



Presentation for Bremen Schifffahrtskongress

Creating Global Opportunities

March 18 2015, Chris Jephson

A. P. Moller - Maersk Group

Operates mainly in the shipping and energy industries



Chris Jephson

Born UK, 1947

Indonesia 1950-1955

Educated UK & USA

BSc in Politics, Economics & Philosophy

Taiwan 1970

Maersk Line Copenhagen 1976

Maersk Line UK 1982

Maersk Logistics 1990

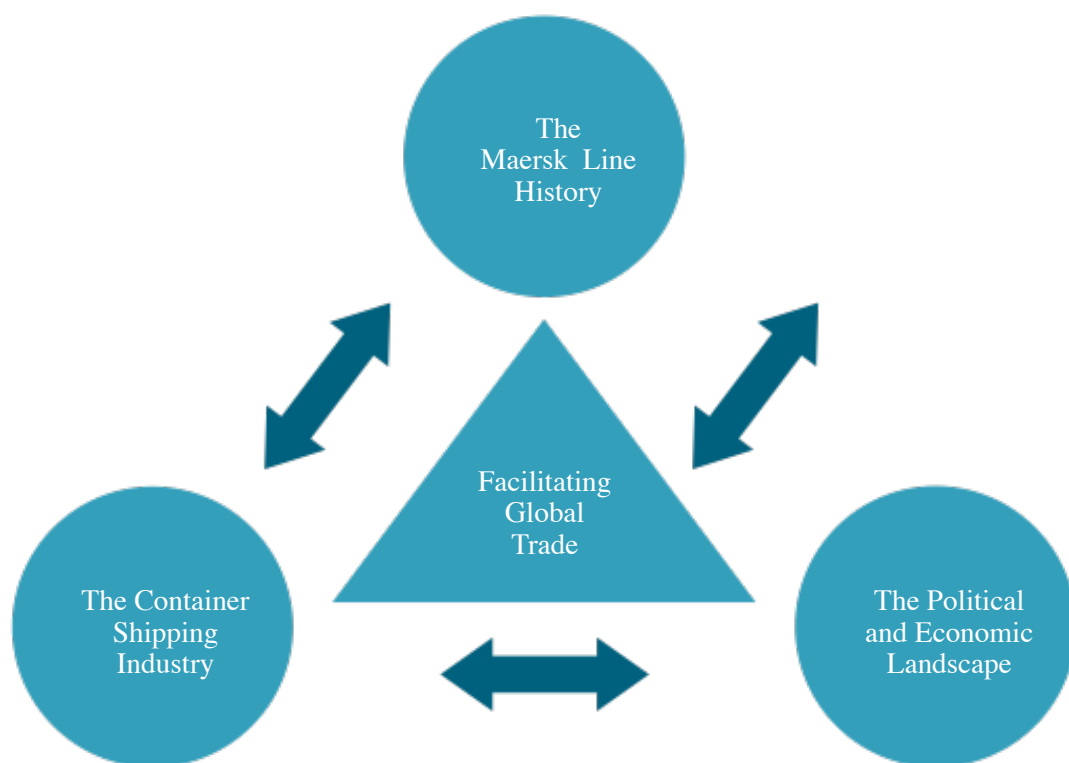
USA 1991-1992

Maersk Line Copenhagen 2005

Author 2013-14



”Creating Global Opportunities” Book Model



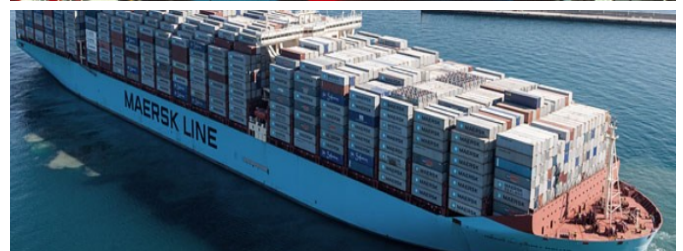
Elements in the Book – PESTLE Analyses

Economist Intelligence Unit		The Economist
A selection of important developments: 1950-54		
Political		
<ul style="list-style-type: none"> 1950 UN membership stands at 60 nations. By 2011 there will be 193 member nations¹. 1950 The Korean war begins. An armistice is signed in 1953, establishing the boundary between North and South Korea at the 38th parallel². 1950 Nationalist China's leader, Chiang Kai-shek, forms an anti-communist government on the island of Taiwan (Formosa)³. 1950 China takes control of Tibet⁴. 1950 India's constitution is promulgated, establishing the country as a secular, democratic republic⁵. 1951 Japan signs a formal peace treaty signalling the end of US occupation⁶. 1951 Australia, New Zealand and the US sign the Pacific Security Treaty (ANZUS Treaty), creating a mutual defence pact⁷. 1952 Japan and the US sign a bilateral security treaty⁸. 1952 A revolution in Egypt overthrows King Farouk and establishes a republic controlled by the army⁹. 1953 Iran's ruling government, under the prime minister, Mohammad Mosaddegh, nationalises Western-owned oil companies¹⁰. 1953 The Shah of Iran returns to power in a coup backed by the US and the UK¹¹. 1953 The Central African Federation, otherwise known as the Federation of Rhodesia and Nyasaland, is formed. The federation will collapse by 1963¹². 1953 The death of Joseph Stalin, leader of the Union of Soviet Socialist Republics (USSR), unleashes a succession struggle¹³. 1954 The Southeast Asia Treaty Organization (SEATO) is created, mainly to formulate a regional defence treaty to oppose communism in Asia. The organisation includes Australia, Thailand, the Philippines, New Zealand, Pakistan, France, the UK and the US. The body will be disbanded in 1977¹⁴. 1954 The provisions of the Geneva Accords divide Vietnam into north and south. The decolonisation war against France ends¹⁵. 1954 Algeria's war of independence with France begins. Under the Evian Accords Algeria will gain independence in 1962¹⁶. 		
Economic		
<ul style="list-style-type: none"> 1950s The reconstruction of Europe follows the end of the second world war in 1945¹⁷. 1950s Through the Marshall Plan, the US provides grants over the period 1948-52 worth around US\$12.5bn, equivalent to around 1% of that nation's GDP for each of the four years. This will promote growth in participating states and introduce pro-market reforms¹⁸. World merchandise exports rise by more than 8% per annum in real terms over the period 1950-73¹⁹. 1950s The US dollar becomes the world's major reserve currency. US corporations assume leading positions in many industries. Europe and Japan spend the immediate post-war decade undergoing extensive reconstruction, heavily dependent on official aid from the US²⁰. 		

