

# Container Shipping Market Overview & Outlook

## Market strength remains predicated on Red Sea reroutings



### Supply/demand



Ship supply is expected to grow on average **10.3% in 2024** and **5.3% in 2025**. After increasing in 2024, sailing speeds are expected to reduce in 2025.

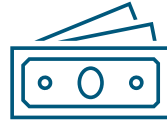


Rerouting via Cape of Good Hope could impact all of 2024. **Ship demand increases an estimated 15.0% in 2024** and **falls 5.0% in 2025** if ships return to the Suez Canal.

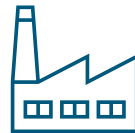


The supply/demand balance is expected to remain tight throughout **2024**. Weakening could begin during 2<sup>nd</sup> half of 2024 and will gather speed if ships return to the Suez Canal.

### Demand



According to the IMF, **the world economy will grow 3.2%** in 2024 and 2025. Of the world's five largest economies, only the EU will grow faster than in 2023.



**Global manufacturing PMI continues to indicate stability** as it hovers around 50. In China, PMI for new export orders have only broken 50 twice in the last 14 months.



**Retail sales in the US and EU remains stable**. US consumers continue to spend more and save less than before the pandemic. Expected lowering of interest rates could help consumers.

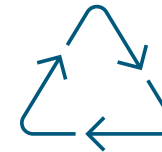


Attacks on ships in the Red Sea have forced nearly all container ships to sail around the Cape of Good Hope, **adding 10% to average sailing distances and ship demand**.

### Supply



Ship deliveries will hit a new record high in 2024, beating the record set in 2023. **The fleet is expected to grow 15.6%** between end 2023 and end 2025.



**Recycling is expected to remain low in 2024** as the Red Sea situation increases demand for ships but increase in 2025.



During past months, **congestion has increased in some transshipment hubs**. Failure to renew longshoremen contract for US east and gulf coast could cause disruptions.



The long sailing distances around the Cape of Good Hope has led to a slight increase in sailing speeds. **We expect average sailing speed to remain elevated during 2024 but fall in 2025**.