

Maritime Trade & Environment in Trump/Post-Brexit Era

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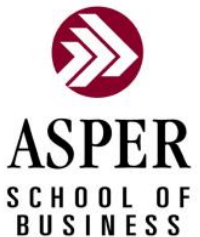
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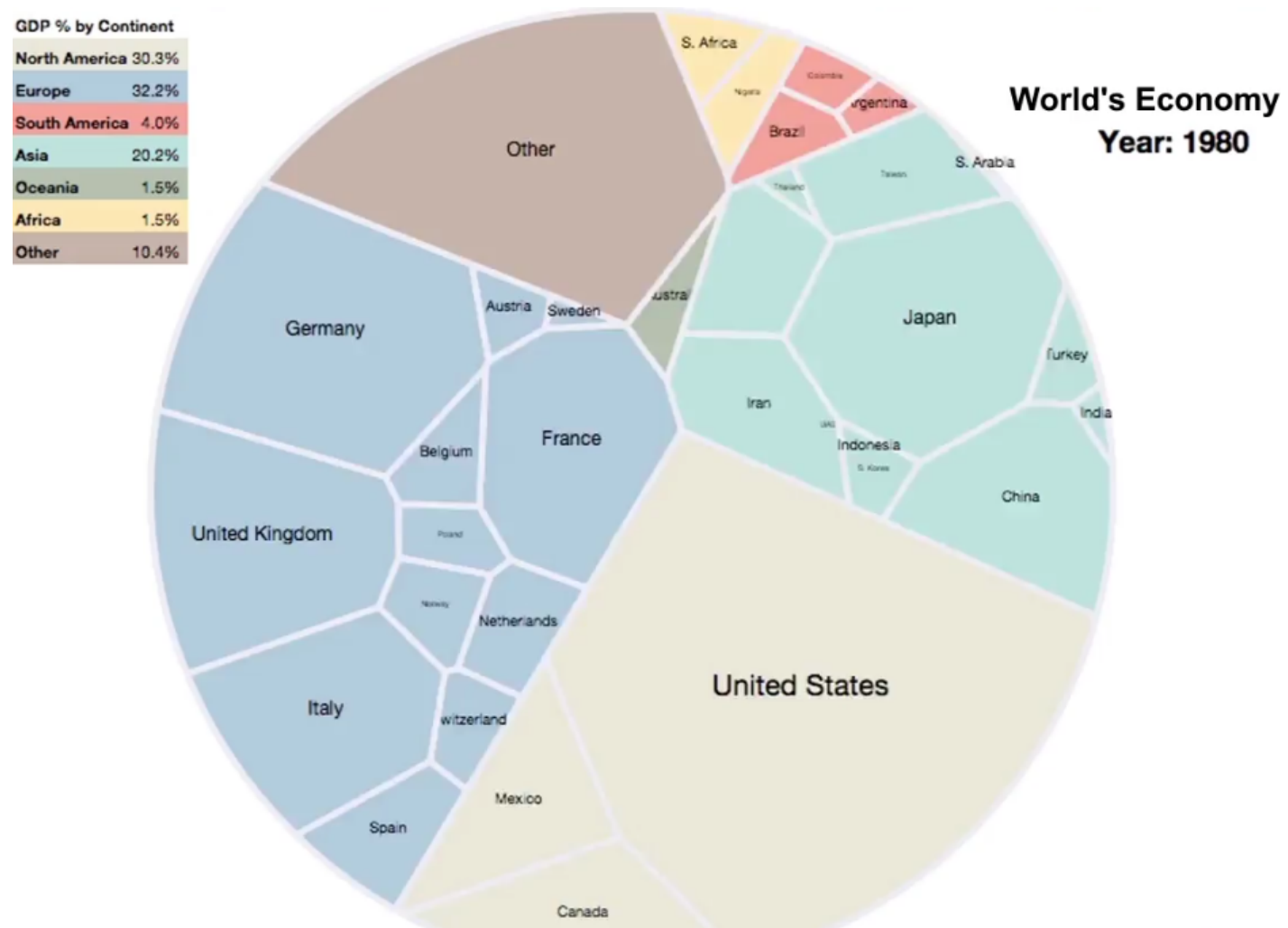