Economist Intelligence Unit		The Economist
<ul style="list-style-type: none"> 1950s The Soviet Union Council for Mutual Economic Assistance (CMEA; 1949-91) is created with the purpose of fostering economic collaboration between communist countries²¹. 1950s Use of oil from the Middle East increases in Europe and Japan²². 1950 Agricultural products make up 40% of world merchandise trade²³. 1950 Under the Saudi-Aramco "50/50" Agreement, Arabian American Oil Company (Aramco) agrees with Saudi Arabia to share oil revenue equally, setting a precedent for distributing royalties between foreign firms and governments in the Middle East²⁴. 1951 The European Coal and Steel Community (ECSC) treaty is signed in Paris, on the back of a proposal by French foreign minister, Robert Schuman. It will form a community consisting of France, Germany, Italy and the Benelux countries, with the aim of organising free movement of coal and steel²⁵. 		
Social		
<ul style="list-style-type: none"> 1950s The TV dinner, a pre-packaged frozen or chilled meal to heat in the oven, is invented in the US²⁶. 1950 The world's urban population stands at 29%. By 2008 it will reach 50%²⁷. 1950 The women's participation rate in the workforce in the US is 35%. By 2010 it will reach 58%²⁸. 1950 The number of TV sets in US homes reaches 6m. By 1960 this will increase tenfold, to 60m²⁹. 1952 The International Planned Parenthood Federation, the Population Council and a national population policy in India raise concern over the rising global population³⁰. 1952 The first commercial jet flight leaves London for Johannesburg³¹. In 2010 the annual number of commercial flights will exceed 30m³². 1952 Mother Teresa opens the Home for the Dying in Calcutta³³. 1953 Cigarette smoking is reported to cause lung cancer³⁴. 1953 New Zealander, Edmund Hillary, and Nepalese Sherpa, Tenzing Norgay, are the first men to reach the summit of Mount Everest³⁵. 		
Technological		
<ul style="list-style-type: none"> 1950 The Diner's Club card is introduced and becomes the first credit card accepted at multiple retail establishments³⁶. 1951 The first vessels designed to carry containers begin operation in Denmark³⁷. 1951 The first commercial computer, the UNIVAC, is introduced by Remington Rand, a typewriter manufacturer³⁸. 1952 Tetra Pak introduces aseptic packaging for milk in Sweden³⁹. 1952 Herbicides treat 11% of corn and 5% of cotton acreage. By 1982, these percentages will rise to 95% and 93%, respectively. Despite increasing crop yield, intensification of pesticide use will have raised concerns about its impact on the food chain⁴⁰. 1953 James Watson and Francis Crick discover the DNA double helix structure⁴¹. 1954 The Rose Parade, a carnival held in California, features the first programme ever broadcast in the NTSC colour television format⁴². 		
Legal		
<ul style="list-style-type: none"> 1950 The UN adopts the Principles of the Nuremberg Tribunal, creating new international laws on crimes against humanity, crimes against peace and war crimes⁴³. 1952 The World Customs Organization is established⁴⁴. 		

