
BRS
GROUP
Shipping and Shipbuilding Markets
Annual Review
2025

Contents

Cover image:
"*The sun is setting on the Shipping Markets but can we expect a green ray?*" is metaphorical and suggests that while the Shipping Markets may be facing a decline or downturn (as symbolized by the sun setting), there may still be a glimmer of hope or a positive turn of events (represented by the "green ray," which is often a symbol of hope, optimism, or a fresh opportunity).

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650+

Employees worldwide

120

Assets transactions per year

250+

Shipbrokers

5,000

Chartering transactions per year

A Green Ray of Hope in Uncertain Shipping Markets!

The sun may be setting on the shipping markets, but might we see a Green Ray of hope on the horizon – and if so, what fortunes could it bring?

I have delayed writing this editorial until the last possible moment before this Annual Review goes to print, because predicting what lies ahead for the shipping markets has never been more difficult.

In many ways, 2024 felt like 2007, full of optimism and an order frenzy, as though the industry believed tough markets were a thing of the past.

Last year's Posidonia, always a spectacle, seemed more like a contest among those who clinched shipyards' "last" 2027 slots by paying sky-high prices. Some were so steep that the asset's future earnings would need to match the record peaks of 1Q24, something no rational model could project.

What was most surprising is that many of these orders came from seasoned shipping professionals who have experienced at least one, or even two, market cycles (1999-2001 and 2004-2008).

Never since World War II has geopolitical turbulence led to persistently high freight rates. Rather, the cycle has followed a pattern of two- to three-year peaks, followed by decade-long depressions.

The recently inaugurated US President Trump is already sending ripples across the shipping markets. Notably, his ambition to end the war between Russia and Ukraine has been very clear. I hope that most of us can agree that peace seems increasingly likely in 2025.

While one hopes that an end to the conflict will welcome a new era of peace, it will certainly trigger Russia's demand for the lifting of sanctions restricting its export of oil and other commodities. This could lead to a major drop in tonne-miles for Russian crude and refined products, in turn delivering a significant blow to demand in the tanker market.

The dry bulk market is likely to be less affected, however, and could even benefit from the lifting of sanctions. Russia's Black Sea ports, as well as its Baltic and Far East ports, could resume exports of their main commodities – grain, coal, fertilisers and steel – facilitated by the mainstream bulk carrier fleet.

This potential shift could also coincide with a normalisation of traffic through the Red Sea and the Suez Canal, provided peace in the Middle East holds. Egypt, whose economy heavily relies on the income from the Suez Canal, is under significant strain. Stability is crucial to prevent public unrest and ensure the country's economy can function normally. Certainly, world powers have a vested interest in maintaining its stability, as the most populated country in the Middle East and the second-most in Africa, with nearly 116 million people. As a US ally and a partner to Israel, there is likely to be a strong appetite from governments to resolve any tensions, even if peace in Gaza and Lebanon remains fragile.

Furthermore, the recent introduction of import tariffs in the US threatens to ignite a tit-for-tat global trade war. How this will affect world trade will take time to measure, but it is clear that the consumer will be hit hardest.

Much like the start of 2025, the remainder of the year is shaping up to be just as unpredictable – a landscape ripe for asset play. Older ship values will continue to weaken, and shipbuilding prices will stall. Shipyards will suffer from a slowdown in ordering, even as additional shipbuilding capacity comes on stream.

At the same time, 2025 could well mark a turning point – a transition from war, sanctions, and hostilities, notably in the Red Sea, towards peace and renewed trade. This would favour the mainstream tankers and bulkers as they take over the tonne-miles from a defunct shadow fleet headed for demolition. Peace should also drive the reconstruction of Gaza and Ukraine, fuelling demand for commodities and tonnage.

But beyond markets and trade, the most meaningful impact of peace would be the relief and healing it would bring to exhausted and suffering populations.

As the sun sets on the horizon, I sincerely hope a Green Ray will shine through!

Gilbert Walter
Chairman & CEO

Momentum for Wind-Assisted Propulsion Systems

A first-of-class 65m aluminium sailing cargo trimaran ordered by Vela Transport at Austal Shipyards in the Philippines – to be delivered in 2026. Credit: VELA Transport

In Today's Quest for Abundant Energy Sources, Interest in Wind Power Steadily Returns

While shipping players have yet to collectively select an alternative fuel to drastically cut carbon emissions and meet the IMO's net-zero target by 2050, one free, abundant and readily available energy source is slowly making a comeback – wind. Class societies refer to technologies that use wind to generate additional thrust as Wind-Assisted Propulsion Systems (WAPS). Today's need for decarbonisation, combined with the rising costs of regulatory compliance, has driven increased research and the adoption of WAPS on board.

Wind-Assisted Propulsion System technologies

Since 2019, the number of vessels operating with WAPS technology has increased year-on-year. Rotor sails, suction sails and wing sails are the top three types installed on merchant vessels today, and collectively cover 99% of the total WAPS retrofits performed.

In the past decade there has also been significant research around using kites to generate additional forward thrust. Nevertheless, the kite is still in its experimental phase and does not yet serve on board any vessel as a permanent solution.

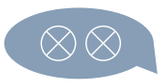
Type of Sail		Principle	Advantage(s)	Disadvantage(s)
Rotor Sails		Create magnus effect via vertical rotating cylinder	Medium space requirement, medium visibility	Requires power to spin
Suction Sail		Control airflow via internal airflow system to increase lift	More efficient in low wind speeds	Requires power to control airflow, can be more complex
Wing Sail		Aerodynamic lift principle like an airplane	Large thrust potential	Requires large deck space, blocks view
Kite Sail		Forward thrust transmitted by cables	Lightweight, requires no space on deck	Downwind solution only, must be actively monitored

Table 1: The different types of Wind-Assisted Propulsion Systems considered on board vessels today

In recent years, various companies have retrofitted one or more of their vessels by installing WAPS on board.

Wing sails

Sail Designer	Type of Vessel	Owner	Operator	Current Vessel Name	Vessel Built	Sails Installed	Dwt	Gt	LOA	B	Sail No. + Height (m)	Fitted as
Naos & Concrane, Italy	Ropax	Visemar	Grandi Navi Veloci	GNV Bridge	2021	2021	9,000	33,000	203	26	1 x 12	Newbuild
WISAMO, France	Ro-Ro	Maritime Nantaise	Brittany Ferries	Pelican	1999	2022	8,800	12,000	155	22	1 x 17	Retrofit
MOL & Oshima, Japan	Tanker	Associated Maritime	Associated Maritime	New Aden	2021	2022	305,000	162,000	333	60	4 x 40	Newbuild
MOL & Oshima, Japan	Bulk Carrier	MOL	MOL Drybulk	Shofu Maru	2022	2022	100,000	60,000	235	43	1 x 48	Newbuild
BAR Technologies, Germany	Bulk Carrier	Berge Bulk	Berge Bulk	Berge Olympus	2015	2023	210,000	110,000	300	49	4 x 40	Retrofit
OceanWings, France	Ro-Ro	Jifmar Guyane	Alizés (For Ariane Group)	Canopée	2022	2023	5,000	10,000	121	22	4 x 30	Newbuild
BAR Technologies, Germany	Bulk Carrier	MC Shipping	Cargill	Pyxis Ocean	2017	2023	80,000	43,000	229	23	2 x 37.5	Retrofit
MOL & Oshima, Japan	Bulk Carrier	MOL Drybulk	MOL Drybulk	Green Winds	2024	2024	64,000	37,000	200	32	1 x 48	Newbuild
Smart Green Shipping, UK	Nuclear Transport	Pacific Nuclear Transport	AWSM	Pacific Grebe	2010	2024	5,000	7,000	104	18	1 x 20	Retrofit
Oceanbird (JV Alfa Laval & Wallenius), Sweden	Ro-Ro	Wallenius Wilhelmsen	Wallenius Wilhelmsen	Tirranna	2009	2025	30,000	72,000	232	33	1 x 40	Retrofit

Table 2: Wing sails installed between 2020 – 1Q 2025 on merchant vessels.

Figure 1: CANOPEE, sail-powered Ro-Ro (fitted with 4 articulated Ayro designed sails), 5,400 t Dwt, built by Neptune Shipyard (NL), owned by Jifmar, operated by Alizés for Ariane Group, December 2022. Copyright: Alizés

Rotor sails

Sail Designer	Type of Vessel	Owner	Operator	Current Vessel Name	Vessel Built	Sails Installed	Dwt	Gt	LOA	B	Sail No. + Height (m)	Fitted as
Norsepower, Finland	Ropax	Scandlines Danmark	Scandlines Danmark	Copenhagen	2016	2020	4,800	24,000	170	25	1 x 30	Retrofit
Eco Flettner, Germany	General Cargo	Roerd Braren Bereederungs	Roerd Braren Bereederungs	Annika Braren	2020	2021	5,000	3,000	87	15	1 x 18	Newbuild
Norsepower, Finland	Ro-Ro	Seatrans	Seatrans	SC Connector	1997	2021	12,800	12,000	163	22	2 x 35	Retrofit
Norsepower, Finland	Bulk Carrier	Pan Ocean	Pan Ocean	Sea Zhoushan	2019	2021	325,000	175,000	340	60	5 x 24	Newbuild
Norsepower, Finland	Ropax	Scandlines Danmark	Scandlines Danmark	Berlin	2016	2022	4,800	22,000	170	25	1 x 30	Retrofit
Norsepower, Finland	Ro-Ro	CLDN RORO	CLDN RORO	Delphine	2018	2023	74,000	75,000	234	35	1 x 35	Retrofit
Anemoi Marine Technologies, UK	Bulk Carrier	Tufton	Tufton	TR Lady	2011	2023	82,000	44,000	229	32	3 x 24	Retrofit
Chinese, China	Bulk Carrier	Minsheng Financial Leasing	Minsheng Financial Leasing	Chang Hang Sheng	2012	2023	45,500	28,000	190	32	4 x 24	Retrofit
Dealfeng, China	Heavy lift/deck Carrier	China National Offshore Oil Corp.	China National Offshore Oil Corp.	Hai Yang Shi You 226	2010	2023	17,000	17,000	153	38	2 x 18	Retrofit
Norsepower, Finland	VLGC	IINO Kaiun Kaisha	IINO Kaiun Kaisha	Oceanus Aurora	2023	2023	58,500	9,000	230	37	2 x 20	Newbuild
Norsepower, Finland	Tanker	Socatra	Socatra	Alcyone	2010	2024	50,000	295,000	183	32	2 x 35	Retrofit
Anemoi Marine Technologies, UK	Bulk Carrier	Asyard	Asyard	Sohar Max	2019	2024	400,000	203,000	360	65	5 x 37	Retrofit
Dealfeng, China	Tanker	Haiyue	Haiyue	Hai Yang Shi You 302	2008	2024	5,000	5,000	133	22	2 x 18	Newbuild
Norsepower, Finland	Bulk Carrier	Oldendorff	Oldendorff	Chinook Oldendorff	2016	2024	105,000	60,000	235	38	1 x 24	Retrofit
Norsepower, Finland	LCO2 Carrier	Northern Lights JV	Northern Lights JV	Northern Pathfinder	2024	2024	8,000	10,700	130	22	1 x 28	Newbuild
Norsepower, Finland	LCO2 Carrier	Northern Lights JV	Northern Lights JV	Northern Pioneer	2024	2024	8,000	10,700	130	22	1 x 28	Newbuild
Norsepower, Finland	Cement Carrier	Baltrader	Baltrader	Cemcommander	2024	2024	5,600	56,000	113	16	1 x 24	Newbuild
Anemoi Marine Technologies, UK	Bulk Carrier	Berge Bulk	Berge Bulk	Berge Neblina	2013	2024	388,000	195,000	340	65	4 x 35	Retrofit
Yard, China	Tanker	Shanghai Qianghui Shipping	Shanghai Qianghui Shipping	Jun Bai 56	2024	2024	5,000	3,000	96	16	1 x 16	Newbuild
Norsepower, Finland	Bulk Carrier	Nippon Marine	Nippon Marine	Koryu	2016	2024	53,000	30,000	190	32	1 x 35	Retrofit
Norsepower, Finland	Bulk Carrier	MOL	MOL	Camellia Dream	2017	2024	200,000	107,000	299	32	2 x 35	Retrofit
Norsepower, Finland	Bulk Carrier	IINO Lines	IINO Lines	Yodohime	2016	2025	85,000	48,000	229	38	1 x 25	Retrofit

Table 3: Rotor sails installed between 2020 – 1Q 2025 on merchant vessels.

Suction sails

Sail Designer	Type of Vessel	Owner	Operator	Current Vessel Name	Vessel Built	Sails Installed	Dwt	Gt	LOA	B	Sail No. + Height (m)	Fitted as
Econowind, Netherlands	General Cargo	Van Dam	Van Dam	Ankie	2012	2020	3,600	2,500	90	13	2 x 13	Retrofit
Econowind, Netherlands	General Cargo	Boomsma Shipping	Boomsma Shipping	Frisian Sea	2009	2021	6,500	4,300	118	13	2 x 11	Retrofit
Econowind, Netherlands	Ro-Ro	Marfret	Marfret	Marfret Niolon	2009	2022	5,200	7,400	123	19	2 x 12	Retrofit
Econowind, Netherlands	General Cargo	Sal Heavy Lift	Sal Heavy lift	Anna	2008	2022	5,000	3,000	90	15	2 x 16	Retrofit
Bound4Blue, Spain	General Cargo	Amasus Shipping	Amasus Shipping	EEMS Traveller	2008	2023	2,800	2,100	90	14	2 x 17	Retrofit
Econowind, Netherlands	Cement Carrier	SMT Shipipng	SMT Shipipng	Sunnanvik	2006	2023	9,000	7,500	124	18	2 x 16	Retrofit
Bound4Blue, Spain	Ro-Ro	Louis Dreyfus Armateurs	Louis Dreyfus Armateurs	Ville de Bordeaux	2004	2024	5,200	21,000	154	24	3 x 22	Retrofit
Econowind, Netherlands	Bulk Carrier	NYK	NYK	NBA Magritte	2018	2024	82,000	43,000	229	32	2 x 10	Retrofit
Econowind, Netherlands	Container	Norse UK	Norse UK	Kalamazoo	2013	2024	12,500	10,000	143	23	2 x 2 x 12	Retrofit
Econowind, Netherlands	General Cargo	Rederi AB Nathalie	Rederi AB Nathalie	Odda Marie	2012	2024	5,000	4,000	100	16	2 x 12	Retrofit
Econowind, Netherlands	Tanker	Chemship	Chemship	Chemical Challenger	2008	2024	16,000	9,200	134	22	4 x 16	Retrofit
Econowind, Netherlands	Multi-purpose	De Bock Maritiem	De Bock Maritiem	Amadeus Saffier	2022	2024	5,000	4,000	88	16	3 x 16	Newbuild
Econowind, Netherlands	LPG Tanker	Anthonhy Vederer	Anthonhy Vederer	Coral Patula	2011	2024	4,000	5,000	115	17	4 x 16	Retrofit
Econowind, Netherlands	Heavy lift/deck Carrier	Khan Shipping	Khan Shipping	Jumbo Jubilee	2009	2024	12,000	10,000	145	20	5 x 16	Retrofit
Bound4Blue, Spain	Orange Juice Carrier	Wisby tankers AB	Louis Dreyfus Company	Atlantic Orchard	2014	2025	39,000	28,000	180	30	4 x 26	Retrofit

Table 4: Suction sails installed between 2020 – 1Q 2025 on merchant vessels.

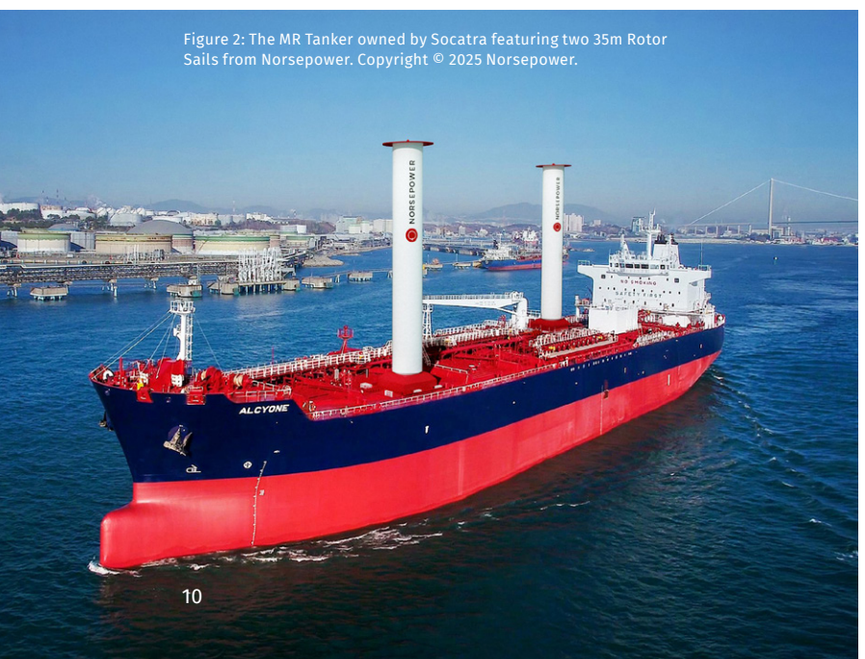


Figure 2: The MR Tanker owned by Socatra featuring two 35m Rotor Sails from Norsepower. Copyright © 2025 Norsepower.

Figure 3: The 39,000 Dwt Orange Juice Carrier owned by Wisby Tankers and operated by Louis Dreyfus Company (LDC), which is now fitted with four 26m Suction Sails designed by Bound4Blue. Copyright © 2025 Bound4Blue

The market has witnessed an increase in WAPS installations over the past few years.

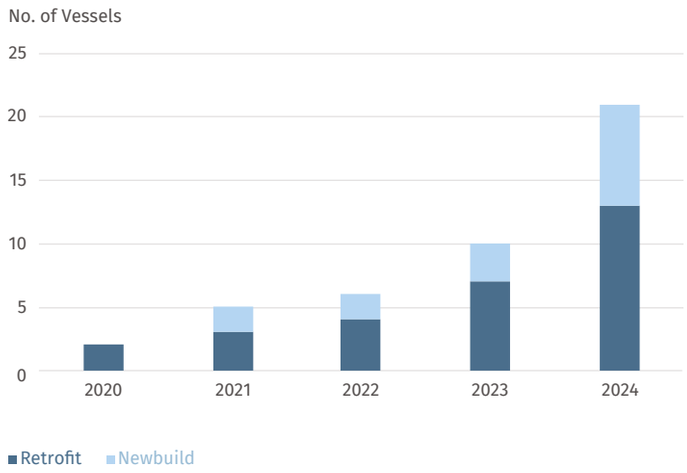


Figure 4: The number of vessels that have been fitted with a WAPS system – per year. Source: BRS - January 2025

Current orderbook

In the past five years, the largest interest in sails has been from bulk carriers, Ro-Ro, Ropax and general cargo vessels. Looking forward – considering the orderbook as per January 2025 and planned retrofits – most sails will be installed on board tankers and general cargo vessels. The orderbook for installation of WAPS on board bulk carriers is smaller now compared with the past five years.

Figure 5 shows how the current orderbook for WAPS installations is very strong compared to the total installations performed across the past five years.

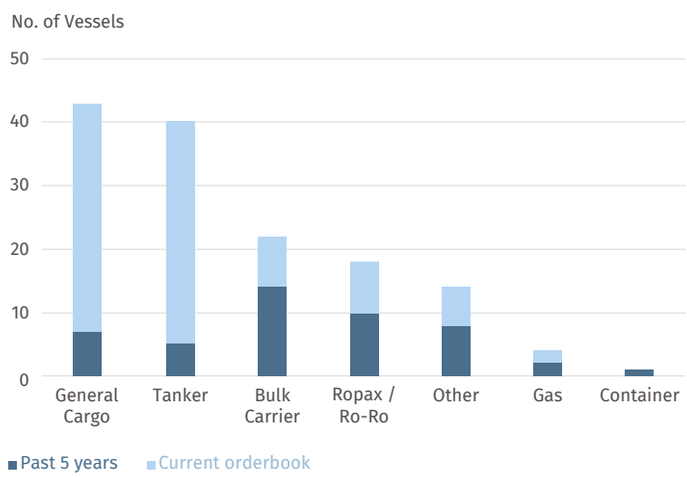


Figure 5: Comparison between the number of vessels fitted with WAPS on board in the past five years versus the current orderbook. Source: BRS - January 2025

Figure 6: The new Ro-Ros under construction at CSSC Wuchang for Louis Dreyfus Armateurs (LDA) – for charter to Airbus Industries, each to be fitted with six Rotor sails designed by Norsepower. Credit: Louis Dreyfus Armateurs. Copyright © 2025 Norsepower

Recent developments and the increase in WAPS retrofit/ newbuilding orders

In parallel to the development of these WAPS technologies, several companies (D-ICE, Syroco, Blue Wasp Marine) have gained experience and significant knowledge from ocean racing to develop software combining vessel design, wing thrusts, and weather forecasts to provide an optimised route, enabling fuel savings up to 15%.

Except for kites, on-board WAPS technologies have moved beyond the experimental phase, with companies like OceanWings, Ventofoil, NorsePower, BAR Technologies, SolidSail and Anemoi having already demonstrated their robustness, reliability and fuel efficiency. Zephyr & Borée and Oceanwings, for example, reported that the 5,000 Dwt Ro-Ro Canopée achieved fuel reductions of 15-40% on transatlantic crossings, depending on speed, with a recorded maximum speed of 13 knots under sail alone. This ship is trading between Europe and the Caribbean, a route which features optimal wind conditions.

Looking forward, the orderbook for WAPS fitting projects is growing. As an example, Louis Dreyfus Armateurs (LDA), in partnership with Airbus Industries, has ordered three advanced Ro-Ro vessels at China's CSSC Wuchang Shipbuilding yard. Each 167m vessel will be equipped with six Flettner rotor sails supplied by Norsepower. The fleet renewal aims to cut average annual transatlantic CO_2 emissions from 68,000 to 33,000 mt by 2030, thereby contributing to Airbus' commitment to reduce overall industrial emissions by up to 63% compared with 2015 levels. The ships are scheduled to enter service starting in 2026, gradually replacing the existing fleet used to transport Airbus aircraft sub-assemblies between Europe and the USA.

In the cruising segment, the French company Cormoran, in collaboration with Ship-ST, has developed an innovative system of rigid sails integrated with solar panels, designed to harness both wind and solar energy for marine propulsion. These sails are set to be installed on Selar's upcoming 70m cruise-expedition vessel, Captain Arctic, currently under construction at the Chantier Naval de l'Océan Indien (CNOI) shipyard in Mauritius.

Figure 7: 70m cruise-expedition vessel CAPTAIN ARCTIC with the world's first solar-powered wing rig. Credit: Bureau Veritas.

Chantiers de l'Atlantique's Solidsail is currently being installed on Neoliner Origin, Neoline's 136m 6300 Dwt Ro-Ro vessel under construction at RMK in Türkiye. This sail technology has also been chosen by Orient Express Silenseas for its two luxury cruise ships Orient Express Corinthian and Orient Express Olympian, under construction at Chantiers de l'Atlantique and set for delivery in 2026.

Today, wings on board merchant vessels serve as a secondary source of energy. Yet, different newbuilding projects are being developed today to use these sail technologies as a primary energy source (referred to as 'Primary Wind' vessels).

TransOceanic Wind Transport (TOWT), a French sailing freight transport company, has been advancing its mission to decarbonise maritime transport by harnessing wind power. In 2024, TOWT took delivery of its first two modern sailing cargo vessels, each measuring 81m in length and capable of transporting approximately 1,050 European pallets (or 830 US pallets) across the Atlantic Basin. These vessels, named Anemos and Artemis, represent a significant step towards sustainable maritime logistics. The company also announced an order for six additional sisterships, for delivery across 2026-27 from Piriou shipyard, Vietnam.

In July 2024, the French shipping company VELA Transport contracted Austal Australasia in the Philippines to construct a 67m aluminium trimaran cargo vessel, designed by the French company VPLP. This pioneering ship is designed to transport approximately 600 pallets in refrigerated cargo holds, solely powered by wind, enabling efficient and sustainable transatlantic crossings. VELA plans to order four sisterships for delivery 2028/2029, to enable weekly departures from France to the USA.

Figure 8: Ro-Ro vessel Neoliner Origin, will be fitted with two Solidsail rigs (designed by Chantiers de l'Atlantique), using wind as main propulsion, under construction in RMK Marine (Türkiye)

Figure 9: The 85m wind-powered cargo ship design by Windcoop for sustainable maritime transport. Copyright © 2025 Windcoop.

In 2Q24, the French chocolate company Grain de Sail took delivery of its second 53m, 350 Dwt aluminium monohull for transatlantic cacao transportation. In December 2024, Grain de Sail revealed its intention to order a third vessel: a 110m-long unit capable of carrying 2,800 mt, which will be fitted with SolidSail WAPS technology.

This year, Windcoop shipping line is building its first vessel, a 210 teu containership, with RMK shipyard in Türkiye. Delivery is scheduled in May 2027, and the ship will operate between France and Madagascar. It will be the very first containership to use wind propulsion. Windcoop has opted for three rigid wings developed by the French company CWS, and is aiming for CO_2 savings of 60% compared with existing services on this route.

> The wind may not be blowing any stronger, but the number of vessels harnessing wind for primary or secondary propulsion is growing.

Today, 50+ merchant vessels have been fitted with WAPS technology. Thus, Wind-Assisted Propulsion is no longer just an engineer's dream but has become a serious consideration for owners across various segments.

Firstly, WAPS offers a practical way to save fuel without resorting to slow steaming, which could affect profitability. Secondly, WAPS retrofitting serves as an effective method to prolong the trading life of existing vessels in the face of upcoming stricter environmental legislation.

It is important to outline that the WAPS industry structures itself into various associations at a national level, such as Wind Ship in France, and the International Windship Association (IWSA) at a global level. These facilitate and promote wind propulsion for commercial shipping. Notably, in 2024, IWSA helped to convince the IMO to take wind into account in the energy mix and in various formulas for CO_2 reductions. Currently, the International Tank Towing Conference (ITTC) is working on methodology to assess speed and power performance to support design developments and facilitate measurement of the performance of WAPS devices during sea trials, thereby allowing shipbuilders and shipowners to formulate contractual provisions.

Carbon

No Rest for the Wicked

Last year, shipping was included in the EU's Emission Trading Scheme (EU-ETS) for the first time. Under this system, shipping companies must purchase EU Allowances to cover 40% of their 2024 emissions by September 2025. However, the industry's regulatory challenges are far from over.

From 2024, shipping companies also had to calculate their carbon intensity index (CII) based on the previous year's fuel data collected by the IMO. Additionally, companies were required to gather data to determine carbon penalties under the FuelEU maritime regulation. This second EU environmental regulation, which commenced in 2025, is anticipated to pose even greater challenges than the EU-ETS.

Shipping's First Year in the EU Emission Trading Scheme: Lessons Learned

For the first time ever, a carbon pricing mechanism has been imposed on the shipping industry. In January 2024, the sector was included in the EU-ETS, Europe's main tool for combating climate change through the taxing of carbon emissions from heavy industries and aviation. During the first year of its inclusion, BRS' carbon team helped many shipowners and charterers navigate the unknown. Below are some key takeaways:

1. In 2024, the EU-ETS was more an administrative, than a financial burden.

A relatively quiet carbon market in 2024 kept EU Allowance (EUA) prices under pressure, lowering compliance costs for all EU-ETS participants, including shipping. Furthermore, the gradual inclusion rule, which limits the surrendering obligation to just 40% of verified emissions, helped limit the incremental CO_2 cost for shipping companies on a dollars-per-tonne basis. For example, considering an average EUA price of €66.55/mt ($71.9/mt) CO_2 in 2024, the EU-ETS added just $0.45/mt for oil cargo on an East-West (Basrah-Lavera) Suezmax voyage and $0.40/mt for coal transported between Bolivar and Rotterdam by a Capesize.

However, the EU-ETS added a significant administrative burden for shipping companies. Some outsourced the compliance process, while others expanded their energy departments to manage the extra workload. Opening a carbon account to store EUAs has proven a slow and cumbersome process, often requiring documents to be notarised and/or apostilled. Moreover, shipping companies could only open their Maritime Operator Holding Account (MOHA) after the EU published a list in February associating each company with a specific administrative authority and country. Therefore, to start buying EUAs earlier, some opted for temporary trading accounts. This doubled the red tape for shipping companies and overwhelmed EU registries with a tsunami of applications, which in turn substantially increased approval times. The consequences were still visible as of early 2025 as some late movers were still waiting to open their MOHA accounts.

> With an average EUA price of €66.55/mt ($71.9/mt) CO_2 in 2024, the EU-ETS tax translated into an additional $0.45/mt of oil cargo on a Suezmax East-West (Basrah-Lavera) voyage, and $0.40/mt of coal transported by a Capesize between Bolivar and Rotterdam.

2. Shipping companies lack the same trust in the EU-ETS as historical players.

The first European directive establishing the rules of the EU-ETS dates back to 2003, and the system launched its pilot phase in 2005. During the subsequent decade, the ETS expanded to more industries but tightened its requirements, as well as annually reducing the free allocation of EUAs to companies. When shipping joined the system 19 years after its launch, most participants had to rely primarily on the ETS market to purchase EUAs, with the price reflecting the EU's strong climate commitments.

When carbon prices dropped sharply at the beginning of 2024, industrial and aviation hurried to take advantage and cover their needs for the year and beyond. In contrast, some shipping companies hesitated, either waiting for the market to drop further (even at a three-year low) or hoping that a similar situation would reoccur in the near future. However, the European Commission implemented various balancing mechanisms to prevent sharp and sudden EUA price drops. Hence, hoping for the value of EUA to collapse, or for a regulatory pause during difficult times (e.g. when Russia invaded Ukraine), turned out to be delusive.

3. The inclusion of shipping in the EU-ETS has attracted brokers, traders, and new participants. However, few possess the necessary experience and stability, adding confusion and noise to an already established and consolidated market.

After the initial rumours of shipping's inclusion in the EU-ETS gained traction in 2020 and the European Commission approved the Fit for 55 package in July 2021, the opportunity to acquire new customers within a mandatory scheme appealed to many. Companies from outside the traditional shipping ecosystem began to offer services to that industry, and several new startups emerged. However, the shipping industry did not need this influx of suppliers as many companies already had established relationships with banks, shipbrokers, and trading houses capable of handling the demand for carbon allowances.

In our opinion, the market dynamics observed in 2024 are not sustainable in the long term. With the gradual inclusion of shipping (only 40% of 2024 emissions are to be paid for by September 2025) and large charterers purchasing EUAs directly to pass back to shipowners, we believe the remaining market share for new suppliers is too small to sustain the economic viability of carbon departments at all these players. Furthermore, many of these market participants operate without official licenses or exemptions, thereby creating significant risk for shipowners who engage with companies that may lack the financial stability to withstand the volatility of the EUA market.

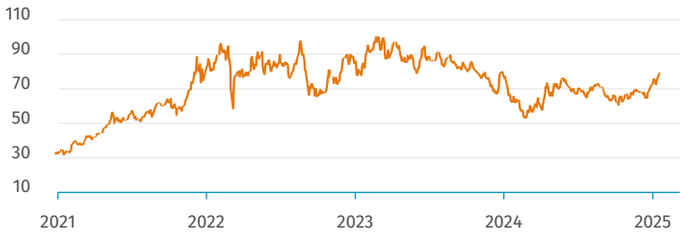
Evolution of the European Carbon Market in 2024

The carbon market has experienced intense volatility and record-breaking prices in the last three years. The recovery from the Covid-19 pandemic tripled the value of EUAs in 2021. Russia's invasion of Ukraine in 2022 generated price swings never seen before: EUAs moved by more than €30/mt within a couple of days and gas prices jumped 20-fold by August as Russia reduced its supply to Europe in retaliation to Western sanctions. In 2023, the value of EUAs reached their highest value ever, passing the €100/mt mark on the December 2023 benchmark carbon contract. However, market momentum quickly turned negative in the second half of 2023 and the trend carried into the first months of 2024. Raw material scarcity, sky-high energy prices and uncontrolled inflation profoundly impacted the European economy, with most industries drastically reducing their output and hence their emissions.

Furthermore 2023 saw record renewable energy production which, combined with decreasing gas prices and a mild winter, favoured the coal to gas switch for power generation (which emits almost twice as much CO_2 per MWh of energy produced as natural gas).

> The carbon market experienced intense volatility and record-breaking prices over the last three years. The year 2024 was serene in comparison.

EUA Futures (EUR/t)



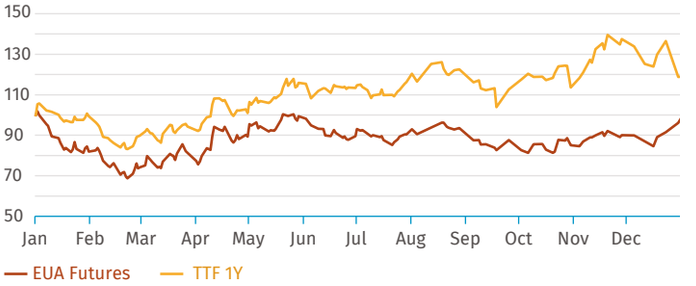
Source: BRS research, ICE

Compared with the turbulence of the last three years, the carbon market was relatively calm in 2024. The benchmark carbon contract opened on 02 January, the first trading day of 2024, at €80.50/mt and hit its annual high of €81.25/mt shortly after the opening. However, the upward momentum did not last, and carbon followed an almost uninterrupted decline until the benchmark December 2024 contract hit a monthly minimum of €60.86/mt on 22 January, down by more than 24% compared to the start of the year.

The market stabilised somewhat in the subsequent two weeks then resumed its downward trend, dropping through the important €60 barrier to reach its annual minimum of €51.08/mt on 23 February, a price level unseen since June 2021. Indeed, even in the immediate aftermath of Russia's invasion of Ukraine, EUA prices did not sink below €55. Demand for allowances remained muted in the first two months of the year as most large industrials had covered their 2023 requirements during the drops of November 2023, and with compliance postponed to September 2024, even the late buyers had five more months to surrender their allowances. Coal and gas-fired power plants continued to produce at a reduced pace across the year, amid good renewable generation and a mild 2023-24 winter. Indeed, 2024 was confirmed by the Copernicus Climate Change Service (C3S) to be the warmest year on record globally, and the first calendar year that the average global temperature exceeded 1.5°C above its pre-industrial level.

The correlation between carbon and gas was particularly strong in 2024: prices for both commodities hit annual minimums in mid-February and thereafter embarked on a sustained rally from March to May. The gas market slowly built up steam on supply concerns, which in turn propelled EUA prices upwards. Traders switched to a more bullish outlook as Asian demand improved ahead of summer. Furthermore, concerns around early termination of Russian piped gas deliveries via Ukraine, and several unplanned outages in Norway, disrupted gas flows into the EU. Contrary to 2023, higher gas prices reduced the profitability of gas-fired power plants, leading to a rise in coal-fired power generation over its most polluting coal equivalent, which requires twice as many EUAs as gas to cover the emissions per MWh of electricity produced.

Price Evolution of European Carbon and Gas Market (normalised graph)



Source: BRS research, ICE

Carbon prices failed to match their annual high in June. Buying interest slowly faded from summer onwards and did not return before year-end. Since then, EUAs have traded in a rough €60-75/mt range as the correlation with the gas market weakened. Accordingly, the benchmark carbon contract closed on 31 December at €73/mt, €7 below its January opening. Colder temperatures, rapidly depleting gas storage and low renewable production drove a surge in gas prices, which reached their annual high on the last trading day of the year, favouring the return of coal-fired power plants in the merit order.

Expectations for 2025 and Beyond

Our outlook for the carbon market in 2025 is slightly bullish, with an estimated average carbon price of €70-75/mt, up from the €66.50/mt averaged in 2024. However, we expect a more pronounced jump in EUA prices from 2026 onwards, reflecting lower supply and higher demand. In particular, the following changes are likely to play an inflationary role in the price of allowances:

> EUA prices should increase slightly in 2025, but we expect a more pronounced jump in 2026.

- To achieve the target of a minimum 55% net reduction in GHG emissions below 1990 levels by 2030, legislators committed to greater emissions reductions under the EU-ETS, setting a target of 62% below 2005 levels by 2030. This is an increase compared to the 61% target originally proposed by the European Commission in the "Fit for 55" proposal, and a significant increase on the previous 43% target (European Climate Law, 2022). To accomplish this, the reform raises the linear reduction factor from 2.2% to 4.3% from 2024-2027 and to 4.4% from 2028-2030. Furthermore, the reform includes two one-off 'rebasings' of the cap, reducing it by 90 million allowances in 2024 and an additional 27 million in 2026.

- The Carbon Border Adjustment Mechanism (CBAM) will gradually cut the free allocation of allowances over nine years (2026 to 2034) for the six industrial sectors covered. This will be phased in slowly, before accelerating towards the end of the period (European Climate Law, 2022).

- To finance part of the RePowerEU plan, the European Commission will raise €20bn from the sale of additional European allowances under the EU-ETS. The Commission announced that a total of 250 million EUAs (at an estimated average selling price of €80/mt) would be sold across 2024-26. Meanwhile, €8bn of EUAs are being brought forward from member state auctions scheduled for 2027-30 (so-called "front-loading"), while a further €12bn will be raised from auctions previously meant for the Innovation Fund. In practice, the "front-loading" anticipates the sale of volumes from the 2027-2030 period to 2024-2026, hence reducing supply from 2027 onwards. In addition, 27 million EUAs will be sold from the market stability reserve to replenish the Innovation Fund.

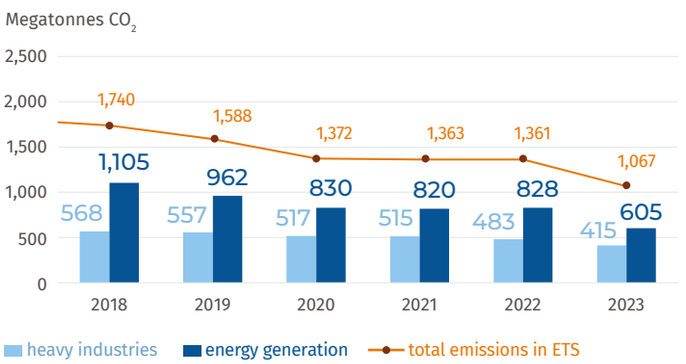
- Free allocations for aviation companies will cease from 2026. This matches the 100% surrendering obligation shipping companies will have from the same year, up from 40% in 2024 and 70% in 2025.

- By the end of 2026, the Commission will also assess whether to introduce emissions from municipal waste incineration into the EU-ETS from 2028.

Energy generation emissions

Emissions from the power generation sector, which historically represented more than half the total verified emissions in ETS, decreased sharply in 2023. Of the total verified emissions of about 1 bn mt of CO_2, 0.6 bn came from power generation, down by 0.2 bn mt or 26% from 2022. Although 2024 figures will not be published before April 2025, we estimate an overall annual cut in verified emissions of 5-6%, with a more pronounced 10% drop in fossil power generation. In a recent report by the German Association of Energy and Water Industries, the country — Europe's largest energy consumer — saw its power sector emissions drop by 9% y-o-y in 2024.

Verified Emissions in EU-ETS



Source: BRS research, EU Commission

We believe the power sector's major risk factor is the volatility and uncertainty surrounding the gas market. Assuming the situation in the Middle East stabilises after the recently declared ceasefire in Gaza, the ongoing war in Ukraine and the re-election of Trump in the USA could inject further uncertainty into the gas market.

After the expiration of the transit agreement of Russian gas via Ukraine at end-2024, Russia has one remaining gas route to Hungary, Türkiye and Serbia through the TurkStream pipeline across the Black Sea. Meanwhile, President Trump reiterated in his inauguration speech that Europe should buy more US oil and gas if the bloc wants to avoid import tariffs. Indeed, European Commission President Ursula von der Leyen floated the idea last year that imports from the US could replace consumption of Russian LNG. The weather also plays a crucial part in continental gas prices. A long winter in Europe would rapidly deplete storage levels and increase competition with Asia for LNG cargoes, propelling gas prices higher. This would therefore erode the margins of gas-fired power plants over the more polluting coal-fired units.

A coal comeback in 2025 could, in theory, push power sector emissions higher once more. However, a combination of ever-increasing renewable capacity and the limited recovery of industrial energy consumption is likely to limit this. Indeed, last year, a record 47.4% of EU power generation came from renewables (Solar, Wind, Hydro, Bioenergy), beating the previous record of 44.8% in 2023. If this pace is maintained, 2025 could see renewable generation exceed the 50% mark, thereby becoming the EU's dominant energy source.

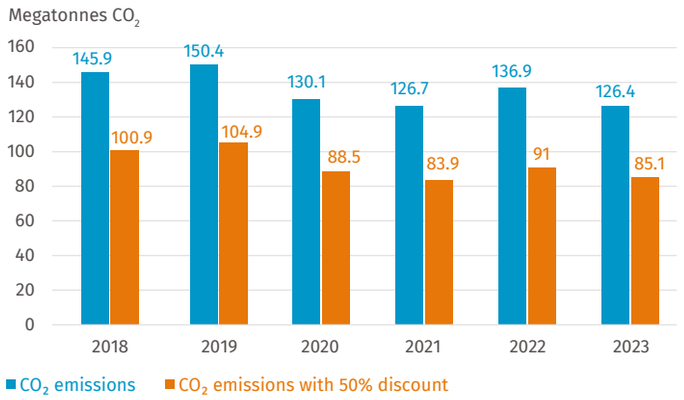
Industrial sector emissions

The International Monetary Fund (IMF) and the European Central Bank (ECB) forecast 1% GDP growth in the Euro area in 2025 as the disinflation process continues. Thus, inflation should settle near the desired 2% medium-term target on a sustained basis. The Euro area's economic outlook remains weak, however, and subject to significant uncertainty. While overall output grew above expectations in 3Q24, surveys indicate that manufacturing continues to contract. For example, the HCOB Eurozone Manufacturing PMI, compiled by S&P Global, dropped to 45.1 in December 2024. This was its sharpest decline in three months, extending a two-year contractionary streak. As a result, we expect emissions from the European industrial sector to increase only marginally in 2025, likely keeping demand for allowances from this sector in line with 2024 levels.

Shipping emissions

Since monitoring began in 2018, emissions reported by ships calling at ports of the European Economic Area (EEA) decreased from 145.9 mn mt of CO_2 in 2018 to 126.4 mn mt in 2023 (-13%). Data for 2024, the sector's first year of EU-ETS inclusion, will be published in July 2025. Even assuming that emissions remain stable, the 50% discounts for extra-EEA to EEA voyages (and vice-versa) brings the emissions figure down

to 85 mn mt. Adding the 40% gradual inclusion reduces it further to 34 mn mt. This suggests that last year, shipping emissions only accounted for 3% of the total 1 bn mt of EU-ETS verified emissions. In contrast, the EU power generation sector accounted for 605 mn mt alone. However, if shipping does not take any action to decarbonise, the situation could rapidly change in 2026 when 100% of emissions will count (with the 50% discount for international voyages still in place).



FuelEU Maritime and its Implications on Shipping

Unlike the EU-ETS directive, which covers tank-to-wake (TtW) emissions and requires allowances to be surrendered gradually from 2024 onwards and paid for under a fluctuating CO_2 price, the FuelEU Maritime regulation covers the well-to-wake (WtW) scope of emissions intensity and not absolute emissions. Adopted in July 2023, this regulation sets GHG reduction targets for vessels above 5,000 Gt in five-year increments from 2025 to 2050. The targets are set on a WtW basis against a 2020 GHG intensity reference of 91.16 gCO_2e/MJ (or 3.76 $gCO_2/gfuel$), which is the VLSFO/HSFO WtW emission factor. Starting at a 2% reduction from 2020 levels as of 2025, the reduction targets escalate to a required cut of 80% by 2050.

The regulation also includes a 2% penetration of renewable fuels of non-biological origin (RFNBOs or e-fuels) by 2034, if by 2031 RFNBOs amount to less than 1% of the fuel mix. RFNBOs will be essential for compliance with the stricter GHG intensity reduction targets from 2030 to 2035, while biofuels are expected to bridge the gap in the interim. The WtW scope against the reference 2020 line means that fossil fuels are by definition non-compliant with the regulation no matter the volume emitted, along with fossil-derived fuels such as methanol. Meanwhile, only certain types of LNG engines offer a lower GHG intensity compared to VLSFO.

