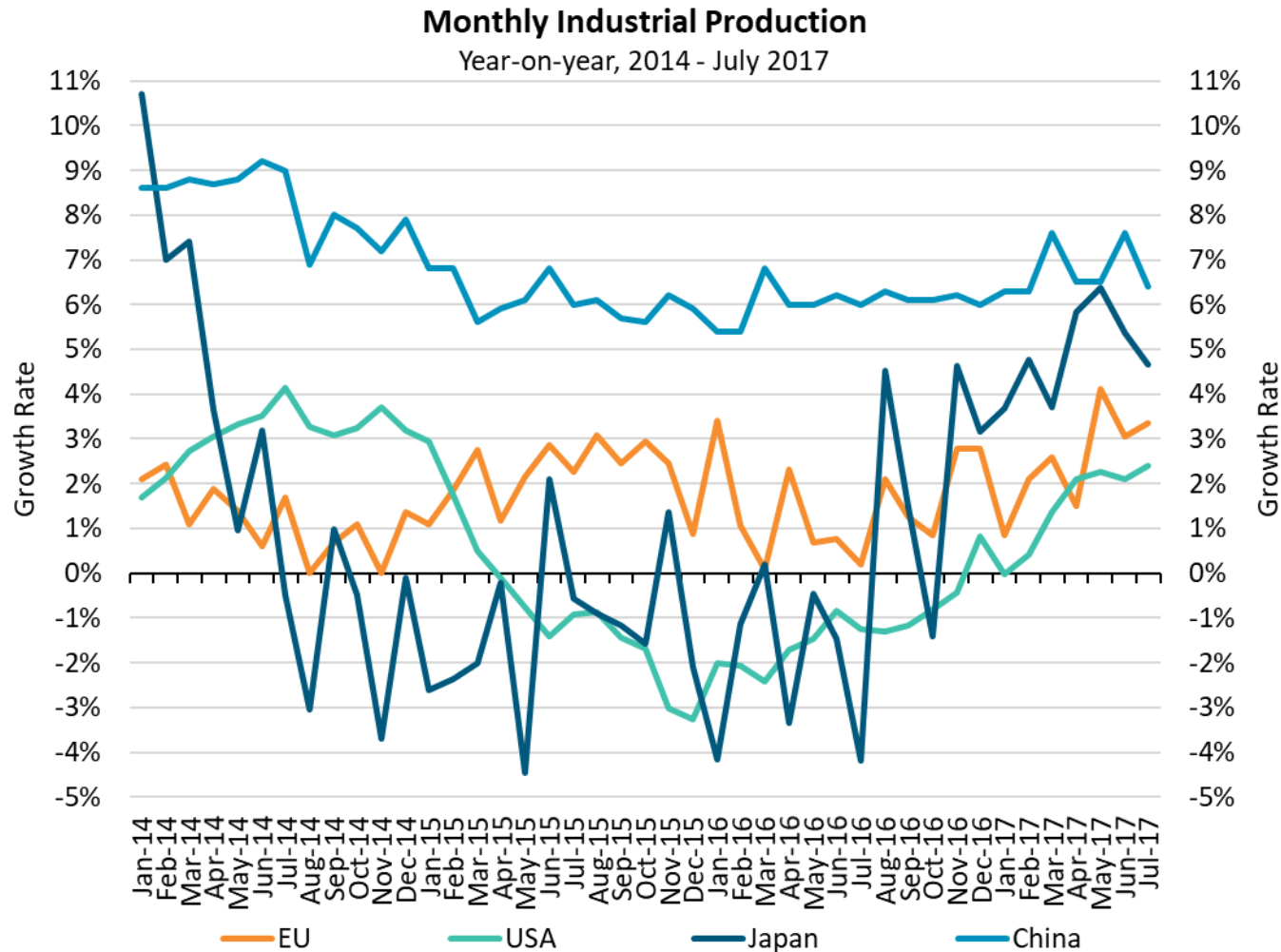
### Ships

- Technical
- Environmental
- Safety
- Security

### Commercial

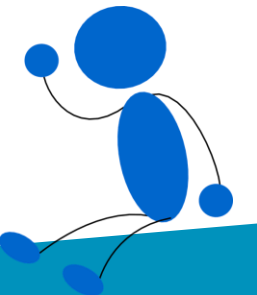
- Chartering support
- Ports and cargo databases
- Credit risk
- Debt recovery
- Fraud alerts
- Market analysis

# Global indicators pointing upwards



Source: BIMCO, Eurostat, NBS China, METI, Federal Reserve System

“The indicators have showed strength throughout first half of 2017 ... a clear sign of positive development in the industries affecting global shipping the most”