Vessel Development

- 1975: 1,600 TEU
- 1981: 3,500 TEU
- 1989: 4,300 TEU Panmax
- 1996: 6,000+ TEU
Post-Panmax
- 1997: 6,600+ TEU
Post-Panmax
- 2006: 15,000+ TEU
- 2013: 18.000 TEU



Organisation

- Agents

- Own Maersk Line offices:

- 1943: USA
- 1947: USA, Japan
- 1960: United Kingdom,
Thailand, Hong Kong, Indonesia
- 1975: Taiwan, Canada,
Malaysia, Singapore
- 1990: 40 offices
- 2000: 100 offices
- 2013: 350+ offices
in 130+ countries



Maersk Line Today.....



- Operates about 600 vessels globally of which about 275 are owned
- Staff of about 25,000 land-based and 7,000 sea-based
- Moved about 11 million full containers
- In addition to the Maersk Line brand, operates the following regional container brands:
 - Safmarine
 - MCC Transport
 - Seago Line
 - Mercosul
 - Sealand
- As from 1st January 2015, also in partnership with MSC on a series of East-West trades

Worlds' Top 10 Container Ports 1970-2010

1970			1980		
Port name	Country	Total TEU	Port name	Country	Total TEU
Oakland	USA	336.364	New York/N.J.	USA	1.947.000
Rotterdam	Netherlands	242.328	Rotterdam	Netherlands	1.900.707
Seattle	USA	223.740	Hong Kong	China (SAR)	1.464.961
Antwerp	Belgium	215.256	Kaohsiung	Taiwan	979.015
Belfast	UK	210.000	Singapore (PSA)	Singapore	916.989
Bremerhaven	Germany	194.812	Hamburg	Germany	783.323
Los Angeles	USA	165.000	Oakland	USA	782.175
Melbourne	Australia	158.127	Seattle	USA	781.563
Tilbury	UK	155.082	Kobe	Japan	727.313
Larne	UK	147.309	Antwerp	Belgium	724.247
Top 30 Ports Globally		3.777.602	Top 30 Ports Globally		21.115.695

Worlds' Top 10 Container Ports 1970-2010


1970			1990		
Port name	Country	Total TEU	Port name	Country	Total TEU
Oakland	USA	336.364	Singapore (PSA)	Singapore	5.223.500
Rotterdam	Netherlands	242.328	Hong Kong	China (SAR)	5.100.637
Seattle	USA	223.740	Rotterdam	Netherlands	3.666.666
Antwerp	Belgium	215.256	Kaohsiung	Taiwan	3.494.631
Belfast	UK	210.000	Kobe	Japan	2.595.940
Bremerhaven	Germany	194.812	Busan	Korea	2.348.475
Los Angeles	USA	165.000	Los Angeles	USA	2.116.410
Melbourne	Australia	158.127	Hamburg	Germany	1.968.986
Tilbury	UK	155.082	New York/N.J.	USA	1.871.859
Larne	UK	147.309	Keelung	Taiwan	1.828.143
Top 30 Ports Globally		3.777.602	Top 30 Ports Globally		52.417.493

