



Facts and Figures Committee Report

Cedric CHARPENTIER
Chairman, F&F Committee
C.U.O. Cargo AXA Corporate Solutions
September 14, 2009

Report of the F&F Committee

Committee Members



- *Angelo Ansaldo* - Italy
- *Dieter Berg* - Germany
- *Cédric Charpentier* - France, **Chairman**
- *Darren Farr* - U.K.
- *Pamela Frood* - U.K.
- *Philip Graham* - U.K.
- *Patrizia Kern* - Switzerland
- *Henry Newman* - U.S.A.
- *Astrid Seltsmann* - Nordic, **Secr. and Vice Chairman**
- *Michel Van hoorickx* - Belgium

Report of the F&F Committee Documentation

- Spring Statistics (New !)
 - Hull, Energy and Cargo Fact Sheets
 - Global shipping market trends
 - Global marine insurance report
 - Major claims database:
- ✓ Spring meeting
 - ✓ Conference
 - ✓ Conference
 - ✓ Conference



Template



Contributors



Confidentiality



Publication





Global Shipping Market Trends

Prepared by Cédric CHARPENTIER

Chairman, F&F Committee

September 14, 2009

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

- World trade of goods down in volumes and even more in values
- Prices of raw materials going down
- 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 !

The New York Times

Monday, September 29, 2008
Last Update: 8:52 PM ET

BAILOUT FAILS; STOCKS PLUNGE

Dow Loses 777 Points After Vote

House Rejects Package, 228-205
By CARL WALSH and DAVID M. HERSHENHORST 8:44 PM ET

In a moment of historic drama in the Capitol and on Wall Street, the House of Representatives voted to reject a \$700 billion rescue of the financial industry.

• Roll Call | Comments
• Norris, September Surprise
• Back Story with The Times's David



What's News—

Business & Finance

The Bush administration on Monday rejected a \$700 billion rescue of the financial industry, a move that sent the Dow Jones Industrial Average plunging 777 points to 11,497.8.

Wells Fargo Eyes Wachovia; Crisis Hits European Banks



mortgage crisis recession
FINANCIAL CRISIS

DOLLAR revenue domino effect
unemployment reaching currency
Bank bailouts world-wide emergency loan
ANXIETY credit crunch **FINANCIAL MARKET**



Financial crisis

dollar weakens STOCK MARKET
Inflation early Profits
Downturn Confidence wobbles
slump

Economic disaster looms
SHARES WORTHLESS
Stocks tumble assets
anxiety deepens
survival in doubt
risk
RECESSION FORECAST

MONETARY POLICY
Global trends
fear grows
risk

announces trading loss
Pension funds dry up

key
Bull

Govt.

Govt.

