



# Facts and Figures Committee Report

Prepared by Cédric CHARPENTIER

Chairman, F&F Committee

*September 15, 2008*



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# Report of the Facts and Figures Committee

## Committee members

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**Angelo Ansaldo** – Italy

**Paul Buyl** – Belgium, replaced by **Michel Van hoorickx**

**Cédric Charpentier** – France, **Chairman**

**Darren Farr** – UK Lloyd's

**Pamela Frood** – UK IUA

**Patrizia Kern** – Switzerland

**Henry Newman** – USA

**Astrid Seltmann** – Norway / **Secretary and Vice Chairman**

**Simon Stonehouse** – UK Lloyd's, replaced by **Philip Graham**

# Report of the Facts and Figures Committee

## Documentation

- **Spring statistics** ✓ **Spring meeting**
- **Hull and Energy (New !)** Fact sheet ✓ **Conference**
- **Global shipping market trends** ✓ **Conference**
- **Global marine insurance report** ✓ **Conference**
- **Major claims database (New project !)** ✓ **4 times a year**

- **Perimeter of data collection: Hull, Cargo and Energy**
- **Threshold: 15M\$** for all lines of business per event
- **Format of data collection:** as per attached spreadsheets
- **Sources:** various
- **Frequency of issuance: every quarter**  
28/2 (before Spring meeting), 31/05, 31/08 (before main conference), 30/11
- **Availability of information:** Issuance posted every quarter onto **IUMI website** and presented updated during main Conference
- **Confidentiality issues**



