



Future Trends in Global Trade and New Patterns of the World Economy

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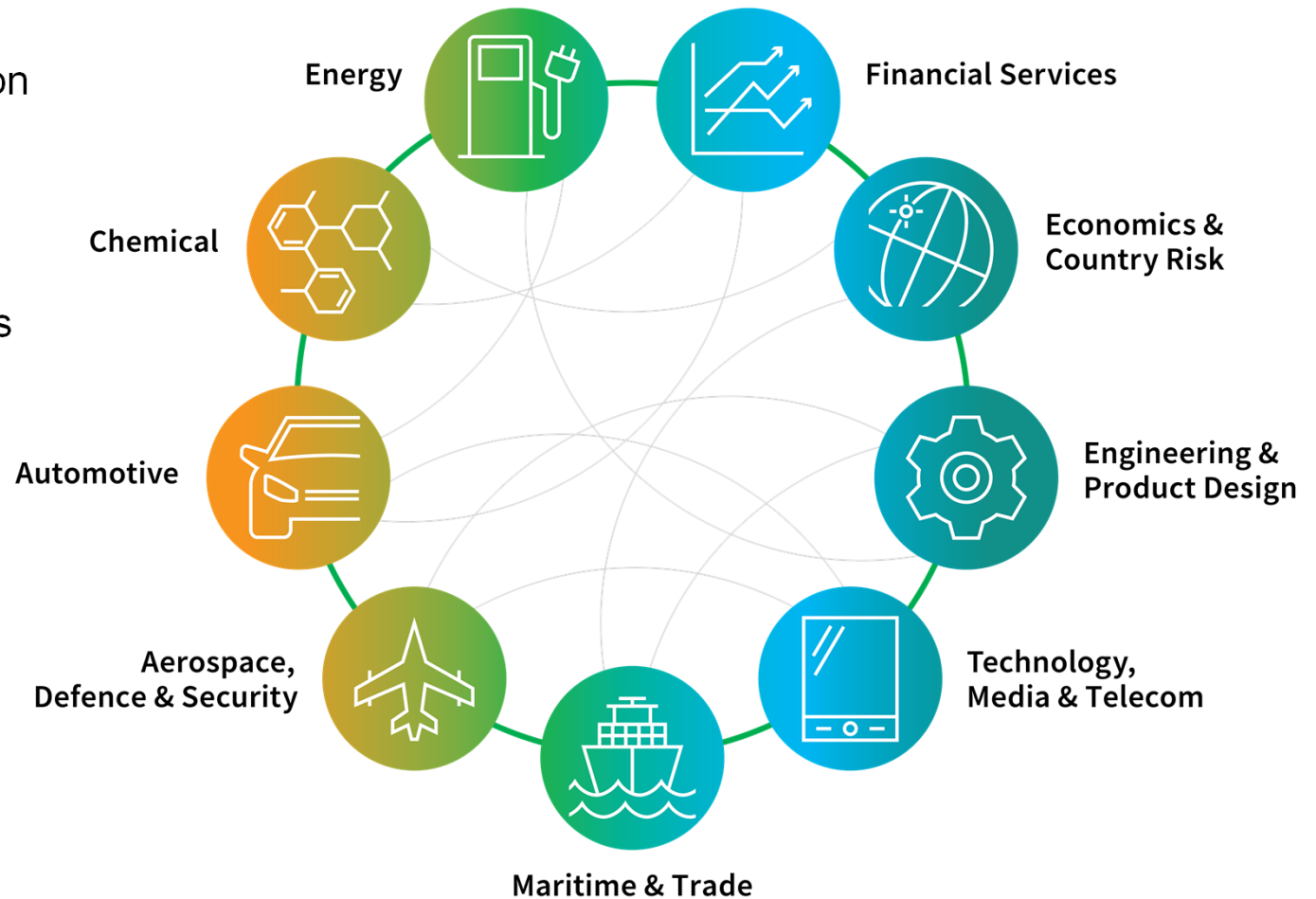
Agenda

- Introduction to IHS Markit
- Outlook for the world economy and global trade
- Key trends in seaborne trade
- Summary: implications for the shipping industry and global ports

