

Marine Money

Where do we go from here?

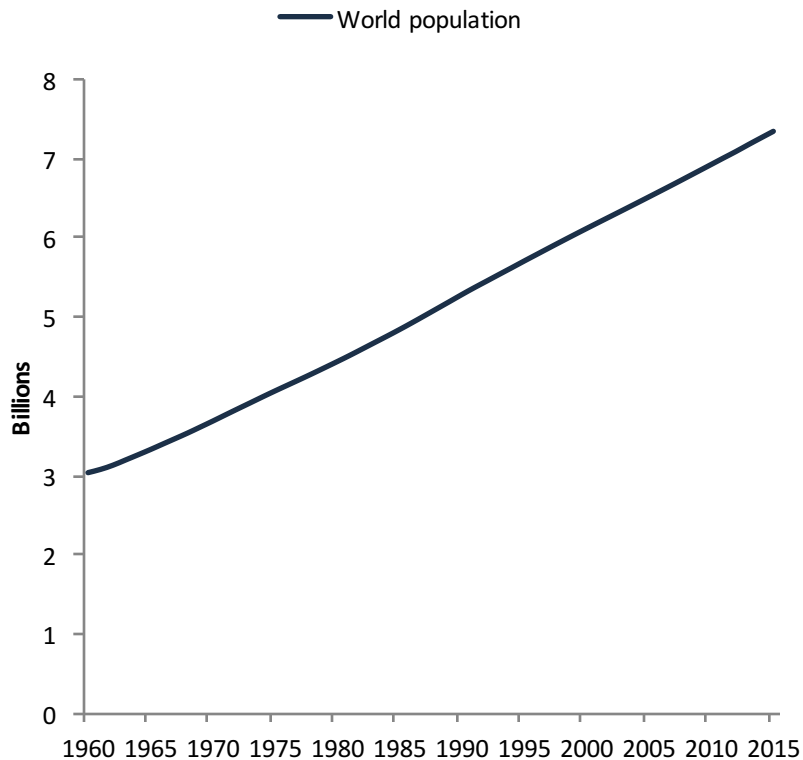
Erik Helberg

New York, 22 June 2016

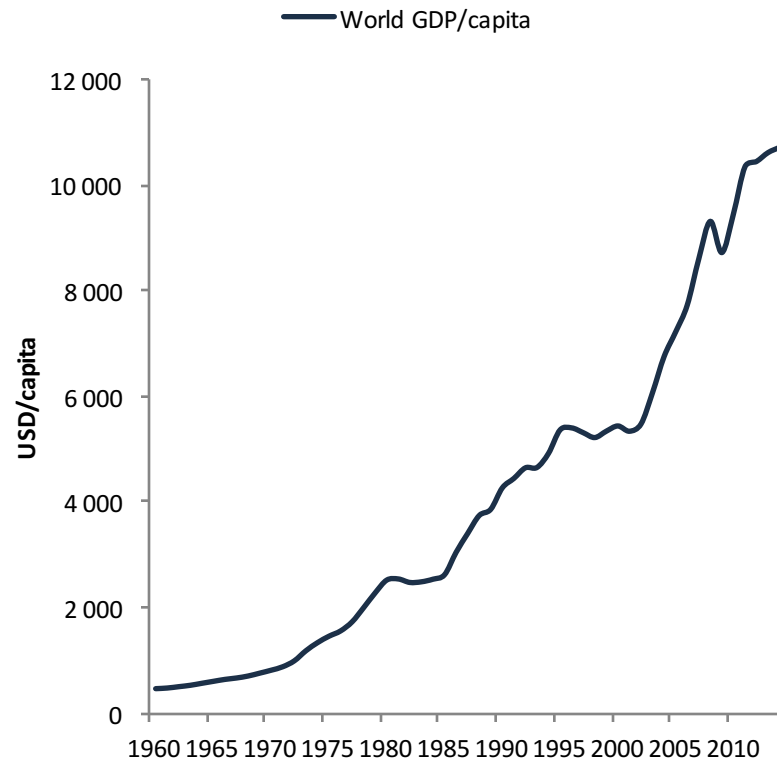
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World population and GDP

World population (Bn)



World GDP/capita (USD/capita)