# Global Shipping Market Trends

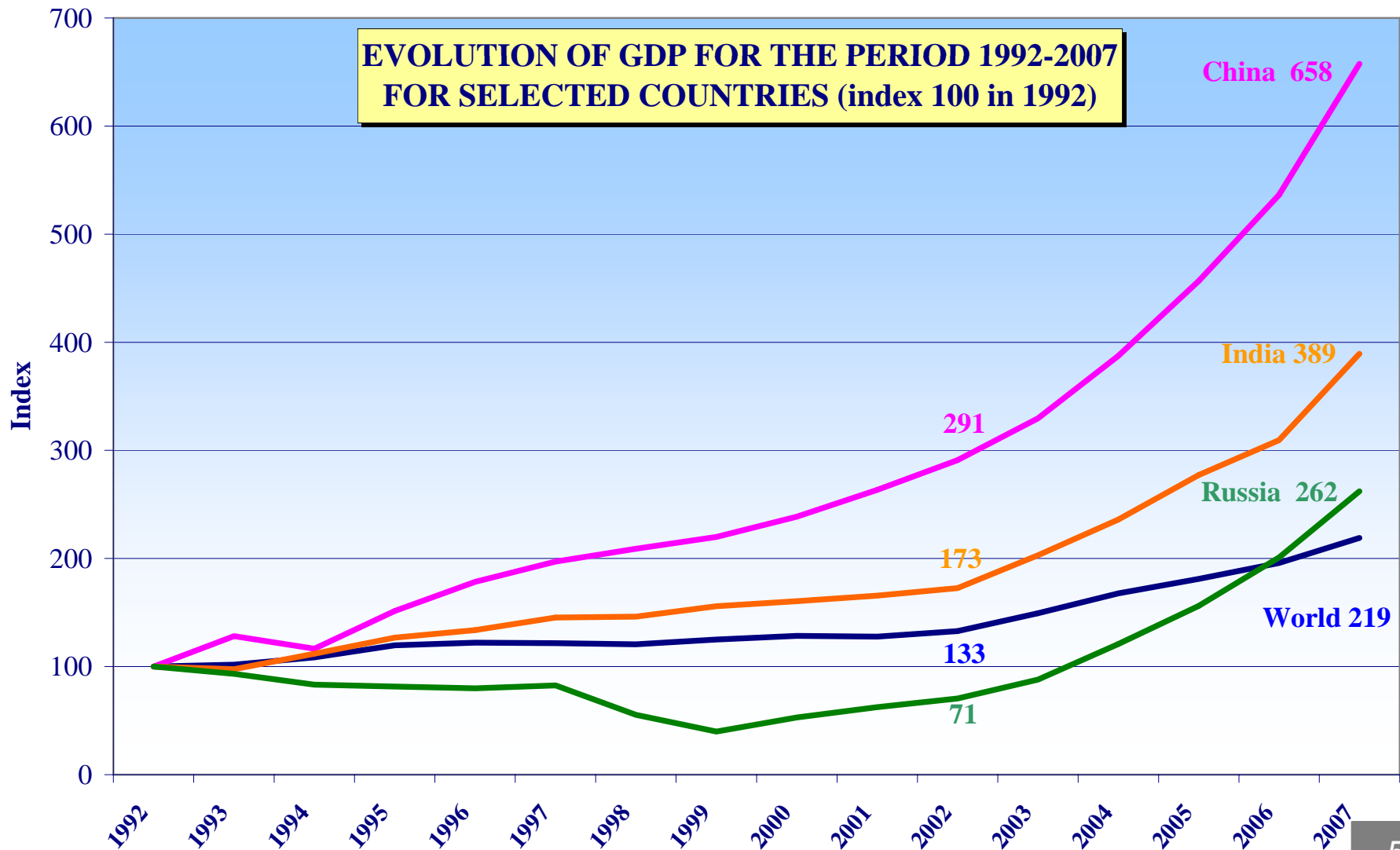
Cédric Charpentier

Chairman, F&F Committee

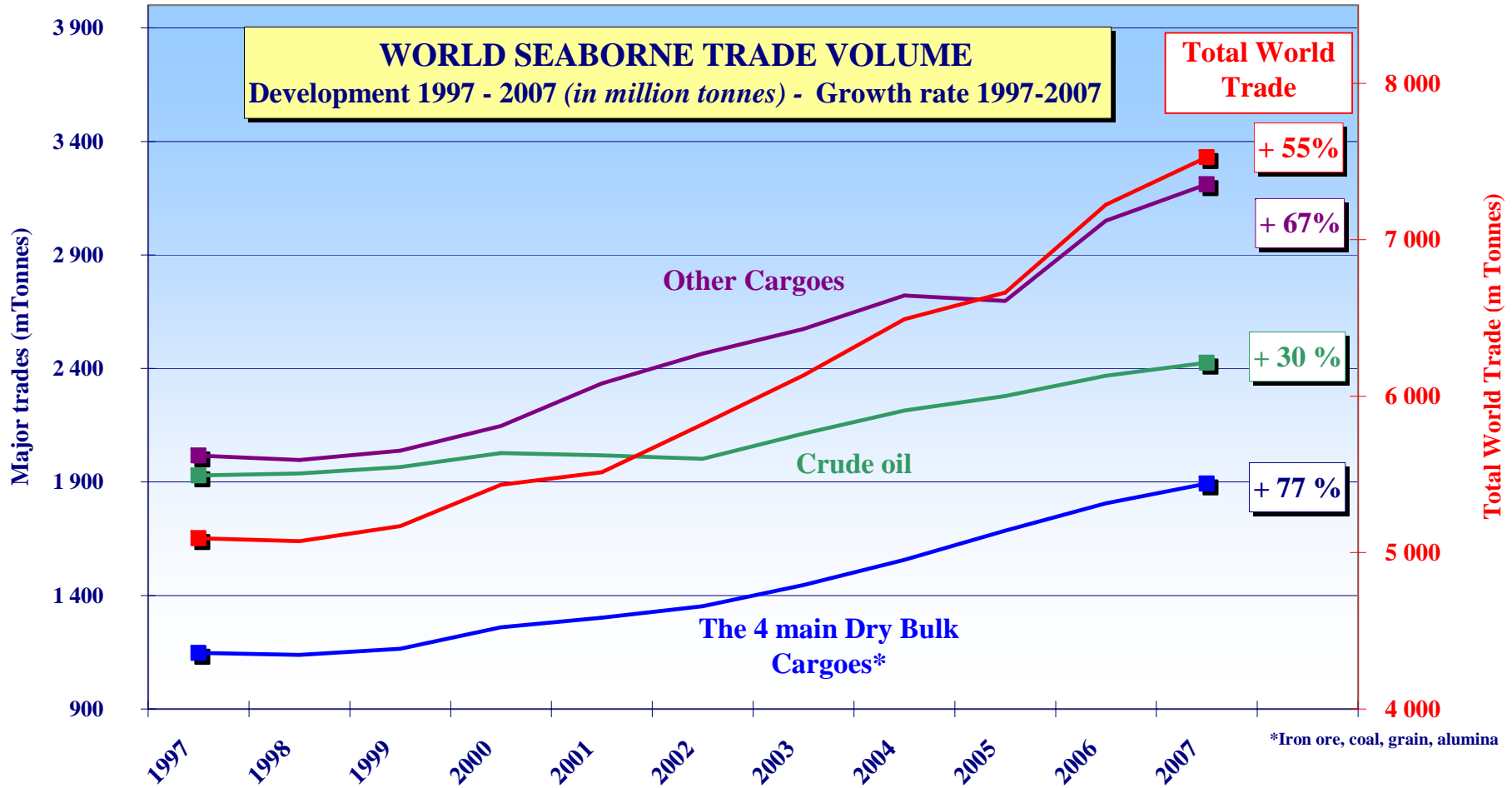
*September 15, 2008*

***UNPRECEDENTED ECONOMICAL GROWTH  
FOR DECADES, HAS LED TO BOOMING  
GLOBAL TRADE***