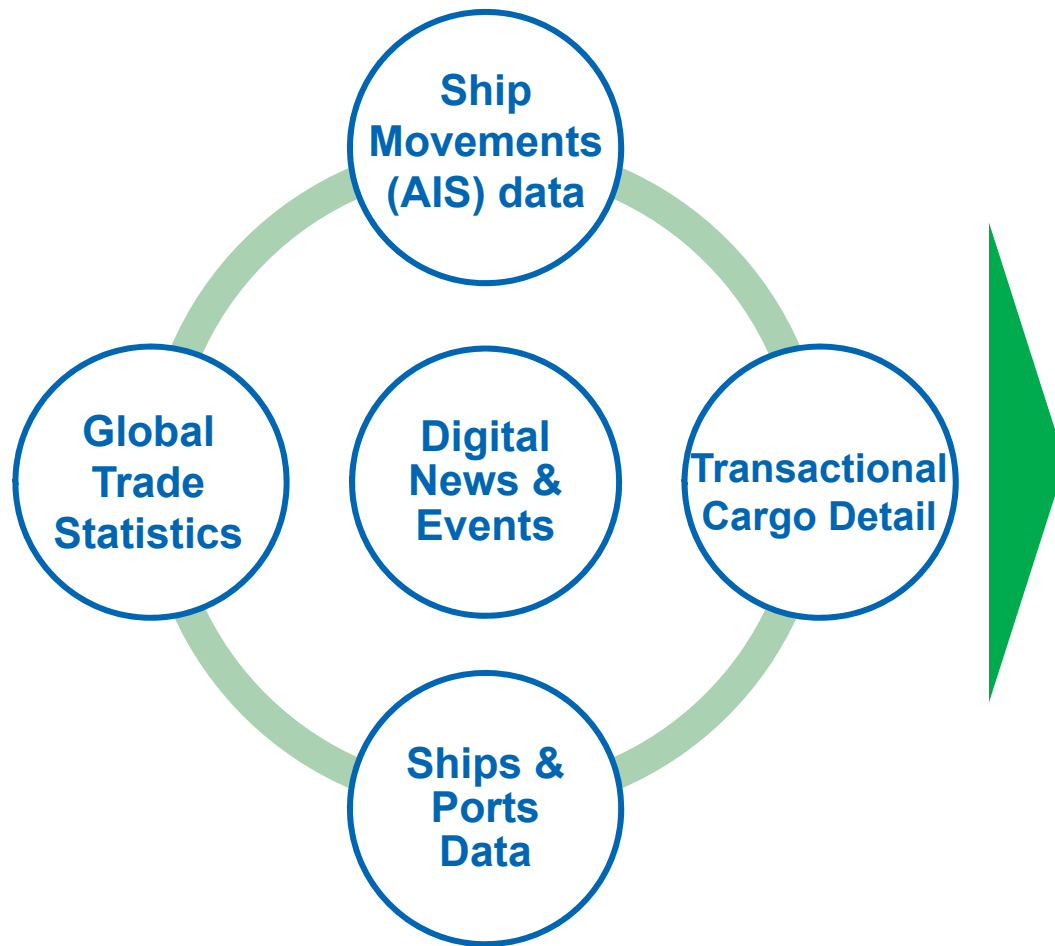
Introducing IHS Markit

We are a global information and analytics company, helping our customers address strategic challenges with our interconnected capabilities

- \$4bn+ annual revenue
- 15,000 staff
- 120 offices globally
- 36 countries



Maritime & Trade: Solutions Portfolio

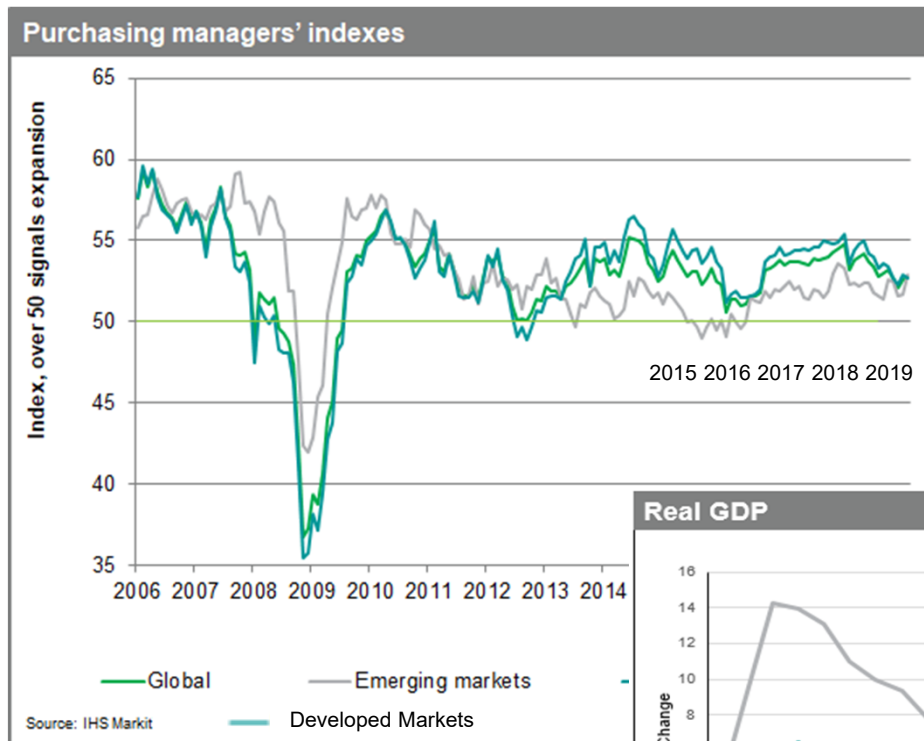


Our analytics capabilities include:

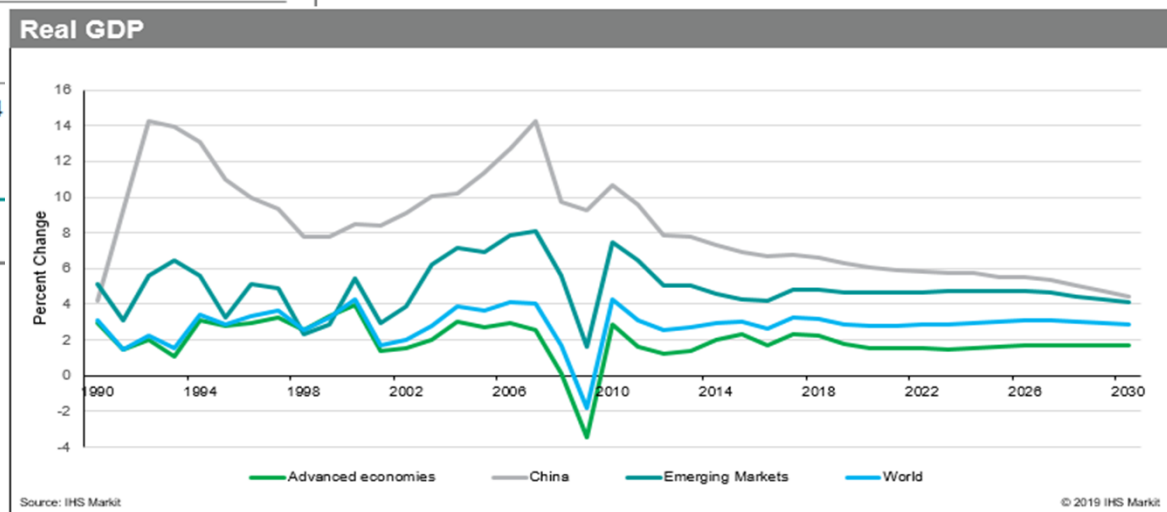
- **Bespoke Data Solutions:** Combine datasets to create customized data solutions
- **Risk Solutions:** Intelligence and forecasts on maritime risk assessment, sanctions screening and threats
- **Forecasting Solutions:** Econometric and machine learning models for price and trade forecasting, freight rates, fleet capacity and global trade forecasting
- **On-the-water Cargo Movements:** Advanced algorithms to detect and predict cargo loadings by type

Global Trade Outlook to 2030

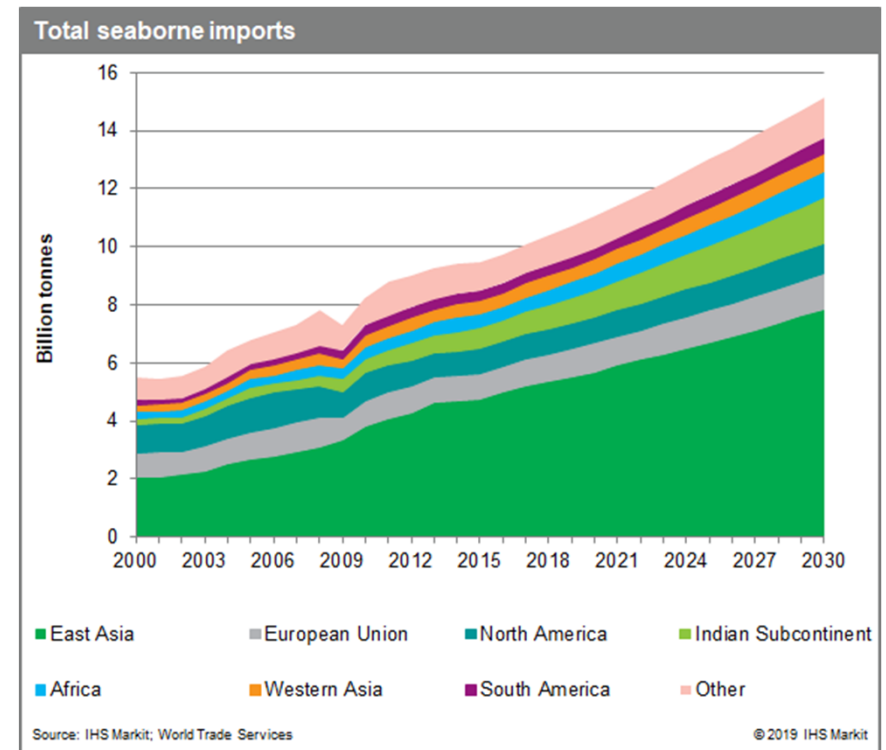
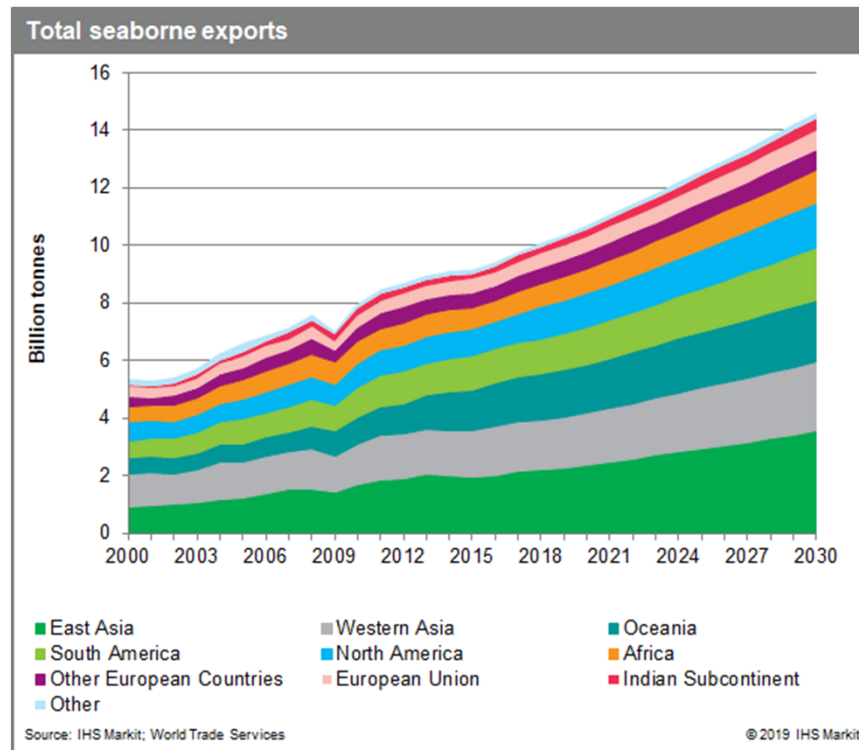
Global economic volatility is expected to continue, placing downward pressure on GDP growth over the coming years