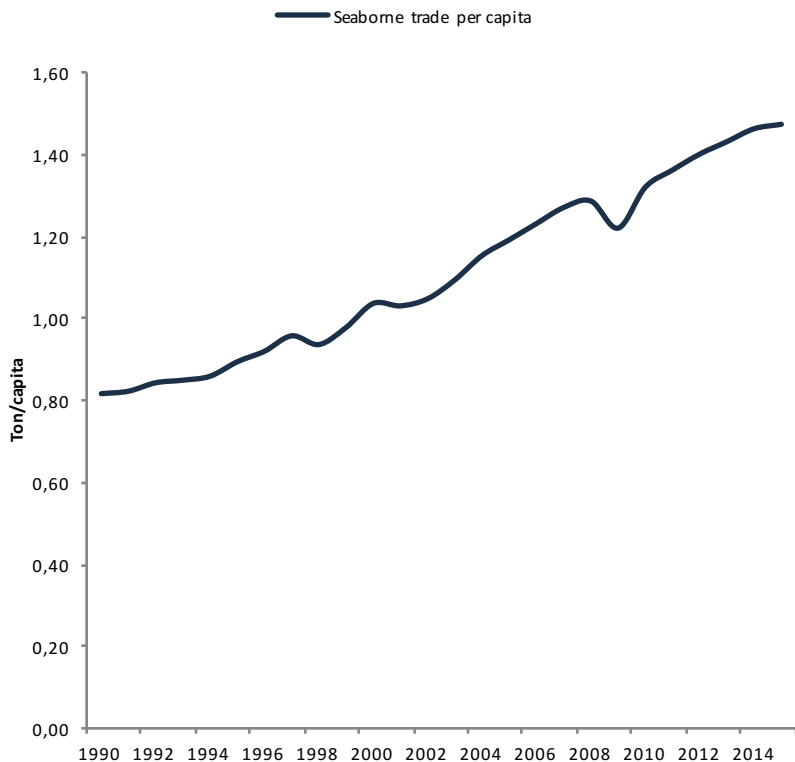


Both world population and GDP/capita is steadily increasing

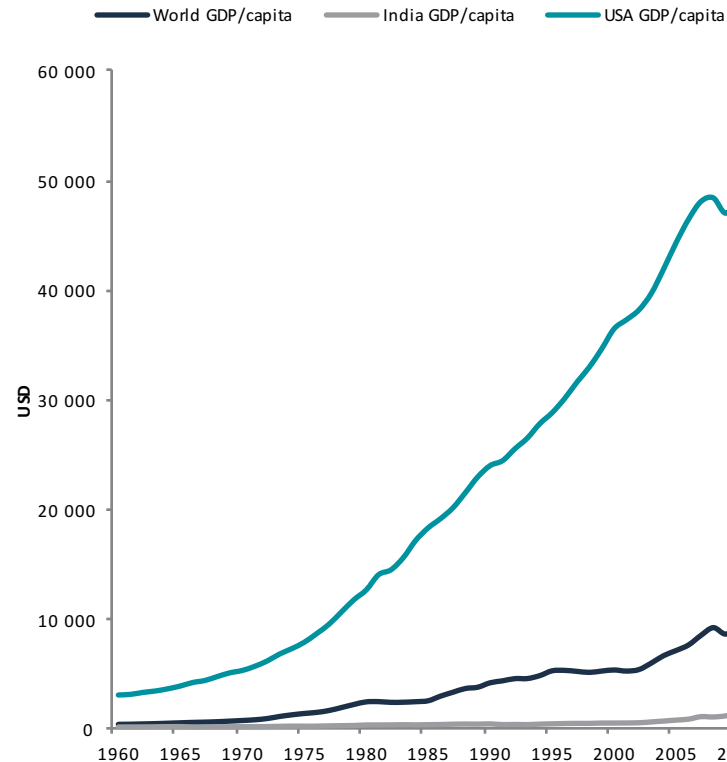
Source: The World Bank

Seaborne trade and GDP

Seaborne trade 1990 – 2015 (Ton/capita)



GDP/capita 1960 – 2014 (USD/capita)

