

**OCEAN
SHIPPING
CONSULTANTS**

a company of



Global and regional container trends and developments

**Mediterranean Ports & Shipping 2023
Athens**

29th March 2023



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Introduction

Royal HaskoningDHV is an independent international engineering and project management consultancy. Ocean Shipping Consultants (OSC) is the maritime economics and financial consultancy arm of the company.

- ❑ Originally founded in 1881
- ❑ Over 140 years of experience
- ❑ Turnover €600m
- ❑ Deliver services in the fields of:
 - aviation,
 - buildings,
 - energy,
 - industry,
 - infrastructure,
 - maritime,
 - mining,
 - transport,
 - urban / rural development,
 - water.



6,000 Staff

- ❑ Ocean Shipping Consultants (OSC) is the maritime economics and financial consultancy arm of the company and is a leading brand in the maritime sector with over 35 years' experience.



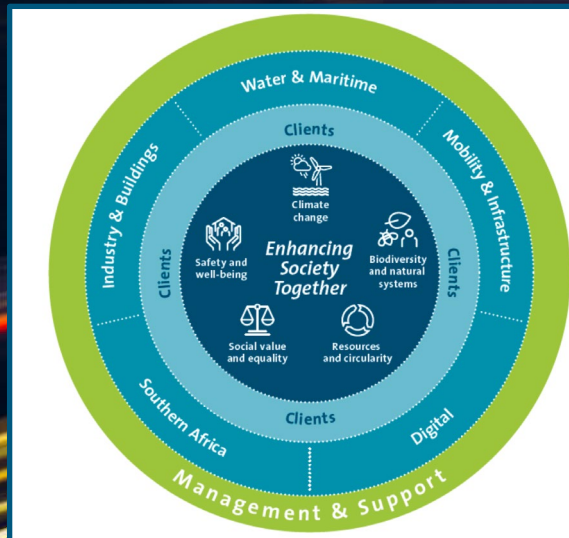
140 Countries



Over 200 clients
International Finance Institutions, infrastructure funds, banks, port authorities, governments, shipping lines and terminal operators



Over 350 projects
in nearly **100 countries** successfully completed since 2011



Introduction

Examples of recent projects in the region



Development Study for the Core Port Activities of the Port of Thessaloniki - 2019-20

Port of Thessaloniki appointed Royal HaskoningDHV in providing commercial and technical consultancy services to assist in updating the ports masterplan and facilitate the improvement of the port's facilities.

RHDHV conducted detailed market, shipping, and competition analysis of the port. The market study included an examination of the Balkan transport corridors and the port's current and potential hinterland. Container and conventional cargo forecasts were formulated for the port.



Burgas Multipurpose Terminal Integrated DD – 2021-22

Royal HaskoningDHV was requested by an investment fund to provide integrated due diligence services for the multipurpose port of Burgas, Bulgaria, located at the Black Sea.

RHDHV serves the fund by providing regional market analysis, shipping lines analysis, port analysis and tariff analysis, resulting in a long-term market study for the multipurpose port and a review of the business plan.



Port Strategy Izmir– 2021-22

Port of Izmir is owned by Türkiye Wealth Fund (TWF), which does not have experience in the port infrastructure and wants to understand the market, the specific port operations and potential future opportunities to improve the benefits and returns of the company and building a strategy to achieve these.

RHDHV proposed a full review of the facility to form the building blocks for future strategic steps for the Port of Izmir. An extensive regional market analysis was performed for all commodities involved. A full operational and infrastructure review was also carried out. A financial model is resulted to gauge the feasibility of the various strategic initiative.