# 2002-2007: strongest growth of GDP for the last 20 years, BRIC countries biggest contributors

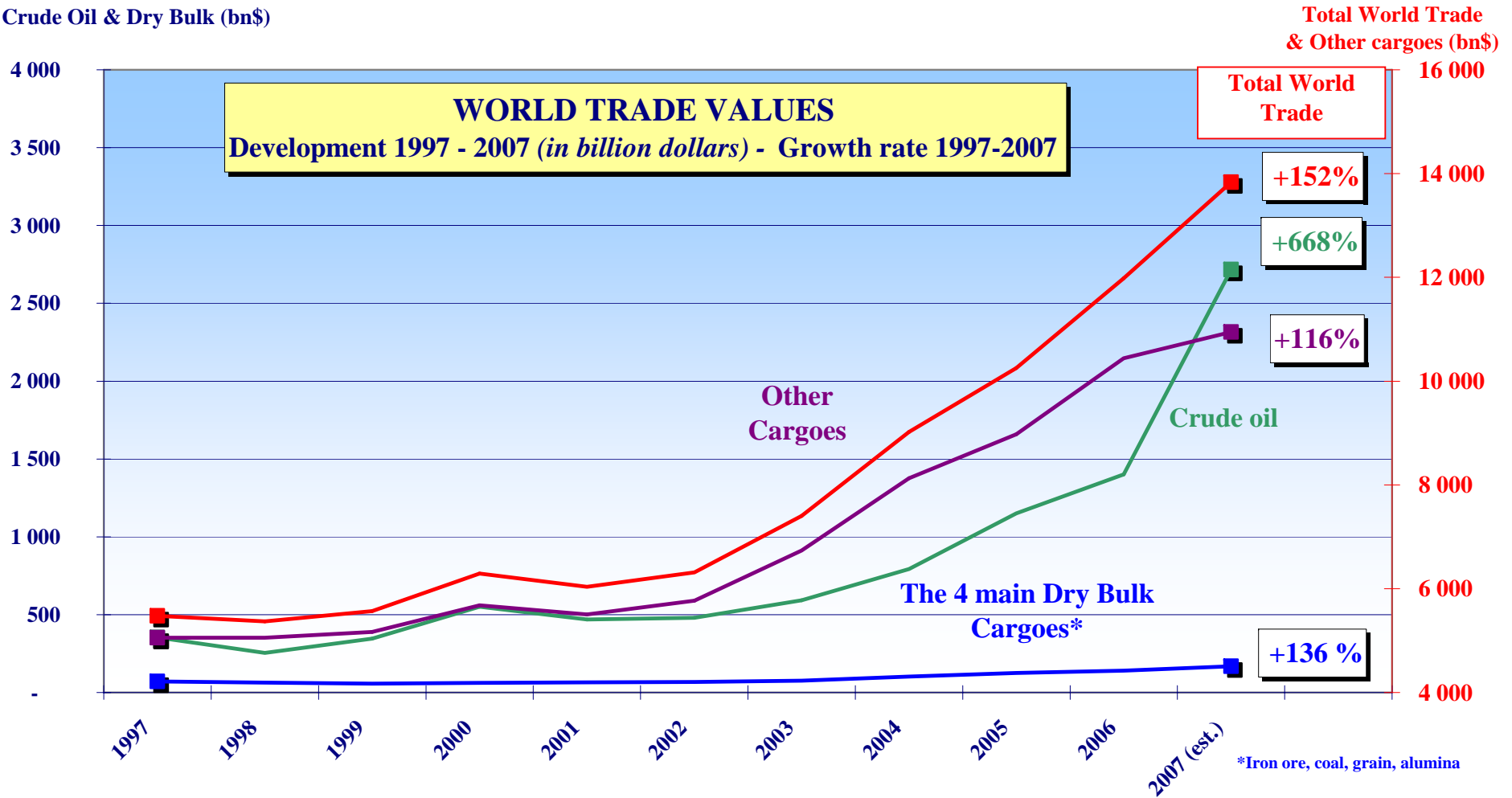


... which has led to a booming global trade in volumes ...



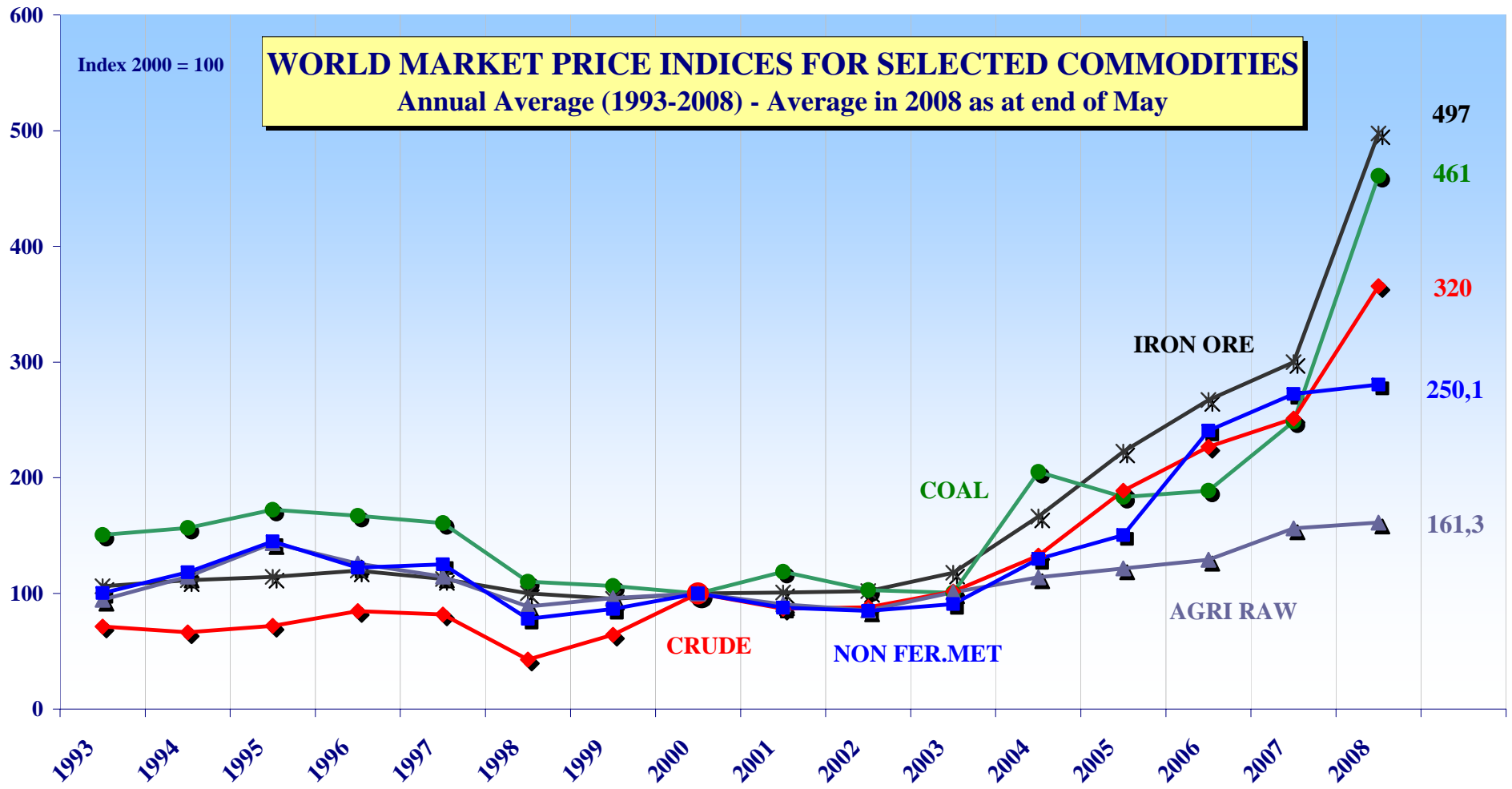
# ... and an unprecedented growth of global trade in values.

