

# **Economic and Container trade outlook-Implications for ports in the GCC region**

24 January 2024

**Transport Middle East 2024, Abu Dhabi**



## AGENDA

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1. Global and Middle East economic outlook
2. Global container port throughput outlook
3. Middle East and GCC port throughput outlook
4. GCC –Port Capacity and utilisation
5. GCC Ports- Key issues and challenges
6. GCC Ports- The way forward



# Drewry: Maritime Research and Consulting Services

Rigorous analysis, practical advice

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**Drewry** is the leading international provider of research and consulting services to the maritime and shipping industry

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Founded in **1970**: More than **50** years continuously charting and assessing the world's maritime markets

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More than **90** FTEs and associates serving our clients from offices in London, Delhi, Shanghai and Singapore

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We serve our clients through **four** business units:

Maritime Research

Maritime Advisors

Supply Chain Advisors

Maritime Financial Research



The primary source of market insight, analysis and advice trusted by a global audience of maritime and shipping industry stakeholders.

# What we do

## We combine rigorous analysis with practical advice

In boardrooms across the globe, decisions are made based on the analysis and insight provided by our Maritime Research teams. This rich industry knowledge and understanding provides the unique intelligence that underpins our advisory services.



## RESEARCH

## ADVISORY



### Maritime Research

Independent, market-leading research on every key maritime sector

### Maritime Financial Research

An Investment Research Service on listed companies operating in the industry

### Maritime Advisors

Expert project-based advisory services to the shipping industry and financial institutions

### Supply Chain Advisors

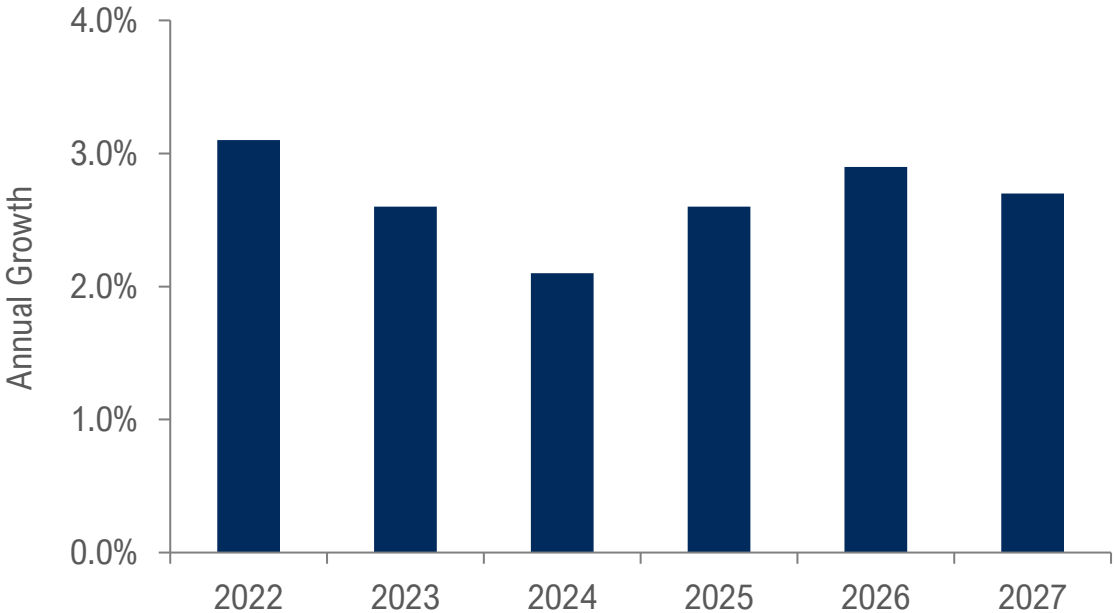
Ocean freight procurement support and cost benchmarking services to global retailers and manufacturers

