Breakbulk V

Operators, Fleets, Markets

July 2019

Dynamar B.V.
Robijnstraat 74
1812 RB ALKMAAR
The Netherlands
Tel: +31 72 514 74 00
E-mail: info@dynamar.com
Website: www.dynamar.com

Breakbulk V

Operators, Fleets, Markets

2019

Dynamar B.V.
Robijnstraat 74
1812 RB ALKMAAR
Tel: +31 72 514 74 00
E-mail: info@dynamar.com
Website: www.dynamar.com

Author(s)
Frans Waals
Brenda Dijk
Dirk Visser

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1 PREFACE

Dynamar is proud to present a brand new edition of its popular, much sought after report:

BREAKBULK V - Operators, Fleets, Markets

The first issue in 2006 described the history of breakbulk since intercontinental containerisation took off in 1966. It also looked into the solutions of shipping non-containerised general cargo. The 2010 edition introduced, for the first time in this industry, rankings by deadweight capacity of the largest players for each of the main vessel categories. It then also included profiles on the most prominent operators as well as market data.

The following versions built upon the two subsequent issues and so does, largely, the 2019 version in front of you. It focuses on the essence of the present and future of the breakbulk industry by analysing the main breakbulk/RoRo/project/heavylift and heavy load operators, the capability of their current vessel fleets and their orderbooks. It goes without saying that all data, main and additional rankings have been fully updated.

Rankings

The main rankings section starts with the twenty-five largest breakbulk and Ro/Ro operators by deadweight, i.e. the Top 25 multipurpose operators, on each of whom a profile is provided. An overview of typical breakbulk and project commodities and their main trading areas is also offered. The rankings section then continues with the separate twenty-five largest breakbulk operators and the fifteen largest conventional Ro/Ro operators, each with a brief introduction and further relevant information.

Next come the heavy load specialists, i.e. breakbulk operators deploying either geared heavy-load ships (strengthened multipurpose ships with a minimum heavy lift capacity of 500 up to 3,000 tons); open deck ships or module carriers (a simple but effective non-geared ship); and semi-submersible vessels (whose submerged depths run between six and sixteen metres). On each of the Top 15 heavy load specialists a profile is provided as well.

The third rankings segment is that of the disruptors. These are operators also carrying breakbulk, although for them it is not their bread and butter. The disruption as seen from the perspective of the multipurpose and heavy-load operators is delivered by vehicle carriers, container ships, conventional reefership and dry bulk carriers.

For each ranking category, including those of the disruptors (except dry bulk), a second, sector specific ranking has been provided:

- Breakbulk:	heavy lift capacity
- Ro/Ro:	ramp capability
- Heavy load:	gear capacity/open deck space/submerged depth
- Vehicle carriers:	CEU capacity
- Conventional reeferships:	cubic feet
- Container ships:	TEU capacity

Breakbulk

When the container was on its way to conquer the world, the perception of breakbulk shipping was of an obsolescent maritime activity provided by weary vessels operated by obscure companies, carrying dirty and dusty cargoes.

Those times definitely belong to the past, and since the start of this millennium, breakbulk is increasingly recognised as a thriving and innovative industry. An initial lack of more efficient vessels has been repaired with the arrival of a larger number of state-of-the-art units. Of the nearly 780 ships deployed by the Top 25 combined multipurpose operators, few are older than twenty-five years. All told, the fleet counts just over 4,700 units with a total deadweight of 63 million tons and an average age of seventeen years. The current orderbook comprises a rounded 220 vessels, barely 5% of the existing fleet. It is 10% for the nine units of the diverse but relatively small heavy load fleet.

With the majority of vessels built in the current millennium, the breakbulk/multipurpose-project-heavy lift fleet of all types consists of modern, highly productive and often multi-deployable ships that are capable of carrying a wide range of cargoes. These range from bags, barrels and bundles to high-value, high-tech, high-and-heavy project cargoes, all referred to as breakbulk as a generic name.

Neo-bulk parcels and project cargoes remain the multipurpose operators' mainstay. Heavy lift and over-dimensional project cargo shipping is a specialised niche within the industry and one usually offering higher margins, albeit not always. Somewhat unexpectedly, the heavy load fleet (geared units, open deck ships and semi-submersibles) has remained virtually unchanged in number since mid-2016: 131 ships back then against 130 at present.

Two of the disruptors, the vehicle carriers and containership operators, serve the consumer segment. Demand for their core cargoes strongly depends upon the whims of the economy. When down, the interest in filling their ships with breakbulk cargoes amplifies, and vice versa.

