

State Of The Worldwide Cargo Market

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Cargo Committee

State of The Cargo Market

AGENDA

- **Key Trade Figures**
- **Underwriting Statistics**
- **War Risk Premiums in Malacca Straits**
- **Increasing Exposures For Cargo Underwriters**
- **Legislation**
- **Claims**

Key Trade Figures

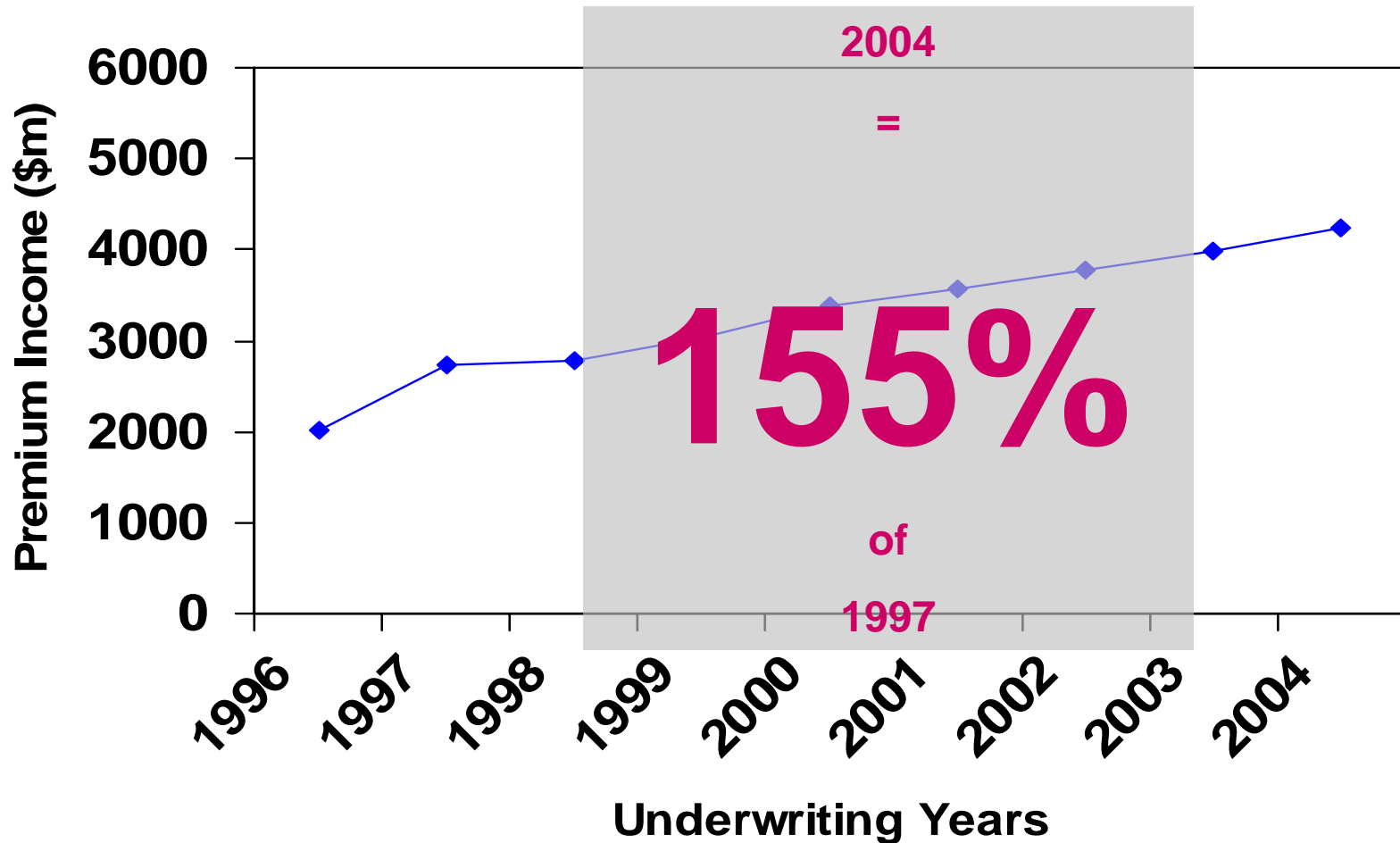
- **China Exports: US\$750 billion (+32%)**
 - (1995 – US\$149b)

- **USA Exports: US\$795 billion**
 - (1995 – US\$585b)

