



CLARKSONS

Dry Bulk

Fleet Dynamics : Can the ageing bulker fleet keep pace with Pilbara Ports' green record?

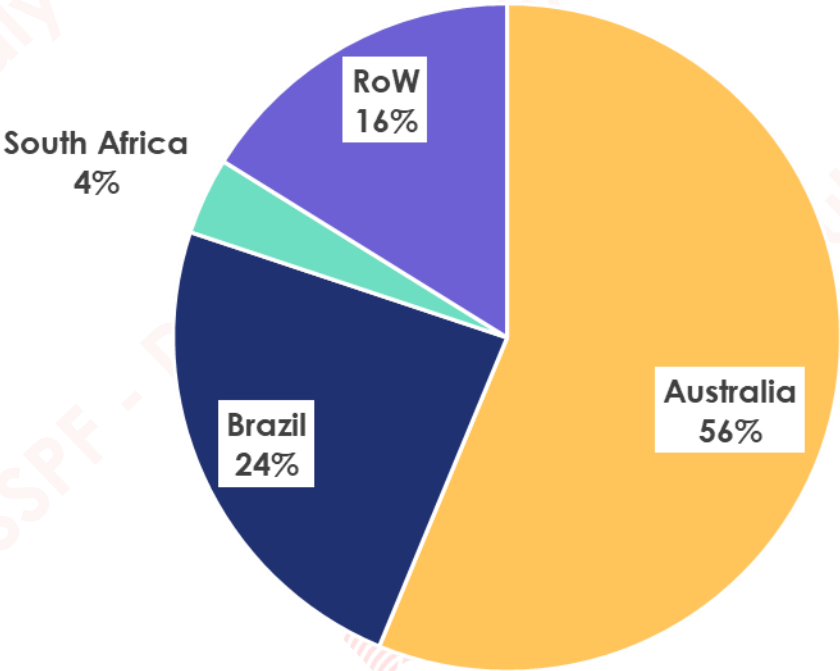
Safe Ships Safe Ports Forum

22 October 2024

Seaborne Iron Ore Exports : Australia

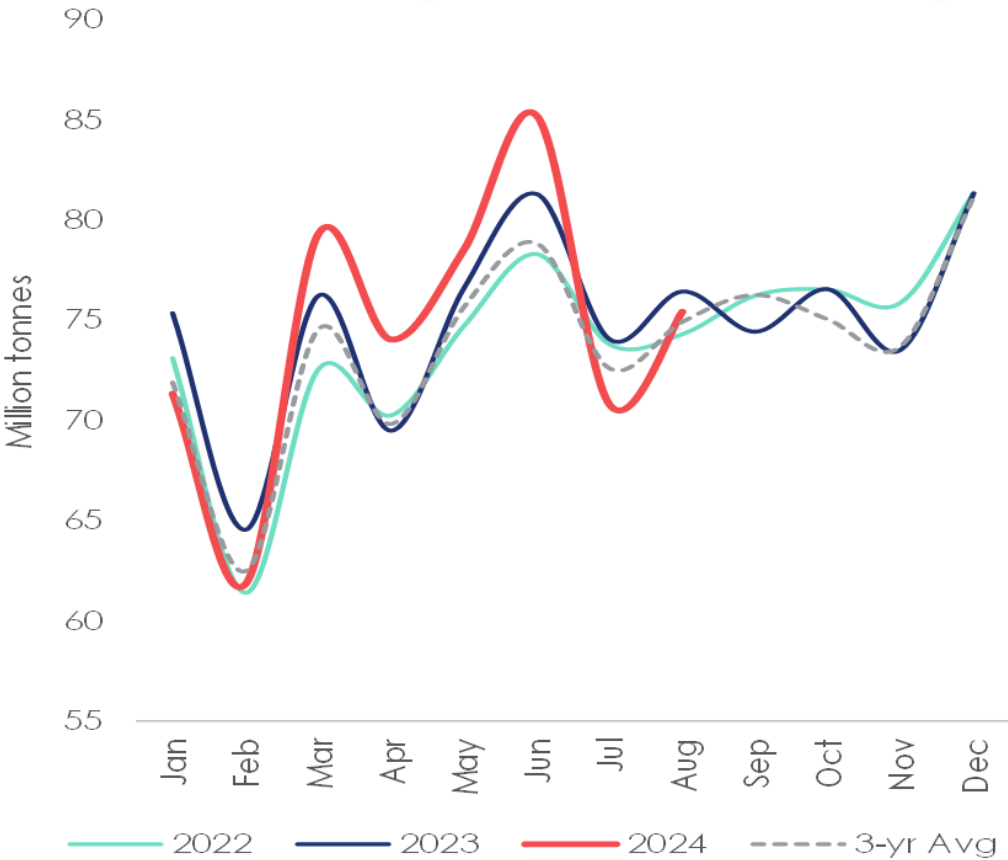
Almost 60% of the total iron ore shipments come from Australia; Volumes shipped stronger year-on-year

Major Iron Ore Exporters (% share, 2023 data)



