The background of the slide is a high-altitude aerial photograph of Earth, showing a vast expanse of blue oceans and white, fluffy clouds. The perspective is from directly above, looking down at the planet's surface.

The Global Maritime Economy

50 years back; 50 years forward; from 50,000 feet

“Charting the course from *speculative shipping* to *smart shipping*”

Martin Stopford

President,
Clarkson Research

The world of 1966 - changing

1960s chilling out



1960s superstars



1960s superheroes



1960s glamour



1. In 1966 the Maritime World was in the middle of a revolution

Sea trade was growing very fast

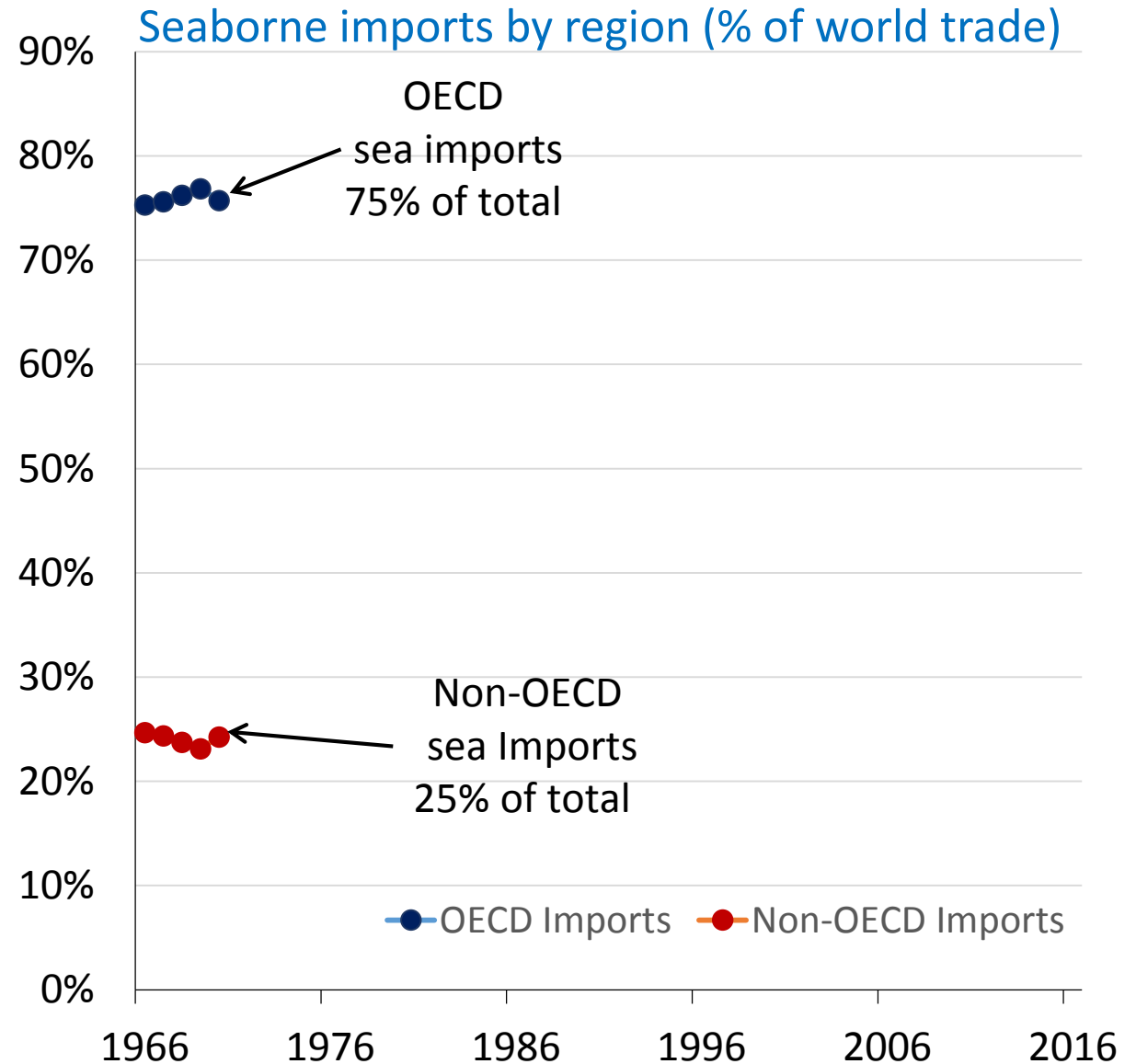
1. OECD imported 75% of cargo
2. Multinationals managed transport
3. They imported raw materials
4. And exported manufactures

Bulk market - industrial shipping was developing

5. Cargo owners lead the change
6. They built big, specialised ships &
7. Owned or chartered most of fleet
8. E.g. 80% tankers on timecharter

Liners making move to containerisation

9. Break-bulk liners struggling
10. Cargo handling costs escalating
11. Could not handle expending trade
12. First container service in 1966



Source: data collected by martin stopford from various sources, mainly United Nations and UNCTAD

2. The Maritime World in 2016 –revolution over, new revolution needed

Sea trade growing but OECD losing market share

1. OECD now imports only 37% of cargo
2. China and Asia driving trade
3. Non-OECD 63% and maybe 75% soon
4. Non-OECD has six times the population