Worlds' Top 10 Container Ports 1970-2010

1970			2000		
Port name	Country	Total TEU	Port name	Country	Total TEU
Oakland	USA	336.364	Hong Kong	China (SAR)	18.098.000
Rotterdam	Netherlands	242.328	Singapore	Singapore	17.086.900
Seattle	USA	223.740	Busan	Korea	7.540.387
Antwerp	Belgium	215.256	Kaohsiung	Taiwan	7.425.832
Belfast	UK	210.000	Rotterdam	Netherlands	6.280.000
Bremerhaven	Germany	194.812	Shanghai	China	5.613.000
Los Angeles	USA	165.000	Los Angeles	USA	4.879.429
Melbourne	Australia	158.127	Long Beach	USA	4.600.787
Tilbury	UK	155.082	Hamburg	Germany	4.248.247
Larne	UK	147.309	Antwerp	Belgium	4.082.334
Top 30 Ports Globally		3.777.602	Top 30 Ports Globally		129.582.641





Worlds' Top 10 Container Ports 1970-2010

1970			2010		
Port name	Country	Total TEU	Port name	Country	Total TEU
Oakland	USA	336.364	Shanghai	China	29.069.000
Rotterdam	Netherlands	242.328	Singapore	Singapore	28.431.000
Seattle	USA	223.740	Hong Kong	China (SAR)	23.699.000
Antwerp	Belgium	215.256	Shenzhen	China	22.510.000
Belfast	UK	210.000	Busan	Korea	14.194.000
Bremerhaven	Germany	194.812	Ningbo	China	13.144.000
Los Angeles	USA	165.000	Guangzhou	China	12.560.000
Melbourne	Australia	158.127	Qingdao	China	12.012.000
Tilbury	UK	155.082	Dubai	UAE	11.600.000
Larne	UK	147.309	Rotterdam	Netherlands	11.145.000
Top 30 Ports Globally		3.777.602	Top 30 Ports Globally		299.495.000



CREATING GLOBAL OPPORTUNITIES

Maersk Line in Containerisation 1973-2013


[Home](#)
[Timeline](#)
[Behind The Scenes](#)
[Debate](#)
[Globalisation Data](#)
[Scenarios](#)
[Buy the Book](#)

The timeline


The story of Maersk Line

1978 SHIP

A-Class ships lengthened and capacity increased to 1,800 TEU



1980 SHIP



1st "Newton" container vessel, *Laura Maersk* of 2,124 TEU delivered from Odense Steel Shipyard

1980-1981 GENERAL

Containerisation of the Europe/Far East/Europe service and the Middle East Service


1981 GENERAL

Containerisation for the Japan/Indonesia service


1981 COMPANY

Maersk Line becomes the world's 3rd largest container service provider


[Start Here >](#)



TIMELINE Experience the world of Maersk Line in Images and videos.



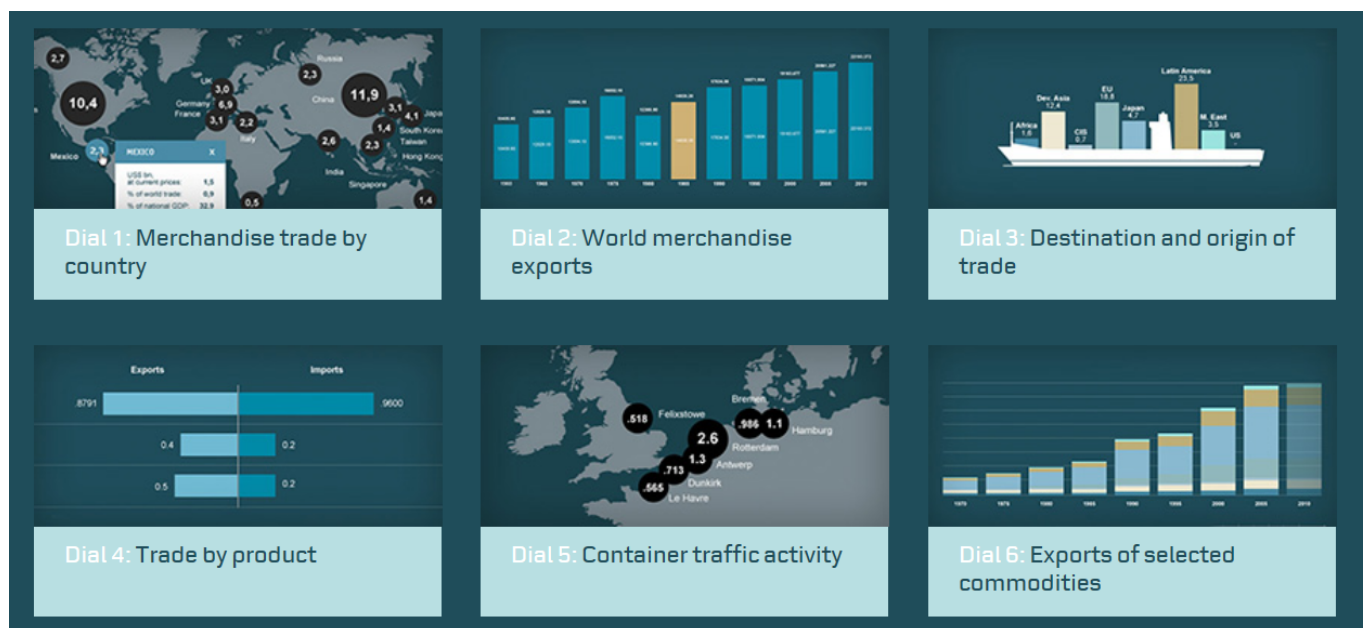
DEBATE Join the debate on how the future of shipping will turn out.