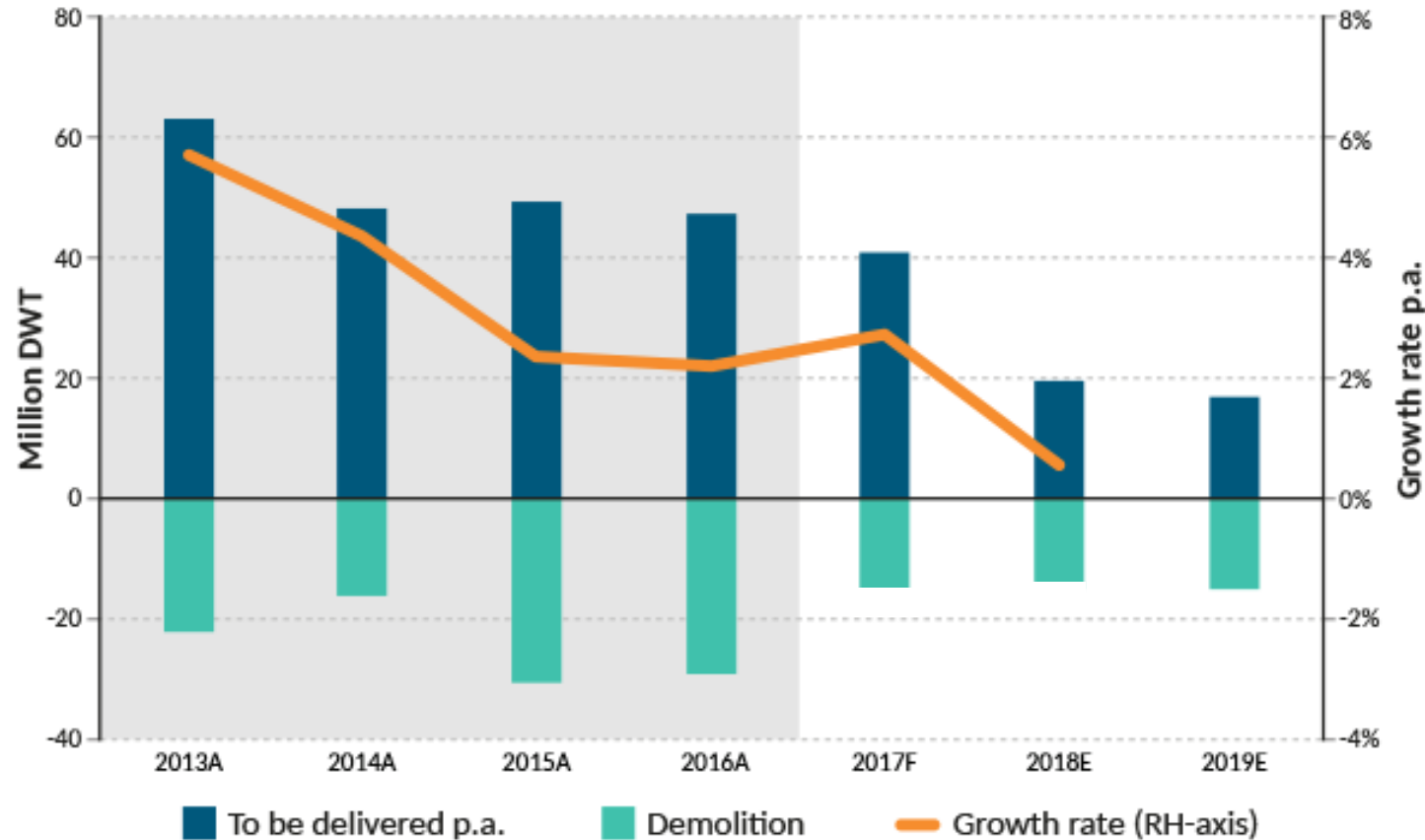


# Demand is strong this year

- Chinese iron ore imports up by 6.6% for first 8 months
- Chinese steel production up by 5.6% for first 8 months
- US coal exports growing from Nov' 16 becoming important swing factor (mostly coking coal) again
- India thermal coal imports also a positive joker (in disguise)
- Rest of the world.... flat

# Fundamental balance improves as demand growth outpaces jump in supply

## Dry bulk ship fleet growth

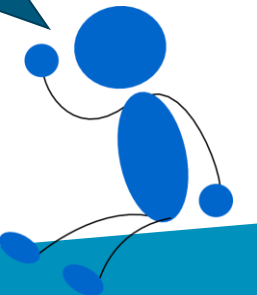


Source: BIMCO estimates on Clarkson's raw data

A is actual. F is forecast. E is estimate which will change if new orders are placed. The supply growth for 2017-2019 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 40% of the remaining vessels on order are delayed/postponed.

The fleet is estimated to grow by 3.1% in 2017 (+25m DWT net)