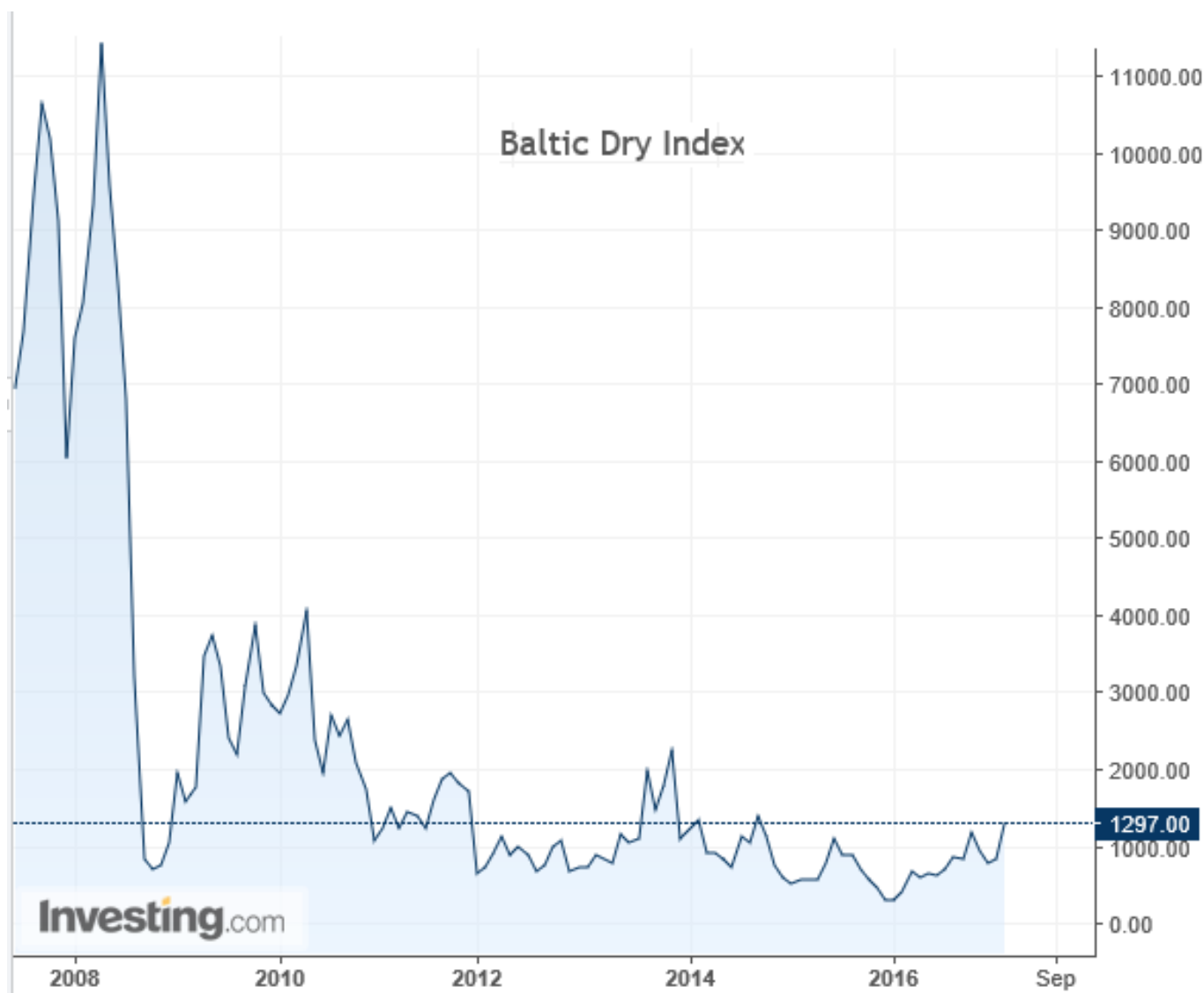
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World economic growth
1980-2016