GLOBALISATION DATA Investigate the numbers behind the book.

www.creatingglobalopportunities.com

An Overview of the Historical Content



Some comments on past and possible
future economic developments

World merchandise trade
(bn, at current prices)



Trade grew at about 3.5% a year over the period.

In 1950, the United States represented 19.4% of global trade, the United Kingdom 13.1%, Canada 6.3%, France 5.5%, Germany 4.6% and Japan only 1.7% (just marginally more than Denmark's 1.5%)

By 1955, Germany's share had grown to 6.9% and Japan's to 2.5% but Western economies dominated international trade

World merchandise trade

(US\$ bn, at current prices)

	1950	1960	1970
Imports	52,1	114,1	299,7
Exports	47,6	106,0	282,0
Total	99,7	220,1	581,7

By 1970 world trade had grown to USD Billion 581.7

The United States still dominated with 14.8% of global trade. Germany had recovered with 11.0%, France had grown to 6.4%, Japan had expanded to 6.5% while the UK had dropped to 7.1%,

The "Asian Tigers" of Hong Kong, Singapore and South Korea were just beginning their "leap" with a total of 2.1% share of world trade

World merchandise trade

(US\$ bn, at current prices)

	1950	1960	1970	1980	1990
Imports	52,1	114,1	299,7	1.919,6	3.517,4
Exports	47,6	106,0	282,0	1.833,4	3.383,2
Total	99,7	220,1	581,7	3.753,0	6.900,6

From 1970 to 1990, global trade grew by an average of 5.9% a year in USDollar terms, between 10% and 15% a year in volume

China appears in the data by 1980 with a 1.0% share that by 1990 had only climbed to 1.7%

The "Asian Tigers" of Hong Kong, Singapore and South Korea had now been joined by Taiwan and collectively climbed to 7.9%

Japan's share peaked around 1985 at 8.0% and already by 1990 had dropped to 7.6%, but overall, Asia's share was now achieving 19.0% of world trade, doubling since 1950 (8.2%)

World merchandise trade

(USD bn, at current prices)

	1950	1970	1990	2010
Imports	52,1	299,7	3.517,4	15.370,0
Exports	47,6	282,0	3.383,2	14.938,3
Total	99,7	581,7	6.900,6	30.308,3
By 2010, U.S. is the only country with a double-digit share at 10.7%				
Germany was at 7.4% and Europe (DE, FR, IT, UK) at 17.2%				
China was well on its way to overtake the U.S. at 7.8% and the main Asian economies were at 24.2%				
World Population	2,5B	3,7B	5,3B	6,9B

The financial crisis of 2008 – 2009

It took until 2011 for global trade to again exceed the level of 2008

The "multiplier" (GDP growth to cargo volume) appears to have largely disappeared since 2008

The Forward-Looking Opportunities

Baseline scenario:

Global merchandise trade continues to grow at a moderate pace as major regional trade agreements are signed despite the exclusion of a number of provisions; however, multilateral trade agreements are unsuccessful.

