

Present Shipbuilding Market

- Economic crisis and its impact -

9-10 July 2009

OECD WP6, Paris France



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<For reference> Market Review

B1. Global economic crisis and Dry market

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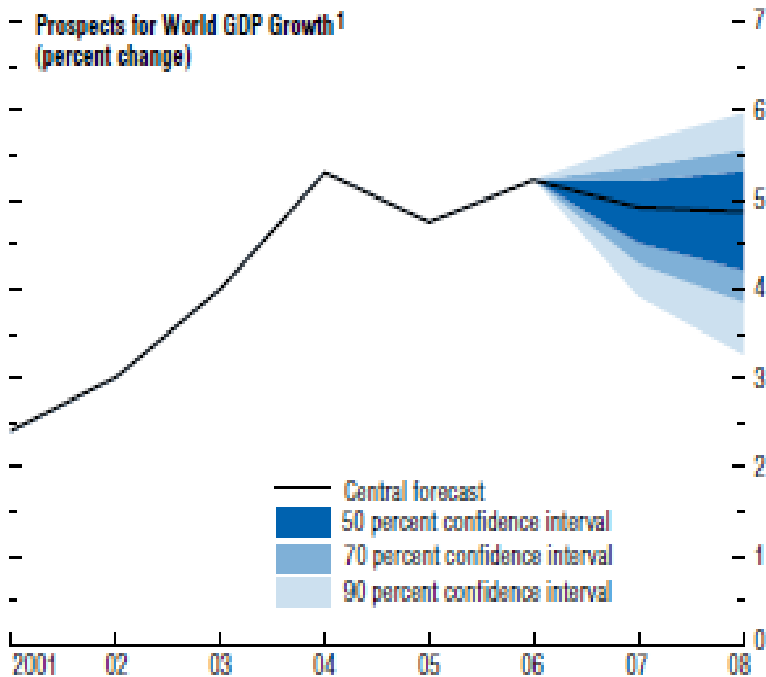
C1. Container Seaborne Trade (TEU)

1. Change in Economic background

2007.04 Outlook by IMF

Figure 1.10. Risks to the Global Outlook

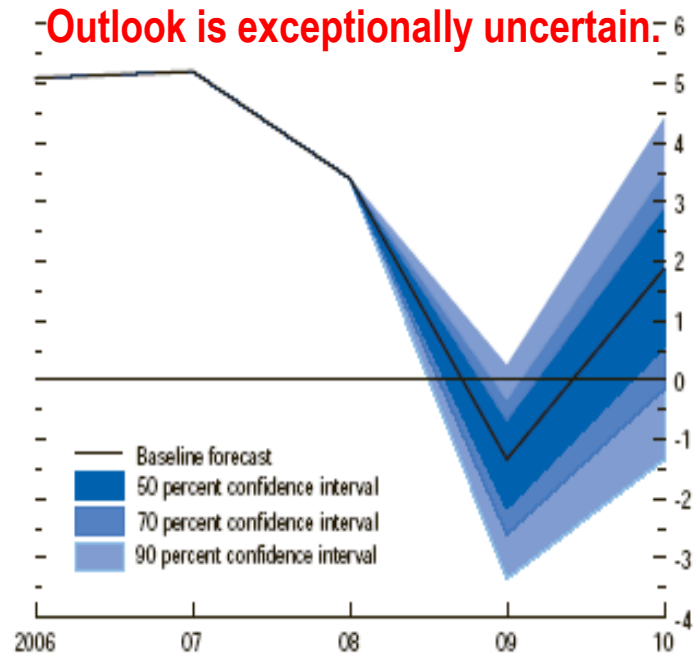
Risks to global growth now seem more balanced than six months ago, as downside risks related to the U.S. housing sector, inflationary pressures, and oil supply seem less threatening.