THE WALL STREET JOURNAL
U.S. Bats Up Aids to Fight to Stop Crisis

the guardian
£50bn bid to save banks

Público
El Gobierno crea un 'superfondo' de ayuda a los bancos

LA VANGUARDIA
50.000 millones para las empresas

The Daily
Day of

DIARIO de Noticias
MALPARADO DUPLICA MAS ESTADO SEGURA DEPOSITOS

CORRIERE DELLA SERA
Supervertice sulla crisi

La Tribune
Immobilier : cette fois les prix baissent

LIDOVÉ
Zaruka za sklopu PLUS

Het PAROOL
Beurzen niet te houden

Morgunblaðið
FME tekur yfir stjórn Glitnis

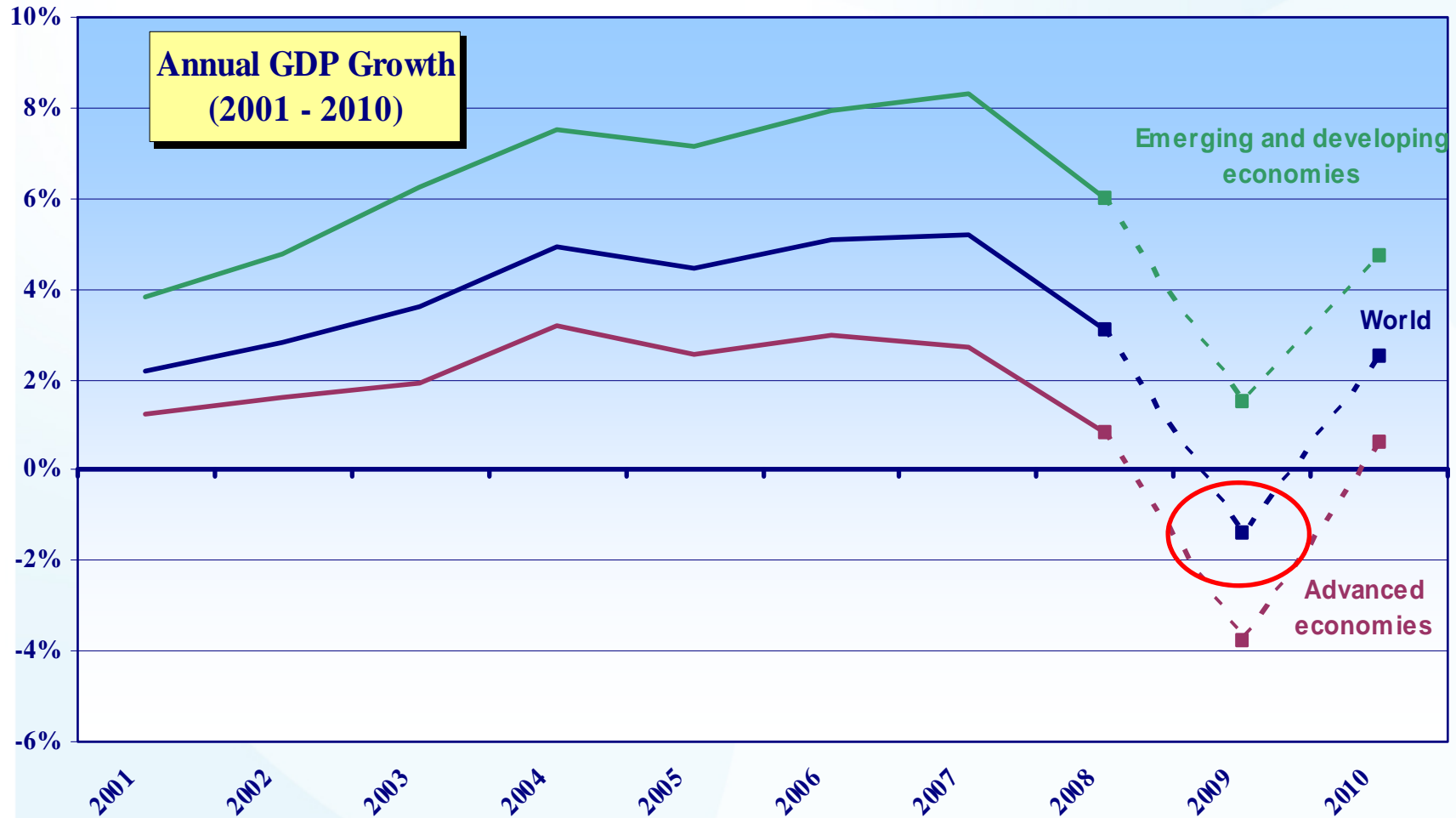
EL PAÍS
50.000 millones para apoyar a la banca