IF demolition fall short by 2m DWT, fleet growth will jump to 3.4%

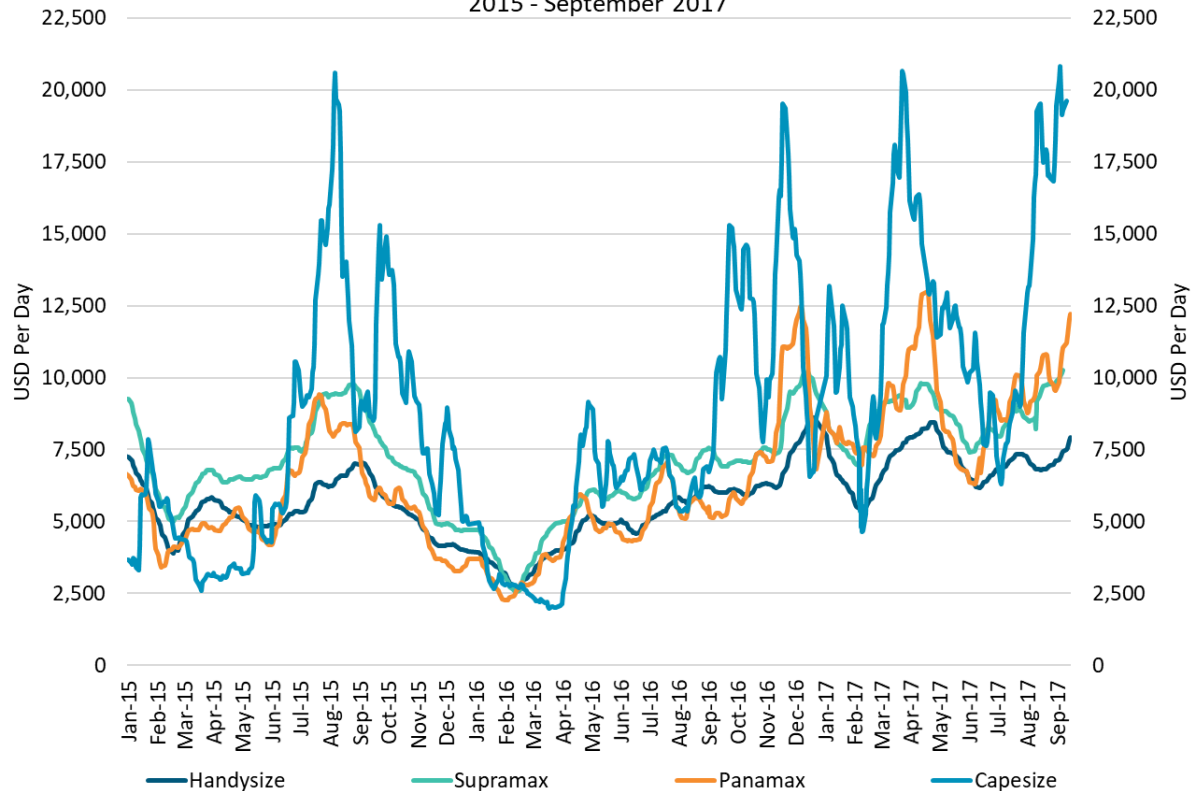


# A one-legged improvement of freight rates



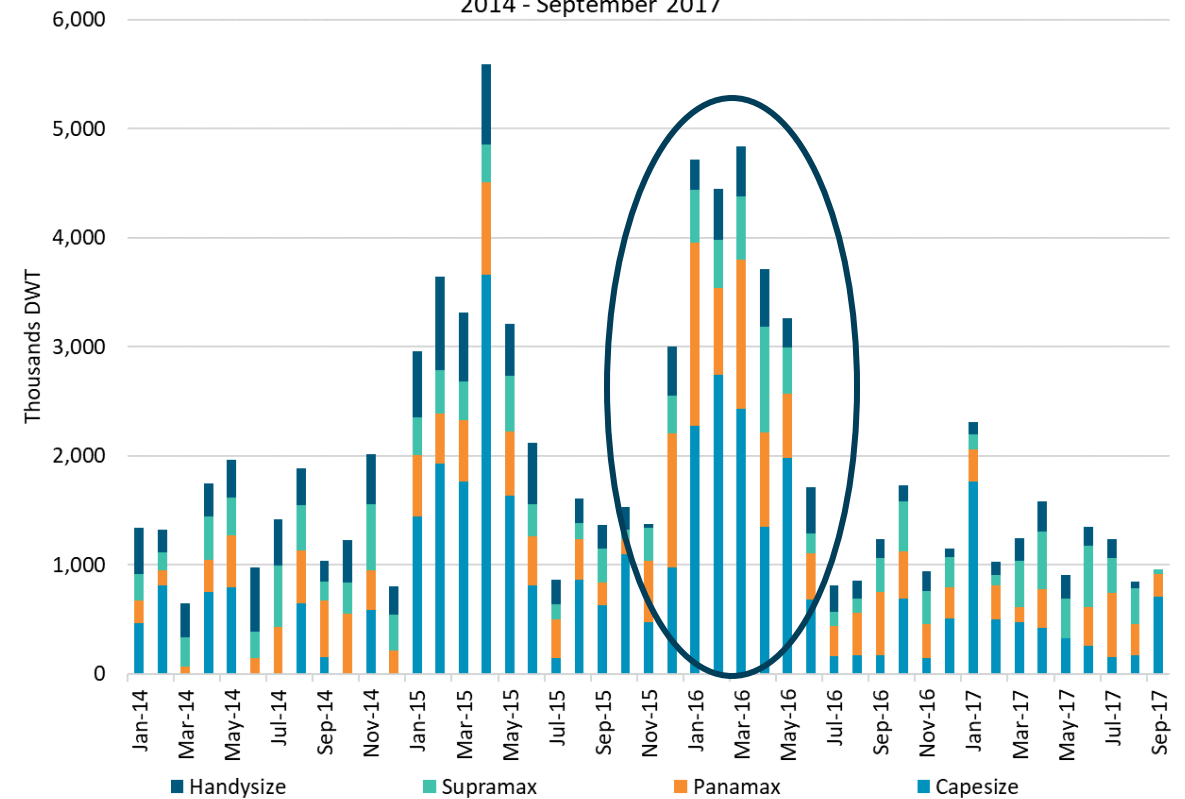