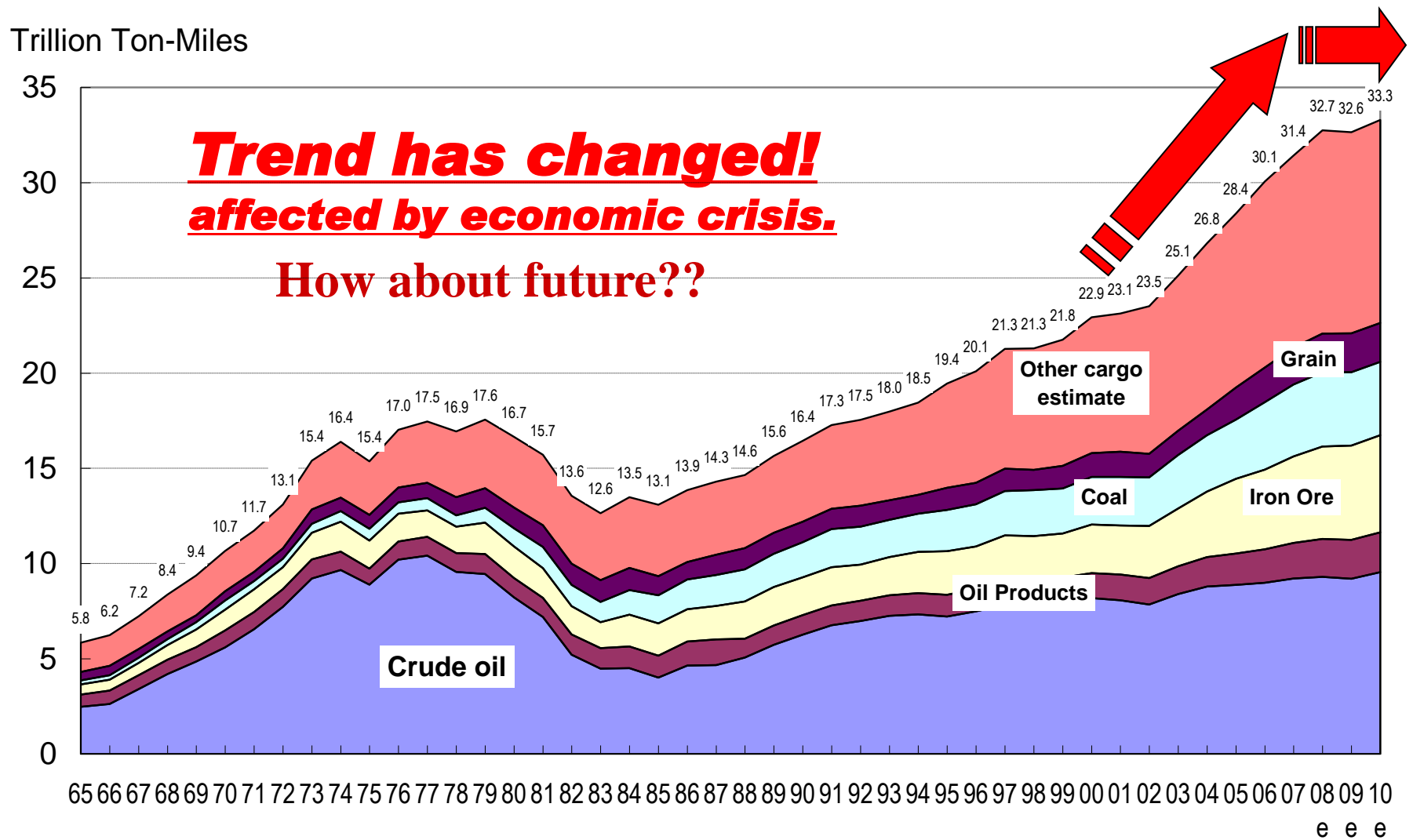
2009.04 Outlook by IMF

Figure 1.10. Risks to World GDP Growth¹
(Percent change)

The outlook is exceptionally uncertain, with risks to the forecast still weighing to the downside. See Appendix 1.2 for details of how the variance and skewness of the fan chart are related to market indicators.