Australia Brazil South Africa RoW

Australia Iron Ore Shipments Monthly

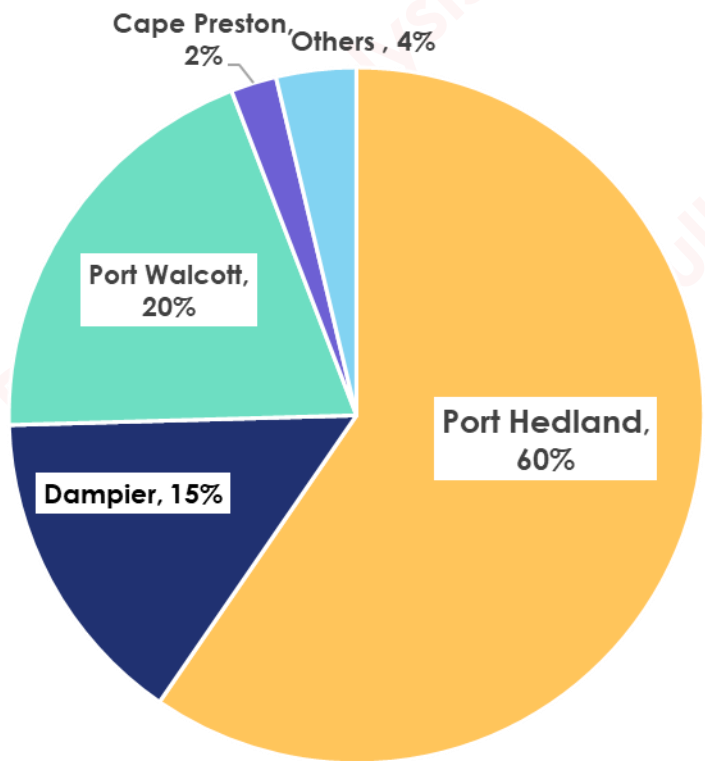


Source: Customs, Sea/,Clarksons, AIS Tracking

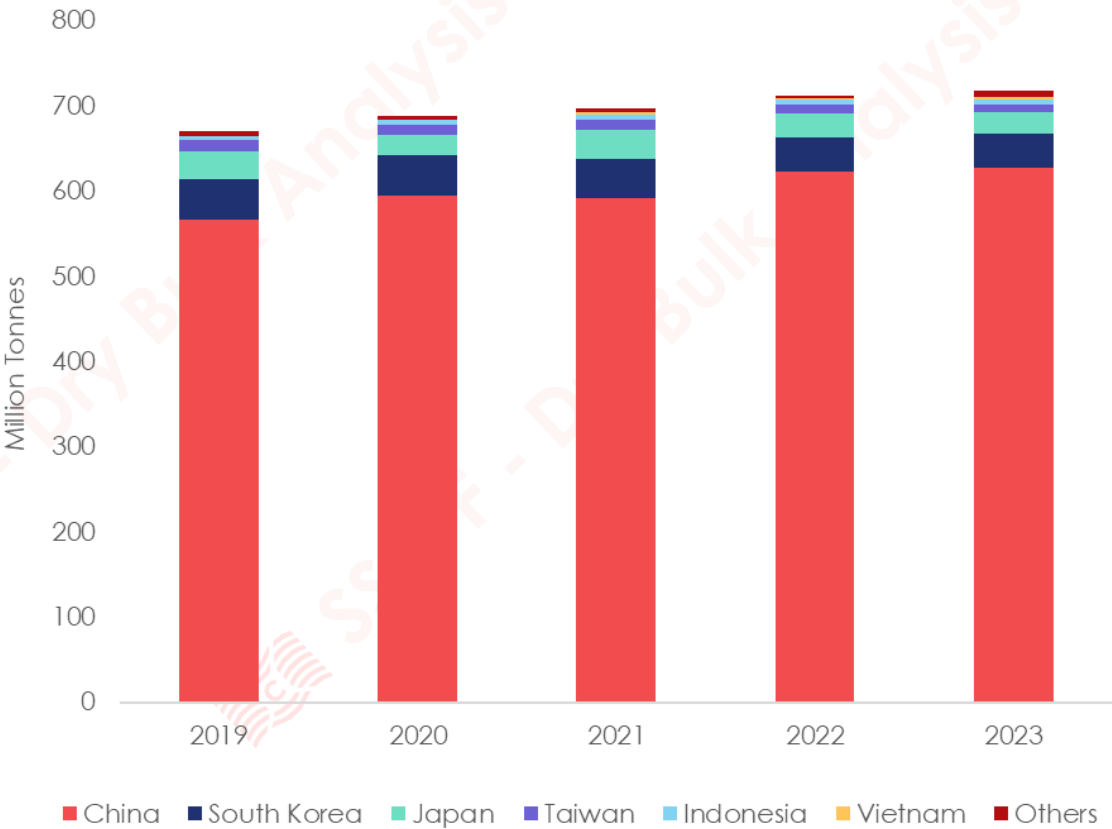
Australian Seaborne Iron Ore Shipments : Pilbara Ports

Pilbara Ports lead the Aus IO shipments by volumes loaded. IO flows to several regions including China & N.Asia

Australian Iron Ore Shipments by Port (% Share, 2023)