Of the two other disruptors, conventional reeferships are continuing to decline in number with the fleet of the ten largest having reduced by 17%, 2019 versus 2016. This can be considered a positive development from the perspective of the breakbulk operators. With respect to dry bulk, in general, African swine fever is spreading in China, Vietnam, Cambodia and other Asian countries, threatening the all-important soybean (bulk) trade. Nonetheless, the demand for Handysize/Handymax bulk vessels is considered positive, as it should dampen the competition for neo-bulk business... for now.

Operators

Breakbulk operators are shipping companies deploying owned and/or chartered vessels, commonly categorised as general cargo ships (GCS), whether or not with a Ro/Ro facility, with which they carry breakbulk cargo.

Some breakbulk operators tramp the cargoes they carry to any corner of the world including temporary ports or anchorages unknown to the average mortal. Others deploy their ships in semi-liner services calling a collection of core and inducement ports, in part redrawing the schedule for each sailing.

Breakbulk operators are "close" to the cargo, which they can see, feel and occasionally smell. Overnight bookings do not exist in the project industry where the carriers' engineers, master mariners or port captains have numerous meetings with shippers' experts before an utterly complex project piece is hoisted on board with the ships' giant gears.

Profiles

Ultimately, this publication is about companies operating ships carrying cargo from A to B. Hence, carriers are in the limelight with three sets of profiles:

- Carriers forming the Top 25 by deadweight capacity of the combined breakbulk and Ro/Ro rankings with identically structured outlines: history & corporate background - markets and trade lanes - operated fleet and orderbook, deadweight and heavy lift profile

- A separate section summarises twenty-five next tier operators through single-paragraph profiles, selected on more than a ranking alone
- A next section almost identical to the first one above one but now focusing on the fifteen largest heavy-load operators

Following the breakbulk heydays of 2005-2008, the period thereafter has largely been characterised by declining rates resulting in weak, sometimes bad results or losses. Remedy has been sought in the pooling of ships, cooperation in the form of joint services and the like, and ultimately to consolidation. Despite measures as these, there have still been a number of failures or departures. Nonetheless, money is still made in the industry. In addition to a 2019 first half market overview, this edition comprises a consolidation overview from 2001 onwards.

Fleets

This publication delivers two rich fleet overviews providing a wealth of vessel data and analyses:

The multipurpose fleet
- Vessel types and particulars, fleet composition, age profiles by categories, fleet developments, relevant ship pictures per category and so much more

The heavy-load fleet
- Ship types and specifics, fleet composition, age profiles by category, fleet developments, relevant vessel pictures per type and so much more

The current multipurpose orderbook comprises a rounded 220 vessels, barely 5% of the existing fleet. It is 10% for the nine units of the diverse but relatively small heavy-load fleet. Hence, if ever breakbulk operators could have been blamed for building overcapacities, as it indeed happened after the 2005-2008 period, that it is certainly no longer the case today. Rather, the perceived overcapacity comes from the disruptors.

Non-breakbulk ships competing for breakbulk, such as bulkers and box ships, are generally of a simpler design than many of the modern multipurpose ships. These generally have flexible hold and deck configuration options, adjustable in length or height, or removable tweendecks, triple decks or removable/adjustable pontoons. Some have the ability to sail with open or closed hatches. The longest hatches may measure more than 50 metres and there are ships that can stow cargoes of up to 135 metres long on deck.

The days are gone that a 50 tons gear qualified a ship as a heavy-lifter. Tramping breakbulk operators in particular generally operate a diverse fleet, with a variety of heavy lift capabilities which may range between 60 and sometimes 1,400 tons. The latter are often short-term chartered.

Markets

Just a last word: it sometimes seems as if there are as many niches as there are breakbulk operators. All these niches, within which traditional general cargo behaves differently from projects, have their own dynamics and cycles. Hence, there is just no all-encompassing valid “market” picture. One may do well, the other suffering.

In all and as always, it continues to be difficult to stick a general forecast on the breakbulk sector. Hence, but albeit with the slightly optimistic feeling that it has been worse before, we don’t.

-o-o-o-

All data and information for this report has been collected, researched and processed in the first half of 2019. As different sources offer diverging information on similar topics we have endeavoured to provide the most accurate estimates.

We trust that you will find **BREAKBULK V - Operators, Fleets, Markets** as interesting as its four predecessors.

Even after thirteen years, the first 2006 issue offers a useful complementary to this new report, with very limited repetition of data and subjects. It makes recommended reading too and is therefore available for the buyers of this brand new 2019 breakbulk publication at a reduced price.

Unchanged over the years, the breakbulk market is a fascinating shipping segment, but one that lacks transparency at the same time. This, again, is our effort to shine a light on it.

Please contact Dynamar should you be interested in more specific, in-depth information on details which we may have considered to be beyond this general interest publication, but which we may be able to provide you with.

Frans Waals
Brenda Dijk
Dirk Visser

Dynamar B.V.
ALKMAAR
The Netherlands

July 2019