

# Impact of COVID-19 on shipping 2020

## THE GLOBAL PICTURE

9.2%\*

Forecast YOY drop in world trade according to WTO

US\$203bn

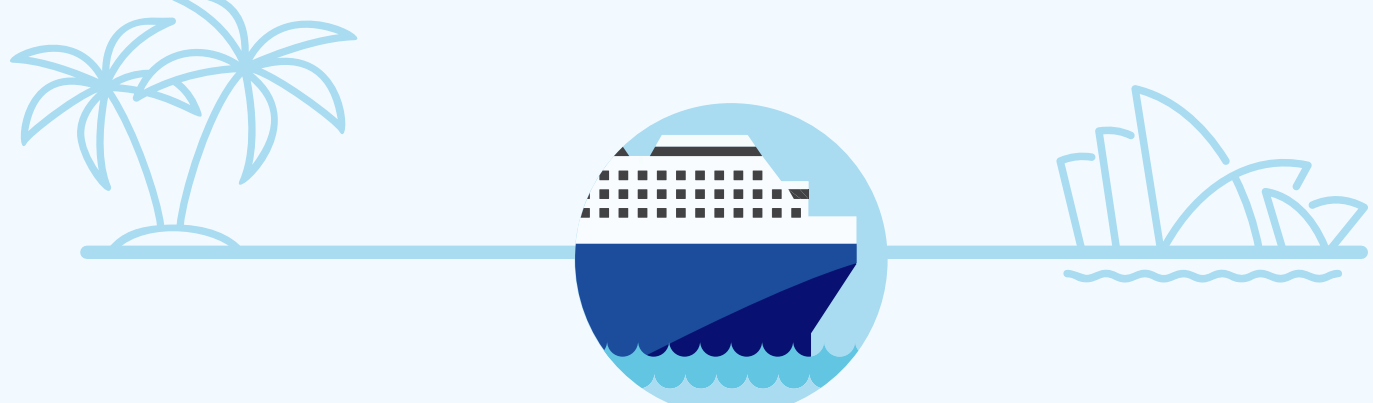
Projected loss to insurance industry as result of CV-19

### CRUISE VESSELS

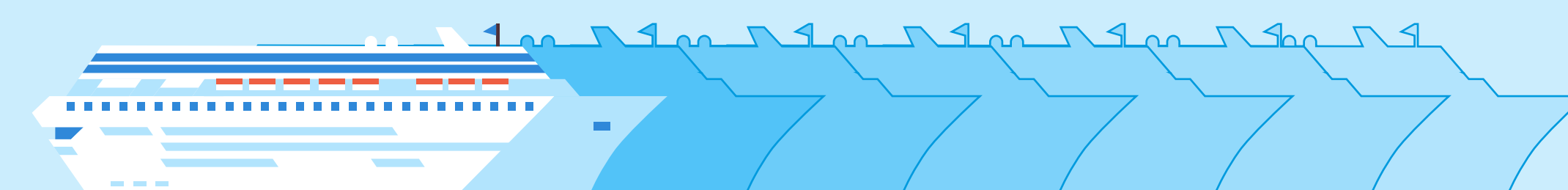
Overall cruise activity down

78.3%

Year On Year vs June 2019

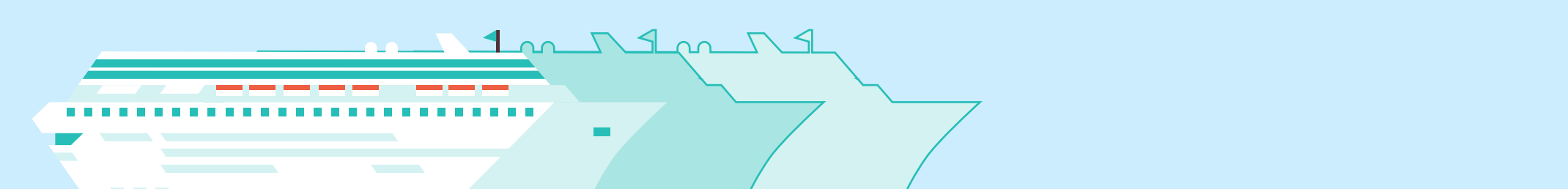


Acceleration in the demolition of cruise vessels:



Number of cruise vessels demolished in 2020 to date

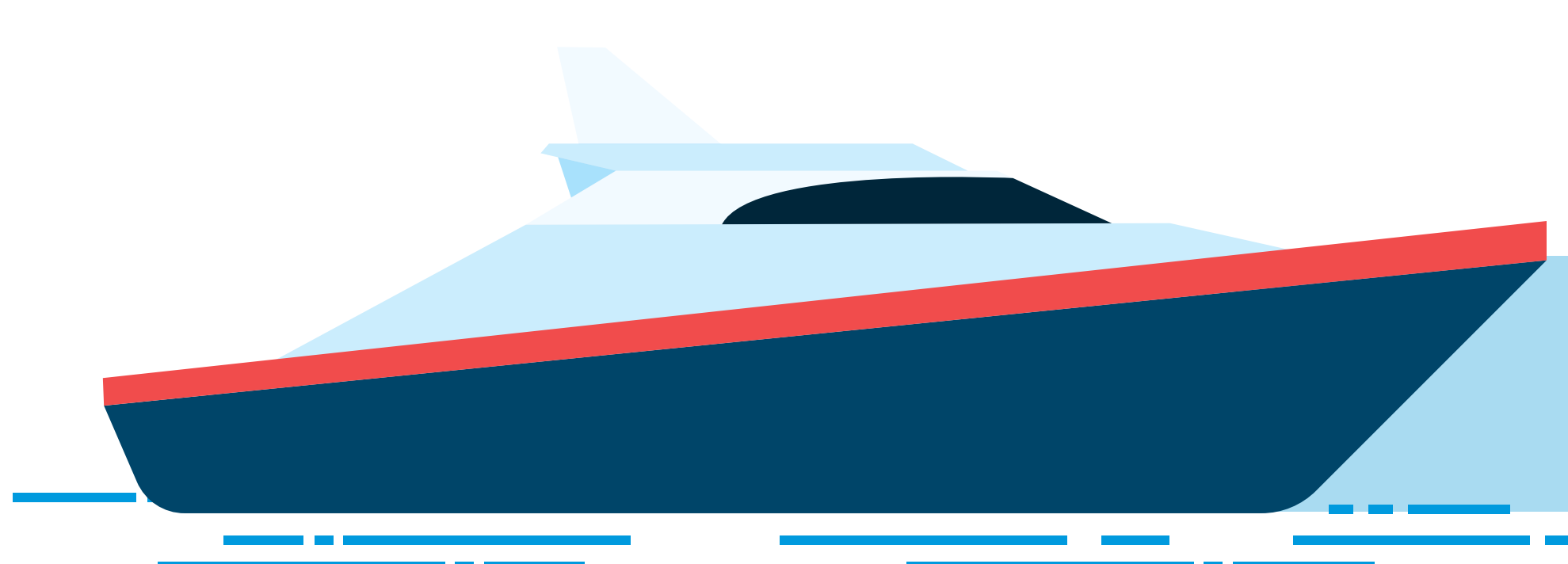
7 vessels  
Avg age 28



Average number of cruise vessels demolished per year for the last 5 years

3 vessels  
Avg age 45

YACHTING



Yachting activity levels down 27.5%  
YOY vs June 2019

0.64  
Port visits were as low as 0.64 per week in March 2020

### CAPE-SIZE BULKER - DAY RATES

June - July

Now

US\$32,000  
↓  
US\$34,000

US\$16,000  
↓  
US\$18,000

Demand was king in early days but supply side will decide the rates going forward.

### CONTAINERSHIP - PORT VISITS

6%

Global weekly unique port visits lagged 6.0% YOY vs August 2019 levels, influenced by reductions in port activity in Asia. Europe and North America have seen containership port activity return to pre-COVID levels.

### CRUDE OIL TANKERS

500 tankers deployed on short term storage contracts

Spot charter rates for larger crude tankers were impacted very positively in the first half to 2020 due to the extended oil contango. 500 crude oil tankers were employed on short term storage contracts.