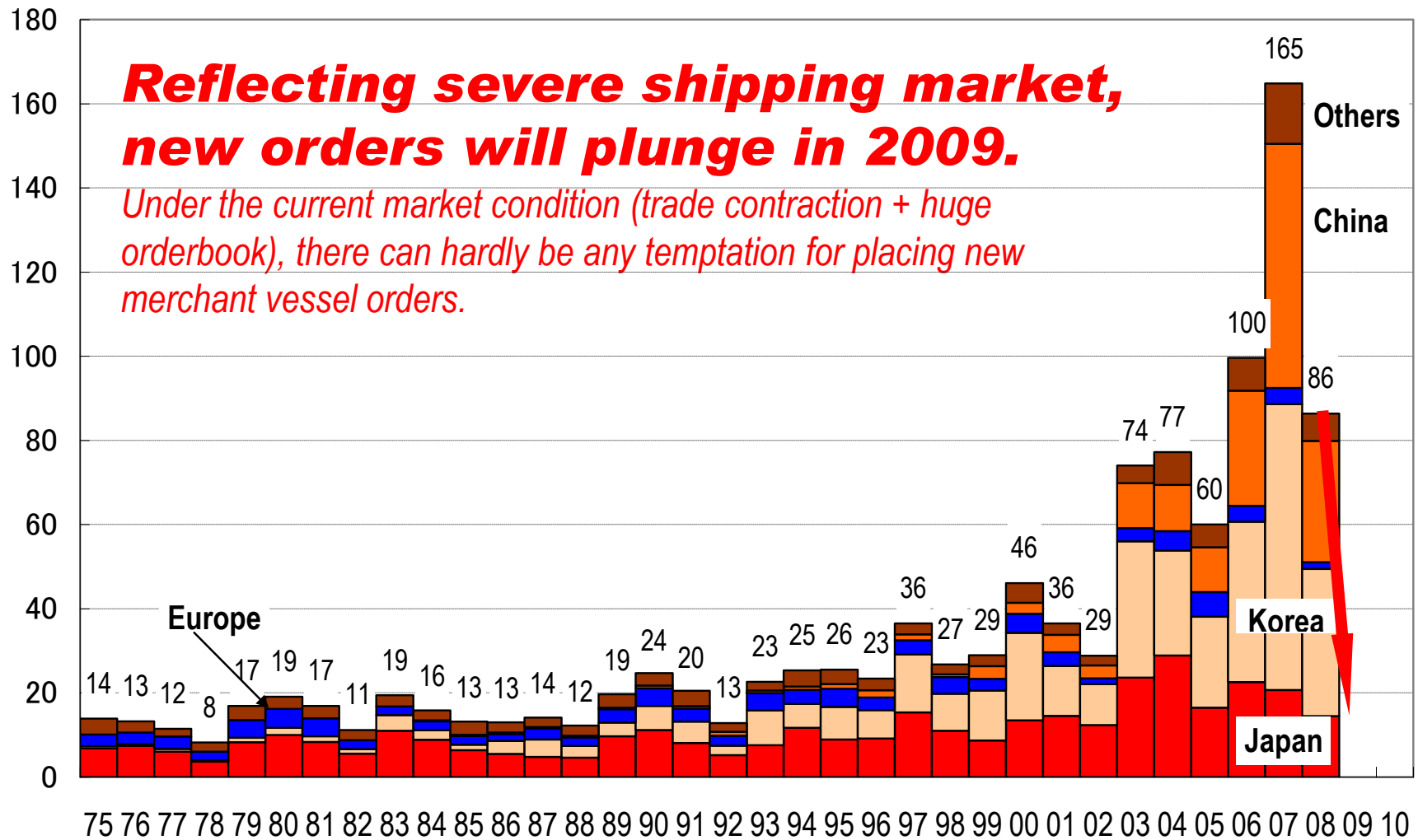


2. World Seaborne Trade: Ton-Miles



3. World New Orders: GT basis

Million GT

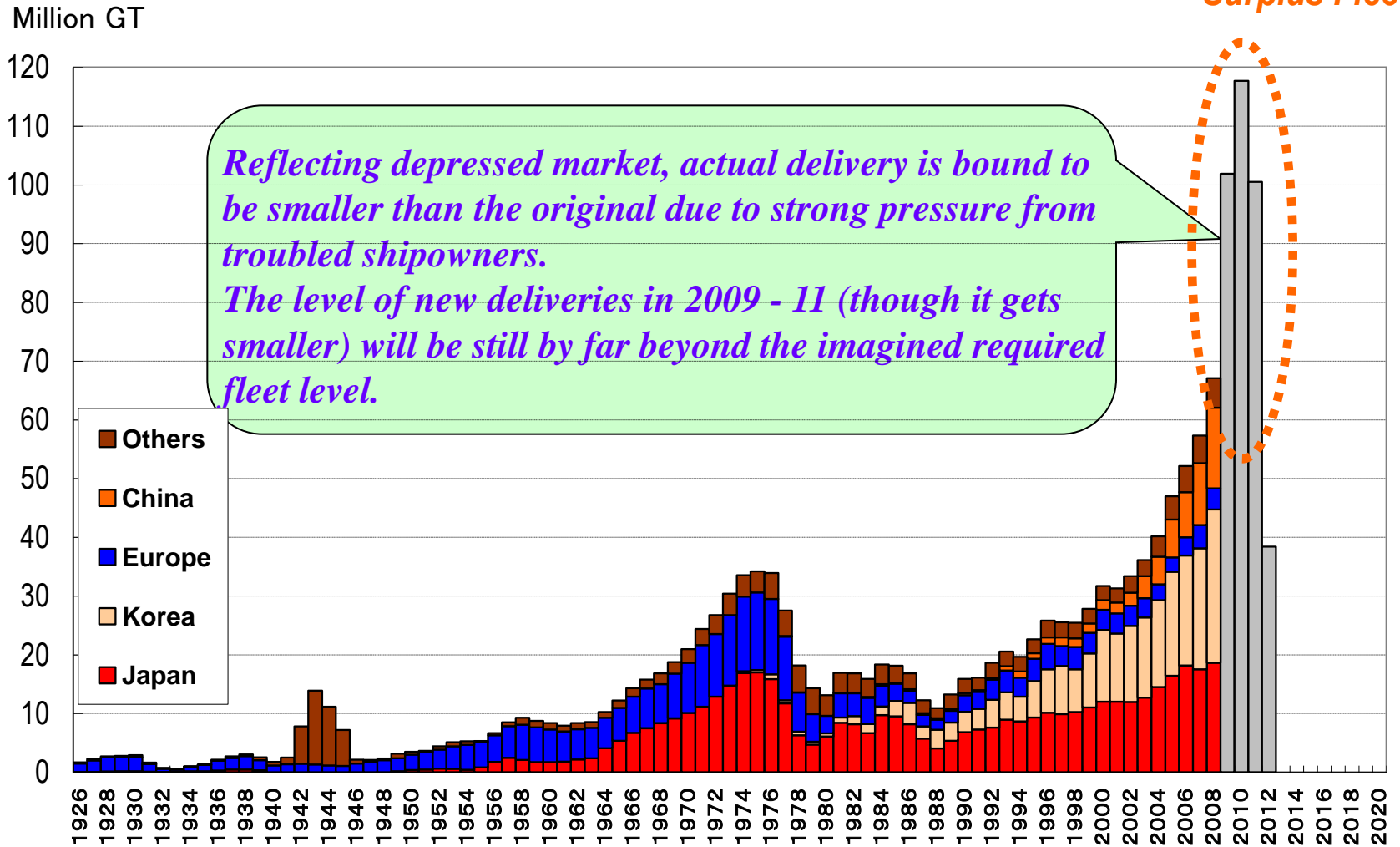


4. Completions / Orderbook

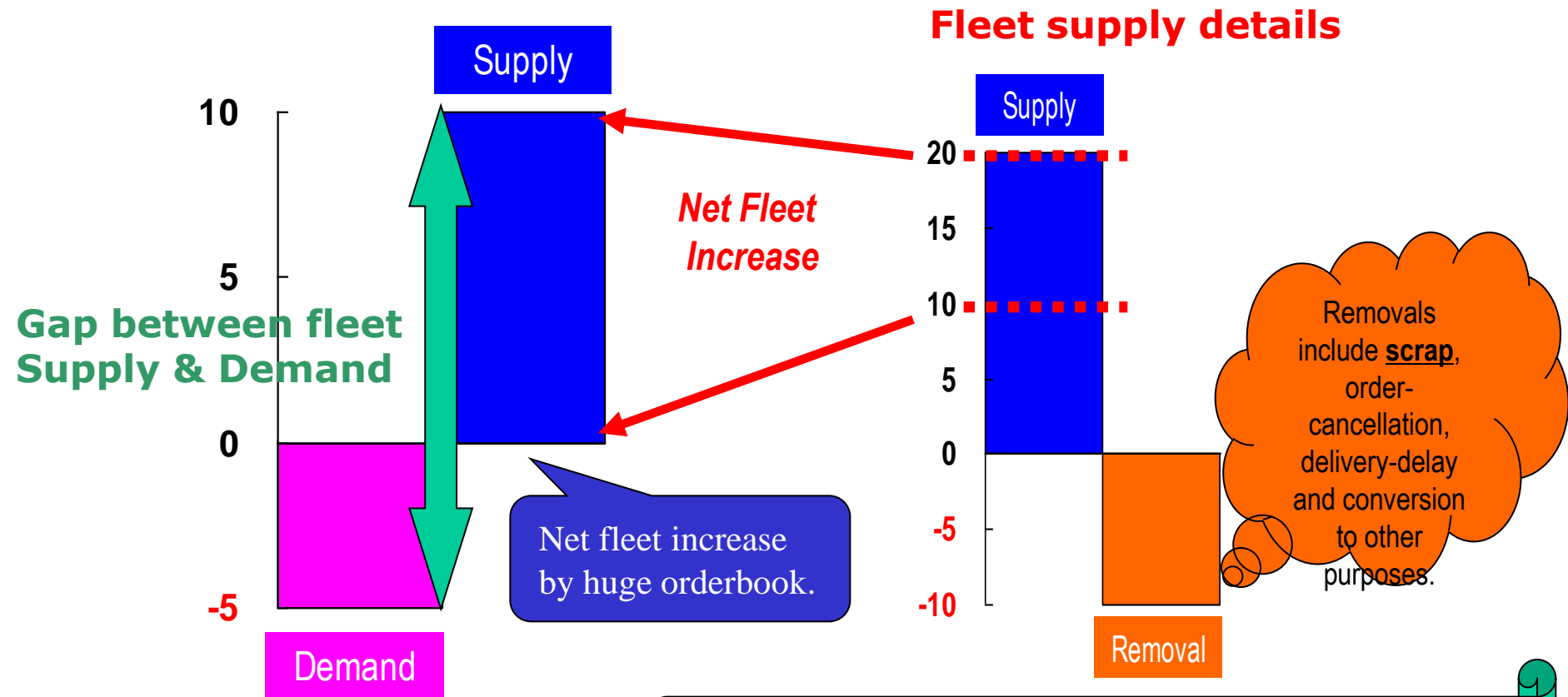
(1926-2008)

(2009-2012 Clarkson)

Candidates for Surplus Fleet



5. Image: Fleet Supply & Demand at present



