

五、 The outlook on three intercontinental line of container transport market

1、 The outlook of world economy and trade

- Global economy shank dramatically, due to the [global](#) financial crisis. It is recently estimated by IMF that the economic growth drop from 5% last year to 3.7% and will drop to 2.2% next year, by purchasing power parity, decreased by 2.8%, among which the developed economies decreased from 2.6% to 1.4% and negative 0.3%. Emerging markets and developing countries would drop from 8% to 6.6% and 5.1% respectively, decreased by 2.9%.

- American economic weakness continues, whose real economy faces destruction. As the bankruptcy of Leiman Brothers, Merrill and Bear Stearns, America's credit economy faced unprecedented challenges. Excessive free economy only makes it less free. With further deepening of financial crisis, domestic entity economy will be hit hard.

- Compared with American, European economy is in a more dangerous position. Next year, the economic growth in [European Union](#) and Euro Zone will drop sharply to 0.2% and 0.1%. which is respectively to 1.6% and 1.5% lower than expected. The European economy almost sank into stagnation.

- The development of main developing economies is the new highlight.

2、 outlook of the three intercontinental lines of container's freight volume in 2009

1) Outlook of the Pacific line: Compared with 2008, freight volume of this line in 2009 will grow. However, due to the financial crisis instead of a remarkable growth there will be a slight increase. This report predicts a Pacific line freight of 21.13 million TEU with a 0.7% growth.

2) Prediction for Eurasian line: Eurasian line will be above the global average level, but the growth rate won't be significant. It is estimated that the freight volume of this line will be 19.25 million TEU with a 0.15% growth next year. There will be a slight increase if the European economy recovers in the latter half of the year.

3) Prediction for Atlantic line: Although there was a growth of the freight volume due to the increased American export, in the future the decreasing trend will be controlled on condition that American export shrinks for the financial crisis.

3、 The outlook of delivery capacity

1) the general situation of delivery capacity

The next two years, new capacity will reach 1million TEU and 1.15million TEU. Although some giant cancelled some orders, the scale of new capacity in 2009 will be large.

2) Analysis of container fleet in three main lines

- transpacific container fleet: As more and more shipping liners and ship-owners delayed or cancelled implement of shipbuilding contract. This report forecasts that the supply of fleet will be far less than expected. The fleet in transpacific grow slightly; therefore, more shipping liners will utilize

liner-optimization measure.

- Container fleet of Eurasian: In 2008, there are a great amount of capacity is distributed in Eurasian trade, so it is predicted that the capacity will be greatly cut down in 2009. Our paper holds the view that there are 450,000TEU potential surplus capacity, and it equal to a line equipped with 6-7 ships which volume between 8000-9000TEU.

- Container fleet of transatlantic: the capacity increase in 2009 will similar as that of 2008.

4、 The outlook of freight

1) main factors influencing future freight

- Due to the global economic recession, shipping trade faces challenges. It is predicted that the market will slump in a few years. Shipping companies and new capacity may meet certain risks.

- The trend of international oil price fluctuation

- emerging of maritime security problems, esp. the Somalia events make Marine shipping security incident more important.

- Shipping liner guild is cancelled, which brings more market instability.

- The confidence of the industry will be challenged. The shipping recession this time is basically caused by the overall entity economy shrinking. Most industries keep such a negative attitude to the future economy that the global freight volume will decrease significantly, thus the shipping industry will meet a unprecedented challenge.

2) The analysis on the trend of three main lines

- Trends of freight of the Pacific Ocean lines: Compared to the 2008, freight rate will obviously decline in 2009. It will be in a low level for a long time. The profit the Pacific line is not in a good prospect.

- Trends on freight of the Asia-Europe lines: the freight rate of Asia-Europe line is not very possible to rebound next year. It is estimated that it will remain at relatively low position, which is hoped that it will be reasonably adjusted, so that the rate will increase to a reasonable level.

- Trends of freight of the Atlantic Lines: During 2009-2010, including the cost of BAF or not, the report holds the view that the freight rate will maintain low. Considering the 2009 BAF prices will fall as remarkably as that of the first half of 2008, the freight rate of our country and the whole east-west line, including BAF will decrease by 4%.