Major Destinations of Iron Ore Exports from Pilbara Ports

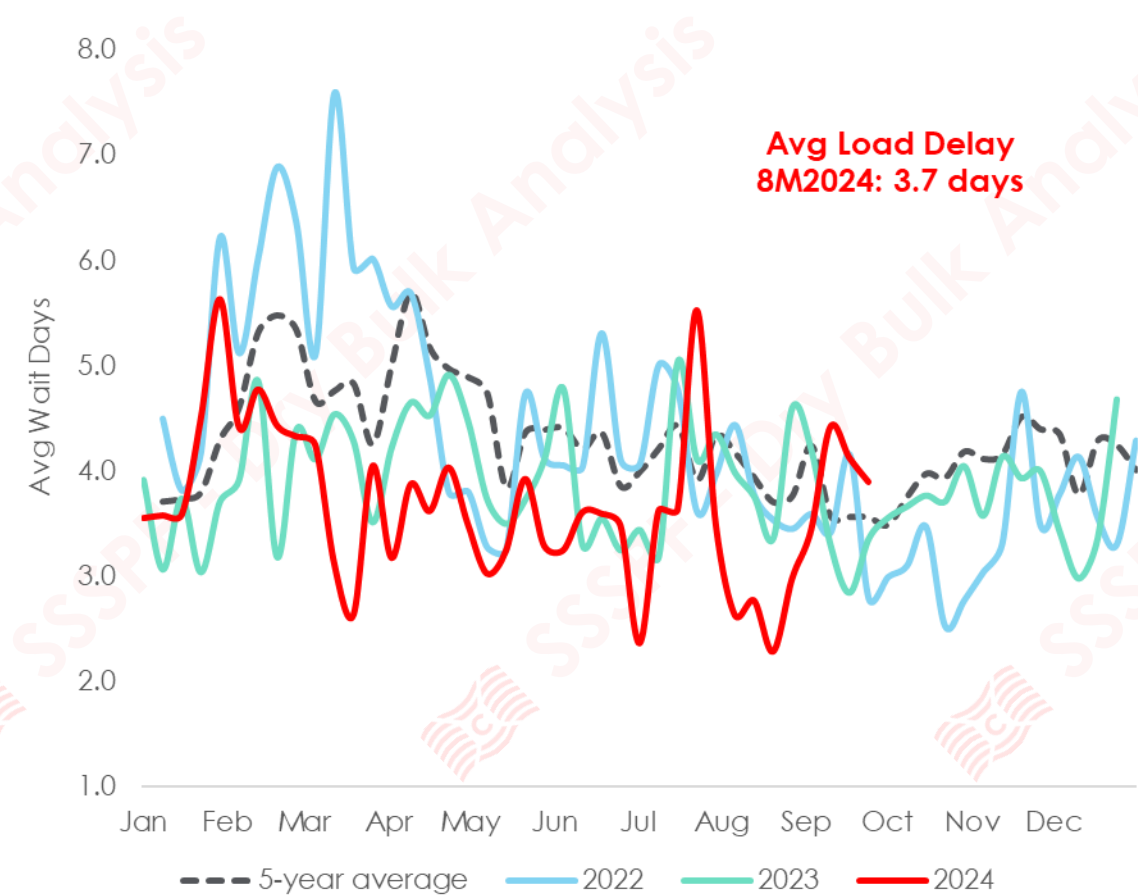


Source: Customs, Sea/,Clarksons, AIS Tracking

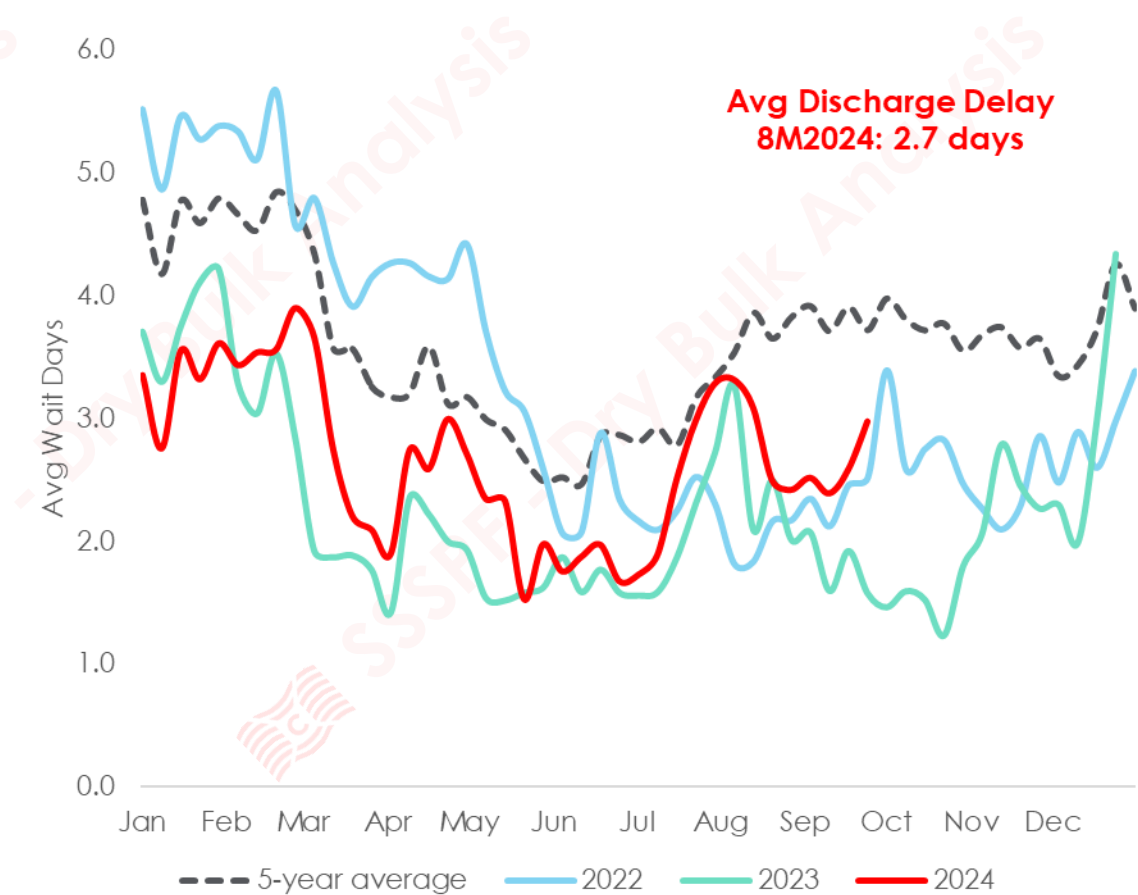
Load and Discharge Congestion

Average port efficiency has improved at both load and discharge ports vs the five-year average

Pilbara Ports Congestion – Average Wait Days



Chinese Iron Ore Discharge Ports – Average Wait Days

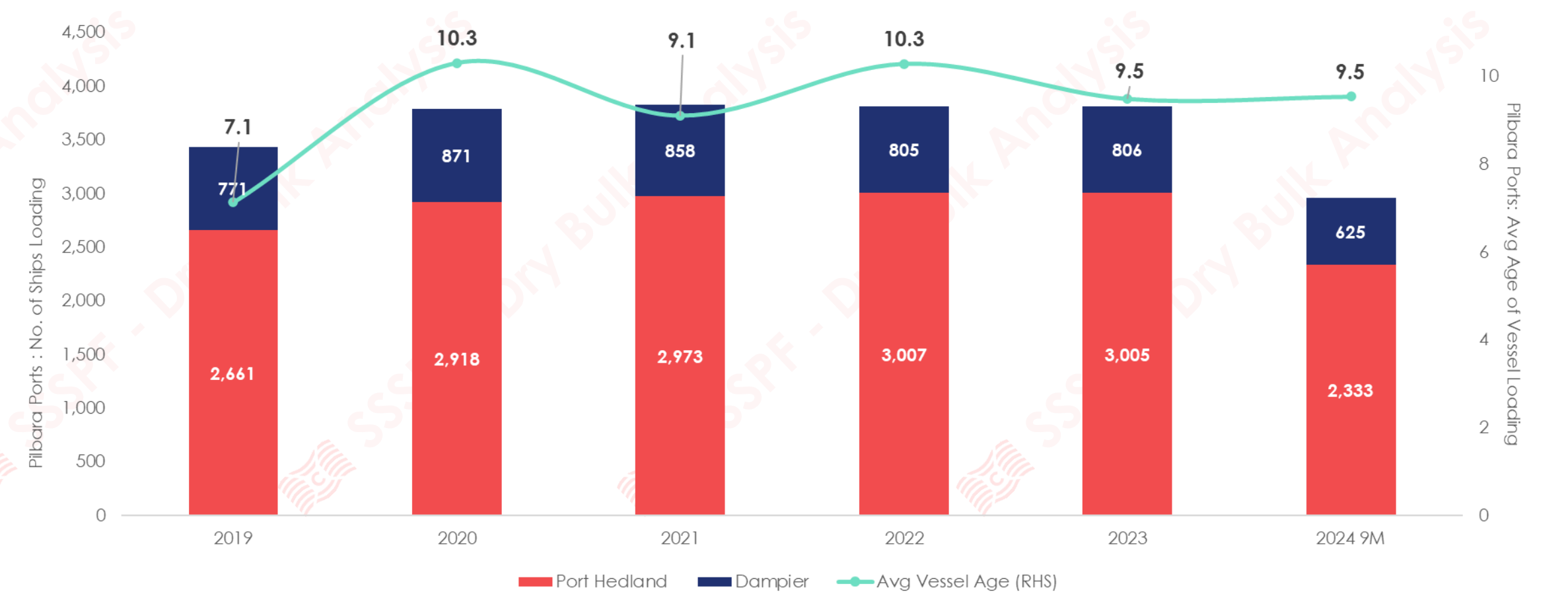


Source: Clarksons, Sea/ , AIS Tracking, Port Agent reports

Average age of Bulkers loading at Pilbara Ports (Annual)