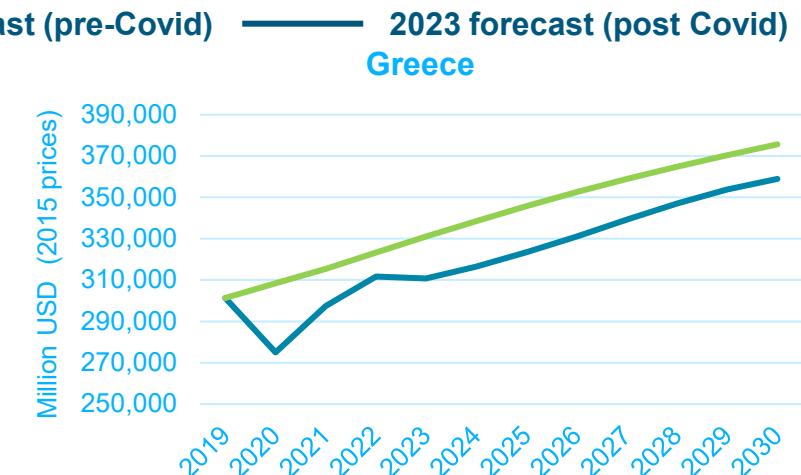
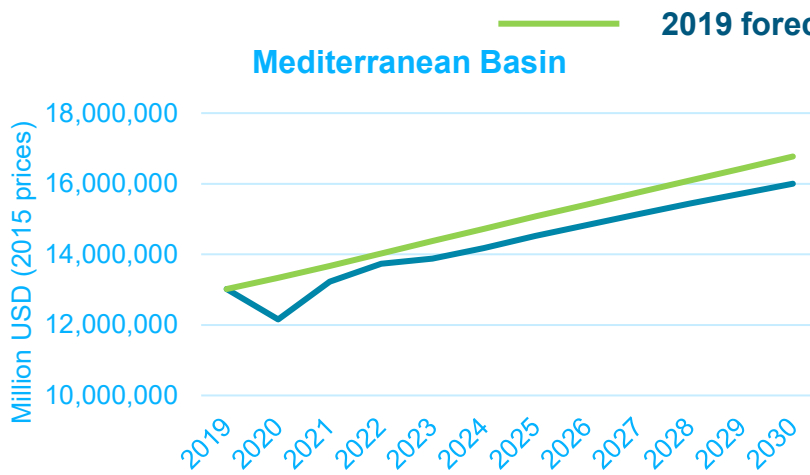
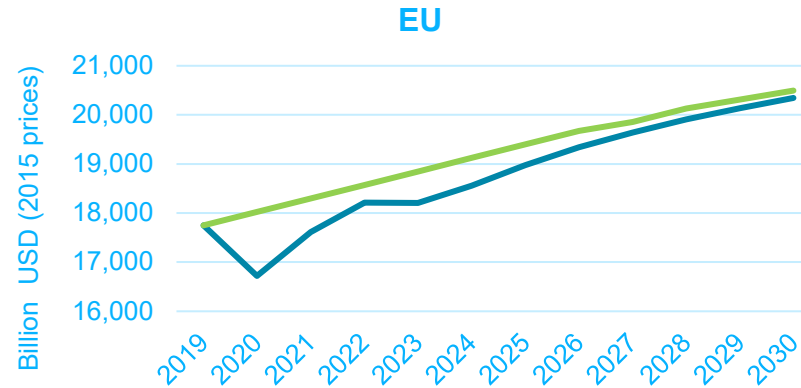
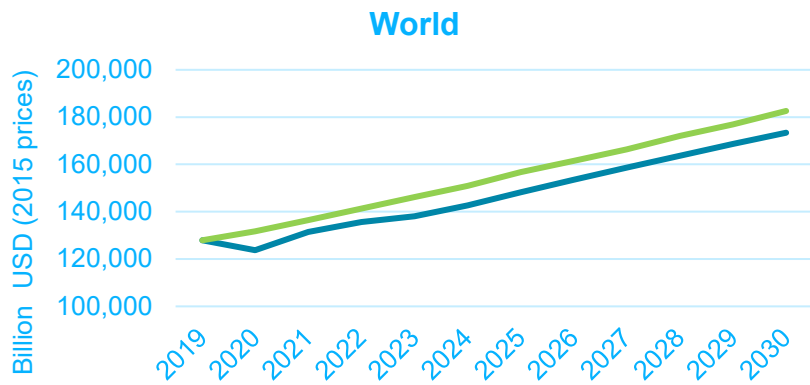


Port of Beirut Masterplan - 2022-23

After the explosion Port of Beirut in 2020, World Bank set up an international donor platform to prepare an overall roadmap for the reconstruction of the Port of Beirut and its integration with the city. RHDHV was appointed to provide support in preparing a new national vision for the port sector and for undertaking the development of a comprehensive port master plan for the port, including investment plans to assess the extent of private sector participation for the reconstruction and long-term development of the port.

Global Economic Outlook

The global, EU, Mediterranean basin, and Greece economies will not recover to their pre-Covid pandemic levels in the near future. The EU growth expectations are more resilient



Source; Oxford Economics

2020 GDP growth	
World	-3.2%
EU	-5.8%
Mediterranean Basin	-6.6%
Greece	-8.7%

2030 GDP vs pre-covid forecasts	
World	-5.0%
EU	-0.7%
Mediterranean Basin	-4.6%
Greece	-4.4%

Events of recent years has led to profound changes in how we live and do business, impacting on the global supply change.

1) COVID-19 pandemic

- Labour shortages affecting the global supply chain as the port systems in entire regions shut down for weeks at a time.
- Ships 'bunching' with long delays to enter ports and of course causing a knock-on effect of capacity shortages elsewhere.
- As supply chains failed, importers had to resort to alternative markets.
- This presented risks for some and opportunities for others.