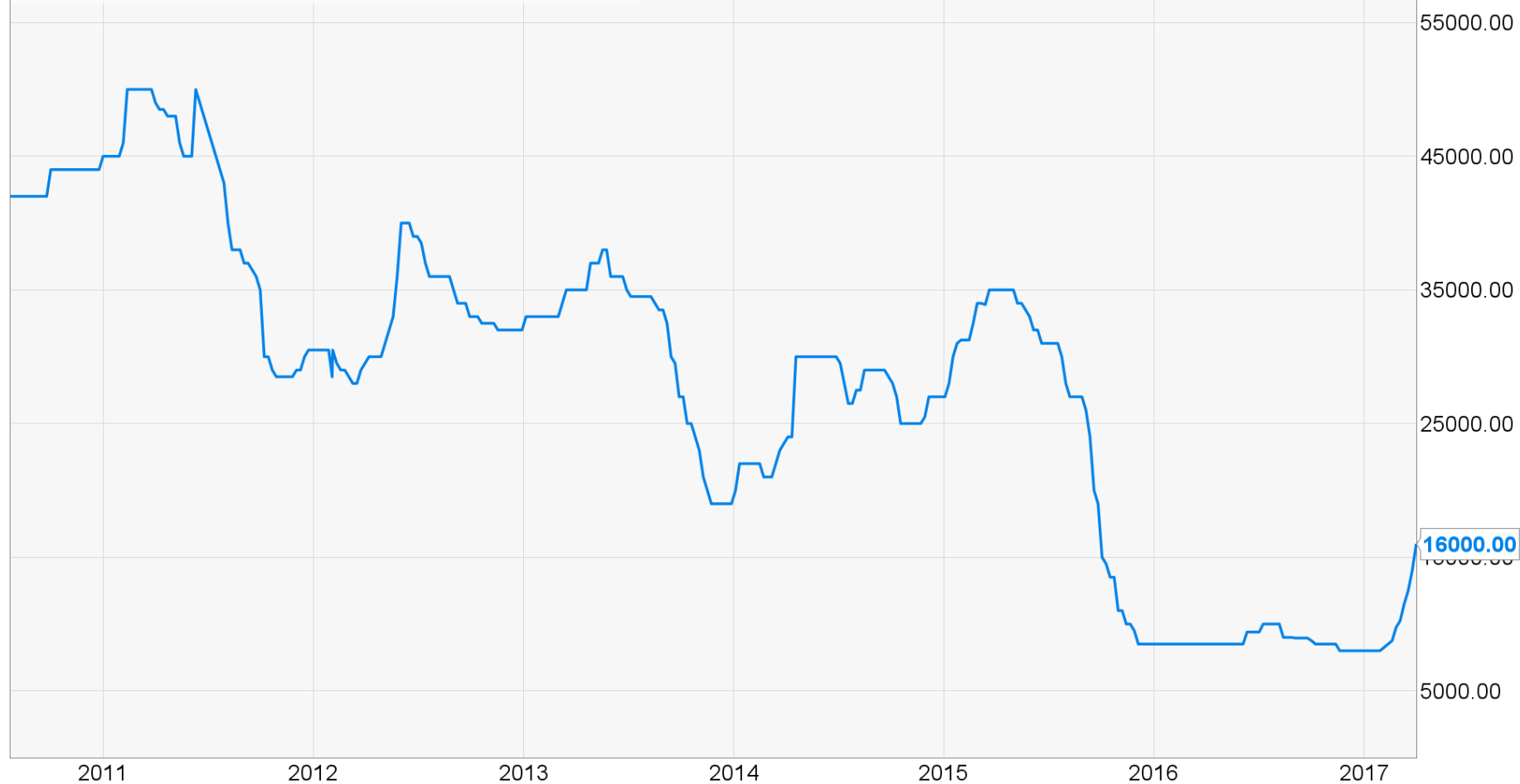
<http://www.visualcapitalist.com/video-35-years-of-world-economic-evolution-in-20-seconds/>

GDP % by Continent	
North America	30.3%
Europe	32.2%
South America	4.0%
Asia	20.2%
Oceania	1.5%
Africa	1.5%
Other	10.4%





