

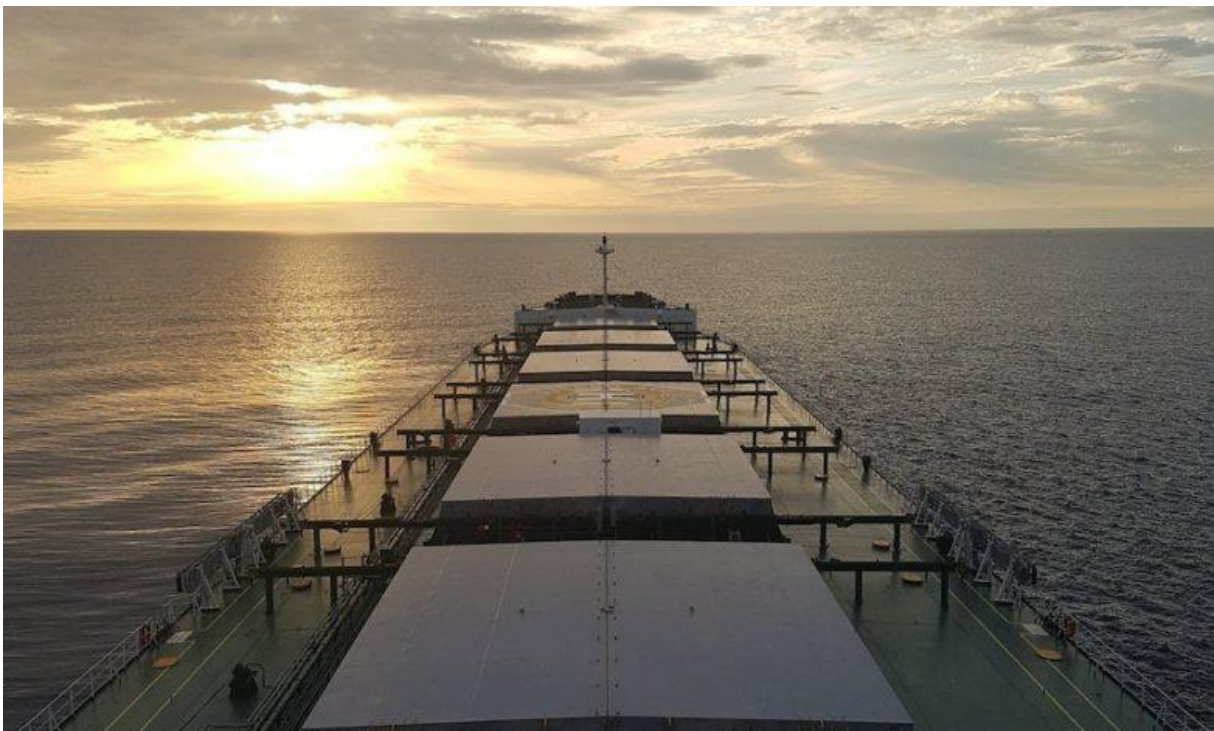
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Shipping toasts best year for tonne-mile growth since 2010

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The Red Sea shipping crisis – and to a smaller extent, the drought in Panama – have led to the strongest growth in tonne-miles registered this year since 2010, helping prop up rates to highly profitable levels for most shipping sectors.

According to data from Clarksons Research, seaborne trade remains on track to record a 6.5% growth in tonne-miles this year, the fastest rate of expansion for 14 years. Annual tonne-mile growth has averaged 2.9% since the financial crisis.

“With disruption and increasing trade complexity driving voyage distances, this has significantly boosted vessel demand,” Clarksons noted in its most recent weekly report.

The volume of global seaborne trade is on track to reach 12.6bn tonnes this year, according to the London broker, which is also forecasting what it describes as a “mind-boggling” 66.6trn tonne-miles.

Fragmentation will mean you need more ships to transport the same volume of cargo

Speaking at last month's Maritime CEO Forum held at the Monaco Yacht Club, Jan Rindbo, the CEO of Danish shipping giant Norden, pointed out that the world fleet today is built for a totally optimised trade.

"This is why we have great markets because we've seen this fragmentation with Russia, Red Sea or whatever it is," he explained. "So I think fragmentation will mean you need more ships to transport the same volume of cargo."

The ClarkSea Index, a weighted cross-sector barometer of shipping created by Clarksons, stood at \$23,022 day on Friday, 32% above the 10-year trend.

Data from Gersemi Asset Management (see chart below) shows containerships have seen the greatest rejig of trading patterns thanks to the ongoing Houthi campaign against merchant shipping in the Red Sea and the Gulf of Aden.

Alphaliner reported this month that proportionally, the ongoing Red Sea crisis has had a bigger impact on boxship employment than covid, helping propel earnings to remarkable highs this year.

US-based Blue Alpha Capital estimates suggest liner shipping made a combined \$26.8bn profit in Q3, more than twice what the container shipping industry earned in any previous full year outside of the covid era.