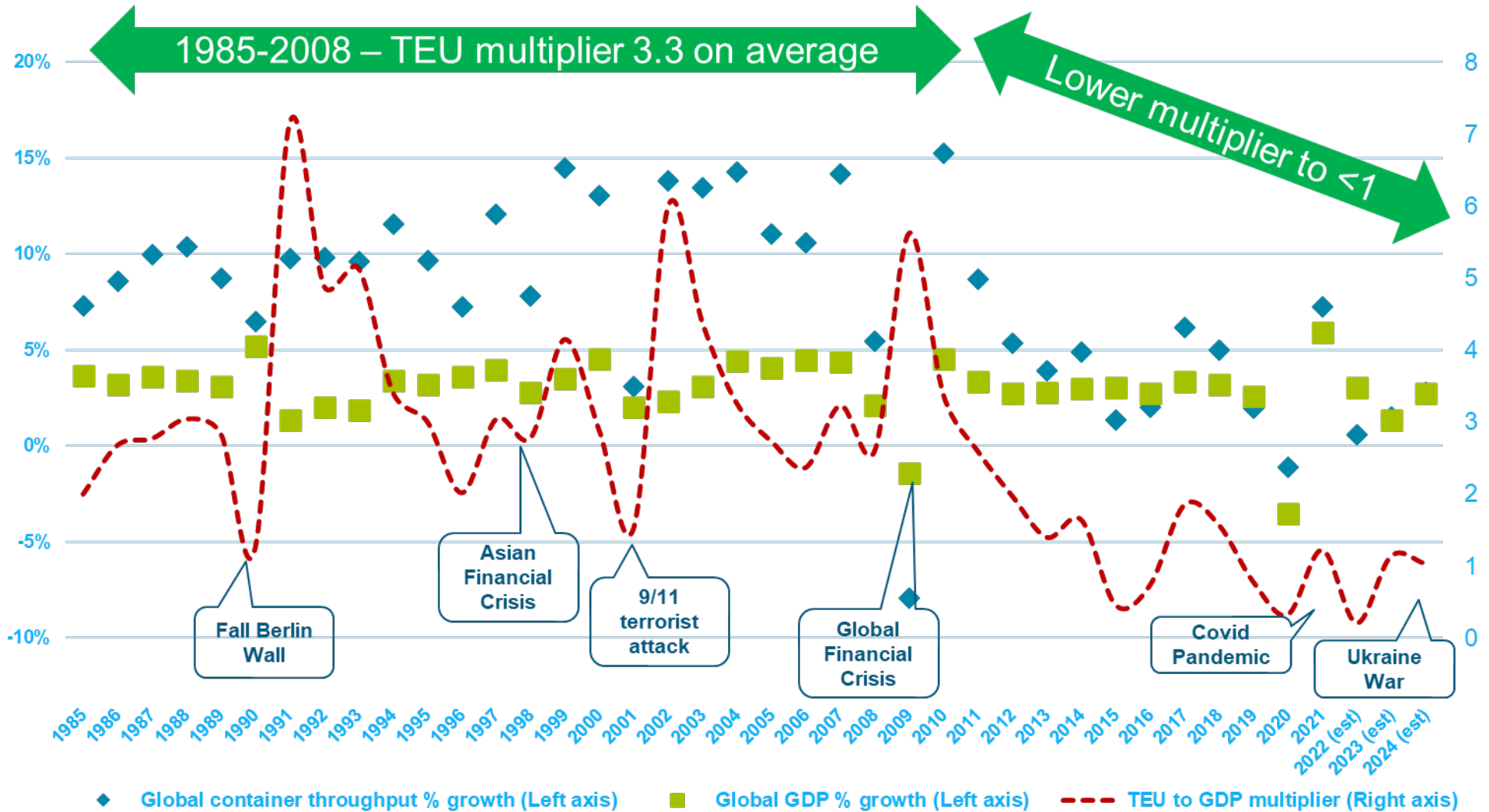
2) Ukraine war

- Sanctions imposed on Russia and grain exports from Ukraine mostly ceased
- Alternative options were sought, driving global prices up and impacting disproportionately on poorer countries who are priced out of the market.
- The oil price increased dramatically benefiting many economies and incentivising project investment in this region.
- Now it is beginning to slowly fall again causing some caution in respect of realising these projects.

3) The world is now experiencing

- staggering inflation
- unions are striking for higher pay
- volatile exchange rates

The declines in the container volume growth is putting pressure on Shipping Lines and Terminal Operators and means lower TEU demand than in past years.