Baltic Exchange time charter average

2015 - September 2017



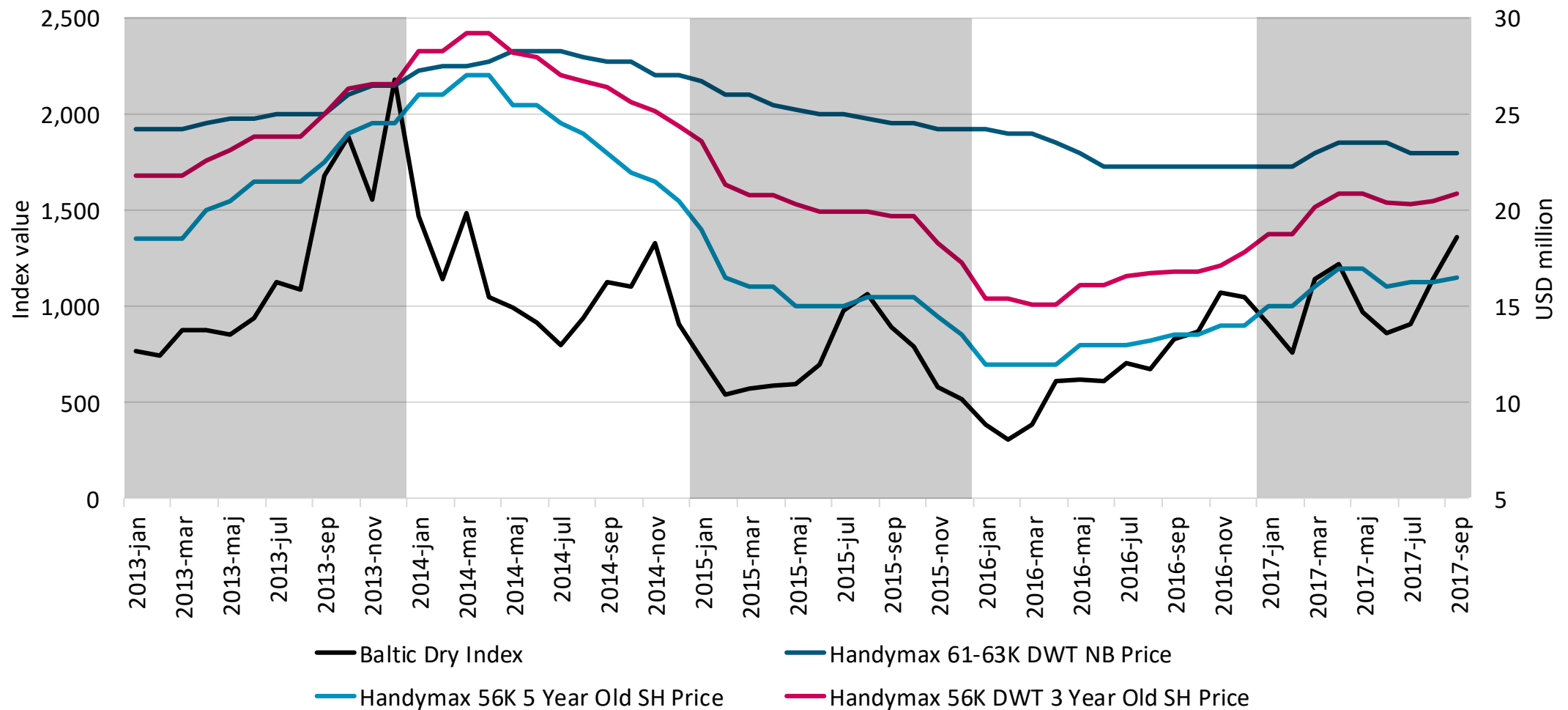
Dry bulk demolition activity

2014 - September 2017



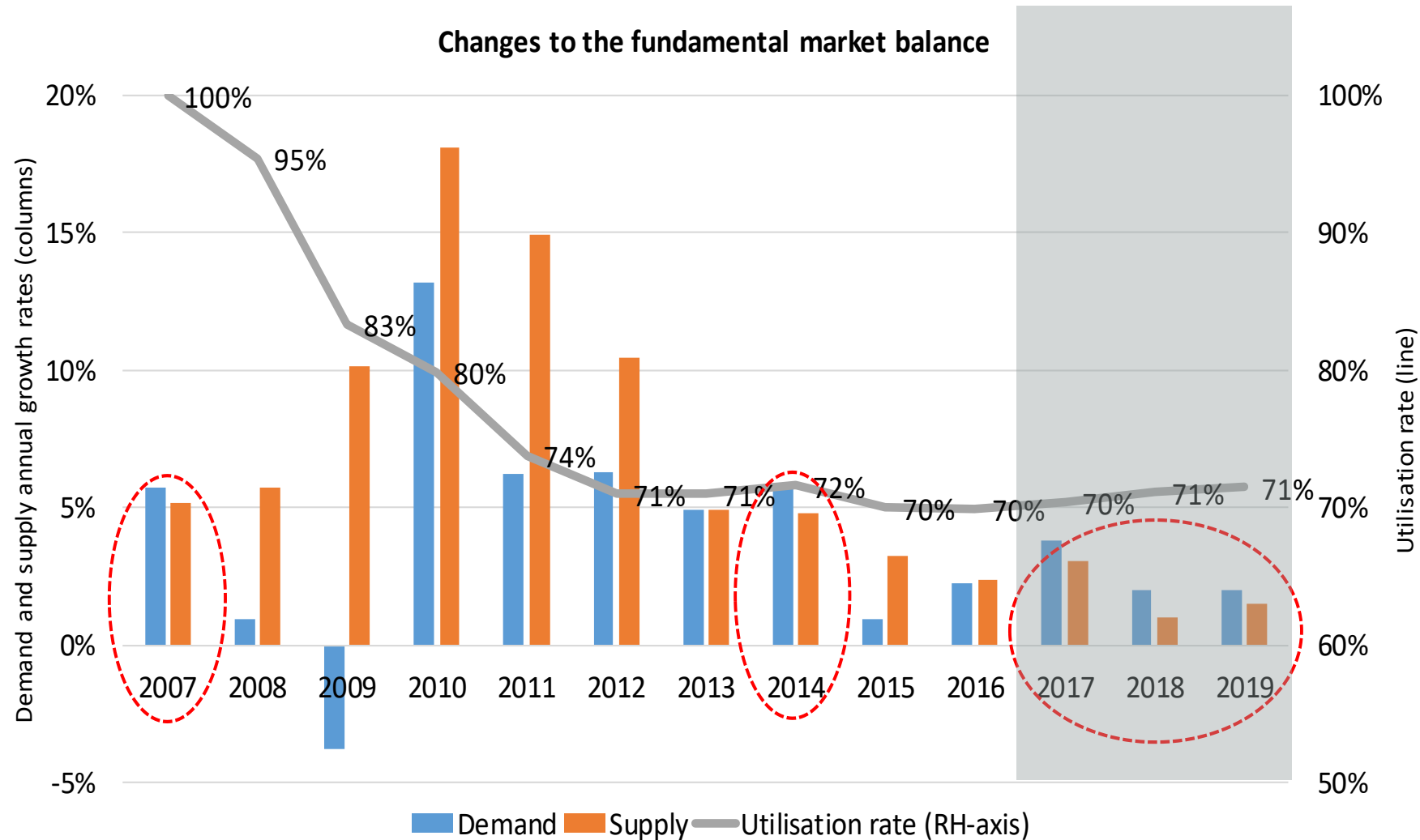
