# Press Report - Platts

## Consolidation in containers could augur more sustainable freight rates: expert

Consolidation in the container sector has sped up scrapping in the less popular classes and, after near record low freight rates last year, future rates could become more sustainable, a senior partner at Moore Stephens, an international accountant and shipping adviser, said Thursday.

Mick Aw, speaking at the Moore Stephens-BNP Paribas: Singapore Shipping Forum, said consolidation in containers could well set the theme across other asset classes.

“Developments in data analytics, predictive analytics, and rapid automation, will all help transform and disrupt the industry but it is all for the better,” Aw said. “Perhaps the darkest days are past and we await better days. Meantime, my money is on cruise ships.”

As for bulkers, Aw said there was general cautious optimism having gone from a record low 290 points on February 10, 2016, on the Baltic Dry Index to 1,154 Wednesday.

However, according to the Baltic and International Maritime Council, fleet growth in the first quarter of 2017 stood at 2.6%, due to reduced scrapping.
“Such growth will dampen rates again,” Aw said.

There was similar optimism for tankers, but an oversupply could again dissipate any bright spots.

“In shipping, sometimes we are our own worst enemies. Easy money has been increasing supply and this will slow down recovery,” he said.

“Assuming a new normal of oil price between $60-$80/b, we may need another 4-5 years of rewinding before new investments will be warranted and a new equilibrium is reached.

**Esther Ng, 27th April 2017 16:02 GMT**