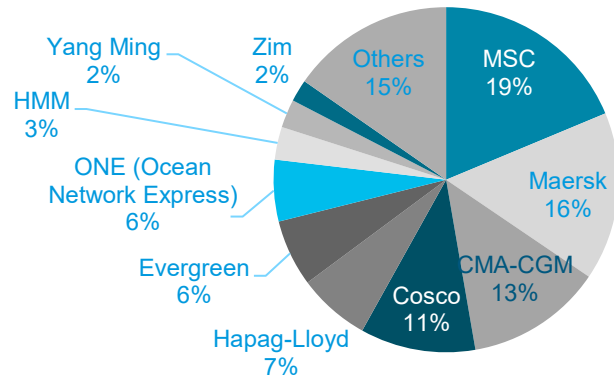


Source: OSC / Clarkson

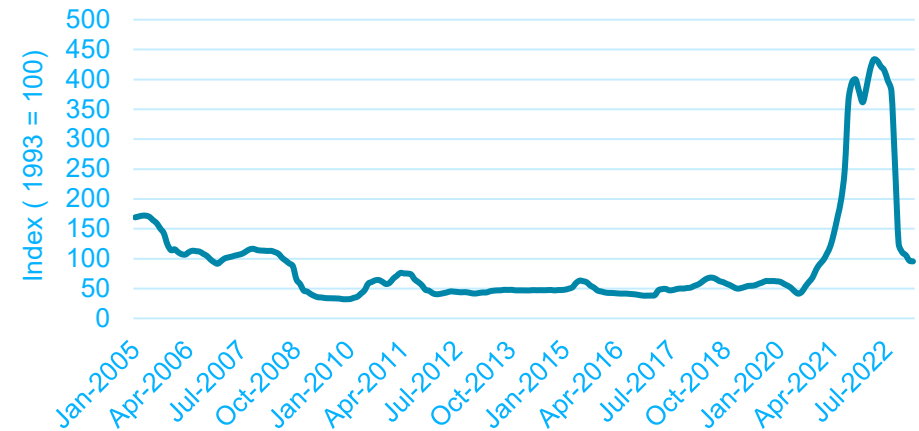
Global Container Shipping & Ports Sector

Key container shipping trends.

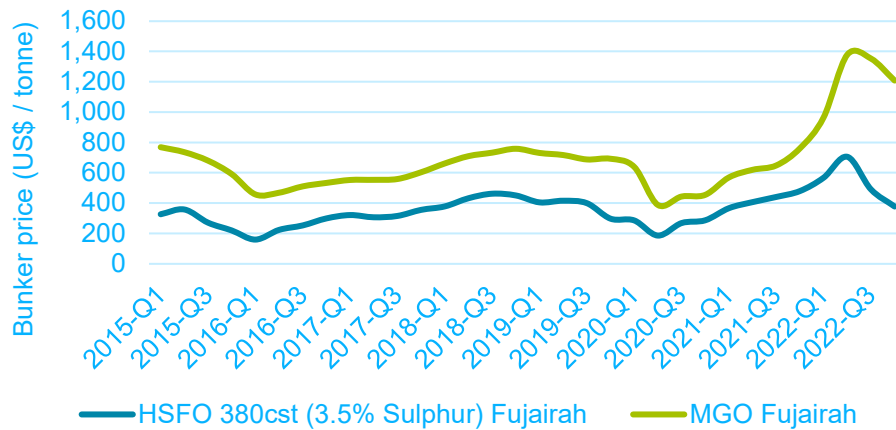
Containership fleet size per main operator



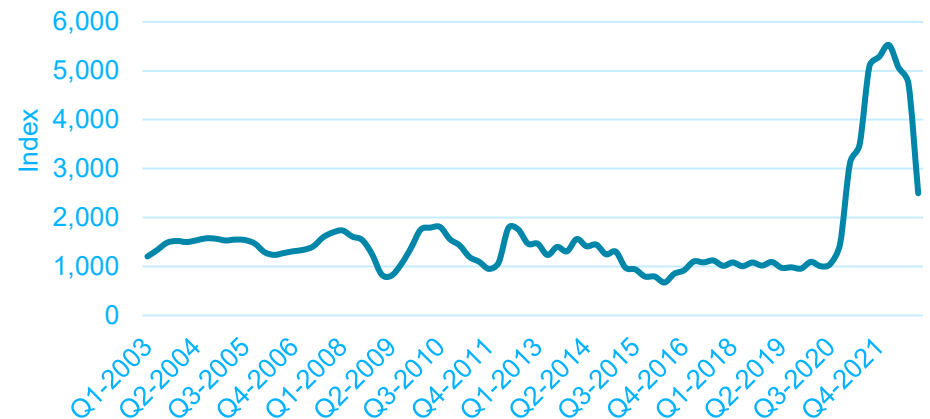
Average containership timecharter rate index (1993 = 100)



Bunker price trends – HSFO and MGO Fujairah (US\$ / tonne)