Relatively young vessel age profile loading at Pilbara Ports is maintained

Avg age of Vessels loading at Pilbara Ports (Annual)

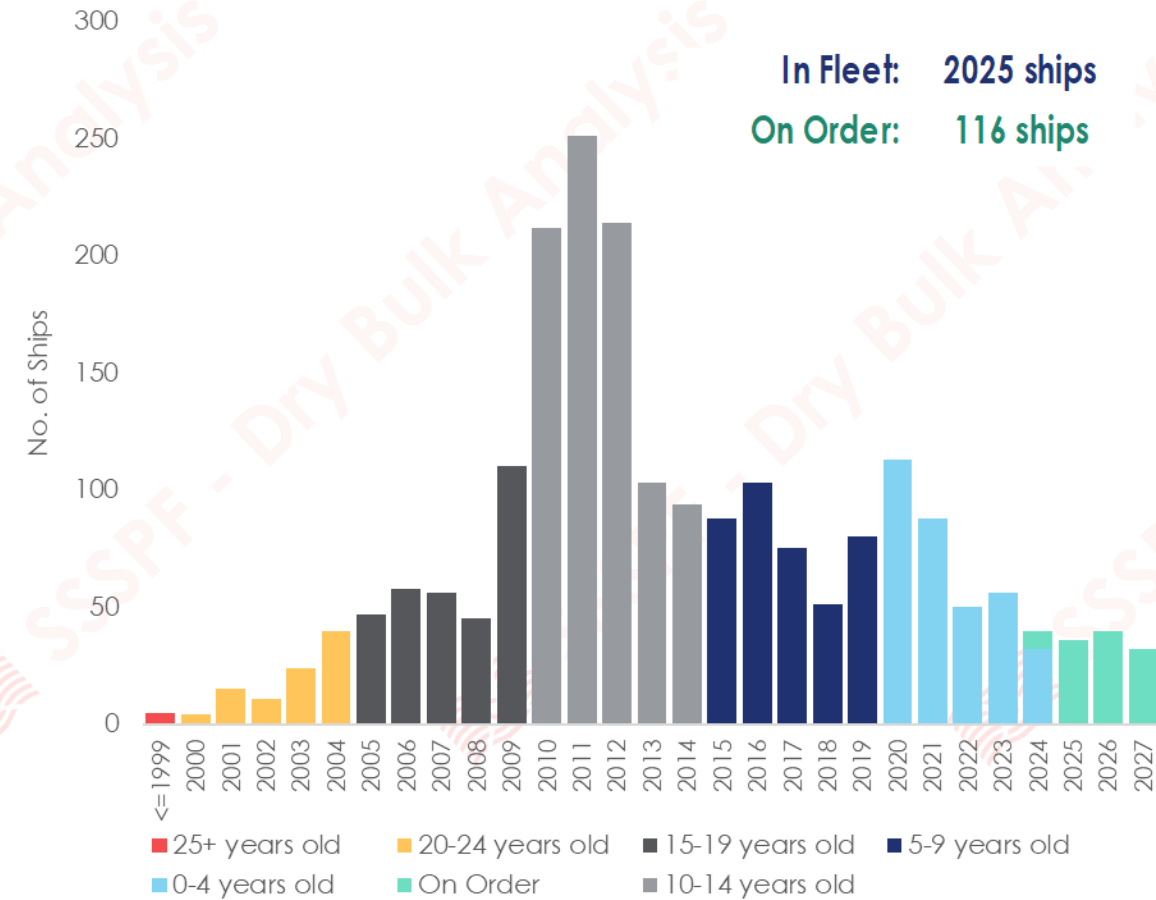


Source: Clarksons, Sea/ , AIS Tracking, Port Agent reports

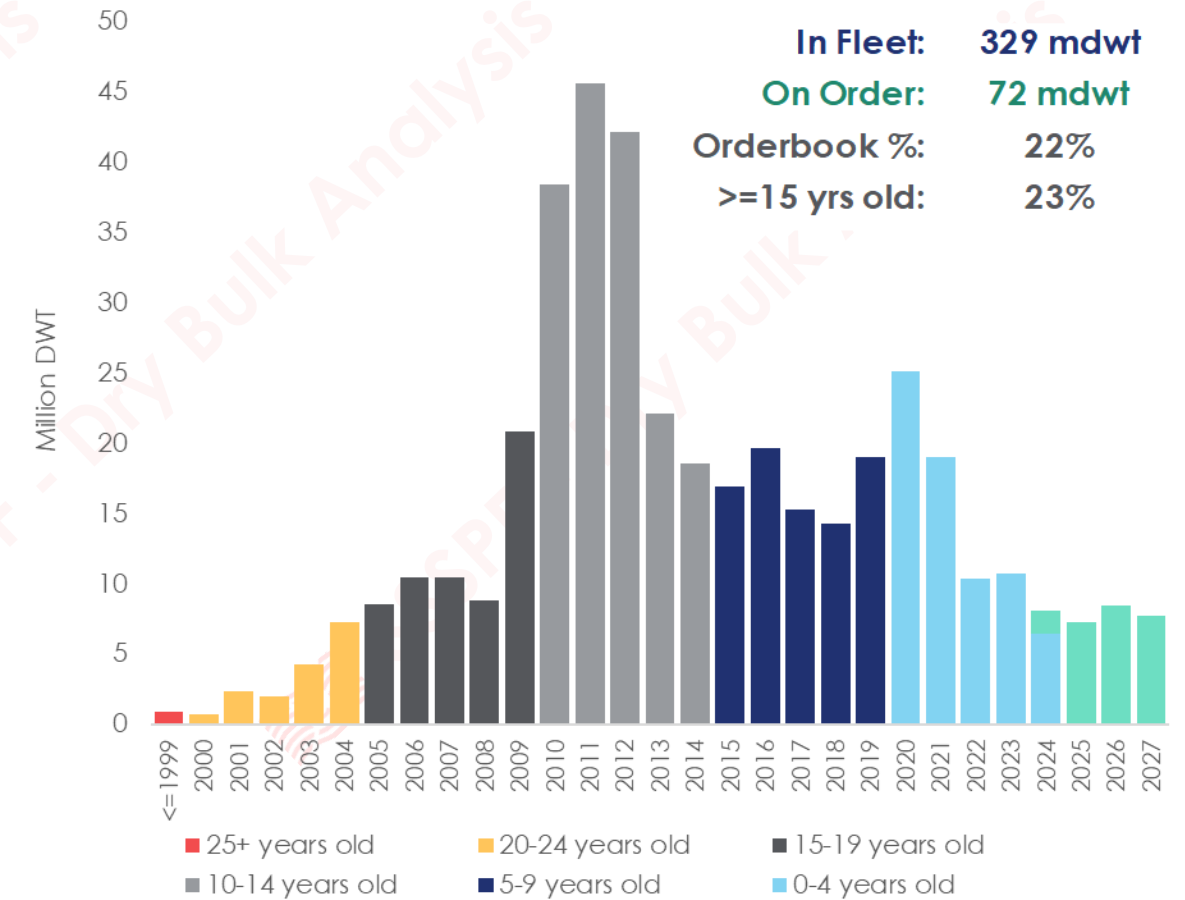
Capesize Fleet Age Profile

But the fleet is aging and needs replacement.

Capesize Fleet Age Profile (No. of Ships)



Capesize Fleet Age Profile (Million DWT)