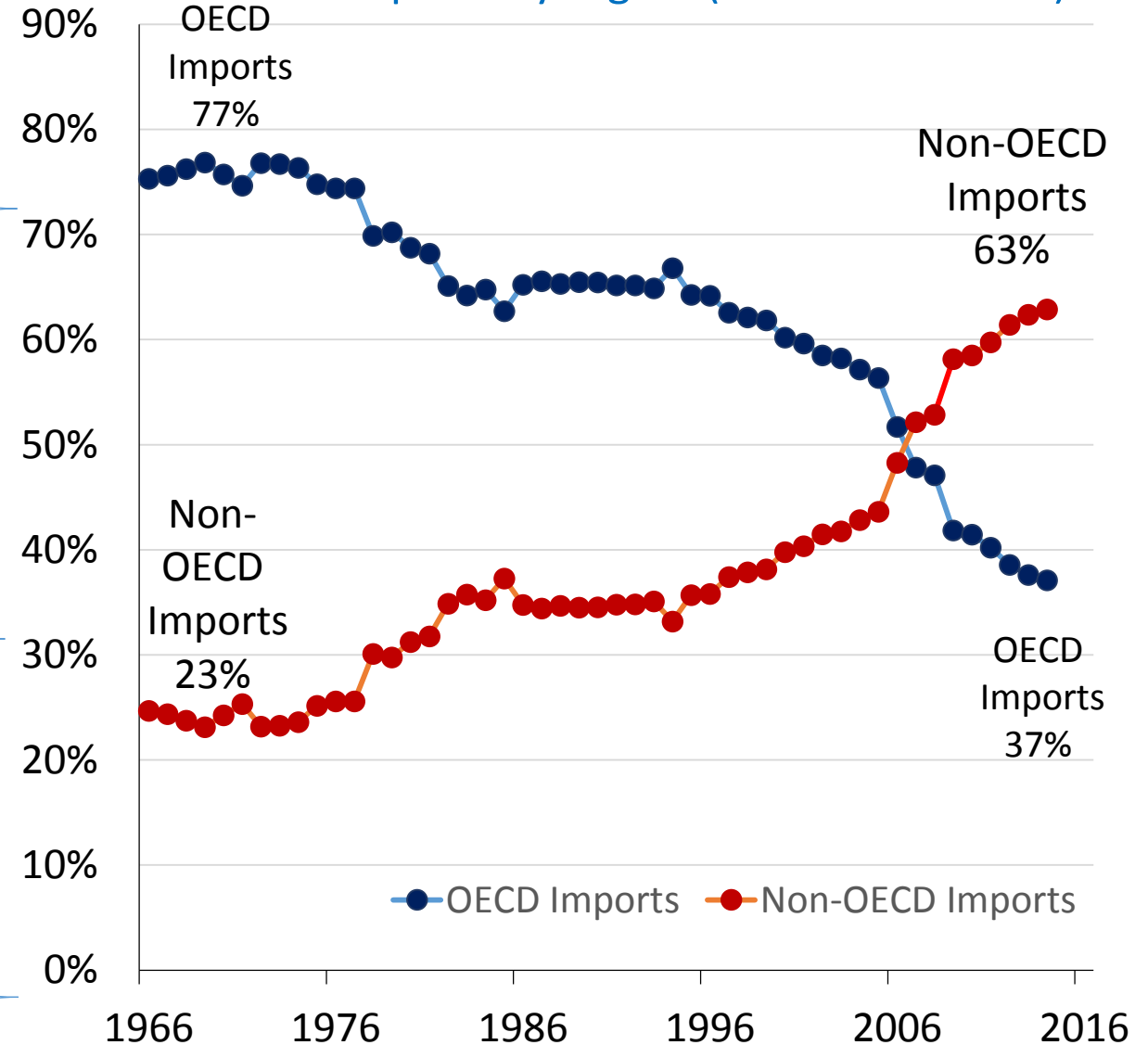
The bulkers & liners struggle with mature technology

5. The bulk & liner revolutions are over
6. Cargo owners have stepped away
7. Designers struggling to improve ships
8. Very big containerships disappointing

The future – another revolution desperately needed

9. Shipping investors need a new vision
10. World economy needs new services

Seaborne imports by region (% of world trade)



3. The Maritime World in 2066 – a “smart” step forward for globalization

- Historians will see 20th century "globalisation", as just one step towards integrated global trade.
- The information and communications (ICT) revolution is consolidating the world into a single trade marketplace.
- Fast, flexible integrated transport is needed and “Smart Shipping” makes it possible.
- The UBER taxi service is a wonderful example of using assets better to provide better service.
- The next revolution is needed – but it won't be easy.



The challenge is to generate new business by integrating sea transport into the global trade network. ICT makes major change in sea transport possible, but it will be hard to do.

Smart Shipping
will bring the world
together



In May 1966 the first international container service was launched

Malcolm McLean “couldn’t remember where he got the idea!”



First international container service, purpose built *Fairlane* discharging Rotterdam May 1966

Liner companies struggled to ship booming cargo in break bulk ships

Liner & tramp service lasted 100 years, but by 1966 world trade needed a “shipping revolution”





In December
1966 the first
VLCC, the
Idemitsu
Maru went
into service
(209,413 dwt)