

'Latin America outperforms US and Europe'

Volatile freight rates a concern

BY Katerina Kerr

Trade with developing economies like Brazil, Columbia, Peru and Chile fared better during the global economic downturn compared to developed countries, thanks to demand for power generation projects, according to Raymond Fisch, senior VP at BBC Chartering.

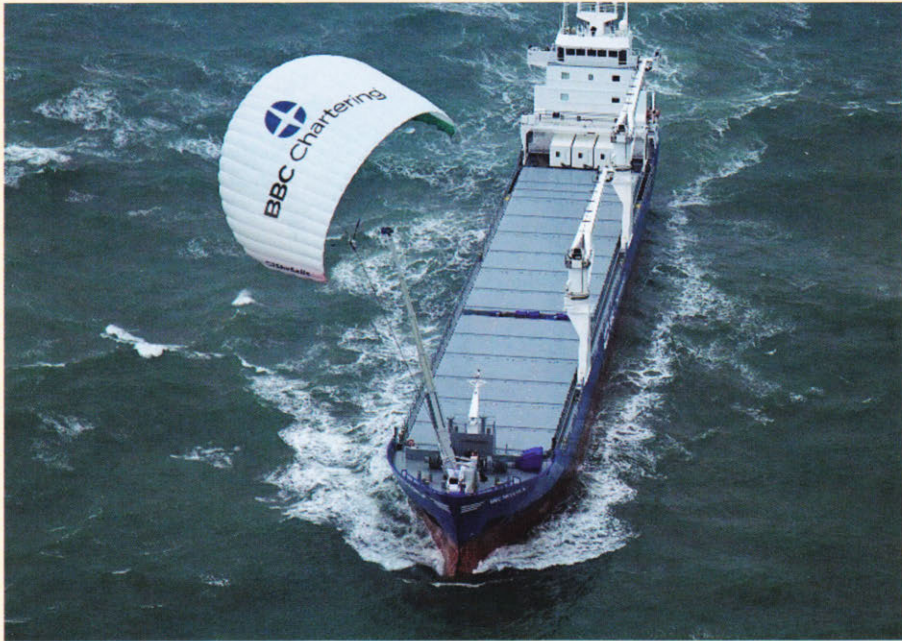
The company has experienced an increasing number of transport assignments related to development projects in the power, utility and energy industries.

"In a global context this encompasses both conventional power generation and renewable power generation projects, mainly wind power developments. Many of these investments are driven by China, the US and eventually Brazil," Fisch told FTW.

"We are certain that the global energy supply will remain a major driver of demand for breakbulk and heavy lift shipping capacity in the future.

"We are still very bullish on both the mining and the energy sectors, which feature major development and investment projects in these countries," he said.

He anticipates this demand to continue in the



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coming year. "Still the solid growth of the South American market attracts other players as well and

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with that we are always challenged to compete effectively."

Ed Bastian, director global sales at BBC

Chartering USA, said that he still saw the market under pressure due to the excess capacity of tonnage on the supply side.

"Focusing on the demand side in the Americas, we can observe that business in Latin America has outperformed both North America and Europe," said Fisch and Bastian.

However, volatile freight rates between South Africa and the Americas "remain a constant challenge" in the industry and BBC Chartering, along with many other companies, has an interest in restoring

freight rates.

"As such I think we will continue to see many opportunities being driven by the demand of the emerging economies of Latin America. How much this will result in increasing margins on our business is a question of available capacity and our ability to position ourselves at a premium due to the service we provide. One main opportunity lies in maximising the revenue on our vessels. Smart parcelling remains our ongoing challenge for that," said Fisch.