# Spot the false dawn

The freight market and the asset play  
2013-2017

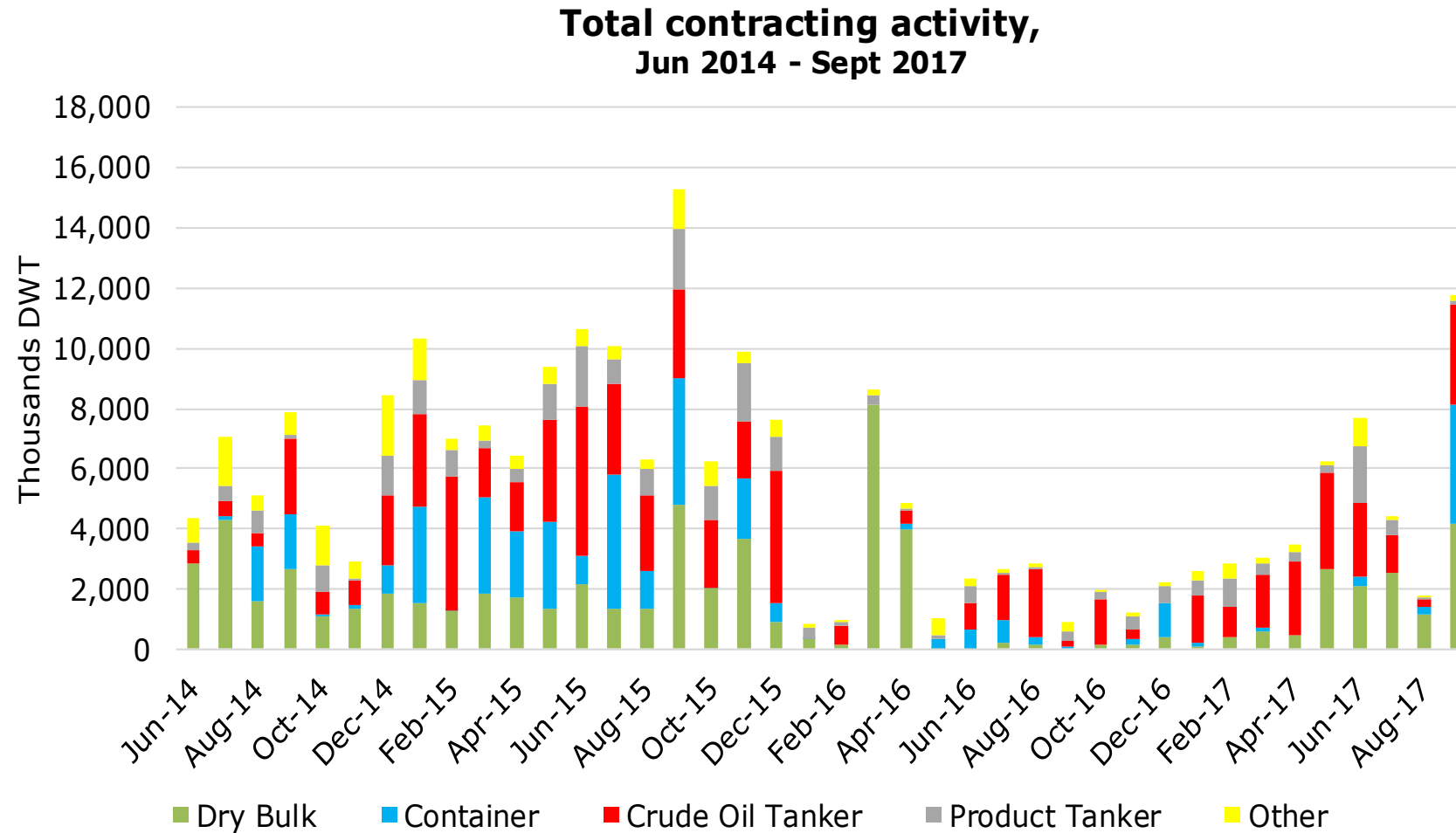




# BIMCO's Road to Recovery



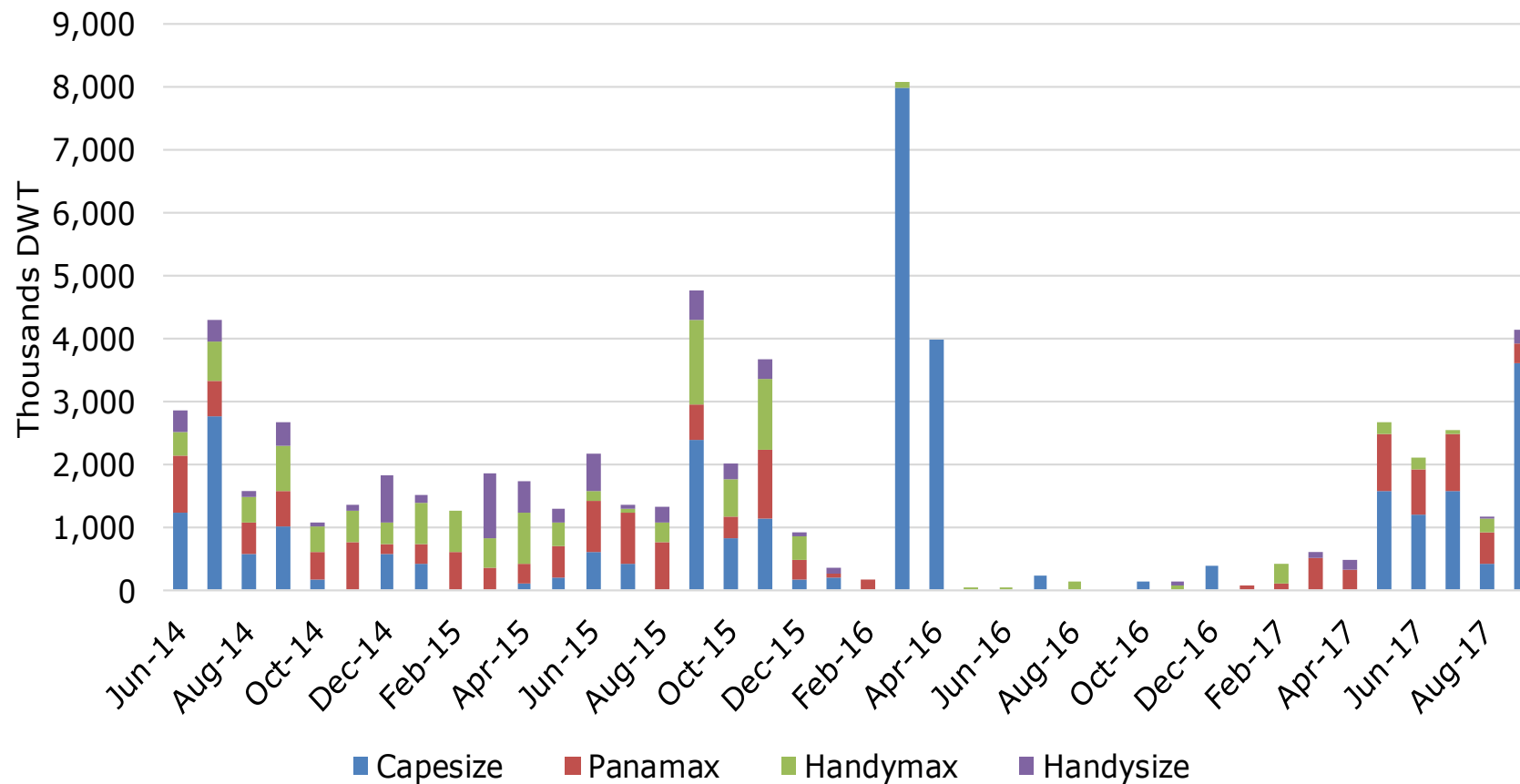
