Activity in the second-hand tanker market

Indicator	2018	2017[1]	Difference
Number of vessels sold (units)	333	279	19.35%
Total deadweight of sold ships ('000 tonnes)	32,596	27,838	17.09%
Total value of sales (USD million)	4,956	5,586	-11.28%

Source: Clarksons

At the end of 2017 and during 2018, the demand and orders for new vessels increased multiply compared to stagnation in the shipbuilding market in 2016 and 1H 2017. The segments of container ships and LNG carriers accounted for the major part of orders in 2018. The number of orders for both tanker and dry cargo fleet also increased significantly due to the reasonable expectation that the bottom in prices for new ships had been passed. The value of orders for new ships has increased by about 15% since the beginning of 2018 due to the stabilisation of demand for contracts and an increase in metal prices and exchange rates of currencies used by Far East shipbuilders.

Dynamics of the number of new ship orders

Type of vessel	2018	2017[2]	Difference
Crude oil and product tankers	169	262	-35.50%
Chemical tankers	35	72	-51.39%
LPG carriers	41	27	51.85%
LNG carriers	76	18	322.22%
Total	321	379	-15.30%

Source: Clarksons

1.2.2. Competitive position

Main competitors of Sovcomflot Group in core business areas are:
- Fredriksen Group, Cyprus;
- Teekay Corporation, Canada;
- Euronav N.V., Belgium;
- Knutsen OAS Shipping, Norway;
- China COSCO Shipping, China;
- Mitsui O.S.K. Lines, Japan;
- Dynacom Tankers, Greece;
- Scorpio Group, Monaco
- Torm A/S, Denmark
- Minerva Marine, Greece;
- BW Group, Bermuda
- Tsakos Group, Greece;
- MISC, Malaysia.

The Group’s share of the freight market does not exceed 1%. Any change in this indicator over the past three years is considered immaterial (less than 0.01%) due to the high degree of fragmentation on the tanker transportation market and the continued presence of a significant number of operators, estimated in total at about 3,200 (including approximately 200 companies with a fleet of 10 or more tankers).

According to Clarksons, at the end of the reporting period Sovcomflot Group held the following positions in global shipowner rankings:

Parameter	Global ranking
Arctic shuttle tanker fleet	1
Ice-class tanker fleet	1
Aframax tanker fleet	1
Fleet of multifunctional icebreaking vessels	1
Size of tanker fleet	3
Shuttle tanker fleet	3
Ice-class LNG tanker fleet	5
Product tanker fleet	6

No. 1

IN THE WORLD

Arctic shuttle tanker fleet
Ice-class tanker fleet
Aframax tanker fleet
Fleet of multifunctional icebreaking vessels

1. Clarksons Research Services data for 2017 as of 31 December 2018 were updated in comparison with similar data as of 31 December 2017.
2. Clarksons Research Services data for 2017 as of 31 December 2018 were updated in comparison with similar data as of 31 December 2017.