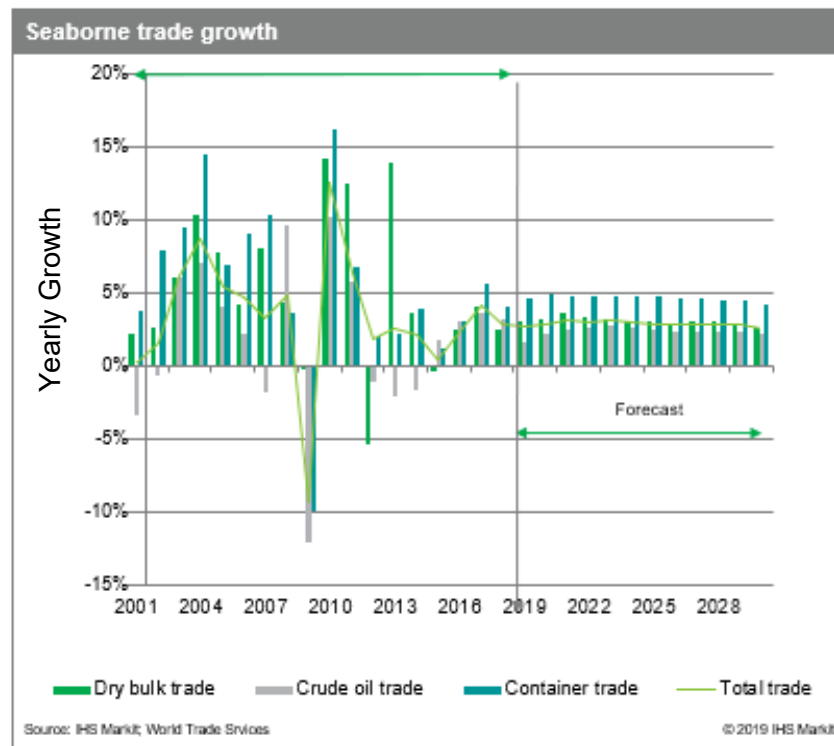
- US growth slowing from 2020, not expected to pick up for a number of years
- Europe impacted by political uncertainty of political developments and changes in trade policy
- Vulnerability of emerging markets



2019 – 2030 global trade volume growth of ~3% will continue to be driven by emerging markets



Over next 10 years, traditional shipping fleets are expected to expand slower than during 2000-2019