A SPECIALIST THAT COMBINES **RICH MARKET INSIGHT** WITH **EXPERIENCE AND EXPERTISE**

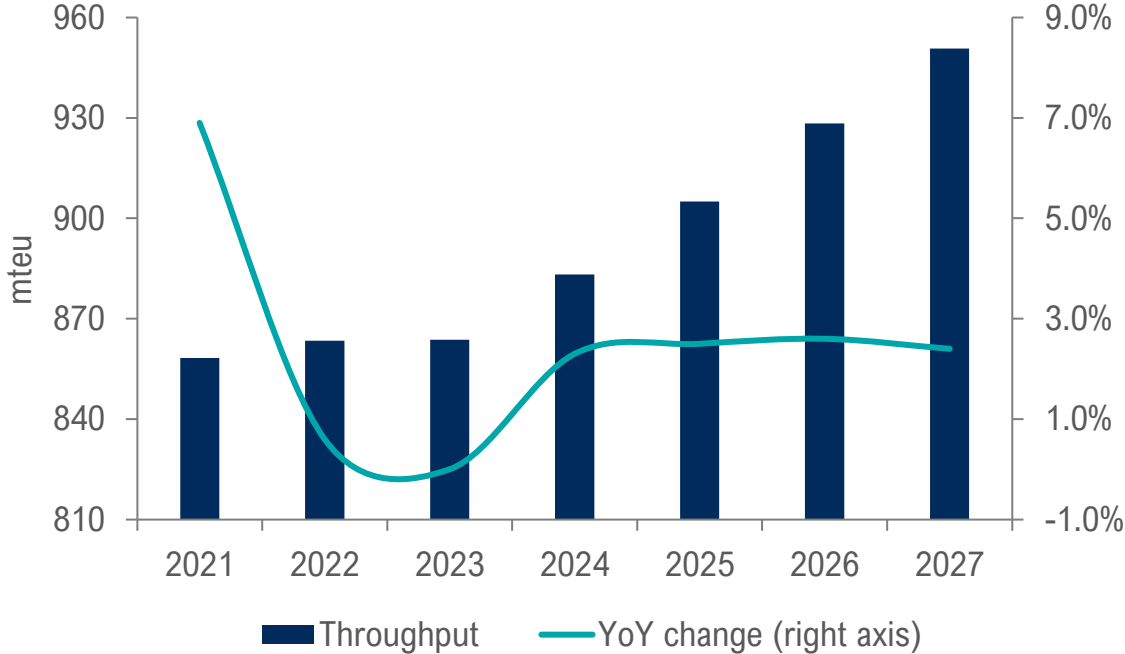
# World Economic and Container throughput Outlook

Global economy facing headwinds; Declining Teu-GDP multiplier

### World GDP Growth Forecast



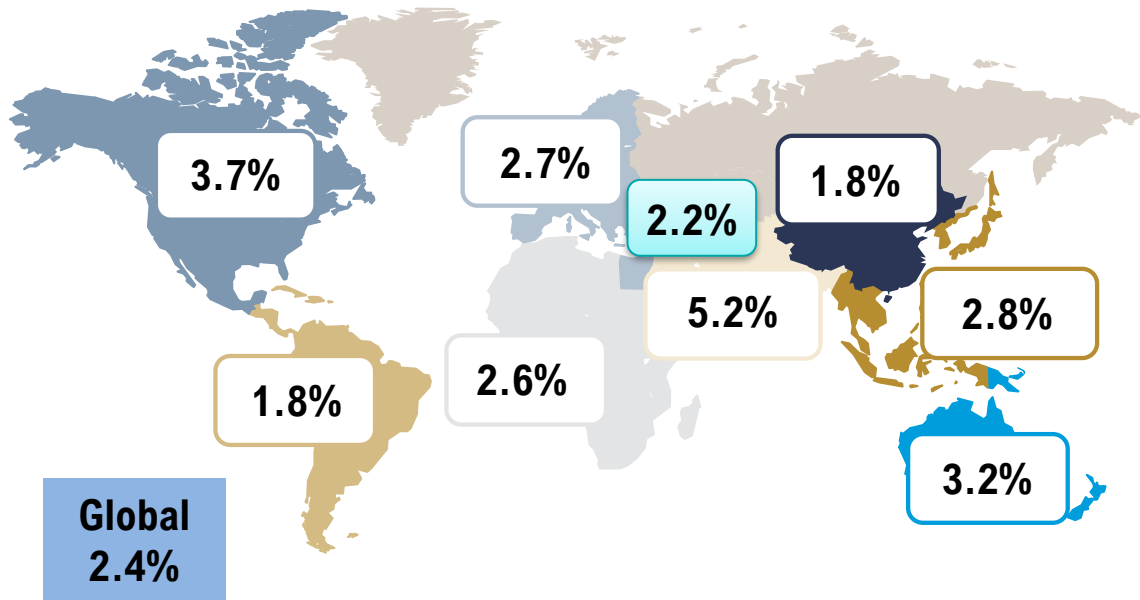
### Global Container Port Throughput - Forecast