Crude Oil & Dry Bulk (bn\$)





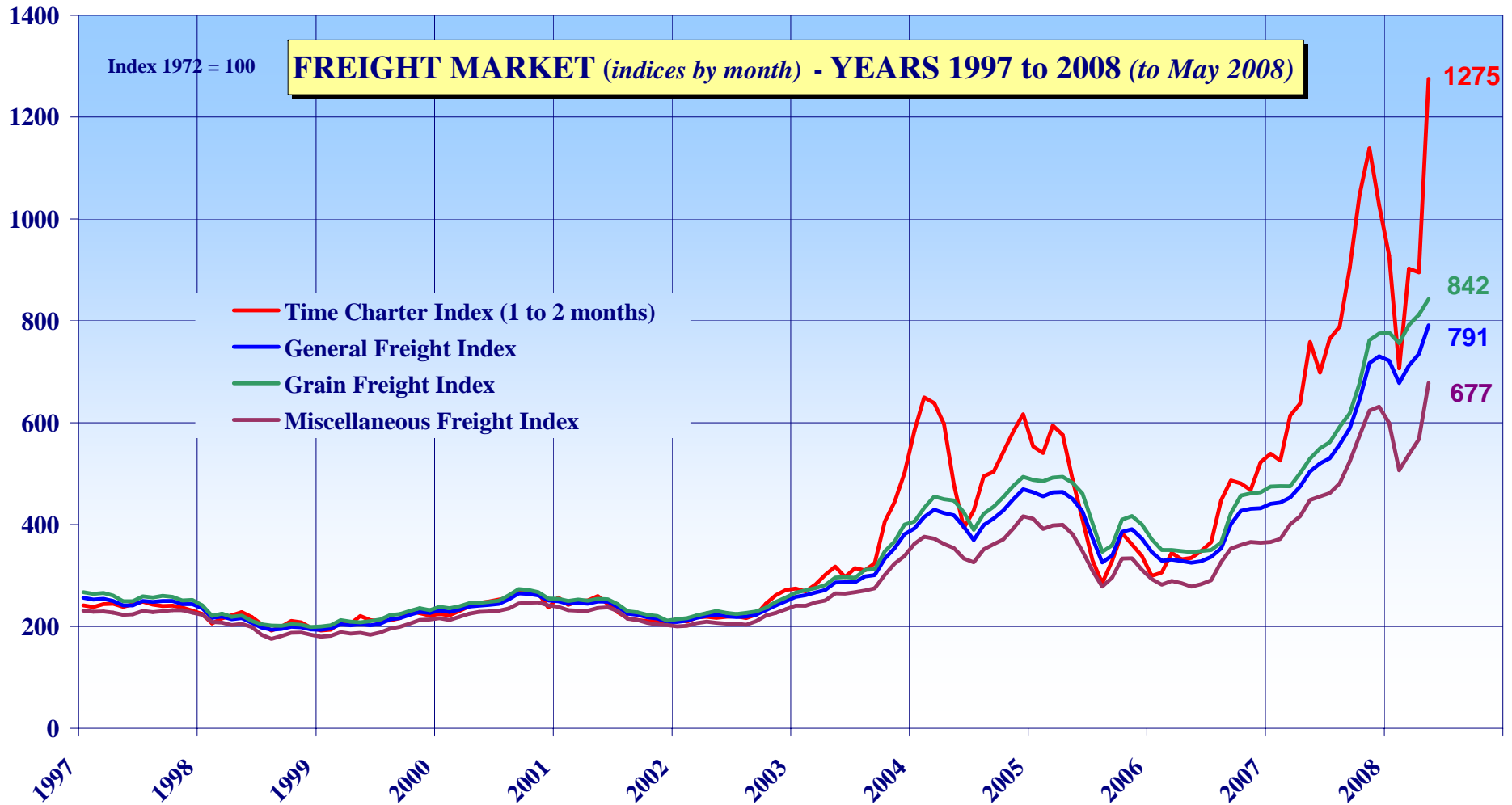
# Demand for commodities reached sky high levels and led to strong rise in prices.



