

IGP&I Annual Review 2016/17

"One of the key objectives and strengths of the mutual and Group system is the development and delivery of solutions for shipowners' liability insurance needs. This objective was once again tested in 2016/17, and once again the Group clubs successfully stepped up to the plate to deliver a solution for shipowners"

Another positive year

An increase in Group-entered tonnage, a reduction in the number and severity of reported pool claims, and a fourth year of significant savings in the cost of the Group reinsurance purchase were among the notable and welcome features of 2016 for the Group clubs and their shipowner memberships.

Challenging markets persist

The freight markets, however, remain challenging for shipowners. Low freight rates persist, with the ClarkSea index hovering around US \$10,750 p.d. (March 2017), albeit a significant improvement on the sub US \$8000 p.d. trough of mid-2016. There have been, and are, signs of improvements in some vessel sectors, but surplus capacity continues to dampen any significant improvement in freight rates.

There is, however, some cause for optimism to be derived from the significant growth in 2016 in global seaborne trade, with Clarksons reporting that the volume of trade added in 2016 matched the historical high levels of the boom years of the 2000's. The annual rate of growth is now settling to around 2-3% and 2016 saw a respectable recovery in the dry bulk sector after a very poor performance in 2015.

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