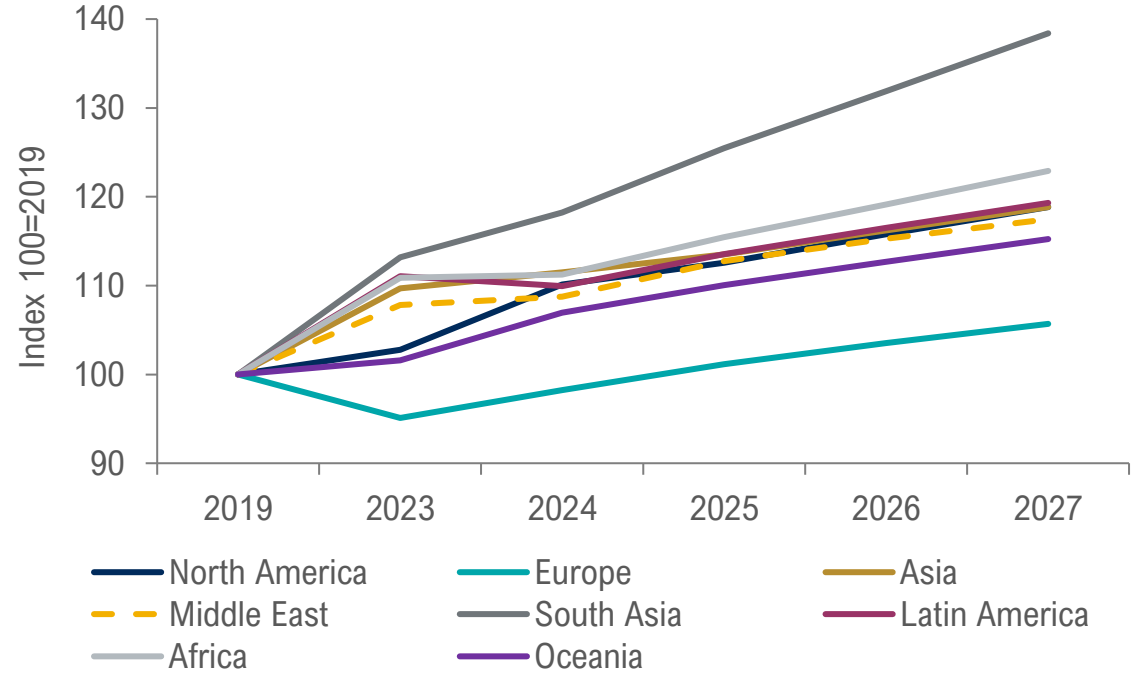
# Container throughput-Regional Outlook

South Asia remains one of the few bright spots in the global container market

Regional container growth forecast (CAGR 2023-27)



