Agenda

1. Recent developments
2. Demand drivers
3. Supply outlook
4. Conclusions
1. Recent Developments
2. Demand Drivers
3. Supply Outlook
4. Conclusions
Rates & Prices
Sustained improvements but some vessel segments benefit more

**Freight Rates**
- Baltic Dirty Tanker Index
- Baltic Clean Tanker Index

**Time Charter Rates**
- Crude tanker 1-year time charter index
- Product tanker 1-year time charter index

**Asset Prices**
- Crude tanker newbuilding price index
- Product tanker newbuilding price index
- Crude second-hand (5-yr old)/newbuilding price ratio
- Product second-hand (5-yr old)/newbuilding price ratio

Source: BIMCO, Clarkson Shipping Intelligence Network

Container Market Overview and Outlook
Dirty Tanker Demand
China has been a disappointment while recovery seen elsewhere

Deadweight Tonne Demand
- Deadweight tonne miles
- Deadweight tonne days

DWT Tonne Miles - Top Origins
- Persian Gulf
- Gulf of Mexico
- West Africa

DWT Tonne Miles - Top Destinations
- China
- Japan/South Korea
- India/Pakistan

Source: Signal Ocean
Clean Tanker Demand
Europe emerges as a key area for demand growth

Deadweight Tonne Demand
- Deadweight tonne miles
- Deadweight tonne days

DWT Tonne Miles - Top Origins
- Persian Gulf
- US Gulf/Mexico
- UK/Cont

DWT Tonne Miles - Top Destinations
- Japan/South Korea
- Southeast Asia
- UK/Cont

Source: Signal Ocean

Container Market Overview and Outlook
1. Recent Developments
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World Economy
Growth prospects lowered once more and further risks remain

Key Areas GDP Forecast, y/y

<table>
<thead>
<tr>
<th>Region</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Euro Area</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>3.3%</td>
<td>4.6%</td>
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<tr>
<td>Far East excl. China</td>
<td>1.6%</td>
<td>1.5%</td>
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</tbody>
</table>

Source: IMF

World GDP Forecast

- World (worst case)
- World (base line)
- Advanced economies
- Emerging market and developing economies

Source: IMF
Crude & Fuel Prices

Crude prices expected to dip below $100/barrel, but not by much

![Crude Oil Prices Chart](source: U.S. Energy Information Administration)

![US Liquid Fuels Prices Chart](source: U.S. Energy Information Administration)
Production & Consumption
Global production to increase 1.2% in 2023 and exceed 2019 by 1.1%

World Liquid Fuels Production and Consumption

Implied Stock Development

Source: EIA, STEO August 2022
Crude Production and Consumption

Only top 3 consumption areas will consume more than in 2019

Changes in Production - 2023 vs. 2021, mbpd

- OPEC Countries: 2.9
- North America: 2.8
- Eurasia: -1.4
- Latin America: 0.7
- Other Non-OPEC: 0.6
- World Total: 5.7

Source: EIA, STEO May 2022

Changes in Consumption - 2023 vs. 2021

- China: 0.8
- United States: 1.0
- India: 0.6
- Middle East: 0.8
- Other OECD: 0.4
- Other non-OECD: 0.6
- World Total: 4.1

Source: EIA, STEO May 2022
Russia/Ukraine
EU ban on Russia to add 5% to tonne miles as average haul increases

EU Oil and Oil Products Import Mix

- Other countries: 9%
- Banned seaborne: 2%
- Banned overland/pipeline: 21%
- Dispensation overland/pipeline: 14%

Source: Tradeviews

Russia Exports to China/India

- Dirty Tonne miles - China/India share
- Clean Tonne miles - China/India share

Source: Signal Ocean
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Sailing Speed
Crude carriers’ ballast speed has not reacted much to market upturn

Source: Signal Ocean

Sailing Speed - 125k-550k Deadweight

Source: Signal Ocean

Sailing Speed - 25k-125k Deadweight

Source: Signal Ocean
Crude Tanker Fleet Development
High 2022 deliveries reduce orderbook to 2.5% of fleet by end 2022