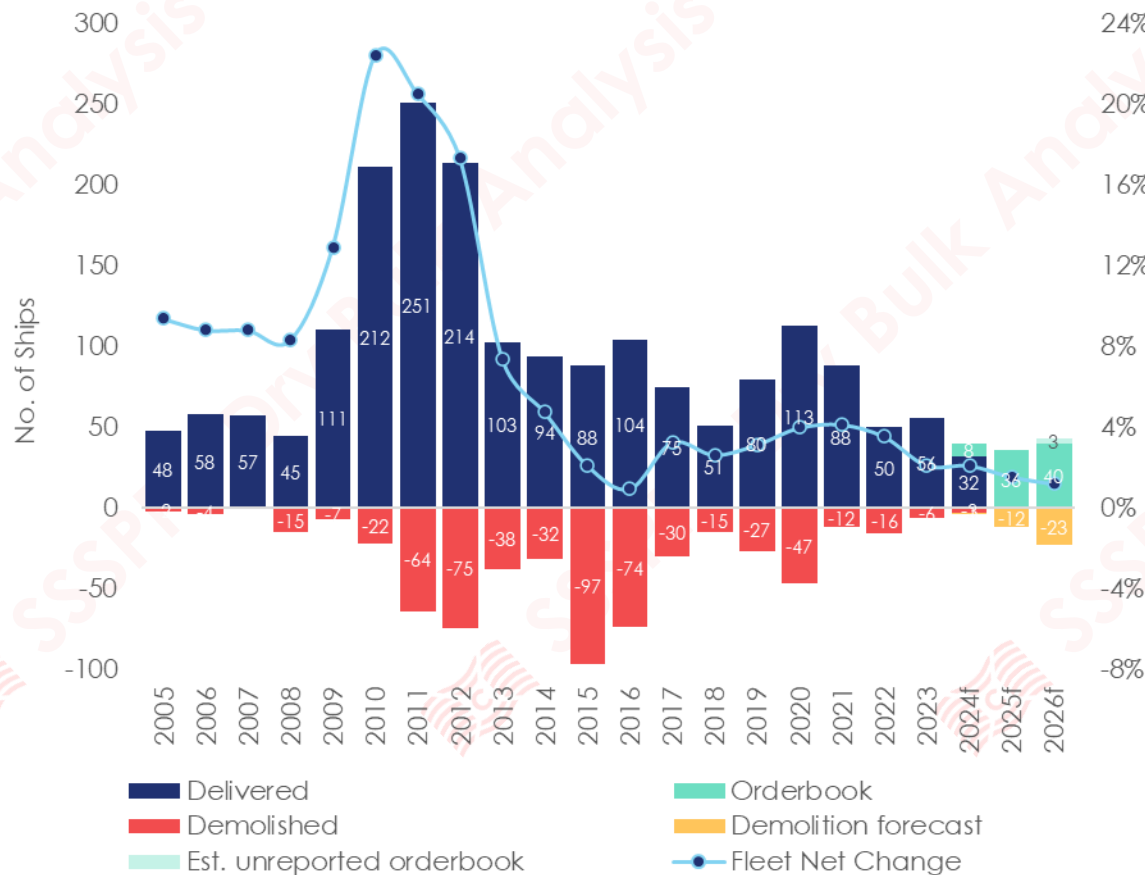
Source: Clarksons

Note: Including Domestic Fleet

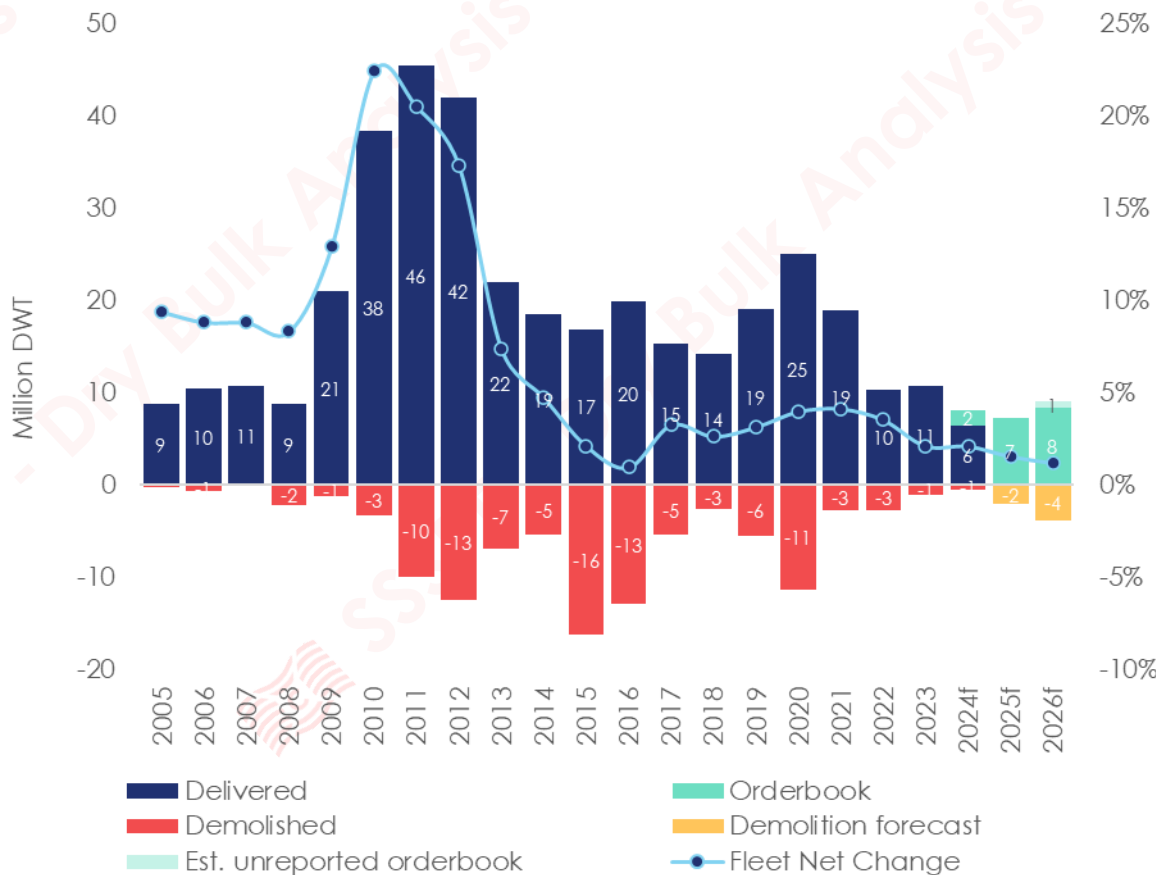
Capesize Delivery & Demolition

Cape fleet growth of 2.1% in 2024, 1.6% in 2025 and 1.2% in 2026

Capesize Delivery & Demolition (No. of Ships)



Capesize Delivery & Demolition (Million DWT)



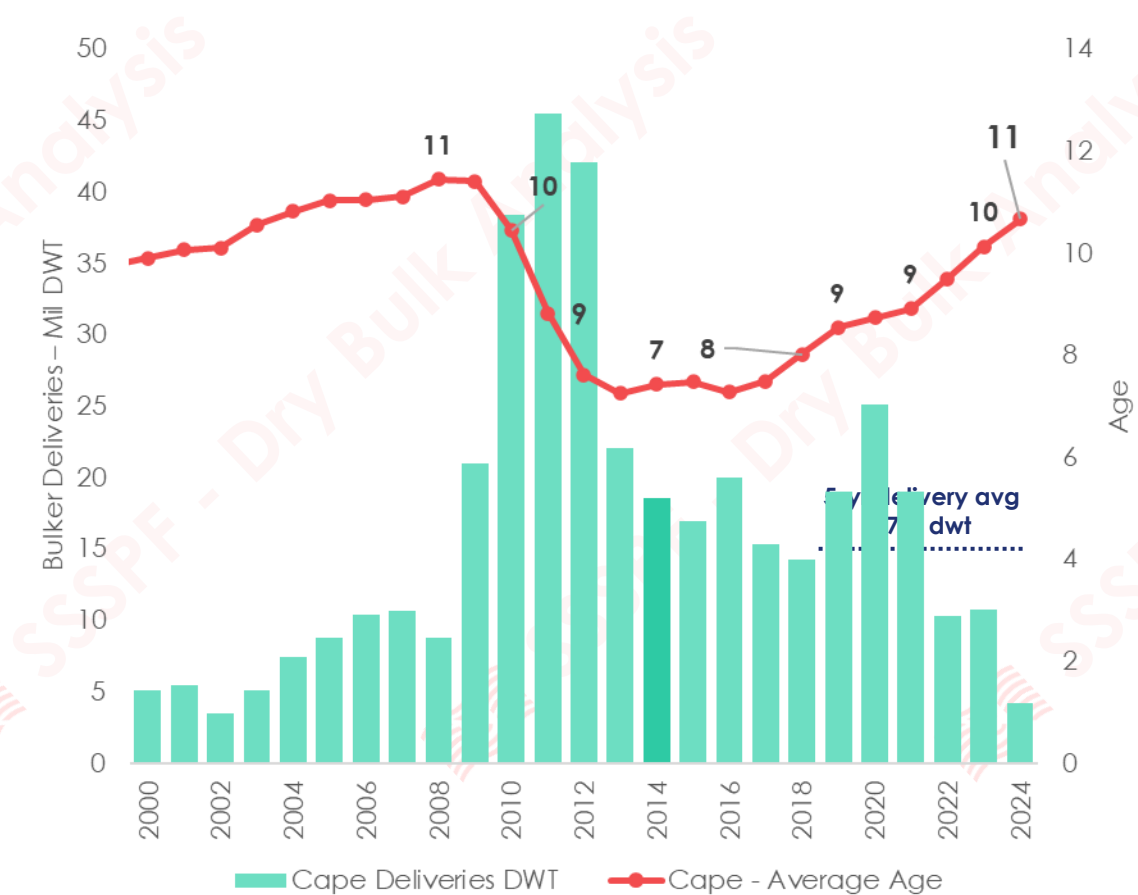
Source: Clarksons

Note: Growth Rate & Net Change basis DWT term, Demolished not include Total Loss or Misc. Removal

