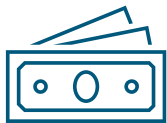


Container Shipping Market Overview & Outlook Q4 2023

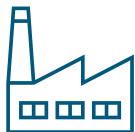
Highlights



Demand



The IMF forecasts that the **global economy will grow by 2.9% in 2024 and 3.2% in 2025** both 2023 and 2024. The US and China are expected to slow down significantly vs. 2023.



Global conditions for manufacturing remain weak. The **global manufacturing PMI has been below 50.0 for past eight months**, indicating slowing activity.



Retail sales in the EU and US have remained stable. In the US, **excess savings amassed during COVID are almost spent**, potentially hurting retail sales in 2024.

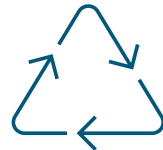


In the US, the inventory to sales ratio for most sectors are back to 2019 levels, **indicating that inventory adjustments may have come to an end**.

Supply



Contracting of new ships continues at a faster than normal pace and the order book remains near the record high. **Capacity delivered during 2024 and 2025 will reach 5.0 million TEU.**



Recycling of ships remains low. It is expected to gather momentum during 2024 and **720,000 TEU is forecast to be recycled during 2024 and 2025 combined.**



Supply will grow 6 pp faster than the fleet in 2023 due to lower congestion than in 2022. Panama Canal restrictions have so far not delayed container ships much.



Year to date, container ships have on average sailed 3.8% slower than in 2022. **In 2024, supply is forecast to grow 2 pp slower than fleet due to further speed reductions.**

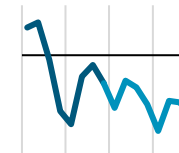
Supply/demand



The fleet is expected to grow 8.8% in 2024 and 6.4% in 2025. Due to lower congestion and slower sailing speed, **supply is forecast to grow 6.8% in 2024 and 6.4% in 2025.**



Growth in head-haul and regional trade volumes will recover. **We expect demand growth between 3% and 4% in 2024 and between 3.5% and 4.5% in 2025.**



The supply/demand balance will continue to weaken and freight rates, time charter rates, and second-hand prices will come under further pressure.