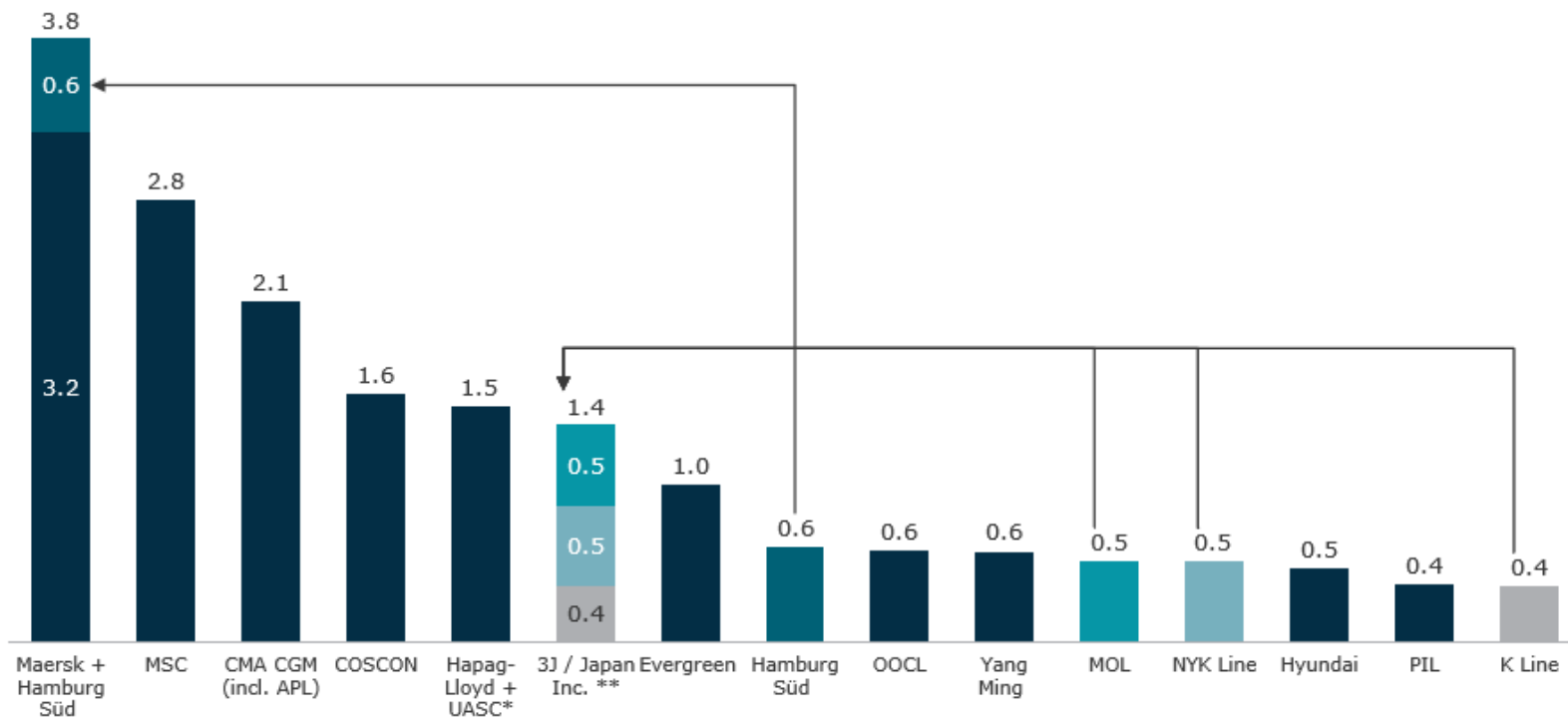
Container Shipping Rate for 8500 TEU Vessels



Source: Harper Petersen & Co.