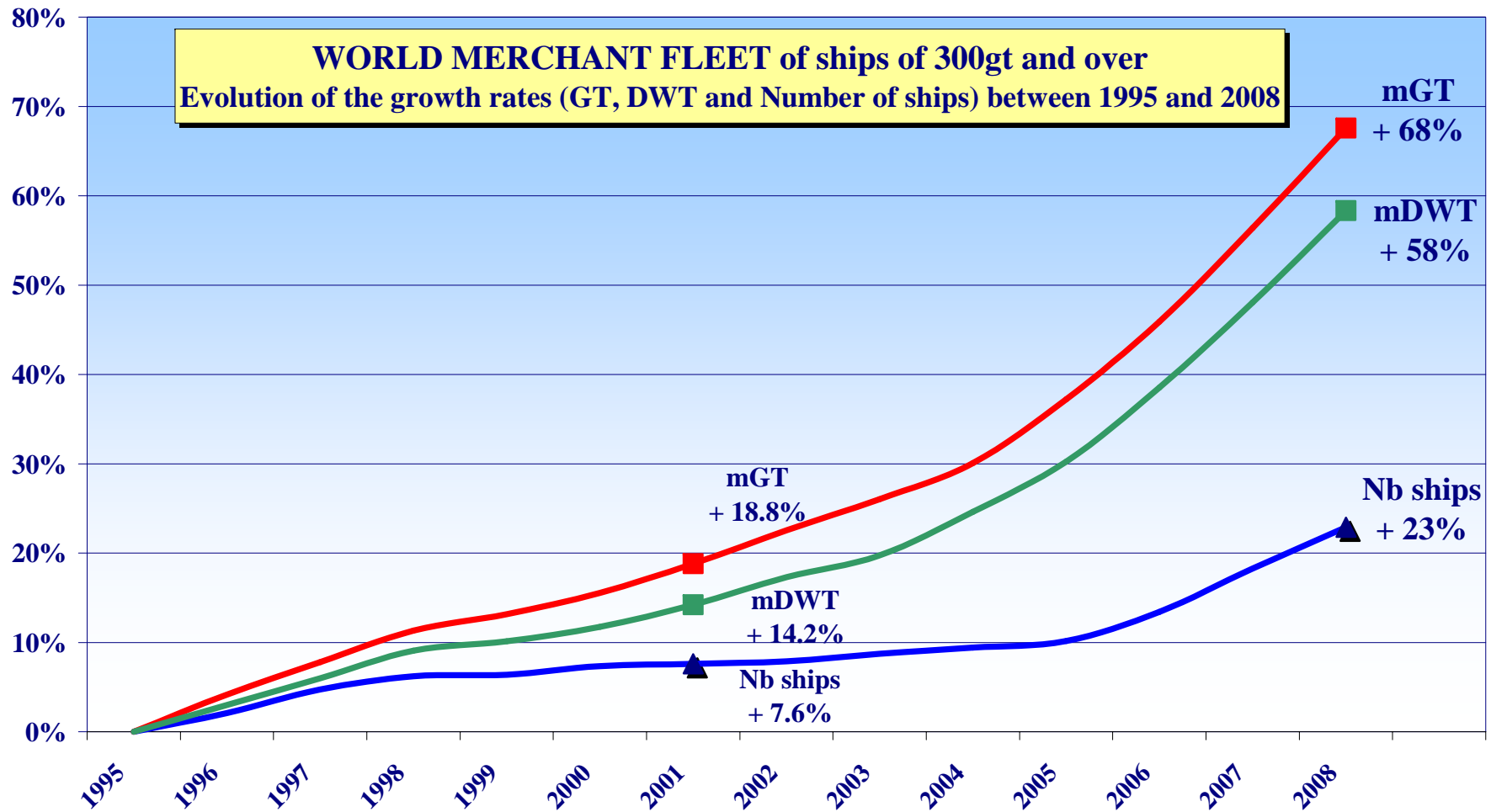
Source: ISL, UNCTAD, LMIU

## *WHAT IMPACT ON THE SHIPPING WORLD?*

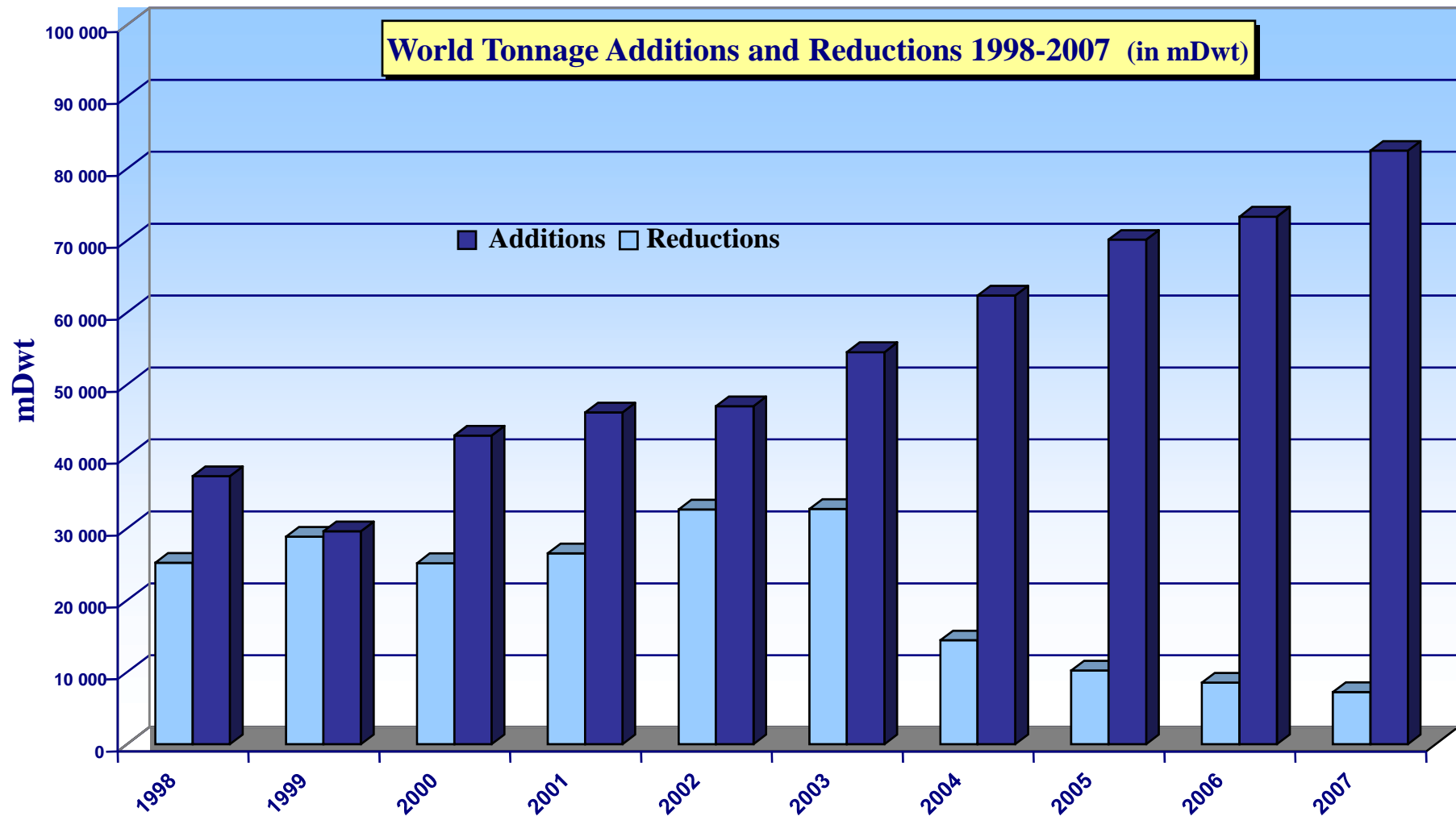
# Difficulties for the shipping market to absorb the booming global trade has led to massive increase in freight rates.