# Still low overall – but trending upwards



Source: BIMCO, Clarksons

# A sign of times

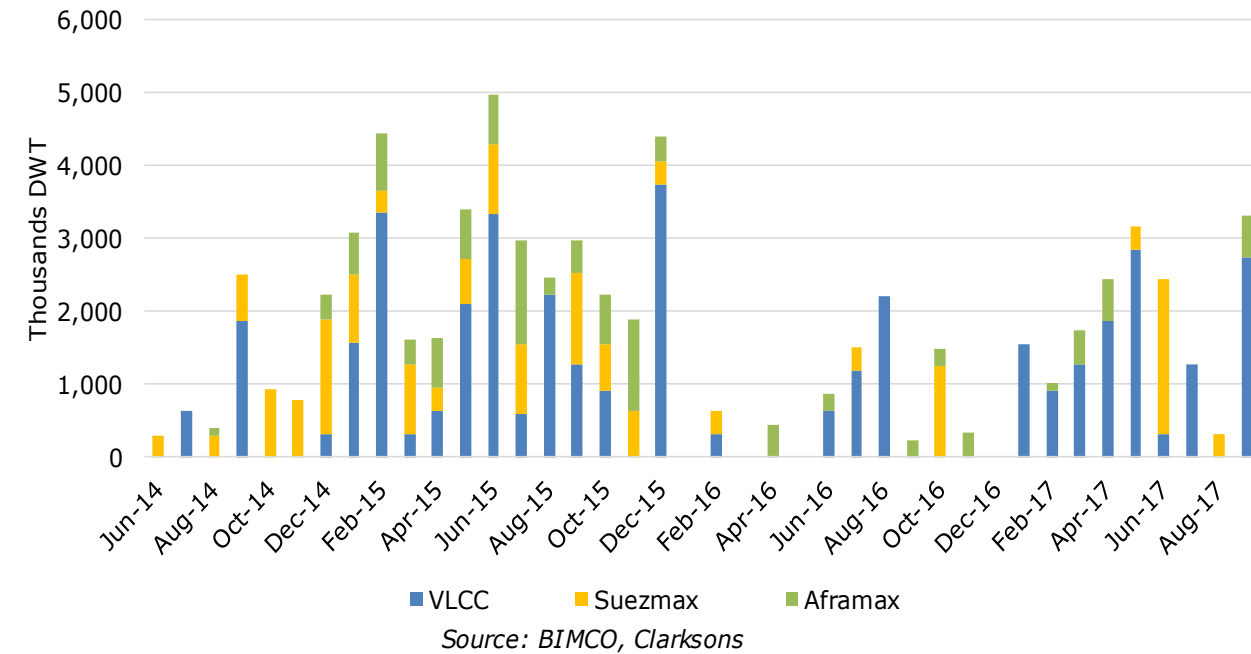
**Dry Bulk contracting activity,  
Jun 2014 - Sept 2017**