Consolidation has significantly reduced the number of global carriers in the last 12-18 months

Top Carriers Ranked by Operated Container Fleet (Nov 2016)

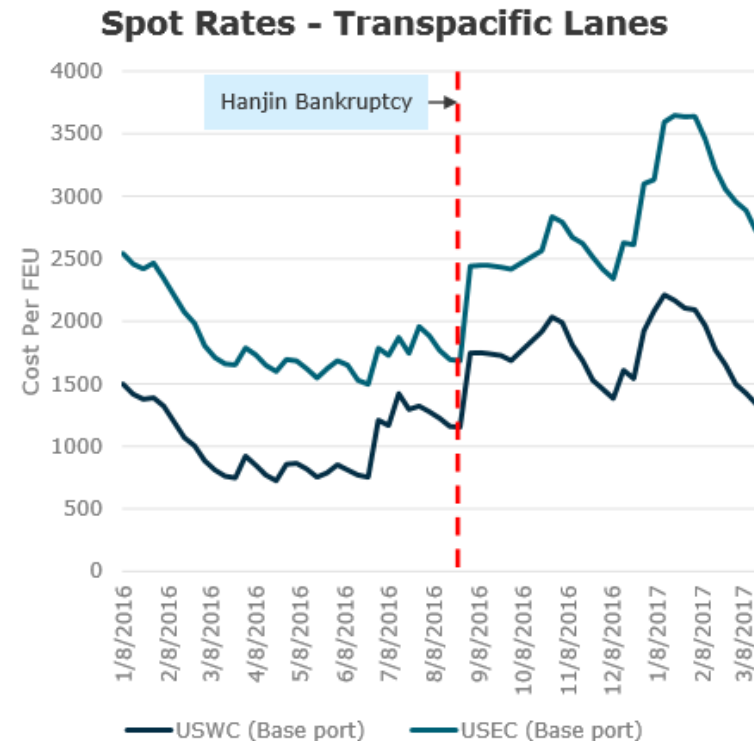
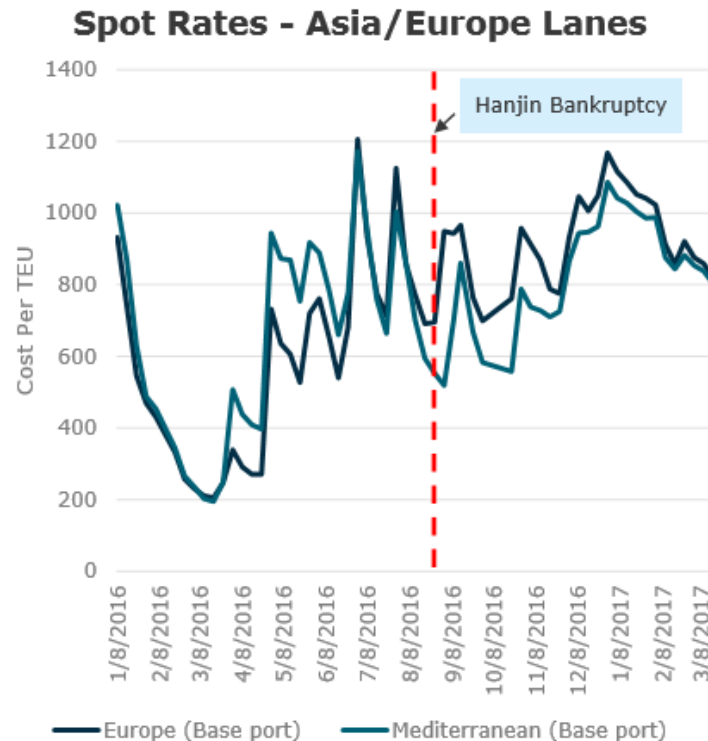


Carrier consolidation has had significant impacts on alliances and services but little has been done to rationalize global fleet capacity

Source: Alphaliner November 2016

*Hapag-Lloyd / UASC merger is pending, ** Official name for new Japanese carrier has not been confirmed

Hanjin Shipping Co. filed for bankruptcy at the end of Q3, sending rates higher on major trades like the Eastbound Transpacific