FuelEU compliance options

Conventionally fuelled vessels cannot meet the FuelEU maritime GHG intensity targets and will mainly face a penalty of €2,400/mt of VLSFO equivalent (about €640/mt of CO_2 equivalent). This increases by 10% per year if compliance deficits persist for two or more consecutive years. To comply with the regulation, companies can:

1. Use biofuel blends, which can support compliance depending on availability and price.
2. Install wind-assisted propulsion to earn a reward factor, which improves the average GHG intensity of the energy used onboard.
3. Bank surplus compliance from one year to the next. This is always allowed, while borrowing from the next year's compliance is permitted within certain limits, although not for two consecutive periods.
4. Use onshore power supply to eliminate emissions at berth. This will become mandatory from January 2030 for containerships and passenger ships berthed or moored at the quayside for more than two hours.
5. Use the surplus pooling mechanism.

As far as the pooling mechanism is concerned, FuelEU permits compliance flexibility by allowing the voluntary pooling of vessels (whether from the same or different companies) to share compliance surpluses to offset deficits. This means vessels that outperform against emissions targets can compensate for those that underperform, ensuring an overall positive balance. The compliance balance is calculated as the difference between the year's GHG intensity target and the actual GHG intensity of the ship, multiplied by the ship's energy consumption in VLSFO equivalent tons.

Within a pool, the compliance balance equals the sum of all the participating vessels' compliance balances (deficits + surpluses). This sum needs to be positive for the pool's underperforming ships to remain FuelEU-compliant and avoid penalty.

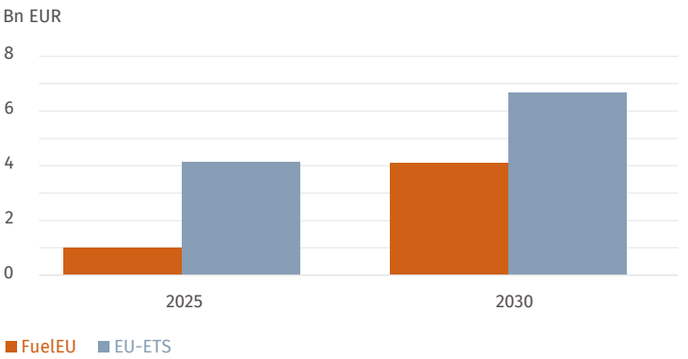
For the pooling mechanism to be cost-effective, the surplus pooling price must be lower than the estimated $65/mt of VLSFO penalty in 2025, and cheaper than the cost of being compliant by using the minimum biofuel blend (i.e. 3% sustainable biofuel in the total fuel mix in the initial five years of implementation, escalating to 8% post-2030).

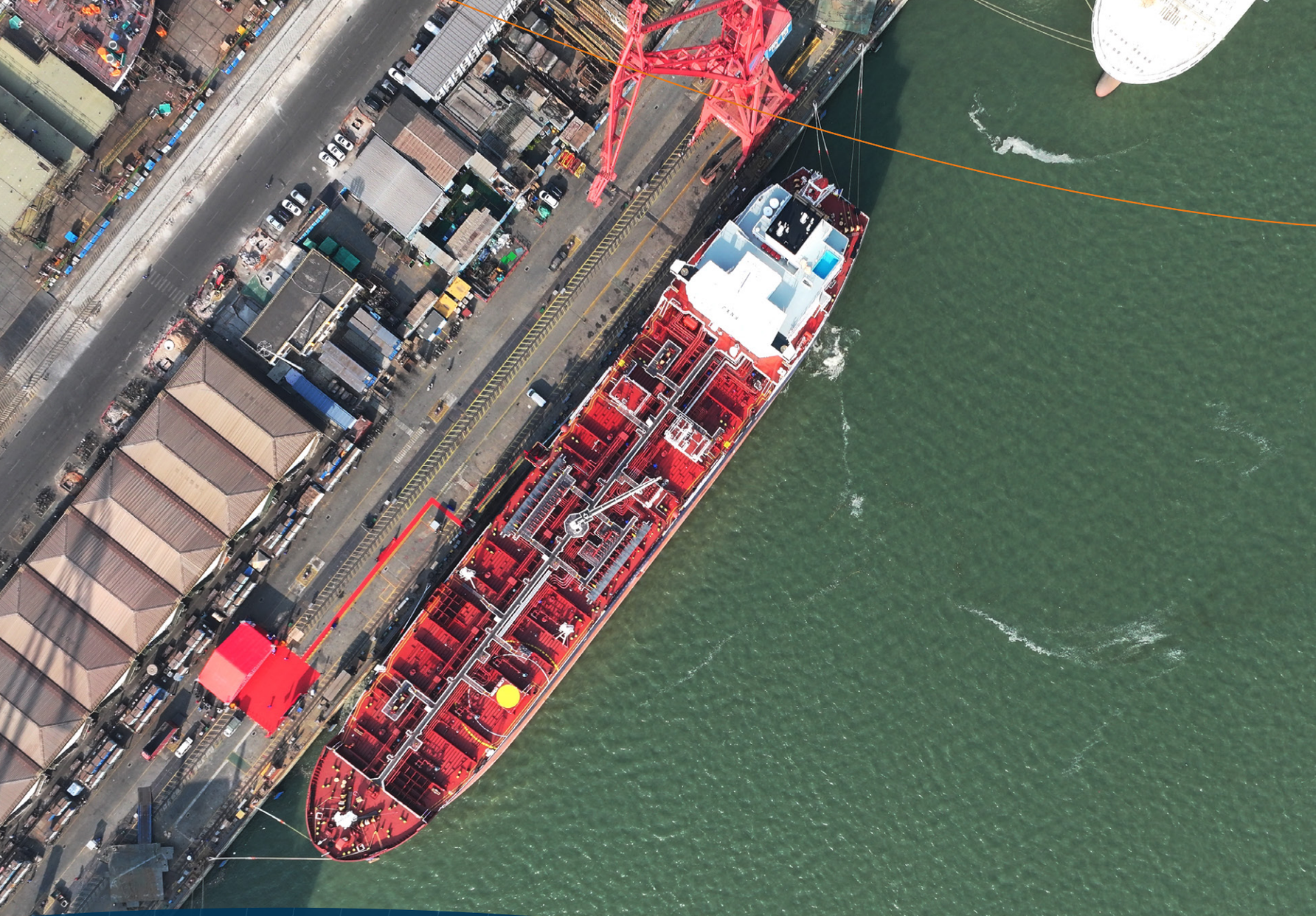
In other words, the surplus pooling price is likely constrained by the price of the biofuel blend, which under the current pricing seems to be the cheapest compliance option in the initial years of the FuelEU Maritime implementation. However, the pooling price will ultimately depend on supply and demand of pooling surpluses, as well as the availability of sustainable biofuels.

The future fuel mix will also be influenced by the evolution of the orderbook for dual-fuelled vessels, along with the supply of bio-LNG and other e-fuels. RFNBOs will be required as emissions intensity targets evolve, while wind-assisted propulsion will also play a role in mitigating GHG emissions intensity, with reward factors provisioned in the regulation. As things stand, based on the 2023 MRV operational profile, the maritime industry will face penalties exceeding €1bn in 2025, which may escalate to €4bn by 2030 if no mitigation measures are taken.

Meanwhile, EU-ETS costs are projected to exceed FuelEU compliance costs if EUA prices rise to €85 and €95 in 2025 and 2030. This highlights the need for proactive environmental cost mitigation, particularly when considering the prevailing freight environment and the potential impact of any upcoming IMO regulations. By 2027, the IMO is expected to introduce either a global GHG fuel standard or a global carbon pricing mechanism, which would further increase compliance costs.

EU-ETS and FuelEU Maritime Penalty Costs (based on 2023 MRV fleet profile)





Shipbuilding

ECOMAR GASCOGNE
MR2 Chemical/Oil Product Tanker of 49,500 Dwt, Dual Fuel Methanol/Diesel propulsion. Fully IMO2 with 20 cargo tanks for optimal cargo handling. Delivered by Guangzhou Shipyard International (GSI) China in January 2025 to ECOMAR, a Joint Venture between SOCATRA and HAFNIA BW (ECOMAR). On long-term charter to TOTAL ENERGIES.

Disclaimer: Offshore vessels are not accounted for in this section. For further details please refer to the **Offshore & Renewables chapter**.

China Increases its Dominance

Last year, the shipbuilding market continued to flourish despite increasing delivery times and higher prices that showed no signs of weakening. New orders surged by more than 50% (Dwt basis) compared with 2023, which had already seen a 37% increase on 2022. One striking feature of 2024 was that China significantly grew its orderbook, boosting its share of the global shipbuilding market by 9.7%, further solidifying its dominant position at the expense of Japan (-4.3%) and South Korea (-5.1%). Meanwhile, robust market conditions discouraged owners from recycling their older tonnage.

Dry bulk orders rose from 51.8 mn Dwt in 2023 to 59.1 mn Dwt in 2024, marking the best year of the past decade. Meanwhile, container liner orders more than doubled, and the tanker market saw orders rise by 67%. In the container liner segment, 49.8 mn Dwt was ordered in 2024 versus 20.6 mn Dwt in 2023, a near return to 2021's post-Covid order record of 50.1 mn Dwt. Healthy charter rates, influenced by various trade disruptions including the Houthi attacks in the Red Sea and conflicts in the Middle East, certainly contributed to this surge.

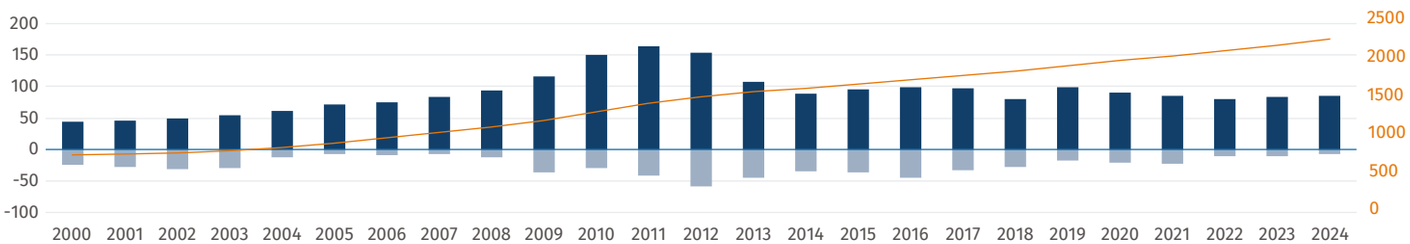
In the wake of strong ordering, new vessel prices continued the upward trend that had begun in 2021. Prices rose over the year and only started to plateau in the last quarter, although this depended on the type and size of ship ordered. The tanker market in particular experienced consistent price hikes throughout 2024, driven by ongoing demand.

Orders from the previous year helped to extend the workload for shipyards, and the continued strong demand for fresh tonnage pushed delivery timelines well into 2028. This drove the average expected delivery time for available slots to more than four years. We observed the same trend in 2023, but the willingness to go beyond the historically comfortable limit of three years became even more prevalent in 2024.

The scarcity of early delivery slots was the source of much discussion throughout the year. Indeed, tight delivery slot supply in this booming newbuild market drove prices higher for any possible earlier slots. This prompted some previously inactive Chinese shipbuilding facilities to ramp up production. Accordingly, dormant yards including Rongsheng reawakened and entered into new contracts subject to obtaining certain securities. On this note, the main engine manufacturers have increasingly become a bottleneck concerning delivery slots. A shipyard can lease all the facilities it desires to offer early slots, but no ship will be delivered without a main engine.

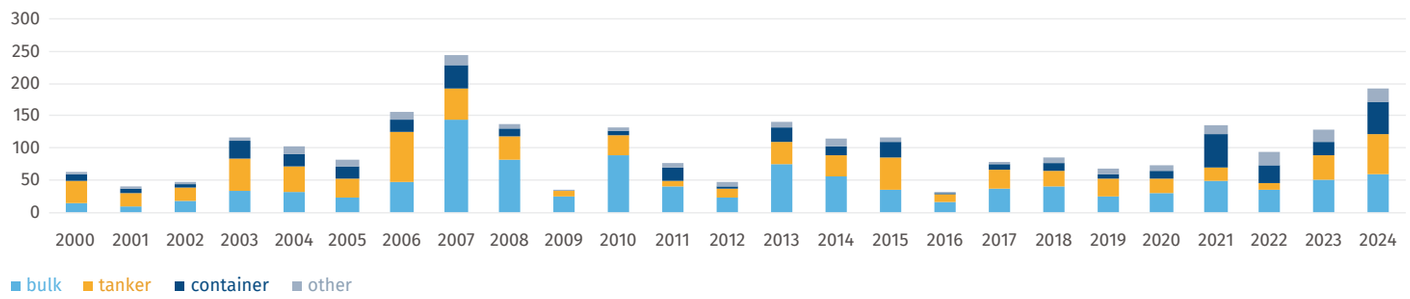
Discussions regarding the propulsion choice continue, notably around which offers the best assurance that an asset remains future-proof. Liquefied natural gas (LNG), methanol and ammonia are the most favoured alternatives, with options to either fully fit these systems or, as some prefer, to maintain more flexibility in their future decisions by opting for a dual fuel-ready notation.

Deliveries vs Demolitions (mn Dwt)



Fleet Evolution (mn Dwt)

Orders (mn Dwt)



	2022			2023			2024		
	Gt	Dwt	No. Ships	Gt	Dwt	No. Ships	Gt	Dwt	No. Ships
Market Sales	130,626,097	206,738,664	4,178	130,858,213	212,283,191	3,874	136,395,693	221,830,452	3,876
Demolition Sales	6,859,825	11,191,122	240	6,569,723	9,546,615	299	5,645,663	8,382,520	290
NBResales	16,460,653	22,836,546	257	13,631,377	17,408,851	209	15,095,876	18,659,371	256

Summary		2022	2023	2024
Orders	mn Dwt	93.6	128.4	193.1
	ships	1,698	2,045	2,488
Deliveries	mn Dwt	80.1	83.6	86.0
	ships	1,377	1,388	1,564
Orderbook	mn Dwt	239.1	281.7	387.3
	ships	3,958	4,560	5,468
Active Fleet	mn Dwt	2,146	2,219	2,298
	ships	42,242	43,321	44,607
Orderbook / Active Fleet	mn Dwt	11.1%	12.7%	16.9%
	ships	9.4%	10.5%	12.3%

Orderbook		2022	2023	2024
China	Market Share	51.5%	57.6%	67.3%
	mn Dwt	121.9	162.2	260.8
	ships	2,084	2,582	3,419
South Korea	Market Share	27.5%	22.1%	17.0%
	mn Dwt	65.7	62.3	65.9
	ships	678	680	710
Japan	Market Share	16.1%	15.4%	11.1%
	mn Dwt	38.4	43.4	43.1
	ships	657	717	688
Europe	Market Share	1.9%	1.5%	1.1%
	mn Dwt	4.5	4.3	4.5
	ships	302	302	324
RoW	Market Share	3.6%	3.4%	3.4%
	mn Dwt	8.5	9.6	13.3
	ships	237	279	327

MT BOCHEM BRISBANE
25,000 Dwt stainless steel chemical tanker, by China Merchants Jinling Shipyard (Yangzhou) Dingheng for CMB.TECH, delivered in October 2024

World Economy, Maritime Trade and Freight Rates

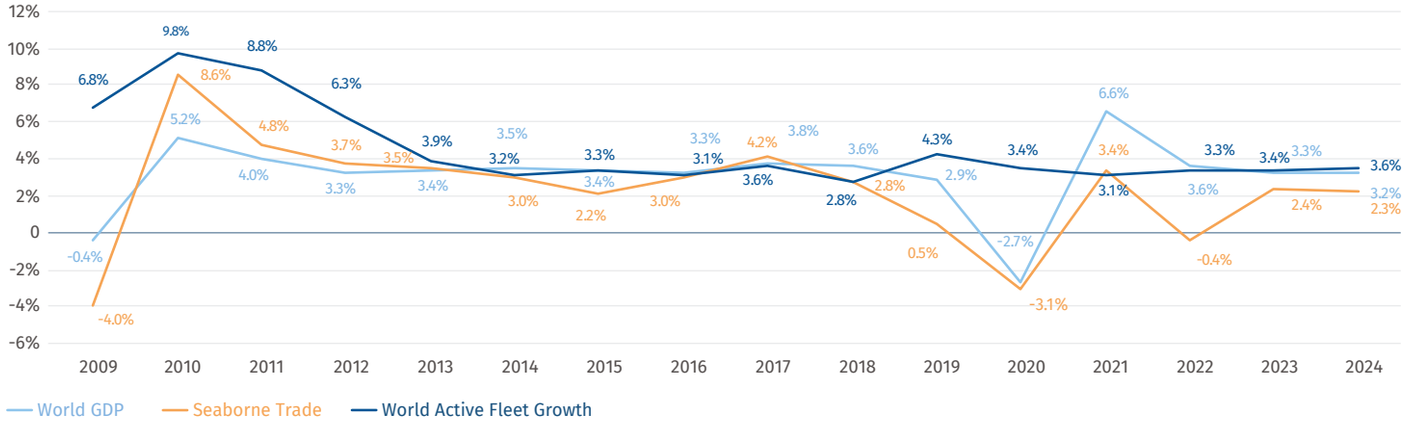
World economy

The global landscape remained unpredictable in 2024 as the Ukrainian war persisted and conflicts in the Middle East continued unabated. Houthi attacks in the Red Sea have essentially cut off one of the world's most crucial and busy waterways between East and West. Meanwhile, the US presidential election and declarations of increased tariffs that could lead to economic warfare sparked interrogations, although the full impact on shipping markets remains hard to predict. Following an impressive recovery exceeding 6% in 2021, global economic growth has since stabilised, to average around 3% over the past three years.

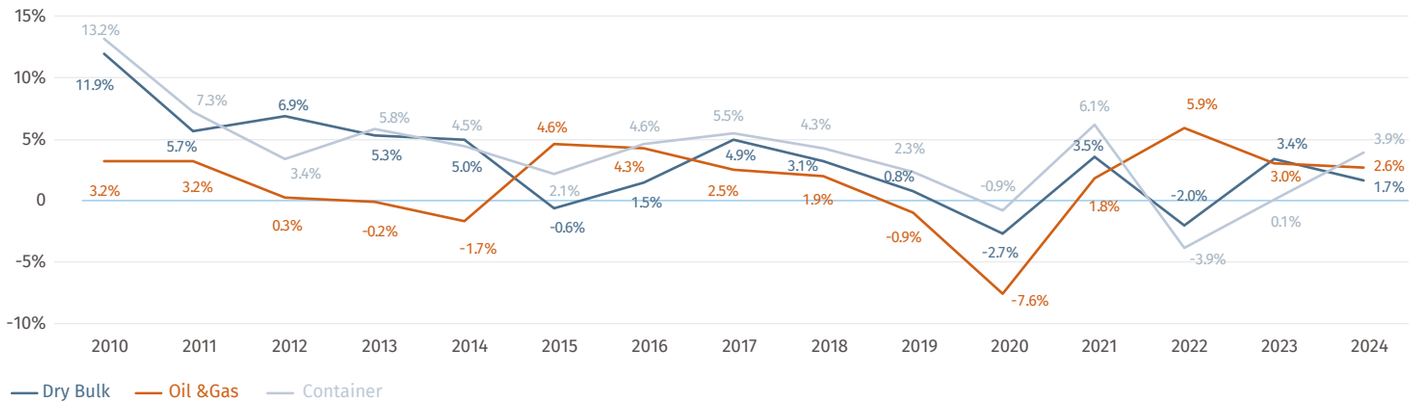
Maritime trade

Last year brought varied performances across different segments. Dry bulk and oil & gas trades both decelerated as their growth declined from 3.4% to 1.7% and from 3% to 2.6%, respectively. However, the container liner segment saw a significant rebound of 3.8%, approaching levels not seen since 2021 when the world was exiting Covid.

Global Trade, World GDP and Active Fleet Growth (mn Dwt)



Maritime Trade Growth (mn Mt)



Freight rates

Dry bulk

The Baltic Dry Index (BDI) experienced a sound recovery in 2024, following the contraction of 2023. In 2022, the index averaged 1,934 points before falling to 1,378 in 2023. In 2024 it averaged 1,755. The Kamsarmax and Capesize segments outperformed the Supramax segment. The Capesize one-year time charter (TC) averaged $22,953/day in 2024. However, it was characterised by significant volatility, with the rate ranging between $8,945/day and $35,780/day.

Contrary to most expectations, the anticipated drop in demand stemming from a cooler Chinese real estate market did not materialise. This resilience can be attributed, in part, to the robust activity of other industries, notably the automotive, technology and shipbuilding sectors.

Average one-year Time Charter rates were as follows:

- Supramax (50-60,000 Dwt): $13,601/day in 2024 and $11,240/day in 2023
- Kamsarmax: $14,099/day in 2024 and $12,854/day in 2023
- Capesize: $22,953/day in 2024 and $16,389/day in 2023

During 2024, one-year Time Charter rates fluctuated within the following bands:

- Supramax: $9,637 – $16,441/day
- Kamsarmax: $8,616 – $20,757/day
- Capesize: $8,945 – $35,780/day

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BDI	1.608	1.217	1.137	2.617	4.510	3.371	3.180	7.070	6.390	2.617	2.758	1.549	920	1.206	1.105	718	673	1.145	1.353	1.353	1.066	2.943	1.934	1.378	1.776

	2020			2021			2022			2023			2024		
	Average	Low	High	Average	Low	High	Average	Low	High	Average	Low	High	Average	Low	High
Baltic S10TC(Supramax)	8,189	4,208	11,631	26,770	11,242	39,860	22,152	11,685	33,366	11,240	6,874	17,213	13,601	9,637	16,441
Baltic P5TC (Kamsarmax)	9,923	4,681	16,415	26,898	12,272	38,952	20,736	10,956	30,746	12,854	7,277	21,966	14,099	8,616	20,757
Baltic C5TC (Capesize)	13,070	1,992	34,896	33,333	10,304	86,953	16,177	2,505	38,169	16,389	2,246	54,584	22,953	8,945	35,780

Tanker

The Baltic Dirty Tanker Index (BDTI) remained relatively strong in 2024 at an average 1,099 points, only slightly below the 2023 average of 1,150. Even below 2022's 1,391 points, the dirty tanker market has experienced a comeback over the past three years, unseen since 2008. Although the market softened in the second half of the year, rates remain healthy, providing tanker owners with much-needed positive returns.

Annual average TC rates were broadly flat with 2023 for both crude and clean tankers. The minimum and maximum rates across various segments saw only modest changes, suggesting that the market has been stabilising since its upturn from 2021's nadir.

The election of President Trump has bolstered the outlook for crude oil tankers, effectively silencing discussions about their potential approaching obsolescence. This positive sentiment has fuelled a continued newbuilding spree, driving newbuild tanker prices to highs not witnessed in over a decade.

	BDTI		
	Average	Low	High
2022	1,391	679	2,496
2023	1,150	713	1,648
2024	1,099	860	1,552

	BCTI		
	Average	Low	High
2022	1,231	543	2,143
2023	801	563	1,250
2024	823	460	1,411

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BDTI	1,636	1,161	830	1,333	1,783	1,497	1,287	1,124	1,510	581	896	782	719	642	777	821	726	787	798	855	721	644	1,391	1,150	1,099
BCTI	1,077	1,114	738	1,042	1,229	1,318	1,112	974	1,155	485	732	720	641	605	601	638	487	606	579	607	585	532	1,231	801	823

BCTI and BDTI

	Annual Average (ECO)						
Date	VLCC	Suezmax	Aframax	LR2	LR1	MR2	MR1
2021	27,817	21,731	18,567	20,154	15,889	14,457	12,538
2022	35,135	31,096	30,462	34,413	29,673	24,428	19,837
2023	48,280	46,620	46,620	46,160	37,040	30,285	27,160
2024	49,551	44,796	46,510	47,194	36,418	30,566	28,684

	Minimum (ECO)						
Date	VLCC	Suezmax	Aframax	LR2	LR1	MR2	MR1
2021	26,000	20,000	16,000	18,500	15,000	14,000	12,000
2022	24,500	21,000	20,000	21,000	16,000	14,750	13,000
2023	42,000	43,000	41,000	43,000	35,000	26,000	25,000
2024	41,000	38,000	37,500	37,000	27,500	23,500	21,500

	Maximum (ECO)						
Date	VLCC	Suezmax	Aframax	LR2	LR1	MR2	MR1
2021	29,500	23,000	21,000	21,500	16,500	15,750	13,000
2022	58,000	50,000	50,000	54,000	46,000	34,000	29,500
2023	57,000	53,000	52,000	54,000	44,000	34,000	29,500
2024	52,000	48,000	49,500	52,000	40,000	34,000	32,000

- MR2: $30,566/day in 2024 and $30,285/day in 2023
- LR1: $36,418/day in 2024 and $37,040/day in 2023
- LR2: $47,194/day in 2024 and $46,160/day in 2023

During 2024, one-year eco non-scrubber time charter rates fluctuated within the following bands:

- MR2: $23,500 – $34,000/day
- LR1: $27,500 – $40,000/day
- LR2: $37,000 – $52,000/day

Average eco non-scrubber time charter rates were:

- Aframax: $46,510/day in 2024 and $46,620/day in 2023
- Suezmax: $44,796/day in 2024 and $46,620/day in 2023
- VLCC: $49,551/day in 2024 and $48,280/day in 2023

During 2024, one-year eco non-scrubber time charter rates fluctuated within the following bands:

- Aframax: $37,500 – $49,500/day
- Suezmax: $38,000 – $48,000/day
- VLCC: $41,000 – $52,000/day

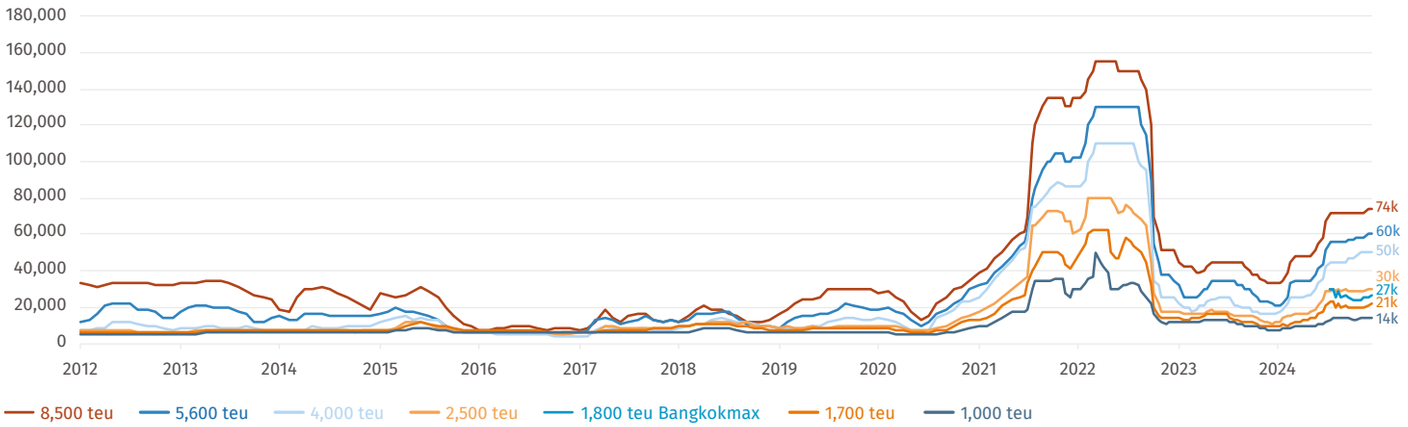
Container

The rerouting of Container freight due to the Houthi attacks on Red Sea shipping was last year's primary disruptive force, positively impacting container rates across all vessel sizes. The ordering spree seen over recent years has not yet been fully realised in deliveries, although they increased from 11.9 mn Dwt in 2022 to 32.9 mn Dwt in 2024, and many size categories have benefited from a substantial rise in demand. For instance, last year the annual average TC rate of Panamaxes almost doubled, from $20,458/day in 2023 to $37,223/day in 2024. Meanwhile, TCs of larger vessels rose by more than 50% compared to 2023.

These favourable rates have rendered scrapping activity in the container segment virtually non-existent. The market's buoyancy has incentivised owners to keep older vessels in service, capitalising on the ideal conditions.

The future of container shipping remains subject to potential geopolitical and economic shifts. A key factor to monitor will be the potential implementation of tariffs promised by Donald Trump during his election campaign. It remains to be seen whether these tariffs will be enacted and, if so, to what extent might they impact this flourishing market.

Containership Freight Rates ($/day)



Size	Avg 2018 $/day	Avg 2019 $/day	Avg 2020 $/day	Avg 2021 $/day	Avg 2022 $/day	Avg 2023 $/day	Avg 2024 $/day	Change 2023/2024
8,500 teu	15,538	25,875	24,425	90,792	124,458	41,000	60,250	47%
5,600 teu	13,708	16,633	18,354	70,479	102,417	29,000	46,158	59%
(Panamax) 4,000 teu	11,163	11,088	13,792	61,458	83,646	20,400	37,421	83%
2,500 teu	10,792	9,275	10,027	46,900	59,558	15,700	23,721	51%
(Bangkokmax) 1,800 teu							26,063*	N/A
1,700 teu	9,646	8,096	8,242	33,460	44,438	13,250	17,258	30%
1,000 teu	7,242	6,283	6,125	23,696	28,771	11,200	11,727	5%
Alphaliner index	68.1	72.3	76.5	312.7	421.3	123.1	202	64%

Average one-year time charter rates were as follows:

- 1,700 teu: $17,125/day in 2024 and $13,288/day in 2023
- 4,000 teu: $37,223/day in 2024 and $20,458/day in 2023
- 8,500 teu: $60,154/day in 2024 and $41,058/day in 2023

MV MINERAL DEUTSCHLAND
210,000 Dwt
Newcastlemax bulk carrier by Qingdao Beihai Shipbuilding Heavy Industry for CMB.TECH, delivered in June 2024

Orders and Orderbooks

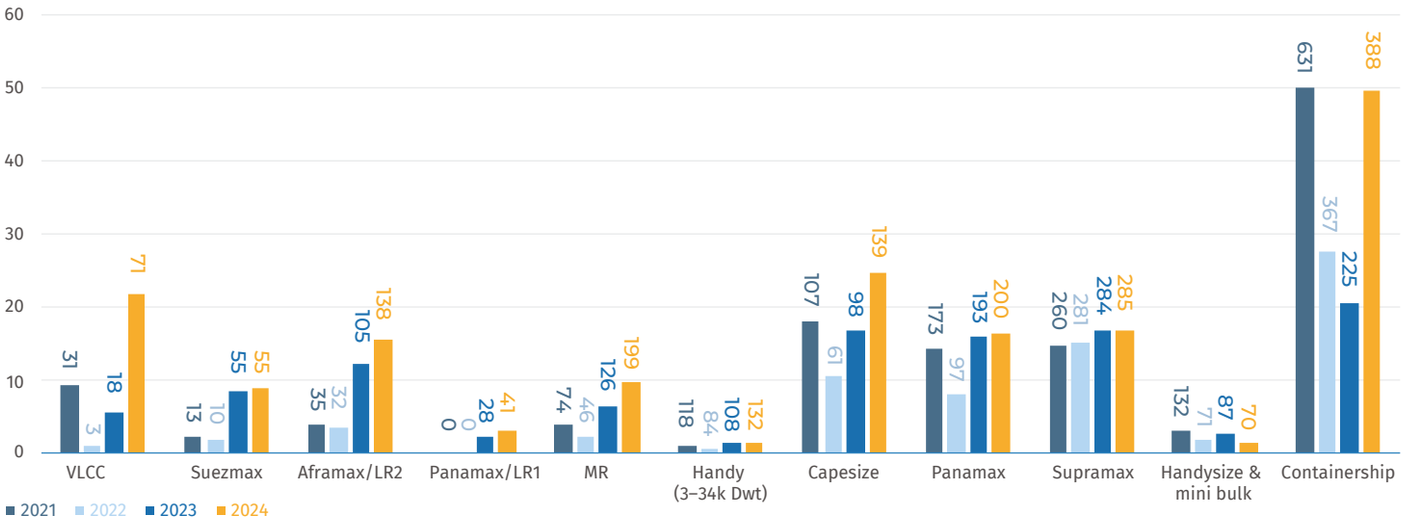
Standard vessels (bulkers, tankers, container carriers)

In 2024 we observed dramatic growth in newbuilding orders from already-elevated levels, rising from 128.4 mn Dwt to 193.1 mn Dwt. However, deliveries, which reflect the prevailing shipbuilding output, only slightly increased from 2023.

Container liners saw the largest rise in new orders last year as they more than doubled to 49.8 mn Dwt from 20.6 mn Dwt in 2023. The major container lines have continued their large vessel ordering spree. Many yards, which had begun to focus on other segments due to the contraction in container orders in 2023, shifted their attention back to containerships. However, container carriers were not alone in contributing more orders; the tanker segment grew substantially, jumping from 37.7 mn Dwt in 2023 to 63 mn Dwt in 2024. In particular, demand was strong for large crude oil tankers. Meanwhile, the bulk segment rose by 14% to reach 59.1 mn Dwt – a record high for the decade.

MINERAL EIRE
Bulk Carrier, 210,000 Dwt, built by Qingdao Beihai Shipbuilding Heavy Industry, delivered to CMB.TECH, operated by Bocimar International NV, delivered in 2024.

New Orders for Standard Vessels per Year (mn Dwt)



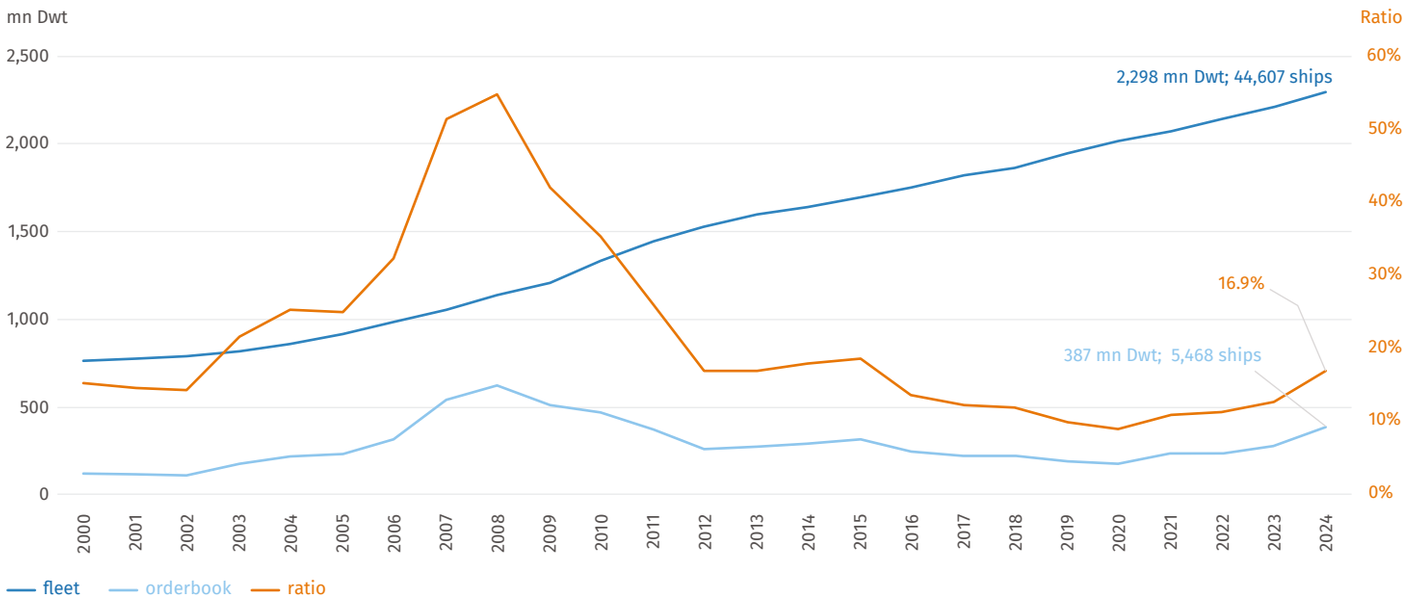
Deliveries

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bulk	81.1	99.8	100.0	62.9	48.1	49.0	47.4	38.9	28.5	41.8	49.8	38.3	31.2	34.1	33.4
Tanker	43.8	42.4	33.5	22.9	17.0	19.4	33.3	38.6	29.3	38.4	24.4	26.2	29.2	15.2	8.3
Container	16.9	14.7	15.1	16.5	17.2	18.7	10.2	12.6	14.2	11.4	9.4	11.7	11.9	25.4	32.9
Other	9.0	7.1	5.0	5.7	6.0	7.6	8.2	6.6	7.6	6.7	6.2	9.3	7.7	8.9	11.4
Total	150.9	164.1	153.7	108.0	88.3	94.7	99.1	96.7	79.6	98.3	89.8	85.5	80.1	83.6	86.0

New Orders

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bulk	89.5	40.3	24.2	75.6	56.9	35.3	16.9	36.5	40.6	25.4	29.9	49.9	35.3	51.8	59.1
Tanker	30.1	9.1	13.4	33.6	32.5	50.5	11.2	30.0	23.7	27.2	22.9	20.9	10.1	37.7	63.0
Container	7.4	21.1	3.5	22.7	12.5	23.6	3.2	8.6	13.0	7.4	12.7	50.1	27.7	20.6	49.8
Other	4.6	6.9	6.2	9.2	12.7	6.8	1.7	3.8	9.0	9.2	8.2	14.2	20.5	18.3	21.2
Total	131.6	77.3	47.3	141.1	114.6	116.2	32.9	79.0	86.2	69.1	73.7	135.1	93.6	128.4	193.1

Fleet and Orderbook Evolution



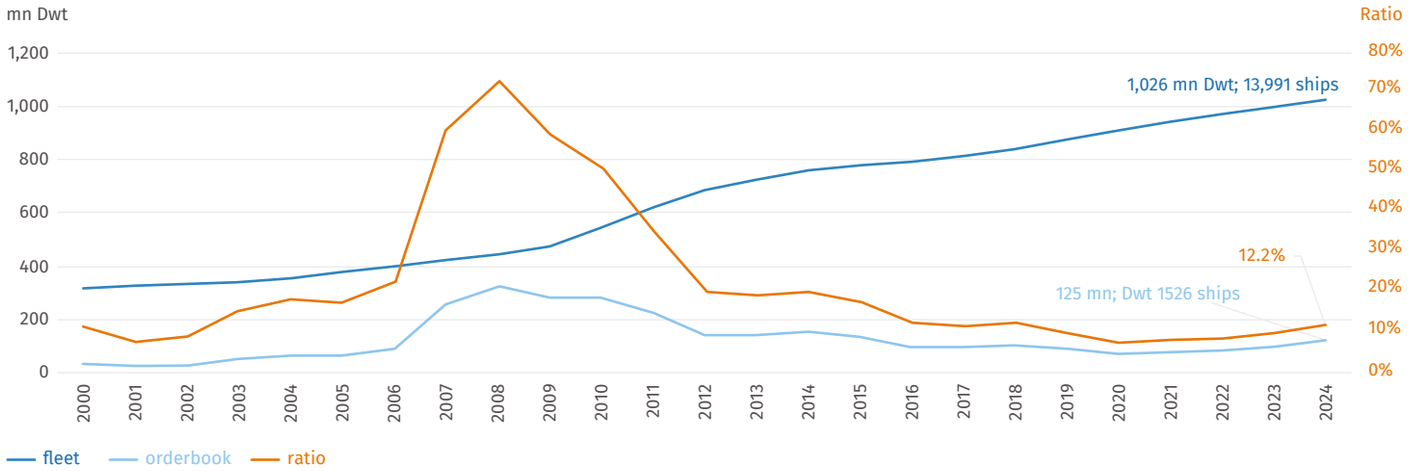
By the end of 2024, the bulker orderbook, totalling 124.7 mn Dwt, represented 12.2% of the active bulker fleet, which stood at 1,026 mn Dwt and remains the largest fleet on the water. The distribution was fairly balanced across the major dry bulk fleet segments, from Handysize to Newcastlemax. Overall, deliveries in 2024 totalled 33.4 mn Dwt, falling well below the 10-year average (39.2 mn Dwt).

The bulker orderbook remains largely controlled by two countries: China, holding around three quarters, and Japan with most of the remaining quarter. As discussed previously, China has been steadily gaining market share from Japan. Despite its position as the world's second-largest shipbuilder, South Korea retains a negligible role in bulker production.

Bulk Summary		2022	2023	2024
Orders	mn Dwt	35.3	51.8	59.1
Deliveries	mn Dwt	31.2	34.1	33.4
Orderbook	mn Dwt	82.9	99.3	124.7
Active Fleet	mn Dwt	968.7	996.0	1,026
Orderbook / Active Fleet		8.6%	10.0%	12.2%
China	mn Dwt	50.3	65.2	90.5
	Market Share	60.7%	65.6%	72.6%
South Korea	mn Dwt	0.4	0.0	0.0
	Market Share	0.5%	0.0%	0.0%
Japan	mn Dwt	27.6	28.5	28.6
	Market Share	33.2%	28.7%	22.9%

	Orderbook	Fleet	Ratio
Handysize / Handymax	10.5	124.8	8.4%
Supramax / Ultramax	30.5	217.0	14.0%
Panamax / Kamsarmax	34.7	213.7	16.2%
Post-Panamax / Babycape	7.6	67.2	11.4%
Capesize / Newcastlemax	35.3	299.4	11.8%
Vloc	5.2	81.7	6.4%

Bulk Fleet and Orderbook Evolution



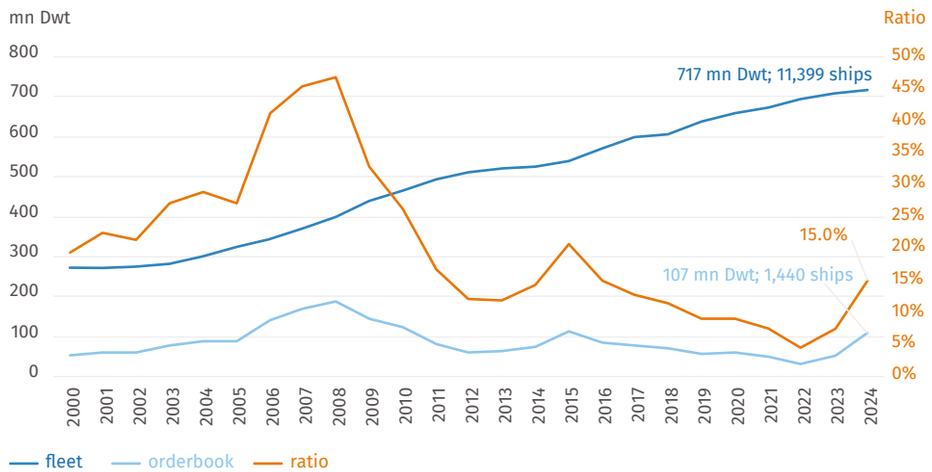
The proportion of tankers on order compared with the existing fleet has seen a significant increase, more than doubling from 7.4% last year to 15% in 2024. The tanker orderbook is more diversified across vessel types than the dry bulk segment, with MR1s and VLCCs least in demand. Meanwhile, the Aframax/LR2 segment remains prominent, accounting for the largest orderbook and construction activity.

Last year, tanker deliveries were down by almost half compared with 2023, totalling just 8.3 mn Dwt. However, this decline in deliveries simply matched the low number of newbuilding orders placed in 2022, which totalled about 10.1 mn Dwt.

China and South Korea remain the dominant forces in the tanker building market, with the former gaining market share at a startling pace. For example, in 2023 China held 62.6% of the orderbook compared with 32.4% in 2022. Meanwhile, in 2024 its share rose to a commanding 71.2%. This shift comes at the expense of South Korea, which saw its share drop from 54.6% in 2021 to 17.9% in 2023, then to just 15.7% in 2024. Japan, meanwhile, experienced a small dip in its market share, falling from 11% in 2023 to 7.2% in 2024.