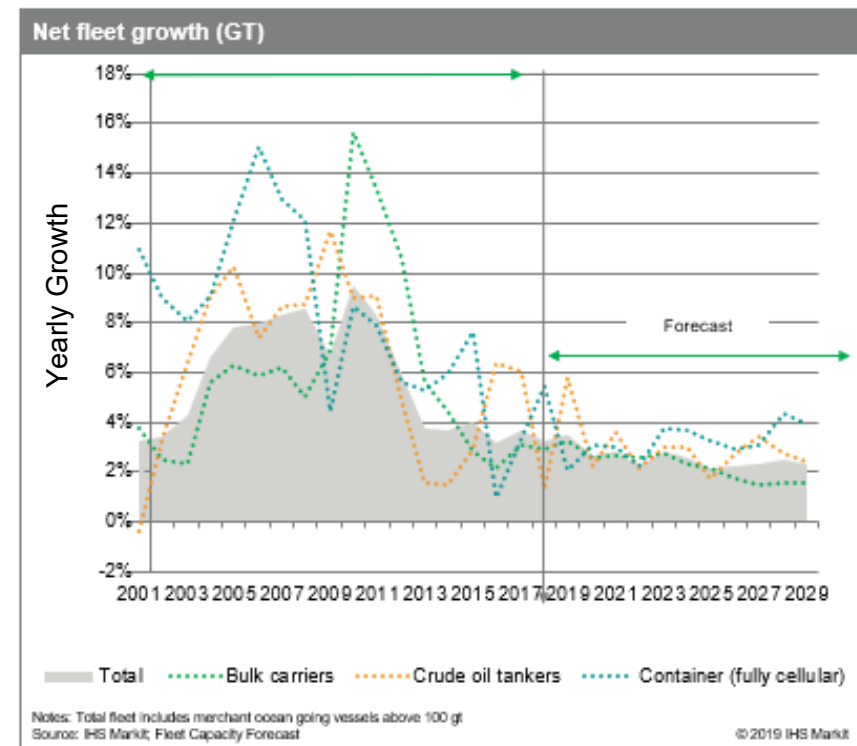


Seaborne trade growth (average)	2000–2018	2019–2030
Dry bulk trade	5.5%	3.5%
Liquid bulk	4.5%	4.0%
Container ships	5.5%	4.5%

Source: IHS Markit

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Fleet capacity growth (average)	2000–2018	2019–2030
Bulk carriers fleet	5.8%	2.3%
Crude oil tankers fleet	6.0%	3.0%
Container ships fleet	8.0%	3.2%

Source: IHS Markit

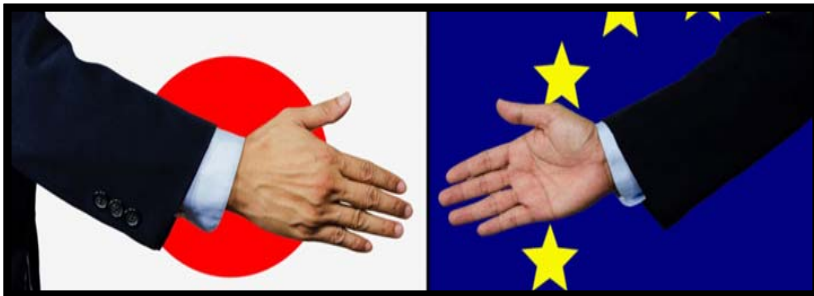
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A growing number of countries are pursuing trade growth through new international trade agreements

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Signed: March 2018

Effective: December 2018



EU-Japan Economic Partnership Agreement

Signed: December 2018

Effective: February 2019

China imports have grown through a diversified range of trade partners, with some US and EU trade shifting to new partners

Developments in 2019:

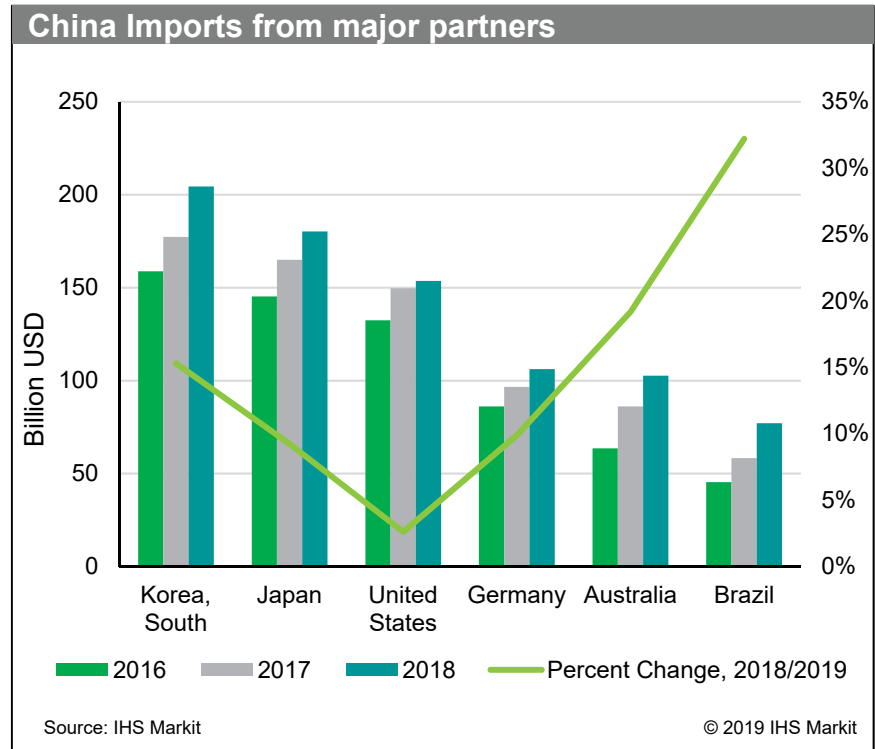


South Korea;
Second round of free trade negotiations focused on market access to service and investment areas

Hong Kong China:
Zero tariffs on HK-origin imported goods.