# The shipping market did react and increased massively transport capacity ...

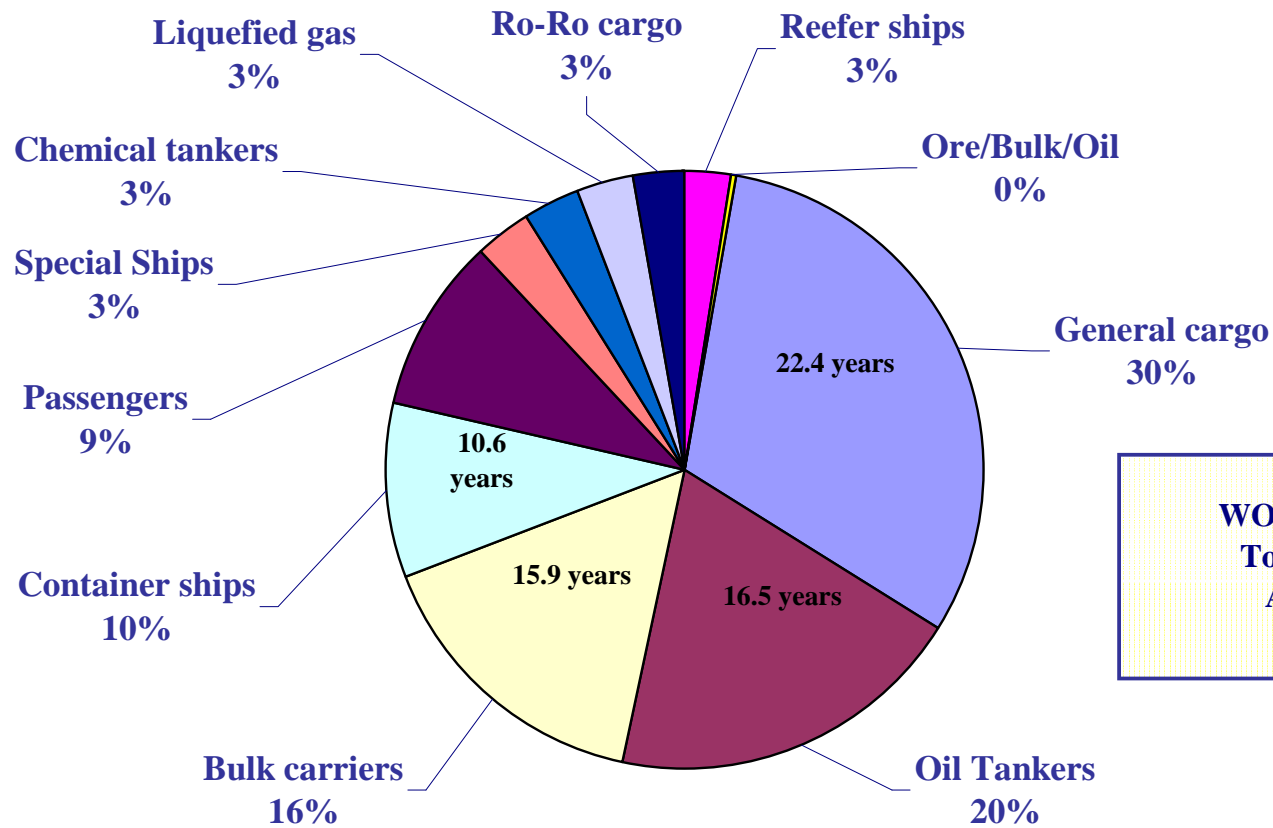


*...thanks to new buildings delivery and postponing scrap.*



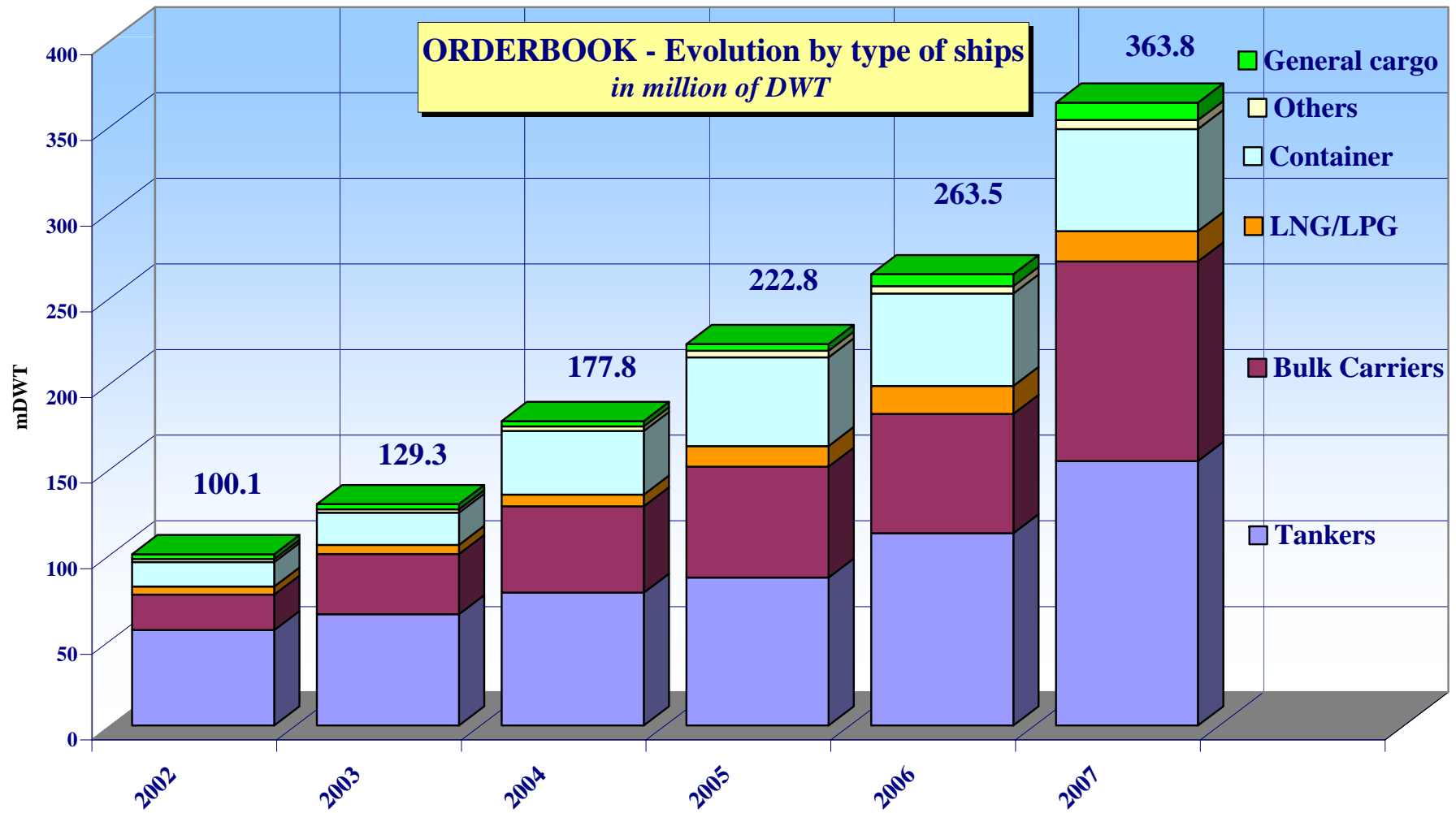
# The fleet age is in slight reduction from 19.1 years old in 2006 to 18.5 years in 2007

**WORLD