Tanker Orderbook Shares	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	34.0%	35.3%	40.7%	38.5%	29.9%	31.1%	33.0%	31.1%	23.9%	30.4%	32.7%	27.5%	33.4%	62.6%	71.2%
South Korea	47.4%	47.8%	41.5%	44.2%	50.1%	45.7%	38.6%	40.6%	50.1%	44.7%	47.1%	54.6%	44.0%	17.9%	15.7%
Japan	11.6%	7.4%	6.0%	5.1%	8.0%	15.1%	19.5%	19.7%	17.9%	18.7%	14.8%	10.3%	8.9%	11.0%	7.2%

Tanker Fleet and Orderbook Evolution



Tanker Summary		2022	2023	2024
Orders	mn Dwt	10.1	37.7	63.0
Deliveries	mn Dwt	29.2	15.2	8.3
Orderbook	mn Dwt	30.7	52.8	107.5
Active Fleet	mn Dwt	695.4	709.6	717.0
Orderbook/Active Fleet		4.4%	7.4%	15.0%
China	mn Dwt	9.9	33.1	76.5
	Market Share	32.4%	62.6%	71.2%
South Korea	mn Dwt	13.5	9.5	16.9
	Market Share	44.0%	17.9%	15.7%
Japan	mn Dwt	2.7	5.8	7.8
	Market Share	8.9%	11.0%	7.2%

	Orderbook	Fleet	Ratio
MR1	1.4	19.1	7.4%
MR2	16.0	89.6	17.9%
Panamax/LR1	5.1	33.2	15.3%
AFRAMAX/LR2	30.4	126.6	24.0%
SUEZMAX/LR3	18.2	106.7	17.1%
VLCC	28.3	278.6	10.1%

Container carrier orders rose from 20.6 mn Dwt in 2023 to 49.8 mn Dwt in 2024. Deliveries began to perk up, thus the ratio of orderbook versus active fleet remained fairly stable at a high 26.5%. In 2024 the most popular ordering segment was the 13,300-17,999 teu segment, as an astounding 128 ships were contracted.

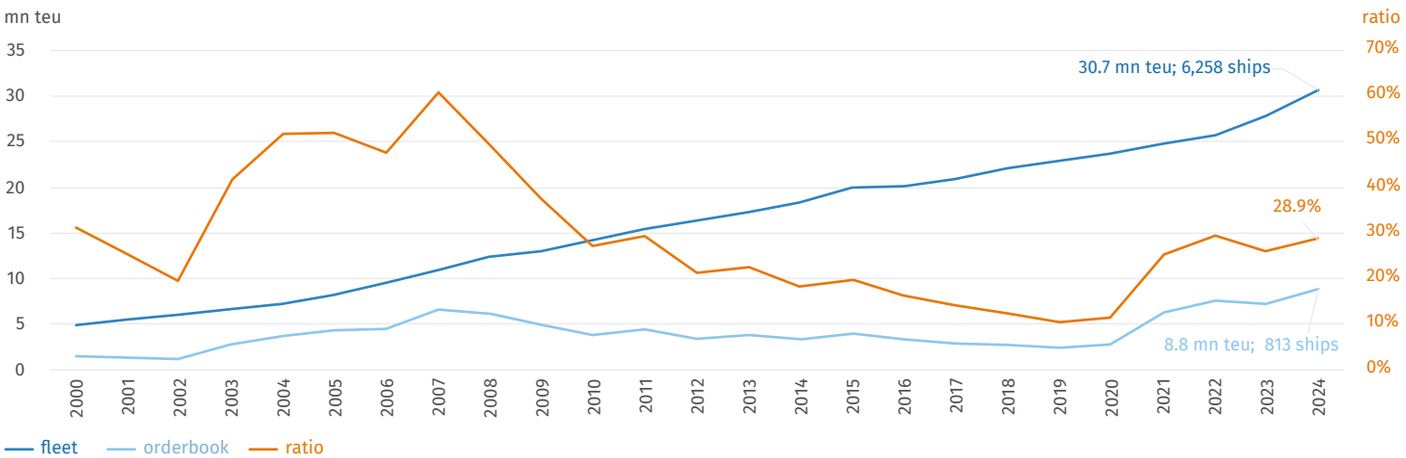
The 18,000-24,232 teu segment was also active with 62 new units inked, fuelled by the big liner companies' hunger to increase their market share. This, in turn, strengthened China's market share of container newbuildings from 57.3% in 2023 to 71%, reducing the share of Korean yards by 11.5%. China has now become the world's biggest container carrier building nation, a status it is unlikely to relinquish over the coming years.

MT BOCHEM HOUSTON
25,000 Dwt stainless steel chemical tanker by China Merchants Jinling Shipyard (Yangzhou) Dingheng for CMB.TECH, delivered in June 2023

	Existing		Orderbook		O/E	Orders in 2024	
Size range teu	Ships	teu	Ships	teu	%	Ships	teu
18,000-24,232	193	4,190,665	93	2,008,718	47.9%	62	1,265,400
13,300-17,999	383	5,710,579	248	3,818,608	66.9%	128	1,946,206
12,500-13,299	117	1,528,370	32	419,134	27.4%	6	78,000
10,000-12,499	197	2,158,860	66	737,720	34.2%	30	337,440
7,500-9,999	507	4,480,015	151	1,296,888	28.9%	98	843,676
5,100-7,499	549	3,454,884	29	189,621	5.5%	7	49,208
4,000-5,099	647	2,928,148	20	85,268	2.9%	14	59,108
3,000-3,999	318	1,080,540	29	96,750	9.0%	4	12,609
2,000-2,999	879	2,242,537	25	60,825	2.7%	6	14,400
1,500-1,999	794	1,394,144	20	36,727	2.6%	8	14,770
1,000-1,499	787	914,184	72	83,399	9.1%	15	17,054
500-999	680	504,250	16	9,882	2.0%	6	3,234
100-499	206	69,087	12	3,954	5.7%	4	1,342
Total	6,257	30,656,263	813	8,847,494	28.9%	388	4,642,447

Container Summary		2022	2023	2024
Orders	mn Dwt	27.7	20.6	49.8
Deliveries	mn Dwt	11.9	25.4	32.9
Orderbook	mn Dwt	84.5	79.5	95.3
Active Fleet	mn Dwt	305.0	328.4	360.0
Orderbook / Active Fleet		27.7%	24.2%	26.5%
China	mn Dwt	49.4	45.6	67.7
	Market Share	58.5%	57.3%	71.0%
South Korea	mn Dwt	28.5	26.7	21.0
	Market Share	33.7%	33.5%	22.0%
Japan	mn Dwt	6.2	7.0	4.8
	Market Share	7.3%	8.8%	5.0%

Container Fleet and Orderbook Evolution



Specialised vessels

For the third consecutive year, newbuilding activity for specialised tonnage remained strong with around 20 mn Dwt ordered. This was broadly on par with 2022 and 2023 when 18.6 mn Dwt and 15.3 mn Dwt were ordered, respectively. For comparison, the 2012-21 annual average was 7.5 mn Dwt.

Notably, there was a significant increase in LNG carrier orders from 77 in 2023 to 108 in 2024. Similarly, LPG carrier orders rose from an already-high 122 in 2023 to 155 in 2024.

Last year saw car carrier orders drop to 59 ships from a record 96 in 2023. Nonetheless, this was the fifth-highest order figure ever (against 2007's 128 orders; 96 in 2023; 83 in 2022; and 74 in 2004) due to the continued need to meet soaring export demand from Asian automobile manufacturers, who are in the process of grabbing an increasing share of the European automotive market.

Cruise ship orders more than doubled to 37 in 2024, thereby underscoring the spectacular rebound of an industry that almost slipped into a coma during Covid. This was unique in a global shipping industry that otherwise never stopped running during the pandemic, despite the great challenges.

Demand for stainless steel chemical tankers was extremely strong, mirroring the trend in the oil tanker sector. Accordingly, the number of newbuilding orders jumped from 60 in 2023 to 119 ships in 2024.

New Orders	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
LNG (cbm)	3,289,294	896,766	3,145,678	10,814,293	8,869,523	7,260,607	12,395,652	26,472,140	12,714,195	17,752,581
LPG (cbm)	3,790,371	26,768	1,252,298	1,935,041	2,531,197	2,513,693	5,966,668	2,699,483	8,415,228	10,815,664
Ferries & Ropax (Gt)	320,374	632,618	505,251	926,099	969,989	139,972	515,382	327,716	212,094	255,879
Cruise (Gt)	2,497,405	2,406,015	3,122,697	2,112,969	1,721,943	81,040	57,498	551,546	1,074,970	4,007,031
SST Chemical carriers (Dwt)	2,232,324	931,557	468,758	389,535	429,749	676,410	903,848	934,059	1,067,081	2,384,148
Car carriers (cars)	202,678	19,248	38,274	20,830	35,277	21,150	216,218	629,079	807,349	447,750
Ro-Ro (lm)	49,653	54,120	45,091	123,285	33,124	8,406	42,332	37,744	6,800	9,249

Other (excluding Offshore vessels, reefer)

New Orders (No. of ships)	2021	2022	2023	2024
LNG	80	159	77	108
LPG	109	50	122	155
Ferries & Ropax	18	20	15	17
Cruise	2	16	18	37
SST Chemical carriers	54	61	60	119
Car carriers	31	83	96	59
Ro-Ro	15	10	7	5

MT BOCHEM BRISBANE
25,000 Dwt stainless steel chemical tanker by China Merchants Jinling Shipyard (Yangzhou) Dingheng for CMB.TECH. Delivered in October 2024

Order Cancellations in 2024

Order cancellations remained rare in 2024, reflecting strong charter markets and sustained demand for newbuilding slots.

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Orders	131.6	77.3	47.3	141.1	114.6	116.2	32.9	79.0	86.2	69.1	73.7	135.1	93.6	128.4	193.1
Cancellations	38.8	23.9	16.7	32.1	14.7	11.5	12.1	4.5	7.8	2.0	1.0	4.8	2.4	2.1	1.5

Recycling in 2024

Demolition volumes sank to their lowest in 15 years, with tonnage sent for recycling amounting to only 6.5 mn Dwt. This figure is extremely low, significantly below the 10-year average of 22.9 mn Dwt. Indeed, it accounted for less than 0.2% of the total active merchant fleet.

Every year, the industry anticipates a boost in demolition activity, often in the hope of driving market stabilisation or pruning older vessels from the merchant fleet. Indeed, while older tonnage remains profitable, logically, shipowners will make hay whilst the sun still shines.

The lack of recycling capacity at a time when shipbuilding output continues to increase represents a new challenge for the shipping industry. It will have to find a perennial answer as capacity in the major recycling countries of India, Pakistan and Bangladesh is largely too low and outmoded, considering the stricter regulations of today. Moreover, the Hong Kong ship recycling directive prevents many European shipowners from recycling their vessels in these countries, thereby pushing them to either sell or continue to trade their ships.

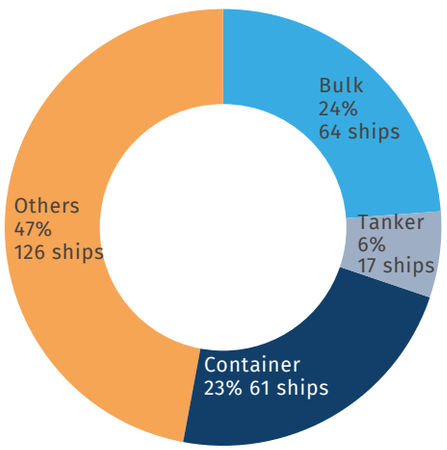
All three main segments saw lower scrapping activity in 2024 than in 2023. As previously stated, strong charter markets incentivised owners to hold onto their older vessels, while there is also a trend, in the wake of high freight rates, of charterers becoming more flexible with age restrictions. Scrapped bulk carriers totalled 3.3 mn Dwt. Meanwhile, only 0.79 mn Dwt of tankers were scrapped, the lowest since 2010.

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Demolitions	29.1	41.8	59.4	45.1	34.6	36.4	44.5	32.4	28.7	17.1	20.6	21.9	10.3	10.6	6.5
Deliveries	150.9	164.1	153.7	108.0	88.3	94.7	99.1	96.7	79.6	98.3	89.8	85.5	80.1	83.6	86.0

Year	Bulk			Tanker			Container		
	Dwt Scrapped	Ave Age of Scrap	Scrap Price Range ($)	Dwt Scrapped	Ave Age of Scrap	Scrap Price Range ($)	Dwt Scrapped	Ave Age of Scrap	Scrap Price Range ($)
2010	7,229,167	33	390.4	14,302,370	28	436.7	2,176,608	27	399.2
2011	25,195,848	31	484.6	9,394,869	28	510.8	1,229,889	29	491.7
2012	35,344,914	28	426.3	13,997,465	26	450.0	4,860,127	24	446.7
2013	22,821,672	29	398.8	11,850,696	25	421.3	6,249,742	23	424.2
2014	16,823,751	28	431.3	8,390,220	27	470.4	5,691,866	23	476.3
2015	29,058,185	26	335.6	2,694,641	30	361.5	2,780,581	23	371.3
2016	30,736,822	24	254.2	2,556,188	30	283.3	8,835,562	19	289.6
2017	14,622,531	25	354.0	9,335,205	26	375.4	5,751,190	21	375.0
2018	4,773,842	33	423.3	20,455,088	25	432.9	1,359,675	24	445.8
2019	8,166,609	30	384.4	4,501,189	29	394.6	2,728,658	24	398.4
2020	13,619,417	28	328.9	2,875,925	30	340.4	2,595,720	24	348.7
2021	7,447,460	30	520.1	12,587,293	27	530.9	246,109	30	540.3
2022	3,304,022	27	582.7	6,388,437	26	612.7	15,301	29	622.7
2023	6,675,968	29	527.2	927,458	29	545.4	1,884,221	28	563.5
2024	3,260,696	29	489.0	785,548	28	509.0	1,256,671	30	523.4

Demolition prices dipped slightly. Bulkers were priced at an annual average of $489/ldt, tankers at $509/ldt, and containers at $523/ldt.

Demolitions in 2024 (No. of Ships)



Deliveries and Worldwide Shipbuilding Capacity in 2024

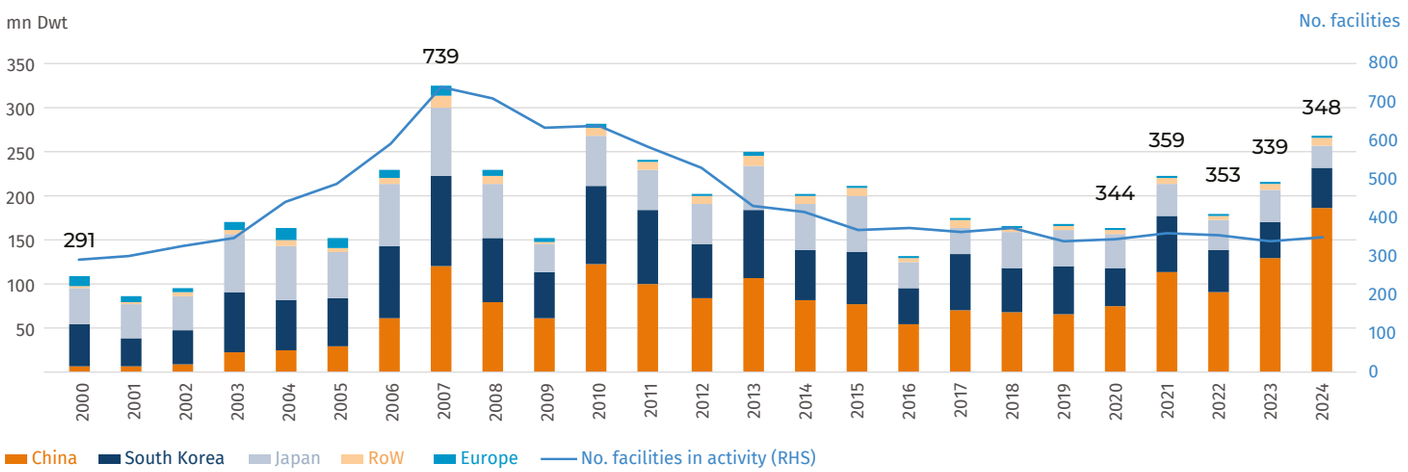
In 2024, new deliveries totalled 86 mn Dwt, up from 83.6 mn Dwt in 2023. Broken down by segment, bulk carriers accounted for 33.4 mn Dwt (compared to 34.1 mn Dwt in 2023), and tankers for 8.3 mn Dwt (down from 15.2 mn Dwt in 2023). Meanwhile, containerships totalled 32.9 mn Dwt (up from 25.4 mn Dwt in 2023).

Deliveries from Chinese yards rose from 42.7 mn Dwt in 2023 to 47.8 mn Dwt. South Korean yards delivered less tonnage, from 22.3 mn Dwt to 20.9 mn Dwt. Japanese deliveries dropped from 15.4 mn Dwt in 2023 to 13.9 mn Dwt in 2024.

Currently, there are about 348 operational shipyards worldwide, having either secured new contracts or completed deliveries in the past year. This is roughly 50% of 2007's peak of around 700 active yards. It is noteworthy that recent years have seen significant consolidation among shipyards. This has reduced the total number of active yards but increased overall production capacity, while dormant yards are being revitalised and brought back into operation.

Deliveries (mn Dwt)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	37.9	63.7	70.7	66.4	43.8	36.1	39.0	36.1	39.0	35.1	36.9	38.9	41.5	38.2	42.7	47.8
South Korea	43.0	46.5	53.4	49.0	33.4	24.3	28,6	35.9	30.8	19.0	32.3	25.0	24.1	23.7	22.3	20.9
Japan	28.8	32.7	31.9	29.2	25.0	22.4	21.1	21.6	20.2	20.2	24.5	22.6	17.0	15.6	15.4	13.9

Active Building Facilities per Year and Region (Excluding Offshore)



HAFNIA LOIRE, 110,000 Dwt LR 2 product tanker, by Guangzhou Shipbuilding International to Hafnia, delivered in May 2023

Newbuilding Prices in 2024

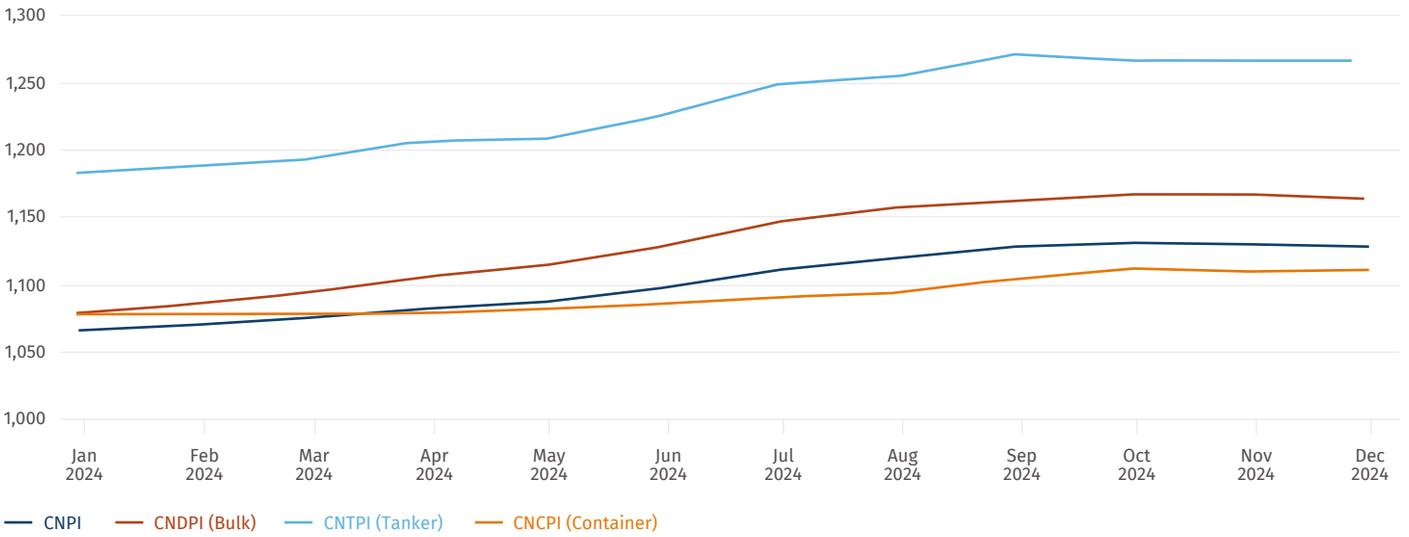
Newbuilding prices for bulkers, tankers, and container carriers saw only modest increases in 2024.

The Chinese Newbuilding Price Index (CNPI), produced by a panel of shipbuilders and shipbrokers, strengthened by 6% in 2024. Individual indices related to bulkers, tankers and container carriers, meanwhile, rose by 7%, 7% and 3%, respectively.

After a slight uptick in the first and second quarters, prices stabilised. The booming container market played a key role in driving prices up, with second-hand vessel values also rising considerably.

Meanwhile, shipyard costs have been steadily rising. Salaries are up, but the more significant factor has been price hikes from suppliers, driven by inflation and higher demand. Despite the apparent "boom" in the market, shipyards are still facing difficulties. Growing construction costs seem to be outpacing the rise in newbuilding prices, leaving shipyards less satisfied than one might expect

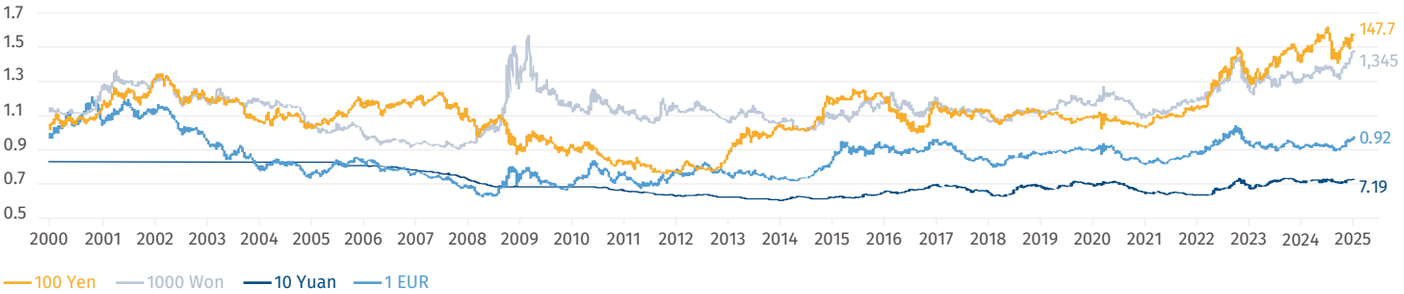
CNPI



	Age	End 2021	End 2022	%variation	Dec 23	%variation	Dec 23	%variation
Kamsarmax Bulker	15 years	18	16	-11%	16	0%	14	-13%
	5 years	33.5	28.5	-15%	32.5	+14%	34	+5%
	Newbuilding (China)	35	33	-6%	35	+6%	37	+6%
VLCC Tanker	15 years	32	56	+75%	56.5	+1%	52	-8%
	5 years	71	93	+31%	101	+9%	109.75	+9%
	Newbuilding (South Korea)	106	123	+16%	127	+3%	128	+1%
1,700 teu Containership	15 years	27	11	-59%	7.5	-32%	17.5	+133%
	5 years	43	22	-49%	18	-18%	26	+44%
	Newbuilding (China)	27	29.5	+9%	29.5	0%	34	+15%

As is often the case, second-hand prices have mirrored trends in the charter markets. As a result, both second-hand tanker and bulker prices increased slightly. Following the same pattern, second-hand prices for container vessels surged, with some segments experiencing price hikes of over 100% on an annual average basis.

Daily Exchange Rates with US$



	End 2020 China 1st tier*	End 2020 SK/Japan	End 2021 China 1st tier*	End 2021 SK/Japan	End 2022 China 1st tier*	End 2022 SK/Japan	End 2023 China 1st tier*	End 2023 SK/Japan	End 2024 China 1st tier*	End 2024 SK/Japan
Tankers										
VLCC	81	86	95	106	115	123	118	127	124	128
Suezmax	52	57	66	74	71	83	79	87	84	89
Dual-fuel LNG					84	96	94	102	97	102
Aframax / LR2	43	45 (A)	55 (A)	59 (A)	56 (A)	67 (A)	63 (A)	74 (A)	71	75
	47	49 (LR2)	57 (LR2)	61.5 (LR2)	59 (LR2)	70 (LR2)	65 (LR2)	76 (LR2)	73.5	77.5
Dual-fuel LNG					68	79	76	87	83	87
					71	82	78	89	86	89.5
LR1					49	58	53	58	57	61
Dual-fuel LNG					60	70	65.5	70.5	69	73
Dual-fuel Methanol					59	68	63	68	67	71
MR2 IMO 3 (12+2)	33.5	33.5	39	39.5	39	45	43	48	46.5	51
Dual-fuel Methanol					48	54	53	58	56.5	61
Bulkers										
Newcastle (205k Dwt)	51/53	63/65	65/67	71/73	63	73	66	76	76	84/86
Capesize (180k Dwt)	48/49	60/61	60/61	66/68	60	69	63	73	70	77/78
Kamsarmax	26/27	33/35	35/36	38/40	33	38	35	40	37	43/44
Ultramax (U)	21/22 (U)	24/25 (U)	32/32.5 (U)	35/36 (U)	32	37	33	38	34.5	38/39
Handymax (H)	24/25 (H)	27/28 (H)	28.5 (H)	30/31 (H)	-	-	-	-	30	34/35
Containerships										
Post-Panamax (7k teu)	54/55 (6k)	57/58 (6k)	74/75 (6k)	77/78 (6k)	82	90	84.5	100	88	100
Post-Panamax (5.5k teu)	48/49	49/50	68/69	70/71	70	77	67.5	85	69	85
Feedermax (2.7k teu)	30	32	38	40	40	45	39	49	41	50
Feeder (1.9k teu)	22.5	24	28	29.5	30	34	30	37	30	37
Feeder (1.1k teu)	17.5	18.5	23	24	23.5	27	23.5	30	23.5	30

*China 2nd tier yards are expected to offer prices around 5% lower

Second-Hand Values for Five-Year-Old Ships

	Jan 24	High		Low		Dec 24	Variation Jan–Dec
VLCC	100.83	110.97	04 Nov	100.83	02 Jan	109.64	+ 8.7%
Aframax	67.95	72.87	29 Jul	67.95	02 Jan	71.05	+ 4.6%
MRTanker	43.51	47.37	21 Oct	43.51	02 Jan	45.58	+ 4.8%
Capesize	48.45	60.72	14 Oct	48.45	02 Jan	59.19	+ 22.2%
Panamax	32.22	37.68	19 Aug	32.22	02 Jan	34.25	+ 6.3%
Supramax	33.10	35.00	09 Sep	33.10	02 Jan	34.83	+ 5.2%

Shipbuilding in the World

Shipbuilding in China

China continues to expand its dominance in the shipbuilding industry, reaching a market share in Dwt of 67.3% at the end of 2024, up from 57.6% in 2023 and 51% in 2022. With two-thirds of the global orderbook, China accounted for 76.1% of global new orders and 55.6% of global deliveries. Only the cruise and LNG segments escape the Chinese hegemony.

In 2024, China led shipbuilding orders, coming first in the bulk segment with 46.9 mn Dwt (79.4%), first in the tanker segment with 47.3 mn Dwt (75.0%), first in containerships with 40.7 mn Dwt (81.9%), and first in all other segments combined with 11.9 mn Dwt (56.3%). Only the LNG segment is left for China to conquer as South Korea dominates with 4.7 mn Dwt (50.7%). But for how long?

China's total shipbuilding output increased by 12% last year, from 42.7 mn Dwt to 47.8 mn Dwt, reflecting the surge in new orders since 2021-22. The orderbook to yearly output ratio reached another record at 5.5, compared to 3.8 in 2023 and 3.2 in 2022. This confirms that most Chinese yards are full for the next three to four years, with no delivery slots available before end-2028.

Top five Chinese shipyard groups:

The top five Chinese shipbuilding groups consolidated their respective positions in 2024 as CSSC, NTS, YZJ, CSHI and the newly formed Hengli together accounted for 69% (179.9 mn Dwt) of the Chinese orderbook. Meanwhile, their combined share of the global orderbook increased to 46.5% from 33% in 2023.

China State Shipbuilding Corporation (CSSC) remains the number one shipbuilding group worldwide, holding 34.2% of the Chinese orderbook and 23.0% of the global orderbook. CSSC secured new orders amounting to 48.2 mn Dwt in 2024, about 3.2 times more than the largest Korean group, HD Hyundai , which secured 12.0 mn Dwt.

In second and third position are New Times Shipyard (NTS) and Yangzijiang (YZJ), the two largest private shipbuilders in China with orderbooks of about 24.6 mn Dwt and 23.4 mn Dwt, respectively. This ranks them in third (previously fourth) and fourth (previously third) positions globally. They secured about 16 mn Dwt and 11.0 mn Dwt of orders last year, accounting for around 8.3% and 5.7% of global ordering.

Cosco Shipping Heavy Industry (CHI), previously the second-largest shipbuilding group in China, is now in fourth position, holding 8.8% of the Chinese orderbook. This makes it the fifth-largest global shipbuilding group, accounting for 5.9% of the world orderbook. In 2024, CHI secured new orders totalling 8.3 mn Dwt.

Shipbuilding in China		2022		2023		2024	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	51.0%	52.7%	57.6%	56.6%	67.3%	62.5%
	Bulk	50.3	669	65.2	808	90.5	1,036
	Tanker	9.9	293	33.1	560	76.5	1,018
	Container	49.4	638	45.6	557	67.7	578
	All ships	121.9	2,084	162.2	2,582	260.8	3,419
Orders	Bulk	20.7	305	36.8	434	46.9	534
	Tanker	4.5	141	26.9	394	47.3	594
	Container	15.9	216	11.4	148	40.7	305
	All ships	49.0	912	84.2	1,309	146.9	1,762
Delivery	Bulk	20.1	295	20.9	274	21.6	306
	Tanker	8.3	163	3.7	121	3.8	136
	Container	6.4	123	15.1	226	18.3	281
	All ships	38.3	801	42.7	774	47.8	922

Spectacular new entrant Hengli takes fifth position. The new private yard was formed by Hengli Group following the acquisition of the former STX Dalian facility. Hengli has secured a solid orderbook of 19.9 mn Dwt in only two years, representing 154 ships. It is now positioned sixth in the world. Note that Hengli only delivered two Kamsarmaxes and two Ultramaxes in 2024.

Newbuilding capacity

With the boom in new orders, the Chinese shipbuilding landscape is changing. New yards are opening, some are expanding their facilities, and others that concentrated on domestic orders are now constructing ships for foreign entities.

NEW SHIPYARDS BEING OPENED OR REOPENED:

- **Hubei Jinyu New Energy Shipbuilding:** Established in March 2024, the new yard was built at Hubei Intelligent New Energy Ship Industrial Park. Its focus is on stainless steel oil and chemical tankers below 30,000 Dwt. It has already signed a contract worth $150mn with Hong Kong Jintang Shipping, and has new slipways (200m*45m, 400-mt crane x2).

- **Three Waters New Energy Technology:** A subsidiary of Wuhu Shipyard located in Chizhou (Hubei), the new facility will focus on inland river, offshore green intelligent ship research and development and manufacturing. It has already signed contracts for twelve 10,000-mt LNG bulk carriers with three domestic owners: Wuhan Yongliang Shipping, Hubei Guotong Shipping and Hubei Delai Shipping.

- **Yangzhou Guoyu Shipbuilding** Established in 2005, the yard applied for bankruptcy in September 2021. In August 2024, it completed

bankruptcy reorganisation, and DCL Investments officially became controlling shareholder. Today the shipyard focuses on MR and containerships below 5,000 teu. It owns four slipways.

- **Jiangsu New Rongsheng Heavy Industry:** New Rongsheng was established in May 2024 on the ashes of the well-known Rongsheng, once China's largest privately owned shipyard with more than 30,000 workers and four large dry docks. New Rongsheng signed contracts with MSC for building 8+4 11,500 teu dual-fuel LNG-powered containerships to be delivered in 2026-27.

- **Nantong Xiangyu (XMXYG):** XMXYG purchased the core assets of Jiangsu Hongqiang Marine Heavy Industry (Hongqiang Heavy Industry) for RMB 440mn. These assets include three 50,000-100,000-mt slipways. Hongqiang Heavy Industry, founded in 2005 as a large-scale offshore and shipbuilding enterprise, was acquired by Taishan Petrochemical for RMB 210mn on 09 November 2017. In early 2018, however, Taishan Petrochemical ceased its financial support, and Hongqiang Heavy Industry was shut down. On 21 June 2023, administrators announced the recruitment of a bankruptcy reorganisation investor for the company.

- **Jiangsu Soho Innovation & Technology Group Co., Ltd. (ex Sainty Marine):** Sainty was established in September 2004 as a subsidiary of Jiangsu Sainty Marine Corp (Sainty Marine). In 2016, it went bankrupt and was reorganised due to serious losses, becoming China's first listed shipbuilding company to do so. In March 2017, Sainty Shipbuilding (Yangzhou) was renamed Jiangsu Guoxin Co., Ltd. and announced its withdrawal from the shipbuilding industry. In 2024, Sainty Machinery, Sainty Minmetals and Sainty Assets of Jiangsu Soho Holdings Group merged and became Soho Chuangke Group. In July 2024, Jiangsu Soho Innovation & Technology Group Co., Ltd. (ex Sainty Marine) announced it had signed contracts for ten 63,500 Dwt bulk carriers with domestic and foreign shipowners.

- **Wuhu Shipyard:** Wuhu Shipyard (Weihai) Green Marine Technology Industrial Base was officially commissioned in May 2024, following an RMB 2bn investment. It is mainly engaged in ship construction, design, repair, and the development of equipment for offshore engineering and offshore wind power. It has one 100,000-mt dock and two 50,000-mt slipways, mainly building 3,000-9,000 CEU PCTCs, 50,000 Dwt MR tankers and 80,000 Dwt Panamax bulk carriers. It has a planned total capacity of 800,000 Dwt.

- **Shandong Xinfa Group:** Plans (albeit uncertain) to build a new shipyard in Weihai with one newbuilding dock and one repair dock. This is slated to be commissioned in 2026.

EXPANSION OF EXISTING YARDS

- **Yangzijiang Shipbuilding (YZJ):** YZJ plans to invest RMB 3bn in the next two years to build its Yangzi Hongyuan green high-tech clean energy ship manufacturing base. The plan includes a 300,000-mt shipbuilding dock, a 200,000-mt outfitting dock, and a 100,000-mt harbour basin with an annual production capacity around 800,000 Dwt, expected to commence operation by end-2026. YZJ has also reached a joint venture agreement with Japan's Tsuneishi Group to acquire a 34% equity stake in Zhoushan Tsuneishi Shipbuilding.

- **New Times Shipbuilding (NTS):** NTS plans to invest RMB 5bn to develop the first phase of its new energy-intelligent ship construction project. This phase includes a 700m dock capable of holding two VLCCs side by side and accommodating two VLCC half-ship sections side by side. Upon completion, New Times Shipbuilding will have four dry docks. Phase 1 should be operational by mid-2026.

- **Hengli Heavy Industry:** Formerly known as STX (Dalian) Shipbuilding Co., Ltd. Hengli Heavy Industry Group, a subsidiary of Hengli Group, acquired idle STX Dalian assets in July 2022. At end-2022, Hengli officially relaunched its shipbuilding business, and delivered its first ship in April 2024. In July 2024, Hengli invested an additional RMB 9.2bn in its Phase II project (two 860m x 80m dry docks, plus two 1,000-mt and one 600-mt crane) to be commissioned mid-2025. This will focus on the construction of high-value-added green ships and high-end offshore engineering equipment such as FPSOs, offshore floating wind power, and drilling platforms. It will also construct large ships such as VLCCs, VLGCs and large containerships, and is expected to have an annual steel processing capacity of 1.8 mn mt and an annual output of 7.1 mn Dwt.

- **Jiangsu New Hantong Ship Heavy Industry:** The yard is building a new dry dock designed for constructing ultra-large containerships, large bulkers and tankers. The new dry dock will be the group's third notable expansion since its first yard launched in 2005.

- **Huanghai:** Is currently building a new 450 x 81m slipway, due for completion in May 2025.

CMA CGM MASAI MARA
Containership, 6,014 teu, delivered to CMB.TECH operated by CMA CGM, delivery year 2023.

EXISTING YARDS MOVING INTO THE INTERNATIONAL SPACE

- **Zhoushan NingShing Shipbuilding:** the yard previously worked exclusively for domestic owners but secured two 13,000 Dwt chemical tankers for Italy's Marnavi to be delivered in 2026/2027. It has eight ships in its orderbook.

- **Hubei Hechuang:** the yard has two Ultramax dry docks and four slipways for tankers up to 30,000 Dwt. It has received 2+2 bitumen tankers of 12,800 Dwt from a Chilean owner, one 150m deck carrier from a Korean owner, and two 15,000 Dwt bitumen tankers from Formosa Plastic Group.

Overview per segment

BULK

Qingdao Beihai, part of the CSSC group, remained the leading shipyard for dry bulk order backlog by deadweight in 2024, with 15.2 mn Dwt of bulk tonnage on order comprising 60 Newcastlemaxes and eight VLOCs. In second place was Hengli with a total of 12.9 mn Dwt (six VLOC, 18 Capesize, 92 Kamsarmax, two Ultramax) then Hantong with 9.4 mn Dwt (10 Newcastlemax, 49 Kamsarmax and 52 Ultramax).

CONTAINERSHIPS

Yangzijiang (YZJ) confirmed its lead in the containership segment with an orderbook of 14.5 mn Dwt (102 ships from 1,014 to 24,004 teu) representing 21.4% of the Chinese containership orderbook. NTS holds second place with 10.1 mn Dwt on order (73 ships from 8,400 to 18,450 teu), then Zhoushan Changhong with an orderbook of 5.9 mn Dwt (39 ships between 2,756 and 19,000 teu). The latter two yards each represent 14.9% and 8.7%, respectively, of the Chinese containership orderbook. The three together account for 45.0% of containership orders in China, and 31.9% globally.

TANKERS

The tanker segment is largely dominated by three shipyards: NTS with an orderbook of 12.6 mn Dwt (eight VLCC/ULCC, 36 Suezmax, eight Aframax, 15 LR2, 21 LR1 and six MR), and CSSC Dalian and CSSC SWS with respective orderbooks of 8.6 mn Dwt (20 VLCC, 21 LR2, one Aframax) and 6.1 mn Dwt (31 LR2, two Aframax, 11 Suezmax, and two VLCC).

LNG

The construction of large LNG carriers has been, for years, limited to CSSC Hudong-Zhonghua with its orderbook of 60 units for delivery through 2031. However, since 2022, four more yards have joined the LNG shipbuilders' club: CSSC Dalian with an orderbook of 20 units, CSSC Jiangnan with seven units for ADNOC and domestic owners, CMHI Jiangsu with eight, and Yangzijiang with two for its own account. Overall, China holds 30.8% of the global large LNG carrier orderbook.

In September 2024, Qatar Energy signed a major contract for 24 LNG carriers, all 271,000 cbm QC Max LNGCs with Hudong- Zhonghua, marking the biggest LNGC size ordered at a Chinese shipyard. Meanwhile, in November 2024, Jiangnan delivered the first Chinese-built Mark III Flex 175,000 cbm LNGC to ADNOC.

PCTC

Demand for PCTC units is weakening. After 96 ships were ordered in 2023 including 79 at Chinese yards, 59 were ordered in 2024, of which 51 were at Chinese yards. PCTC builders in China now control 86.4% of the world orderbook, followed by Japan with 10.2% and Korea with 3.4%. Ten Chinese yards share the 176 units currently on order: CMHI Jiangsu (59 units), GSI (27), CMHI Jinling (23), SWS (16), Mawei (13), CIMC Raffles (13), Xiamen (ten), CMHI Weihai (six), Jiangnan (five) and Wuhu (four).

ROPAX AND FERRIES

The construction of Ropaxes and ferries is mainly controlled by two shipyards: CSSC GSI with eight units including four for GNV, and CMHI Weihai with five units, of which three are for Stena and two for CMA-CGM / La Méridionale.

CRUISE

The second of the famous 140,000 Gt Vista-class vessels (each 341m long and 37.2m wide, accommodating 5,246 passengers) is scheduled for delivery in 2026 by CSSC SWS to Adora Cruises. Meanwhile, CMHI Jiangsu has one last 4,500 Gt expedition cruise ship on order for Sunstone.

Some significant orders of the year

- In 2024, Chinese shipyards secured orders for 447 dual fuel propulsion ships (excluding LNG carriers) against 304, 177, 151, 61 and 56 orders placed in 2023, 2022, 2021, 2020 and 2019, respectively. This represented 76.9% of total dual fuel ships ordered globally last year, and 25.4% of the total orders placed in China. Meanwhile, South Korea and Japan secured 13.4% and 3.4%, respectively, of 2024 dual fuel orders. These included four (DF-Ammonia), four (DF-LNG), and 29 (DF-Methanol) bulkers, 175 (DF-LNG), 31 (DF-Methanol), and one (DF-Ammonia) containerships, ten (DF-Batteries) dry cargo carriers, seven (DF-Ammonia), 23 (DF-Ethane), and 38 (DF-LPG) gas carriers, three (DF-Ammonia), four (DF-Batteries), 44 (DF-LNG), and 18 (DF-Methanol) tankers, two (DF-Batteries) and three (DF-Methanol) Ro-Ros, and two (Multifuel Batteries/LNG), 37 (DF-LNG), and 12 (DF-Methanol) PCTCs.

- Chinese shipyards secured 86.4% (51 units) of all PCTCs ordered worldwide in 2024 (59 units), and about 44.4% (48 units) of all sizes of LNG carriers ordered last year (108 units).

- CSSC Behai secured a total of 26 Newcastlemaxes for five different ordering companies.

- It is exciting to see progress in pure electric small containerships (400-700 teu) for canals, Yangtze River and coastal operations, with support from quick E-TEU onshore replacement. At end-2024, the world's largest 10,000 Dwt pure electric cargo ship began construction in Hubei Province, and at the beginning of 2025, CMA-CGM ordered a 182 teu pure-electric containership at Shandong New Energy Shipbuilding.

- The first CO_2 carrier (Northern Pioneer) for Norway's Northern Lights carbon capture and storage project was delivered by DSIC.

- In 2024, the three Chinese shipyards to receive the most orders were YZJ with 108 ships, NTS with 113 and Hengli with 115.

- In 2024, the top three shipowners ordering in China were: Cosco Shipping with 102 ships, MSC with 74 and EPS with 71.

Shipbuilding in South Korea		2022		2023		2024	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	27.5%	17.1%	22.1%	14.9%	17.0%	13.0%
	Bulk	0.4	3	0.0	1	0.0	1
	Tanker	13.5	98	9.5	105	16.9	163
	Container	28.5	271	26.7	234	21.0	162
	Gas	22.9	290	25.8	324	27.7	372
	All ships	65.7	678	62.3	680	65.9	710
Orders	Bulk	0.0	1	0.0	0	0.0	0
	Tanker	2.2	22	5.6	66	9.9	85
	Container	9.7	113	6.1	42	6.8	58
	Gas	10.9	127	7.6	109	7.7	122
	All ships	23.0	270	19.4	221	24.5	267
Delivery	Bulk	0.8	3	0.4	2	0.0	0
	Tanker	16.1	113	9.4	55	2.5	27
	Container	3.6	33	7.8	77	12.5	130
	Gas	3.2	47	4.6	73	5.8	74
	All ships	23.7	197	22.3	211	20.9	235

Shipbuilding in South Korea

Last year, South Korean yards lost a further 5.1% market share compared with 2023, and 10.5% compared with 2022. Nevertheless, with a 65.9 mn Dwt orderbook (17.0% of global market share), 24.5 mn Dwt of newbuilding orders (12.7% globally) and tonnage output of 20.9 mn Dwt (24.3% globally), South Korea remained the world's second-busiest shipbuilder. The absolute size of its orderbook remains on par with 2022 despite a 5.2% drop in 2023. This reflects an increasing volume of new orders (from 19.4 mn Dwt to 24.5mn Dwt).

A significant increase in tanker orders (from 2.2 mn Dwt in 2022 and 5.6 mn Dwt in 2023 to 9.9 mn Dwt in 2024) more than offset a drop in new containership orders (from 9.7 mn Dwt in 2022 and 6.1 mn Dwt in 2023 to 6.8 mn Dwt in 2024). This was also the case for gas carriers (from 10.9 mn Dwt in 2022 to 7.6 mn Dwt in 2023 and 7.7 mn Dwt in 2024). Nonetheless, this still represented 12.7% of all new tanker orders last year. No bulker orders have been received since 2022.

Korean yards still dominate the construction of LNG carriers and accounted for 54.6% of orders placed globally (59 new units compared with 53 in 2023 and 112 in 2022). However, Chinese yards are now increasing their capacity and secured 44.4% of new orders last year (48 new units compared with 23 in 2023 and 47 in 2022).