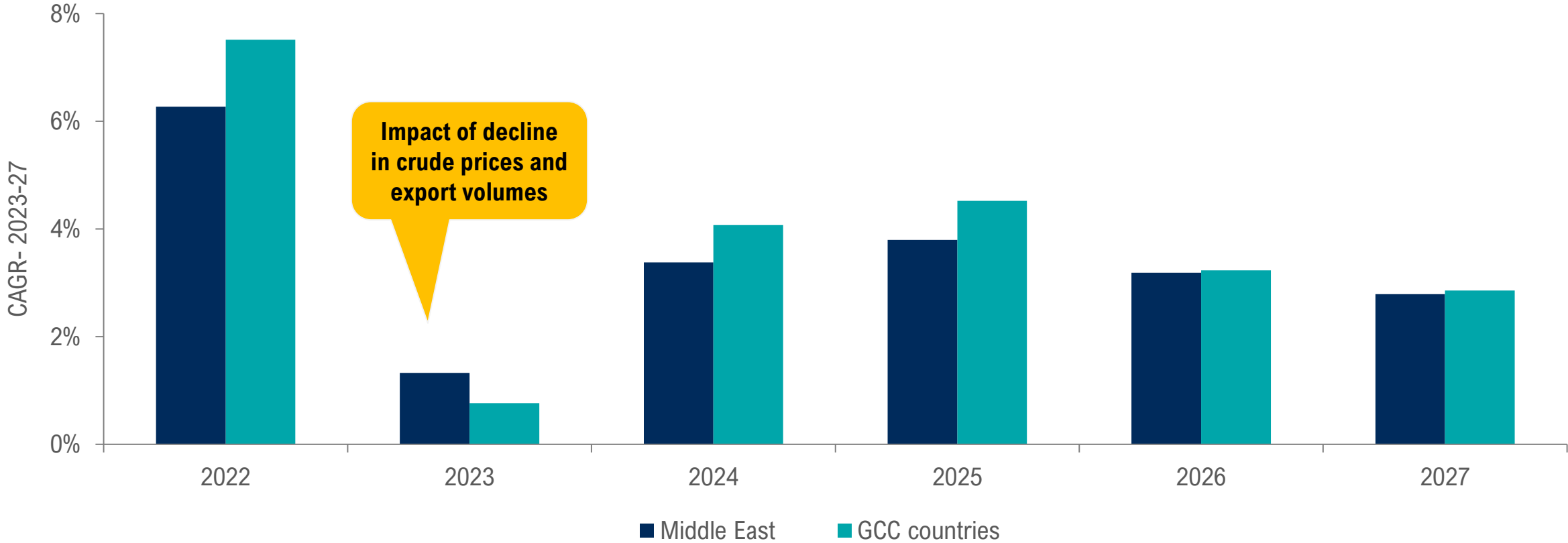
Index of regional annual port throughput



# Middle East and GCC Economic Outlook

Oil prices and oil export still driving the growth; Non oil sectors to partially compensate for slow down in oil GDP

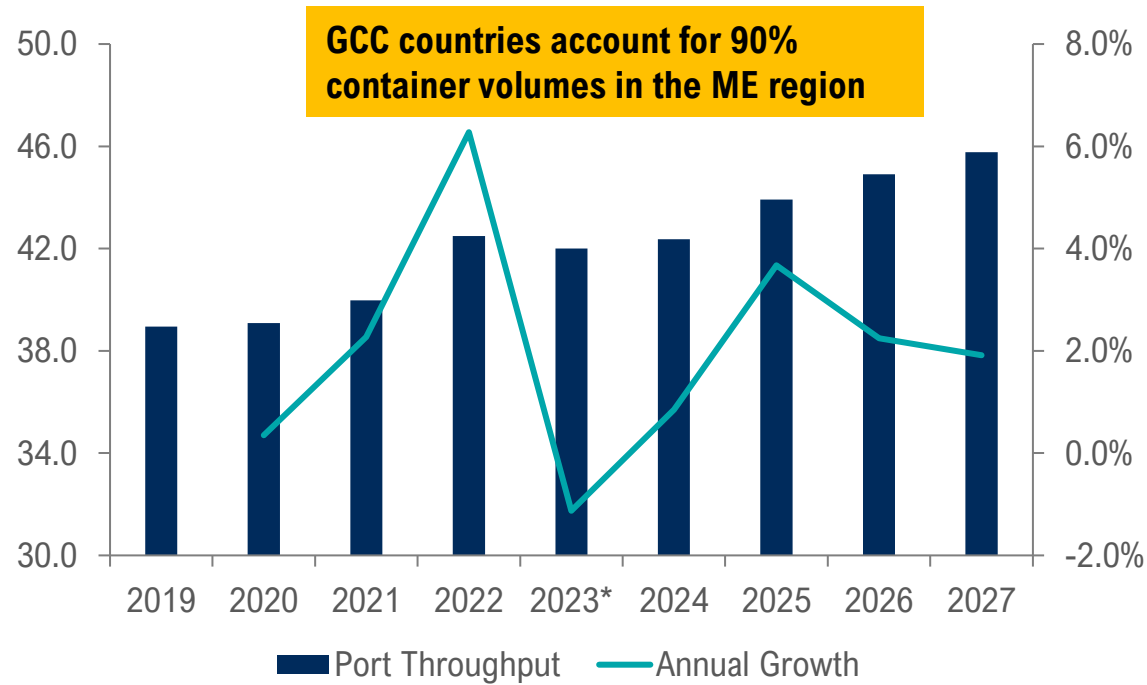
## Middle East and GCC GDP Growth Forecast