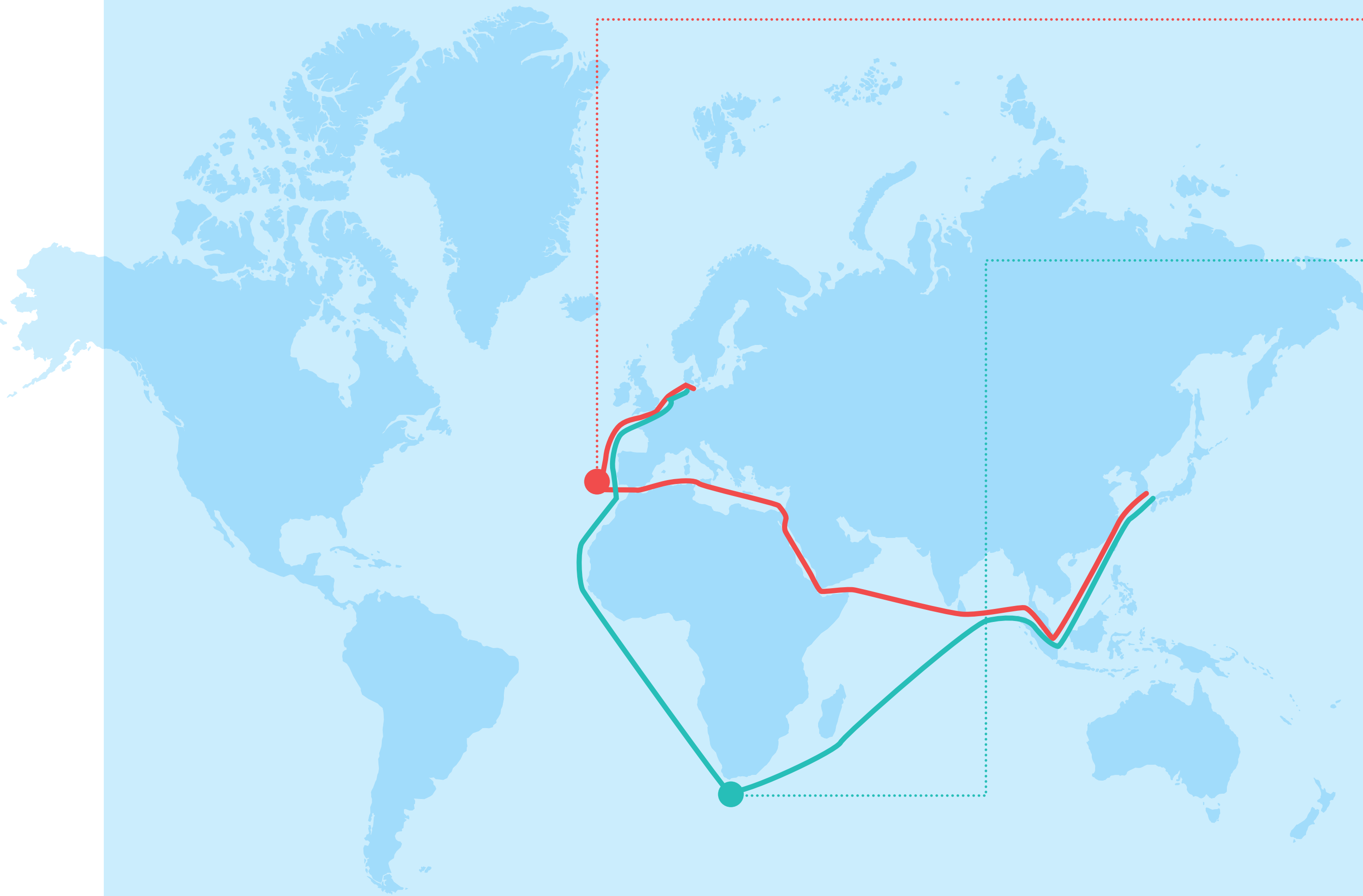
US\$40m  
May 2020

US\$25m  
August 2020

Changes in vessel demand drove fluctuations in the sale and purchase market. 15-year-old VLCCs were traded at a 5-year high of US\$40 million in May 2020 and fell to US\$25 million in August when the oil contango ended.

### SHIPPING ROUTES

Low crude oil prices saw an increasing number of vessels re-route via the Cape of Good Hope in March and April avoiding the high cost of travel through the Suez Canal.



