
Recession reports - Shipping industry recovery still long way off

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A Bunkerworld poll has revealed that many remain pessimistic about the prospects of the shipping industry over the next few years. Despite increasing reports in recent weeks that the global economy is in recovery, 40% of the poll's respondents believe that the shipping industry has not even reached the market bottom.

Answering the poll's question of when the shipping industry might return to its glory days pre 2008 in terms of freight volumes and new orders, this 40% of respondents did not expect a recovery until between 2012 and end of 2015. 42% said that the shipping industry would need four years to recover from last year's downturn with a revival between 2011 and 2012.

Analysts have said that the main pressure on shipping at present is an oversupply of tonnage in relation to significantly weakened trade demands, a situation that could get worse over the next few years due to newbuilding deliveries.

Ship brokers tell Bunkerworld that the shipping industry should not be surprised that it will take at least a few years before ship operators are able to stay consistently in the black.

Dr Helmut Sohmen chairman of BW Group said that "some now look at the global economic problems as the cause of the shipping crisis, but the truth is that even without a global crisis we were building more ships than we were likely to need. The reason is simple. Tonnage supply will always outrun demand as ships can be built even faster."

Meanwhile, 12% of the Bunkerworld poll respondents think that the industry will recover to its pre 2008 glory days by the end of 2010 as the global economy is already in recovery.

(Sourced from www.bunkerworld.com)

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