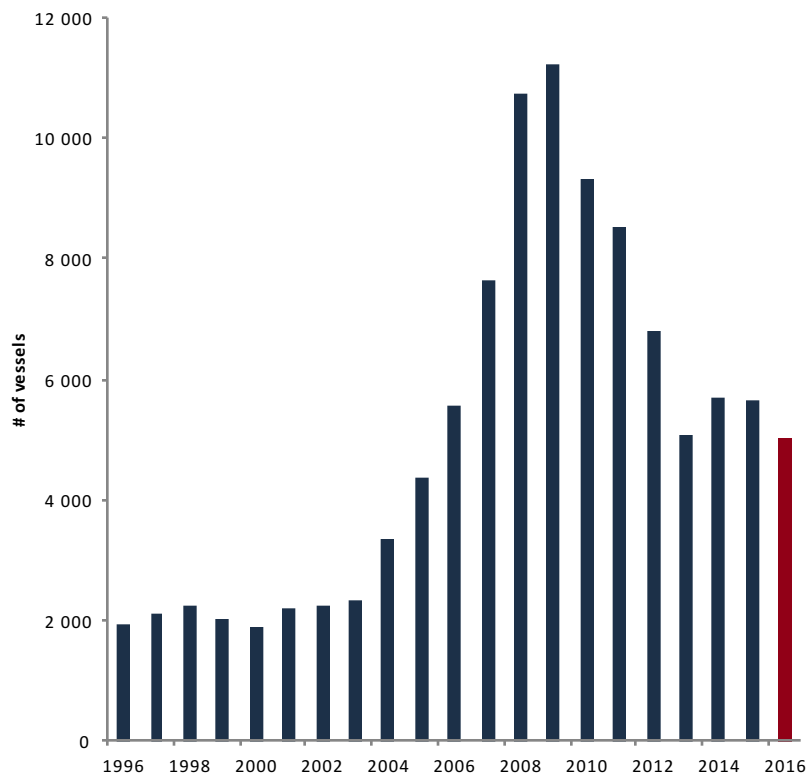


Continued strong growth in GDP/capita in developing countries will drive seaborne trade

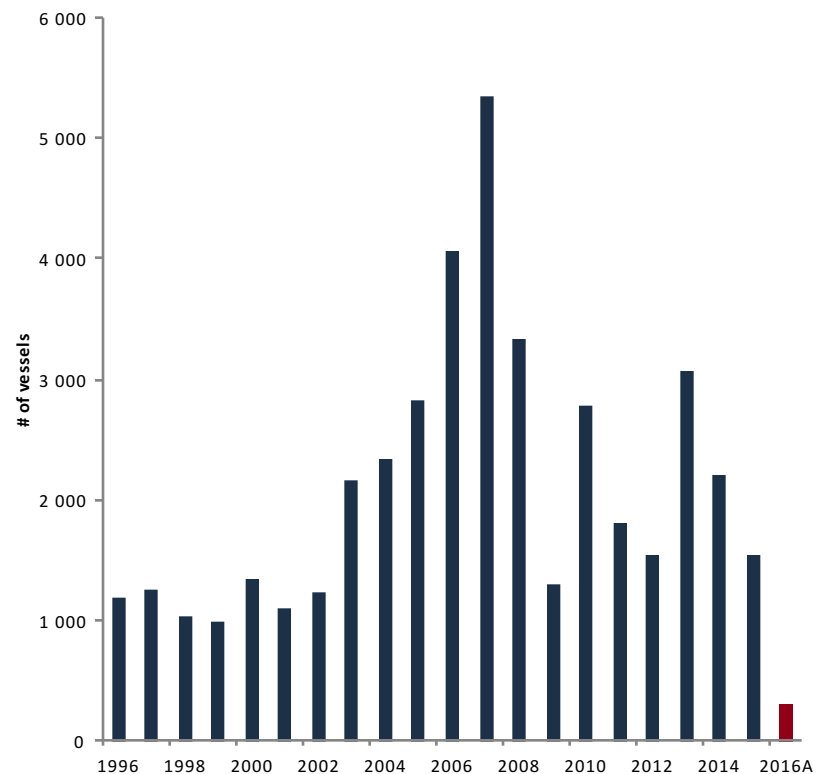
Source: Shipping Intelligence Network & The World Bank

The world merchant fleet orderbook and contracting

World merchant fleet orderbook (# of vessels)



World merchant fleet contracting (# of vessels)