[Read More »](#)

Upside scenario:

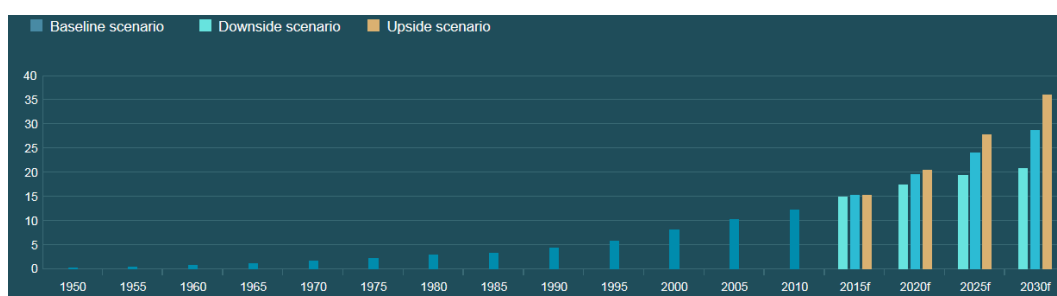
Global merchandise trade grows on the back of a positive GDP profile boosted by a diversification of the energy mix; and multilateral and major regional trade agreements are successful and encompassing.

[Read More »](#)

Downside scenario:

Global merchandise trade is severely affected as the global economy fails to build steam, while further rounds of quantitative easing in the developed world drive an increase in protectionism, leading to currency wars and beggar-thy-neighbour policies.

[Read More »](#)

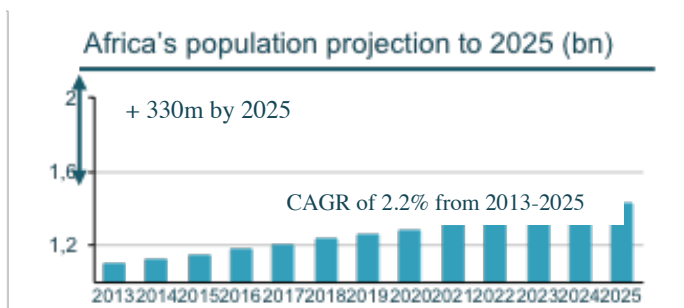


www.creatingglobalopportunities.com

Africa is emerging but has a long way to go

- The African population will increase by 30% (or 330m people) from 2013 to 2025, taking the population to 1.4bn (or 18% of the global total).
- Urbanisation and income growth will ensure the continued emergence of top tier and second tier cities over the coming decade.
- These changes will boost demand for basic and higher value consumer goods and associated distribution and retail networks.

Population of Africa's ten biggest cities in 2013 (m)



Sources: UN, US Census Bureau; IMF. Compiled by The Economist Intelligence Unit 10/2014

Some more on Africa.....

China is by far Africa's largest trading partner at USD 160 billion a year

1 million Chinese work in Africa

But, India's trade with Africa, at USD 100 billion, is growing faster than China's