Illustrating the strong consolidation of the Korean shipbuilding industry, 90.3% of the new orders in 2024 were secured by the Big Three, with Hyundai HI holding 48.8%, Hanwha 24% and Samsung 17.5%. Only ten Korean shipyards received new orders in 2024 compared with nine in 2023 and 23 in 2008.

Korean shipbuilding output continued to slip from 23.7 mn Dwt in 2022 to 20.9 mn Dwt in 2024. Meanwhile, the orderbook to yearly output ratio rose slightly from 2.8 in 2023 and 2022 to 3.2 at end-2024. With China now having a ratio above 5.0, it is easier to find an earlier delivery position in South Korea than in China.

Some notable events of the year

The big three (HHI, Samsung and Hanwha) remain in the black. After years of losses, they can now generate profit thanks to strong demand and high prices since 2021.

However, South Korean shipyards remain under pressure from a labour crisis. In 2023, the government eased its immigration laws (Visa E-7) to resolve the labour shortage and opened up to foreign nationals. Furthermore, in 2024, the government set up a shipbuilding training centre in Indonesia and is planning to consult with other countries to simplify work visas in order to integrate the programme and training courses. South Korea began hiring foreign workers for its yards in 2022, and currently around 16% of its 93,000 shipyard employees are not Korean.

Given the above difficulties, Korean shipyards are now investing massively abroad. HD Hyundai is expanding its operations in the Philippines by leasing part of Agila Subic Shipyard – formerly Hanjin Heavy Industries & Construction Philippines – to produce offshore wind platforms and ship blocks and for the maintenance and repair of naval vessels. In December 2024, Hanwha Systems and Hanwha Ocean acquired Philly Shipyard, a leading US shipbuilder that has delivered approximately half of the large US Jones Act commercial ships since 2000. Samsung established a partnership with PaxOcean Zhoushan (a Singaporean shipyard located in China) to build Suezmaxes and Aframaxes.

Hyundai Heavy Industries (HHI/HMD), the shipbuilding branch of HD Hyundai, secured 48.8% of Korean new orders in 2024, representing $20.6bn and thereby exceeding its initial annual target by 150%. For 2025, the group has set a $18bn target for its three shipyards in

anticipation of lower demand. The group will remain selective when taking new orders, prioritising profitability. Of the 160 ships secured last year, 45% were based on dual fuel propulsion.

Hanwha Ocean secured some 24% of new orders placed in Korea in 2024. Of its 41 contracts, 22 (53.7%) were for large LNG carriers. The shipbuilder, which became part of the Hanwha Group in May 2023, posted an operating profit of KRW 169bn. The company benefited from adding high-value vessels such as LNG carriers to its orderbook, and fewer low-priced containerships, along with its work on deep-sea energy infrastructure and offshore wind installations. The yard also undertakes naval contracts.

Samsung HI (SHI) secured some 17.5% of Korean new orders in 2024. Of the 38 contracts it secured, 22 (57.9%) were for large LNG Carriers and three (7.9%) for Very Large Ethane Carriers. It secured four Suezmaxes from Dynacom through the scheme with PaxOcean Zhoushan. Accordingly, the yard is now concentrating more on LNG carriers than on large containerships and tankers.

Hyundai Mipo Dockyard (HMD) continued to dominate the medium-sized (below LR2) segment, and once again collected most of the small and medium-sized new orders placed at Korean yards in 2024. It won 77 orders in 2024 against 43 in 2023, 51 in 2022, 80 in 2021 and 50 in 2020. Its main product remains the MR tanker and together with its Vietnamese affiliate HVS, it succeeded in winning 27% of worldwide MR orders in 2024.

DH Shipbuilding, previously known as Daehan, continues to focus mainly on constructing large tankers. In 2024, it secured six Suezmaxes. This compares with 13 ships in 2023, 11 in 2022 and 15 in 2021. In 2025, DH is aiming to launch an IPO on the Korean Stock Exchange.

K Shipbuilding (ex-STX and sister of DH Shipbuilding) continued to focus on tankers and succeeded in securing 12 new orders in 2024 (six LR1 and six MR). This compares with 18 in 2023, 10 in 2022 and 22 in 2021.

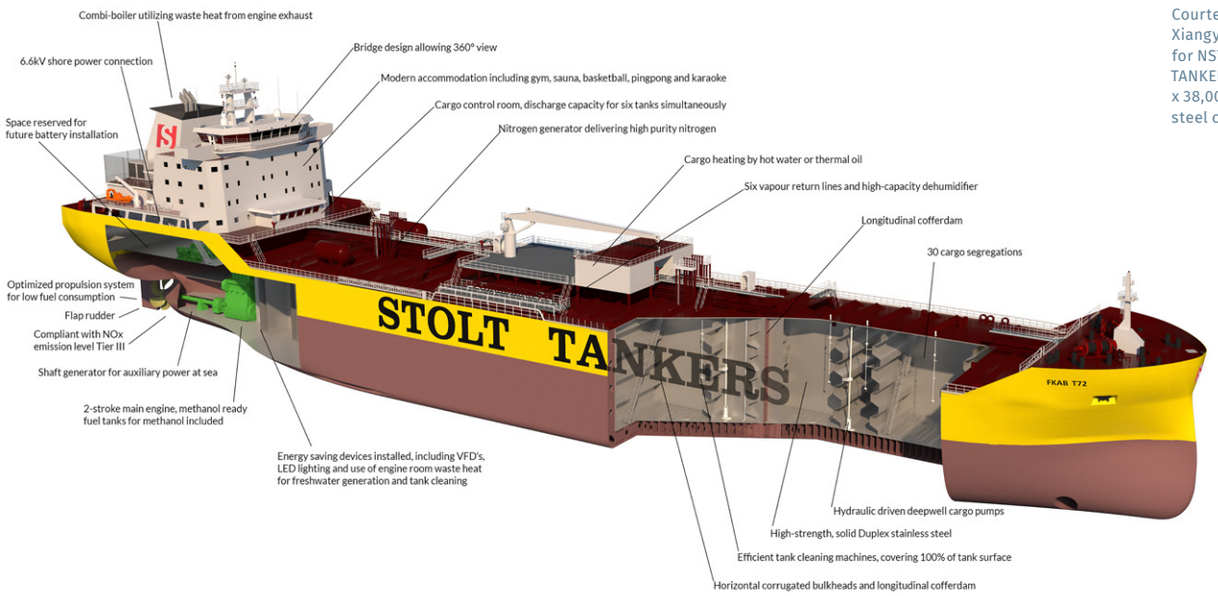
HJ Shipbuilding (ex-Hanjin shipyard) focuses only on containerships. In 2024, it secured eight containerships of 7,900 teu compared with two at 9,000 teu in 2023. By end-2024 its orderbook was composed of 12 ships (two of 9,000 teu, eight of 7,900 teu, and two of 7,700 teu).

Dae Sun Shipbuilding and Engineering has secured no orders since 2022 and has only seven ships in its orderbook (three 1,000 teu, three 33,000 Dwt stainless steel tankers and one small ferry). For the second time since 1945, the yard has applied for a corporate workout programme to restructure its debts with its main creditor bank, KEXIM. Dae Sun is one of the few medium-sized shipyards left in South Korea. Domestic steel manufacturer Dongil Steel became its major shareholder in early 2021 after purchasing 83% of the yard's shares from KEXIM.

Some significant orders of the year

- In 2024, Korean shipyards secured orders for 78 dual fuel propulsion ships (excluding LNG carriers) against 88 in 2023, 71 in 2022, 119 in 2021, 43 in 2020 and 38 in 2019. This represented 13.4% of total dual fuel ships ordered globally last year and 29.2% of the total orders placed in South Korea. In comparison, Chinese and Japanese yards won 76.9% and 3.4%, respectively. These included six DF-Ammonia, four DF-Ethane, and 32 DF-LPG gas carriers; 28 DF-LNG and four DF-Methanol containerships; two DF-LNG PCTCs, and two DF-Methanol tankers.

- **Hyundai** secured 33 VLGCs from 11 different shipowners which represented 84.6% of the VLGCs ordered in Korea and 55.9% of those ordered globally.



Courtesy of Nantong Xiangyu shipyard building for NST (NYK – STOLT TANKERS) a series of 8 x 38,000 Dwt stainless steel chemical tankers

Shipbuilding in Japan

Japan maintained its position as the third largest shipbuilder in 2024 with its 43.1 mn Dwt orderbook (11.1% market share), its 14.5 mn Dwt of newbuilding orders (7.5%) and its output of 13.9 mn Dwt (16.1%). Although the orderbook is full until 2028, Japan continues to lose capacity and market share to China and Korea.

Orders declined last year as only 14.5 mn Dwt was ordered. Bulker orders – the backbone of the Japanese shipbuilding industry – plunged by 15% while orders for tankers and container liners slumped by 32.4% and 80.3%, respectively.

A strong US Dollar and access to competitive ship finance from local banks assisted yards in securing new orders. However, the orderbook is much lower than in the past, leaving shipyards with lower output and reduced capacity. Hitachi Zosen, Mitsubishi, MES and Sasebo have withdrawn facilities from the commercial market over recent years, while Sumitomo Heavy Industries recently announced it will no longer build commercial ships. Sumitomo plans to complete its backlog of Aframax tankers at its Yokosuka yard and then move into the more profitable field of offshore renewables.

Together, Japan's five largest shipyards Nihon (Imabari + JMU), Oshima, Shin Kurushima and Namura secured 82.6% of the total new orders placed at Japanese yards in 2024, with shares of 42.2%, 18.0%, 10.4% and 12.0%, respectively.

Japan's total shipbuilding output has decreased slightly as 13.9 mn Dwt was delivered in 2024 (15.4 mn Dwt in 2023, and 15.6 mn Dwt in 2022). Meanwhile, its orderbook to yearly output ratio rose slightly to 3.1 at end-2024 (2.8 end-2023, 2.5 end-2022). This emphasises the long delivery positions.

Shipbuilding in Japan		2022		2023		2024	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	16.1%	16.6%	15.4%	15.7%	11.1%	12.6%
	Bulk	27.6	385	28.5	413	28.6	390
	Tanker	2.7	71	5.8	103	7.8	128
	Container	6.2	84	7.0	80	4.8	47
	All ships	38.4	657	43.4	717	43.1	688
Orders	Bulk	12.9	178	12.3	183	10.4	134
	Tanker	1.4	42	4.0	57	2.7	53
	Container	1.8	33	3.2	31	0.6	9
	All ships	17.1	326	20.4	323	14.5	243
Delivery	Bulk	9.5	125	11.3	155	10.2	154
	Tanker	3.8	48	1.0	25	0.8	28
	Container	1.8	31	2.4	35	2.1	36
	All ships	15.6	251	15.4	263	13.9	263

Some notable events of the year

- Imabari Shipbuilding and Japan Marine United (JMU) are Japan's two largest shipbuilders with orderbooks of 12.6 mn Dwt (29.3% of Japan's orderbook) and 10.9 mn Dwt (25.2%), respectively. In January 2021, they launched a new joint venture, Nihon Shipyard Co, with Imabari holding a 51% stake and JMU 49%. This new company handles all commercial ships excluding LNG carriers. In 2024, Nihon won orders for 52 ships (against 128 in 2023, 90 in 2022 and 110 in 2021) for a total of 6.1 mn Dwt. At the end of 2024, Nihon's orderbook totalled 226 ships for a total of 23.5 mn Dwt. This makes it the world's fourth-largest shipbuilder after CSSC, HHI, and NTS, at par with YZJ (23.4 mn Dwt).

- Oshima Shipbuilding, Namura, and Shin Kurushima, respectively the third (6.5 mn Dwt), fourth (3.4 mn Dwt) and fifth (3.1 mn Dwt) largest Japanese shipbuilders, secured a total of 100 ships for a total 5.9 mn Dwt. In Japan, 26 shipyards secured new orders last year, with the top five receiving a combined 82.6% of the total.

- Japanese shipyards are investing significantly in new technologies through joint research and development. The Japanese government has already stepped in with ¥35bn ($232mn) of funding over the next ten years to support the development of a zero-emission ship. NYK, Tsuneishi and British renewable energy business Drax have signed a memorandum of understanding (MoU) to develop both the world's first biomass-fuelled ship and the technology that could power it. The plant would use a gasifier to combust biomass at high temperatures and contain gases including carbon monoxide, hydrogen, and methane. These gases would then be used to power a generator to propel the bioship and provide a proportion of its internal power. A trio of Japanese companies has also teamed up to commercialise rigid sails as a new energy-saving device for shipping. Tsuneishi, in partnership with Mitsui E&S Shipbuilding (MES) and Akishima Laboratories, will develop a wing-shaped rigid sail to be used as an auxiliary propulsion device. Japan's largest shipowner Mitsui OSK Lines (MOL) has also developed its own rigid sail wind propulsion system (Wind Challenger), in cooperation with Oshima Shipbuilding. BAR Technologies (WindWings) signed an MoU with Mitsubishi Corporation and Nihon Shipyard to develop wind-assisted propulsion systems for Japanese vessel manufacturing, ultimately supplying both domestic and global markets.

- Tsuneishi Shipbuilding confirmed its plan for a new shipyard in East Timor with capacity to build up to 12 ships annually. The Kambara family group has successfully developed several shipbuilding facilities abroad (Cebu in the Philippines and Zhoushan in China) from greenfield sites, and runs a small shipyard in Paraguay. It also acquired a majority stake in compatriot Mitsui E&S Shipbuilding in order to develop its domestic capabilities in gas carriers, containerships and passenger ships. In 2024, China's largest private shipbuilder, Yangzijiang Shipbuilding (YZJ), acquired a 34% stake in Tsuneishi (Zhoushan). During the last few years, YZJ and Tsuneishi (Zhoushan) have been actively exchanging and interacting in shipbuilding-related fields and have established a foundation for friendly cooperation.

- Tsuneishi launched the world's first 65,700 mt methanol dual fuel bulk carrier last November. Designed to operate with a low environmental impact using methanol fuel while utilising its high load-carrying capacity and fuel efficiency, its delivery is scheduled for spring 2025.

Shipbuilding in Europe

Shipbuilding in Europe		2022		2023		2024	
		mn Gt	No.	mn Gt	No.	mn Gt	No.
Orderbook	Market share	4.3%	7.6%	3.4%	6.6%	2.8%	5.9%
	Bulk	0.0	7	0.1	8	0.1	14
	Tanker	0.8	40	0.6	37	0.6	41
	Container	0.1	2	0.1	4	0.1	4
	LNG	1.9	15	1.9	16	1.9	16
	Dry Cargo	0.7	148	0.7	149	0.7	143
	Cruise	6.0	60	5.6	57	8.6	77
	All ships	10.2	302	9.6	302	11.0	324
Orders	Bulk	0.0	2	0.0	3	0.0	8
	Tanker	0.0	9	0.0	5	0.1	10
	Container	0.1	2	0.0	2	0.0	0
	LNG	0.0	0	0.0	1	0.0	0
	Dry Cargo	0.2	58	0.2	46	0.2	45
	Cruise	0.5	10	1.0	13	4.0	29
	All ships	0.9	90	1.4	77	2.9	96
Delivery	Bulk	0.0	4	0.0	2	0.0	2
	Tanker	0.2	13	0.1	6	0.1	6
	Container	0.0	0	0.0	0	0.0	0
	LNG	0.0	0	0.0	0	0.0	0
	Dry Cargo	0.1	19	0.2	44	0.2	51
	Cruise	1.9	18	1.4	16	1.0	10
	All ships	2.4	63	1.8	72	1.4	74

European shipyards grew their orderbook from 9.6 mn Gt (302 ships) to 11.0 mn Gt (324 ships) last year. New orders rose slightly thanks to the cruise segment (29 units) and dry cargo (45 units), a ship type for which Europe is becoming more attractive due to short delivery times. In 2024, China, Korea, Japan and Europe accounted for 193.2, 63.7, 28.0 and 11.0 mn Gt (or 260.8, 65.9, 43.1 and 4.3 mn Dwt) of the global orderbook, respectively.

The region's total shipbuilding output is on par with 2023 at 1.4 mn Gt for 74 ships. The orderbook to yearly output ratio of 7.6 is not so representative in Europe due to the typology of the region's shipyards: a few large premises are building very large units, and a multitude of small yards are building small units.

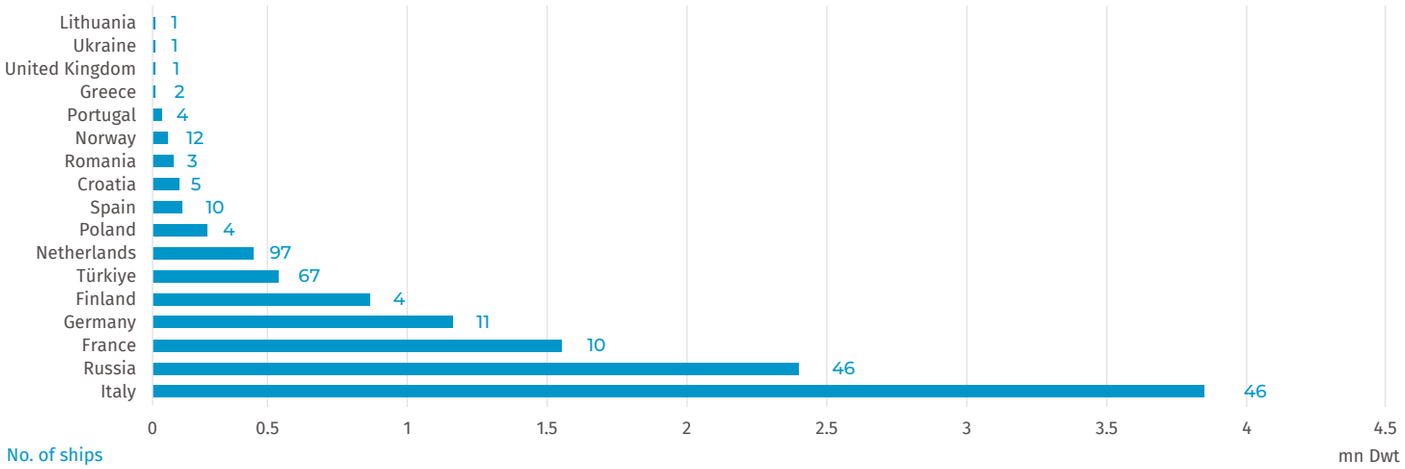
Some notable events of the year

- In 2024, Italy still held first place with 3.8 mn Gt on order. This reflected Fincantieri's position as the world's largest cruise ship builder. By end-2024, Fincantieri had 44 large cruise ships on order against 31 in 2023, representing 50.8% of the global cruise ship orderbook, keeping it busy until 2032. Italy can also count on Visentini, which is constructing two 3,000 LM DF Methanol-ready Ro-Ros. Furthermore, Mariotti is still building one 23,000 Gt cruise ship for 2027 delivery, and San Giorgio del Porto is now back in shipbuilding with a 7,500 cbm LNG bunkering vessel for renewable producer Axpo.

- Based on current figures, Russia is in second place among European countries with 2.4 mn Gt on order. However, given the ongoing war in Ukraine, we are not certain whether all of these orders are still valid and will be delivered. Russia's Zvezda shipyard's orderbook consists of LNG carriers, for which the hull blocks and other components were to be constructed at Korean shipyards including HHI and Samsung. Therefore, when ranking European countries together, we believe it is better to exclude Russia until the position of its shipbuilding industry is clearer.

- If we exclude Russia, France now takes second place thanks to its leading shipyard, Chantiers de l'Atlantique. Its orderbook now sits at ten cruise units for a total of 1.5 mn Gt, following Royal Caribbean's order of one new cruise ship with LNG propulsion. In terms of tonnage, this represents 16.8% of the global cruise ship orderbook. Units are set for delivery through 2028. The French State remains Chantiers' main shareholder, with an 84% stake after European

Orderbook of European Shipyards at end-2024 (mn Gt)



competition regulators rejected a proposed merger with Fincantieri. It is interesting to note the formidable development and orderbook of another French shipbuilder, Piriou, which has yards in France, Vietnam and Romania. Among its projects, Piriou built and delivered two sailing freighters, each 81m loa with 13m beam, and equipped with two 52m carbon masts carrying nearly 2,200m² of sails and a cargo capacity of up to 1,200 mt across six holds. This success led Piriou and Towt to sign contracts for six more sister ships last year.

→ Germany sits in third position due to Meyer Werft's orderbook of 1.5 mn Gt (ten units), representing 16.6% of global cruise ship orders in tonnage terms after having contracted four new units (two for Carnival, one for Disney and one for OLC). These were its first new orders since 2021 and will be delivered through 2028. The country can also count on Ferus Smit Leer with its orderbook of two small ships (one tanker and one general cargo).

Flensburger unfortunately filed once again for receivership only four years after German financier Lars Windhorst bought it out of insolvency. Shipbuilding ceased in October, when most of its 500 workers were laid off until further notice.

Werften Wismar, purchased by Thyssenkrupp Marine Systems (TKMS) in 2022, was sublet by Meyer Werft to complete the 208,000 Gt state-of-the-art cruise ship purchased by Disney from the bankrupted Genting group. The ship is scheduled for delivery in 2025.

→ In Finland, Meyer Turku Oy holds an orderbook of 0.75 mn Gt consisting of three cruise ships for Royal Caribbean to be delivered by 2027. Rauma Marine is still constructing a 48,000 Gt, 1,800-passenger, dual fuel (LNG) ferry for Australian operator TT-Line. Helsinki Shipyard Oy was acquired by Canada's Davie Shipbuilding from Russia's Algador Holdings in 2023. No new orders have yet been reported.

→ Türkiye's shipbuilding industry has remained dynamic since 2022 with 16 orders secured in 2024, 15 in 2023 and 38 in 2022. It now has an orderbook of 0.5 mn Gt, spread across 21 shipyards. In 2024, the 16 units secured at six shipyards included Tersan with four ferries from Fjord1 and two 16,500 Dwt tankers for a local owner. With Chinese shipyards full and not so interested in small units, Türkiy is becoming a strong alternative.

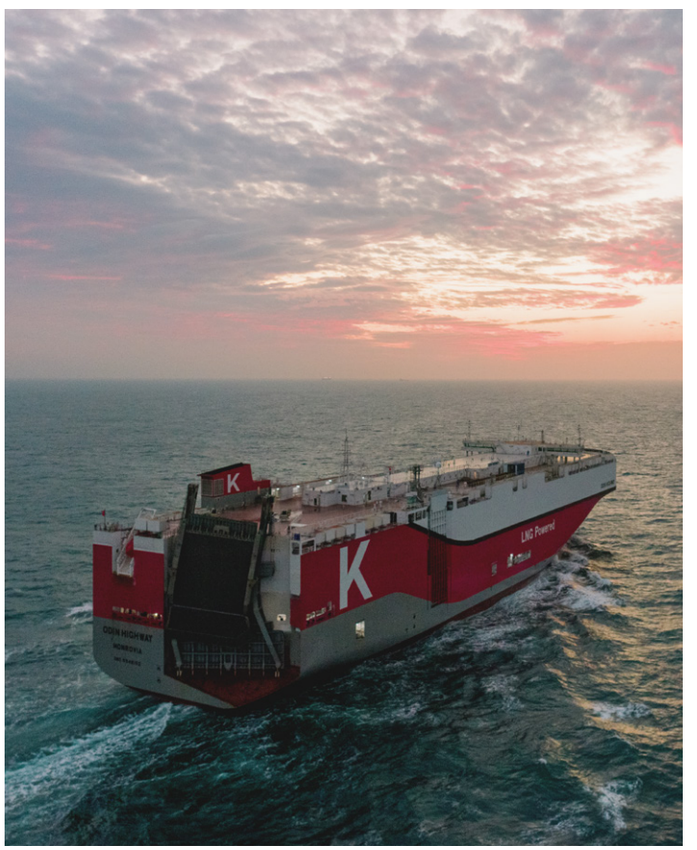
→ Dutch shipbuilders won Europe's highest number of new orders in 2024 as seven yards secured orders for 43 ships. Of these, 35 were for general cargo ships. In terms of orderbook, the main shipyards are Royal Bodewes (19 ships), Damen Gorinchem (19), Thecla Bodewes Shipyards (15), GS yard (11) and Ferus Smit Westerbroek (10).

→ Poland maintains its seventh-place ranking in shipbuilding with the government's order of three 4,100 Dwt dual-fuel ferries from Remontowa. The yard also signed a deal for two ferries for an Estonian operator at the end of 2024. CRIST, known for building cruise ship blocks, especially for Chantiers de l'Atlantique, secured a contract last year for a sophisticated Offshore Supply Vessel for a Canadian project. Poland also benefits from Gryfia Shipyard and its partner Stocznia, which remain active in block and hull manufacturing for European builders.

→ Croatia's orderbook has shrunk to five commercial ships. Brodosplit, one of the country's largest shipyards, is currently building patrol vessels for the Croatian Navy. The new yard Uljanik Brodogradnja 1856 (currently for sale, but owned by the Croatian Government) delivered a floating dock to an Israeli shipyard. Another Government-owned shipyard, 3 Maj, which was recently renamed "3 Maj 1905", is currently completing a self-unloading bulk carrier for Algoma, an MR Tanker for Viterlef, and has begun the hull construction for a repeat of the Polar cruise ship Scenic Eclipse. Brodotrogir Cruise continues to build mostly smaller Cruise vessels and Yachts for Croatian owners. All of Croatia's yards are also building blocks for neighbouring Fincantieri.

→ Spain is struggling to secure new orders despite having several excellent shipyards. Only a few commercial ships were ordered in 2024. Of these, one was for a multipurpose passenger ship for Tahitian company SA SNA TUHAA PAE at Armon.

MV ODIN HIGHWAY
7000 PCTC, built by Guangzhou Shipyard International (GSI) (P.R. China), SFL Corporation, delivered in January 2024. Copyright: photo provided by SFL



Shipbuilding in the Rest of the World

The orderbook held by shipyards in the Rest of the World (RoW) grew significantly from 9.6 mn Dwt in 2023 to 13.3 mn Dwt in 2024. This reflected new orders for tankers and containerships which offset lower orders for bulkers. However, the region's global market share remained on par with 2023 at 3.4%.

Deliveries also remained broadly flat with 2023 at 2.8 mn Dwt for 70 ships. Thus, the ratio between the current orderbook and yearly output increased from 3.7 to 4.7.

Last year, 21 RoW shipyards secured new orders (compared with 22 in 2023, 21 in 2022, 19 in 2021 and 15 in 2020). The first three yards, Tsuneishi Cebu (Philippines), HVS (Vietnam) and CSBC (Taiwan, China), account for 35.4%, 32.8% and 15.2% respectively of the RoW orderbook, totalling 83.4%, similar to 2023. Last year, Hyundai Vietnam (HVS) secured orders for 30 ships (14 Aframax and 16 MR2), CSBC secured 18 ships (twelve 8,000 teu containerships, four 8,700 teu containerships, and two Newcastlemax) and Tsuneishi secured only 16 ships, against 37 in 2021.

Some notable events of the year

→ The Philippines, led by Tsuneishi Cebu, maintained its top rank among RoW shipbuilding countries with 35.4% of the orderbook at end-2024. This marks a decline from previous years – it held 50% in 2023, 49% in 2022, 53.8% in 2021, and 52% in 2020.

Last year, Tsuneishi secured orders totalling 1.2 mn Dwt across 16 bulk carriers for Japanese owners, including eight Capesize, two Kamsarmax, four Ultramax, and two general cargo ships. Meanwhile, Austal Philippines won a contract to design and build a wind-powered aluminium cargo trimaran for Vela (France). Hyundai Philippines has signed a multi-year lease for part of the Agila Subic shipyard (formerly Hanjin Subic) and plans to invest $550mn over ten years, generating about 10,000 jobs within three to five years.

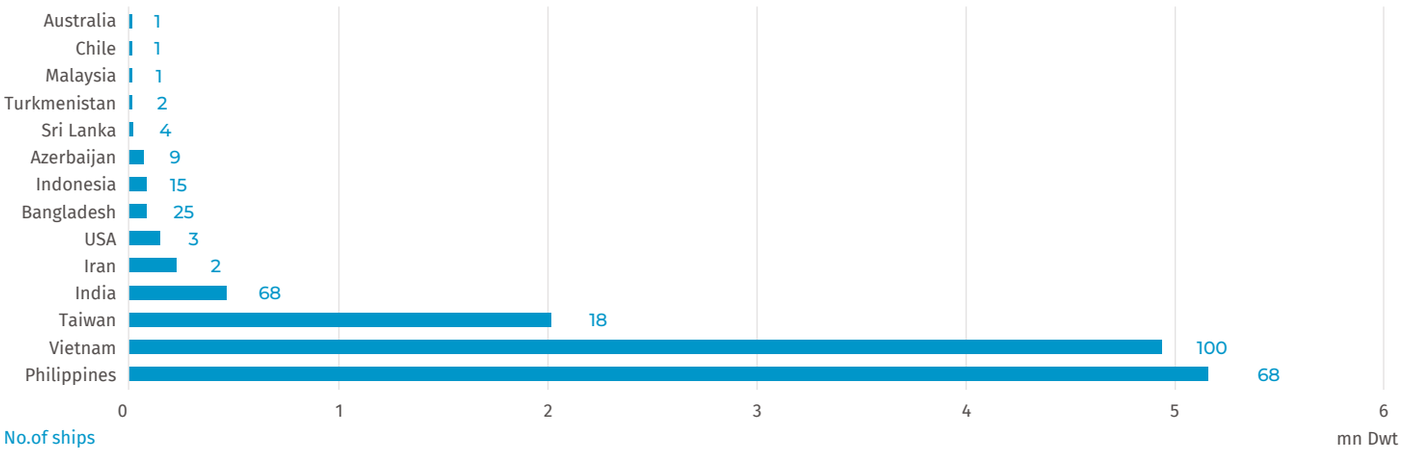
Shipbuilding in RoW		2022		2023		2024	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	3.6%	6.0%	3.4%	6.1%	3.4%	6.0%
	Bulk	4.6	79	5.5	93	5.5	85
	Tanker	3.1	57	3.3	65	5.3	90
	Container	0.3	9	0.2	6	1.8	22
	All ships	8.5	237	9.6	279	13.3	327
Orders	Bulk	1.6	24	2.7	42	1.7	18
	Tanker	1.9	31	1.0	26	3.0	47
	Container	0.2	3	0.0	2	1.6	16
	All ships	3.9	100	4.0	115	6.6	120
Delivery	Bulk	0.8	19	1.5	24	1.6	24
	Tanker	0.7	25	0.8	18	1.1	22
	Container	0.1	6	0.2	5	0.0	0
	All ships	1.7	65	2.6	68	2.8	70

The yard has already secured orders for four LR2 tankers, set for delivery in 2027.

→ In 2024, Vietnam remained the second-largest RoW shipbuilding nation, with HVS leading the sector, accounting for 88% of the country's orderbook. By the end of the year, HVS had 59 ships on order – including 22 Aframax/LR2 tankers, one Ultramax, and 36 MR2 tankers – totalling 4.3 mn Dwt.

Damen Ba Son secured four new orders for 3,850 Dwt general cargo ships (down from five in 2023) and is also building four 5,000 Dwt hydrogen-powered general cargo ships for CMB-Boeckmans at Dung Quat, leveraging the yard's labour and facilities. Additionally, French shipbuilder Piriou is constructing sail-powered cargo ships for TOWT and Grain de Sail. Other local yards, such as Pacific Shipbuilding, continue to receive orders, including three general cargo ships currently under construction. Meanwhile, state-owned SBIC (formerly Vinashin), which includes the Pha Rung, Ha Long, and Bach Dang shipyards, is undergoing bankruptcy proceedings.

Orderbook Rest of the World 2024 (mn Dwt)



- Taiwanese CSBC shipyard secured 18 ships in 2024: twelve 8,000 teu DF methanol and four 8,700 teu containerships for compatriot Wan Hai Lines, and two Newcastlemax bulkers for Taiwan's Chinese Maritime Transport (CMT). CSBC has maintained a very small orderbook over the past few years as it refuses to take on loss-making deals.

- India has reaffirmed its presence in the international shipbuilding market, climbing from sixth to fourth place with 68 ships on order, up from 48 in 2023 and 30 in 2022. Chowgule Shipyard secured six contracts for 10,740 Dwt general cargo ships for Dutch company Vertom at its new Mangalore facility. State-owned Cochin Shipyard won orders for eight 6,375 Dwt general cargo ships for Norway's Wilson. Mazagon Shipyard is building six 7,500 Dwt general cargo ships for Denmark's Navi Merchants, while Garden Reach Shipyard (GRSE) has four 7,800 Dwt dry cargo ships on order for Germany's Carsten Rehder.

- Iran unexpectedly ranked fifth in shipbuilding, with four Aframax tankers under construction for Venezuela's state-owned PDVSA. In 2023, two Aframaxes were ordered from Iran Marine Industrial Co (SADRA), adding to two earlier orders from 2007 that are still undelivered. Both Iran and Venezuela remain under US sanctions.

- US shipyards rank sixth, with orders including 12 small coastal catamaran cruise ships for American Cruise Line at Chesapeake Shipyard and three dual-fuel LNG 3,620 teu containerships for Matson at Philly Shipyard. Since 2000, Philly Shipyard has built about 50% of all large US Jones Act commercial ships and was recently acquired by South Korea's Hanwha Group from Aker ASA.

- Despite receiving no new orders since 2021, Bangladesh remains relatively active with an orderbook of 25 units spread across four different shipyards. The largest is Bashundara Group with 11 ships on order. Bangladesh is mainly a domestic market, focusing on ships below 5,000 Dwt.

- Indonesia remains in eighth position thanks to its five domestic new orders in 2024. The country's orderbook contains 15 ships spread across five shipyards, the largest being the KTU shipyard with eight units on order.

- Despite Sri Lanka's challenges, Colombo Dockyard continues shipbuilding, securing four more 5,309 Dwt eco bulk carriers with diesel-electric hybrid power for Norway's Misje Rederi. The yard has already delivered six in this series. However, it faces severe financial pressure, with revenues down by a third, and Japan's Onomichi Dockyard has signalled plans to sell its 51% stake.

WINDPOWER
Bitumen Tanker, 8,767 Dwt, built by Zhejiang Tenglong, operated by Queensway Navigation, delivery year November 2024.

Some Aspects of the Shipbuilding Market

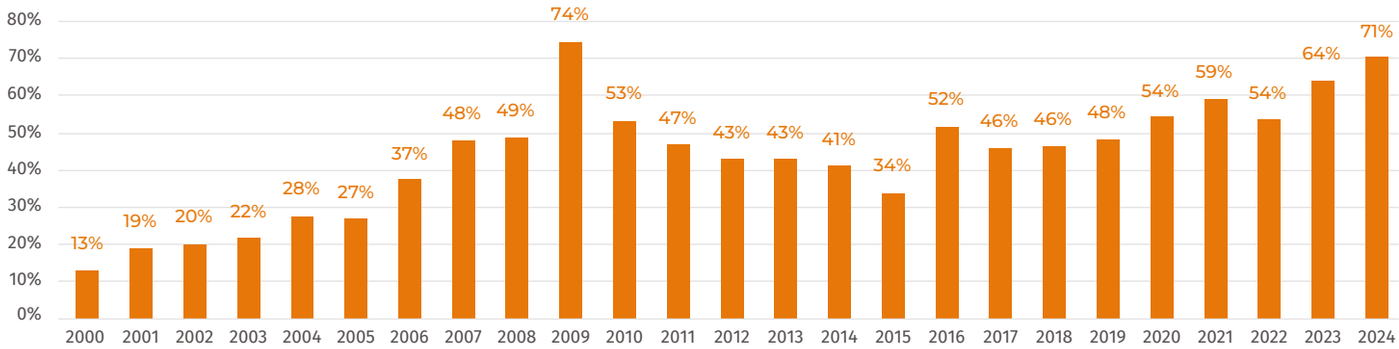
China's worldwide dominance in the shipbuilding industry

2024 was eventful for the shipbuilding market, with China strengthening its dominance. This was evident through three key metrics:

- China's share of newbuilding orders reaching 71% in number of ships and 76% in mn Dwt, from 64% and 66% respectively in 2023, showing the future trend (1)
- China's share of the orderbook reaching 63% in number of ships and 67% in mn Dwt, from 57% and 58% respectively in 2023, measuring the present state (2)
- China's share of deliveries reaching 59% in number of ships and 56% in mn Dwt, from 56% and 51% respectively in 2023, reflecting past activity (3)

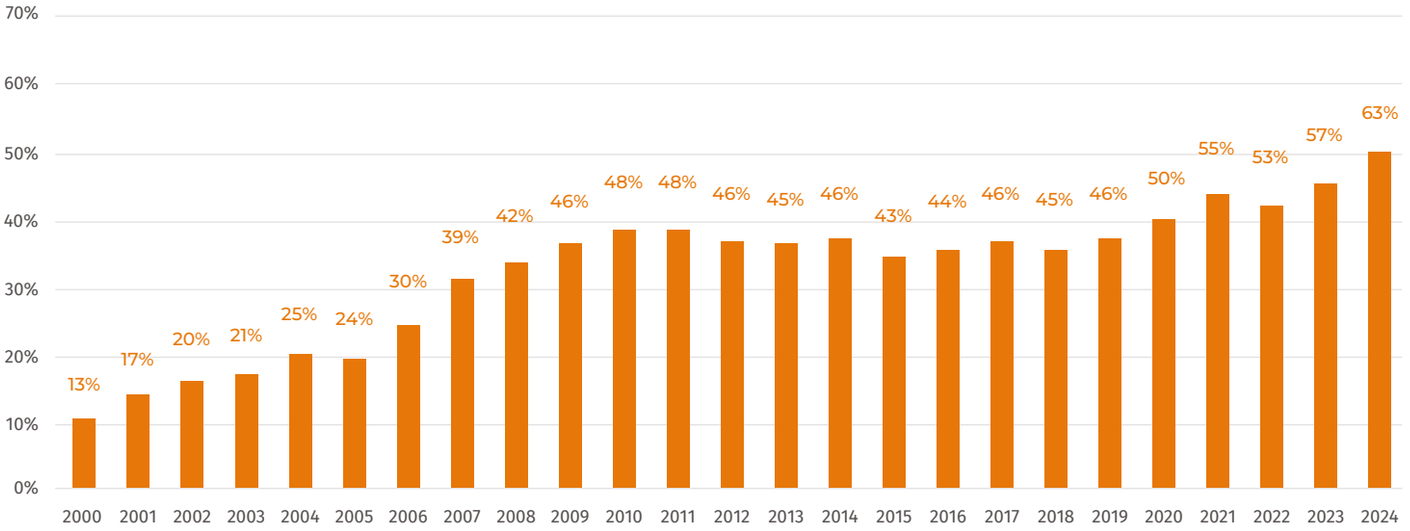
China establishing a giant state-of-the-art shipbuilding center on Changxing island off Shanghai where CSSC Jiangnan and CSSC Hudong shipyards have been relocated and capable of building the most advanced ships including LNG carriers and large container carriers

China's Market Share of Global Newbuilding Orders (% in no. of ships) (1)



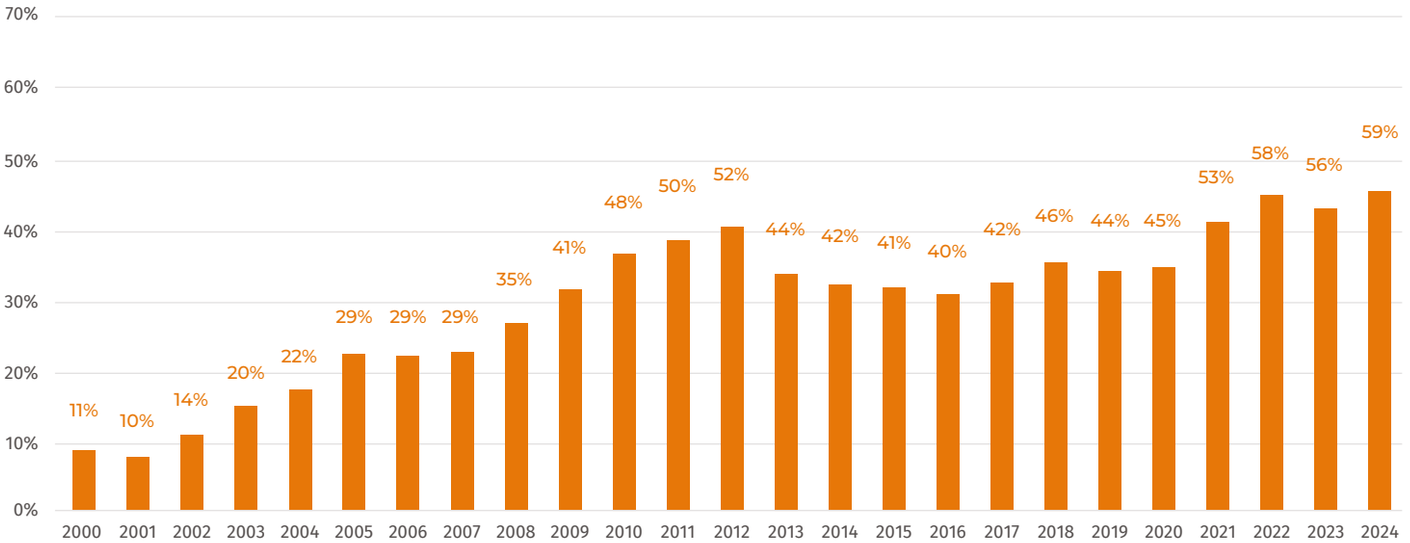
	mn Dwt			Ships				mn Dwt			Ships		
Year	China	RoW	Ratio	China	RoW	Ratio	Year	China	RoW	Ratio	China	RoW	Ratio
2000	4.1	63.3	6%	147	1,114	13%	2013	62.7	141.1	44%	877	2,040	43%
2001	4.5	40.9	11%	164	865	19%	2014	45.0	114.6	39%	691	1,676	41%
2002	5.6	47.4	12%	201	1,005	20%	2015	37.6	116.2	32%	561	1,660	34%
2003	17.1	116.5	15%	416	1,907	22%	2016	17.6	32.9	53%	327	631	52%
2004	16.9	102.0	17%	599	2,158	28%	2017	31.2	79.0	40%	463	1,006	46%
2005	18.7	81.9	23%	530	1,956	27%	2018	33.7	86.2	39%	597	1,287	46%
2006	48.4	155.5	31%	1,101	2,942	37%	2019	29.4	69.1	42%	559	1,159	48%
2007	105.4	243.5	43%	2,256	4,689	48%	2020	35.4	73.7	48%	665	1,223	54%
2008	57.3	136.8	42%	1,113	2,274	49%	2021	72.0	135.1	53%	1,261	2,122	59%
2009	23.1	35.4	65%	460	618	74%	2022	49.0	93.6	52%	912	1,698	54%
2010	59.7	131.6	45%	1,073	2,018	53%	2023	84.2	128.4	66%	1,309	2,045	64%
2011	30.3	77.3	39%	628	1,341	47%	2024	146.9	193.1	76%	1,762	2,488	71%
2012	18.5	47.3	39%	405	941	43%							

China's Share of the Global Orderbook (% in no. of ships) (2)



	mn Dwt			Ships				mn Dwt			Ships		
Year	China	RoW	Ratio	China	RoW	Ratio	Year	China	RoW	Ratio	China	RoW	Ratio
2000	10.2	117.1	9%	278	2,124	13%	2013	125.2	269.3	46%	1,882	4,140	45%
2001	12.6	113.9	11%	363	2,089	17%	2014	137.5	296.6	46%	2,027	4,374	46%
2002	14.8	114.6	13%	438	2,175	20%	2015	133.8	318.5	42%	1,943	4,522	43%
2003	25.5	175.3	15%	650	3,055	21%	2016	109.1	241.5	45%	1,583	3,562	44%
2004	35.4	218.1	16%	1,012	4,059	25%	2017	100.3	222.6	45%	1,439	3,143	46%
2005	42.8	232.0	18%	1,120	4,625	24%	2018	92.2	223.0	41%	1,405	3,157	45%
2006	82.3	318.4	26%	1,842	6,070	30%	2019	85.2	193.0	44%	1,377	2,970	46%
2007	191.5	544.1	35%	3,885	9,950	39%	2020	81.5	179.8	45%	1,469	2,923	50%
2008	234.8	621.1	38%	4,401	10,468	42%	2021	113.0	227.5	50%	2,003	3,673	55%
2009	214.4	509.7	42%	3,710	8,129	46%	2022	121.9	239.1	51%	2,084	3,958	53%
2010	207.0	468.9	44%	3,389	7,040	48%	2023	162.2	281.7	58%	2,582	4,560	57%
2011	168.9	375.2	45%	2,746	5,694	48%	2024	260.8	387.3	67%	3,419	5,468	63%
2012	119.7	260.0	46%	1,852	4,046	46%							

China's Share of Global Deliveries (% in no. of ships) (3)



China's rise in shipbuilding is also illustrated by several milestones, such as the country's first deliveries of ship types that were once considered to require the expertise of European, South Korean or Japanese yards.