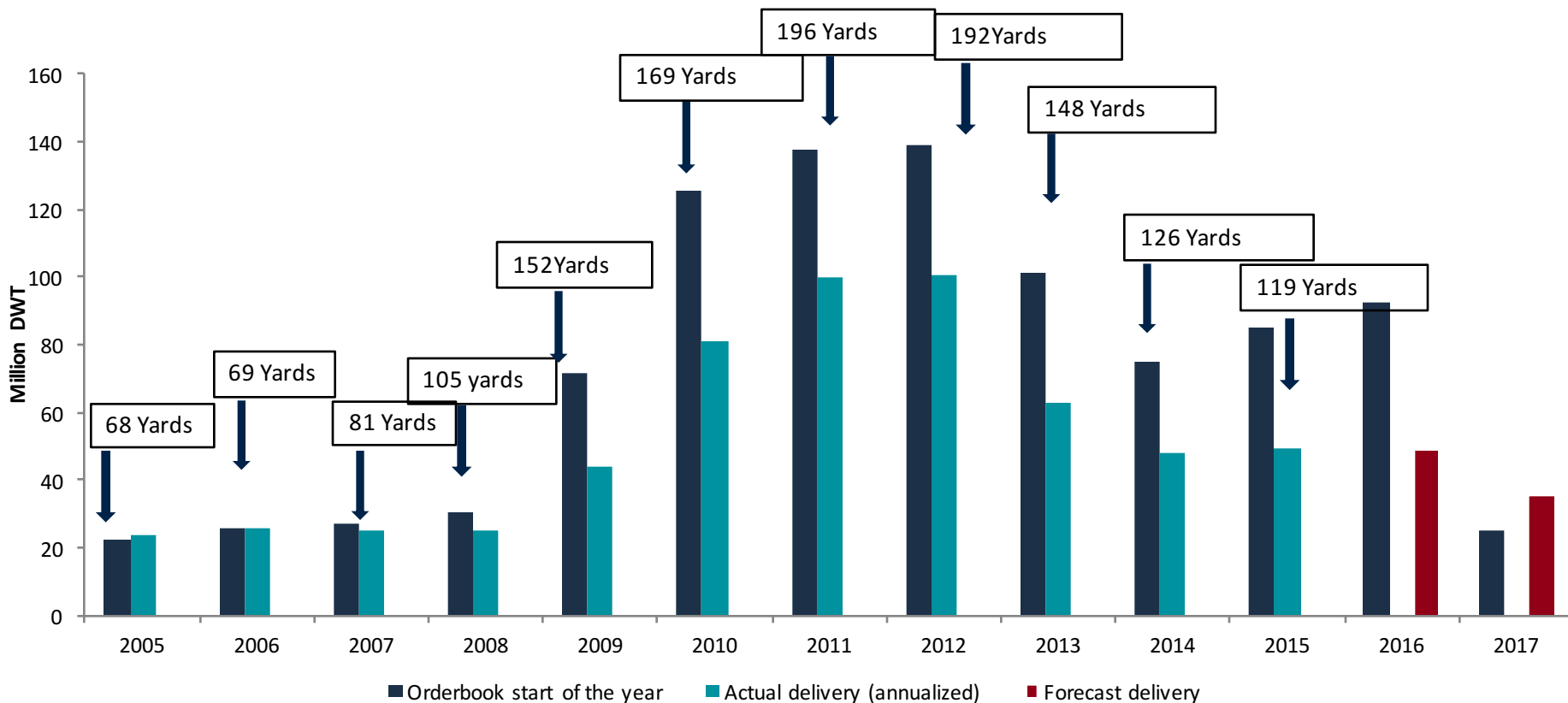


Only 156 vessels have been ordered so far in 2016

Note: 2016 contracting is annualized
Source: Shipping Intelligence Network

Yard capacity and bulker deliveries 2005 – 2017E

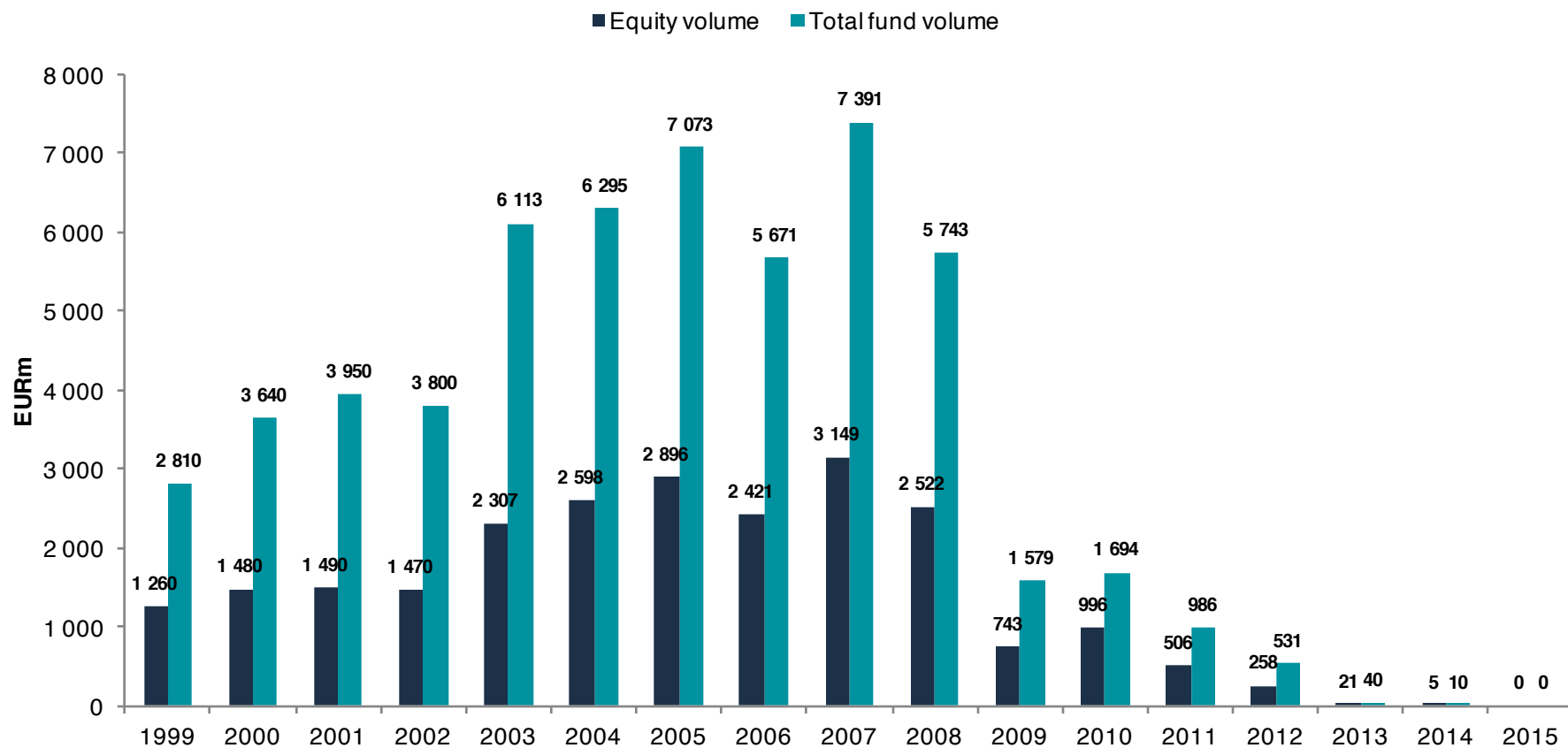
Worldwide yard capacity and bulker deliveries 2005 – 2017E