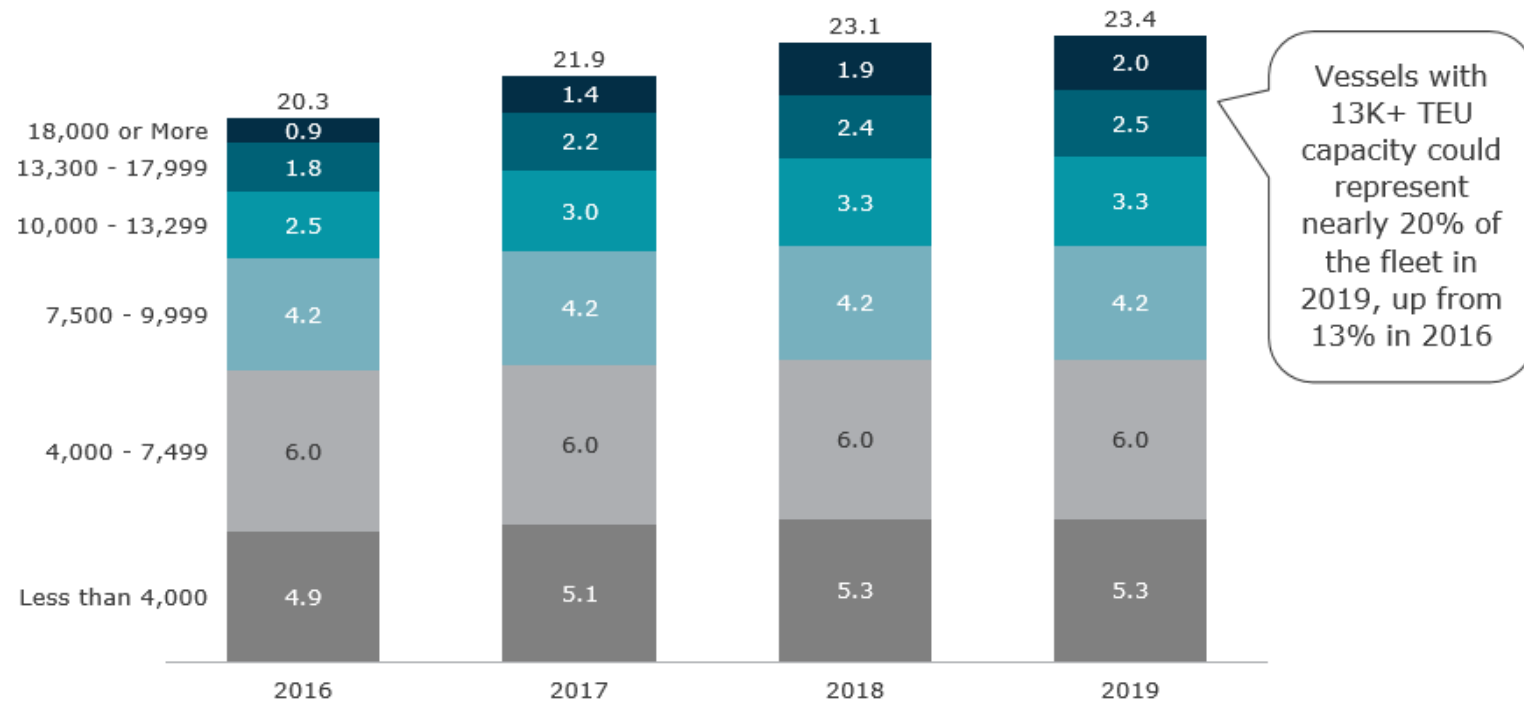
Spot rates on the E/B Transpacific trade lane have nearly doubled since Hanjin filed, but carriers are being challenged to maintain these levels in current contract negotiations

Source: Shanghai Container Freight Index

AlixPartners

The global container fleet is forecast to continue growing, largely due to the introduction of more mega-vessels

Global Container Fleet Forecast (MM TEU)



Larger vessels will pose additional challenges for parties across the supply chain including shippers and terminal operators

Source: Alphaliner

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Implications for ports and environment

- Short run box shortage
- Maturation of the market – big/small carving out the middle?
- Hub and spoke networks, with secondary hubs?
- Creation of specialized hubs for transshipment focus?
- More shipping in total – more carbon emissions in total?