For example, the first order of a 150,000 cbm LNG carrier at Hudong led to the successful delivery of the MV Dapeng Sun in 2008. Similarly, the first order of a 135,000 Gt cruise ship at SWS in 2019 resulted in the delivery of MV Adora Magic City in 2023. Today, there is no type of ship that China cannot build. We could also mention its other achievements, such as the first stainless steel chemical tanker, or the first cable layer, the first SOV, the first PCTC, or even the first ferry built for a western account by GSI back in 1999, MV Visborg (ex Visby) delivered to Gotland in 2003.

MV AL SHELILA, first 175,000 m3 LNG carrier built by Jiangnan shipyard and delivered to ADNOC in 2024.

China has built a remarkable shipbuilding industry with well-equipped shipyards, a large base of marine equipment makers, and a robust banking system with personnel well acquainted and dedicated to the task. The nation's success in shipbuilding is no longer just about cheap labour. China has also developed a strong shipowning sector, naturally capable of placing a huge number of orders with domestic yards – an advantage that Japan also knows but South Korea lacks. As discussed earlier, last year COSCO alone contracted an impressive 102 vessels.

China's second wave of expansion

In 2024, China entered a new phase of shipbuilding expansion, almost 20 years after the boom that propelled it onto the international shipbuilding scene. During that earlier surge, the country's market share of the global orderbook soared from 13% in 2000 to almost 50% in 2010. Following this, it saw a reduction in its shipbuilding capacity as numerous yards closed. Nonetheless, its market share only experienced a minor dip, moving from 48% in 2010 to 43% in 2015, before rebounding to 50% in 2020.

As China strengthens its grip on the global shipbuilding industry, several capacity expansions are planned or have recently taken place, including:

New Shipyards being opened or reopened:

- Hubei Jinyu New Energy Shipbuilding
- Three Waters New Energy Technology
- Yangzhou Guoyu Shipbuilding
- Jiangsu New Rongsheng Heavy Industry
- Nantong Xiangyu (XMXYG)
- Jiangsu Soho Innovation & Technology Group Co., Ltd.
- Wuhu Shipyard
- Shandong Xinfa Group

Expansion of existing yards

- Yangzijiang Shipbuilding (YZJ)
- New Times Shipbuilding (NTS)
- Hengli Heavy Industry
- Jiangsu New Hantong Ship Heavy Industry
- Huanghai
- Yamic

Existing yards moving into the international space

- Zhoushan NingShing Shipbuilding
- Hubei Hechuang

Once this new expansion is complete, we estimate it will add about 200 more ships per year to the current global shipbuilding capacity. This would increase the current capacity of about 1,500 ships to around 1,700 ships per year.

We assume that no capacity destruction will take place in Japan or South Korea, but this remains to be seen. Any new expansion may be to the detriment of Japan, South Korea, and Europe.

We believe the shipbuilding industry entered a super-cycle in 2021, equivalent to the 2003-08 boom. This theory, which we have defended for years, is based on the need to replace many of the units delivered as a consequence of the 2003-2008 boom, when annual global shipbuilding output went from 1,483 ships (2005) to 2,591 ships (2010). These vessels will reach 20-25 years of age this decade, and because they were designed and built before the eco-revolution of the 2010s, they need to be replaced with more efficient tonnage. This concept of a super-cycle that started in 2021 was naturally largely based on the assumption that the shipbuilding industry would remain stable and not enter a new wave of expansion, whether in Japan and South Korea,

India, the Philippines, or Vietnam, except for a couple of possible yard reactivations in China.

China's recent wave of expansion might influence this current post-2021 shipbuilding boom, which is marked by higher newbuilding prices, as shown in the rising CNPI index, and longer delivery times of three to four years. Still, we note some key differences compared to the previous 2003-2008 boom. For example, while prices of certain types of ships have reached new record highs, this is not the case for all ship classes. For instance, 174,000 cbm LNG carriers hit a historic high of about $260mn, whereas large tankers such as VLCCs, priced around $125-130mn, could see an additional $25mn if equipped with dual fuel LNG propulsion. Yet, this would still only bring the price close to the $150-155mn maximum for a VLCC back in 2008. On the bulker side, where dual propulsion uptake has been slower, prices for an 81,000 Dwt Kamsarmax built in China oscillated around $38-39mn in December 2024 against $55mn in July 2008.

A future threat to the shipbuilding industry is uncontrolled expansion, which could lead to market instability. One might argue that China's 2023-2024 expansion may come at the detriment of Japan and South Korea, as their market shares have declined in recent years, but it could also simply add shipbuilding capacity on the world stage.

However, with geopolitical tensions remaining high, leaders are rediscovering the importance of shipping and shipbuilding. As a result, we are seeing resistance to shipyard closures in these shipbuilding nations as well as in other countries, as governments seek to preserve this strategic industry.

Transactions switch from USD to RMB and EUR

For a very long time, the US Dollar has been the currency of choice in the shipping and shipbuilding industries, despite the minimal presence of these industries in the USA.

On 22 November 2024, China State Shipbuilding Corporation's Dalian Shipbuilding, in collaboration with China Shipbuilding Trading and COSCO Shipping Energy, signed a landmark contract to construct six 307,000 Dwt VLCCs. This RMB 5.7bn deal represented a groundbreaking move in adopting the Renminbi for settlements, further expanding its application in the global maritime industry.

Adopting the Renminbi reduces exchange rate risks and drives the currency's internationalisation, strengthening China's global competitiveness. This contract shows the Renminbi's strategic significance in international energy transport agreements and sets a benchmark for future collaborations in shipbuilding and maritime industries.

In recent years, the use of the Renminbi in maritime settlements has grown significantly. Beyond this historic VLCC contract, other major shipbuilding agreements have also adopted Renminbi settlement, including:

- Hudong-Zhonghua Shipbuilding's October 2024 contract with Seaspan for six 13,600 teu containerships - the first Renminbi settlement for such an order.
- COSCO Shipping Lines' order soon after, of six similar containerships from Hudong- Zhonghua, reinforcing the trend of "Chinese owners, classification, shipyards, and settlement" in global shipbuilding.
- Eastern Pacific Shipping Pte. Ltd.'s recent use of Renminbi settlement for six Ultra-Large Ethane Carriers (ULECs) built in China, marking a significant milestone in the adoption of the Renminbi outside traditional markets.

There have also been several shipbuilding contracts for European accounts that were concluded fully in Euro.

The US Dollar remains the world's dominant reserve and transaction currency, supported by the size and stability of the US economy, the liquidity and transparency of its financial markets, and its role in commodity settlement. However, rising geopolitical tensions, the growing use of alternative payment systems, and the push for de-dollarisation by emerging economies all signal that this may now be shifting.

While USD remains the favoured reserve currency for now, this trend shows that RMB and EUR are slowly being adopted.

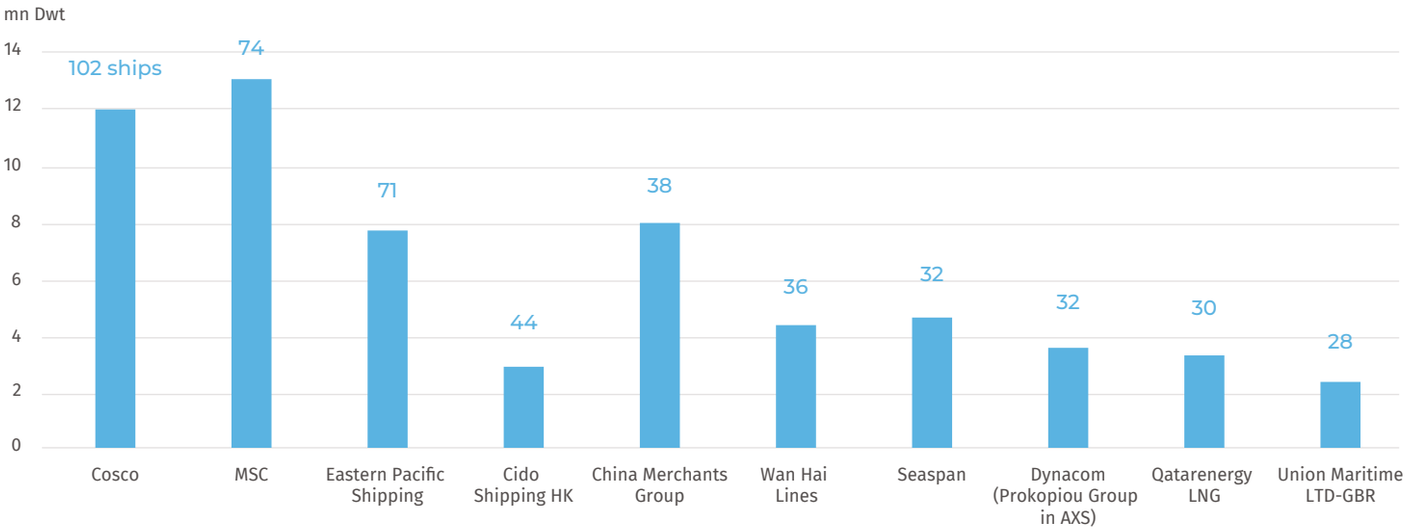
Huge newbuilding orders and fewer players as new industry giants emerge

Shipowners

COSCO and MSC made headlines in 2024 by placing a spectacular number of newbuilding orders, alongside their other acquisitions on the second-hand market. However, they were followed by other very dynamic players, resulting in the top ten contractors placing a combined 487 newbuilding orders, accounting for 19.6% of the year's total.

Ordering Company 2024	Ships	mn Dwt
Cosco	102	12.0
MSC	74	13.0
Eastern Pacific Shipping	71	7.7
Cido Shipping HK	44	2.8
China Merchants Group	38	8.0
Wan Hai Lines	36	4.4
Seaspan	32	4.7
Dynacom (Prokopiou Group in AXS)	32	3.6
Qatarenergy LNG	30	3.3
Union Maritime LTD-GBR	28	2.3

Top 10 Ordering Companies with most New Orders in 2024



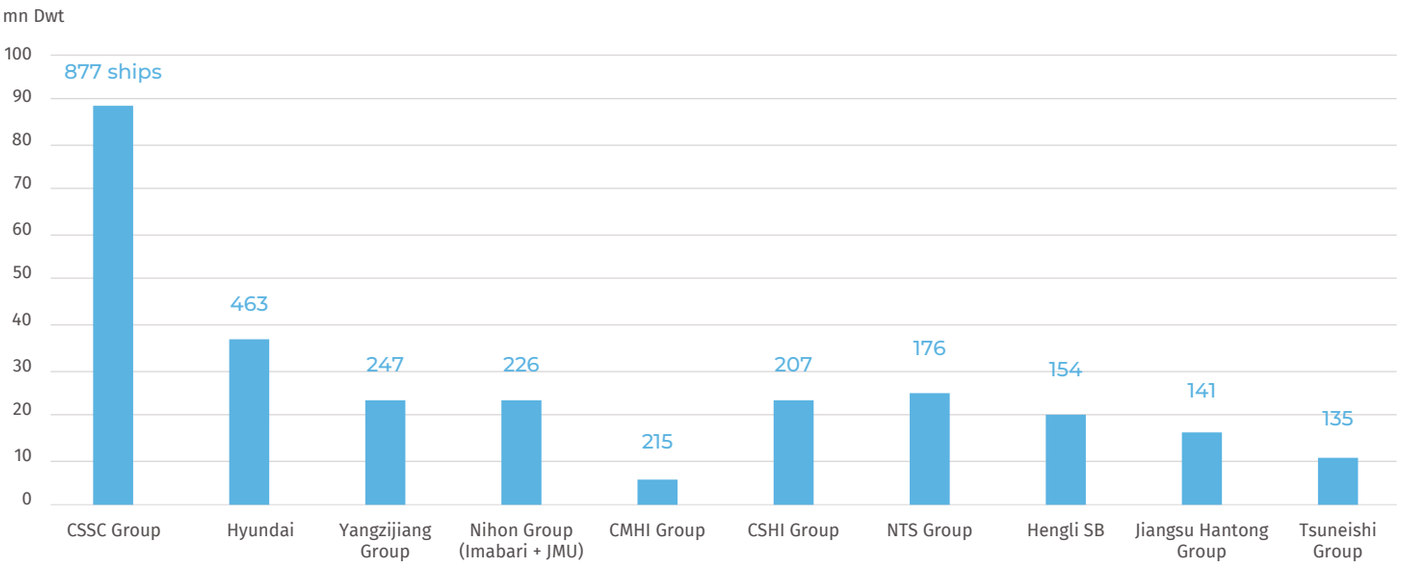
Shipyards

Last year also showed a trend towards consolidation amongst shipbuilders, with a few dominant players emerging.

Shipyard Groups 2024	Ships	mn Dwt
1. CSSC Group	877	89.1
2. Hyundai	463	37.1
3. Yangzijiang Group	247	23.4
4. Nihon Group (Imabari + JMU)	226	23.5
5. CMHI Group	215	5.5
6. CSHI Group	207	23.0

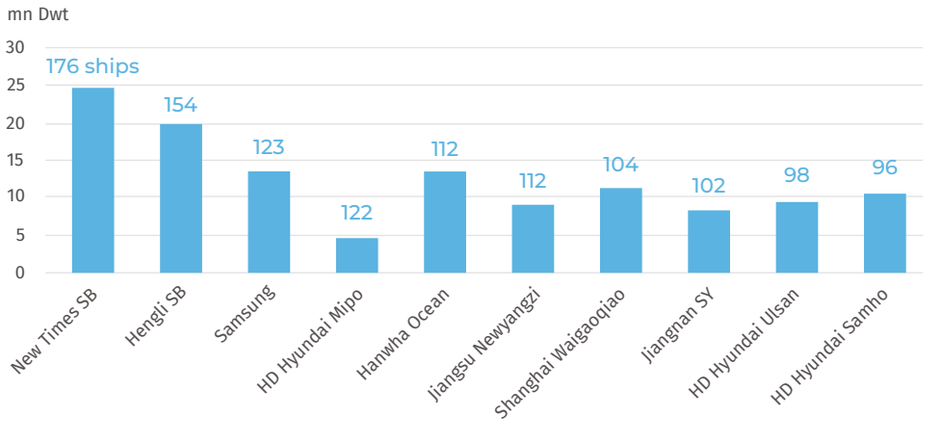
Shipyard Groups 2024	Ships	mn Dwt
7. NTS Group	176	24.6
8. Hengli SB	154	19.9
9. Jiangsu Hantong Group	141	15.8
10. Tsuneishi Group	135	10.2
11. Samsung Group	123	13.6

Top 10 Shipyard Groups with Most Ships on Order



Shipyards 2024	Ships	mn Dwt
New Times SB	176	24.6
Hengli SB	154	19.9
Samsung	123	13.6
HD Hyundai Mipo	122	4.6
Hanwha Ocean	112	13.5
Jiangsu Newyangzi	112	8.9
Shanghai Waigaoqiao	104	11.2
Jiangnan SY	102	8.3
HD Hyundai Ulsan	98	9.3
HD Hyundai Samho	96	10.6

Top 10 Shipyards with Most Ships on Order

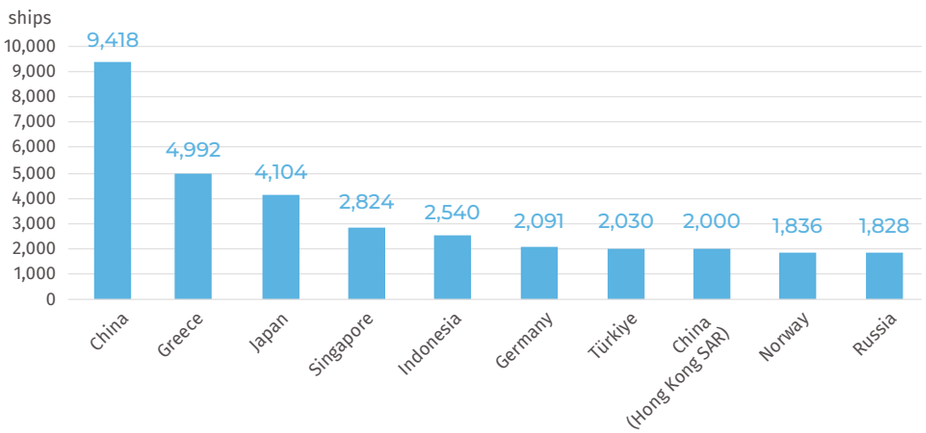


Country fleets (UNCTAD)

Likewise, it is interesting to follow the development of the major shipping countries.

Country of Beneficial Owner	Ships
China	9,418
Greece	4,992
Japan	4,104
Singapore	2,824
Indonesia	2,540
Germany	2,091
Türkiye	2,030
China (Hong Kong SAR)	2,000
Norway	1,836
Russia	1,828

Top 10 Countries with the Largest Beneficial Owner Fleets



STENA PROGRESSIVE
Chemical/Oil Products Tanker, 49,900 Dwt, built in 2024.

Perspectives for 2025 (Orders, Deliveries, Demolitions and Prices)

Newbuilding orders

In 2023, around 128 mn Dwt of new vessels were ordered: 52 mn Dwt of bulkers, 38 mn Dwt of tankers, 20 mn Dwt of container carriers, and 18 mn Dwt for other types.

In early 2024, we estimated that around 115 mn Dwt of new vessels would be ordered that year, with 45 mn Dwt for bulkers, 40 mn Dwt for tankers, 15 mn Dwt for container carriers, and 15 mn Dwt for other types including LNG and other gas carriers.

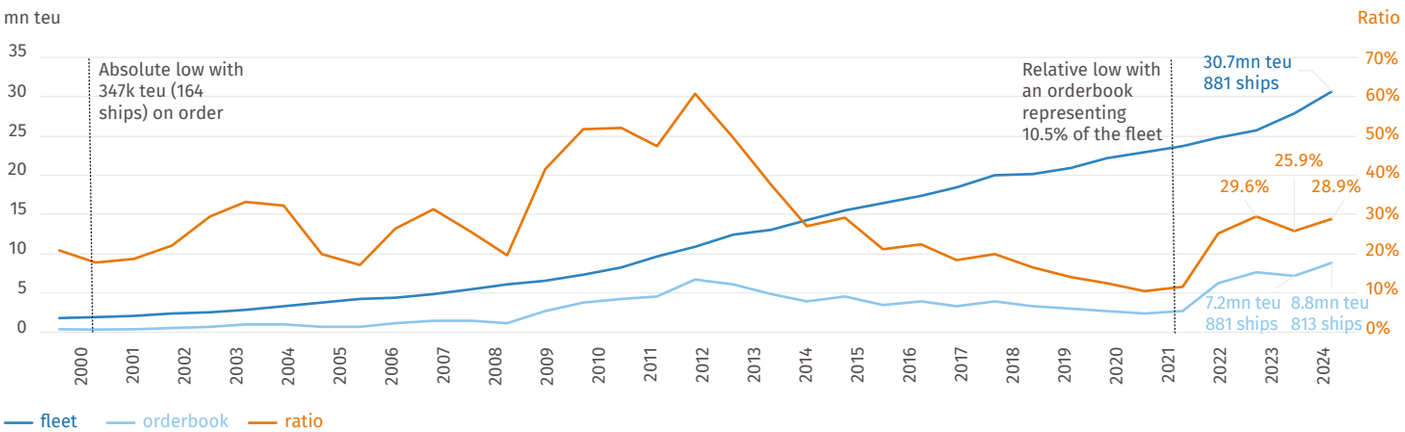
However, reality proved very different as 193.1 mn Dwt was ordered: 59.1 mn Dwt of bulkers, 63 mn Dwt of tankers, 49.8 mn Dwt of container carriers, and 21.2 mn Dwt for other vessels.

So what happened?

- 2024 proved that even the best educated guess can be upended by reality and unexpected events, such as the Red Sea crisis, new sanctions on Russia, and drought in the Panama Canal. It also reaffirmed the difficulties in forecasting large market swings, whether up or down, even though the theory of a new super-cycle suggested there was potential for bolder predictions.
- Regarding bulkers, the 14% rise between 2023 and 2024 remained within the margin of error and could also be explained by the fact that the level of contracting was low compared to other segments, and that newbuilding prices had not reached their previous peak as seen in the 2003-2008 boom years.
- Regarding container carriers, it was indeed harder to believe in early 2024 that more units could be ordered during the year, considering the record-high newbuilding prices at the end of 2023 and the downward freight environment, both of which should have cooled appetite for investment. Furthermore, by end-2023 the containership orderbook already stood at a mammoth 7.2 mn teu, well above the previous peak of about 6.7 mn teu in 2007, even if, in relative terms, this represented only 25.9% of the existing fleet, compared with 60.7% in 2007. Additionally, the ships ordered in 2007 were designed for trading speeds ranging between 21 and 25 knots, against today's more fuel-efficient standard of 16 to 19 knots.

  But the surge in new container carrier orders continued unabated in 2024 with a rise of 140%, fuelled by intense competition between the main players all wanting to defend and increase their market shares, enabled by the substantial financial gains made during previous operational highs.

Container Fleet & Orderbook Evolution



- Regarding oil tankers, we believe that the level of contracting for new oil and petroleum product tankers across 2021-22 had been disappointing, at only 8.7 mn Dwt, and that the strong ordering seen in 2024 and to a lesser extent 2023 was in reaction to this shortfall. Many tanker owners disregarded the ongoing energy transition and vilification of oil, continuing to believe that it will remain an integral part of the energy mix for decades to come, aligning with the 20-25 year lifespan of an oil tanker ordered today.

  Moreover, many traditional owners sold their older ships at high prices in the wake of the spectacular growth of the so-called "shadow fleet", used to transport Russian, Iranian and Venezuelan

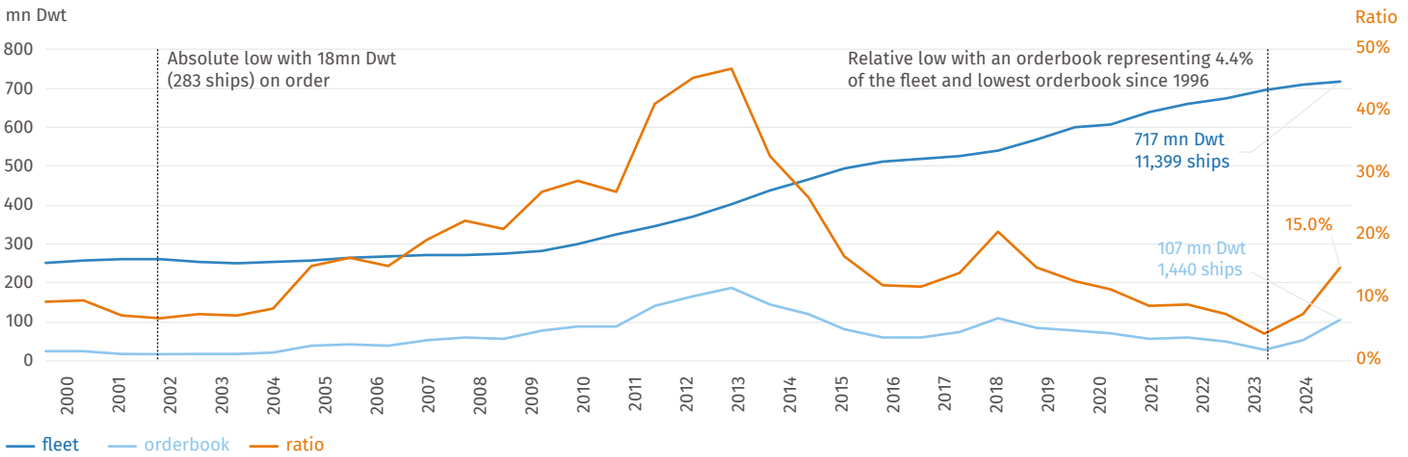
oil. This left many owners sitting on cash piles, which they invested in new eco- or dual-fuel tonnage, further powering 2024's ordering spree. Besides, certain owners, especially in China, sought to expand their fleets for national energy security reasons.

Meanwhile, non-traditional tanker owners, especially international oil traders, were looking to expand their forays into shipping either by ordering ships for their own accounts or by backing owners with long-term time charters, further encouraging new orders.

Now, when looking at the evolution of the tanker fleet and orderbook, there are reasons to expect moderation in the wave of new orders post-2024, suggesting that tanker owners will exercise caution. These reasons include:

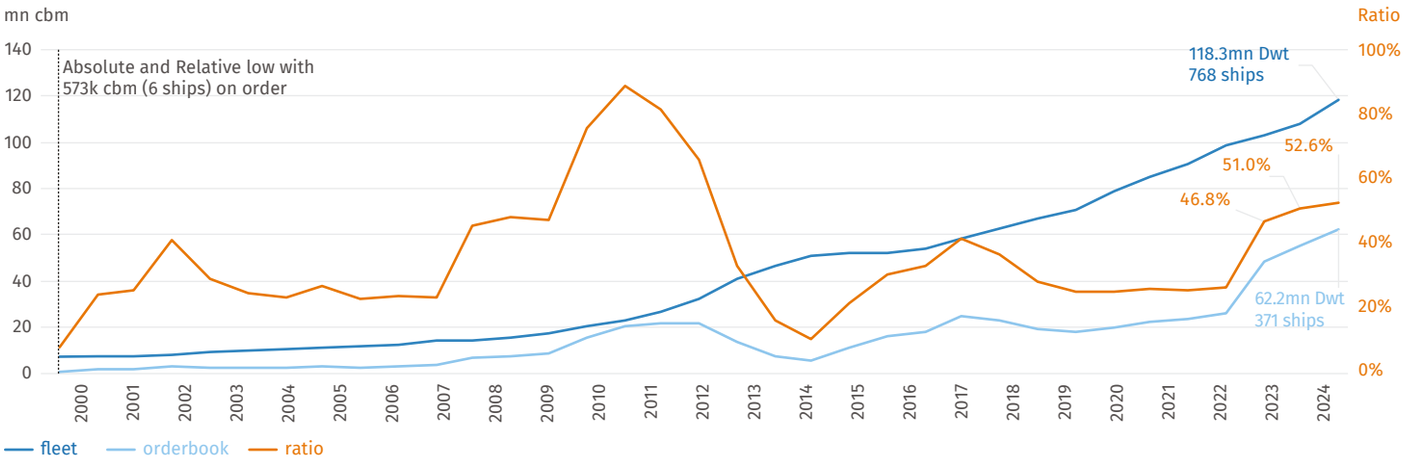
- Long delivery times (more than three years).
- Prices nearing their 2008 peaks, especially when dual-fuel propulsion costs are factored in.
- The difficult decision between conventional and dual-fuel propulsion, and which dual fuel to adopt.
- Increasing difficulty in obtaining financing for oil tankers from traditional banks and other financiers, due to lenders' ESG commitments.

Tanker Fleet and Orderbook Evolution



- Regarding other ship types, we believed that we had already reached an ordering peak for many specialised vessels, for instance LNG carriers. Therefore, it was also very difficult to believe that more LNG carriers could be ordered in 2024 compared to 2023 and 2022, considering the following: the extraordinary orderbook, which already accounted for 51% of the active fleet; that newbuilding orders had already reached record levels in absolute terms (even if in 2007, the fleet under construction versus the active fleet peaked above 120%); the resulting fact that delivery times had lengthened to over four years; and that newbuilding prices had already reached record highs.

LNG Carriers Fleet and Orderbook Evolution



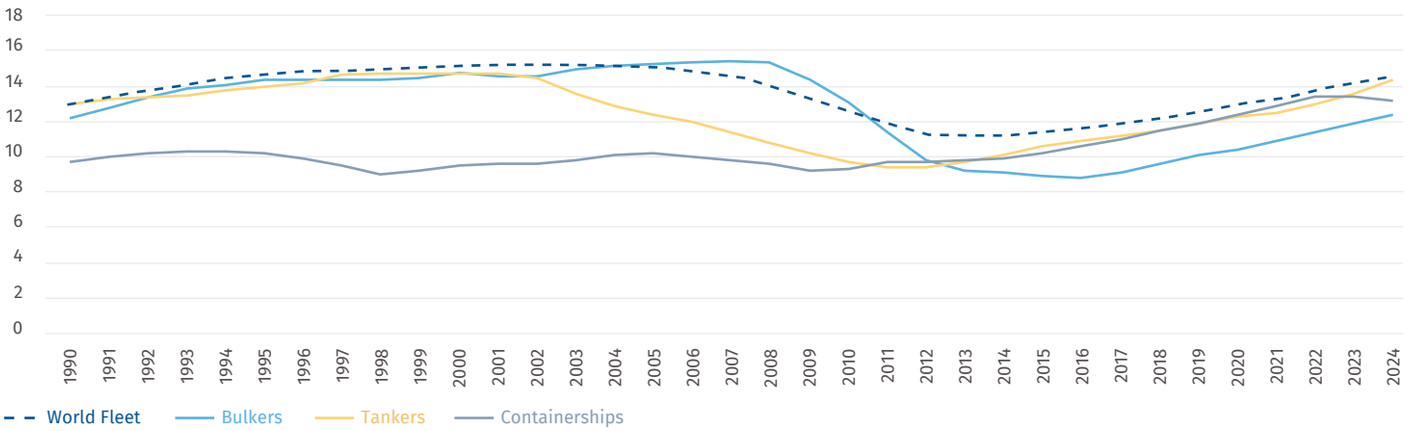
Takeaways from our 2025 forecasts

As mentioned, 2024 was a spectacular year for ordering, second only to 2007, with orderbooks for some segments already stretching to 2028 and beyond. But can this continue, especially under the pressure of China's new wave of expansion?

Probably not. We deem that 2025 simply cannot be as buoyant as 2024.

Yet, the need for new tonnage remains. This is driven by several factors: the need to meet new environmental rules and regulations, the need to replace an ageing fleet, and the need to reduce speed to comply with intermediate requirements like the CII. As previously discussed, there remains potential for a new super-cycle in the shipbuilding industry to replace the large number of vessels that were delivered between 2005 and 2010.

Average Age by Ship-type



We consider that the following factors will prevail:

- Beginning 2025, we note that freight markets in several segments show signs of weakness. This is particularly acute in the LNG carrier segment.
- More importantly, import tariffs announced by the newly inaugurated US President will hamper business and global economic growth. A global tit-for-tat trade war is on the horizon, threatening to impact international trade and, in turn, the shipping industry.
- Moreover, the US Administration's announcement of significant fees to be imposed on Chinese companies calling at US ports – along with port charges on any ship built in China or worse, owned by a foreign company with Chinese-built vessels in its fleet – will discourage any further investment.

Under these conditions, we would then anticipate the following order levels in 2025:

- 40 mn Dwt for bulkers
- 40 mn Dwt for tankers
- 10 mn Dwt for container carriers
- 10 mn Dwt for the others, including LNG and other gas carriers
- an approximate total of 100 mn Dwt for 2025

Deliveries

We expect that deliveries in 2025 will range between 100-110 mn Dwt.

Demolitions

In principle, vessel scrapping should rise in the near future, especially in the container and tanker sectors. Nonetheless, we remain cautious on this issue and estimate that not more than 15 mn Dwt of tonnage will be demolished in 2025. This is partly due to the recent, increasingly challenging situation at recycling yards in Pakistan and Bangladesh. Furthermore, the HK Convention ratification, due to take effect in mid-2025, could very well create extra bottlenecks to a fluid scrapping trend.

Newbuilding prices

We expect that current worldwide uncertainties will prevail, with a renewed pressure on freight markets delaying investment decisions. The new wave of shipbuilding expansion will have a downward impact on newbuilding prices, which should weaken during 2025 by more than 10% depending on type and size of ships, despite the resistance that will remain given the considerable orderbooks.

ELECTRAMAR
Ice class 1A general cargo carrier with hybrid propulsion, 5,350 Dwt, built by Chowgule (India), ATOB@C (part of ESL Shipping Ltd.), December 2023. Copyright: AtoB@C Shipping

State of the art SOVs ordered by Louis Dreyfus Armateurs (LDA) at ZPMC Shipyard against long-term employment from Vattenfall A/S

ARCTIC TERN
MR2 Chemical/Oil Products Tanker of 49,037 Dwt, built by K Shipbuilding, South Korea. delivered 2024. The first Dual Fuel Diesel/LNG powered MR Tanker. Fully IMO 2 class with 20 tank segregations for optimal flexible cargo handling. On long-term charter to Louis Dreyfus Company (LDC).

Ship Finance

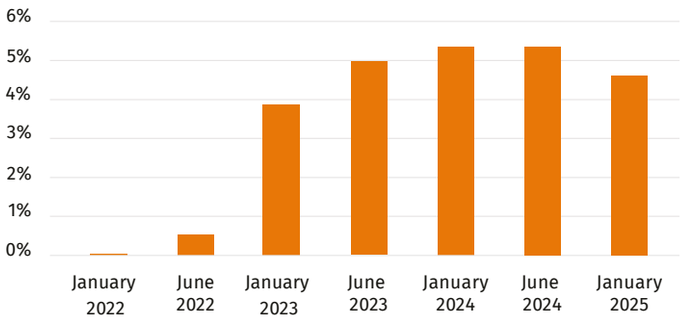
Financing costs trending down, but still high

After several years of interest rate rises, inflation finally came under control last year and economic growth started to slow. This prompted a change in monetary policy with the beginning of rate decreases. The market had been expecting rates to go down in 2024, but the announcement came quite late in the year.

There does not seem to be much anticipation regarding any further significant rate reductions, as long-term swaps currently stand around the 4% mark. any further significant rate reductions, as long-term swaps currently stand around the 4% mark.

The 90-Day average SOFR (US Base Rate) dropped from 5.4% in January 2024 to 4.6% in January 2025. Assuming a loan of $10mn per ship, compared to January 2024, this represents a decrease of around $200 per day.

90-Day Average SOFR



Shipping finance activity in 2024

The shipping finance market in 2024 was similar to 2023 and generally characterised by subdued activity.

A notable trend remained the continued deleveraging, with shipowners reaching very low debt levels after several years of this practice. This resulted in stronger balance sheets across the industry.

Despite these robust financial positions, investments remained limited due to the high asset values, which deterred owners from acquiring second-hand ships as well as investing in newbuildings.

There was intense competition among lenders for available opportunities. This continued to exert downward pressure on margins, from the already low levels seen in 2023. Some shipowners took advantage of this competitive environment to refinance existing debt at improved terms.

These somewhat unfavourable market conditions did not discourage the entry of new players into the sector, including banks and private credit platforms. After all, the shipping industry is cyclical, and a slight drop in asset values may suddenly trigger a new wave of investments leading to renewed lending opportunities.

Offshore finance is back

The rebound in the offshore sector is triggering investment decisions, consequently leading to financing opportunities.

Despite healthy market conditions, there is no rush from debt financiers to re-enter the sector, due to their past experience as well as ESG-related issues with vessels operating in oil & gas.

From an equity perspective, offshore remains an attractive value proposition with good market prospects and supply side challenges. Considering the lack of attractive alternatives in other segments, equity financiers are also reconsidering the sector.

So far, funding sources stem from areas supporting oil & gas activities such as the Middle East or the US. In Europe, it is the Norwegian finance market, banks as well as bonds, which is leading the pack to support local players.

Notable transactions include several private placements by Solstad and DOF, bonds for Havila, Shelf Drilling and Floatel, and a large refinancing of $391mn for Seacor from private debt provider Entrust.

Where should my money go?

Last year began with the hope that some event would finally break the cycle of increasing values and trigger investment opportunities. However, it ended up being another year of the same, with limited investment cases to build.

Towards the end of 2024, asset values started to come under pressure across several sectors, hopefully announcing a more dynamic market for 2025.

Everything green

Sustainable finance continues to develop, with the most successful product remaining sustainability-linked loans.

The Poseidon Principles initiative gained one additional signatory bank in 2024, reaching a total of 35 banks. Together they represent around 80% of shipping bank portfolios. This year marked the fifth anniversary of the initiative, aimed at improving the transparency of the banks' portfolios in terms of climate alignment. The reporting methodology of the initiative has seen several amendments since its inception, with the aim of keeping it relevant. As per the last report, the bank portfolios are compared to the 2023 IMO GHG strategy. This strategy takes into account well-to-wake emissions and is aligned with the Paris Agreement. The IMO has proposed two pathways, a "minimum" one, and a "striving" one. The average score against the minimum trajectory was +19.4%, and +25% against the striving curve, meaning that bank portfolios were on average not aligned with the IMO pathways. Only one signatory had scores showing an alignment under both trajectories.

Mergers and Acquisitions

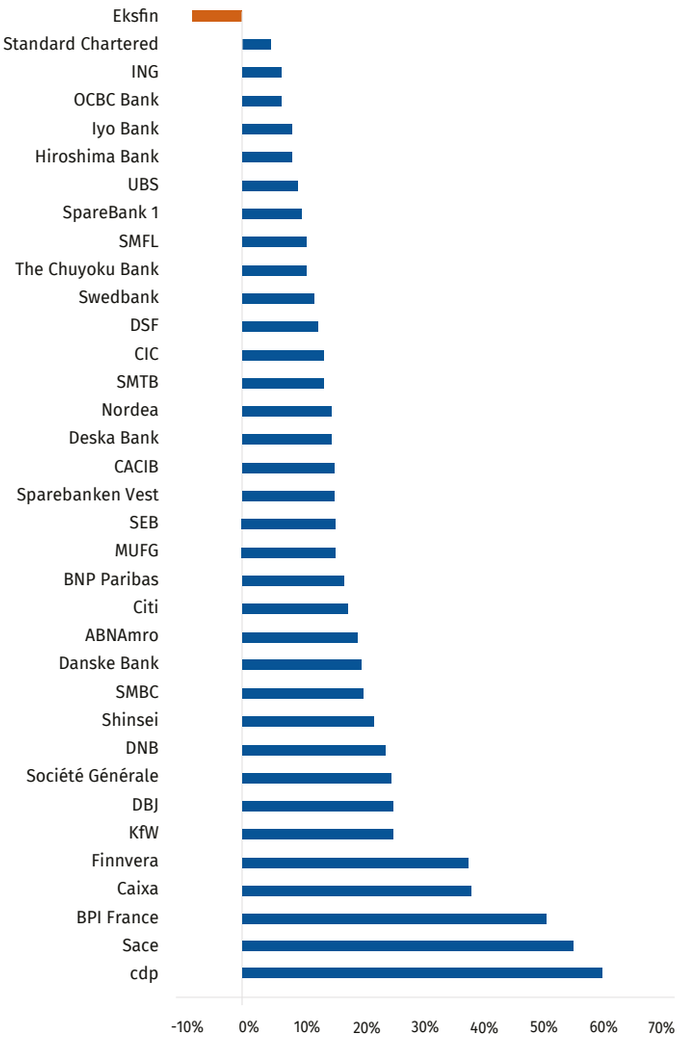
With listed companies trading at a discount to their Net Asset Value, there was interest in company acquisitions as an alternative to asset acquisitions. Noteworthy take-private acquisitions included Nicolas Saverys' takeover of the Exmar shares he did not already own, Entrust Global's acquisition of Belships as well as MSC's acquisition of Gram Car Carriers. In the offshore space, Cyan Renewables added 19 units to its fleet by acquiring the listed MMA Offshore for $726mn.

Other notable M&A moves included the acquisition of Navig8 and its fleet of 32 tankers by ADNOC Logistics & Services, and Noble Corporation's completion of the Diamond Offshore Drilling acquisition.

Debt and equity capital markets

Debt and equity capital markets were particularly active in 2024, especially in Norway. Bond markets remained an interesting source of capital for the offshore sector, with pricing only at a small premium to traditional bank loans.

Alignment of the Poseidon Principles Signatories to the 2023 IMO GHG Strategy — Minimum Decarbonisation Curve (2024 reporting)



Dry Bulk

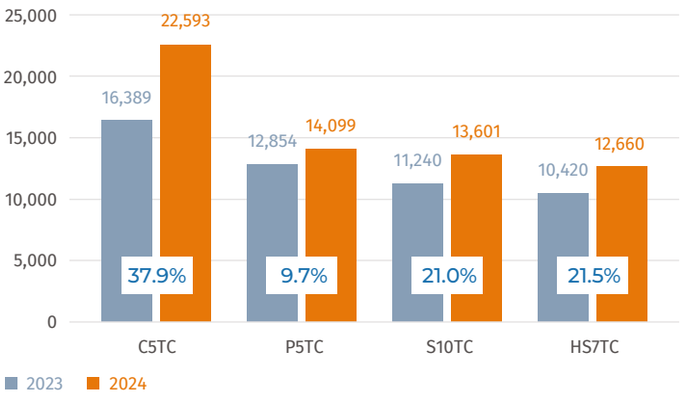
PATRA
Kamsarmax Bulk Carrier, 80,596 Dwt, built by JMU Maizuru, Japan, owned by Chronos Shipping, delivery year 2012.

The Year of Unravelling Optimism

In 2024, the dry bulk market followed a very different script to that of the previous year. In comparison to 2023's weak first half and recovery in the second, the Houthi attacks in the Red Sea led to supply chain inefficiencies across the entire year, as vessels diverted around the Cape of Good Hope. Given that most shipowners are risk-averse and religiously avoided the Suez Canal, the number of laden voyages passing through the canal halved in 2024 from the previous year. However, the fact that ballast transits dropped by only 20% y-o-y in 2024 shows that the dry bulk segment did not completely shy away from this important trade artery.

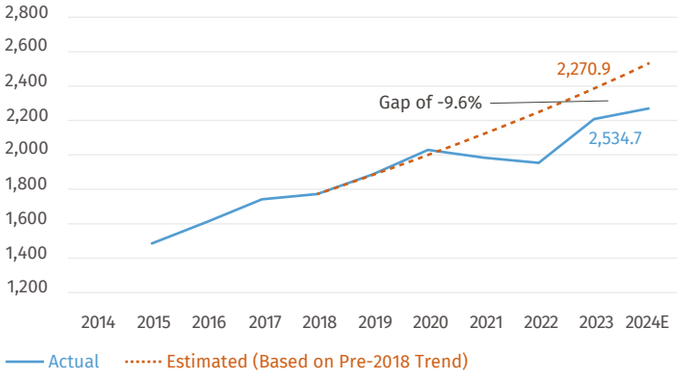
Despite a significantly slower fourth quarter due to the general oversupply of tonnage and the Red Sea conflict, bulker freight rates closed the year with decent gains. Indeed, C5TC, P5TC, S10TC and HS7TC had risen by 37.9%, 9.7%, 21.0% and 21.5%, respectively, by the end of 2024.

Annual TC Average ($/day)



Meanwhile, China's economy and real estate sector have continued on their mixed trajectory since Beijing ended its Zero-Covid policy in late 2022. Indeed, this anaemic picture has hampered the upside of Chinese dry bulk imports even to this date. In 2024, China's annual import growth for dry bulk commodities was estimated at just below 3.0%, after having decelerated over the past few years. This is lower than the 4.5% annual growth rate posted across 2018-23, not to mention the 6.1% averaged from 2015-18.

China Dry Imports Growth (mn mt)



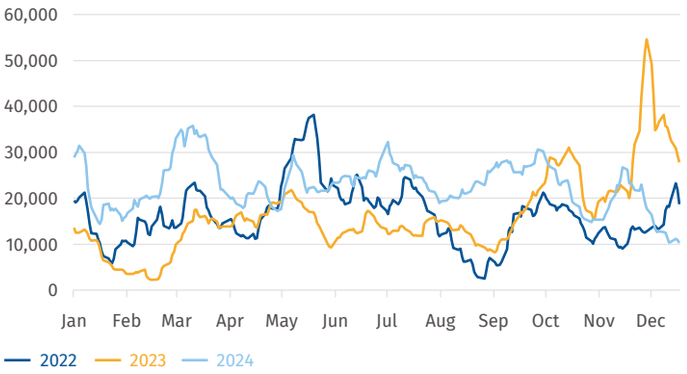
Overall, it is unlikely that the headwinds facing the Chinese economy will rapidly dissipate as its exports are likely to face tariffs with the return of US President Trump. Therefore, expectations for Chinese dry import growth in 2025 should remain modest. China's demand for dry bulk commodities is shaped by its need to balance resource security while diversifying its supplies, and all at the correct price.

