MARK WILLIAMS / AFFINITY

"There was no avoiding 2016's political earthquakes as voters around the world voiced their displeasure with mainstream political and economic responses to the great recession and globalisation.

The irony is that the major economies of the world — the US, China, the eurozone and Japan — have all enjoyed economic growth this year, employment levels have improved and, until late on in 2016, low energy costs and historically low costs of credit helped the large economies to battle through weak demand, low productivity growth and limited wage growth.

There is plenty to be optimistic about for 2017 from a macro-economic perspective after a year which has, apart from bright spots in tanker markets, been a low point for most sectors of shipping.

Nonetheless, I confidently predict that in the coming year politicians' inveterate appetite for fiddling with market processes and intervening to cause unintended consequences will continue unsated."

Mark Williams, research, Affinity

SVERRE SVENNING / FEARNLEYS RESEARCH

"At Fearnleys, we are fundamentally optimistic with respect to the dry bulk market in 2017. We are equally fundamentally pessimistic with respect to the tanker markets. Having said this, we believe in neither boom for dry nor doom for tankers.

More important, we believe 2017 will become a sort of watershed year. In 2016, two sets of important IMO rules were ratified (BWTS and the sulphur cap). Compliance will be costly and the money to pay for it is scarce. Dry bulk and container carrier owners are very low on cash

Svenning quote continues on page 18

CHRISTOPH BRUHN / BRUHN SHIPBROKERS

"Uncertain prospects of global trade and continued fragile geopolitical developments seem to make it next to impossible to give a resilient forecast for our industry for 2017. Such uncertainty, however, does not back the motivation, innovation and financial support we would desperately need to find and implement good strategies for the future.

With continued low, at best sideways moving, markets, I expect the asset 'ship' will face further declining value, also in view of increasing operational expenses.

As usual, there are two options: either 'hold' and invest further in the asset, hoping for better markets in 2018 (or later), or enforce an 'exit' now. We will have to see how owners and banks will deal with this in 2017, but I assume the latter will still be favoured. This in turn can give benefit to those who have belief (and money) to invest in the future because they can still acquire tonnage at very interesting prices.

The industry is called to continue its efforts to reach a more balanced supply/demand scenario of the fleet with utmost speed by further scrapping, plus reduced newbuilding orders. With shipyard prices being at historically low levels, it will be a challenge for owners to resist such temptation.

For us S&P brokers, I foresee another very busy year ahead, probably again filled with a lot of frustration too, especially when dealing with parties forced to sell because of their mostly 'suboptimal' marketing strategy — another reason for continued low prices.

For the entire industry, this year will again be extremely tough, frustrating and challenging."

Christoph Bruhn, Bruhn Shipbrokers, Hamburg

Legal

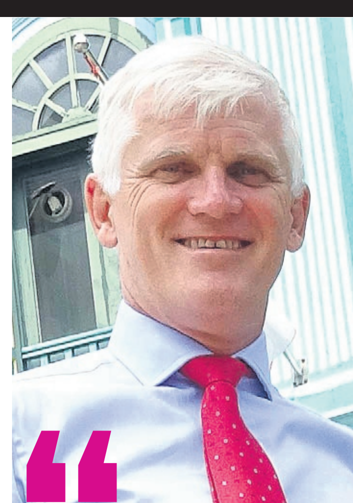
GERRY WANG / SEASPAN CORP

"Shipping as the derivative of the global economy will continue to be subject to its own demand and supply dynamics.

But I see more coming from the geopolitics, consolidation in our container sector in particular, regulatory requirements such as BWT [ballast water treatment], low sulphur fuel regulation as well as potentially higher commodity and bunker fuel prices.

If I may call them ingredients for making cookies, and mix them up to put into the oven, I have a relatively positive feeling of expecting some decent cookies! This is somehow different from how I thought at the end of 2015 about 2016."

Gerry Wang, chief executive, co-chairman and co-founder, Seaspan Corp



TRISTAN HOWITT / X-PRESS FEEDERS

"There will be more volatility, so more carriers will convert operational and feeder costs from fixed internal to variable third party. Why? Capacity has outgrown cargo for several years and will continue in 2017/2018 so, in the current regulatory environment, regardless of consolidation, container players must control capacity or be faced with further declining revenues.

The uncertainty as to which port-pair volumes and transhipment hubs will sustainably give the best retention to the mother

Howitt quote continues on page 18

orderbook will be a focus for us. Chinese financiers will replace traditional financiers. We are fortunate to have so many first-class financiers, customers and partners. We wish them and all a happy new year!"

Mark Kremin, president and chief executive, Teekay Gas Group

CHARLES MALTBY / EPIC GAS

"The small gas carrier market has some reason to be optimistic for 2017. Legacy oversupply in the pressurised LPG fleet is naturally correcting, resulting in the lowest orderbook among all bulk shipping segments.

This has resulted in a 3% orderbook as a percentage of the existing fleet, which combined with about 9% of the existing fleet being aged over 25 years should further encourage ongoing scrapping.

The long-term secular growth story in global demand for LPG remains intact, driven by increasing supply from North America, the Middle East and Russia, supporting competitive pricing, and demand growth for both traditional heating, cooking and auto-fuel markets alongside petrochemical refining.

Our vessels, which predominately trade on last-mile regional routes, see demand growth driven at about 8% year on year, from over 300 different ports, on both LPG and petrochemicals. We are, therefore, a sector with considerable ability to diversify our earnings exposure across commodities and geography.

Within Epic Gas, we have a further three newbuilds due to deliver in the first quarter of 2017, on the back of our 14 vessels delivered since 2014 across the 3,500-cbm to 11,000-cbm spectrum, taking our on-the-water fleet, at 41 vessels, to about 16% of the global pressurised LPG fleet."

Charles Maltby, chairman and chief executive, Epic Gas

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