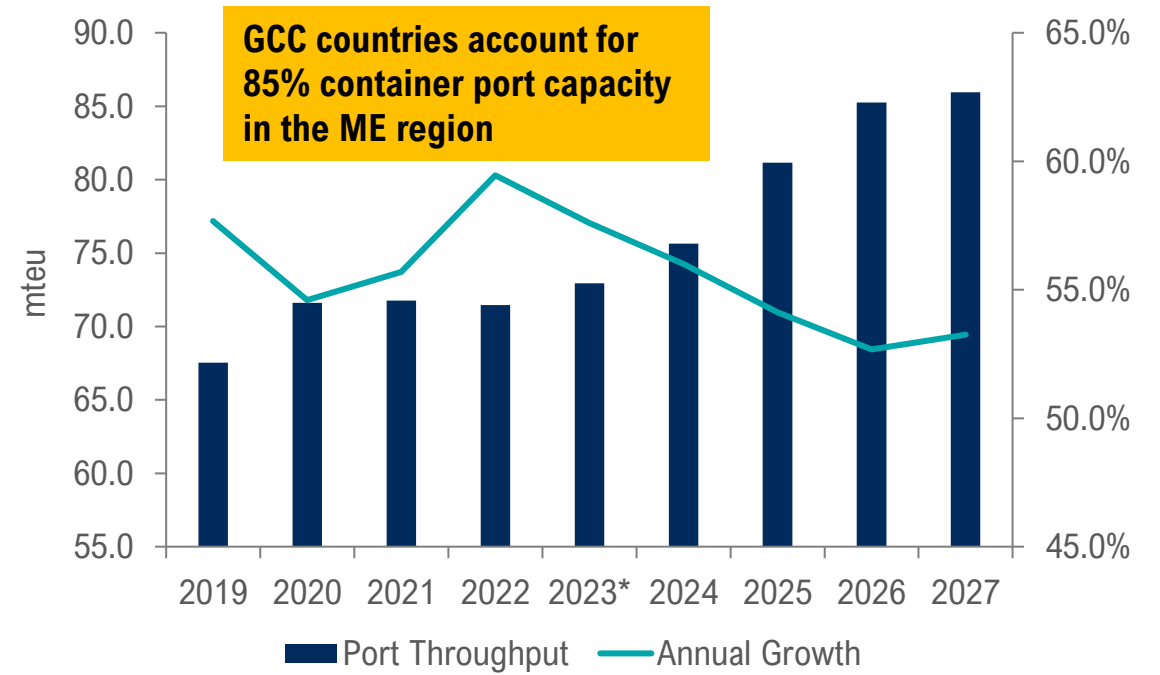
# Middle East Container Throughput

Container volume growth to remain moderate and volatile; utilisation levels expected to decline

Middle East container Throughput- Historical and Forecast



Middle East-Port capacity and utilisation





# GCC Ports- Key issues and challenges

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## Uncertainty

- **Volatile demand**
- **Low service reliability**
- **Changing market dynamics**



## Capacity Planning

- **Higher investment to handle bigger vessels**
- **Demand for fewer/larger terminals**



## Operational

- **Higher productivity to manage peaks**
- **Yard management**
- **Port congestion and landside capacity**



## Cost & Margins

- **Increasing capex and operating costs**
- **Downward pressure on pricing and margins**