M/V AMPHITRITE
Post-Panamax Bulk Carrier, 98,697 Dwt, built by Tsuneishi Group (Zhoushan) Shipbuilding Inc., managed by Diana Shipping Services S.A., delivery year 2012.

Capesize (>120,000 Dwt)

In 2024, the Capesize market was shaped by both global economic fluctuations and supply-demand imbalances. This volatility played a significant role in freight rate movements, influenced by key dry bulk commodities such as iron ore and coal, as well as seasonal trends. While early optimism saw strong rates, these were followed by market corrections that defined much of the year's performance.

C5TC ($/day)



1Q: A strong start, followed by corrections

The Capesize market kicked off 2024 with a surge, particularly in the first quarter. The previous year's strong performance continued into early January, pushing C5TC rates to $31,497/day. However, the market corrected sharply afterwards, with rates falling to $14,375/day as activity returned to more typical levels. Similarly, C3 rates from Brazil to China saw a strong start, reaching $29.40/mt early in January, before dropping to $19.56/mt by the end of the month.

This wave of adjustments was quickly influenced by macro factors. Challenges in the Suez and Panama Canals fuelled expectations of tighter shipping capacity due to rerouted voyages, driving the market to its highest point of the year as C5TC peaked at $35,780/day on 11 March. This strong start reinforced hopes that 2024 would be exceptional, especially given the highs seen in the historically low first quarter. For example, rates on the North Atlantic fronthaul routes remained strong, holding in the range of $37,000-54,000/day.

2Q: Stability amid global uncertainties

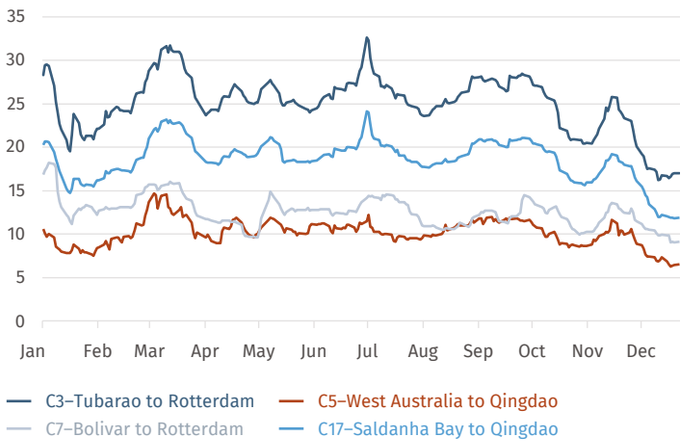
In the second quarter, the market experienced some decline after the canal challenges' impact did not intensify as expected. However, the Pacific market showed some recovery, driven in particular by coal demand from India and Japan, although reduced shipments from Russia offset some of this positive momentum. Throughout this period, C5 rates fluctuated between $9-12/mt, indicating a supply-demand balance. Meanwhile, C3 rates remained relatively steady, moving between $23-27/mt, reflecting overall market stability despite the broader economic challenges.

3Q-4Q: Recovery and signs of tightening supply

Entering the second half of the year, despite occasional signs of recovery, the anticipated boom based on macroeconomic influences did not materialise. After an uptick early in 3Q, the situation began to soften again in the latter part of the quarter and remained relatively stable thereafter. The fourth quarter brought some renewed optimism, especially in November, with hopes for a strong finish to the year as in 2023. Unfortunately, this momentum was short-lived, with C5TC rates peaking at $26,000/day in mid-November before dropping sharply to $9,500/day by year-end.

Nevertheless, demand from China for iron ore and steel picked up in 4Q, driving C5 rates up from $8.50/mt to $11.60/mt in November. December saw another brief rally, with C3 rates reaching $25.80/mt due to tight vessel availability in the Atlantic and solid iron ore demand. However, this was followed by a quick pullback, with rates falling to $16.23/mt by the end of the year.

Capesize Routes ($/mt)



Coal demand in 2024: Key players and market shifts

Last December, the International Energy Agency estimated that global coal demand had grown by 1.0% to hit a new record of 8,771 mn mt. This comes with a notable shift towards Asia, particularly China and India, which are now estimated to consume nearly 75% of coal globally. According to the IEA, India's coal consumption is estimated to have risen by 6% in 2024. Meanwhile, China's demand will increase by 1.1%, despite efforts to transition to cleaner energy sources.

In contrast, demand in developed economies like the EU and the US is declining, with an estimated drop of 12% and 5%, respectively. This shift is primarily due to reduced coal use in electricity generation.

For the Capesize market, this eastward shift in coal consumption means sustained demand for Pacific coal transportation, particularly into India

and China. Meanwhile, demand from Europe and the US will continue to decline. Geopolitical uncertainty, such as the ongoing Russia-Ukraine conflict, adds further volatility to the outlook, especially for Russia's coal exports.

Iron Ore and Steel outlook: Key drivers for transportation demand

Iron ore remains a major driver of Capesize demand. Global seaborne imports of iron ore reached 1.68 bn mt in 2024, an increase of 61 mn mt from the 1.62 bn mt imported in 2023. China will endure as the dominant player in the iron ore market, with ongoing demand driven by steel production, although challenges in the Chinese property sector and a looming oversupply of steel may temper this growth.

India, as an emerging steel producer, is expected to boost its iron ore demand as it increases its steel output. However, Brazil and Australia will remain the key suppliers to China and India. Despite China's economic challenges, strong demand for iron ore from emerging markets and its desire to secure raw materials to support its steel sector will continue to drive transportation demand for iron ore globally.

Capesize fleet development

As of end-2024, the Capesize fleet consisted of 1594 active vessels total 299.23 mn Dwt. Last year saw a more measured fleet expansion compared to previous years. This reflected the delivery of 38 new units while only four were scrapped, a stark contrast to 2015 when 46 demolitions occurred.

This low demolition rate reflects Capesize owners opting to keep older ships in operation, especially those engaged in the Russian coal and iron ore trade, where charterers are willing to accept older vessels.

Global economic factors and future outlook

The Capesize market saw heightened volatility in 2024, shaped by fluctuating demand for iron ore and coal, along with broader global economic challenges. China's steel exports increased by 22% to hit a record 110.7 mn mt, which added temporary support to the market, particularly in the Atlantic. However, underlying challenges such as the weakness in China's property sector and a reduced coal trade continued to suppress overall demand.

Looking ahead to 2025, the Capesize market is expected to remain volatile, and sensitive to fluctuations in demand for steel, iron ore, and coal. Meanwhile, the supply-demand imbalance, coupled with slow fleet growth, should continue to influence freight rates. Geopolitical tensions and economic uncertainty, particularly in China, will likely continue to affect market sentiment and freight rate dynamics. Despite the spectre of volatility, there are opportunities for short-term recovery, especially if global economic conditions improve and iron ore demand remains robust.

Babycape and Post Panamax (85,000–125,000 Dwt)

Over Panamax/Babycapes were not spared from 2024's geopolitical shifts. Russian-origin Babycape voyages did not make a comeback, having already halved y-o-y from 2022 to 2023. The Red Sea crisis hindered the repositioning of ships into the North Atlantic, if anything helping to push up tonne-miles but creating additional challenges for fleet management.

Optimism came from East Africa and South Africa in 2024, with Over Panamaxes enjoying almost 100% growth in shipment volumes, and Mozambique emerging as a key player. Growth in magnetite and chrome ore shipments supplemented steady steam coal exports from South Africa, underlining the region's strategic importance.

Despite these changes, the principal Australian trades for coal on Over Panamax, and iron ore and bauxite for Babycape units, remained the segment's bread-and-butter. Notably, Rio Tinto's Amrun bauxite project saw significant growth in Babycape shipments from its deepwater port, diverting the flow away from Weipa for good. West Australian volumes were down by 14% y-o-y, primarily due to a reduction in Cape Preston concentrate exports to China. Despite this, Port Hedland and Port Walcott saw increased iron ore export volumes. Meanwhile, Arabian Gulf and US East Coast volumes rose y-o-y, driven by aggregate trades from the Arabian Gulf and Oman into India and higher pellet exports from the region. US East Coast (USEC) steam coal exports saw and y-o-y increase of more than 50%, with the majority sold into India.

Shifting trade patterns made it difficult for operators to maintain fleet utilisation under old percentage spreads, and a growing list of tonnage has returned to headowners. Organisational shifts on trading desks also indicate a transition from dedicated Babycape desks to hybrid Over Panamax/Babycape desks.

Babycape

The Babycape segment saw marginal contraction in transported cargo volumes during 2024, reflecting the impact of weaker iron ore and coal demand globally.

The orderbook remains empty. Approximately 78% of the fleet is now over 10 years of age, raising concerns about the segment's future amid tightening environmental compliance standards and ageing tonnage. Older Babycapes are increasingly competing with Kamsarmaxes, while modern Minicapes remain competitive only with standard Capesizes on select routes. Optimism around soybean meal shipments on Babycapes, noted in 2023, did not materialise in 2024 due to a strong Capesize market, although the trade is still being explored.

Looking ahead, 2024 highlighted the importance of adaptability in the face of evolving trade. Environmental regulations and fuel efficiency

remain key influences on fleet composition. Meanwhile, emerging markets such as East and Southern Africa continue to provide growth opportunities.

Over Panamax

The trend toward modern 85,000 Dwt Over Panamax vessels solidified further in 2024, driven by their versatility and cost efficiency. Grainhouses and other charterers increasingly preferred these units for both spot and period charters, particularly given their adaptability to various cargoes and trades. Chinese-built Over Panamaxes dominate the orderbook, with their operators ranging from traditional post-Panamax players to opportunistic Kamsarmax traders exploring the segment's potential.

Last year, we described a polarisation in favour of the 85,000 Dwt Over Panamax versus its larger cousins, and this trend persisted. The current orderbook remains split between Chinese-built 85,000 Dwt units and a resurgence in Tsuneishi Cebu 88,000 Dwt and Tsuneishi Zhoushan 94,000 Dwt. There are only two known orders for Oshima 99,000 Dwt Over Panamax units, both scheduled for delivery in late 2026.

Conversely, the 90,000-100,000 Dwt vessels, which once enjoyed strong demand, continued to face challenges. With high fuel costs and stricter environmental regulations including the expanded EU-ETS, these units struggle to remain competitive. Limited orders and a declining fleet suggest their role in the Atlantic, for example, will shrink further, especially as modern, fuel-efficient designs gain favour.

Panamax (68,000-84,999 Dwt)

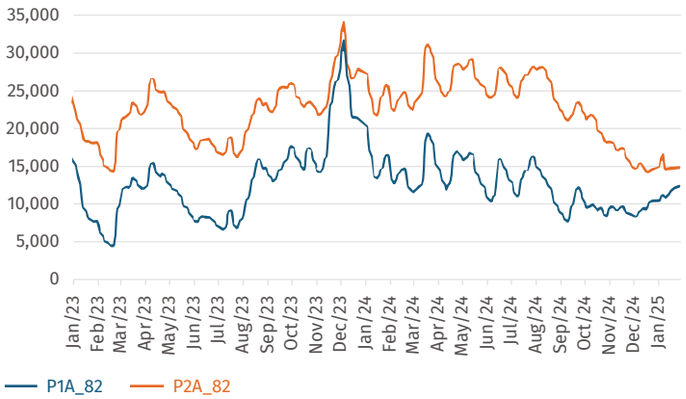
The Panamax market experienced a volatile yet dynamic 2024, marked by significant growth and challenges. Global Panamax cargo volumes increased by over 9% compared to 2023, largely driven by a 12,5% rise in coal transport. Coal accounted for 50% of all Panamax cargo in 2024, making it the primary growth driver, while grain volumes remained relatively stable year-on-year.

The P5TC index fluctuated significantly throughout the year. Peaking in March at over $18,100/day, it then declined steadily to end the year at its lowest point, with a monthly average of $9,085/day in December. The market enjoyed a strong performance during the first and second quarters, but rates progressively weakened in the second half of the year. This decline was largely attributed to softer macroeconomic conditions and the delivery of a considerable number of new vessels.

Panama Canal transits showed some recovery in 2H24, albeit still 32% lower y-o-y, a noticeable improvement from the 60% drop observed during the first half. Despite this, freight rates remained under pressure, further exacerbated by a growing supply of available tonnage.

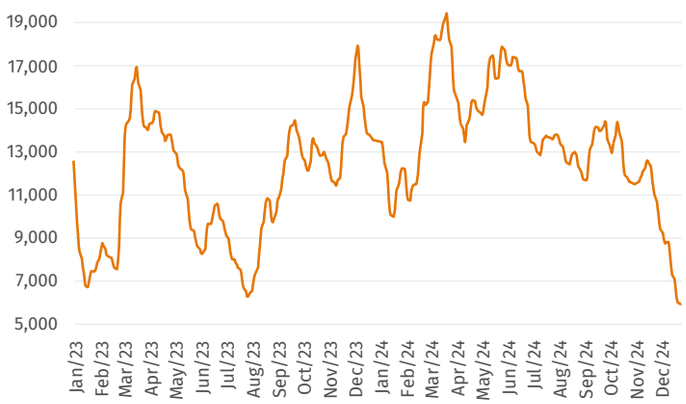
The year also saw varying performances across key trade routes. The P6 route saw robust activity in the first two quarters, with rates peaking at $20,500/day in March, but then steadily declined over the second half, reaching an annual low in December. The P2A route followed a comparable trajectory, with rates peaking at $27,000/day in May before dropping to $14,700/day in December, with a sharp drop of nearly $6,000/day between October and year-end. Meanwhile, the P1A route began the year well, with average time charter rates approaching $15,000/day in the first quarter. These rates gradually weakened throughout the year, as more tonnage entered the Atlantic market.

Panamax Atlantic Rates ($/day)



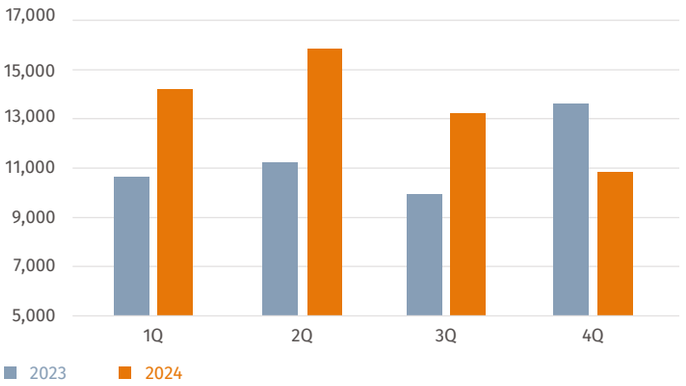
In the Pacific, the P3A round voyage route averaged $13,542/day in 2024, marking a sharp 19.5% drop from 2023. Although the first quarter started well, averaging $14,209/day – 33% higher than the corresponding period in 2023 – it mostly reflected Capesize spillover from 4Q23. Indeed, iron ore movement at the end of 4Q23 contributed to an elevated Capesize market, while coal shipments ex-East Coast Australia normally carried on Capesizes switched to Panamaxes. Later in the year, China's grain imports from East Coast South America gave rates an extra kick during the second and third quarters. This resulted in P3A averaging $15,843/day in 2Q24, up 11.5% q-o-q and 41.4% higher y-o-y. Similarly, 3Q24 averaged $13,233/day, almost 33% higher than one year earlier.

P3A_82 - Transpacific Round Voyage ($/day)



Nevertheless, the downward trend showed in the 16.5% decline between the second and third quarters. Heading toward year-end, the sharp correction in the Capesize market encouraged charterers to switch steams from Panamaxes to Capesizes, thereby depriving Panamaxes of coal cargoes. In addition, the decline in 4Q24 was exacerbated by lower Chinese grain imports, leading to P3A to average $10,842/day, a decline of 18% compared with the previous quarter and 20.5% lower y-o-y.

P3A_82 - Transpacific Round Voyage ($/day)



Several factors influenced market dynamics in 2024. Port congestion eased significantly, allowing for improved fleet fluidity and a greater availability of Panamax vessels. However, geopolitical tensions added complexity to trade routes. Persistent Houthi attacks in the Gulf of Aden forced a substantial portion of the fleet to reroute via the Cape of Good Hope. Furthermore, a clear market segmentation emerged between shipowners willing to transport Russian cargoes and those who refrained, creating distinct operational divisions.

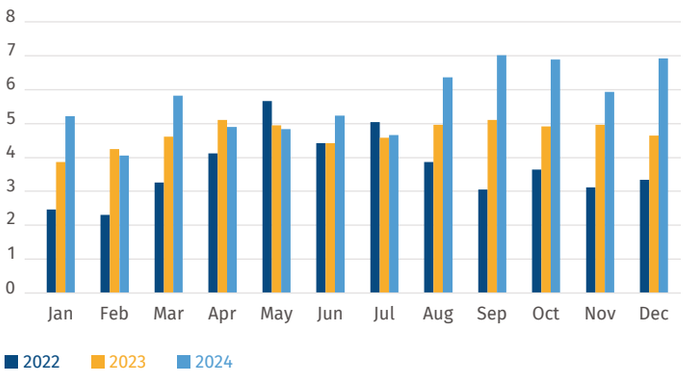
In addition to these challenges, regulatory changes also played a crucial role in shaping the market. The EU-ETS came into effect on 01 January, covering 40% of emissions in its initial year, with its scope set to expand gradually in the coming years. Indeed, decarbonisation remains a central theme across the shipping industry, although its implementation is complex. The wide range of initiatives reflects the inherent difficulties in establishing a unified approach that delivers meaningful results across the entire market.

We conclude that 2024 was defined by both growth and disruption for the Panamax market. While rising coal demand and easing port congestion drove expansion, geopolitical tensions, market segmentation, and declining freight rates underscored the challenges facing the industry.

Supramax-Handysize (25,000-59,999 Dwt)

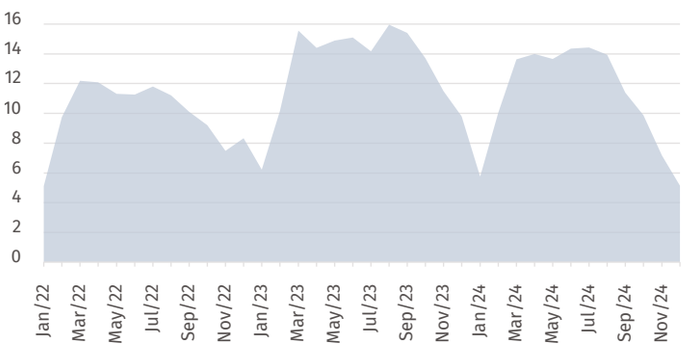
The first quarter began with uncertainty stemming from the eastern Mediterranean conflict and its impact on Suez Canal security. Many voyages had to reroute around the Cape of Good Hope, greatly increasing travel distances. Furthermore, the lingering effects of El Niño continued to disrupt supply chains, causing delays in certain trades. In contrast to 2023, Pacific rates remained higher, reinforcing the general indices, especially towards the end of 1Q as Chinese steel exports rebounded and coal shipments increased from Indonesia and Australia. Chinese steel exports (typically carried on geared tonnage) continue to post records. For instance, in 1H24, ex-China steel shipments improved by 10.3% y-o-y. On the contrary, in 2H24, loadings rose by 25.7% y-o-y. Furthermore, AXSMarine data revealed that steel shipments from Chinese ports were at 20 mn mt in 4Q24, more than 30% higher y-o-y. This in turn highlights the lack of domestic industrial appetite within China.

China Steel Exports (mn mt)



By 2Q24, market fragmentation had become increasingly apparent. In the Pacific, China's economic performance fell short of expectations, yet regional tonnage saw demand driven by increased trade from Southeast Asia, particularly as Vietnam and Indonesia ramped up coal and grain exports. Conversely, the Atlantic market experienced more pronounced shifts. Brazil's agricultural export levels, driven by strong soybean and corn shipments, bolstered Supramax activity in the South Atlantic. Meanwhile, ongoing security risks in the Black Sea and disruptions to key West African supply chains – exacerbated by another unusually heavy rainy season – kept overall rates volatile. Increased competition among tonnage in the Mediterranean pushed down returns on conventional routes.

Brazil Soybean and Corn Exports (mn mt)



The third quarter was marked by the ripple effects of the EU-ETS, which began to impact geared bulker trades into European ports by hiking up operational costs for owners and charterers. Meanwhile, the Black Sea continued to weigh heavily on Mediterranean rates. The sporadic reopening of grain corridors led to sudden spikes in activity, although volumes remained unpredictable, leaving many owners hesitant to commit to the region. The Pacific market found some stability, supported by recovering Indian iron ore exports and a stronger-than-expected monsoon season that boosted short-haul movements to Southeast Asia.

The final quarter brought some relief as tonne-mile demand surged, led by increased exports of grains and fertilisers from the US Gulf. Meanwhile, the Panama Canal's lingering restrictions, a holdover from severe drought conditions, continued to add inefficiencies to global trade routes. These constraints significantly increased demand for alternative routes via Magellan or Suez. Intra-African trade continued its rapid growth, up nearly 25% y-o-y, driven by regional demand for cement, grains, and fertilisers. Despite earlier disruptions, West African export volumes recovered by December. Brazilian imports and exports also saw mild disruptions due to heavy rains at year-end. Elsewhere, geopolitical tensions in the eastern Mediterranean and Gulf of Aden remained a concern for owners, who hiked risk premiums to mitigate potential losses. Overall, 2024 closed with an estimated annual increase in tonne-miles of about 9%, driven primarily by inefficiencies in global waterways and growing inter-regional trade. The global market began 2025 with cautious optimism, as stakeholders adapt to evolving trade dynamics, regulatory challenges, and geopolitical uncertainties.

KLEISOURA
Kamsarmax Bulk Carrier, 80,982 Dwt, built by Kure Shipyard in 2017, currently sailing under the flag of Panama. The vessel measures 229m in length overall (LOA) and 32.26m in beam.

Forward Freight Agreement (FFA)

2024 Review

Capesize FFAs outperformed expectations at the beginning of the year with the C5TC index averaging $24,286/day in 1Q24. This is probably the highest settlement seen on Capesizes in the usually slow and depressed first quarter. Indeed, drier weather in Brazil paved the way for more iron ore shipments from the South American country, while bauxite trade from West Africa added further demand for tonnage.

The expectation was for 2Q and 3Q to reach new heights, but this led to disappointment as the expectation never materialised. The second quarter still settled at $22,665/day while 3Q averaged $24,908/day. Figures for 4Q24 also went against the previous year, as the index drifted from $29,229/day to $9,516/day due to scheduled port maintenance in Port Cartier, Brazil combined with political unrest in West Africa.

The Panamax index largely floated in the mid-to-low $10,000s/day throughout the year, peaking at $19,421/day on 19 March. However, the gradual return to normality in the Panama Canal did not do the index any favours, with the physical market showing many period deals concluded in the high teens. This may be one of the reasons period takers were offloading paper to hedge their exposure. April to July was stable with the P4TC index ranging between $13,000-16,000/day. However, the downtrend soon accelerated in the last quarter, moving in line with the Capesize and Supramax markets.

While Capesizes and Panamaxes struggled, Supramaxes also followed a declining trend from the start of the year. A weak January and February saw the index dip from $14,000/day to $11,000/day, but perhaps the better sentiment in the Capesize market lent some support to Supramaxes, which peaked in April at $16,441/day. Strong Chinese steel exports, up by 25% y-o-y, provided some support to Supramaxes, but not enough to prevent the index from declining through to year-end.

2024 Settlements

	$/mt					$/day							
Year 2024	**C2**	**C3**	**C5**	**C7**	**C17**	**C8_14**	**C9_14**	**C10_14**	**C14**	**C16**	**C5TC**	**P4TC**	**S10TC**
January	11.37	23.38	8.48	14.10	17.02	27,503	44,203	14,133	18,768	-491	20,565	12,964	12,183
February	10.74	24.60	9.80	13.45	17.61	23,963	45,281	19,968	19,953	-596	21,557	12,759	12,175
March	13.65	29.47	12.62	14.89	21.92	29,301	56,250	34,312	29,485	7,514	31,245	16,792	14,641
April	10.90	25.37	10.25	10.97	18.84	13,821	45,232	22,409	21,222	137	20,034	14,801	14,863
May	10.32	25.52	10.71	12.77	19.20	22,439	46,394	24,991	22,384	-865	23,145	15,489	15,473
June	9.94	26.58	10.85	12.67	19.56	22,172	50,702	26,883	25,397	-215	24,924	14,832	14,664
July	10.32	26.88	9.96	13.67	20.00	25,628	56,943	22,314	25,177	1,155	25,542	13,778	15,005
August	9.30	25.36	10.51	10.93	18.57	15,714	48,230	24,755	22,879	-1,213	21,714	12,492	14,431
September	10.75	27.74	11.63	12.43	20.70	22,814	55,252	30,357	27,546	2,593	27,410	11,430	14,146
October	1066	23.76	9.54	12.03	18.09	20,034	43,986	20,257	20,283	2,092	20,903	10,539	13,774
November	10.66	22.82	9.92	12.03	17.53	20,425	41,202	22,599	19,205	1,527	20,899	8,970	11,114
December	8.83	17.25	7.13	10.02	12.89	13,035	29,295	9,831	9,567	-1,576	11,573	7,749	10,087
Yearly average	10.64	24.99	10.14	12.54	18.57	21,550	47,189	22,820	21,975	862.00	22,593	12,763	13,601
Months Average	10.62	24.89	10.12	12.50	18.49	21,404	46,914	22,734	21,822	839.00	22,459	12,716	13,546

2025 Outlook

It will be difficult for Capesizes to replicate the performance of 1Q24. However, shipping is always full of surprises and a further drop in rates could result in Capesize owners resisting, leading to a reversal.

The return to normality for Panama Canal transit and Red Sea passage will add further pressure this year for Panamaxes and Supramaxes. With the expected entrance of more newbuildings, plus the threat of Trump's trade tariffs, it appears to be a difficult year ahead. Nevertheless, if Capesize can revive, the positive sentiment will likely have some spill-over effect on the smaller size tonnage.

2025 Average expectations ($/day)	
Capesize	17,500
Panamax	10,000
Supramax	9,000

Sale and Purchase

Building on a successful 2023, the dry bulk sale and purchase market had a very active 2024, marked by a high volume of second-hand sales and price increases across all asset classes. By the end of the year, recorded sales reached 804, compared to 708 in 2023, reflecting annual growth of 13.5%.

Despite ongoing global challenges such as the Ukrainian conflict, geopolitical tensions in the Middle East, disruptions in the Red Sea, Panama Canal restrictions, and concerns over a global economic slowdown, demand for dry bulk vessels remained robust, particularly in the first half of 2024. A key factor that set the tone early in the year was the unusually strong performance of the dry bulk freight market, where BCI time charter earnings averaged around $24,000 per day in 1Q. This helped boost market sentiment and, with the integration of environmental regulations (EEXI, CII, EU-ETS, FuelEU), many shipowners chose to tap into the cash reserves they had accumulated to renew their fleets.

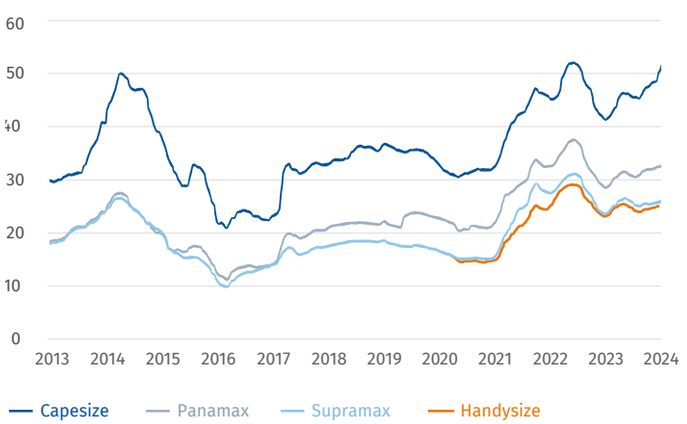
However, for most of the year, the second-hand market struggled with a lack of willing sellers of modern vessels (five years old) while newbuilding prices were at historic highs. This forced buyers to compete fiercely to secure second-hand assets. By mid-summer, dry bulk asset values had become very firm but had increased disproportionately relative to average earnings, which led to some investor caution and pushed active buyers to the sidelines. The momentum in the sale and purchase market began to shift in 4Q, as weeks of falling freight rates prompted more sellers to enter the market, leading to a correction in second-hand prices. Vessels around 15 years old were the hardest hit, with prices dropping by 20-25% compared to the start of the year.

Throughout 2024, the most interest was shown in dry bulk vessels aged between 5-10 years. Aside from Capesizes, which saw notable price increases of 25% for 10-year-old vessels and 18% for five-year-old vessels, geared sizes (Handysize/Ultramax/Supramax) dominated the market, with about 493 sales in 2024, a 15% increase over 2023. Notably, the BSI outperformed the BPI in terms of time charter average earnings ($13,601/day versus $12,763/day), which, by end-2024, resulted in a smaller value gap between similar-aged Ultramax and Kamsarmax vessels, with only a $1-1.5mn difference.

Looking ahead to 2025, the average age of dry bulk vessels across all sectors is expected to rise, as only a small number of newbuilds are scheduled for delivery. With the freight market remaining weak and increasing pressure from emission regulations, we expect an acceleration in the disposal of non-economical vessels, leading to further declines in asset values.

This could very well be the year the demolition market finally sees significant activity!

Dry Bulk Carrier S&P, 5YO prices ($ mn)



ATHINA II
Kamsarmax Bulk Carrier, 82,014 Dwt, built by SANOYAS MIZUSHIMA, Japan, owned by Chronos Shipping, delivery year 2015.

Capesize values end-2024: (175,000–182,000 Dwt)

10 year old:
A special survey passed Capesize, built in South Korea or Japan, was worth about $39-40mn at year-end, i.e. 25% more than end-2023 when values ranged around $31-32mn.

5 year old:
Eco-type (180,000 Dwt) Capesize values were at $59-60mn by end-2024, a rise of 18% from 2023 values of $50-51mn.

Newbuilding re-sale:
The value of a Capesize re-sale built in Japan posted an increase of 8-9%, ending 2024 around $74-75mn.

Panamax-Kamsarmax values end-2024: (76,000–82,000 Dwt)

10 year old:
At end-2024, Panamax (76,000 Dwt) values were slightly lower (-2.5%) compared to end-2023 at around $18-19mn, whereas Kamsarmax (82,000 Dwt) values remained relatively stable, ending 2024 in the region of $24mn.

5 year old:
Kamsarmax (eco-type) values closed out the year at about $33-34mn, which indicates a small increase of 3% versus end-2023 values of $32-33mn.

Newbuilding re-sale:
For prompt (3-6 month) delivery ex Japanese yards, Kamsarmax re-sales based on NSF contract and 20/80% payment terms were priced at around $40mn, same as 12 months earlier at $39-40mn. Equally, Chinese-built Kamsarmax re-sales maintained their values of around $37mn compared to 2023.

Supramax-Ultramax values end-2024: (56,000–58,000 and 60,000–64,000 Dwt)

10 year old:
The price for Supramax (56,000-58,000 Dwt) declined by 2.5% over 12 months, closing the year in the region of $19-20mn. Ultramax (60,000-63,000 Dwt) values rose by 15%, reaching levels of $22.5-23mn by end-2024.

5 year old:
Japanese eco-type Ultramax values ended the year around $32mn, recording an average increase of 6-7% from the previous year.

Newbuilding re-sale:
By the end of 2024, China-built Ultramaxes were priced at about $35-36mn, whereas Ultramaxes built in Japan were priced at about $38-39mn, a y-o-y appreciation of 3% and 4%, respectively.

Handysize values end-2024: (32,000–42,000 Dwt)

10 year old:
A Japanese-built Handysize (35,000-37,000 Dwt) was worth about $18-18.5mn at end-2024, representing an average escalation of about 12.5% when compared with end-2023 values of $16-16.5mn.

5 year old:
The larger eco-type units of 38,000 Dwt ended the year with values in the region of $26-26.5mn, a slight improvement of 2-4% in 12 months.

Newbuilding re-sale:
At the end of 2024, the values of 40,000-42,000 Dwt Japanese-built units were about $34mn, i.e.
4-5% higher than in 2023.

(Estimated values are for Japanese, South Korean and top-tier Chinese yards – for units built at lower quality Chinese yards a discount of at least 10-15% should be expected.)

M/V PHILADELPHIA
Newcastlemax Bulk Carrier, 206,040 Dwt, built by Shanghai Jiangnan-Changxing Shipbuilding Co., Ltd., managed by Diana Shipping Services S.A., delivery year 2012.

VOLOS
Kamsarmax Bulk Carrier, 82,172 Dwt, built by SANOYAS MIZUSHIMA, Japan, owned by Chronos Shipping, delivery year 2014.

Tanker

ECOMAR GASCOGNE
Dual-fuel methanol MR2 Tanker, 49,776 Dwt, built by Guangzhou Shipyard International, co-owned by Socatra and Hafnia, delivery year 2025.

A Tale of Two Halves

Tanker markets faced renewed volatility in 2024. Crude tanker spot earnings for VLCCs, Suezmaxes and Aframaxes converged after two years of sub-VLCCs earning significantly more than VLCCs, while large product tankers performed the best. The onset of the Israel-Hamas conflict in early 4Q23 led to further trade disruption in 2024, with the sharp decline in Suez Canal transits becoming the highlight of the year. The fact that vessels had to divert around the Cape of Good Hope triggered a distance multiplier effect, which primarily benefited large product tankers. Freight rates were strongest in the first half of the year, with tonne-miles peaking for vessels above 34,000 Dwt due to the reroutings. The market weakened in 2H24, however, as oil trade volumes fell. OPEC+ kept its taps shut, continuing the production cuts that were initially scheduled to ease from 4Q24 onwards, thereby sapping the market of seasonal strength, particularly for VLCCs.

With crude supply constrained and refinery utilisation high, refinery margins declined sharply, eventually pushing utilisation rates lower. This, along with the growing adoption of electric and natural gas-powered vehicles, slowed China's oil demand growth and contributed to the first y-o-y decline in its crude oil imports over two decades.

Looking forward, increased sanctions on the the shadow fleet, which, at the beginning of 2025 constituted more than 14.5% of the global tanker fleet above 34,000 Dwt, may reshuffle oil trade anew. Potential US tariffs are unlikely to leave the oil trade unaffected, while the possible easing of Red Sea disruptions could remove inefficiencies and erode tonne-mile growth, primarily for large product tankers. Moreover, new dynamics on the demand side could collide with an increase in tanker deliveries over the next couple of years.

Tanker TC Market

In the first half of the year, inefficiencies that started in 4Q23 increased, particularly for clean petroleum product (CPP) tankers, which significantly outperformed crude tankers due to the Red Sea Crisis. In 2Q24, this led to several short-term TCs for CPP cargoes on existing large crude tankers, especially Suezmaxes – a trend that peaked in late 3Q24 – partly due to the lack of large crude tanker deliveries.

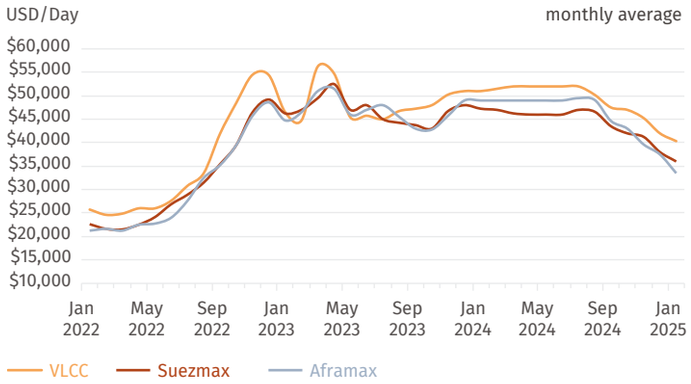
Strong spot earnings for CPP tankers led to CPP Tanker TC rates outperforming Crude Tanker TC rates. During the first half of 2024, one-year TC rates for CPP tankers increased by an average of 13%, while crude tanker TC rates decreased by 1%. Three-year TC rates experienced similar growth, and the number of long-term TCs (exceeding three years) increased, especially in 1Q24. These robust TC rates, already near record levels in 2023, reflected expectations of sustained high tanker spot rates.

The second half of the year did not meet these expectations, however. Lower spot earnings in the third quarter and the absence of a winter rally in the fourth quarter led to a major correction in TC rates and activity. Between June and December 2024, one-year TC rates dropped by an average of 26% for both crude and clean tankers, with a more pronounced decline for CPP tankers. One-year TC rates fell to their lowest levels since 3Q22 for crude tankers and 2Q22 for product tankers. Rates for longer periods also corrected downwards but remained significantly above pre-war levels. The number of long-term TCs fixed during this period also decreased, and fewer newbuildings were fixed with forward delivery (up to 2028), indicating an increasingly bearish outlook.

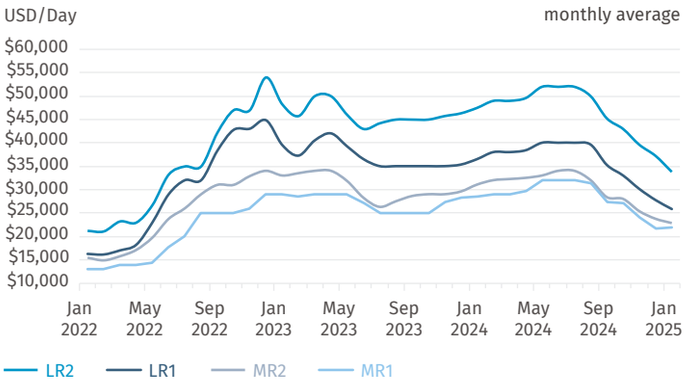
The start of 2025 was quiet until new US OFAC sanctions shifted sentiment, temporarily boosting TC activity, particularly for VLCCs. Increased uncertainty amid the new US presidency and accompanying trade policies may encourage more TC activity.

ANTARES
MR1 Tanker, 40,356 Dwt, built by Constanța Shipyard, owned by Socatra, delivery year 2022.

2022-2024 ECO Crude Tanker 1-year TC Rates (Non-Scrubber)



2022-2024 ECO Clean Tanker 1-year TC Rates (Non-Scrubber)



VLCCs

In 2024, the previous year's volatility persisted as the USA and other countries expanded their sanctions programmes. Global crude trade continued to be split between conventional market business and shadow fleet tankers. Chinese crude demand remained the driving force behind VLCC rates, but its demand growth fell short of expectations. It was truly a year of two halves for VLCC spot rates, with average TD3C TCE (Ras Tanura-Ningbo) declining from $44,621/day in 1Q24 to $28,610/day in 2H24.

The supply side remained tight, with the global VLCC fleet increasing by only one unit to 905. However, in real terms tonnage supply fell as the shadow fleet continued to grow, with shadow VLCCs estimated to account for 16% of the global fleet. This split in the fleet exacerbated inefficiencies in vessel usage. With a dearth of new deliveries and almost no scrapping, the segment continued to age, as 51 ships turned 15 years old in 2024. At the same time, VLCC ordering accelerated significantly, with the number of units on order growing from 21 at the start of 2024 to 92 in January 2025.

Global oil demand growth fell short of expectations, rising by only 1.2 mb/d in 2024 compared to forecasts of 1.4 mb/d at the beginning of the year, with lacklustre Chinese demand accounting for most of the shortfall. OPEC+ having delayed the unwinding of its supply cuts also impacted VLCCs, as it kept Middle Eastern VLCC demand flat throughout 2H24. Nonetheless, continued strength in West-to-East crude oil flows and the emerging East-to-West CPP trades helped to support VLCC tonne-miles.

Throughout 2024, the market watched expectantly for OPEC+ to reverse its output cuts, but as this did not materialise, conditions remained muted in 4Q24. Many owners positioned their units in the Atlantic, aiming to 'lock in' long US Gulf-China voyages at higher rates. Nonetheless, with OPEC+ production flat and Chinese imports weaker than anticipated, these expectations did not come to fruition. This led to an oversupply of tonnage in the Atlantic basin at end-2024, pushing TD22 (US Gulf to China) rates to a 2024 low of around $6.2mn. As rates fell in 2H24, many owners opted for shorter voyages from the Middle East Gulf instead of ballasting to the Atlantic basin, widening the TD15 (West Africa-China) premium over TD3C (Ras Tanura-China). In 2H24 TD15-TCE averaged $33,810/day, while TD3C-TCE averaged $28,610/day for an eco, non-scrubber fitted vessel.

The year 2025 has seen a strong start, with sanctions imposed on more than 150 tankers triggering a substitution effect as Chinese and Indian buyers turn to alternative supply sources. However, it remains to be seen whether the trend will be sustained. The future looks brighter for the VLCC sector than for other crude tanker segments. Oil supply growth is expected to eclipse demand growth, and fleet fundamentals appear constructive as only five units are scheduled for delivery this year.

Suezmax

After what was seen as a moderately strong 1H24, with the Suezmax Baltic basket TCE averaging around $45,600/day, the market experienced a notable downturn in 2H24 bringing the basket average down to almost $31,000/day. Three key events shaped the Suezmax market in 2024: the continuation and tightening of sanctions on Russian crude oil exports, the escalation of Houthi attacks and subsequent rerouting of vessels away from the Red Sea, and the ramp up of operations at Nigeria's Dangote refinery.

Although the Russian price cap continued to benefit both the global Suezmax fleet carrying those cargoes and rates for non-Russian business, Russian crude exports on Suezmaxes were down 9% y-o-y, while overall Russian crude exports declined by a smaller margin. The tightening of US, UK, and EU sanctions on shadow fleet vessels and shipowners, and the fact that Russian Urals traded at above its $60/bbl price cap for most of the year, saw the number of owners willing to do Russian business dropping significantly. This, in turn, increased fleet supply for mainstream trades.

In the aftermath of the Houthi attacks, freight rates and TCEs for voyages typically routed via the Suez Canal spiked even though many owners were still willing to transit. However, as the incidents continued, the number of willing owners dropped by the end of 1Q. Accordingly,

MUSTANG
MR2 Tanker, 49,990 Dwt, built by Jiangsu New Yangzi Jiang, owned by Evalend Shipping, delivery year 2025.

routing via the Cape has become the norm, and while the overall freight cost has naturally increased along with overall tonne-miles, TCEs have returned to levels similar to non-high-risk appetite voyages. A notable decrease was seen in journeys from the Mediterranean and Black Sea to the East, with Suezmax liftings almost halving y-o-y in the fourth quarter, keeping rates in check.

The Dangote refinery continued its ramp-up during 2024, reaching a reported 50% of its 650 kb/d nameplate capacity by end-November. This drove a notable shift in trade patterns, with Nigerian crude oil exports on Suezmaxes estimated to have dropped by close to 10% y-o-y in 2024. Considering West Africa has been a key driver of global Suezmax rates over the past decade, this has had a far-reaching effect on owners.

In terms of fleet demographics, nine vessels were delivered in 2024, while two were demolished. At end-2024 37% of the fleet was under 10 years old, and 42% was between 10 and 19 years old. With 30 deliveries anticipated in 2025 – the largest number among crude tankers – Suezmax fleet growth could outpace other crude tanker segments if scrapping remains minimal, increasing the fleet's average age by 0.5 years in 2025.

Aframax West

Despite a y-o-y decline in TCE rates, 2024 was another rewarding year for Aframax owners in both the Mediterranean and Northwest Europe. Owners still pocketed satisfying returns, averaging $39,506/day (-13.1% y-o-y) for TD7 and $42,836/day (-13.3% y-o-y) for TD19.

The three main events that affected the Aframax market in 2024 were the Red Sea crisis, the continued resilience of Russian crude oil exports, and the force majeure declared by Libya's National Oil Corporation (NOC) on its production and exports, which lasted for around one month until it was lifted on 03 October 2024.

The market strength in the first half of the year gave way to a weaker second half, as the Red Sea disruptions were digested and Russian Urals traded above the price cap. This drove an increase in Aframax availability for mainstream trades by the end of the year. In the Mediterranean, the force majeure on Libyan exports removed a substantial number of cargoes from the market, adding further downward pressure on rates, before a sharp rebound in October as export volumes recovered.

Looking ahead to 2025, a further reshuffling of trade flows is likely as stricter sanctions on the shadow fleet are enforced. This may test the resilience of Russian crude oil exports, potentially impacting Aframax supply. Nominal fleet growth is more predictable, although the segment is likely to be tested by a significant number of LR2 deliveries. Indeed, the extent to which LR2s switch to dirty trades will depend on CPP market performance and the possible safe return to the Suez Canal. However, scrapping has remained low over the past couple of years, leading to a substantial 30% of the crude Aframax fleet now exceeding 20 years of age. This raises the question of what will happen to the older shadow fleet in light of tighter sanctions.

