

Shipping in Iraq

Any direct impact on shipping of the conflict in Iraq will be limited, however there could be a significant impact on the global economy and this in turn will impact the global shipping markets, says a new report.

The report Iraq: Impact on Global Shipping, published by Drewry Shipping Consultants, looks at two possible economic scenarios and examines their effect on the global shipping markets.

The first is a US led recession, which will have a broadly negative impact on the shipping markets, and the second is a recovery in growth as a consequence of which the outlook is more favourable.

John Harris, the report's editor, said: "We have analysed the outlook for the shipping markets in the next 18 months, highlighting common issues and differences, both in terms of Iraq and the global impacts, and presenting forecasts for the main market sectors."

According to Mr Harris, the prognosis is that the significance of Iraqi oil exports is overstated, and certainly the impact on the tanker market from a cessation of Iraqi exports is not significant, particularly when other Middle Eastern producers take up that shortfall.

What the tanker market will remain focused on is the supply side issues emanating from the substantial delivery schedule remaining for 2003."

In respect of Iraq we can estimate the impact on tanker demand for each 1m bpd of Iraqi oil exports.

Cessation of all Iraqi exports and assuming their replacement with Middle East crude gives a net impact of just four more Vlccs at the expense of four Suezmax vessels.

"Iraq: Impact on Global Shipping" is published by Drewry Shipping Consultants Ltd.

Individual copies of the report are priced at £250. For further information, please contact John Harris at Drewry Shipping Consultants Ltd, Drewry House, Meridian Gate - South Quay 213 Marsh Wall London E14 9FJ Tel: +44 20 7536-6508 Fax: +44 20 7987-9396 Internet: www.drewry.co.uk.

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