

Dry Bulk Shipping Market Overview & Outlook

Normalisation of ship routings could cool dry bulk market



Supply/demand



Supply is forecast to grow 2.5% in 2024 and 2.0% in 2025. Supply growth is slowing due to lower deliveries



Demand is forecast to grow 3.0% in 2024 and stabilise in 2025. Sailing distances have lengthened due to the rerouting away from the Red Sea and Panama Canal.



The supply/demand balance should strengthen in 2024, but weaken in 2025, as ships return to the Red Sea and Panama Canal, shortening sailing distances.

Demand



According to the IMF, **Global GDP is forecast to grow by 3.2% in both 2024 and 2025.** Inflation has cooled, which should allow a gradual easing of interest rates.



Iron ore shipments are estimated to grow 2.5% from 2023 to 2025. China may experience low domestic steel demand, but stronger demand abroad.



Coal shipments are forecast to fall by 4.0% between 2023 and 2025. Fast growth in domestic mining in India and increased renewable electricity production could curb demand.

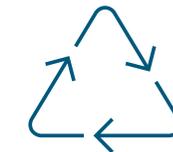


Between 2023 and 2025, grain shipments are forecast to increase by 3.5%. Grain supply has stabilised since the start of the war in Ukraine.

Supply



The fleet is expected to grow 4.9% between end 2023 and end 2025. That is the slowest it has grown since 2016.



Ship recycling is expected to stay low. However, it may gradually increase from the start of 2025, due to a comparatively weaker market.



Sailing speed could fall by 1.0% between 2024 and 2025. After a couple of years when speed fell significantly, it is now starting to stabilise at current levels.



A reduction in congestion could lead to a 0.5% increase in supply in 2024. It has notably improved in Brazil due to smaller grain harvest.