- **India Imports: +37% (US\$107 billion)**

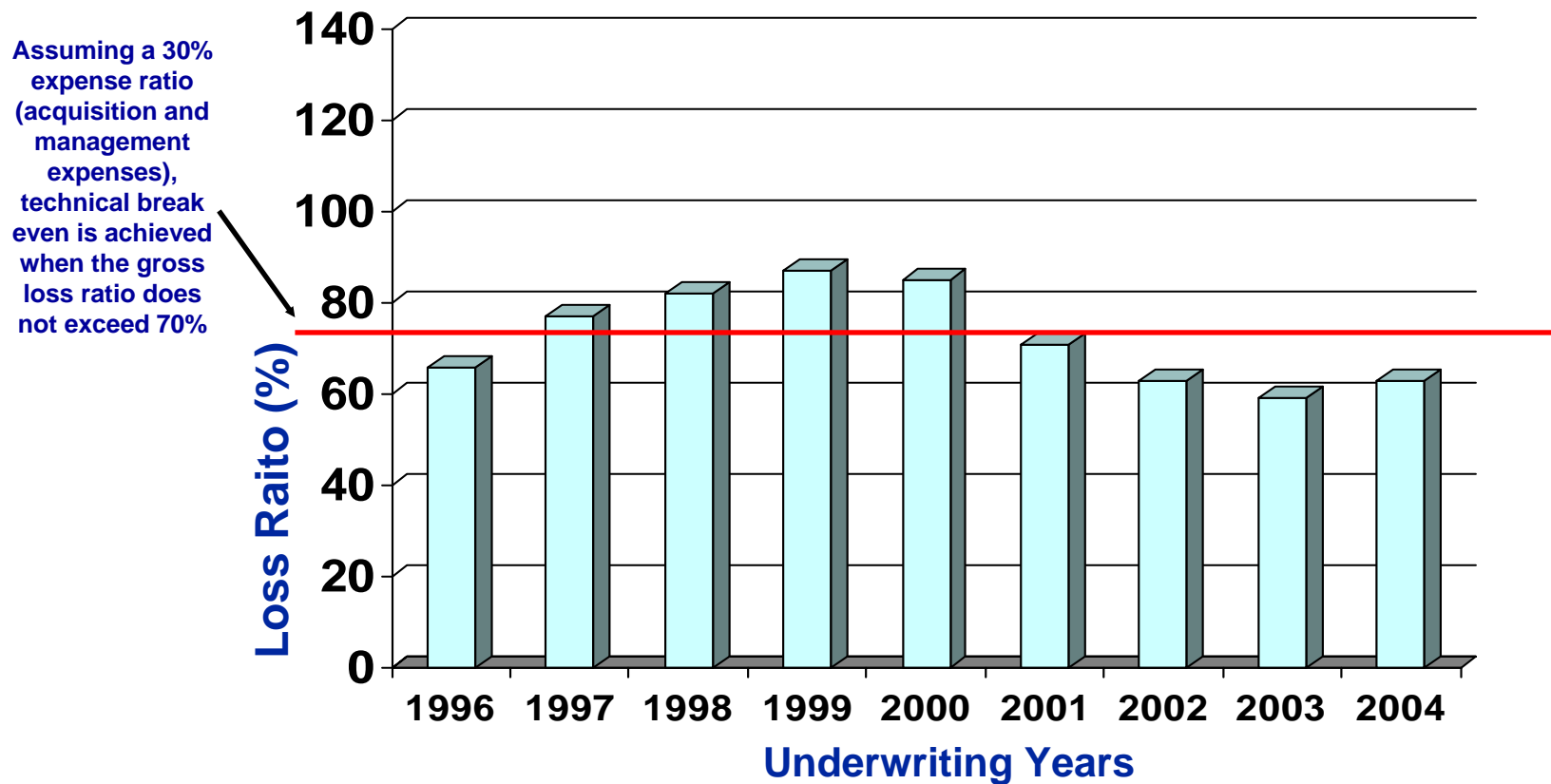
Underwriting Statistics

Global Marine Cargo Premium (US\$m) 1996 – 2004



Ultimate calculation based on figures of 8 Member Organisations:
Belgium, Chinese Taipei, France, Germany, Italy, UK Lloyds, UK IUA (7 for 1996 – No Germany)

Actual and Estimated towards Ultimate Gross Loss Ratio U/W Year 1996 to 2004



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Are We Under Valuing Our Product?



2 million barrel supertanker

Value of oil: US\$120m +

Freight (Middle East/N.Asia) @ Aug 05: US\$3,142,000

Cargo premium?

Below US\$2000 !!

Malacca Straits

Terrorist Threat?

**1.2 km at
narrowest
point**



50,000+ Vessels per year

50% of Worlds Crude Oil

33.3% of Global Trade

Increasing Exposures For Cargo Underwriters

Increasing Exposures



MSC PAMELA

9,200 TEU – Worlds Largest Containership

Legislation

- **TRIA – due to expire December 2005**
 - **Backstop extension not yet approved**

- **ISPS code**

Claims

- **Motor Vehicles Losses Continue To Plague Cargo Underwriters**

Claims



Hurricane Katrina

Claims



Hurricane Katrina

Claims

- **Motor Vehicles**
- **Specific Major Losses:**
 - **‘Selendang Ayu’**

Claims



Claims

- **Motor Vehicles**

- **Specific Major Losses:**
 - **‘Selengang Ayu’**
 - **An absolute disaster!**

Claims



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THANK YOU