MERCHANT FLEET by type of ship of 300gt and over**  
As at January 1st, 2008 - number of ships in share of the World Reported Fleet, and average age



**WORLD REPORTED FLEET**  
Total number : 44,553 ships  
Average age : 18.5 years

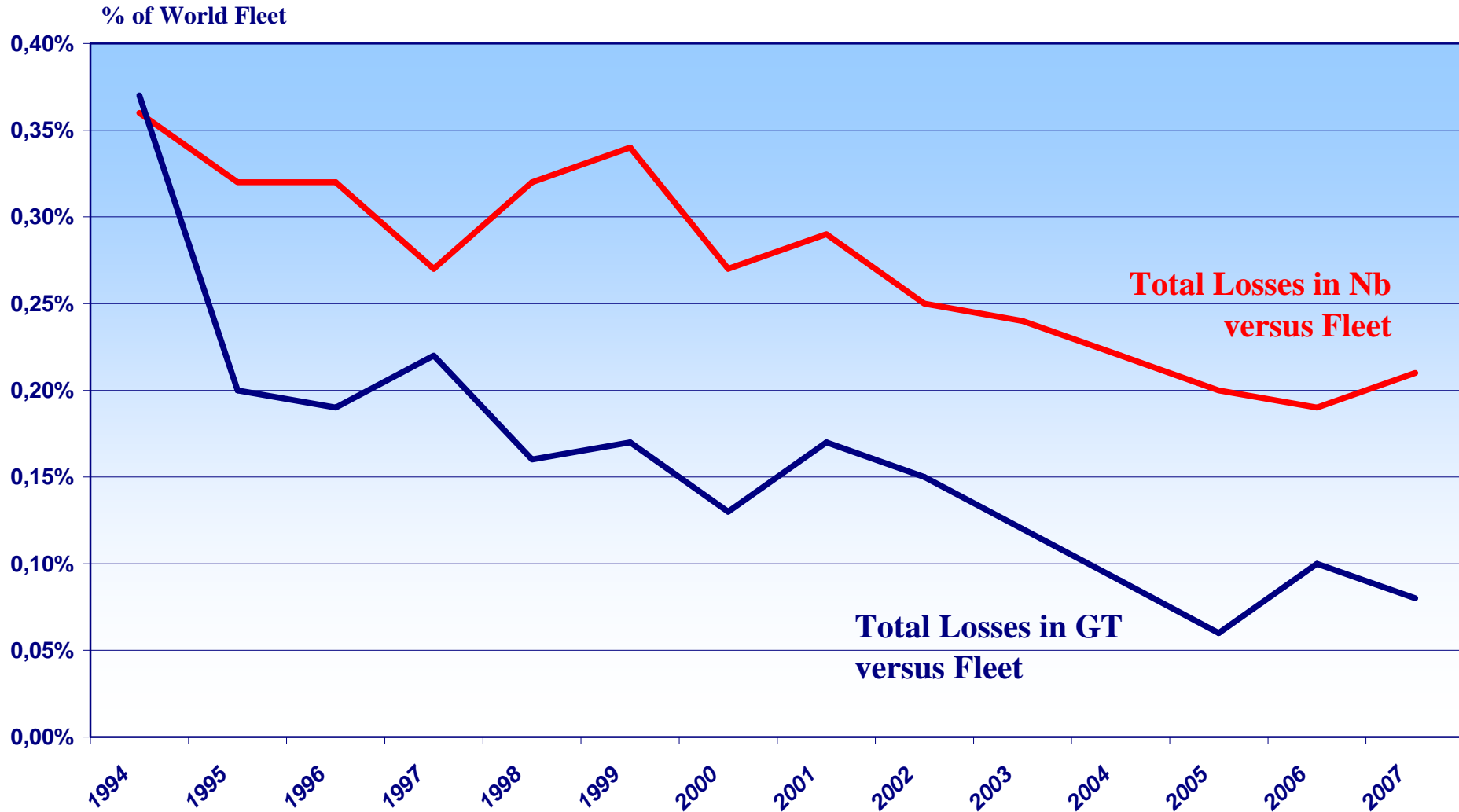
# The orderbook was impressive at the end of 2007.



