The planetary pandemic: First Maritime Effects and Mediterranean dimension

Paul TOURRET, Director, ISEMAR
Covid19 Time line


Economy
- Lockdown
- Slow production
- Less exportations
- Lockdown
- Slow retail
- Economy slowdown
- Unemployment
- World scale of troubles
- Progressive end of lockdown

Shipping
- Oil price low and speculative tanker market
- Dry bulk relatives effects
- Container trouble effect, export (China) and import (UE, USA)

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Possible Short-, Medium- and Long-Term Responses
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Tanker market

Oil price and VLCC time charter
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Dry bulk market

Baltic Dry Index

Clarkson Forecast 2020

- World Dry Bulk trade: -3.7%
- China iron imports: 2%
- China thermal coal imports: -3%
- Europe iron imports: -15%
- Europe thermal coal imports: -25%
- Europe grain exports: 13%
- Europe soybean imports: 14%
- World cement trade: -12%
- World steel trade: -15%

Sources: BDI, Clarkson
Container market

Slow container activity

First half of 2020 will see a 17% reduction in capacity on the Asia–Europe trade lane

Inactive containership capacity 2000–2020 (F)

Source: Alphaliner
Container market

China – Europe Freight rate (spot market, US$/TEU)

Source: SSE
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Container market

Forecasting

USA retail import TEU by month

World Container trade forecast 2020
-8% (Alphaliner)
-11% (Clarkson)

Source: NRF
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### Maritime effects for Med Area

<table>
<thead>
<tr>
<th>Spring situation</th>
<th>Summer time</th>
<th>Autumn time</th>
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</thead>
<tbody>
<tr>
<td>Stop of cruise industry (no tourism)</td>
<td>![Red]</td>
<td>![Red]</td>
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<tr>
<td>Minimal services for ferry and roro (no tourism)</td>
<td>![Orange]</td>
<td>![Yellow]</td>
</tr>
<tr>
<td>Cancelling of box ship calls, change of services (no shopping)</td>
<td>![Orange]</td>
<td>![Yellow]</td>
</tr>
<tr>
<td>Strong reduction of new cars movement (no sales)</td>
<td>![Red]</td>
<td>![Orange]</td>
</tr>
<tr>
<td>No industrial activities (refineries, steel plants, cars factories)</td>
<td>![Orange]</td>
<td>![Yellow]</td>
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<tr>
<td>Continuity of grain trade</td>
<td>![Yellow]</td>
<td>![Yellow]</td>
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</tbody>
</table>
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Possible Short-, Medium- and Long-Term Responses

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Source: ports authorities, IMF
### Table 1: Merchandise trade volume, 2018-2021

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>Optimistic Scenario</th>
<th>Pessimistic Scenario</th>
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<tbody>
<tr>
<td>Volume of World Merchandise Trade</td>
<td></td>
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<tr>
<td>Exports</td>
<td>2.9</td>
<td>-0.1</td>
<td>-12.9</td>
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<tr>
<td>North America</td>
<td>3.8</td>
<td>1.0</td>
<td>-17.1</td>
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<tr>
<td>South and Central America</td>
<td>0.1</td>
<td>-2.2</td>
<td>-12.9</td>
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<tr>
<td>Europe</td>
<td>2.0</td>
<td>0.1</td>
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<tr>
<td>Asia</td>
<td>3.7</td>
<td>0.9</td>
<td>-8.0</td>
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<tr>
<td>Other Regions</td>
<td>0.7</td>
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<td>Imports</td>
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<tr>
<td>Europe</td>
<td>5.2</td>
<td>-0.4</td>
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<tr>
<td>Asia</td>
<td>5.3</td>
<td>-2.1</td>
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<td>Other Regions</td>
<td>1.5</td>
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<td>South and Central America</td>
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Source: WTO
What next?

**May – June 2020:** Progressive European and American end of lockdown

**Summertime:** Perturbed Western holiday season but return of consummation

**End of year:** Hope for Covid19 containment and nearly normal economic situation
Thank you for your attention

Merci de votre attention

Gracias por su atención

شكرا لإهتمامكم

Grazie per l'attenzione