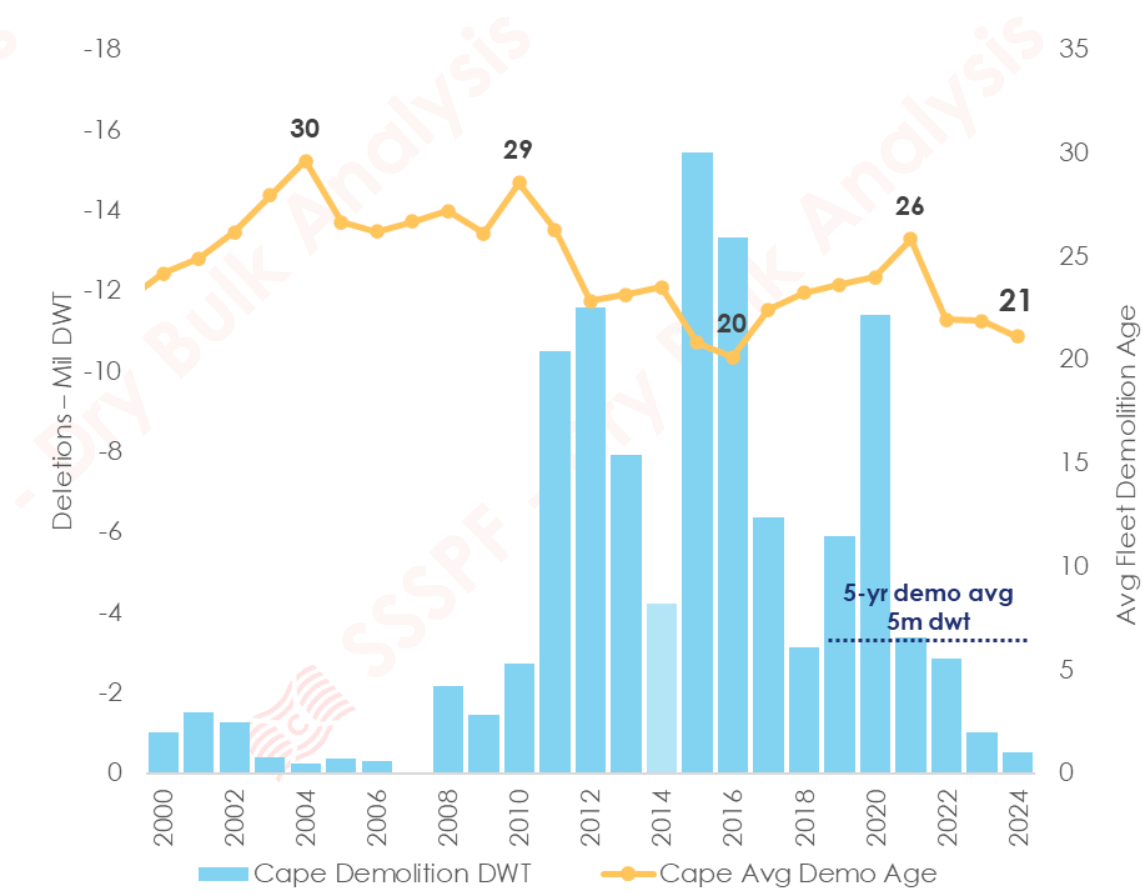
Average Capesize Fleet Age & Demolition Age

Average fleet age rising back to 2010 levels. Average demolition age for capes around 21 years