Seaborne trade contraction by economic crisis.

While the effect of the market downturn is hardly predictable, the already built-in over-supply situation may long depress the shipping market as well as the shipbuilding market.

6. Summarized comments

Under the present unbalanced market, excessive supportive measures by the governments toward builders or owners to maintain the yards' operation will only adversely act to prolong the restoration of the supply and demand balance.



< For reference >

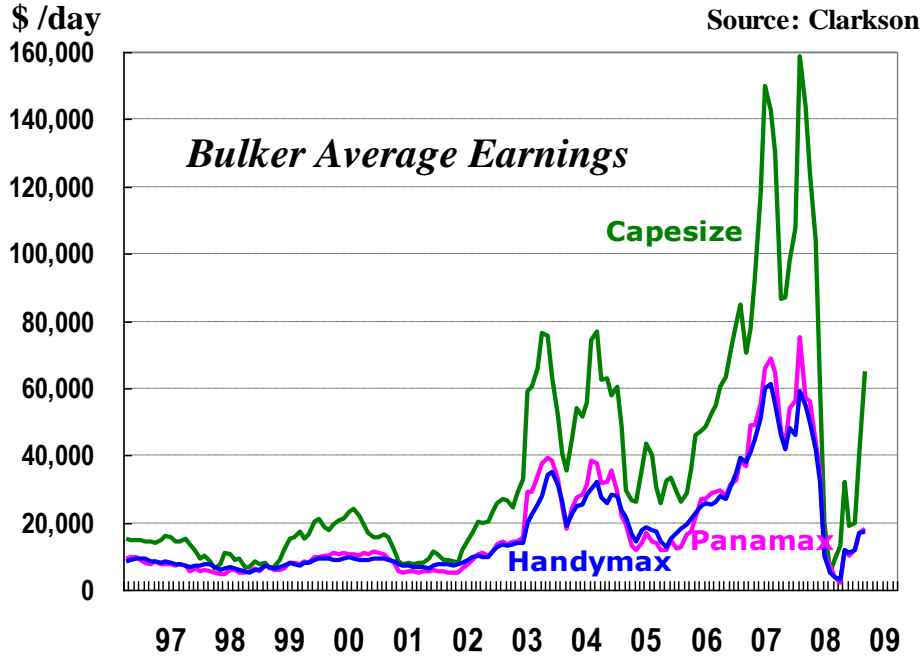
B1. Global economic crisis and Dry market

“ Shipping markets are heavily affected by global economic crisis.”