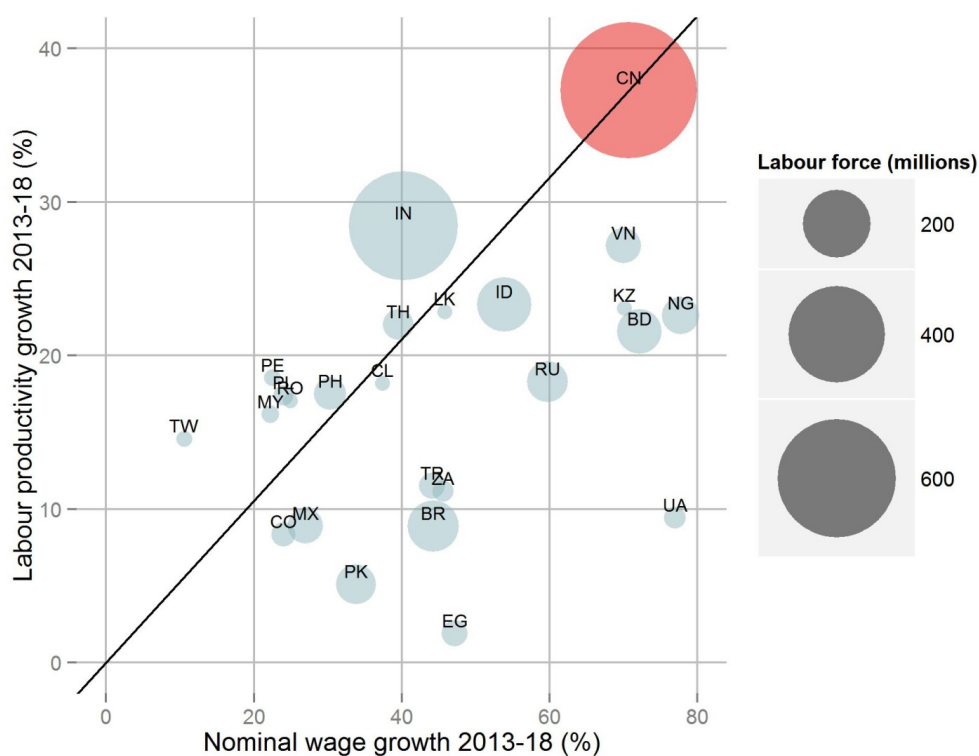
Foreign Direct Investment into Africa shows a different picture (2014):

- UK USD 7.5 billion
- US USD 3.7 billion
- Italy USD 3.6 billion
- China USD 2.5 billion
- France USD 2.1 billion
- India USD 1.8 billion

China is far from becoming uncompetitive

India, Philippines, Peru, Poland and Taiwan are among those becoming more attractive compared to China

Bangladesh, Vietnam, Nigeria, Russia and Brazil are becoming less attractive



Economist Intelligence Unit 10/2014

A few thoughts on China's development

China today exports more in 6.5 hours than it did in the whole of 1985

Source: Economist 11/10/14 from World Bank data

China produced USD 9.5 Trillion worth of goods and services in 2013. Three times more than in 2007

Source: Economist 11/10/14 from World Bank data

China is a capital exporting country and it is now poised to become a net exporter of capital.”

Deputy Minister of Commerce, Zhang Xiangchen, Financial Times, 10/2014

China since 1977 has managed to engineer the longest growth period ”in the history of mankind.” The only countries that come close are Taiwan and South Korea which managed 32 and 29 years respectively.

Financial Times 20/11/14

A few more thoughts on China's development

88,000 firms from Taiwan operate in China, employing 15.6 million workers while 23,000 Japanese firms employ about 11 million and South Korean firms employ about 2 million workers

In 2010, China committed more loans to Latin America than the World Bank, Inter-American Development Bank and the US Export-Import Bank combined.

Today, China is the largest trading partner of Brazil, Chile & Peru

Source: The Economist 8/11/14

President Xi: Trade with Latin America to be doubled by 2019
2000: USD 10 billion 2013: USD 257 billion

The Economist 17/1/15

China is "profoundly affected by the awareness that China has not participated in making the rules of the system"

Henry Kissinger "World Order"