Vessels sailing via the Suez Canal pay on average  
**US\$465,000**

Voyages sailing via South Africa save an average  
**US\$235,000**

US\$19m

US\$7.3m

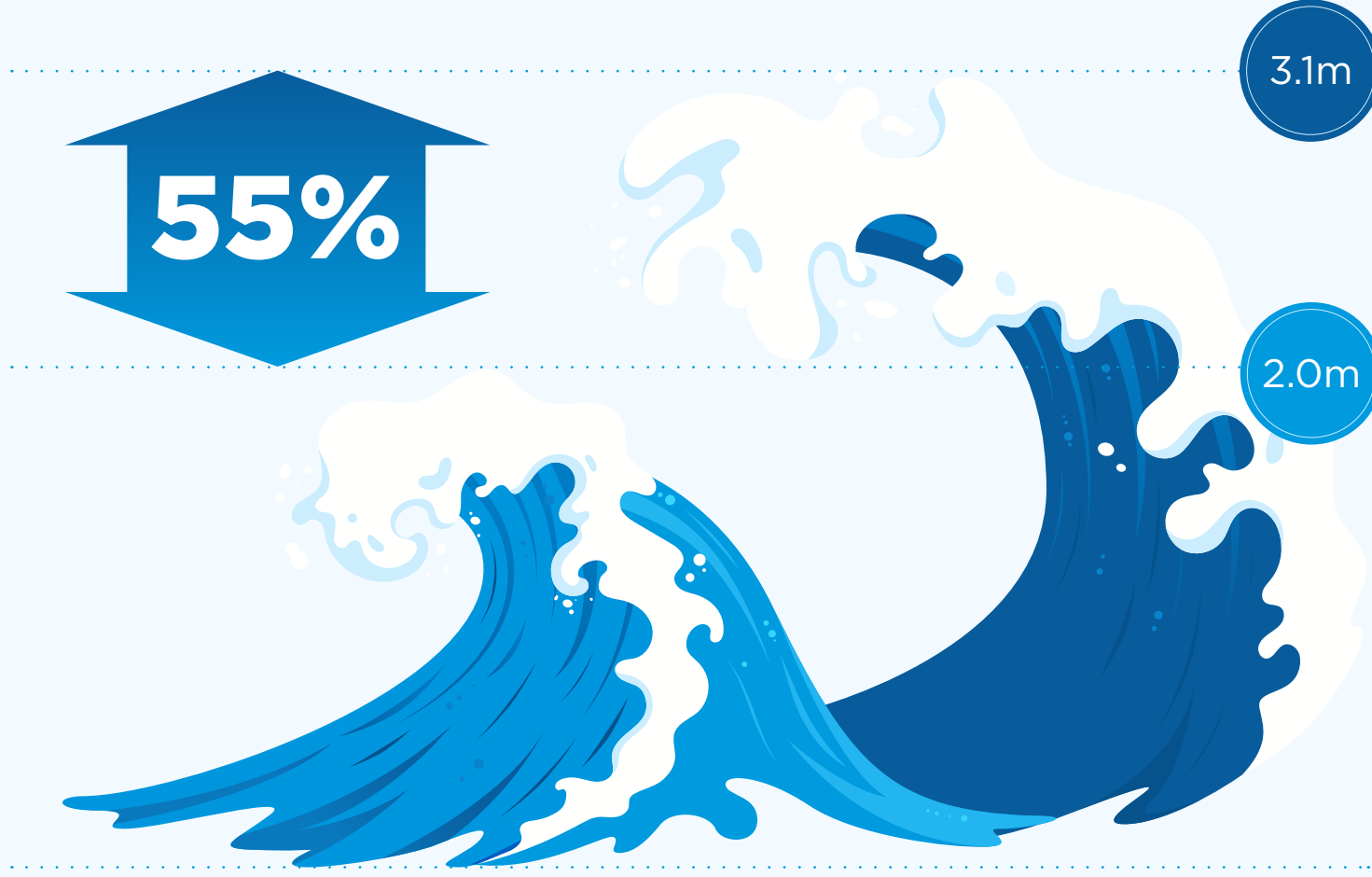
Services could save as much as US\$19 million a year at the highest level, and as much as US\$7.3 million per year in the worst-case scenario.

### WAVE HEIGHTS

55%

3.1m

2.0m



Wave heights in the Cape of Good Hope reach peaks of 3.1m compared to Suez Canal 2m – a 55% increase on the usual route.

### AVERAGE PEAK WAVE PERIOD

6s

50%

12s



Average peak wave period in the Cape of Good Hope is 50% longer at 12 seconds compared to 6 seconds through the Suez Canal.

Both factors represent more hazardous conditions for the vessel to navigate when embarking on the Cape of Good Hope route.

Extracted from **Beyond Covid: The Marine Insurance Resilience Blueprint**  
Unique insights from leading experts at IUMI, Swiss Re, AEGIS London, Whitespace and others into the consequences of COVID-19 and key considerations for 2021. [Download your copy from concirrus.com](#)

\* Updated October 2020

**Key Data Sources**  
World Trade Organisation  
VesselsValue  
Sealintel  
Meteomatics  
Concirus