
Shipping industry daunted by massive order book - Report

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According to Allied Shipbroking's latest weekly report, the global order book for all ship types equals to more than 4,800 vessels, with expected deliveries from 2009 and up to 2012. During this year, there are expected deliveries of 690 dry bulk vessels, with their numbers almost doubling at 1,273 in 2010, before dropping to 940 in 2011 and even lower at 345 in 2012.

As far as tankers are concerned, owners are expected to accept deliveries of 508 in 2009, 600 in 2010, 400 in 2011 and just 56 in 2012. As for particular vessel types, a record 146 capsizes will be added this year, equal to 28% of the fleet, according to Fearnley Consultants A/S.

Last week, National Bank of Greece predicted that new building cancellations will reach about 40% of the total order book, which means that 100 million DWT will never reach the water. This, coupled with an estimated 70 million DWT of scrapping of older tonnage, could allow for a gradual recovery of dry bulk usage, close to the 10 year average of 87% of available hiring days. Should this scenario come through, dry bulk rates will drop below 2,000 points during 2010 and recover higher than 3,000 points during 2011, which could be deemed as very satisfactory, should one consider the current imbalance in the market.

According to Lloyd's Register Fairplay, the biggest ever order book for new carriers may hurt profits at shipping lines while providing higher returns for traders. Rates for capsizes have fluctuated more than 50% in seven of the past eight years. Earlier this month, BIMCO said that the global fleet has already grown by 4.2% this year. Expected increase in gross dry bulk ship supply was scheduled to be 71.3 million DWT, equal to 17% of active dry cargo fleet. In terms of tonnage, the total bulk fleet still to come on stream so far in 2009 exceeds that of 2008 as a whole. On top of the tonnage already delivered, 46.1 million DWT over the next 5 months is due to leave the yards and enter into the active fleet.

BIMCO said that "The monthly average of delivered tonnage in the first seven months of 2009 was 3.5 million DWT. That average figure has to go up to 9 million DWT during the last 5 months if the total scheduled order book is to be delivered before year end. Tendencies to some delays have materialized, but can still be considered insignificant. The delayed tonnage has been added on to the remaining deliveries to calculate the monthly average."

(Sourced from Hellenic Shipping News)

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