A customer perspective

How conditions in the shipbuilding market affect container liner shipping

Anders Boenaes
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Introduction to Maersk

The global integrator of container logistics connecting and simplifying our customers’ supply chains

• Simple end-to-end offering of products and services
• Seamless customer engagement
• Superior, end-to-end delivery network
Demand growth in the container shipping industry has slowed down since the financial crisis...
...now reflected in the all time low in the orderbook for new containerships across the board...

Source: Shipping Intelligence Network Timeseries
...that downward affects the prices for new containerships

Source: Shipping Intelligence Network Timeseries
Instability in the ship yard industry and targeted stimulation of demand has wider implications...

Note: Effective capacity incorporates changes to idling, vessel speed, average length of trade and container network

Source: Maersk Line
...as it leads to distortion of market fundamentals and value destruction in the shipping industry...

**Note:** Freight rate is adjusted at fixed bunker price level of 400 USD/ton.  
**Source:** Maersk Line
...that has largely been loss-giving for several years

Note: EBIT margin excl. impairments, one-offs etc. Industry average is capacity weighed; lowest quartile is average of bottom quartile performers

Sources: Company Reports, Alphaliner
Fictional example - Asia to Europe trade

Total current weekly capacity: ~250,000 TEU
Additional weekly capacity from one string*: ~20,000 TEU

* One string of 12 vessels with one weekly sailing

Sources: Alphaliner, CTS
Questions?

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