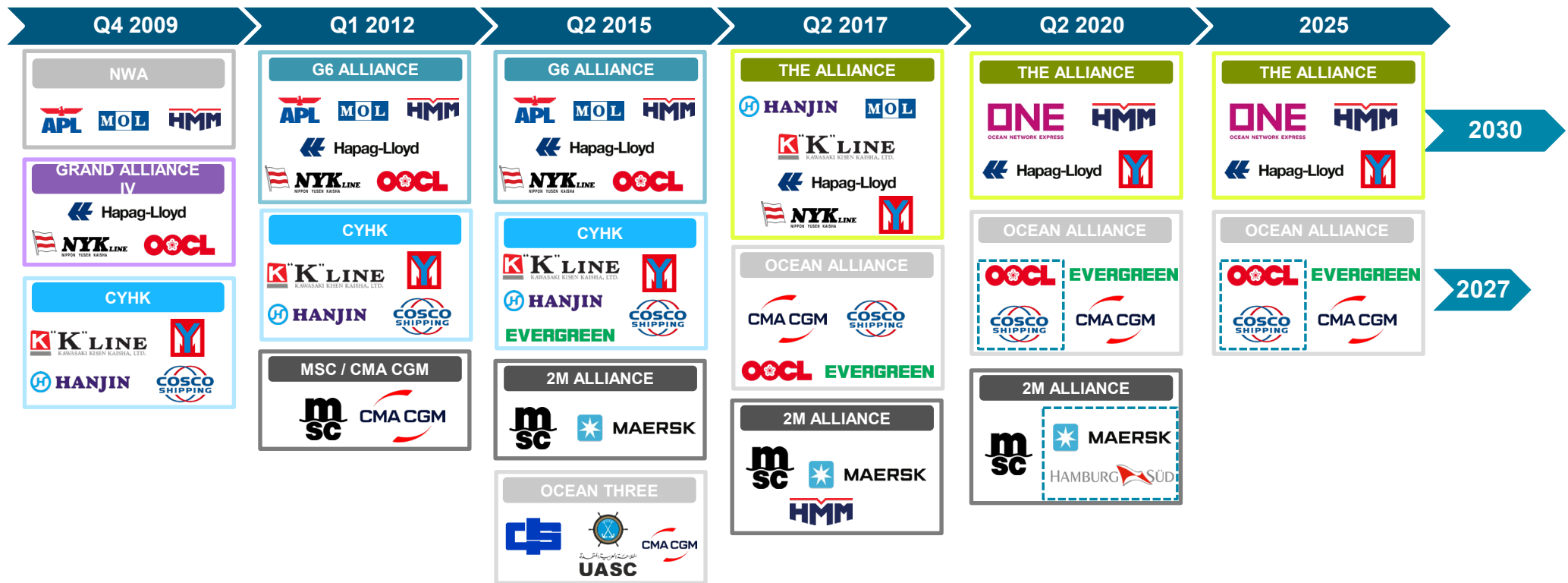
China-Europe Container Freight Rate Index



Source: OSC / Clarkson / Shanghai Shipping Exchange

Global Container Shipping Sector

The shipping industry has consolidated through alliances and M&A to improve vessel utilization and sea freight rates. It also enables liners to effectively operate larger vessels, bundling their routes to offer a wider global network. Since 2015 all main carriers were part of an alliance, but the 2M Alliance will be discontinued in January 2025. The OCEAN and THE Alliance run until 2027 and 2030.