Aframax US

US Gulf markets seem to have stabilised compared to last year, which had seen impacts from the Russia-Ukraine war.

US Gulf exports to Europe were consistent, driven by strong demand for selling into the Brent window, which kept barrels on Aframaxes. Outside the Brent window, however, Aframaxes had to compete with other segments for stems. There were no new natural repositioning trading routes to replenish tonnage, with the US Gulf still largely dependent on ballasters from Europe. This caused some volatility in rates. However, we did not see any numbers close to the highs registered in 2023. US Gulf exports to the East were less frequent than in previous years due to the VLCC market softness, which incentivised cargo upscaling onto more economically attractive vessels, at least on a dollar-per-tonne basis.

TD9 and TD26 remain major drivers of local markets, with demand constant. Therefore, any delays can greatly affect tonnage availability.

The big development in the Americas did not happen in the US Gulf but rather on the West Coast, as Canada's expanded Transmountain Express pipeline was commissioned, leading to a surge in activity. This resulted in barrels being shipped by Aframax either to China or down to the US West Coast. A couple of charterers stood out as more active in this space, and these players have also grown their fleet presence in the Pacific to handle a large share of their own movements. Meanwhile, East barrels have been attracting a lot of ballasters from the Far East, mainly China, as local tonnage showed more interest in staying within the region, mostly to cover those Vancouver-US West Coast voyages.

Aframax East

Despite a weaker market in 4Q, annual average earnings remained among the strongest on record for the Aframax market east of Suez. The average TCE for TD8 (Arabian Gulf-East) in 2024 declined to $40,348/day, from $44,490/day in 2023. However, this remained above the long-term average.

The Middle Eastern market remained heavily influenced by the Houthi attacks on vessels transiting through the Bab-el-Mandeb Strait, with more than 100 attacks forcing owners and charterers to avoid the transit. Yet from a commercial standpoint, market earnings were significantly boosted as tonnage was split, with a premium available for those willing to pass via the Suez. Some owners opted to wait on these lucrative but risky enquiries, instead of competing for TD8 and other 'vanilla' routes.

Rates still declined y-o-y, however. The second half of 2024 was torrid for the CPP market, which led to many LR2 owners considering DPP stems, notably in 4Q24, which exerted downward pressure on Aframax rates. Meanwhile, a slowdown in the VLCC and Suezmax markets in 2H24 left these sizes undercutting on partial cargoes. With many owners seeking premium routes involving the Red Sea, exports from Iraq, Kuwait and the UAE all switched towards the plentiful and competitive larger sizes. As a result, total Aframax fixtures in the Middle East dropped by 25% y-o-y.

The Far East Indonesian market was more active than the Middle East, with steady streams of fuel oil exports from Indonesia to North Asia, and crude stems to Australia. While Thailand runs slowed due to the repair of the VLCC SPM, there remained more than ten such voyages per month. Aframax demand shrank, but tonnage supply also reduced, with vessels gradually repositioning back to the West or (initially at least) into the CPP market. With a large proportion of the tonnage laden to the east being unworkable shadow fleet ships, the replenishment of positions tended to be significantly slower than in previous years.

Fuel oil

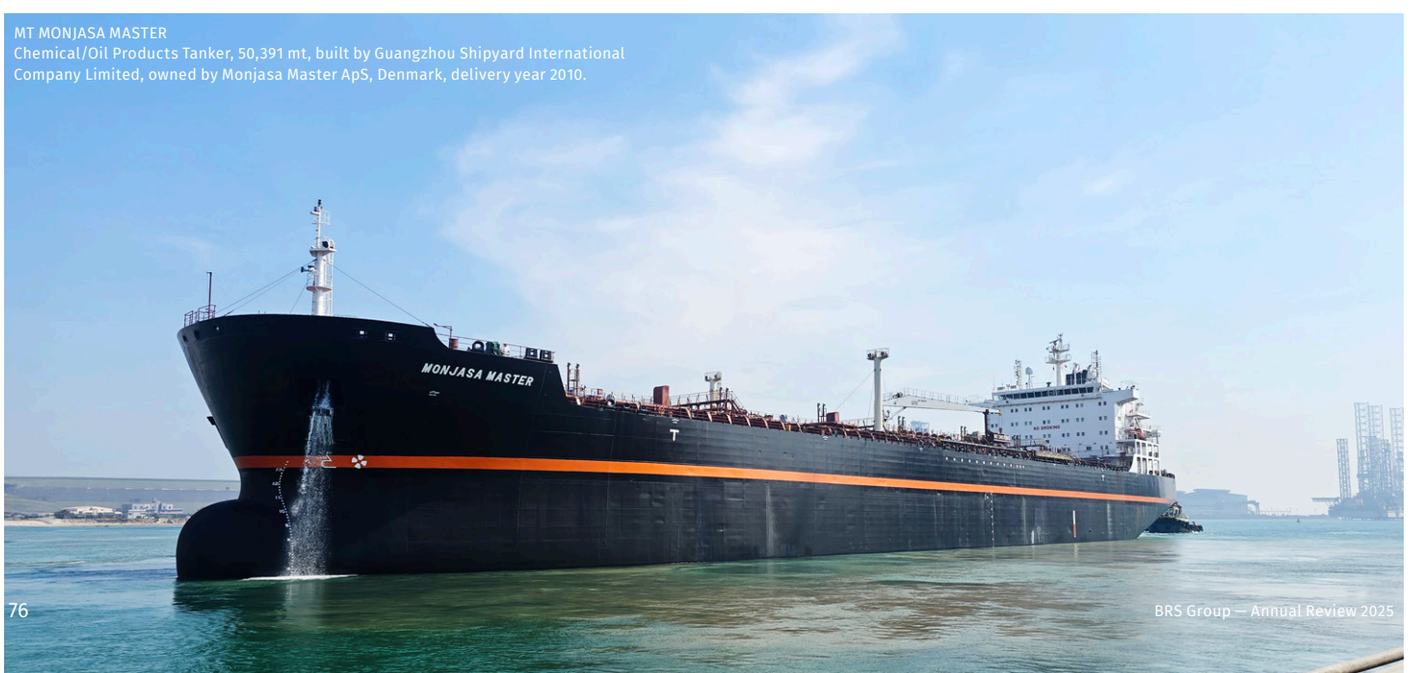
DPP Handysize – MRS – Panamaxes West Of Suez

The year saw a drop in global heavy sulphur fuel oil (HSFO) trade amid supply tightness and an increased trade of very low sulphur fuel oil (VLSFO). Supply tightness partly pertained to the lighter sweet crude oil slates that dominated the market in the West, while a sharp drop in refinery topping margins in Northwest Europe and the Mediterranean disincentivised fuel oil production.

Overall, West of Suez fuel oil trade remained highly regional, and somewhat insulated from the Red Sea disruptions. However, reroutings implicitly contributed to fuel oil supply tightness. Only two western cargoes moved east in 2024 and routing was via Suez and Panamax. Others were performed on the larger size tonnage. The region's Panamax segment remained very niche, with ships mainly ending up in the UK Continent after bringing cargoes from the US Gulf. Our records indicate that there were only 21 fixtures on this trade in 2024.

The TD18 TCE (30kt Baltic/UK Continent) fluctuated between $20-49,000/day on a monthly average basis throughout 2024, with rates peaking in 1Q and steadily declining throughout the second half. Indeed, rates have continued to weaken into 2025, with average earnings down to $16,800/day at the time of writing.

Looking forward, while the market may be approaching a new equilibrium, we are potentially at a crossroads as US President Trump's policies may once again alter trade flows. However, trade in the west could rebound if global HSFO supply increases due to the easing of Red Sea disruptions, and especially if OPEC+ unwinds its production cuts. Furthermore, the Mediterranean becoming a Sulphur Emission Control Area (SECA) zone from 01 May could instigate another rearranging of trade flows. Gasoil demand may rise, leaving more VLSFO and HSFO available, unless ships with scrubbers that can 'clean' emissions to the required 0.1% sulphur end up dominating the region's trade.



MT MONJASA MASTER
Chemical/Oil Products Tanker, 50,391 mt, built by Guangzhou Shipyard International Company Limited, owned by Monjasa Master ApS, Denmark, delivery year 2010.

CPP East

The CPP market began 2024 with elevated freight rates, driven by strong demand and fleet supply inefficiencies amid the decline in Suez Canal transits. As the year progressed, fundamentals weakened as oversupply dominated, leading to a steady erosion of rates.

The year began with strength across all segments, buoyed by the heightened geopolitical risk in the Red Sea. LR2 rates surged in 1Q, with TC1 averaging w224 and TCEs at $56,382/day amid the Cape of Good Hope reroutes, which significantly increased tonne-miles and tightened vessel availability. LR1s also benefited from strong naphtha flows and tight Far East lists, with TC5 averaging w243. MRs, supported by robust regional demand and tight fixing windows, saw TC17 rates at w328. However, refinery maintenance in the Middle East weighed on demand toward the quarter's end, signalling a slowdown that persisted throughout the year.

Early signs of weakness emerged in 2Q as refinery turnarounds in Ruwais and Yanbu reduced cargo availability, while ballast tonnage from the West added pressure. TC1 averaged w212 in 2Q, with its TCE averaging $52,770/day. LR1s mirrored this decline, with TC5 at w239 for the quarter amid limited long-haul demand. MRs remained somewhat resilient, with TC17 averages climbing to w350 due to tight regional tonnage availability. However, sporadic enquiry and oversupply lowered sentiment across all segments. Short-haul fixtures became critical for covering tonnage, reflecting the limited opportunities for clean long-haul trades.

The market faced sharp declines in 3Q. LR2 rates dropped precipitously, with TC1 averaging w145 and TCEs falling to $30,083/day. Weak Chinese exports and the cannibalisation of LR2 cargoes by unconventional tonnage, such as VLCCs and Suezmaxes, compounded the pressure. Approximately 25% of LR2 volumes were handled by dirty vessels that cleaned up, leaving westbound demand scarce and owners struggling to secure employment. LR1s followed suit, with TC5 levels averaging w163 in 3Q. MRs, while more resilient, also saw rates decline, with TC17 averaging w214. Short-haul trades replenished tonnage lists quickly, preventing any sustained recovery.

In 4Q, the markets hit their nadir. Seasonal spikes and sporadic off-market fixtures offered temporary support, but oversupply persisted. LR2 rates fell to an average of w110, with TCEs at $19,358/day as owners sought relief in DPP trades, minimally impacting long position lists. LR1s faced sparse enquiry and reliance on short-haul trades, with TC5 stagnating at w117 and TCEs at $12,967/day. MRs closed the year with further declines, with TC17 at w194, although Far East demand prevented a steeper collapse. Across all segments, prolonged oversupply and weak fundamentals defined the end of 2024. Weak Chinese exports, declining refinery utilisation, and sagging naphtha demand further exacerbated the imbalance.

Despite its challenges, 2024 delivered historical highs in earnings, particularly in the first half. While the latter half saw significant declines, the strong start softened the impact of the downturn. As the year closed, hopes turned to 2025. Amid the year's volatility, the early triumphs provided a silver lining to an otherwise challenging year for East of Suez CPP markets.

CPP West

Both premium and 'vanilla' markets remained tightly intertwined in 2024 as the latter still relied heavily on Russian activity to sustain prosperous TCEs. While 2024 began on a positive note, activity significantly declined in the second half of the year, when a sharp reduction in CPP exports from Europe heavily impacted TCEs. Refineries and traders in the Mediterranean similarly struggled to justify the economics of longer-haul cargoes, and rates were impacted by instability in the eastern Mediterranean in the wake of the ongoing Israel-Hamas conflict.

MR West

MRs in Europe faced a challenging year as their TCEs fell short of the levels achieved in 2022 and 2023. However, the first quarter showed promise, with TC2 TCE averages exceeding $23,000/day and rates peaking at w300 in February. This was driven by a combination of rising Russian exports diverting vessels from 'vanilla' trades, and strong freight rates in the US Gulf. These high rates attracted ballasters to the US Gulf from the US Atlantic Coast that would otherwise have headed to Europe. Despite the promising start, MR TCEs steadily declined over the year, leading to a lacklustre second half. Enquiries were limited, with few TC2 cargoes available, and much of the continent's refinery output was sold for short cross-continent voyages. The US Atlantic Coast sourced product from refineries outside Northwest Europe, and owners seeking long-haul business found opportunities scarce. Rates fell sharply as owners vied for limited activity in a stagnant market. The premium on TC19 over TC2 increased as owners became hesitant to fix to West Africa, given the necessity of ballasting back to Europe. Despite the rise in the TC19 premium, Europe's gasoline exports to West Africa plummeted last year due to declining regional demand in the wake of the Dangote refinery ramp-up. This also drove a surge in Nigerian gasoil and naphtha exports, primarily on LR2s to the east.

Handy

Handys in Northwest Europe mirrored the trajectory of MRs, beginning the year with strong earnings but faltering later on. The lack of long-haul MR trades forced handys to compete with MRs on short cross-Continent voyages, where handys struggled to compete on a dollar-per-tonne basis. Handys in Northwest Europe represent a dwindling fleet segment and with few ships on order, the sub-20-year-old vessel pool is set to shrink. This shift is partly driven by the decline of TC9 (Russian Baltics to UK Continent).

In the Mediterranean, a two-tiered market persisted, with owners securing at least a 100-point premium for handling Russian cargoes from the Black Sea. The ongoing Israel-Hamas conflict, and its

escalation involving Lebanon, allowed owners to demand a minimum 40-point premium for calling at Lebanese ports. Earnings in the Mediterranean steadily declined over the year, with 1Q earnings nearly four times higher than 4Q. This was in part due to an emerging trend of dirty vessels switching to clean for East to West CPP trades, eliminating numerous intra-regional voyages.

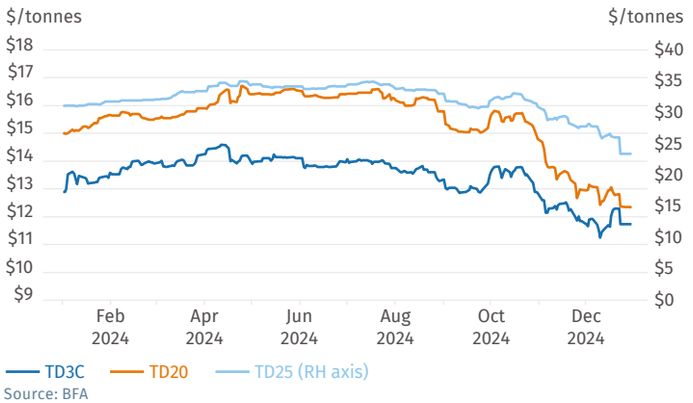
FFAs

Despite momentum slowing compared to 2023, FFA volumes continued to increase last year as market players sought more coverage amid the Israel-Hamas conflict and the rerouting of vessels around the Cape of Good Hope, which triggered market volatility. This initially boosted tonne-miles and physical freight rates, lifting the FFA curve across major routes before those gains were lost in the second half of the year. Total dirty and clean FFA volumes cleared on the Baltic were up by 5.1% y-o-y. The Aframax trade, which has benefited the most from the Russia-Ukraine war, saw liquidity momentum ease compared to 2023.

TD3C volumes dominated dirty FFA trades while TD20 Suezmax volumes dropped by 9%. The newly launched TC20 (LR2 Middle East Gulf to UK Continent) saw low volumes despite record-high LR2 spot earnings in 2024. For the first time, TC14 FFA volumes overtook TC2, highlighting the growing importance of US diesel in Europe in the wake of the ban on Russian product.

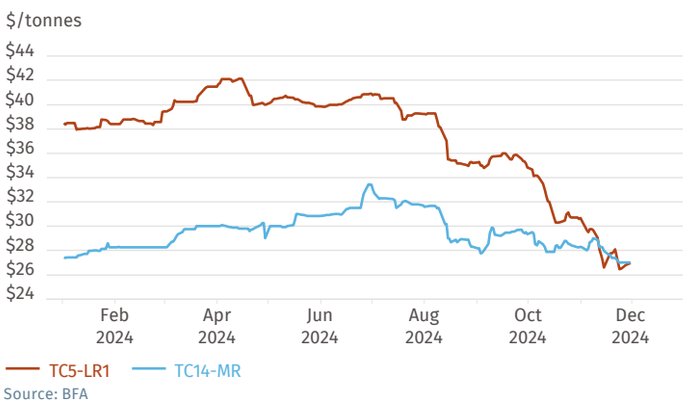
FFA pricing adjusted downwards in the second half of the year, worsening in 4Q24 as the typical seasonal boost failed to materialise. The decline was more pronounced on LRs, as LR2/LR1 physical freight rates reached multi-year lows in the Pacific following the wave of crude tankers cannibalising CPP cargoes. Accordingly, TC5-LR1 +1Cal almost halved by year-end compared to its 2Q24 peak in dollar-per-tonne terms. An upward FFA re-pricing has been observed in early 2025, with the recently announced OFAC sanctions on more than 150 tankers reverberating across physical and FFA markets. However, it remains to be seen whether this upward repricing will be sustained.

FFA + 1Cal Dirty



Source: BFA

FFA + 1Cal Clean



Source: BFA

Sale and Purchase

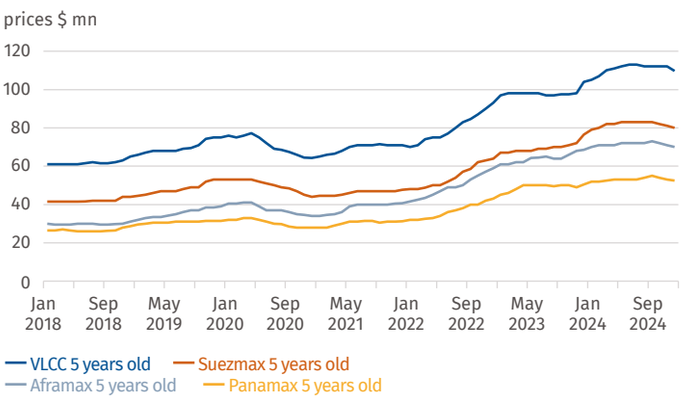
Units reported sold for scrap per year

No. of Ships	2020	2021	2022	2023	2024
VLCC	2	20	5	0	2
Suezmax	5	10	11	1	2
Aframax & LR2	11	32	20	2	3
Panamax & LR1	3	12	10	2	0

New Orders 2020 to 2024

No. of Ships	2020	2021	2022	2023	2024
VLCC	44	31	2	18	66
Suezmax	39	13	9	57	55
Aframax & LR2	39	50	30	104	253
Panamax & LR1	0	0	0	36	72

S&P Second-hand Prices



Vessel Value Changes from January 2024 to December 2024

	Resale	5 years	10 years	15 years
VLCC	10.61%	10.62%	10.75%	-7.76%
Suezmax	10.18%	17.65%	15.89%	-5.68%
Aframax & LR2	4.20%	5.18%	10.90%	-10.85%
Panamax & LR1	6.19%	-2.54%	2.78%	13.73%

> "AI uptake in freight and passenger transport will enable increasingly automated functions to deliver safety and quality, navigation and route optimization, predictive maintenance and fuel or power reduction."
>
> — Mario Draghi (report September 2024 to EU)

In recent years, artificial intelligence (AI) has revolutionised the transport sector by automating key functions. Technological advancements have paved the way for enhanced safety, quality, navigation, route optimisation, predictive maintenance, and reduced fuel or power consumption.

Shipping has been impacted by these advancements. In 2024 the industry faced numerous challenges, including sanctions, embargoes, and serious geopolitical tensions. For instance, tanker owners have had to navigate complex sanctions from the USA, UK, and EU, leading to a dual market. On one side, we have those owners who strictly comply with the sanctions, and on the other, those who continue to trade with sanctioned entities. This dichotomy has created inefficiencies in fleet supply, but has also benefited both groups.

AI, however, is beginning to assist regulators in monitoring ship navigation patterns. It could, therefore, start to play a major role in identifying ships engaged in sanctioned activities, making them easier for states or NGOs to track and target.

A key recent trend has been the sale of second-hand tankers, particularly older units, with many owners opting to offload their oldest vessels and consider renewing part of their fleet with newbuilding orders.

In 2024, the number of large tanker transactions for further trading declined for the first time in many years. Nevertheless, values and activity remained robust. Older units were favoured by buyers, with 75% of transactions involving vessels over ten years old and slightly over 58% for those post-fifteen years old. This focus on older segments was driven both by the high prices of modern units and by the continued purchase appetite from shadow fleet owners mostly based in China, India, and the Middle East.

Predictive maintenance powered by AI helps detect issues before they become critical, enabling their users to reduce downtime and escalating maintenance costs. Similarly, AI-driven navigation improves safety and efficiency by selecting the best routes, saving time and fuel while ensuring that vessels comply with CO_2 emissions regulations.

AI is driving continuous change in freight transport, and as the industry evolves, it will not only reshape the logistics landscape but also contribute to a more efficient and sustainable future with increased productivity gains. However, progress comes at a cost, and tanker owners will need to adapt.

Sale and Purchase Activity (Vessels for Further Trading)

N° of Ships	2020	2021	2022	2023	2024
VLCC	105	101	81	89	53
Suezmax	44	38	59	42	22
Aframax & LR2	95	129	142	99	65
Panamax & LR1	24	41	61	72	21

VLCC

This year VLCC transactions took a significant drop compared to the past few years, with a 40% decrease in the number of ships changing hands compared to 2023. Activity was balanced over the various ages thanks to transactions involving major players across the continents.

Transactions for ships younger than five years decreased to 12 from 17, ten of which were part of en bloc deals destined for Bahri. At the beginning of 2024, prices for very modern and newbuilding tonnage showed a steady increase before experiencing a downturn towards the end of the year, although prices remained above January levels. The six to ten-year old segment was similarly less active with only six transactions, three of which were part of the Capital-Bahri deal. For vessels built 11 to 15 years ago, 14 transactions took place, half of which were between Frontline and Sinokor. For vessels older than 15 years, the number of deals remained substantial, at 22. This again demonstrates continued interest and special trading opportunities for vintage tonnage even at high capital expenditures.

Prices for older units began to decrease from the third quarter and fell below levels seen at the start of the year. Nevertheless, they remained above long-term averages, allowing for profitable divestments. At the beginning of the year, two VLCCs were expected to hit the water, but only one was delivered. As of end-December 2024 the orderbook stood at 87 units, with five ships due to enter service in 2025.

Suezmax

The Suezmax market sales and purchase volume plummeted to 22 units sold for further trading in 2024, versus 42 in 2023. There was a focus on vintage tonnage, with more than 60% of transactions involving units built in 2008 or earlier.

Modern units saw their values increase only slightly over the year, driven by continuous hikes in the newbuilding market, before starting to soften towards the second half due to uncertainties about the future.

For example, the 2020 Chinese-built Bella Ciao reached a record $86mn at the beginning of the year.

The 11-year-old Japanese-built Karvounis achieved a record price of $67.8mn – a level not seen since late 2008, although still not close to the peak of $80mn for 10-year-old units in 2007.

The story for 15-year-old units was very different, with their prices hitting record highs in 2024 as shadow fleet buyers continued their spree. The 2007 Japanese-built Raptor was reportedly sold for a staggering $46.5mn. Chinese and Middle Eastern buyers dominated this segment, showing that the shadow market still offered high earnings. One may estimate a large majority of the ships sold were then involved in Russian trade.

The Suezmax fleet saw nine units delivered in 2024, versus an end-2023 forecast of seven vessels. Only two units were scrapped. By end-2024, the total Suezmax orderbook rose to 118 units, of which 30 are expected to hit the water in 2025.

Aframax/LR2 and Panamax/LR1

Aframaxes and LR2s saw lower S&P activity, with only 65 transactions in 2024, compared to 99 in 2023 and a staggering 142 in 2022. Like the larger sizes, most of the activity was for vintage tonnage, with a whopping 60% involving units 15 years or older.

Only 12 units under five years old changed hands, reflecting perceived high market prices relative to earnings potential. Capital's clients made a record asset play by selling their 2020 Korean-built Aristofanis for $78.8mn, a huge increase on its initially reported contract price of around $49mn.

Only six units aged six to ten years old were sold, with prices remaining high. The 2018 Japanese-built Pusaka Java sold for a peak price of around $69mn.

Of the 47 remaining transactions, eight were for vessels between 10 and 14 years old. Thirty-nine units of 15 years or older were sold, mainly to Middle Eastern and Far Eastern buyers.

Of the 33 Aframaxes (including LR2s) expected for 2024 delivery, 28 were launched. In 2025, we expect another 69 to hit the water while, as of late December 2024, the total orderbook stood at 271 units. Once again, only six units were reported sold for demolition.

Panamaxes/LR1s saw lower activity, with only 21 units sold compared to 72 in 2023. No modern units changed hands, reflecting a significant lack of orders in recent years. The youngest sold was the 2013 Korean-built Fulham Road, which fetched a robust $44.6mn. All other transactions were for ships built in 2009 or earlier. Like their larger counterparts, Panamax/LR1 units also maintained very strong values, even for vintage units. Clients of Dynacom executed excellent disposal strategies, gaining $23.75mn each for the three Japanese 2006 sisters Ice Energy, Ice Victory, and Ice Fighter, some of the highest prices since 2007. Chinese and Middle Eastern buyers were again active in purchasing vintage units, representing more than 35% of reported buyers.

In the Panamax (including LR1) fleet, as expected, one vessel was delivered in 2024. There were no reported sales for demolition, and 37 new LR1 orders were placed. The total orderbook at end-2024 stood at 69 units, with 11 expected to hit the water in 2025.

MR1 and MR2

The MR2 segment maintained the previous years' trend as 50% of transactions involved ships of 15 years and older. Asset prices remained solid with modern units occasionally going for more than 30% of their contract price. Ten-year-old units were sold for their original contract price. Overall, all modern ships' values benefited from rising newbuilding prices, while vintage tonnage gained from the strong appetite of East of Suez buyers.

Total transactions decreased to 141 compared to 200 in 2023. Seventeen units younger than five years were sold. Record levels were reported for resale, with two units under construction at Yangzijiang shipyard being sold for $53mn to clients of Thenamaris. In the six- to ten-year-old segment, 31 transactions were reported, in line with the 30 units sold in 2023. Eight of these were part of a single operation between clients of Sinokor and clients of Torm. This deal included four 2014- and four 2015-built units for a total of $340mn.

The ten- to 14-year-old segment saw demand fall as only 22 units were sold. A strong 71 vessels of 15 years or older were reported sold for further trading, underlying the increased activity east of Suez. As a simple rule of thumb, we could see 20-year-old ships being sold for three times their recycling value.

In the newbuilding market, no fewer than 173 MR2s were ordered during 2024, and 36 were delivered against the initial expectation of 50. The total orderbook skyrocketed to 331 units, of which 100 are expected to be delivered in 2025. Only two units were reported sold for demolition last year.

Reduced activity in the MR1 segment showed only 36 units sold for further trading in 2024 against 63 in 2023. Norway's Transportation Recovery Fund made a significant move by exiting the segment, selling eight units built in 2016 in Korea. Prices ranged between $34mn and $38mn. We only saw four transactions for vessels aged between ten and 15 years, of which 23 were for ships older than 15 years.

As of 31 December 2024, the MR1 orderbook jumped to 35 units, of which 26 were ordered in 2024. No units were delivered against the two expected, and five are expected to be delivered in 2025. Meanwhile three units were reported as sold for demolition in 2024.

Dual Fuel

The ocean-going fleet of real dual-fuelled tankers (we exclude DF readiness here) from Panamax to VLCCs reached a total of 88 units on the water. There are another 68 in the orderbook. Dual fuel LNG is by far the preferred technology since more than 90% of the DF orderbook is equipped with LNG. Five units are scheduled to be fitted with methanol dual fuel engines and two with ammonia dual fuel. It is likely that dual fuel LNG will remain at the top of the list for as long as green ammonia and green methanol lag in commercial readiness. Meanwhile, bio-LNG may significantly improve emissions reduction on a well-to-wake basis.

Sale and Purchase Outlook for 2025

Three main geopolitical drivers will play a crucial role in 2025: Trump, Ukraine, and the Houthis. Geopolitical disruptions and crises have become so common that they no longer represent an exception but a regular market feature. As the year begins, uncertainty over the future seems to be the dominant theme.

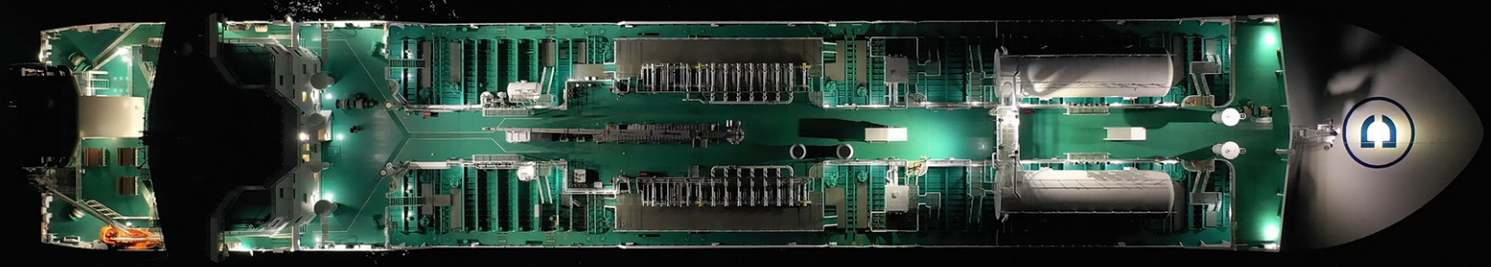
Trump's new US policies could have a strong impact over the market for oil and its shipments. The "drill, baby drill" motto might be glittering for oil and gas and therefore tanker owners, but oil will not flow instantly. At the same time, the hammer of doom held by the Office of Foreign Assets Control (OFAC) could enforce fleet reductions, with a positive effect on mainstream owners. Additionally, Trump's potential trade war on Chinese-built vessels and Chinese goods in the form of additional tariffs could disrupt worldwide trade patterns, creating both winners and losers among the tanker-owning community depending on where ships were built. In other words, the "Ships for America Act" may not only affect the USA.

The demand for shadow fleet vessels is dynamic – one day saturated, the next impacted by US sanctions. While a reduction in demand for vintage and older tonnage was expected from all transactions, sanctions could reignite interest. It's difficult to predict the consequences of the ongoing war in Ukraine on tanker trading, but even if peace arrives, pre-war trading conditions are unlikely to return in the foreseeable future. Russia will push for sanctions to be eased, but trade flows and routes will remain very different. India's early 2025 decision to turn away US-sanctioned ships after a similar position from a Chinese region should create new dynamics for mid-aged tankers. The big question is: "What will happen to the sanctioned fleet?". The answer is complicated, with serious financial and environmental concerns making it far from straightforward.

The Houthi attacks in the Red Sea have led shipping companies to undertake longer routes, increasing the length and cost of voyages, tonne-mile demand, and frequently impacting the market itself. It is difficult to estimate how long this situation will last, but it must be kept in mind that this artificial increase could vanish at any time. That said, it will take much more than reassuring words for owners to risk their crew's safety in the Red Sea.

The S&P and newbuild tanker market in 2025 will likely resemble a rollercoaster. Owners willing to consider asset plays will need to act quickly and be highly responsive. Indeed, the fleet profile and long-term analysis will be more susceptible than ever to unpredictable events, with black or grey swans potentially emerging from any direction.

ALCYONE
MR2 Tanker, 49,990 Dwt, built by HD Hyundai Mipo, owned by Socatra, delivery year 2022.



Specialized Tankers

PACIFICO
Chemical Tanker, 22,543 Dwt, built by Wuhu Xinlian, operated by Rederi AB Donsötank, Sweden, delivery year May 2022.

The Wind of Change

Over the past few years, chemical tanker owners have experienced record freight levels, a trend that persisted into 2024. While the market gradually softened towards year-end, the key factors driving the ongoing tightness remained largely unchanged. The primary driver throughout this period was the increase in tonne-mile demand following the Russian invasion of Ukraine. This disruption to global oil flows resulted in swing tonnage being absorbed by the clean product market, thus keeping chemical tankers in high demand. Additionally, disruptions in the Panama Canal, particularly when drought reduced water levels in the first quarter, injected inefficiencies into fleet utilisation, further tightening the market. Another significant factor was the ongoing Houthis attacks in the Red Sea, which prompted owners to prioritise safety by rerouting vessels around the Cape of Good Hope, further reducing available capacity.

FURE VITEN
Chemical/Oil Products Tanker, 17,999 Dwt, built by CMHI Yangzhou Dingheng, operated by Furetank Chartering, Sweden, delivery year June 2021.

Fleet development and chemical demand

The stainless steel fleet increased in 2024, with 1,467 units in service at year-end compared to 1,425 at end-2023. While there was limited ordering between 2017 and 2020, the net stainless steel fleet grew by 3% in ship numbers and 3.5% in deadweight terms from 2023-24. It is projected to grow by 4.5% in terms of ship numbers from 2024 to 2025 (projections are based on the current orderbook, which shows 59 units, and excluding potential demolitions). In 2026, 86 new vessels are expected to be delivered, then 46 in 2027.

The demolition market has remained quiet in recent years, with only two ships scrapped in 2024, compared to four in 2023. The anticipated rise in demolitions, driven by tightening environmental regulations, has been delayed by strong market conditions. However, the ongoing evolution of environmental measures will likely prompt owners to consider scrapping their elderly, least energy-efficient tonnage in the coming years.

Orders increased in 2024 as strong returns in the chemical tanker market encouraged fleet renewal, despite rising newbuilding costs. This investment is crucial, as the stainless steel fleet is ageing, particularly the small stainless steel segment (3,000-12,000 Dwt), where the average age currently exceeds 18 years.

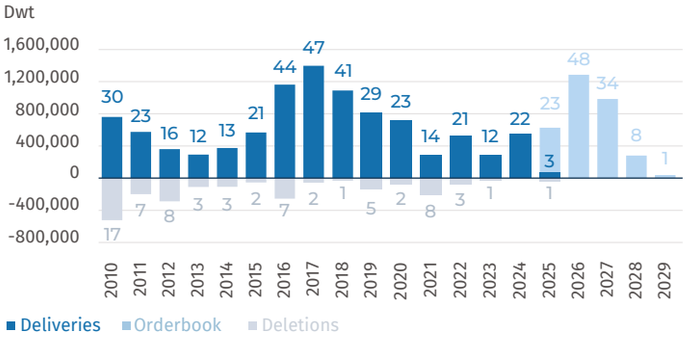
Notably, in 2024 some European owners placed orders for small vessels. For example, Gefo ordered 10 stainless steel ships of 3,850 Dwt and two ships of 7,900 Dwt, scheduled for delivery from China across 2026-27. Simonsen also ordered eight vessels of 6,800 Dwt, to be delivered from China in 2026-27.

In the larger vessel segment, Stolt placed orders for 12 38,000 Dwt units (six in 2023 and six in 2024). Meanwhile, Shanghai Junzheng Shipping (SC Shipping) ordered 22 vessels of 25,900 Dwt, scheduled for delivery across 2026-28. These newbuildings are part of its fleet modernisation and expansion programme.

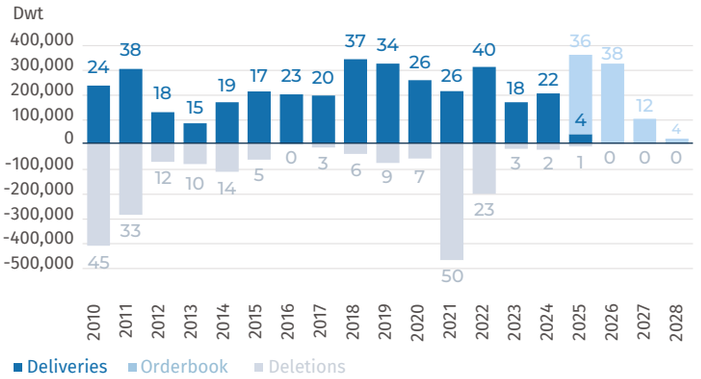
Geopolitical events in the Red Sea and the Panama Canal restrictions in early 2024 continued to influence the chemical tanker market, as longer voyages required additional capacity. In turn, this supported freight rates and tonne-miles, even as total cargo volumes decreased. Spot markets weakened toward the end of the year due to a slowdown in the CPP market, prompting MRs to shift towards easy chemicals. However, the decline was not dramatic. Major chemical tanker owners reported record-breaking results in 2024, with some citing the strongest market conditions in a decade. Although the spot market declined, its impact was mitigated as key chemical owners were covered by COA contracts. These owners indicated that COA freight rates still increased on average compared with the previous year.

While more orders are entering the market, the bulk of new tonnage – 86 units – is set for delivery in 2026. Therefore, market fundamentals in 2025 should remain favourable for owners, with expectations of stabilisation and the establishment of a new baseline.

SST and Part SST Chemical Tanker (>19,000 Dwt)



SST and Part SST Chemical Tanker (<19,000 Dwt)



Chemical shipping consolidation through Mergers and Acquisitions

Over the past decade, M&A activity has been common in the chemical tanker market, particularly during challenging market conditions. While conditions have recently improved, many owners held off on fleet renewal when markets were depressed. Now, newbuilding prices are high and environmental constraints are becoming more complex. Mergers are still driven by this need for renewal, as well as by strategic efforts to achieve synergies and strengthen market positions.

In 2024, consolidation activity included MOL finalising its acquisition of Fairfield Chemical Carriers (FCC) in March. With the addition of Fairfield's 36 units, MOL now boasts a fleet of 117 chemical tankers – the market's largest multi-segregated stainless steel chemical tanker fleet.

Later in the year, Christiania Shipping completed its takeover of Navquim, expanding its fleet to 29 chemical tankers. The acquisition aimed to secure cargo with long-term contracts in the portfolio, while consolidating and renewing the fleet. This move resulted from Navquim's acquisition of Team Tankers, which had sold its vessels to the Dutch De Poli Tankers Group in 2020, after France's Sogestran Group acquired a majority stake in De Poli Tankers.

TINA THERESA
Chemical tanker, 7902 Dwt, built in 2009 by Nantong Mingde, operated by Christiania Shipping A/S

The environmental regulations race

The EU's Emission Trading Scheme (EU-ETS) became effective on 01 January 2024, covering vessels over 5,000 Gt trading within the EEA. Vessels must pay for 50% of their emissions for voyages into or out of the EEA, and 100% of emissions for intra-EEA voyages by purchasing EU carbon allowances (EUAs). The first deadline is 30 September 2025, by which time owners must surrender credits to cover 40% of their 2024 emissions. However, 70% of emissions from 1 January 2025 must be covered by September 2026.

In 2025, Europe will introduce additional changes, including the FuelEU Maritime regulation and the enforcement of the Mediterranean as a SOx Emission Control Area (SECA).

Starting on 01 January 2025, vessels above 5,000 Gt will also face FuelEU Maritime regulations in the EEA. This requires a stepwise reduction in the emission intensity per unit of energy, beginning with a 2% reduction in 2025 and up to 80% by 2050. Compliance strategies include using lower-carbon fuels (e.g., biofuels), utilising banking/borrowing flexibility, pooling with compliant ships, or paying penalties.

On 01 May 2025, the Mediterranean will enforce a SOx Emission Control Area (SECA), aimed at reducing the sulphur content in marine fuels to 0.1% (from 0.5% in non-ECA areas). This will make it the fifth ECA globally. Current SECAs include the North Sea, Baltic Sea, North American and US Caribbean. As a significant portion of the global fleet passes through the Mediterranean, demand for low-sulphur fuels like ULSFO and MGO is expected to rise at its bunkering hubs, which will necessitate some adjustment to the flows of bunker fuels and storage in the region.

Owners will need to account for these additional costs in European trade. For COA contracts, charter-party clauses have been added to address these changes, while spot freight rates will need to absorb them.

February 2024 marked a significant milestone when Chemship's Chemical Challenger became the first chemical tanker to be fitted with four emission-busting suction sails. Odfjell also announced plans to install suction sails on the deck of its 49,000 Dwt Bow Olympus in early 2025. Depending on the results of this first installation, Odfjell will consider retrofitting sails on additional vessels and installing them on its newbuildings. Stolt's newbuildings will be equipped with batteries and be methanol-ready. Additionally, Stolt is testing GIT graphene coatings on hulls and propellers. Utkilen announced plans to convert one of its chemical tankers to run on LNG, while Gefo's two 7,900 Dwt vessels have been designed ready for the installation of Flettner rotor wind sails and possible future conversion to methanol propulsion.

Transatlantic market

After years of consistently strengthening markets, 2024 appeared to mark a plateau in the growth trajectory.

On the transatlantic eastbound market, the first quarter showed promising signs. Strong COA volumes, the sanctions against Russian products, and the disruption of trade through the Red Sea shifted trading patterns in favour of owners. Even with tramp vessels on berth, freight remained firm. However, this momentum was not sustained for long. By the second quarter, activity began to decline, and the influx of tonnage meant that regular owners had to reassess their freight expectations to secure cargo. Fortunately, the CPP market began to firm toward the end of 2Q24, pulling some swing tonnage away and preventing a complete collapse in freight.

As we entered the third quarter, the market remained relatively stagnant. While healthy COA volumes kept owners active on the route, the summer dip in spot activity exerted downward pressure on rates. The usual post-summer boost and year-end rally was expected, but 2024 broke the trend. With the US election casting uncertainty over international trade, market participants remained cautious. While stability returned, it was far from the firming market many had hoped for. As industry players awaited clearer signals, activity remained subdued, with freight rates steady to soft.

On the westbound leg, 2024 was less eventful. The backhaul route remained dominated by regular operators, who relied on strong COA coverage to stay afloat. With ample space available throughout the year, sluggish spot market activity was easily absorbed, causing freight rates to soften.

Overall, while the 1Q24 provided some optimism, the remainder of the year shifted towards stability rather than growth. Both the eastbound and westbound markets experienced periods of subdued activity, and despite some fluctuations, the market did not regain the firm upward trajectory of previous years.

CPP and DPP – Baltic/UKC/Med Intermediates and Coasters

Last year, we completed our 2024 outlook with the comment that, going forward, we believed the CPP market would remain somewhat consistent with occasional spikes in freight rates, and that DPP would remain relatively stable. On the whole, this appears to have panned out.

CPP – Intermediates

Any sentiment about the stalemate Russia-Ukraine war is a thing of the past, and the subject barely raises an eyebrow or comment during freight negotiations. For most of the year, activity remained consistent and stable, although the mood was more subdued than in 2023. We did not expect freight rates to reach the previous year's highs, and this proved accurate. The 18-19,000 cbm benchmark Grangemouth to ARA CPP route traded as high as $345,000 lumpsum, but generally hovered in the sub-$250,000 lumpsum range. Whenever the Handy market tightened with a subsequent splitting of stems onto Intermediates, owners leapt onto the bandwagon to increase freight levels. The rare freight spikes, however, tended to peter out as quickly as they had started, as rates never managed to build momentum before settling back down.

CPP – Coasters

Owners of Coasters (4-10,000 cbm) had a less memorable year. Activity in the Baltic/UK Continent was rather unremarkable, and freight levels remained flat. The Mediterranean saw a rather poor year with a consistent lack of stems in the market. Indeed, traditional Mediterranean players aimed to position their ships in the North, where they felt they had more opportunity. Accordingly, fewer players were willing to take a Continent to Mediterranean stem due to concerns over a lack of work once they were open in the South.

DPP

This market has changed beyond all recognition over the past five to six years! Navix remains the biggest player by far, with only one traditional owner riding in its wake: Maersk. Stenersen only trades one vessel spot, and this unit may clean up sometime in the next 12 months. Next in line are the oil majors that control tonnage: Shell, then ExxonMobil, and Neste. Despite this perceived lack of competition, the market approached nowhere near 2023's zenith, as the third quarter onwards saw a consistent lack of spot stems from anyone but Petroineos. Notably, Orlen, with its ample volumes, traded its stems under COA. ExxonMobil traded its stems on its own boats with a mix of the balance under COA or spot. None of the other oil majors or traders came anywhere close. When volumes were sustained, freight levels for the benchmark 15,000 mt fuel oil route from Grangemouth to ARA traded as high as $375,000 lumpsum. Once volumes dropped as the year progressed, freight levels fell as low as $230,000 lumpsum, before stabilising around $250-265,000 lumpsum towards year-end. With Petroineos expected to close its 150kb/d Grangemouth refinery by 1Q25, owners, despite words to the contrary, must be looking over their shoulders to see who will fill the void – and these will be big boots to fill.