Only 62 yards delivered more than one vessel in 2015

Source: Clarksons Research Services, Clarksons Platou Securities AS

German KG investments 1999 - 2015

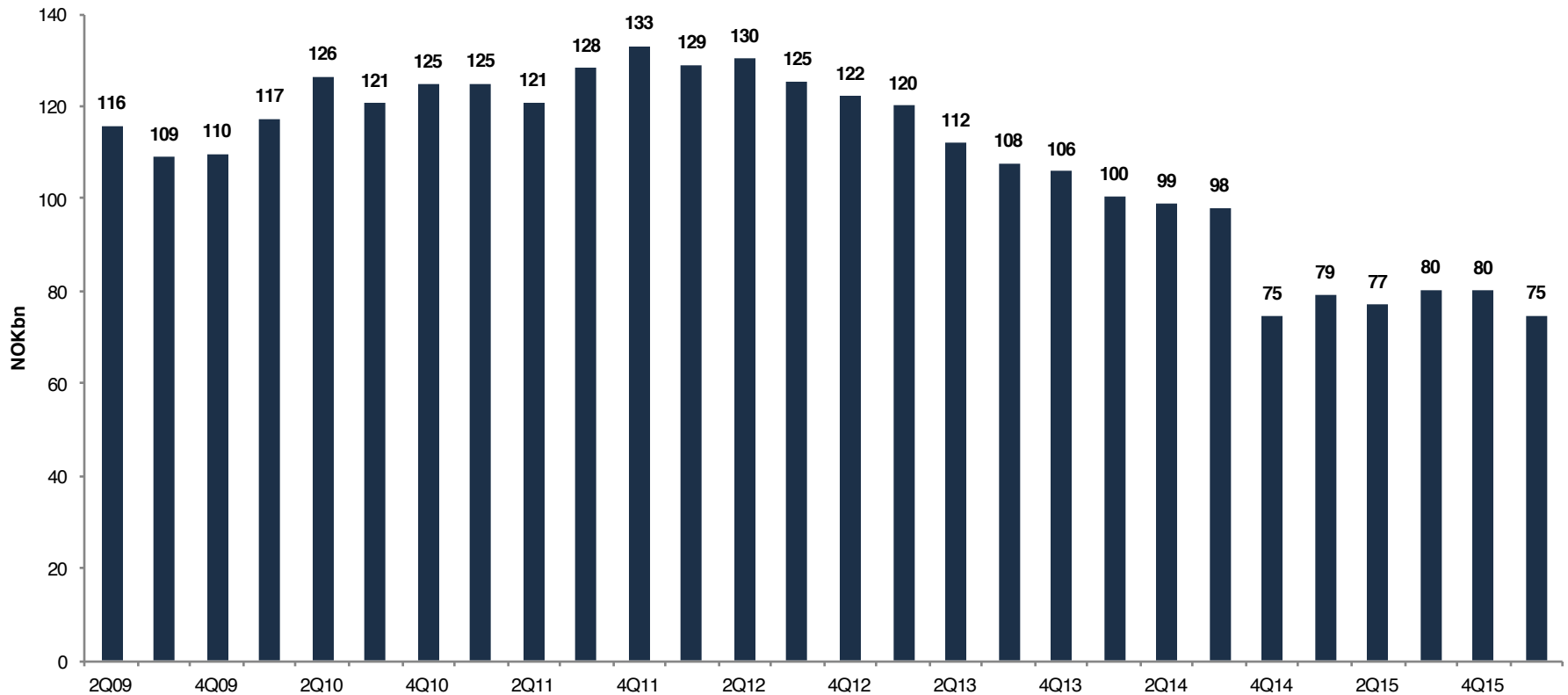


The KG market is not there to support ship financing

Source: BSI & Scope

Norwegian banks' lending to international shipping 2009 – 2016YTD

Norwegian banks and credit institutions' outstanding loans to intl. shipping and pipe transport 2009 – 2016YTD

