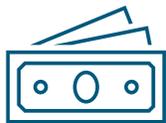


# Container Shipping Market Overview & Outlook Q3 2023

## Highlights



### Demand



The IMF forecasts that the **global economy will grow by 3.0% in both 2023 and 2024**, significantly slower than the 3.7% average growth rate in the 2010s.



Global conditions for manufacturing are challenging. The **global manufacturing PMI has been below 50.0 for nine of the last ten months**, indicating slowing activity.



Retail sales in the EU and US are only slightly down from the COVID peak. In the US, **excess savings amassed during COVID are almost spent**, potentially hurting future retail sales.



In the US, the inventory to sales ratio remains above COVID level for manufacturing and wholesale sectors, **indicating possible need to still shed inventory**.

### Supply



Contracting of new ships continues at a faster than normal pace and the order book remains near the record high. **Capacity delivered during 2023 and 2024 will reach 5.0 million TEU**.



Recycling of ships remains low. It is expected to gather momentum during 2024 and **725,000 TEU is forecast to be recycled during 2023 and 2024 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 2023, container ships have on average sailed 3.5% slower than in 2022. **Supply is expected to grow 3 and 5 pp slower than the fleet in 2023 and 2024**.

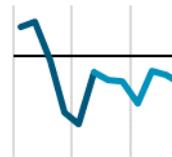
### Supply/demand



The fleet is expected to grow 7.9% in 2023 and 7.8% in 2024. Due to lower congestion and slower sailing speed, **supply is forecast to grow 10.9% in 2023 and 2.8% in 2024**.



Recovery of growth in head-haul and regional trade volumes has been slow in 2023. **We expect demand growth between 0% and 1% in 2023 and between 3.5% and 4.5% in 2024**.



Despite a slight improvement in 2024, **the supply/demand balance will remain weak and freight rates, time charter rates, and second-hand ship prices will remain under pressure**.