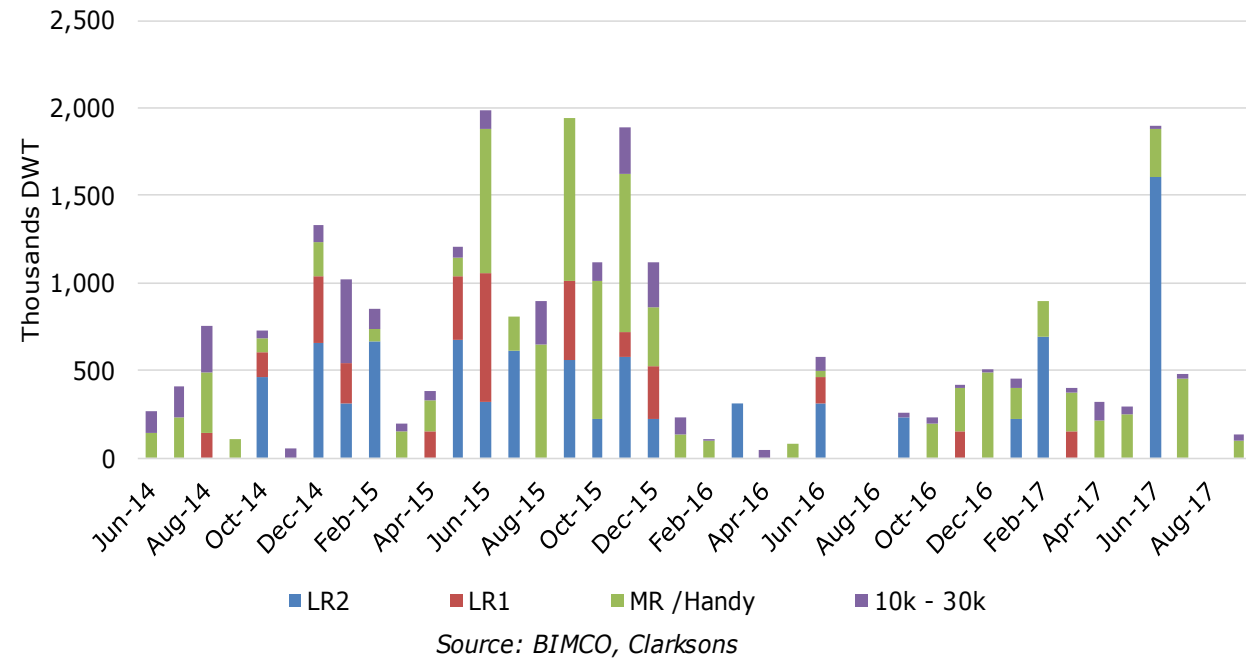
Source: BIMCO, Clarksons

# Crude oil looks too busy

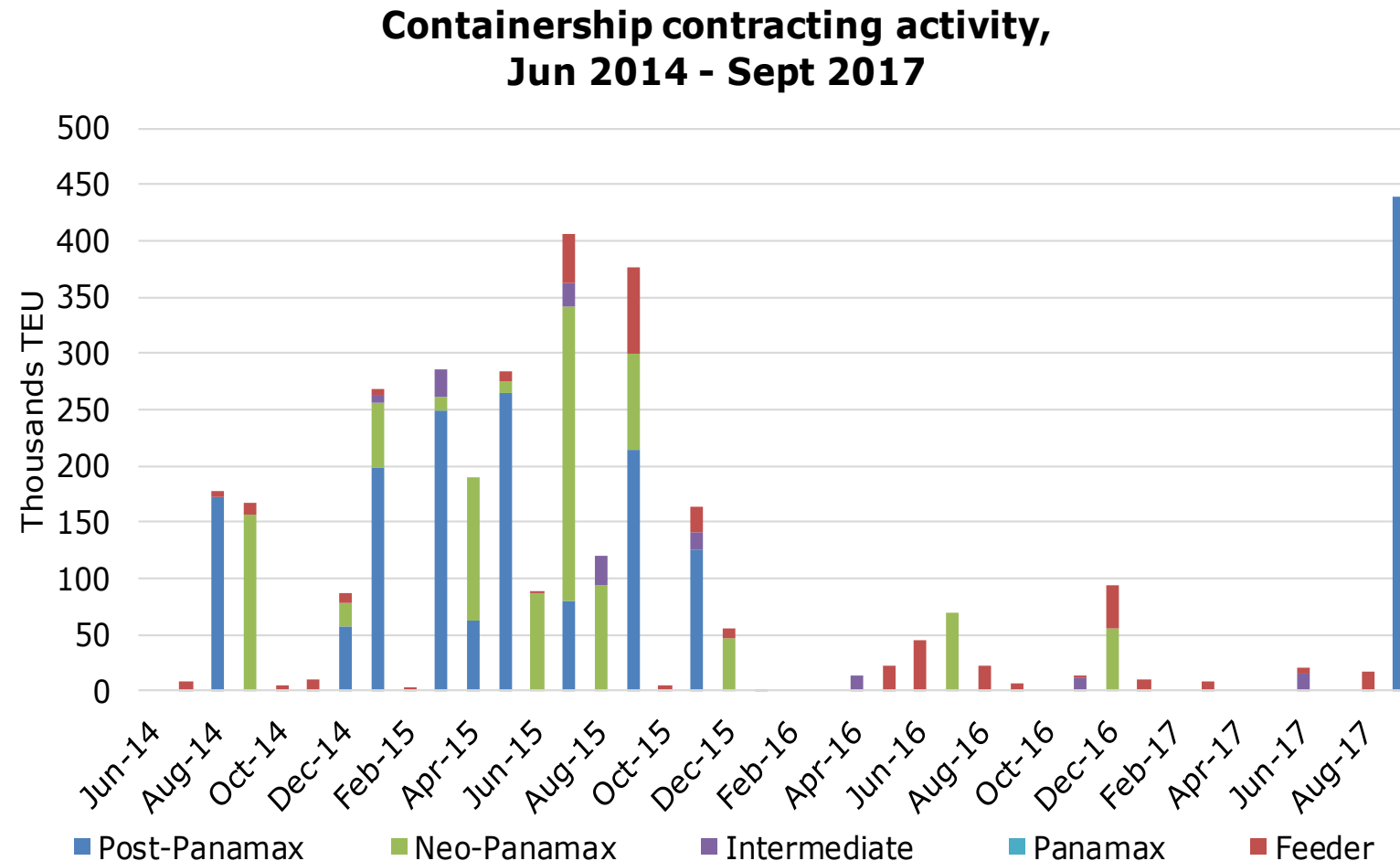
Crude oil tanker contracting activity,  
Jun 2014 - Sept 2017