2009 GDP outlook

| Released date | World Bank Jun. '09 | IMF Apr. '09 | OECD Mar. '09 |
|--------------------|------------------------|-----------------|------------------|
| World | ▲ 2.9 | ▲ 1.3 | ▲ 2.7 |
| Advanced Countries | ▲ 4.2 | ▲ 3.8 | ▲ 4.3 |
| Emerging Countries | 1.2 | 1.6 | |

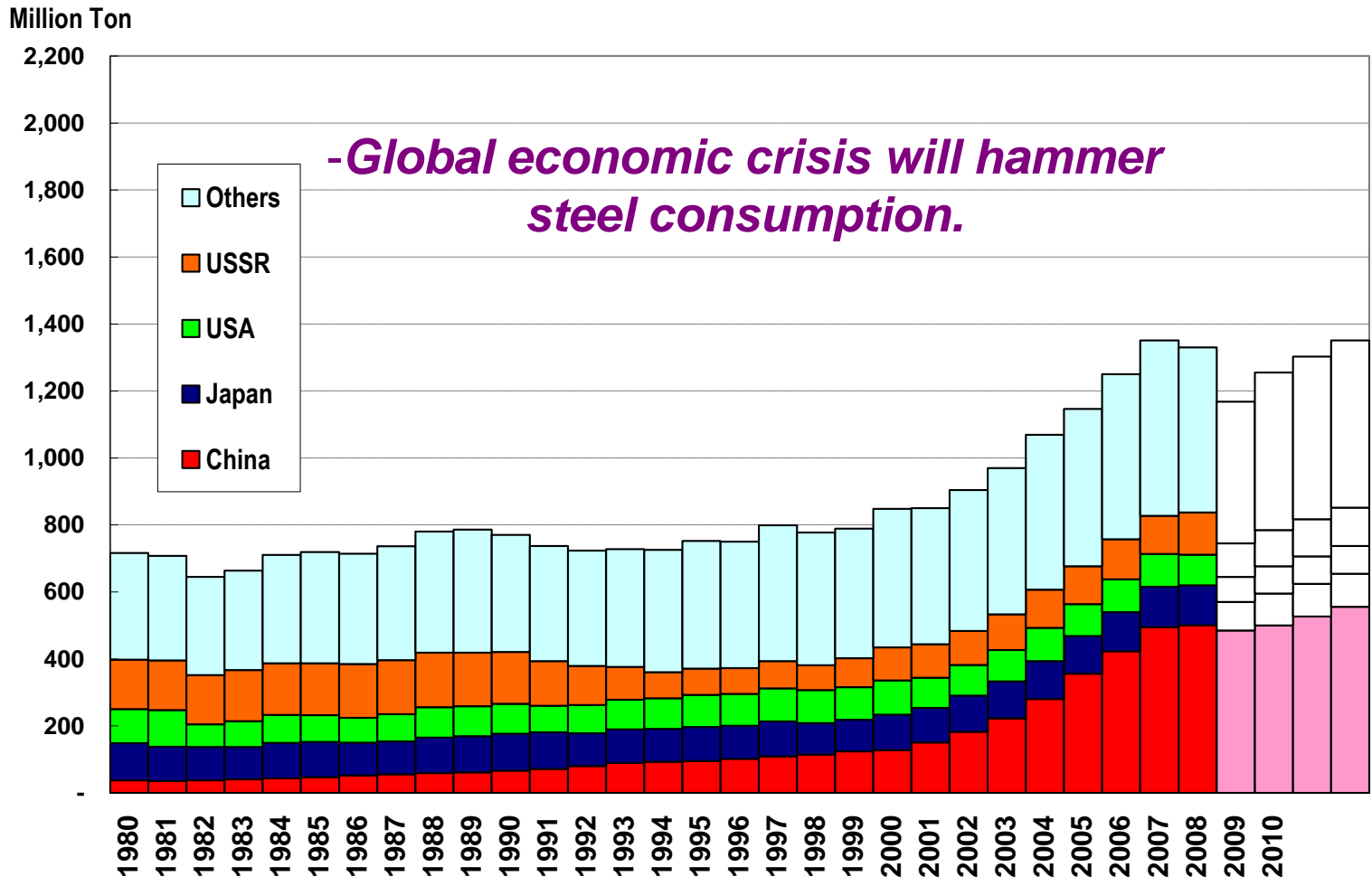


- Bulker market recovery is unlikely in a few years.

