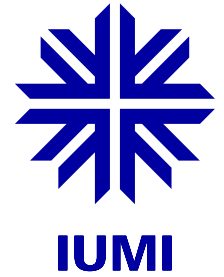


Clarksons Research: Updated COVID-19 Shipping Impact Assessment



22nd April 2020

As the economic impact of Covid-19 deepens globally, Clarksons Research have updated their briefing series monitoring the shipping impact. Summarising the briefing, Stephen Gordon, Managing Director of Clarksons Research, commented:



“With wide ranging uncertainty and incoming data points increasingly dynamic, our aim with these briefings is to provide a framework to help understand and monitor the shipping context. As the global economic impact deepens, our latest estimates suggest that seaborne trade may contract by 5% through 2020, the biggest decline for over 35 years and highlighting the “demand shock” and “bumpy” ride ahead. Port call activity in China continues to trend above 2019 levels, encouraging given China’s role as shipping’s biggest market (22% of global imports, 35% of dry bulk), while European calls (-18%) and US calls (-8%) are now down y-o-y. The ClarkSea Index remains in positive territory, reflecting the “disruption upside” across energy shipping, and the complexities across shipping segments: our concerns around Cruise, Ferry, Container, Offshore & PCC have deepened; tankers are still strong with storage demand now supporting; perhaps bulkers have some recovery potential. The briefing also deals with data points around shipbuilding slippage, a shrinking orderbook, the severely disrupted demolition markets, the now “vulnerable” scrubber retro-fitting activity, operational challenges and a comparison with the situation during the financial crisis: potentially a significantly deeper initial impact but sharper rebound; a smaller newbuild orderbook (10% of fleet not 50%); lower pre-disruption trade growth; better capitalized banks; different megatrends (e.g. technology, environment).”

Extracts from the full report can be viewed [HERE](#). More information from Clarksons Research on COVID-19 is available [HERE](#) (subscription based).