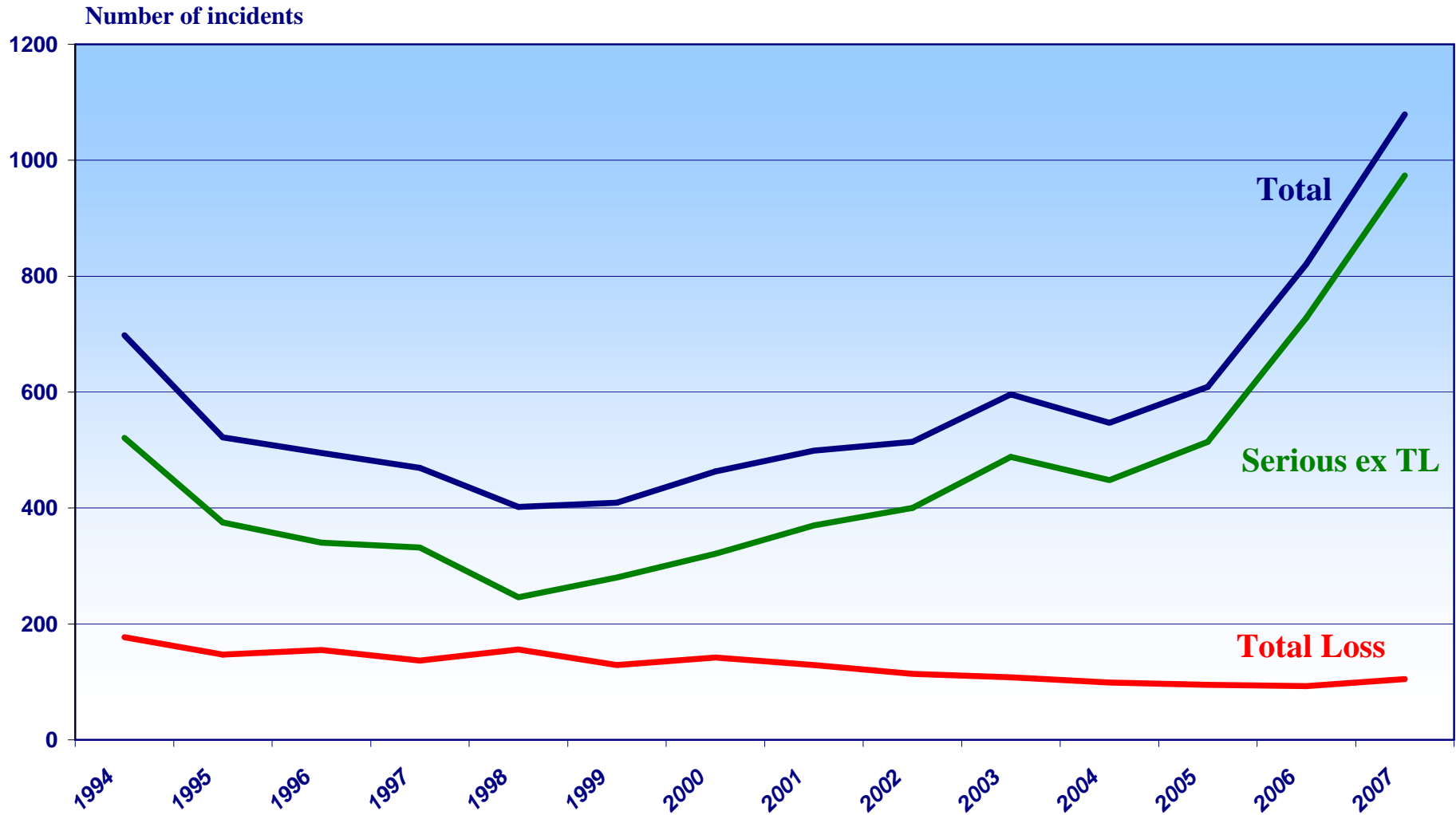
***HAS THE PRESSURE ON SHIPPING HAD AN  
IMPACT ON THE CLAIMS TREND?***



# Despite pressure on shipping, total losses show a positive trend...



# *But serious losses show a very steep increase in number, well above fleet growth*



*WHAT SHALL WE EXPECT FOR THE NEAR  
FUTURE?*

## *Economists agree on a slowdown of the world economic growth...but down to recession ?*

- “The surprise of recent months is not that global economic growth is slowing, but that there is any growth at all” – Alan Greenspan – August 2008
- World economy “decoupling” from US economy?
- Anyway, positive environment for marine insurers has probably reached a peak in 2007

## *What change in our environment shall we expect and even started to notice ?*

- Prices of raw materials going down
- World trade of goods down in volumes and even more in values
- New buildings orders delayed or cancelled
- Freight rates sliding
- Possible increase of ships being laid up
- Uncertainties on future quality of world fleet
- Increase in number of attritional claims declared
- ...

***We must prepare for difficult times !***



Thank you for your attention

***Cédric Charpentier***

***CUO cargo – AXA Corporate Solutions***

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