*** Very recent market upsurge could be unsustainable due to deliveries of massive new vessels.**

B2. Crude Steel Production

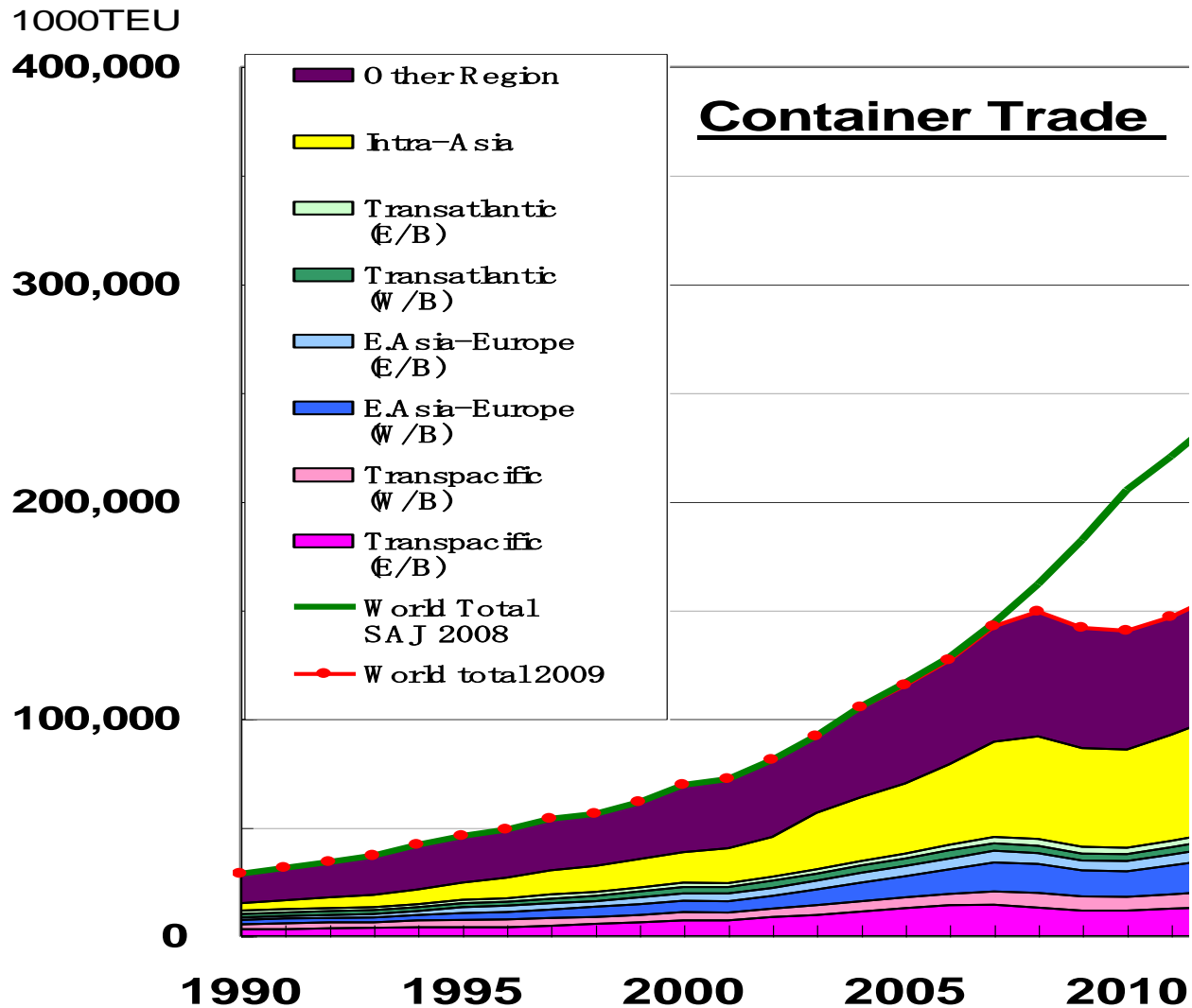
plays major role to decide bulker market fate.



Source: World steel, SAJ

< For reference >

C1. Container Seaborne Trade (TEU)



Source: Drewry, SAJ

Merci Beaucoup!



Thank you very much!