Main Carriers Not Part of an Alliance

MAERSK MSC
CMA CGM EVERGREEN

MAERSK
EVERGREEN

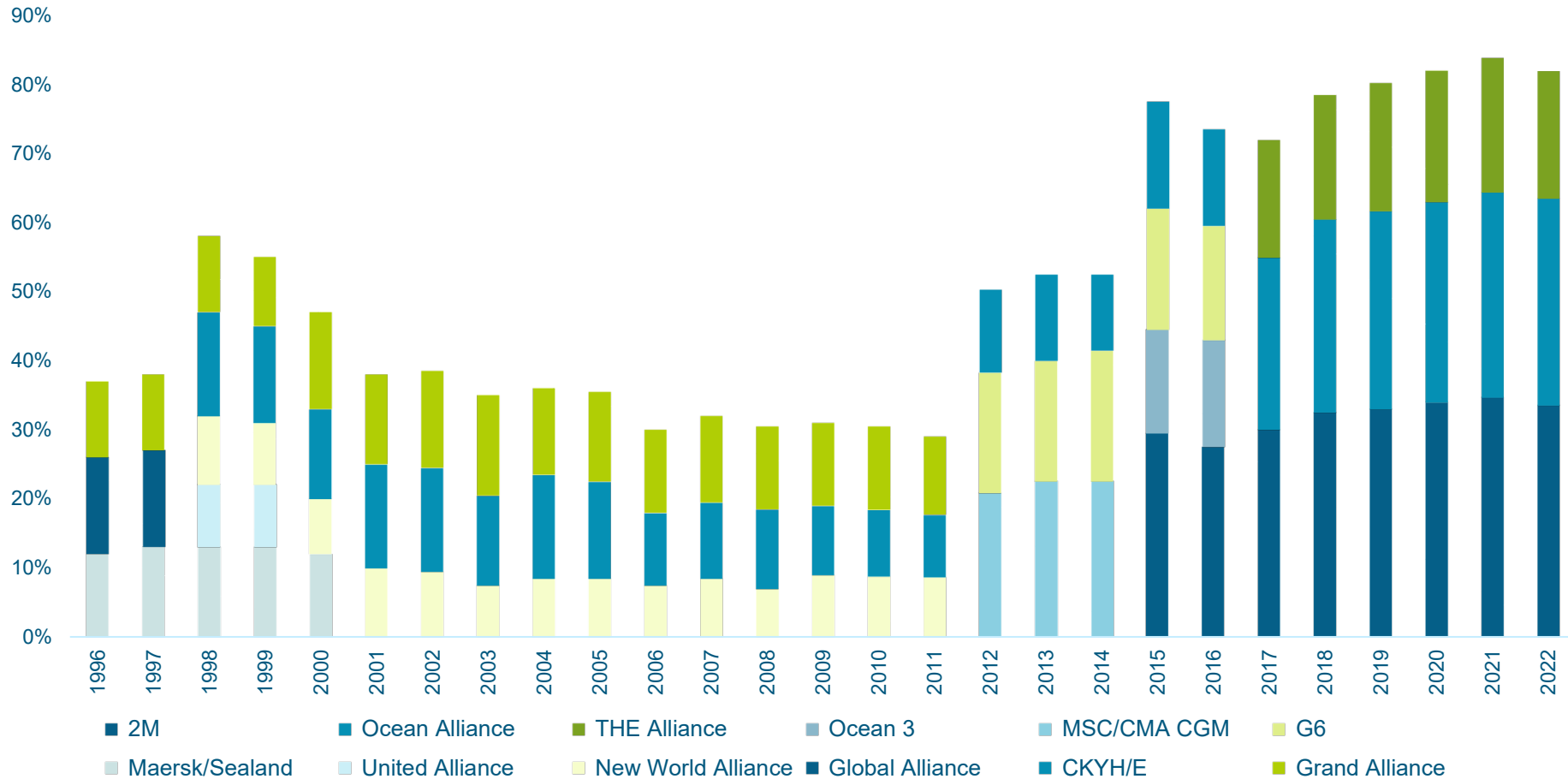
MAERSK
MSC

Source: OSC

Global Container Shipping Sector

The upscaling of alliances in the shipping sector led to a very quick growth of the combined market share of the three largest alliances, from less than 30% in 2011 to over 80% today.

Development of the combined market shares of the three largest shipping alliances 1996-2021

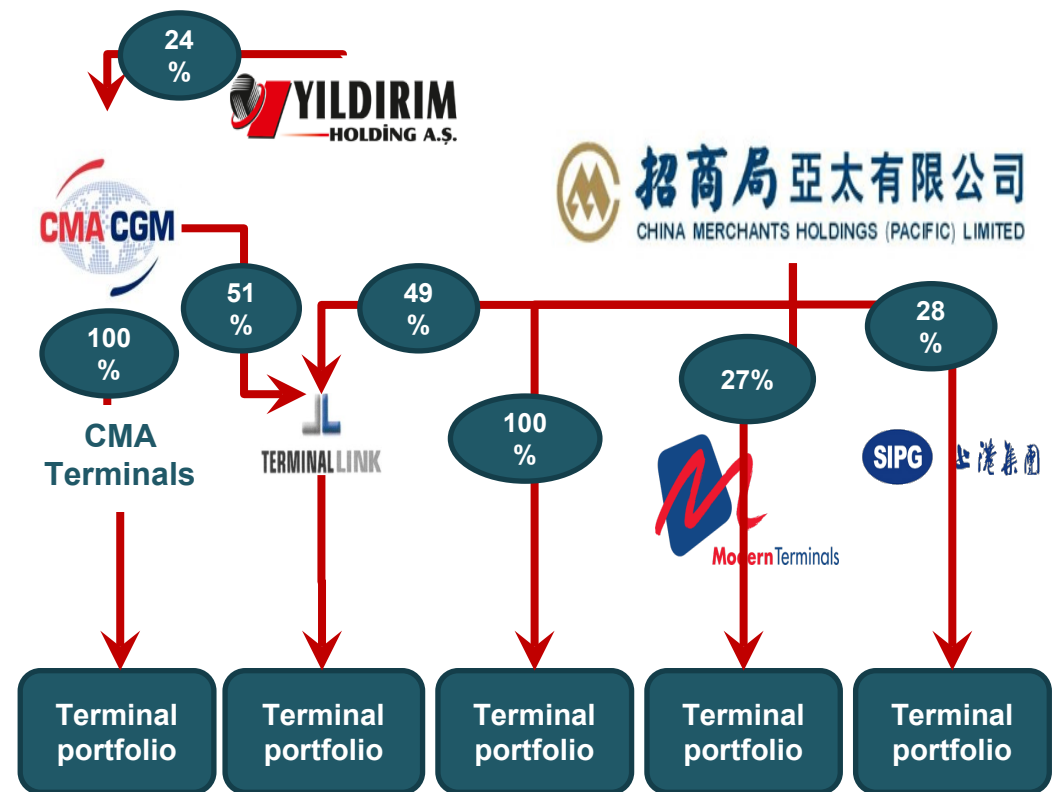


Source: Alphaliner

Global Container Ports Sector

Port operators have responded by forming alliances, partnering with shipping lines, acquiring or merging with competitors. This has created a significantly complex ownership structure.