POLITIKEN
Sindsoyge bag tremmer i månedens

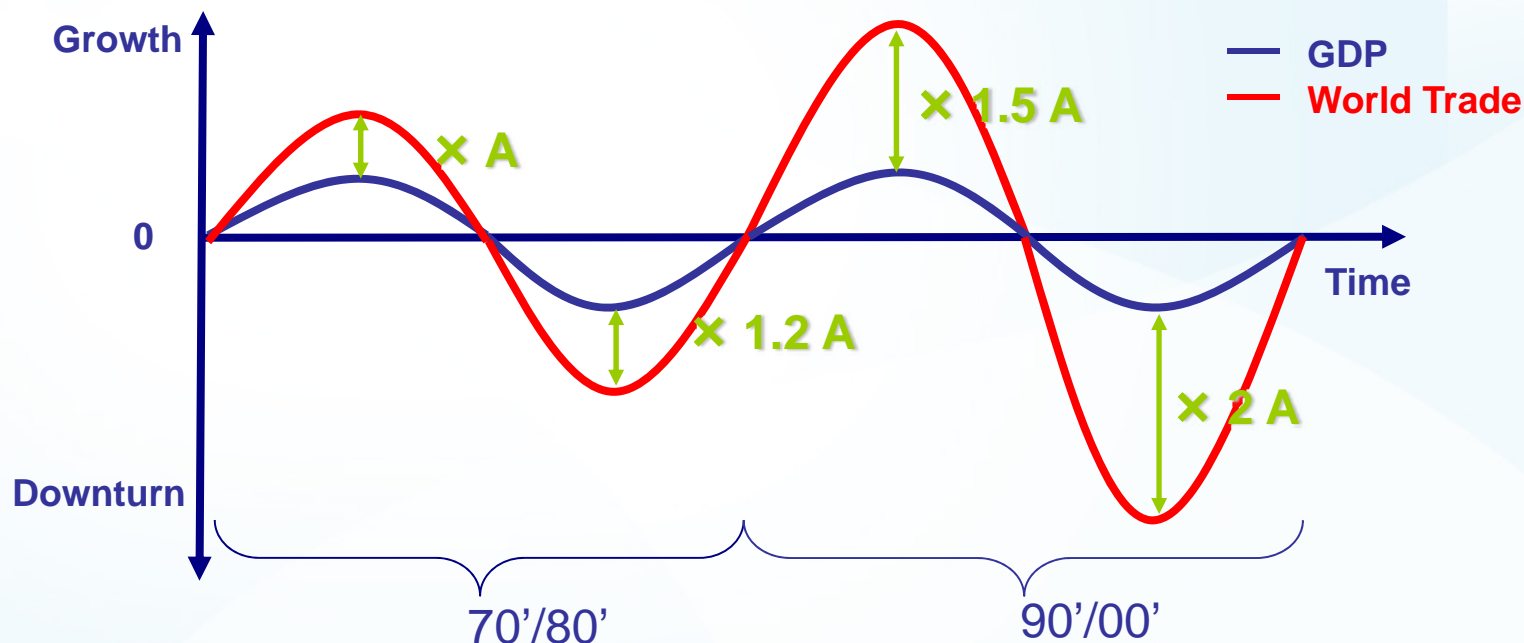


The world entered an unprecedented recession since WW-II, leading to a sudden collapse of Global Trade