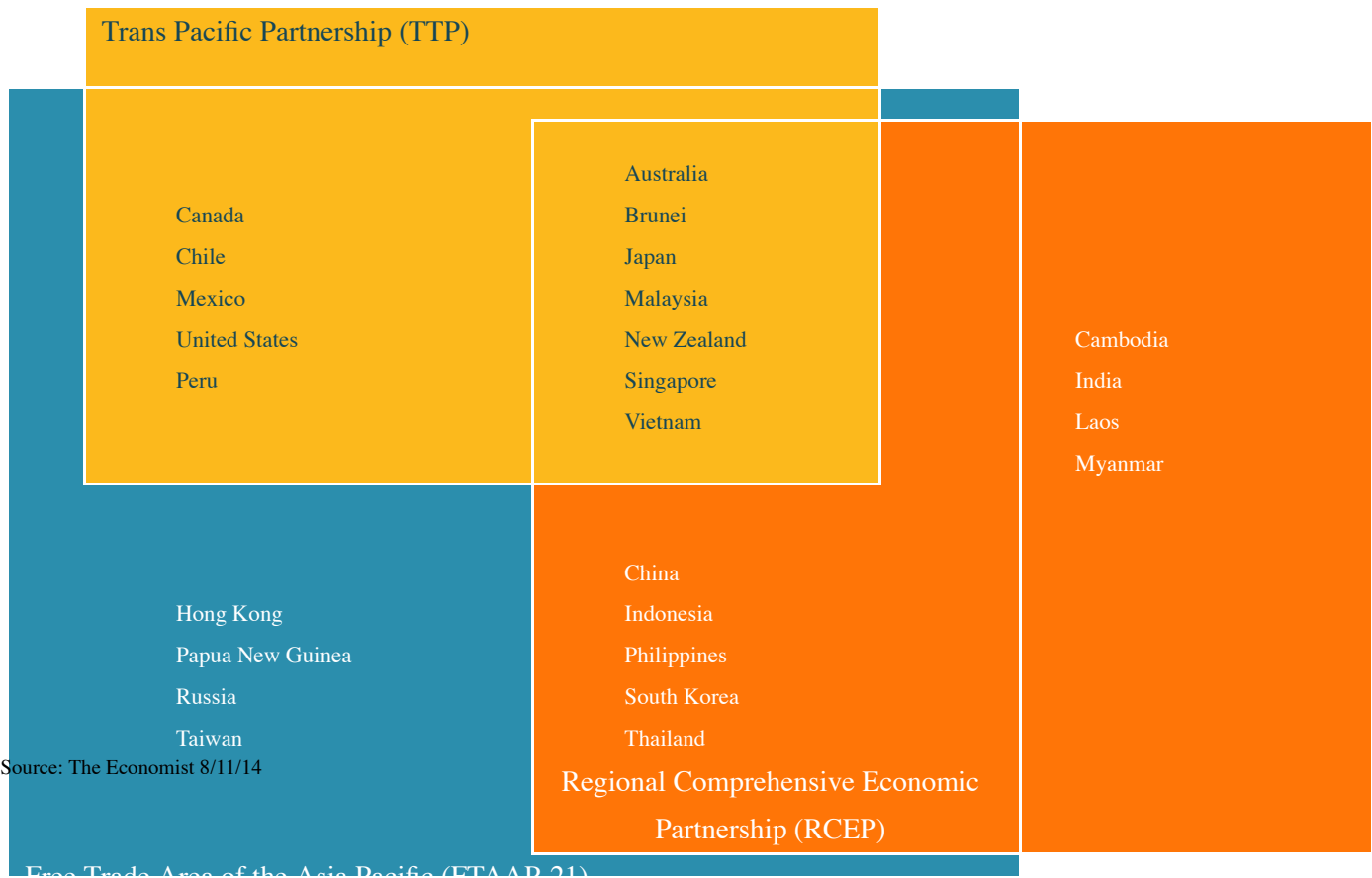
Some thoughts on Asia as a whole.....

54% of Asia's trade is within the region, up from 25% in 1990
Asia represents 27% of world market capitalisation, up from 20% ten years ago.


Since 2000, Asia has created over 11,000 IPO's, now has over 25,000 listed companies while China has 41 million private businesses.

- 18% of the world's trade is now settled in Ren Min Bi, the world's 7th most used currency.
- 29% of global R&D occurred in Asia in 2012.
- 30% of the world's middle class spending is done by Asians.
- 41% of the world's patents filed in 2012 were in Asia.
- 47% of the world's manufacturing takes place in Asia.

A Current Opportunity: Trade Negotiations in Asia



Thank You!



CREATING GLOBAL OPPORTUNITIES

Maersk Line in Containerisation 1973-2013


f in t y

Home Timeline Behind The Scenes Debate Globalisation Data Scenarios Buy the Book


The timeline

The story of Maersk Line

1978 SHIP
A-Class ships lengthened and capacity increased to 1,800 TEU



1980 SHIP
1st "Newton" container vessel, *Laura Maersk* of 2,124 TEU delivered from Odense Steel Shipyard




1980-1981 GENERAL
Containerisation of the Europe/Far East/Europe service and the Middle East Service


1981 COMPANY
Maersk Line becomes the world's 3rd largest container service provider

1981 GENERAL
Containerisation for the Japan/Indonesia service


Start Here >



TIMELINE Experience the world of Maersk Line in images and videos.



DEBATE Join the debate on how the future of shipping will turn out.



GLOBALISATION DATA Investigate the numbers behind the book.

www.creatingglobalopportunities.com