# The way Forward

Sustain Competitiveness, stabilize volumes and focus on margin and returns



## Reduce Customer Cost

- **Work along with customers/lines to reduce costs**
- **Improve service quality and efficiency**
- **Leverage Technology**



## Focus on Sustainability

- **Green electric power**
- **Green fuel bunkering**



## Strategic Partnership

- **Shipping lines and logistics players**
- **Port based industrial/free trade zone**



## Profitability

- **Focus on productivity and efficiency**
- **Flexibility to manage peaks and troughs**
- **Leveraging technology**

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**Thank you**



# Rigorous analysis, practical advice

## Drewry Maritime Advisors

Drewry Maritime Advisors provide expert advice to owners, operators, financial institutions, port authorities, terminal operators and governments covering the full spectrum of commercial and technical facets across all maritime and shipping sectors. Our combination of deep knowledge and understanding of the market sectors we serve, allows our clients to make the right commercial decisions at the right time.

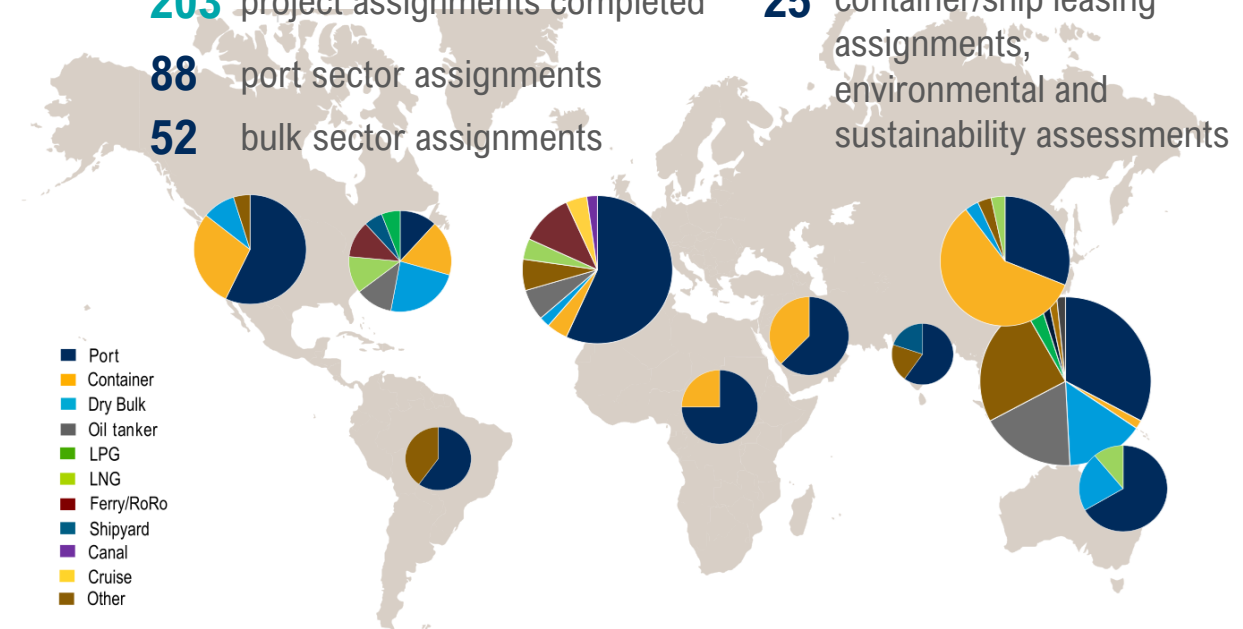


### Project assignments (Jan 2021-Dec 2022)

**203** project assignments completed      **25** container/ship leasing assignments, environmental and sustainability assessments

**88** port sector assignments

**52** bulk sector assignments



Whether commissioning our advisory team to provide strategic analysis, commercial due diligence or market analysis, you can rely on our independence and rigour to provide sound professional advice. We can provide an in-depth assessment of the characteristics, dynamics and trends of your market, conduct customer analysis or evaluate its competitive environment to help you overcome challenges or realise asset opportunities.



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