Unprecedented recession but the worst of the slump may now be past

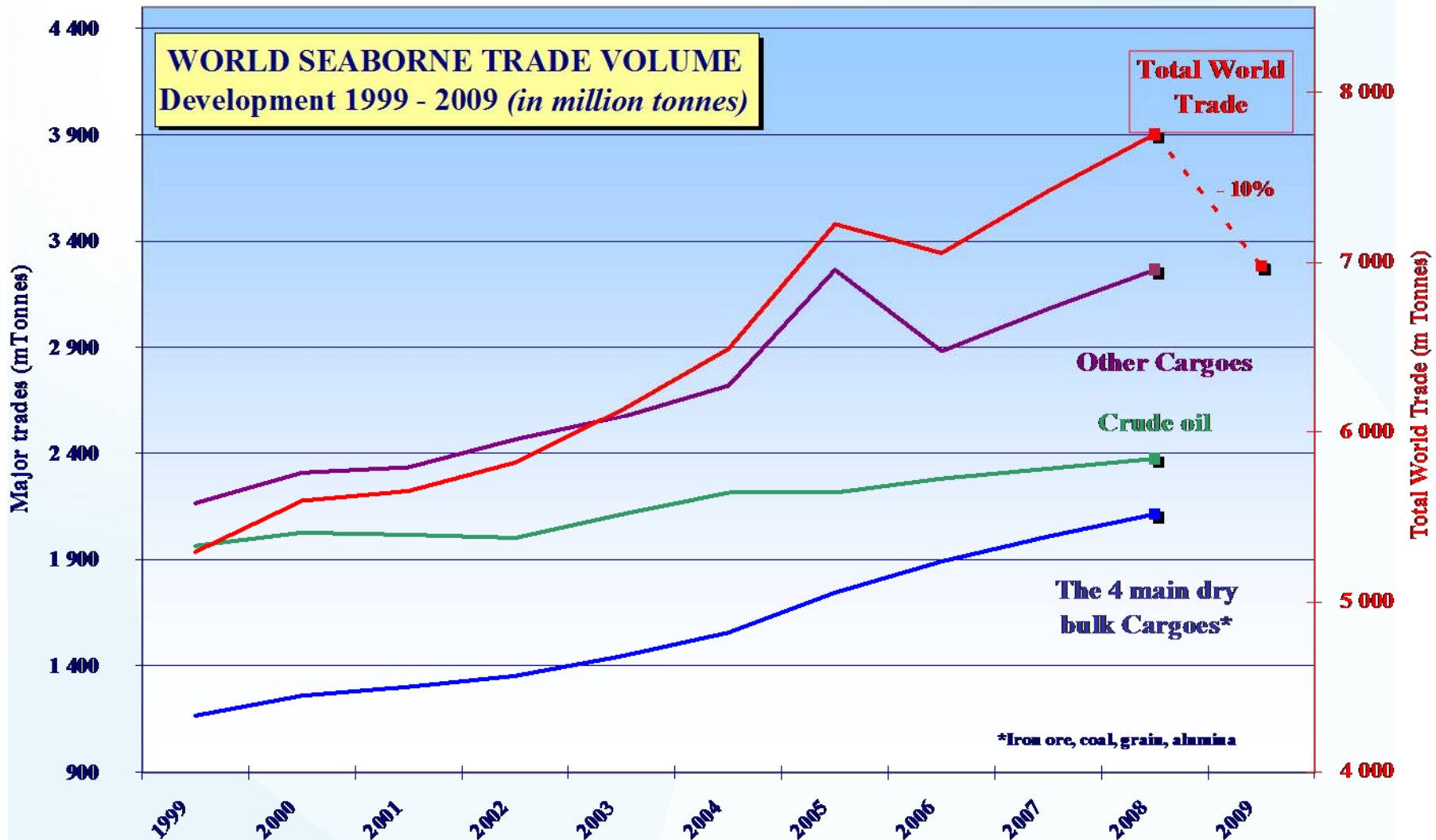


What impact on Global Trade ?