Cape Deliveries (DWT) v. Avg Cape Fleet Age



Cape Deletions (DWT) v. Avg Cape Demolition Age



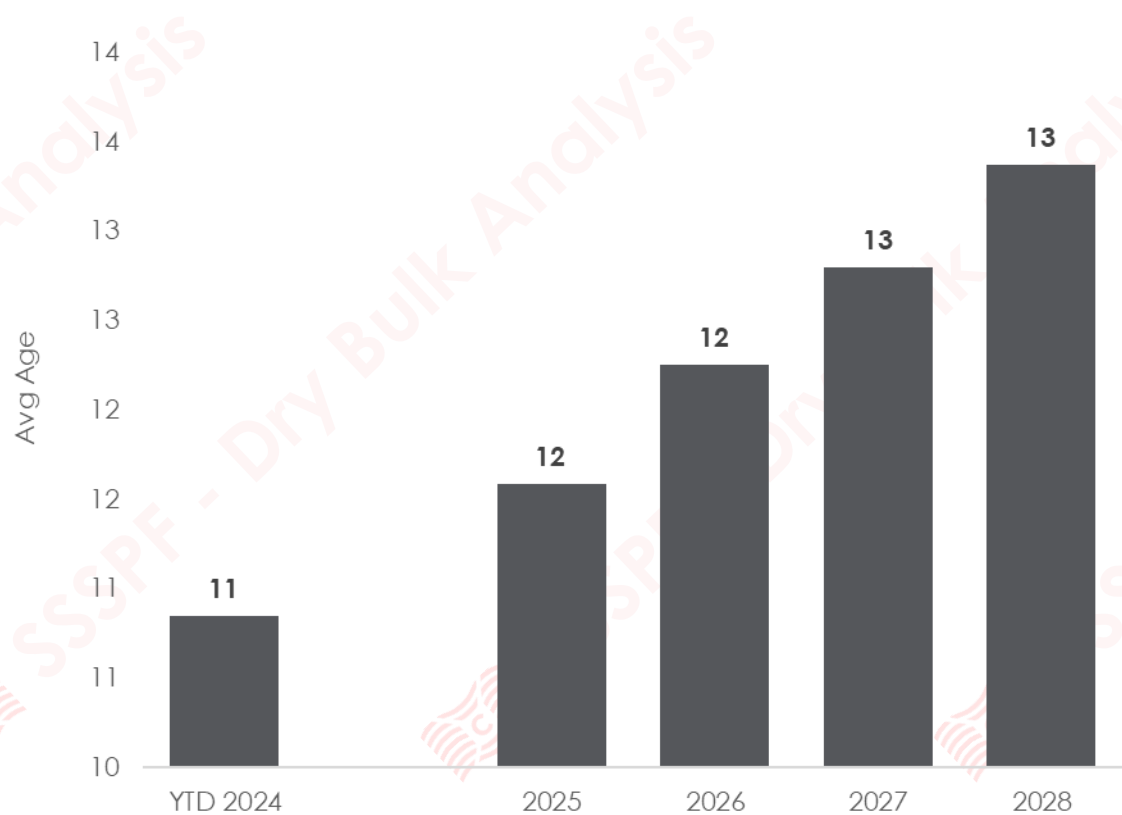
Source: Clarksons Research

* 2024 figures are basis data Jan – May 2024

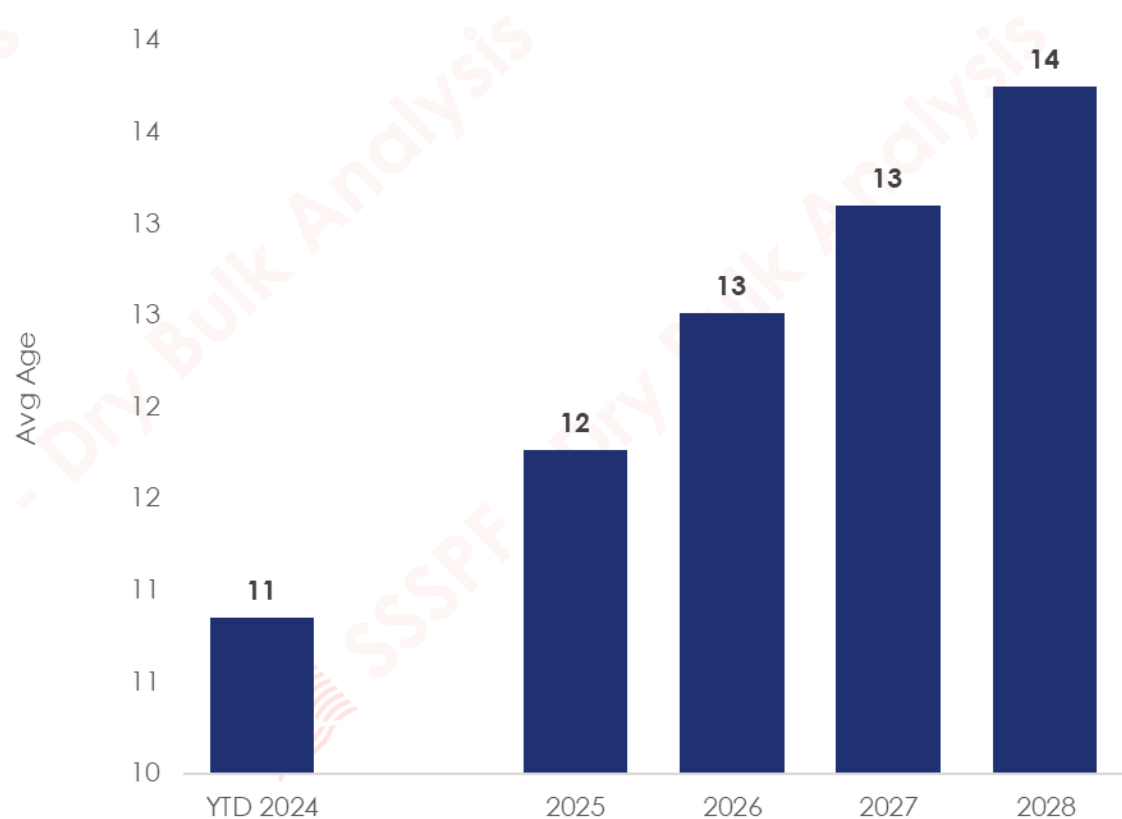
Average Capesize Age Progression by 2028 (Current fleet)

Even with aggressive scrapping, fleet profile remains relatively old and suggests tonnage will need to be replaced

Average Fleet Age assuming 100% Scrapping of 'Demo Pool'



Average Fleet Age with 30% Scrapping of Demo Pool



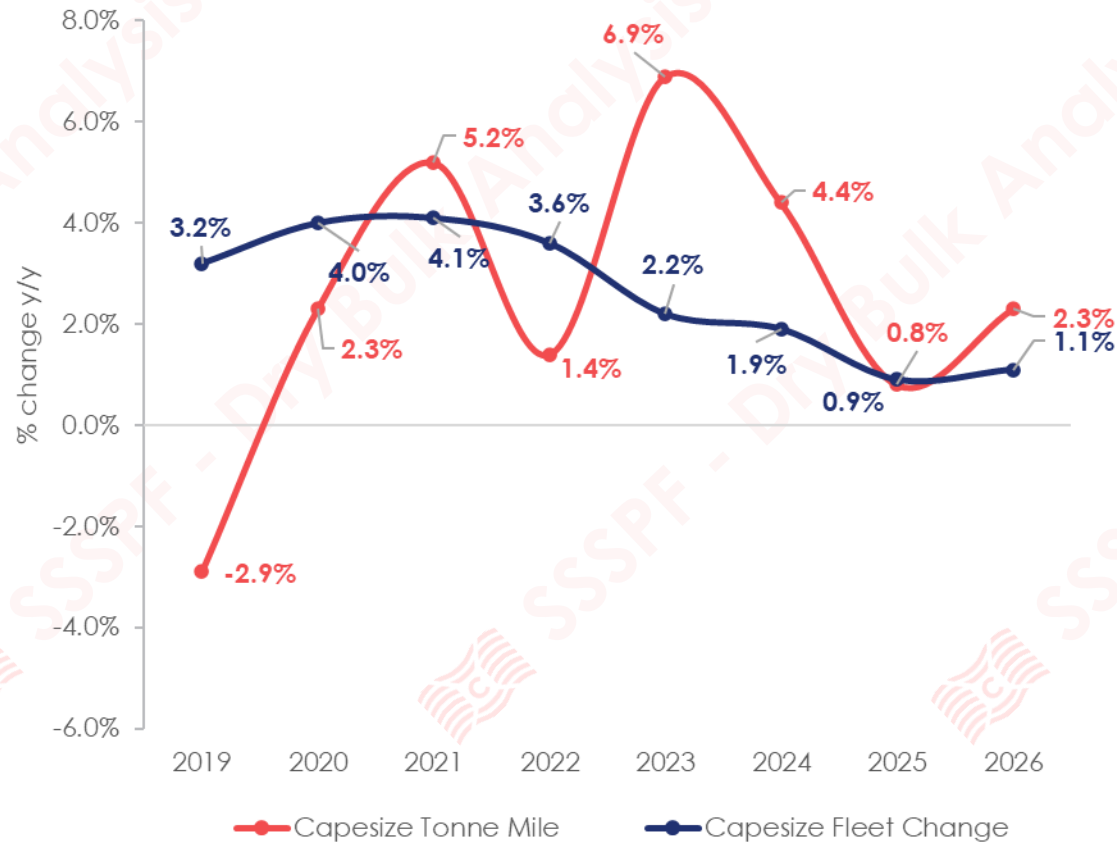
Source: Clarksons

*Demo pool based on SS dates; Fleet also includes NB deliveries and OB, Assume scrapping age for Capes = 22 years

Cape Trade to Fleet Balance

Demand (tonne mile) to outweigh net fleet growth to remain muted through next few years supporting freight levels

Capesize Supply & Demand Balance



Outlook

- **Fleet growth** is set to fall to under 1% in 2025 and 2026 (when considering special survey dry-docking) and trade growth firm – thereby adding support to the market.
- **2025:** Overall, we expect a tight balance between the fleet and tonne-mile growth in 2025. This will likely keep Cape rates elevated and more susceptible to volatility.

RISKS

- Strong/weaker Chinese property market / steel complex
- More trade disruption, addition to tonne-mile.
- More cargo splitting - coal moving into Panamax markets
- Any increase in congestion
- More vessel scrapping than forecast
- Cargo supply disruption

Source: Clarksons, GTT, Sea/, WFR, SIN

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Thank You