Contracting, DWT m
- Contracted
- Forecasted contracting

Deliveries & Demolition, DWT m
- Delivered
- Demolished
- Deliveries from orderbook
- Forecasted demolition

Source: BIMCO, Clarkson Shipping Intelligence Network
Crude Tanker Fleet Size
VLCCs dominate deliveries and fleet growth

Fleet, DWT m

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<th>Jan-20</th>
<th>Jan-21</th>
<th>Jan-22</th>
<th>Jan-23</th>
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<tr>
<td>Fleet</td>
<td>414.8</td>
<td>428.3</td>
<td>434.9</td>
<td>458.6</td>
<td>466.6</td>
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<td>y/y growth</td>
<td>6.5%</td>
<td>3.3%</td>
<td>1.5%</td>
<td>5.4%</td>
<td>1.7%</td>
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Source: BIMCO, Clarkson Shipping Intelligence Network

Fleet Growth, DWT m

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<th></th>
<th>Jan-22</th>
<th>Jan-23</th>
<th>Jan-24</th>
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<tr>
<td>Panamax</td>
<td>434.9</td>
<td>434.9</td>
<td>466.4</td>
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<td>Aframax</td>
<td>0.1</td>
<td>3.2</td>
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<td>Suezmax</td>
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<tr>
<td>VLCC</td>
<td>6.5</td>
<td>3.3</td>
<td>1.5</td>
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</tbody>
</table>

Source: BIMCO, Clarkson Shipping Intelligence Network
Product Tanker Fleet Development

The orderbook is expected to remain about 5.0% of fleet

Contracting, DWT m

- Contracted
- Forecasted contracting

Deliveries & Demolition, DWT m

- Delivered
- Demolished
- Forecasted demolition

Source: BIMCO, Clarkson Shipping Intelligence Network

Container Market Overview and Outlook

13 September 2022
Product Tanker Fleet Size
MRs and LRs continue to be drivers of fleet growth

Fleet, DWT m
- Fleet
- y/y growth

Jan-20: 169.8, 4.8%
Jan-21: 174.0, 2.4%
Jan-22: 177.6, 2.1%
Jan-23: 179.4, 1.0%
Jan-24: 181.1, 0.9%

Source: BIMCO, Clarkson Shipping Intelligence Network

Fleet Growth, DWT m

- Handy: -1.7
- MR: 2.2
- LR1: -0.1
- LR2: 3.1

Jan-22: 177.6
Jan-24: 181.1

Source: BIMCO, Clarkson Shipping Intelligence Network

Container Market Overview and Outlook
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Conclusions
Rise in demand and tonne miles to secure sustained tanker recovery

- So far this year, The Baltic Exchange Dirty Tanker Index (BDTI) has on average been 86% higher than during 2021 and The Baltic Exchange Clean Tanker Index (BCTI) has on average been 113% higher.

- The IMF has lowered its global economic growth forecast to 3.2% for 2022 and 2.9% for 2023, and highlights that the risk of a global recession has increased.

- Year-to-date dirty tanker tonne miles have on average been 5.1% higher than the 2021 full-year average, whereas clean tanker tonne miles are up 2.9%.

- We estimate demand growth to approach 5% in 2022 and 2023 for both markets. Solid production and consumption increases drive 2022, while increased sailing distances due to the EU’s ban on Russian oil and oil products will provide most support in 2023.

- Contracting has remained low, and the order book has reduced to 4.7% and 5.4% of the crude and product tanker fleet sizes respectively.

- The crude fleet is expected to grow by 5.4% in 2022 and by 1.7% in 2023, whereas product tanker fleet growth is forecast at only 1.0% in 2022 and 0.9% in 2023. Capacity supply in both segments is expected to grow slower than the fleet during 2023 and may even drop by 2-3% compared to 2022 due to reductions in sailing speed arising from EEXI, CII, and ETS implementation.

- Overall, we expect further and solid improvements for both tanker markets in 2023 although headwinds for the global economy remain a risk.
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