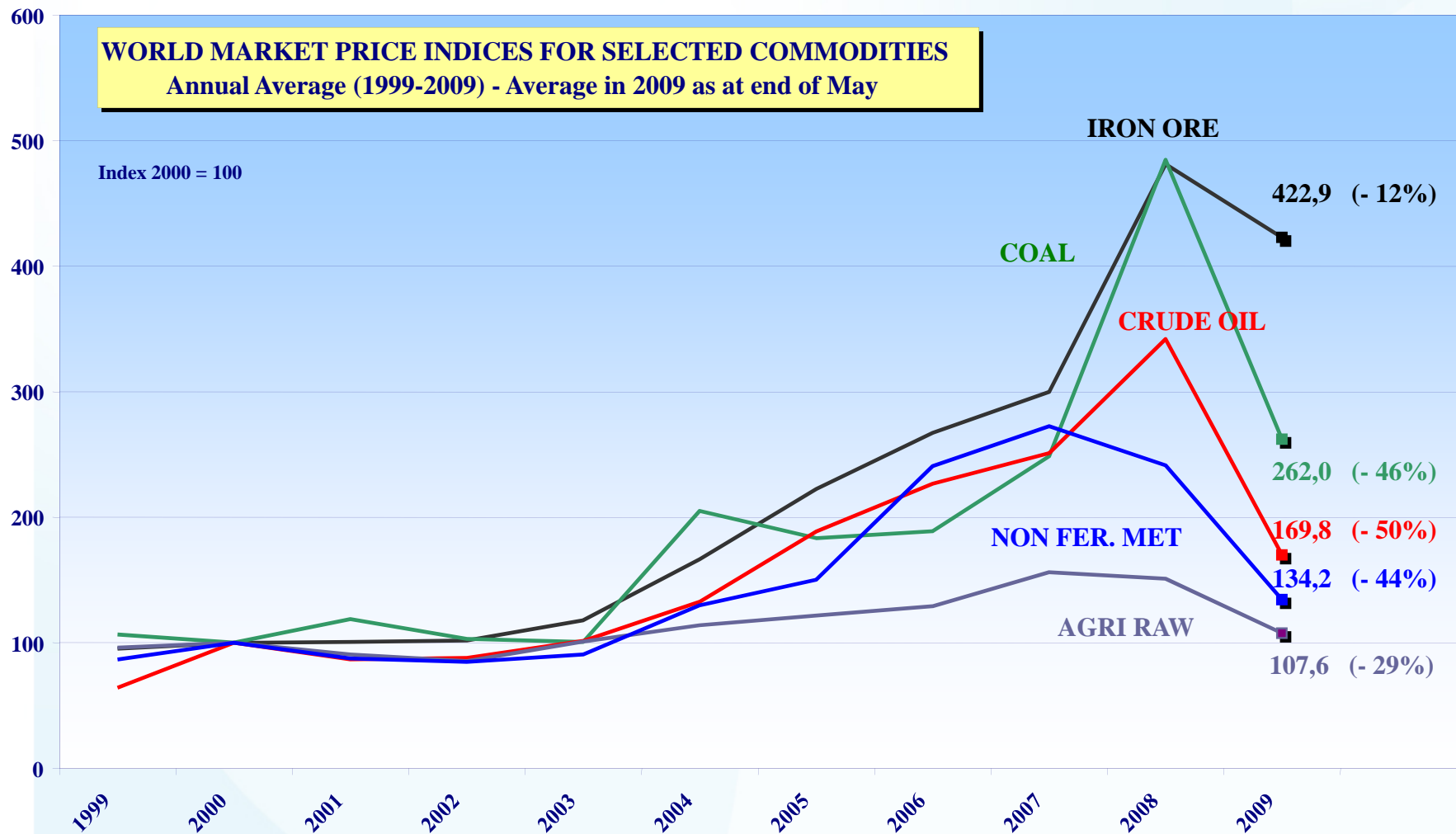


- Elasticity of Global Trade to GDP is clearly established by economists
- It increased significantly in the last decades due to fragmentation and outsourcing of production across countries.
- It is higher in downturns than in growth periods mainly due to :
 - Draw down of accumulated inventories
 - Protectionism
 - More local sourcing to avoid trust or financing problems...

So, as expected, a severe drop in world trade volumes...

