

For Immediate Release

Demand trends identified the most important factors likely to affect the business performance for 2010; a recent Moore Stephens survey finds.

Singapore, 6 January 2010 – Although a sustainable recovery in the markets still appears to be some way off, shippers identified demand trends (27%) as the single important factor likely to affect their business performance over the coming year, followed by competition (19%), and the cost and availability of finance (17%), according to *Moore Stephens Global Shipping Confidence survey report, December 2009*.

The survey of more than 300 respondents in across 5 continents is one of the most comprehensive study of its kind. It revealed that the overall confidence level expressed by respondents in the markets was the highest level recorded for twelve months, though yet fragile, at 57%. But this is still a significant down recorded in the first Moore Stephens survey at 68%, conducted in May 2008. Geographically speaking, the most significant changes were evident in North America (from 58% to 52%) and Asia (59% to 57%), although confidence in Europe continued its recent upward trend (From 54% to 56%).

“The results are not surprising given the number of newbuildings set to enter the market over the next two years to compete for a volume of trade which, given the state of the world economy, does not seem likely to be able to sustain a significant larger world fleet,” said Richard Greiner, Partner of the Shipping Industry Group in Moore Stephens UK. “Scrapping and redeployment will take care of some of the over-supply, but we will doubtless see less welcome forms of contraction, and more newbuilding cancellations and delays. As always, well-developed and sustainable business plans will continue to be prerequisites for those seeking finance from the banks.”

The survey also revealed that respondents in Asia anticipated a downturn in new investments over the next twelve months, and that Asia will lead the way in terms of expecting big increases in financing costs. It was notable too, that operating costs featured more prominently in respondents’ answers this time as a significant factor likely to influence performance over the coming year.

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