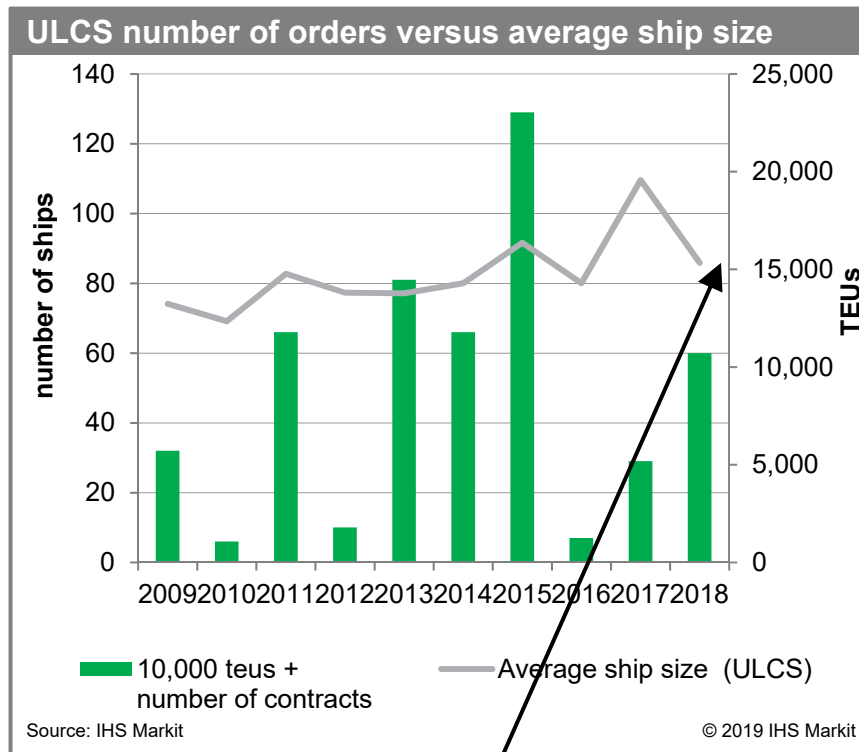
Australia:
Tariff cuts (ChAFTA)

Regional: Regional Comprehensive Economic Partnership (RCEP) 14 Free-trade agreements under negotiation, eight under consideration. Negotiation driving reduced reliance on EU and US.



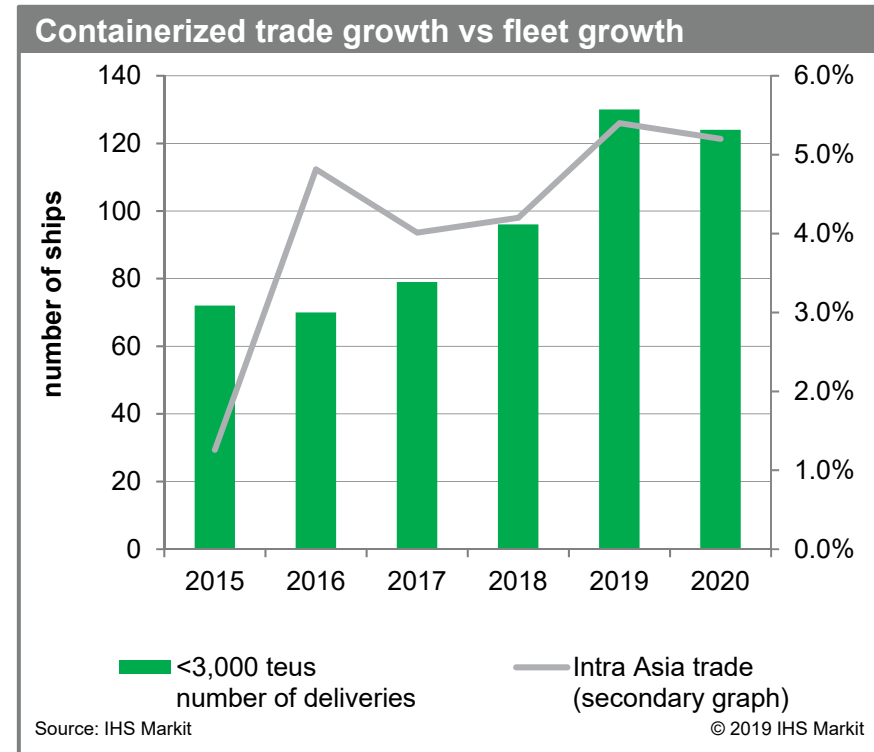
Key Trends in Seaborne Trade

Container ship size growth may pause, while smaller fleets are expanding to meet demand for intra-regional trade and more flexible supply chain solutions



ULCS (10,000 teus+) vessels have become larger over recent years, but are we reaching limits despite recent orders?