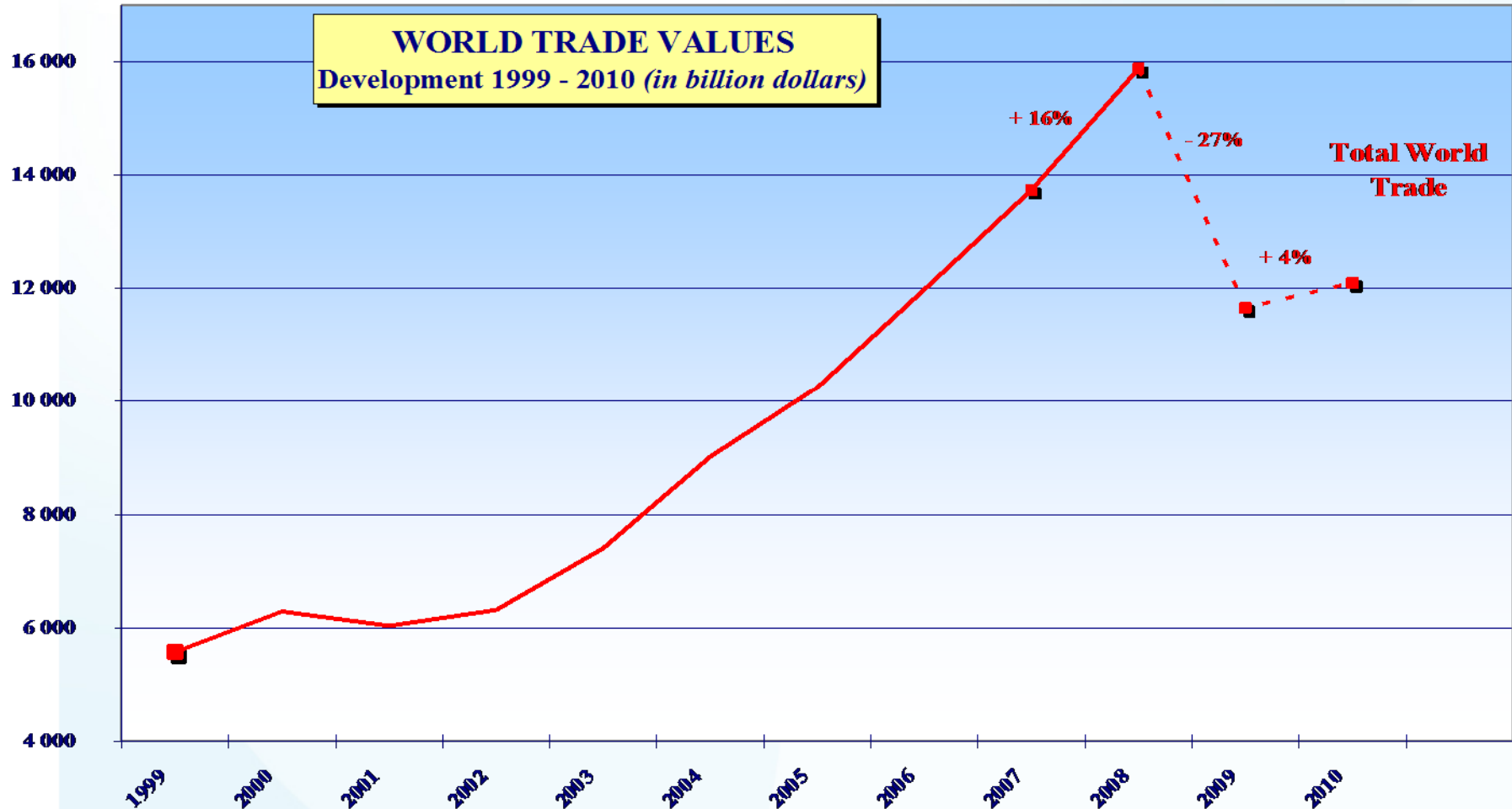


...combined with commodities prices tumbling...



... is leading to a collapse of world trade values.

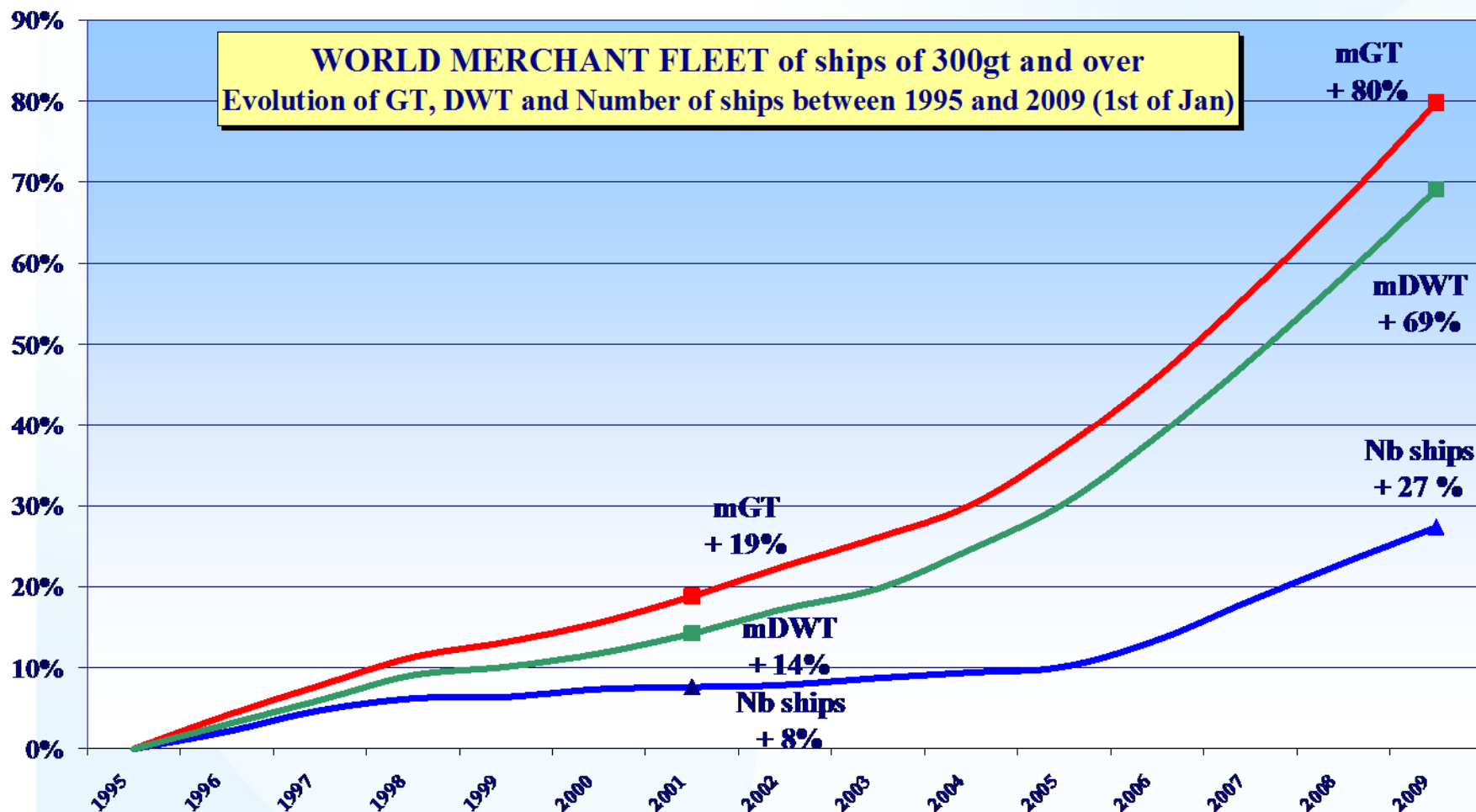
Total World Trade (bn\$)