Rank 2019	Rank 2021	Operator	Volumes (TEUm)		CAGR	2021 Share %
			2018	2021		
1	1	PSA	60.3	63.4	2.5%	7.7%
5	2	APM Terminals	42.8	50.4	8.5%	6.1%
3	3	Cosco	46.1	49	3.1%	6.0%
6	4	China Merchant	35.1	48	16.9%	5.9%
4	5	DP World	44.2	47.9	4.1%	5.8%
2	6	Hutchison Ports	46.7	47	0.3%	5.7%
7	7	Terminal Inv. Ltd	26.5	33.7	12.8%	4.1%
8	8	ICTSI	8.9	11	11.2%	1.3%
10	9	SSA Marine	8.1	8.8	4.2%	1.1%
9	10	Evergreen	8.5	7.7	-4.8%	0.9%
Top 10 volumes			327.2	366.9	5.9%	
Top 10 share			40%	45%		
Global Port volumes			811.7	820.3	0.5%	



Regional Container Port Sector

Majority of the volumes in the region are transshipment (63%). Port Said, Piraeus, Gioia Tauro, and Malta together handle almost 80% of the transshipment volumes in the region.

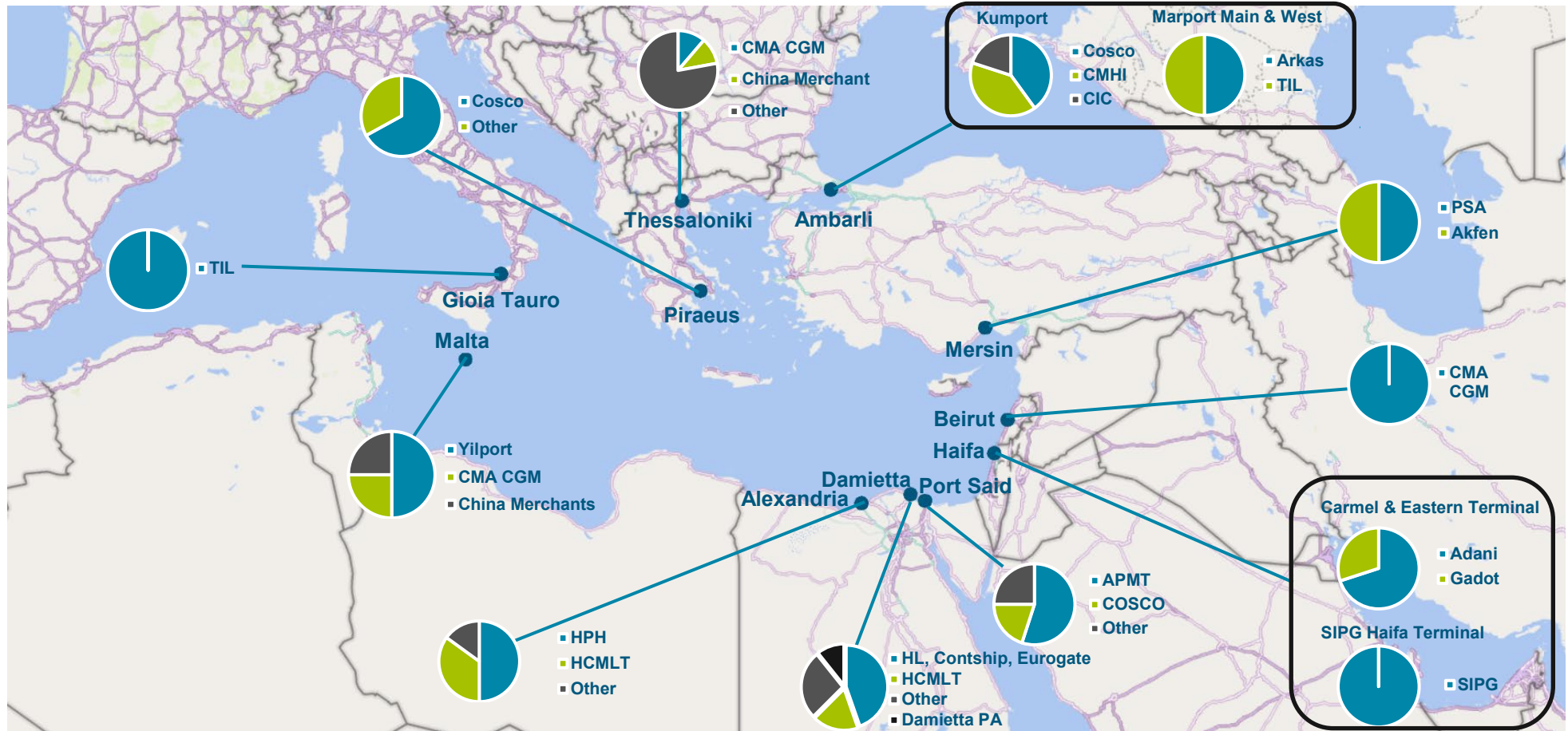
Main regional ports



Regional Container Port Sector

All major global terminal operators with links to a major shipping line have an equity investment in a terminal in the region. Mersin, Haifa and Alexandria are operated by operators not linked to any major shipping line. DP World operates in Sokhna.

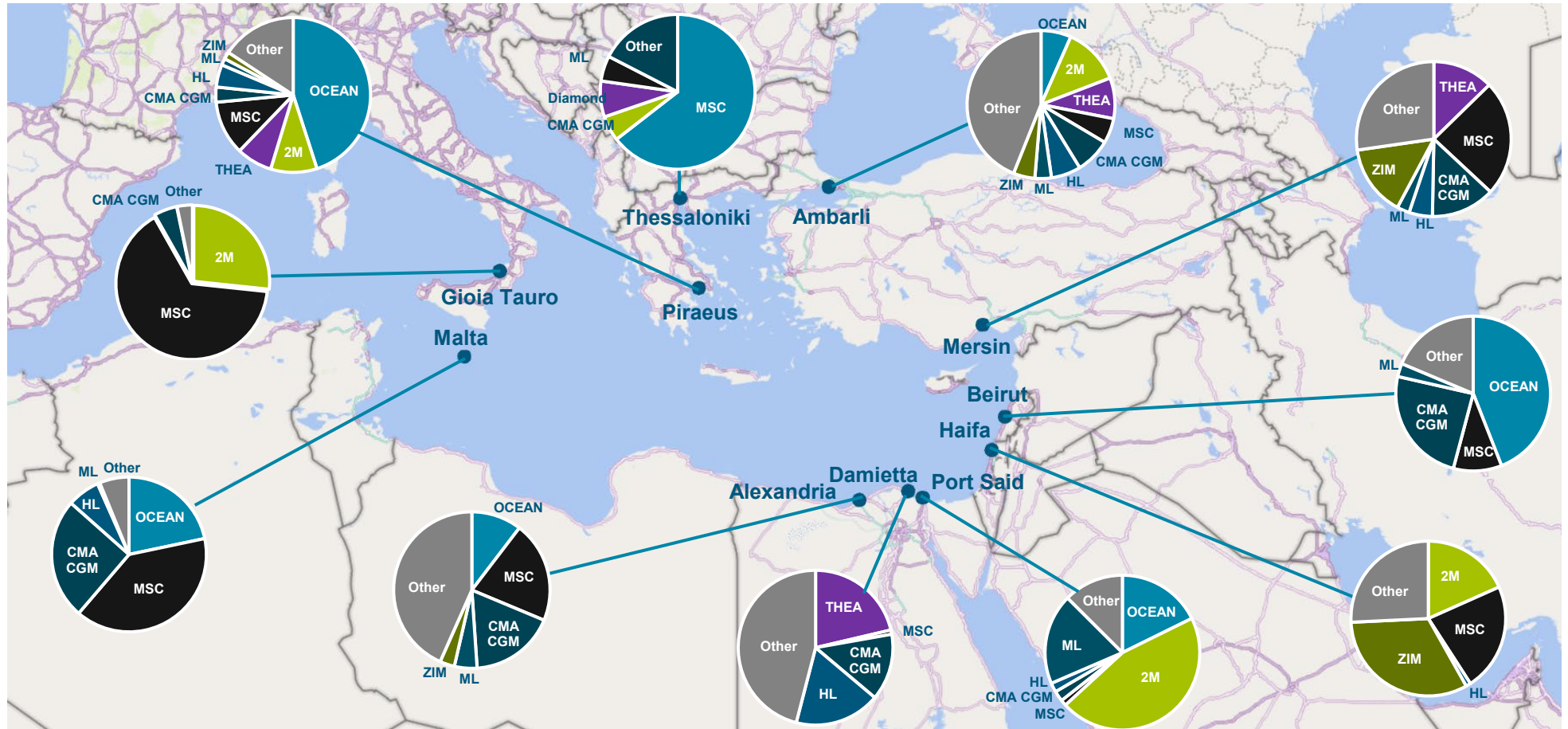
Shareholding ownership (%)



Regional Container Shipping Sector

OCEAN and 2M alliances both have a big presence in the region. MSC is the largest independent shipping services, followed by CMA CGM, Hapag-Lloyd, Maersk and ZIM.

Market share per shipping lines (%)



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*Thank
You!*