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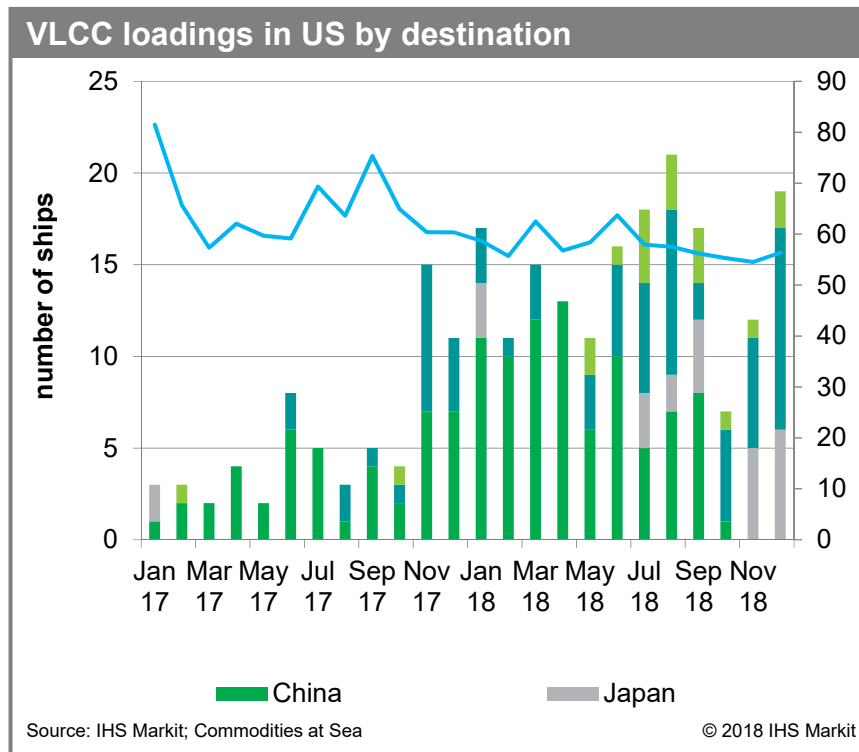
Intra Asian trade is expected to increase and the number of smaller vessel sizes are also expected to rise in the next couple of years

Container ship size growth is moderating, and ports continue to be challenged by bigger cargo surges

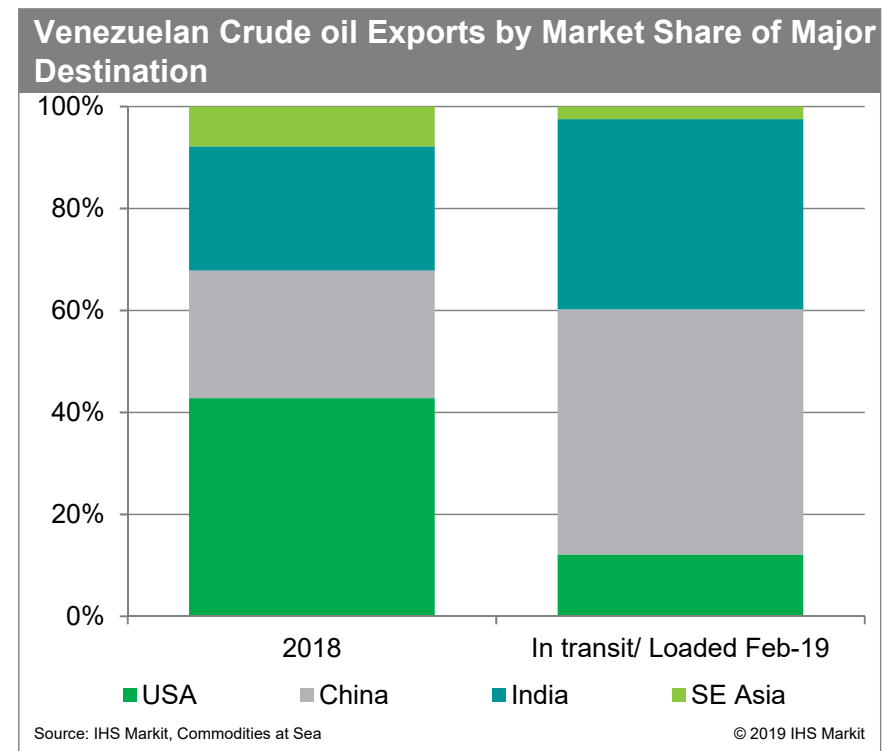
	2017	2018	Change TEU	Change %
	Vessel Capacity, Average	Vessel Capacity, Average	+/- TEU Capacity, Average	%
Africa	3,921	3,981	60	1.5%
East Asia	6,374	6,534	160	2.5%
Latin America	4,777	5,090	313	6.6%
Middle East and India	6,611	6,748	137	2.1%
Mediterranean	4,346	4,500	154	3.5%
North America	6,064	6,387	323	5.3%
North Europe	5,881	5,940	60	1.0%
Oceania	3,901	4,162	261	6.7%
Southeast Asia	4,476	4,494	18	0.4%
World	5,395	5,553	158	2.9%