Victim of their own success, shipping companies are already fighting for survival

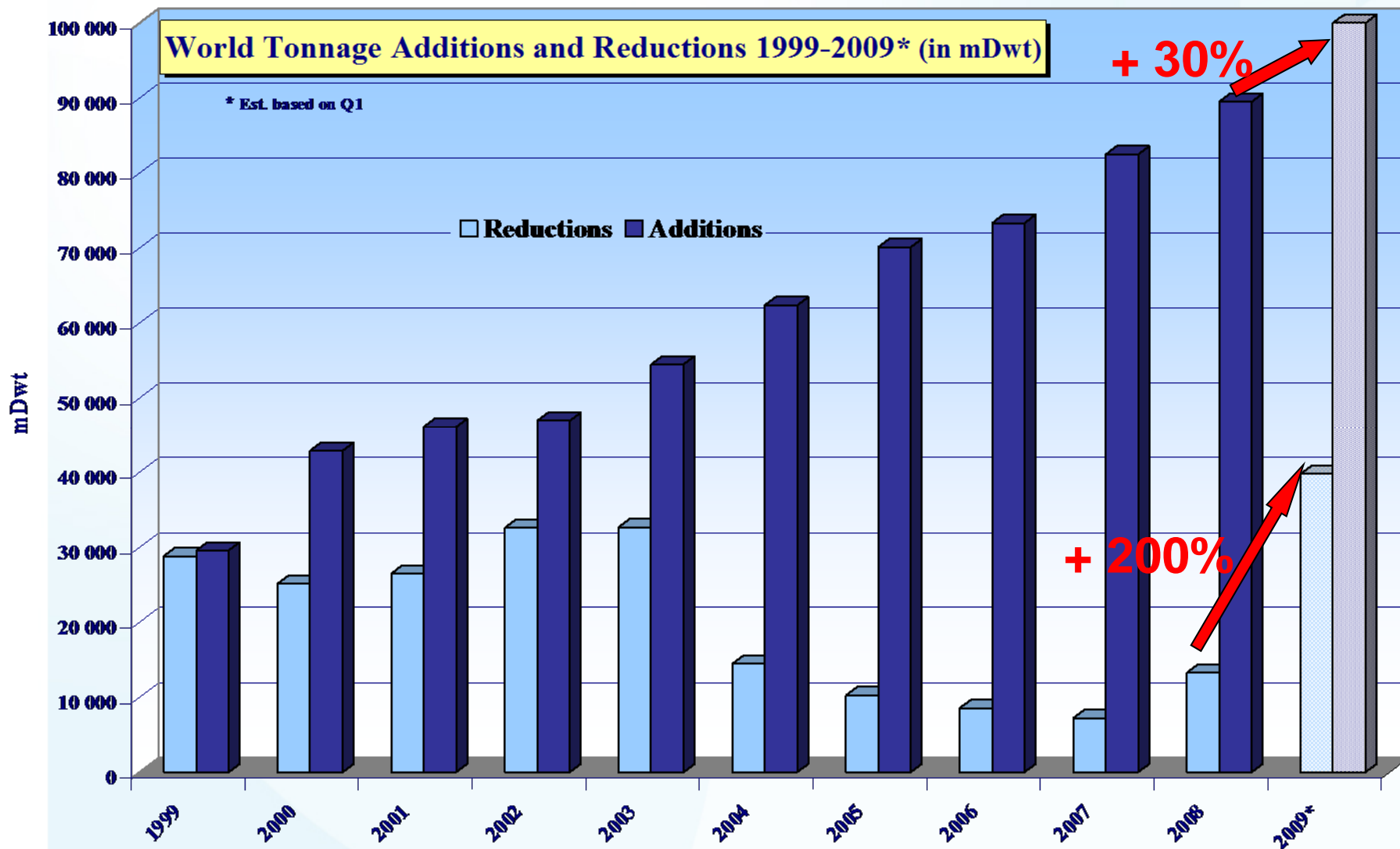
World transport capacity : “irrational exuberance”