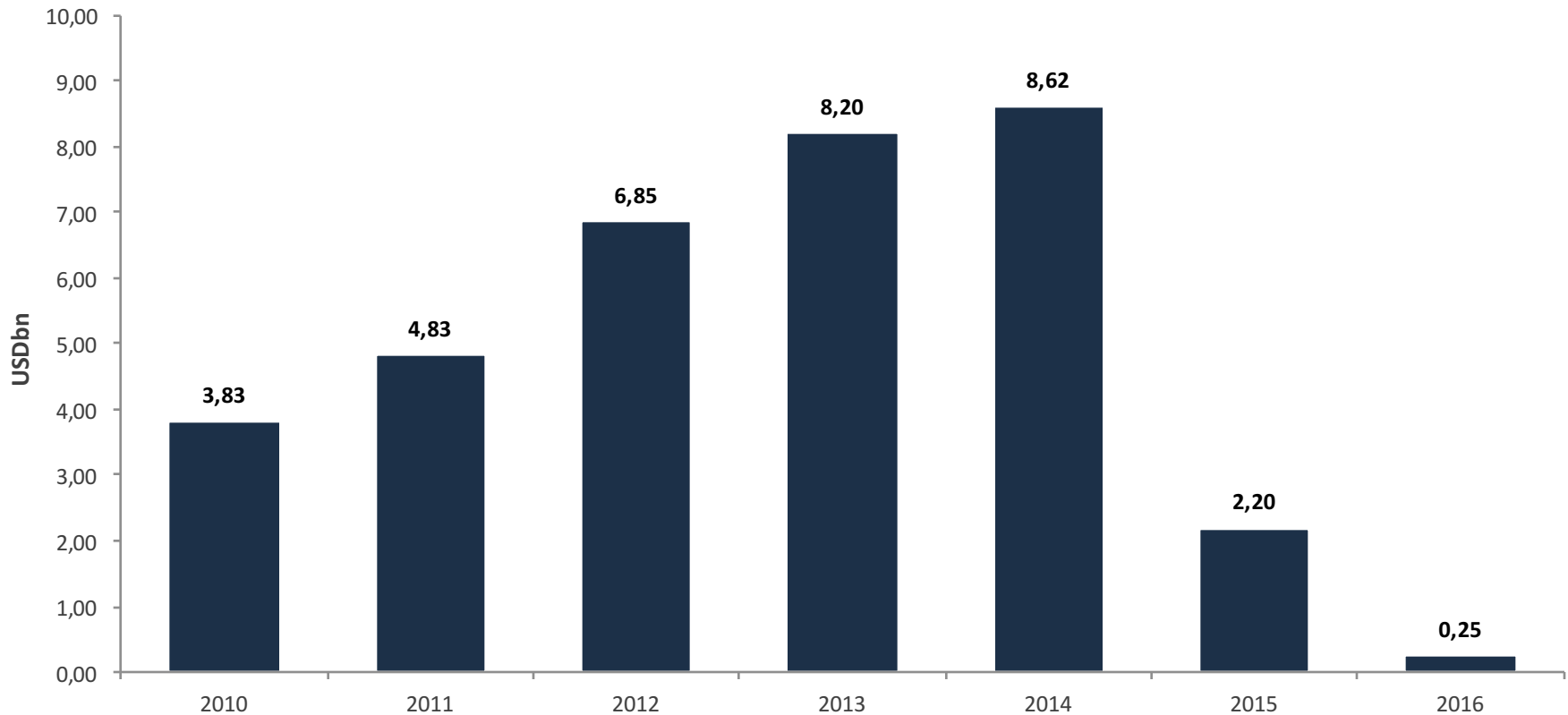


Lending to shipping is increasingly scarce, and there is a flight to quality

Source: SSB

Norwegian high yield bond market in energy and maritime industries

2010 – 2016 YTD: Volume issued in the Norwegian HY bond market

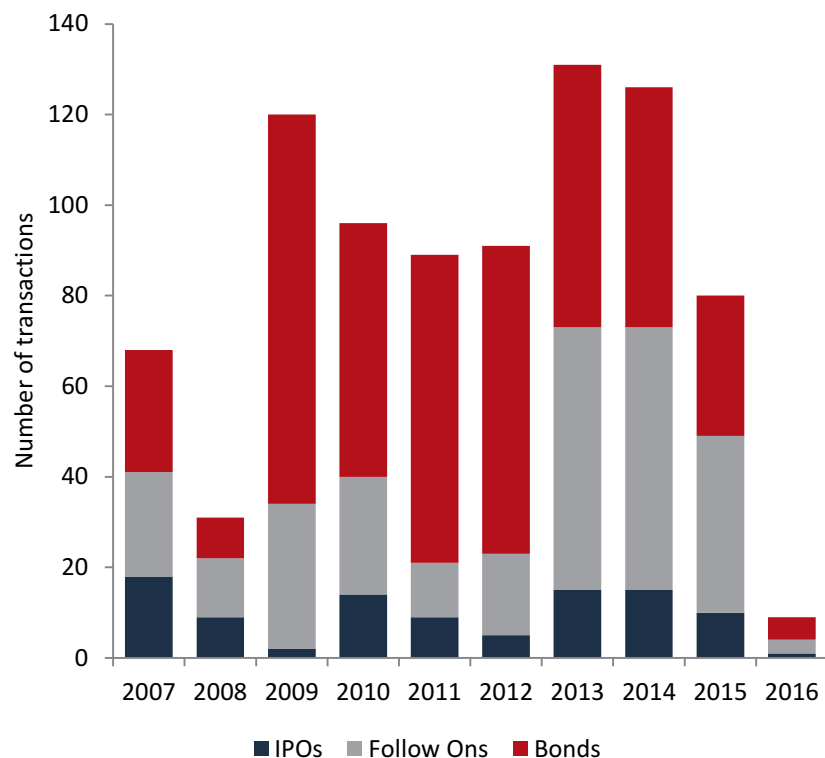


The Norwegian HY bond market sees far fewer new issues

