

Container Shipping Market Overview & Outlook

Disruption remains the key demand driver



Supply/demand



Ship supply is expected to grow on average **10.3% in 2024 and 6.3% in 2025**. After increasing in 2024, sailing speeds are expected to reduce in 2025.



Rerouting via the Cape of Good Hope is expected to impact all of 2024. We forecast that **ship demand will increase 15.5% in 2024 and fall 5.5% in 2025** if ships return to the Suez Canal.

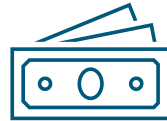


On average, **the supply/demand balance will be stronger in 2024 than in 2023**. Weakening during 2nd half of 2024 has begun and will gather speed if ships return to the Suez Canal.

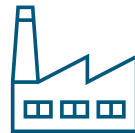


Significant uncertainty remains as it is unknown when ships can return to the Red Sea. If they cannot return during 2025, supply/demand will be stronger than in our base scenario.

Demand



According to the IMF, **the world economy will grow 3.2% and 3.3%** in 2024 and 2025 respectively. Of the world's five largest economies, only the EU will grow faster than in 2023.



Global manufacturing PMI continues to indicate stability as it hovers around 50. In China, PMI for new export orders has dipped below 50 during the past 4 months.



Retail sales in the US are down slightly while up slightly in the EU. EU consumers are reporting higher confidence while US consumers' confidence has slipped backwards.

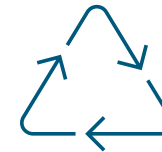


Attacks on ships in the Red Sea have forced 90-90% of container ships to sail around the Cape of Good Hope, **adding 10% to average sailing distances and ship demand**.

Supply



Ship deliveries will hit a new record high in 2024, beating the record set in 2023. **The fleet is expected to grow 14.5%** between end 2023 and end 2025.



Recycling is expected to remain low in 2024 as the Red Sea situation increases demand for ships. Recycling could increase in 2025.



Congestion remains low in most ports. Failure to renew longshoremen contract for US East and Gulf Coast could cause disruptions.



The long sailing distances around the Cape of Good Hope have led to a slight increase in sailing speeds. **We expect average sailing speed to remain elevated during 2024 but fall in 2025**.