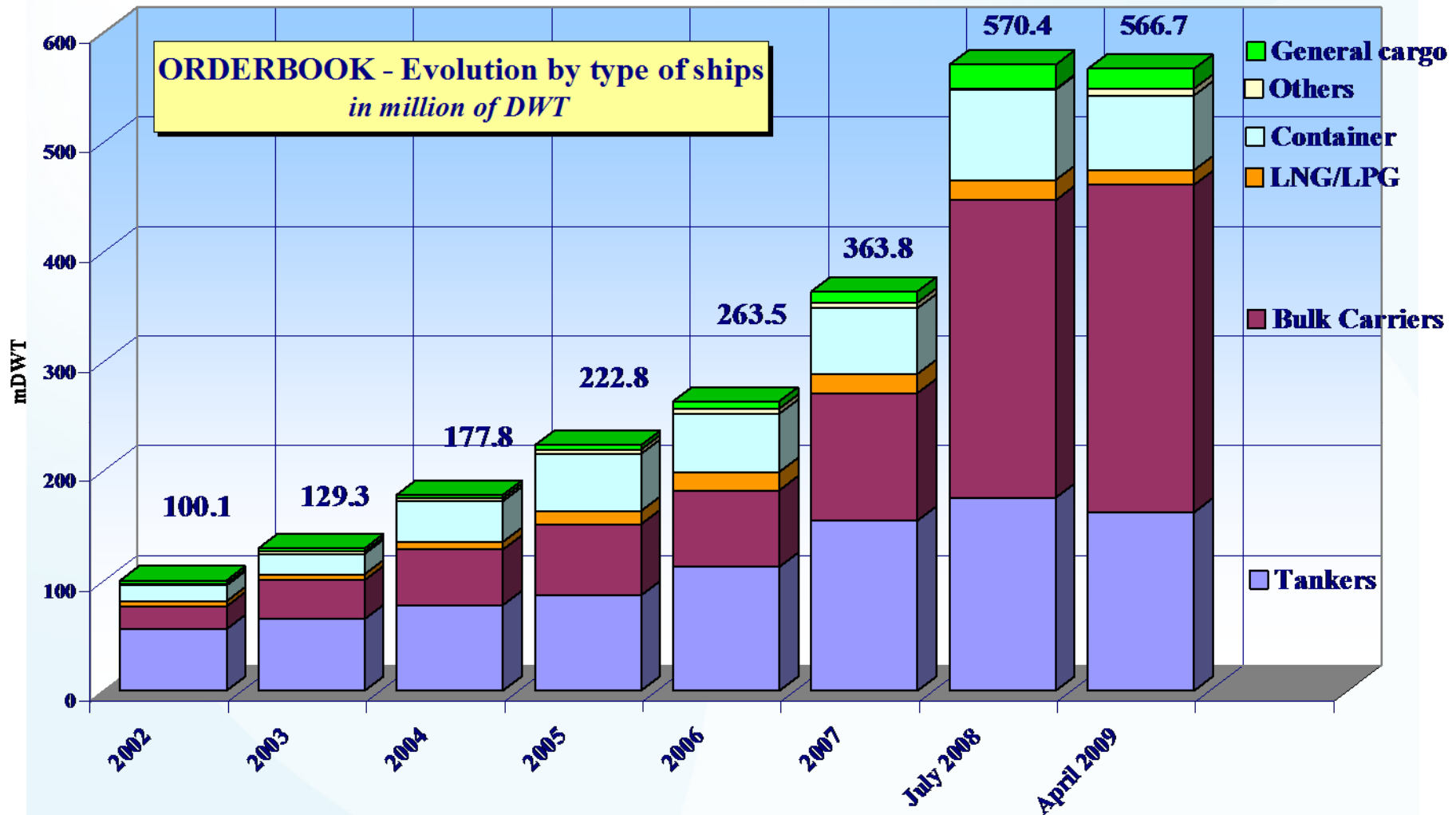
Oversupply of capacity and drop in oil prices leading to a collapse of freight rates



Shipowners reacting to reconcile transport capacity to global trade demand...



... but how long will be necessary?



Conclusion

- **Global trade:**
 - *2009 hit the bottom*
 - *2010 weak recovery*
- **Sustainable recovery?**
 - *still not clear where from and when*
- **Shipping industry:**
 - *fighting for survival with at least 2 year expected depressed market ahead*
 - *deep modification of the face of the world fleet expected*
 - *but medium and long term prospects are intact*
- **Numerous and deep impacts on the marine insurance industry**



Thank you for your attention

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