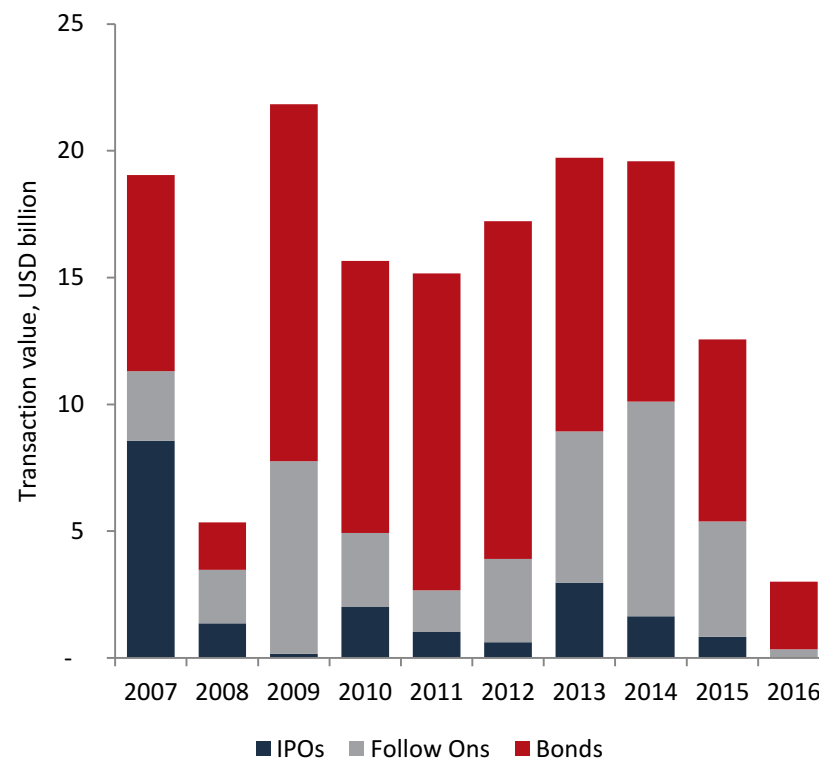
Source: Stamdata

Capital markets slowing down

Number of shipping transactions



Shipping capital markets transaction value

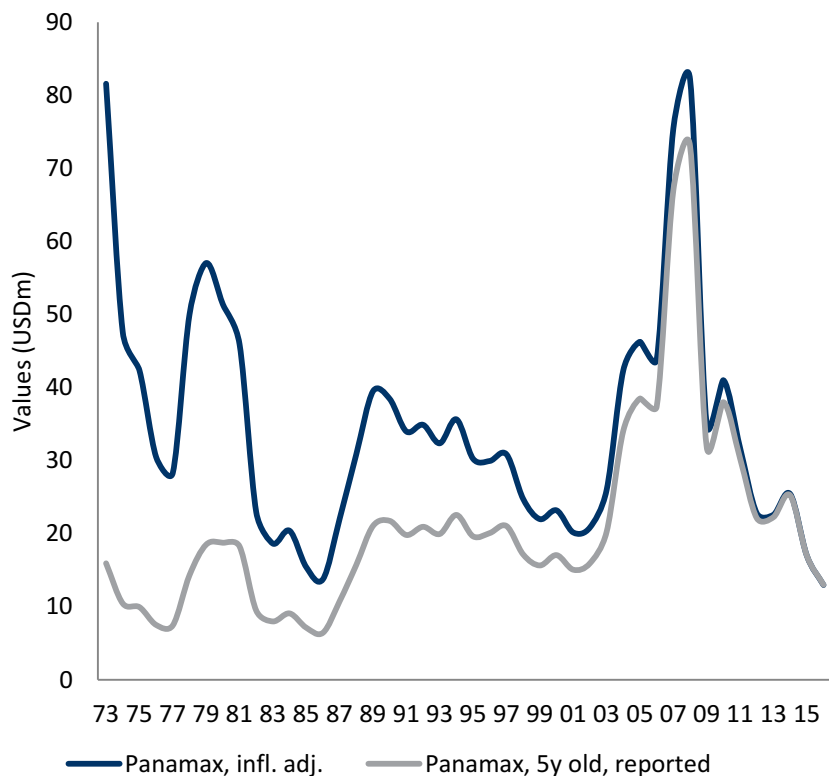


Capital markets activity back to 2008 levels

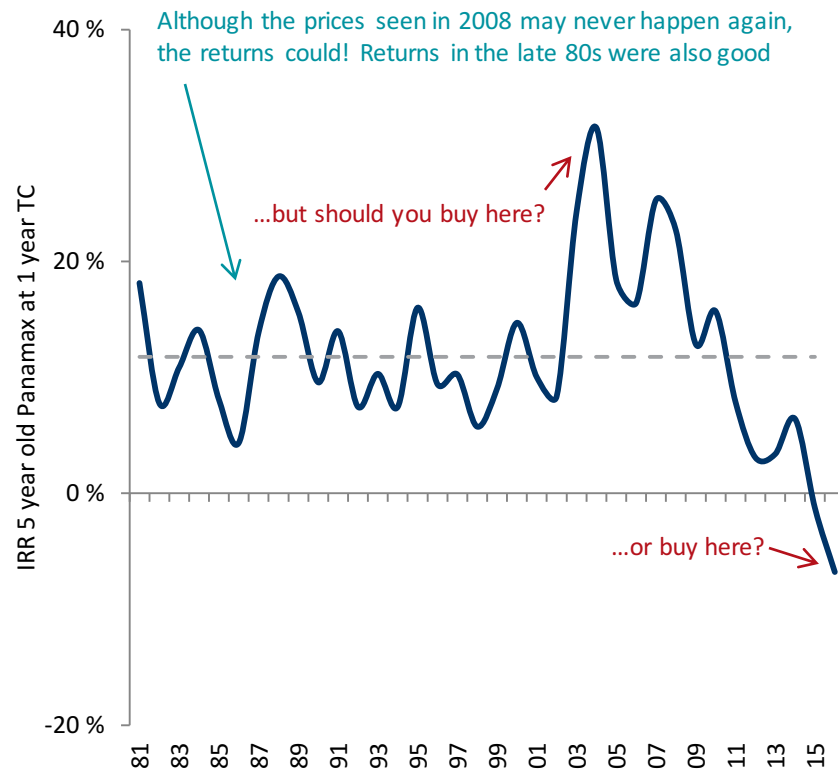
Source: Clarksons Research October 2015, Clarksons Platou Securities AS

Values in a cyclical perspective (40 years of history)

Asset values, 5 year old Panamax bulker



IRR for 5 year old ships with 1 year TC



Where do owners take risk, at peak with 80% debt financing?

Source: Clarksons Platou Securities

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