Source: IHS Markit Port Productivity

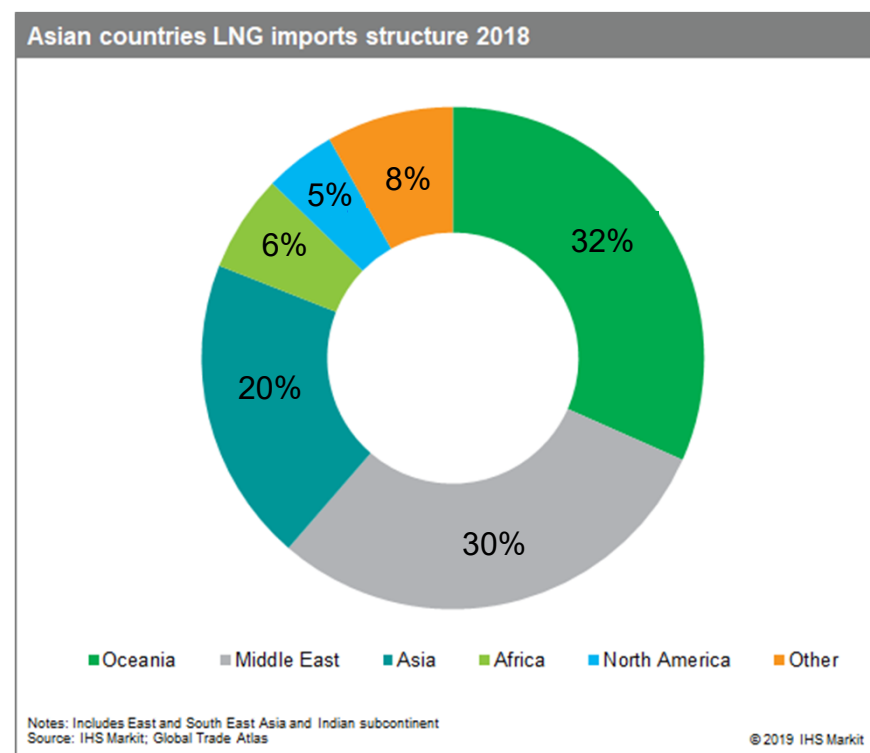
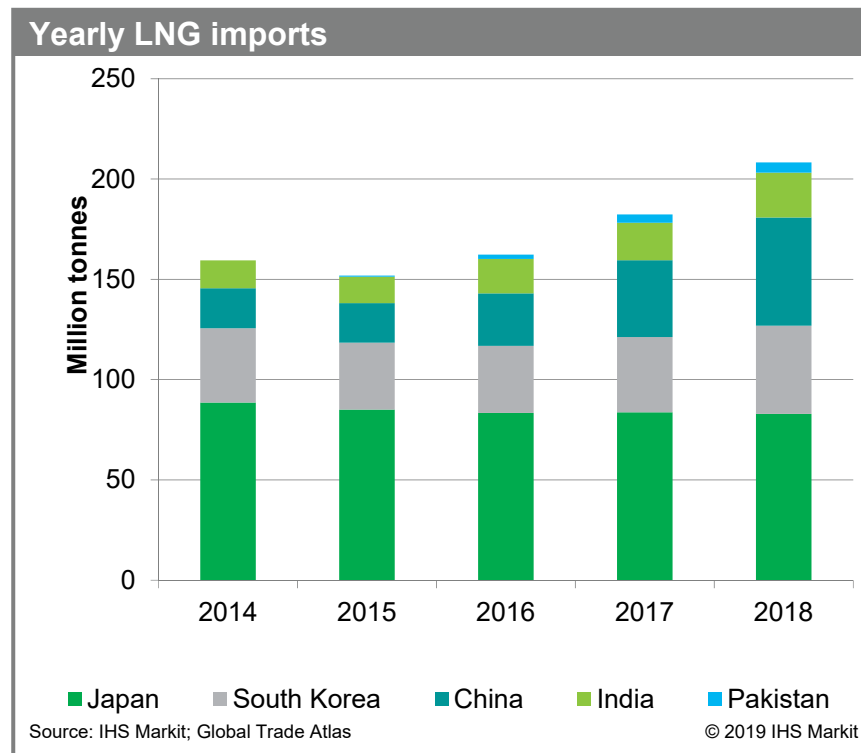
Crude oil trade routes are evolving amid a changing political and production landscape – Asian countries will remain the major seaborne importers



Slight drop in average voyage duration, but volumes keep increasing.



Asia remains major importing hub for LNG with incremental imports growth mainly coming from China, South Korea and Indian subcontinent



In summary

- Global trade expected to continue to grow, but at a slower rate than in previous decades
- Trade uncertainty and new trade agreements are expected to lead to a shift in some established trading patterns
- The global fleet continues to grow in line with trade growth and will reflect evolving regional demands
- Ports worldwide will be required to service a wider mix of vessels

Thank you

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