Oil product tanker contracting activity,  
Jun 2014 - Sept 2017



# September broke the silence

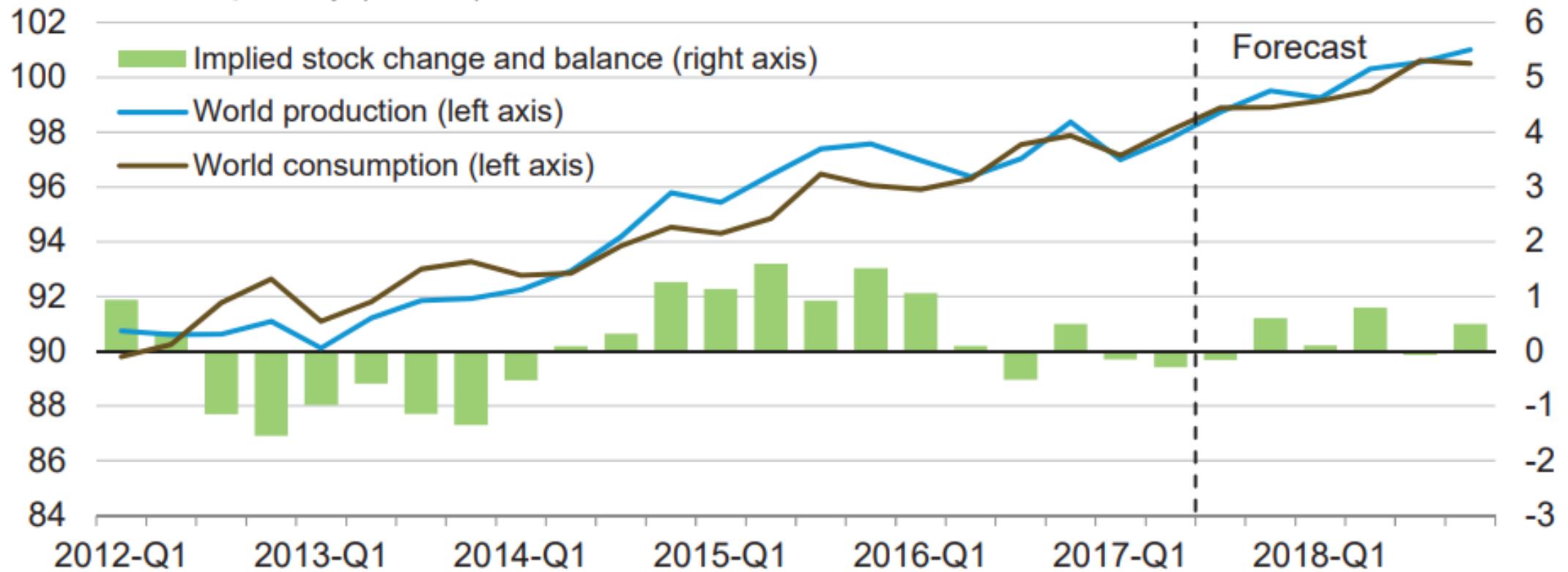


Source: BIMCO, Clarksons

# Is the oil market rebalancing happening?

## World liquid fuels production and consumption balance

million barrels per day (MMb/d)



Source: BIMCO, Short-Term Energy Outlook, September 2017.

The background of the slide is a photograph of a lighthouse with a black and white spiral pattern. The lighthouse is on the left side, and its light is on. The sky is dark and cloudy. The foreground is a dark, silhouetted landscape with trees and a small building. A large blue triangle is overlaid on the right side of the image, and a white triangle is overlaid on the top left.

**Thank you!**

Contact BIMCO at  
**[www.bimco.org](http://www.bimco.org)**