

Multipurpose shipping market to strengthen on growing demand

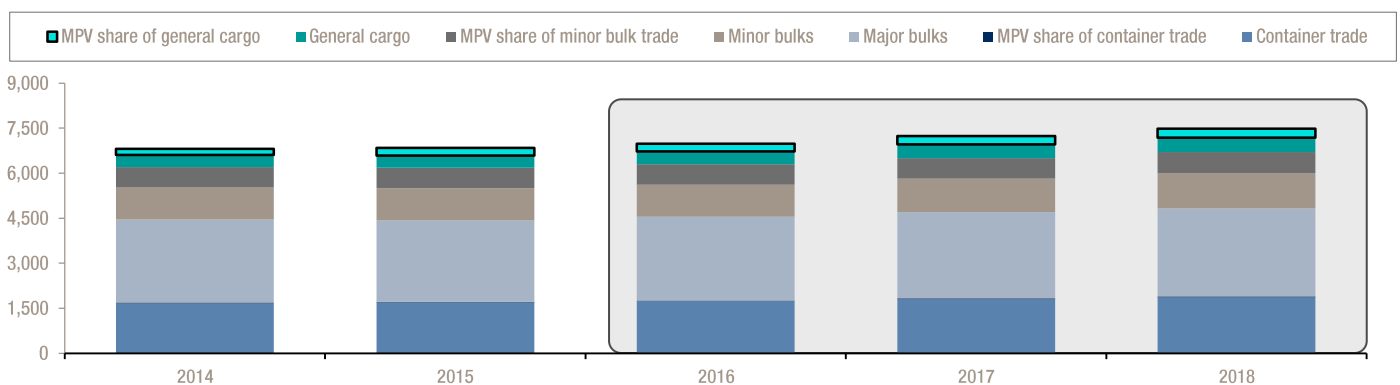
London, UK, 26 June 2017 – Many key drivers for dry cargo demand have reported a significant uptick in 2017, resulting in improving conditions for all vessels in the multipurpose shipping sector, according to the latest *Multipurpose Shipping Market Review and Forecast* report published by global shipping consultancy Drewry.

This year started out well with most demand drivers for the breakbulk sector strengthening from the lowest levels seen in 2016 with the trend forecast to continue in the medium term at least. The exception is the price of oil for which forecasts suggest is unlikely to rise over \$55 a barrel for the next few years. Whether that is sufficient to rekindle investors' interests or not remains a moot point.

The demand for breakbulk commodities and project cargo comes from a wide variety of sources. So it is affected by drivers ranging from crude steel production and oil prices to global GDP and investor confidence, with some being more tangible than the others. Some of these drivers are also a lot more affected by political influences and outside events.

However, there are already signs that the improvement in the competing sectors of bulk carriers and container ships has led to an increase in the market share for project carriers. Some container lines have declared a lessening interest in the more problematic cargoes that these ships are suited to carry. Adding this to a fleet that is largely stagnant - or rather the 'simple' multipurpose fleet is declining at about 2% per annum whilst the project carriers with lift capability greater than 100ts are growing at 3% per annum – and this gives an overall fleet growth of just 0.2% per annum for the medium term.

Development of MPV market share (million tonnes)



Source: Drewry Maritime Research



“Whilst we believe that 2017 will be slow, the prospects for the second half of the year and into 2018 continue to strengthen and give rise to our optimism for this sector,” comments Susan Oatway, lead analyst for multipurpose shipping at Drewry.

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“**Multipurpose Shipping Market Review and Forecaster**” is a quarterly report published by Drewry Maritime Research and is priced at £2,340 for an annual subscription.

The report is available from the Drewry website www.drewry.co.uk.

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Drewry has a truly global perspective of the maritime sectors and areas of expertise it covers and employs over 100 professionals across an international network of offices in London, Delhi, Singapore and Shanghai.

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