Looking ahead

It is rather tricky to draw conclusions for the year ahead. Traditional players Maersk and Stenersen require some fleet renewal, as their tonnage profile continues to age. Several newbuildings will enter the market; we expect Furetank to absorb these within its COA and spot programme, and Sirius will time charter out to the likes of Preem, Equinor, and NEOT. More pressing is the question of how Union will trade its vessels. And even more so, how Athenian will operate, as it has zero presence nor any experience trading this type of unit. Perhaps it will flip out this tonnage to an experienced player (like Maersk) to run commercially on its behalf?

Despite the growing percentage levied by the EU-ETS, this continues to be absorbed into prevailing freight levels with barely a murmur.

For CPP, we believe that 2025 will remain relatively flat, thus suggesting a rather uninspiring year ahead. We do not expect freight rates to approach the levels seen in 2024.

The DPP market needs a "white knight" to start pumping out stems to keep freight levels ticking over. Who this will be remains to be seen. One of the biggest players, Orlen, has commented that it is already at full capacity. We expect freight levels to remain steady, and perhaps even under some pressure.

Pacific

Chemical tanker markets are evolving toward sustainability and reduced emissions, influenced by global politics, regulatory changes, and environmental mandates.

Political and regulatory factors across the eastern and western hemispheres are impacting shipping patterns and trade flows. Increased taxation on certain exports (e.g., palm oil) and biofuel mandates in Southeast Asia are shaping trade dynamics. Meanwhile, new regulations, including the EU-ETS and the FuelEU Maritime, are pushing carriers to adopt low-carbon fuels and pay for their vessels' emissions. This has driven parcelling freight rates ex Pacific to rise slightly.

Southeast Asia has emerged as a key bio-feedstock and biofuel supplier as the West shifts toward renewable energy. Bio-feedstocks including Tallow, UCO, and PFAD, and biofuels such as SAF and HVO, are driving freight demand regionally, although their shipping rates are fluctuating due to tight tanker availability, specialised handling requirements, and evolving fleet utilisation patterns.

Investments in fleet modernisation and eco-friendly vessels are ongoing but constrained by shipyard capacity and delivery timelines.

Meanwhile, infrastructure developments in Asia and Europe are supporting bio-feedstock trade growth, while shorter voyages in Asia are reshaping fleet deployment.

China's growing production capacity is disrupting Asia's traditional chemical markets, redirecting trade to European and ASEAN markets. The Chinese domestic market remained soft throughout 2024, with temporary spikes during the Spring Festival and winter. Fleet expansion, including dual-license units for domestic and foreign markets, created an initial oversupply of tonnage. However, since those vessels had the flexibility to trade internationally, this glut did not persist.

Freight levels for Chinese chemical exports outperformed domestic markets, with higher volumes heading long-haul, especially in the second half of the year. This also led to Northeast and Southeast Asian freight rates firming from January to April, before softening slightly mid-year ahead of a December recovery as seasonal demand picked up. Softer freight rates can be attributed to tonnage expansion as newbuildings hit the water every month, while lower marine fuel prices also helped to exert downward pressure on freight.

Sailing into 2025, China's domestic market is expected to mirror last year's trends amid fleet overcapacity. Nonetheless, several major projects in North and South China are poised to boost intra-regional activity. China's export trends are expected to remain stable but could face challenges from fleet overcapacity and global economic uncertainties. Northeast and Southeast Asian routes are also likely to follow suit and only see moderate activity in the first quarter, driven by pre-Spring Festival inventory build-up. Cargoes destined for the US Gulf and ARA/MED will continue to face uncertainty linked to US trade policies and geopolitical factors, notably the Red Sea crisis.

Palmoil, Vegoil and Biodiesel – Deep Sea

Vegoils and Biodiesel

Soybean oil exports from Argentina increased by 25% year-on-year in 2024 to approximately 7.5 mn mt. Out of the 183 MR1s and MR2s fixed with vegoils during the year, 147 went to India which was again by far the main importer.

Biodiesel exports went up compared to last year, with about 900,000 mt imported by Europe and Canada, employing a total of 30 MR2s.

A total of 213 MR1s or MR2s were chartered from South America with vegoils and/or biodiesel during the year.

Freight rates were relatively stable, producing returns of around $25,000/day at their lowest to $36,000/day at their highest.

The growth in South American soybean output and more so the recovery in the Argentinian crop saw soybean oil prices remain competitive versus other edible oils. This saw an increase in traded soybean oil volumes in 2024, especially in the second half.

Regarding sunflower oil exports, the situation has further evolved not only due to the Russia-Ukraine war but also following 2024's poor harvest and the Red Sea situation. We saw a decline in exports from Romania and Bulgaria to India. Meanwhile, exports from Ukraine increased, likely because most ships willing to transit the Red Sea were also willing to load directly from Ukraine. Owners with the ability to consider such shipments remained limited, and the premium for these shipments faded in the second half of the year.

Palm Oils and Biodiesel

We have seen fewer palm oils and more biodiesel exports from Asia on long haul routes. This follows the previous year's trend as Europe drastically decreases its palm oil imports, substituting with sustainable biodiesel feedstocks. The US still purchased regular palm oil volumes in addition to biodiesel.

Out of 36 units delivered, only 22 MR newbuildings were fixed with palms or biodiesel for their maiden voyage, the lowest in over 20 years.

Daily returns moved from $35,000/day in the first quarter to approximately $50,000/day in the second quarter. They then slowly declined to around $25,000/day by year-end.

We expect about 85 MR2s to be delivered in 2025, more than double last year's figure. This will provide more options for traders and charterers.

PACIFICO
Chemical Tanker, 22,543 Dwt, built May 2022 by Wuhu Xinlian, Rederi AB Donsötank, Sweden, in Antwerp after completing discharge.

Conclusion

After years of overcapacity and sluggish markets, owners are now in a favourable position. Despite high newbuilding prices, strong market conditions have driven investment in new vessels. However, how these new units will be absorbed will depend on the evolving geopolitical situation and global chemical demand, which is expected to continue its growth, fuelled by economic recovery. While the geopolitical landscape may create some uncertainty, its effects on chemical trade flows could be mixed. Shifts in US trade policies, such as new tariffs on imports, especially from China, could disrupt global chemical trade. Additionally, the recent Gaza ceasefire and associated suspension of Houthi attacks on shipping could reshape market dynamics. If, as expected, Red Sea transit becomes safer, trade flows could adjust as owners return to this route.

While owners remain cautious, they expect that 2025 will still offer a relatively favourable market, allowing them to face the wind of change that represents the various evolving environmental regulations and the geopolitical disarray.

ALEYNA MERCAN
Chemical Tanker, 4,037 Dwt, built by Aykin, operated by MRC Denizcilik, delivery year 2005.

The Sale and Purchase Market for Small Tankers (3,000–25,000 Dwt) – 2024

Almost nothing left to be purchased

Last year, the number of transactions involving small tankers and chemical carriers (3,000-25,000 Dwt) dramatically dropped to 89, down from 111 in 2023 and 139 in 2022. There is virtually nothing left to purchase in this segment.

In 2024, only 31 stainless steel tankers changed hands, compared to 42 in 2022, indicating a strong preference among owners to hold onto their assets. While freight rates have softened somewhat, they remain historically high, thereby providing owners with little incentive to sell unless a highly motivated buyer comes forward.

A key factor driving this trend is the steep rise in newbuilding prices. Smaller tankers have seen a 40-50% price increase since the pandemic lows. Consequently, second-hand prices have also surged, with ten-year-old vessels now fetching prices that five-year-old units would have commanded just two years ago.

Stricter sanctions after Russia's invasion of Ukraine have led to a significant portion of vessels joining the "dark side" of the fleet. Charterers have turned to compliant owners, and have had to settle for fixing older units from those eligible. As a result, the mantra "20 is the new 15" has emerged, reflecting the scarcity of available compliant tonnage as much as the need to renew fleets to comply with new regulations such as FuelEU Maritime and EEXI.

The overall orderbook currently stands at 11.03% of the existing fleet in deadweight terms, and 8.2% in number-of-ships terms. This marks a 100% increase in deadweight terms. The average size of vessels ordered has continued its long-term upward trend, increasing by about 30% over the past year.

Year	Orderbook (Dwt)	Fleet (Dwt)	Ratio (Dwt)	Average size	Ships ordered	Fleet (ships)	Ratio (ships)
2018	2,902,316	43,301,981	6.70%	9,872	294	4,979	5.90%
2019	2,698,329	44,219,872	6.10%	9,637	280	5,056	5.54%
2020	2,812,171	44,882,939	6.27%	10,043	280	5,126	5.46%
2021	2,643,858	44,923,536	5.89%	9,085	291	5,116	5.69%
2022	2,619,059	45,735,042	5.73%	9,387	279	5,197	5.37%
2023	3,937,088	46,572,898	8.45%	10,997	358	5,288	6.77%
2024	5,244,815	47,531,217	11.03%	11,733	447	5,403	8.27%

Türkiye's role as a shipbuilding nation for small tankers has almost disappeared, with its mere 1.5% market share. Meanwhile, bitumen tankers have generated significant interest, with 29 units currently on order (28 in China, and one in Japan at Sasaki Shipyard for Tipco).

When considering qualitative aspects of the orderbook, it is evident that owners are adapting to the high newbuilding prices by ordering larger units and focusing on segments where capital expenditure is more manageable. One notable trend is the high number of bunkering tankers ordered, with companies like Vitol and Consorts Bunkering placing orders. Notably, Peninsula contracted a total of ten units from Jiangmen Hangtong Shipyard. In recent years, more than 50 8,000 Dwt bunkering tankers have been delivered or are on order.

Trends in fleet age and recycling

The average age of vessels at the time of sale has risen from 13 to 16 years for coated tankers, surpassing the symbolic 15-year mark for the first time. For stainless steel tankers, buyers have become even more tolerant, with the average age now reaching 13 years (up from seven years in 2023). In fact, 80% of the sales in 2024 involved ships older than 10 years.

Demolition rates in 2023 had been historically low, with only 0.3% of the active fleet being scrapped. This figure dropped lower still in 2024, with just 0.2% of the fleet being sent for recycling.

Outlook for 2025

The average age of the fleet stands at 15.9 years. The delay in fleet renewal in part reflects the wait for (affordable) newbuilding vessels. Owners are grappling with a challenging equation, balancing new fuel regulations, the choice of low carbon fuel, relatively high interest rates, and the slim possibility of softer freight rates if the war in Ukraine ends. Uncertainty about the continuation of sanctions also plays a role, as compliant fleets have benefited from fewer ships competing for non-Russian cargoes, resulting in longer tonne-miles. Perhaps President Trump has an answer – who knows?

If recycling figures remain unchanged, the fleet is expected to grow by around 5.1% in deadweight terms (4.2% in number-of-ships terms) in 2025. Accordingly, prices will likely hold or rise, but the number of transactions will probably decline again. The outlook remains positive, although the 15-year age limit is on the backburner, which unfortunately is not encouraging owners to invest in new projects. We do hope this very important threshold becomes fashionable again soon, but this may only happen when charterers have a younger fleet to deal with.

Gas

LPG/E/C PACIFIC SP MINERVA
VLEC (Very Large Ethane Carrier), 99,000 cbm, built by Jiangnan Shipyard (Group) Co., LTD, Shanghai China, delivered in February 2024.
Owned by Pacific Gas and on long-term time charter and operated by SP Chemicals' subsidiary Asia Chemical Shipping Pte. Ltd.

Light at the End of the Tunnel

Persistent geopolitical tensions and environmental risks are the norm nowadays, with many affecting global trade. Case in point; war continues in Eastern Europe between Russia and Ukraine. With multiple sanctions taking hold and owners self-sanctioning, the existing shadow fleet of LPG carriers, previously primarily linked to Iran and Venezuela, has become increasingly connected to Russia. Although there is opaqueness in the number of LPG carriers considered to be in the shadow fleet, we believe it to be in the low-to-mid 50s.

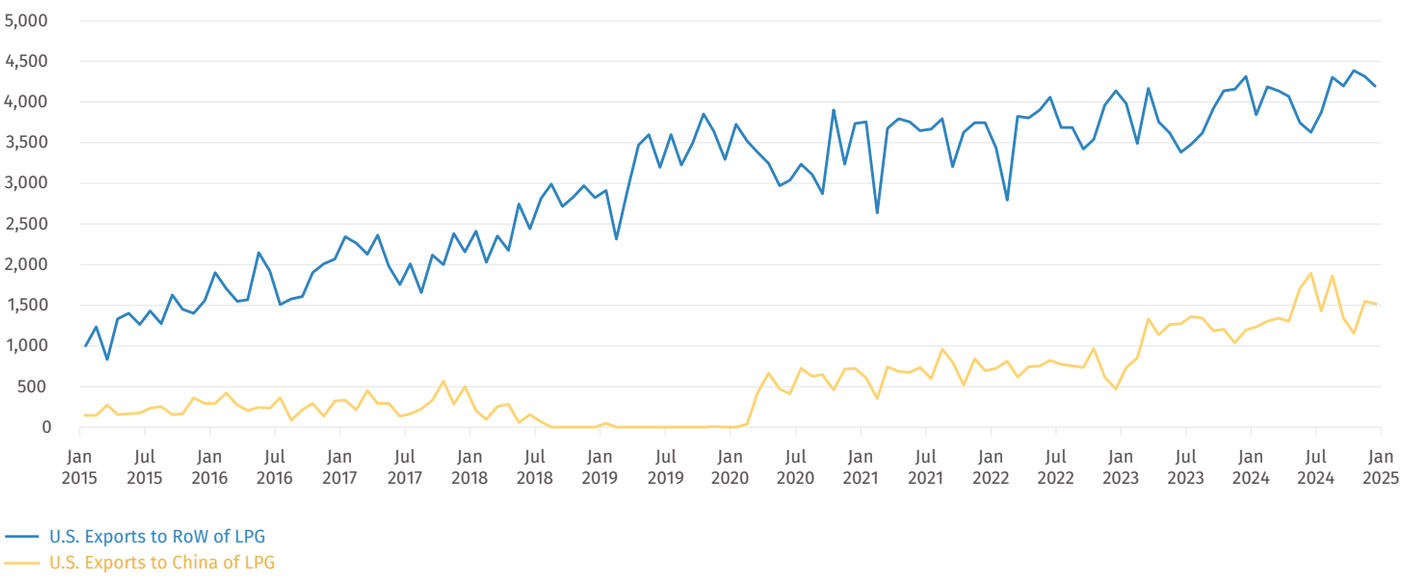
The conflict between Israel and Hamas continued unabated during 2024, as did related attacks on vessels transiting the Bab-el-Mandeb Strait by the Iran-backed Houthi movement in Yemen. Reports of 73 separate attacks were noted, with some vessels not incurring any damage while two were sunk. Gas ships were not exempt, with two LPG carriers reportedly targeted, thankfully with no reported injuries and little or no damage to the vessels. The risks associated with the strait forced many owners to divert via the Cape of Good Hope.

Transit through the Panama Canal remained restricted at the beginning of 2024 following the persistent drought and low water levels in Lake Gatun. This again saw owners consider sailing the longer route around Africa for US-origin cargoes destined for Asia. The various geopolitical and climate concerns contributed to annual average tonne-mile increases of about 8% in 2024 for all gases, and 9% for the LPG trade in particular.

It remains to be seen how these issues develop, but general optimism was felt towards the end of the year. Whether or not the newly elected US administration can assist in ending the Russia-Ukraine war remains to be seen. However, many speculate that the flailing Russian economy may nonetheless trigger a forced abandonment of their aggression, perhaps by the end of 2025. After numerous attempts to solve the crisis involving Israel and Hamas, a ceasefire was finally reached in January 2025. One hopes that the solution can be sustained, and that Houthis attacks on vessels passing close to Yemen can end, thereby allowing risk-free passage in and out of the Red Sea. There, of course, remains the possibility that these geopolitical risks could flare up again, while other risks, including those related to climate change, may emerge to affect future shipping.

Notwithstanding these risks, global LPG trade increased by 4.15% year-on-year in 2024 to about 145.4 mn mt, compared with 139.6 mn mt in 2023. This growth was a slight deceleration from the 6.08% increase posted across 2022-23. China remains the world's major importer and increased its intake by 6.2% y-o-y to 34.35 mn mt. This import growth is notably lower than the 22.35% increase from 2022 to 2023 after the country emerged from its zero-Covid policy. The majority of the increase in China's LPG imports came from the USA which, according to Kpler, increased shipments by 25.71% to 17.7 mn mt in 2024 from 14.11 mn mt in the previous year. The USA continued its export growth, rising by 6.18 mn mt in 2023 to 66.59 mn mt in 2024.

US LPG Export to China and the Rest of the World (KT)



Chartering

VLGC

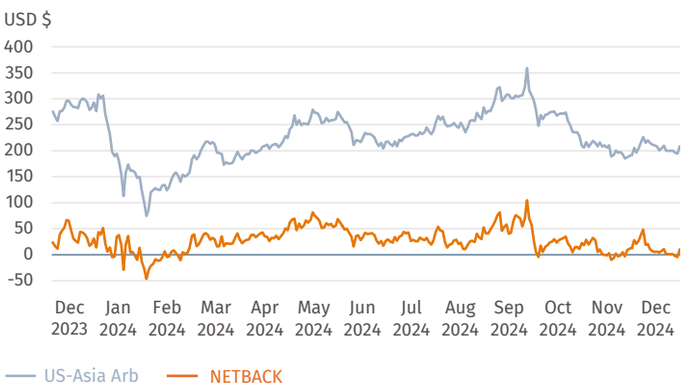
Although shipping markets were impacted by various external and geopolitical factors in 2024, the Panama Canal was not at the forefront of these as in 2023. However, the new US administration has now threatened to throw this back into the discourse. Considering new vessel deliveries (and thus increased capacity), we saw average TCEs down by circa 50% compared with the previous year, with the average across all three Baltic routes just below $51,000/day. TCEs for US loaded cargoes averaged around $4,000/day higher than those in the East. This was in contrast to 2023, which saw both the East and West at very similar levels.

Owner sentiment was high when entering 2024, but the market did not evolve along the same lines as in 2023. Considering fluctuations in product prices and record terminal fees, several traders swapped FOBs in order to utilise their own tonnage, which resulted in increased spot availability, lower rates fixed and in turn drove Baltic indices lower. Moreover, with rising water levels in Lake Gatun, delays through the Panama Canal remained low.

Last year saw 22 new deliveries and big news with regards to the ownership structure of the VLGC fleet, as Avance Gas exited the segment after selling all its VLGCs to BW Group. With one fewer traditional owner, BW took another step to cement itself as the world's largest VLGC owner, albeit with Petredec and Helios close behind. Although there are plenty of positives to take from the new deliveries, traders have become less enthusiastic about committing to longer-term time charters for the time being.

Considering the current restrictions on Russian LPG, many were hoping that US export terminal expansions will fill the void after most reached capacity by mid-year. This drove a surge in spot prices. With product prices up and record terminal fees, the ARB and netbacks had, for the most part, failed to incentivise trade.

US-ASIA ARB vs. Netback

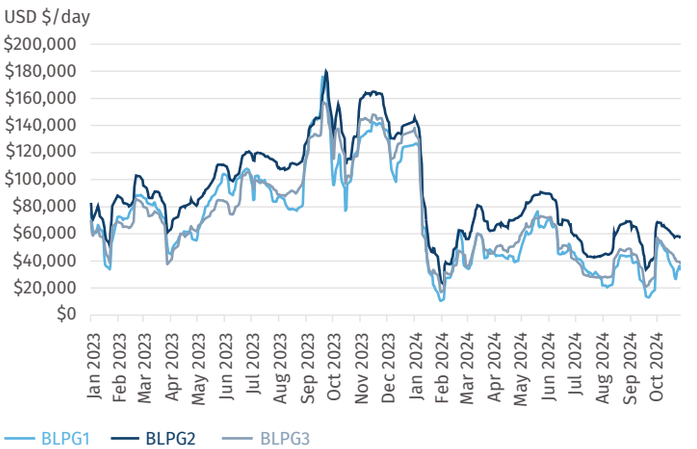


The year began in contrast to end-2023 and although TCEs remained above $100,000/day in the first week, with position lists growing and enquiries few and far between, we soon saw a correction with traders taking advantage accordingly. This meant that both the TCE high and low for 2024 were set within the first 30 days of the year. After TCEs bottomed out at $10,000/day at the start of February, we soon saw the market firm with economics and netbacks at their most attractive and freight leaving plenty of room for manoeuvre. This continued well into the second quarter until activity dwindled. In turn, rates corrected once again, with freight for US Gulf to Japan (BLPG3) coming in lower than those seen for Middle East Gulf to Japan across 3Q23-1Q24.

Following the usual seasonal factors and as players took their summer holidays, activity in the third quarter was sparse and in turn rates softened, with owners taking a hit. Early to mid-September saw two Pertamina spot requirements emerge, with both gaining multiple competitive offers and eventually fixing well below market. This then set the tone for spot fixtures to follow but was also somewhat of a catalyst for a whopping 26 fixtures the following week.

The hike in activity saw the fourth quarter begin on a high and as we headed toward year-end TCEs averaged $35,000/day. This saw many try to tie up last positions before year-end, resulting in good levels of activity and firming freight to carry into 2025.

BALTIC TCEs



The year was filled with discussions on dual fuel, fleet rejuvenation and more geopolitical factors than we could shake a stick at. These will without doubt continue into 2025. Indeed, the relationship between the USA and China will come under the microscope, alongside key challenges related to production, exports, and demand. On the whole, 2024 had its ups and downs but managed to remain relatively consistent compared to 2023.

HANNIBAL
Very Large Gas Carrier (VLGC), 93,000 cbm, built by Shanghai Jiangnan Changxing, China, owned by Petredec, delivered in January 2024.

LGC

With only 21 vessels in operation and no additions to the fleet since 2016, one could have believed the LGC segment to be in decline. However, 2024 saw its revival. Eastern Pacific Shipping placed an order for four 60,000 cbm vessels, scheduled for delivery in 2027 and 2028. Additionally, Asia Pacific Shipping ordered two 50,500 cbm vessels, expected to join the fleet in 2026 and 2027. The existing fleet has an average age of 16 years, with vessel distribution still heavily concentrated in the west of Suez. Currently, five to six vessels are dedicated to ammonia transportation, while the rest remain engaged in LPG trade.

The LGC market experienced a slowdown last year, with daily time charter rates starting at $56,000/day at the beginning of the year and dropping to $32,000/day by the year-end, comparable to the rates of modern 40,000 cbm MGC eco vessels, which were around the $33,200/day mark for 12-month charters. Limited vessel availability, due to most already having been committed on long-term time charters, resulted in minimal spot market activity. Additionally, fewer transit delays in the Panama Canal reduced demand for LGCs compared to the previous year. Nevertheless, the segment maintained a competitive edge on specific routes, such as from the US Gulf to Africa or via the Strait of Magellan.

The intricacies of the ammonia market, the diverse dynamics of the VLGC sector, and age-related issues for LGCs were key points of discussion last year. Despite these uncertainties, the LGC sector demonstrated resilience, supported by robust demand. Meanwhile, future market shifts should be driven by changes in future emission control regions. The LGC market appears to be a low priority for new investments, as the latest larger MGC vessels are bridging the gap with the smaller VLGCs, positioning LGCs as the intermediary option and consequently making them less appealing for future orders.

Nevertheless, with expectations of growth in the ammonia market and speculative projects on the horizon, the 60,000 cbm LGC fleet could still play a favourable role. This reflects their ability to carry about 13,000 mt more cargo compared to a 40,000 cbm MGC, for only a slight premium on time charter rates. Despite the orders placed in 2024, it appears that the fleet will stagnate, and its prospects appear weak. These indicators suggest a declining LGC market, reflecting an industry shift as owners increasingly focus on larger ammonia-capable MGCs and the existing VLGC fleet.

MGC

Last year began with the majority of MGCs tied up on long-term time charters while very few were available on spot. Several MGCs switched from LPG to Ammonia given projected demand growth. Approximately 30% of the global fleet of 140 were employed in the ammonia trade during the year.

The expansion of India's Kandla port to be capable of handling VLGCs is expected to reduce the number of MGCs discharging in India. This development could significantly impact the MGC segment, particularly as Indian charterers may release MGCs in the coming years. Towards the end of 2024, several traders faced challenges securing long-term FOB parcels from US Gulf refineries, resulting in the redelivery of MGCs to their owners and an increase in spot positions. As spot rates were more competitive than long-term time charter rates, traders and charterers opted for spot positions, further impacting market dynamics.

Owners remain optimistic about the incoming fleet of ammonia-capable MGCs, particularly as new ammonia plants are scheduled to come online around the same time as newbuild deliveries. MAN Energy Solutions has commenced full-scale testing of its two-stroke ammonia engine, while WinGD is offering dual-fuel engines designed for flexibility between LPG and ammonia, reinforcing the positive outlook for future MGCs and VLACs. The MGC segment continues to evolve; while orders in 2023 primarily focused on 40,000 cbm vessels, with a few orders for 45,000 cbm, last year saw orders placed for 45,000 cbm and larger 48,000 cbm vessels.

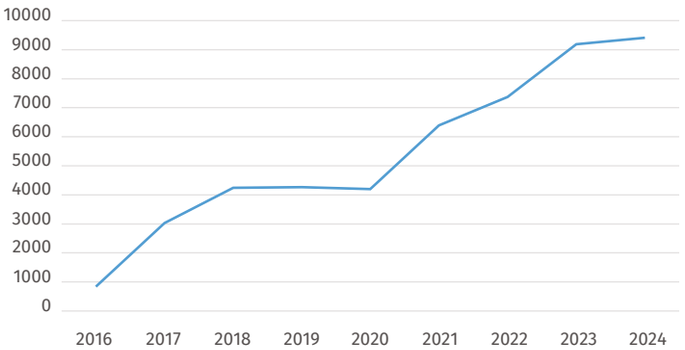
Looking ahead, many of the MGCs scheduled for delivery in 2025 are already committed to long-term time charters, while a small number remain available for employment. Avance Gas exited the LPG market after selling its remaining four MGCs to Exmar, making the latter the largest MGC owner. Trader sentiment for ammonia remains positive, particularly for cross-Atlantic trade on MGCs. Meanwhile, modern VLACs are increasingly favoured for cross-Pacific routes. However, delays in ammonia plant start-ups pose challenges for fleet utilisation. Despite these uncertainties, the MGC market remained resilient in 2024.

Looking into 2025, will owners continue to focus on long-term time charters, or pivot to capitalise on limited but potentially lucrative spot market opportunities?

Ethane

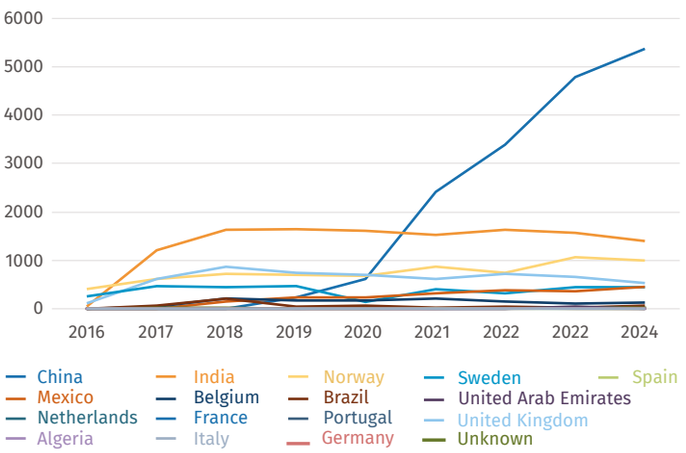
Global seaborne ethane trade has continued its uninterrupted growth since 2020. However, growth was relatively slow from 2023 to 2024, measuring about 2.4%, compared to the 22% average annual growth posted across the preceding three years. As in 2023, more than 99% of ethane exports, totalling about 9.4 mn mt, originated from the USA. Meanwhile, the remaining 45,000 mt were shipped from ConocoPhillips' Teesside Facility in the UK.

Global Seaborne Ethane Trade (Kt)



Total seaborne ethane trade totalled 9.4 mn mt in 2024, compared with 9.2 mn mt in the previous year. About 57% (5.4 mn mt) was shipped to China. Meanwhile, 1.4 mn mt went to India with the remainder distributed to facilities in Norway, UK, Sweden, Mexico, Belgium, and Brazil.

Ethane Trade by Import Countries 2016-2023 (Kt)



As per long haul LPG trade ex US Gulf to Far East Asia, ethane trade was also hampered by transit restrictions in the Panama Canal. In addition, the US-India route was extended as vessels deviated around Africa to avoid security risks surrounding the Red Sea. As a result, tonne-mile demand was supported throughout the year.

The most significant development during the year involves the VLEC/ULEC newbuilding programme. The orderbook is large and represents 200% of the current fleet. All vessels have been ordered to accommodate planned ethane import expansions over the coming years and are either owned by end users/cracker operators or are/will be on long (15-20 year) charter agreements. Assuming no cancellations, the VLEC/ULEC fleet will increase from the current 29 vessels to 87 by the first half of 2028.

Chinese ethane imports took off in 2019, when Singapore-based SP Chemical commissioned its 600,000 t/yr steam cracker in Jiangsu, partially fed by imported ethane. The pace of imports gathered momentum across 2021-22, when private-sector Zhejiang Satellite started up two 1.25 mn t/yr crackers fed entirely on imported ethane, also in Jiangsu. Private-sector Sanjiang Chemical Company brought online its 1 mn t/yr cracker in Zhejiang in 2023, to run on both domestic and imported ethane. About 96% of China's ethane imports in 2024 were discharged in the provinces of Jiangsu and Zhejiang.

Ammonia

The ammonia market started the year with Western Europe under pressure as production costs dropped, a trend mirrored in the Baltic, where liftings from Russia's Ust-Luga terminal remained flat. This pattern persisted into February as the market continued to suffer from subdued demand. Falling natural gas prices in Europe led to cheaper production costs. However, Europe has so far remained reliant on imports, as many producers have delayed ramping up European production. In March, the Western market strengthened, while the Eastern market declined. The West benefited from the start of the application season, whereas the East struggled with subdued demand and plant outages.

During 2Q24, the Eastern market tightened due to limited supply caused by plant outages in the Middle East and Indonesia, which propelled prices higher. The Western market remained stable until the end of May, when supply growth from the USA, Trinidad, and Algeria outpaced demand growth, leading to weaker prices overall despite rising Henry Hub natural gas prices. Trinidad saw fewer exports in June due to curbs in gas production, which were extended through 3Q24, thereby keeping buyers' options limited. A tighter market which supported Henry Hub natural gas prices at the end of the second quarter pushed ammonia prices higher. World monthly ammonia exports in 2Q24 slipped to 3,779 kt, 7% lower than the 4,065 kt posted in 2Q23 and 1% below 1Q23.

The third quarter began with markets west of Suez strengthening throughout July and August due to limited availability from key suppliers. The unexpected 35% reduction in gas supply from Trinidad and Tobago drove the temporary shutdown of several plants in early August, following nearly two months of sporadic outages caused by gas supply issues. The global market remained constrained across all regions in September, as ongoing gas availability issues in Trinidad and disruptions at Ma'aden's 1.1 mn t/yr MWSPC plant in the Middle East reduced cargo availability. Ammonia exports in September dropped to

multi-year lows, totalling 805,000 mt. In comparison, exports in August were 1,471,000 mt and September recorded 1,278,000 mt.

During October, the West and East experienced reduced ammonia availability, but prices remained stable due to weak demand, which offset the impact of higher Henry Hub prices. Two Sorfert plants with a combined capacity of 1.45 mn t/yr reported outages throughout October. Ma'aden's MWSPC plant restarted, but shortly afterwards, the Ma'aden III plant shut down for 20 days in October. After its restart, supply pressure was alleviated, at least east of Suez. Yet the West faced a lack of supply, particularly from Algeria. In December, Algerian exports recovered from record lows in November, but demand remained weak. In December prices declined as supply improved and demand weakened. Overall, global ammonia exports totalled 15,014,000 mt, almost flat with 2023.

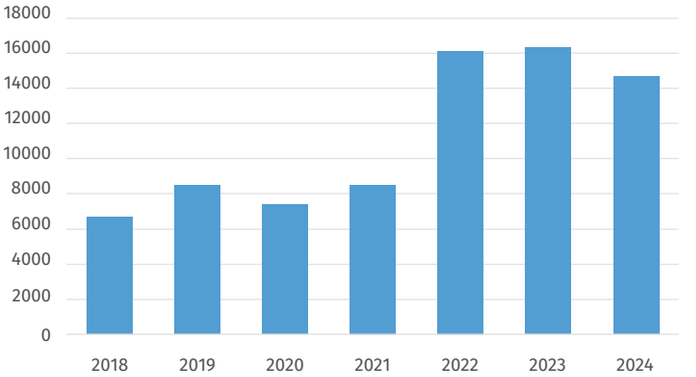
The situation in the Red Sea remained a point of discussion in the ammonia market in 2024. The Middle Eastern market was put under as roughly 30% of the region's exports went west of Suez in 2023 and 2024. This number had soared following the onset of the Ukrainian conflict in 2022, which removed a substantial portion of Black Sea exports from the market. The loss of supply from the Black Sea opened new markets for Middle Eastern ammonia producers in Europe and North Africa; routes that were not commonly used before. However, with the situation in the Red Sea, some Middle Eastern producers that had benefited from higher netbacks on these west of Suez voyages are now facing severe logistical challenges. For example, Ma'aden diverted one of its vessels around the Cape of Good Hope, where it performed an STS operation in Morocco before delivering the cargo into Bulgaria. Additionally, Moroccan importer OCP also had to reroute its vessels around the Cape of Good Hope. As a result of these longer voyages, buyers have turned to the spot market and may seek alternative sources if the situation persists.

The war in Ukraine drove a significant change in the ammonia market as it increased ammonia tonne-miles. In turn, more vessels were attracted to this trade. If the recently declared Houthi ceasefire holds, vessels might return to the Red Sea, eroding global tonne-miles and potentially reducing global freight rates and war risk premiums. We anticipate that most shipowners will proceed cautiously and return gradually.

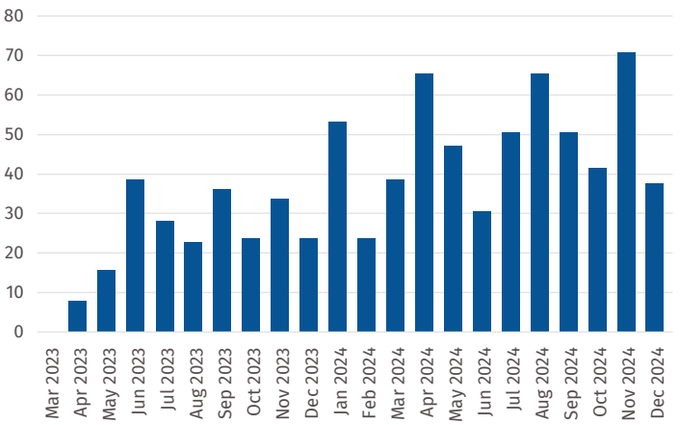
Moving forward, the ammonia market is expected to expand in the coming years. Clean hydrogen is anticipated to become a major contributor to emissions reduction across industrial sectors. As ammonia is one of the easiest and most efficient ways of transporting hydrogen, it is expected that the seaborne trade of ammonia will surge.

Ammonia only contains around 17-18% of its weight as hydrogen, so it is likely that not only the total volumes, but also the parcel sizes of seaborne ammonia will grow. Currently, VLGCs do not trade in the ammonia market, but shipowners are already preparing for the transition. Accordingly, the ammonia-capable VLGC, or so-called VLAC fleet is expected to more than triple across 2021-27.

European Ammonia Imports (Mn Tonne-Miles)



Russian Ammonia Exports (K Tonnes)



Petrochemical gases

Total ethylene exports from the USA declined by 28% year-on-year in 2024, reaching a total of 805,000 mt compared to 1,120,000 mt in 2023. Propylene exports followed suit, decreasing by 28% to 385,000 mt, down from 533,000 mt in 2023.

Cold weather in the US Gulf region forced petrochemical producers to shut down or reduce operating rates. Additionally, PDH units in the region experienced both planned and unplanned maintenance during most of the first quarter, thereby pushing up spot FOB prices. Congestion in the Panama Canal further restrained ethylene exports, but by the end of 1Q24 these restrictions eased as water levels rose. March recorded the highest export volumes of the year at 113,000 mt. Of these, 12,000 mt came from Targa and the remainder from Enterprise.

Disruptions at several crackers exacerbated the pressure on ethylene prices during the second quarter. These included INEOS' 930,000 t/yr cracker at Chocolate Bayou, Baystar's 1 mn t/yr unit, and Dow's 726,000 t/yr ethane cracker in Orange. By mid-May, prices climbed to seven-

month highs, with Enterprise's ethylene prices rising to 20.5-21.5¢/lb. In Choctaw, Louisiana, ethylene traded at 23.5¢/lb, a 2¢/lb premium to EPC. This was the highest since May 2022. These deficiencies continued into June, further supporting ethylene prices. The onset of Hurricane Beryl in early July disrupted petrochemical facilities along the US Gulf Coast.

On the PDH side, Enterprise Products Partners' PDH-1 unit (750,000 t/yr) in Mont Belvieu, Texas, underwent a turnaround starting on 10 March and resumed operations in June. Meanwhile, its PDH-2 unit (also 750,000 t/yr) shut down in late June, even as the PDH-1 unit produced off-specification propylene. Invista's 658,000 t/yr PDH plant in Houston began planned maintenance in late June, lasting nearly a month. These events placed upward pressure on polymer-grade propylene prices, which saw a 2.5¢/lb backwardation. By August, with the restart of Enterprise's PDH-2 unit, all US Gulf Coast units were operational, although issues with on-spec PGP production persisted.

By mid-September, all PDH plants in the region were operating. Spot PGP prices settled at 13.5¢/lb, 23¢/lb lower than their mid-August peak. However, by 12 December, PGP for December delivery at Enterprise's Mont Belvieu system traded at 35.75¢/lb, while January delivery traded at 38.75¢/lb, marking a sharp contango in the US PGP market. This reflected two factors: spot prices dropping to their lowest levels since August 2023 amid an unusual period of uninterrupted operations at PDH units, and anticipation of tighter PGP supply in 2025. Supply constraints are expected as LyondellBasell's 264 kb/d refinery in Houston should shut by end-1Q25. This facility accounts for 136,000 mt of annual propylene production. Moreover, no new US propylene capacity projects are planned for 2025, and several steam crackers producing propylene as a secondary product are scheduled for maintenance in 1Q25.

Last year saw a shift in US ethylene export patterns. In 2023, 476,000 mt of ethylene was shipped to China. However, this figure dropped to just 78,000 mt in 2024. Accordingly, Belgium emerged as the top recipient of US ethylene in 2024, importing 258,000 mt, a slight increase from 212,000 mt in 2023.

Cracker margins in Asia, especially in the northeast of the region, underwent a steady recovery in early 2024. This was driven by higher ethylene and butadiene prices. Subsequently, expectations of tighter ethylene supplies, in the wake of lower US exports, pushed prices to multi-month highs. Propane cracker production margins improved faster, benefiting from lower feedstock propane prices. On 28 February, propane cracker cash margins were -$2/mt, a significant improvement from the -$240/mt posted on 03 January.

Early projections for 2024 anticipated a decelerating of the petrochemical manufacturing surge that bolstered Chinese LPG demand in 2023. China's apparent demand for LPG – including propane, butane, and other C3 and C4 hydrocarbons – rose by 290 kb/d in 2023 to reach 2.7 mb/d. Nearly half of this growth was driven by PDH units. While domestic refineries supplied one-third of the additional demand, PDH plants required pure propane, predominantly imported from the USA or the Middle East. China's growing PDH capacity further increased its reliance on propane imports.

In 2024, China imported 23,500,000 mt of propane, a 21% increase from the 19,342,000 mt imported in 2023. Imports from the USA surged by 38% year-on-year to 16,938,000 mt, while imports from the Middle East declined by 11% to 5,460,000 mt. The commissioning of six new PDH plants in China added a combined capacity of 4,210,000 t/yr. Operational rates averaged 68% among all PDH facilities.

Asian crackers are increasingly shifting toward ethane as a feedstock to improve margins. In China, Wanhua Chemical is converting its 1 mn t/yr propane-fed cracker in Yantai to operate on ethane, with completion targeted for 2026. In October, Huatai Shengfu began debottlenecking its 600,000 t/yr propane-fed cracker by converting one furnace to ethane, which will boost ethylene output and increase capacity to 850,000 t/yr upon completion.

New Chinese PDH Plants

2022	
Qixiang Tengda	700,000 t/yr
Jiangsu Sailboat	700,000 t/yr
Zibo Xintai	300,000 t/yr
Shangdong Huifeng Haiyi	250,000 t/yr
Wanda Tianhong	450,000 t/yr
Liaoning Kingfa	600,000 t/yr
Puyang Far East	150,000 t/yr
2023	
Guangxi Huayi New Materials	750,000 t/yr
Yanchang Zhongran Taixing	600,000 t/yr
Guangzhou JuZhengyuan No.2	600,000 t/yr
Shandong Befar	600,000 t/yr
Zhejiang Huahong No. 2	450,000 t/yr
Oriental Maoming	450,000 t/yr
Lihuayi Weiyuan	600,000 t/yr
Sinochem Ruiheng	600,000 t/yr
Formosa Ningbo	600,000 t/yr
2024	
Ningbo Kingfa No.2	600,000 t/yr
SoftPackaging No.2	900,000 t/yr
Shangdong Zhonghai Fine Chemicals	400,000 t/yr
Jinneng Technology No.2	900,000 t/yr
Shandong Zhenhua Chemical	750,000 t/yr
Guoheng Chemical	660,000 t/yr

Additional ethane-based capacity is expected in the region over the coming years. This includes Wanhua Chemical's 1.2 mn t/yr No. 2 cracker, slated for 2025, and Satellite's 1.5 mn t/yr No. 3 cracker in Lianyungang, set for 2026, both of which will drive up ethane imports. In Vietnam,

ASTOR
Midsize Gas Carrier (MGC), 40,000 cbm, built by HD Hyundai Mipo, South Korea, owned and operated by Eveland Shipping, delivered in October 2023.

Long Son Petrochemicals is planning an ethane enhancement project for its Ba Ria-Vung Tau plant, scheduled for completion by the end of 2027.

In Europe, several plants announced plans to cease operations due to high operating and energy costs. In November, Eni revealed its intention to shut down steam cracking operations at its Brindisi and Priolo facilities within 12 to 18 months, following the 2022 closure of its Porto Marghera plant. Additionally, Eni planned to discontinue the 160,000 t/yr polyethylene (PE) plant at Ragusa. Meanwhile, Brindisi will be closed by the end of April 2025.

ExxonMobil announced the closure of chemical operations at Port-Jérôme-sur-Seine in northern France, citing losses exceeding €500mn since 2018. The facility has a production capacity of 290,000 t/yr for propylene, 400,000 t/yr for ethylene, and up to 80,000 t/yr for butadiene. Exxon attributed the closure to the site's outdated steam cracker configuration, notably its small size compared to newer units, and high operating and energy costs. The company was planning to shut its 400,000 t/yr Notre Dame de Gravenchon cracker. SABIC shut down its 550,000 t/yr Geleen steam cracker in the Netherlands earlier in the year. In August, LyondellBasell announced it is considering options for its crackers in Berre, France, and Münchmünster, Germany.

Orlen in Poland announced plans to either scale back or halt its petrochemical expansion project at Plock. The original plan included constructing a new steam cracker and five petrochemical installations by 2025, which would have increased Plock's ethylene production capacity by 400,000 t/yr to 1.04 mn t/yr. Orlen cited rising project costs and a weak market outlook as reasons for its reconsideration. The timeline remains uncertain, and the status of other assets is still under review. Economic challenges and required investments for carbon reduction are driving the rationalisation of assets. This rationalisation has raised concerns about the future of derivative assets linked to these crackers, potentially increasing Europe's reliance on imported olefins.

In terms of 2024 volumes, Europe exported 125,000 mt of propylene, a level close to the 148,000 mt reported in 2023. As in 2023, Egypt remained the primary destination. Most exports were from Spain, in contrast to 2023, when the Netherlands was the main supplier.

Last year, European ethylene imports rose by 32% to hit 519,000 mt. The USA was the primary supplier, although Libya upped its shipments. However, butadiene exports slipped by 44% year-on-year. Deliveries to China dropped by 51%, and shipments to the USA fell by 64%.

Industry news

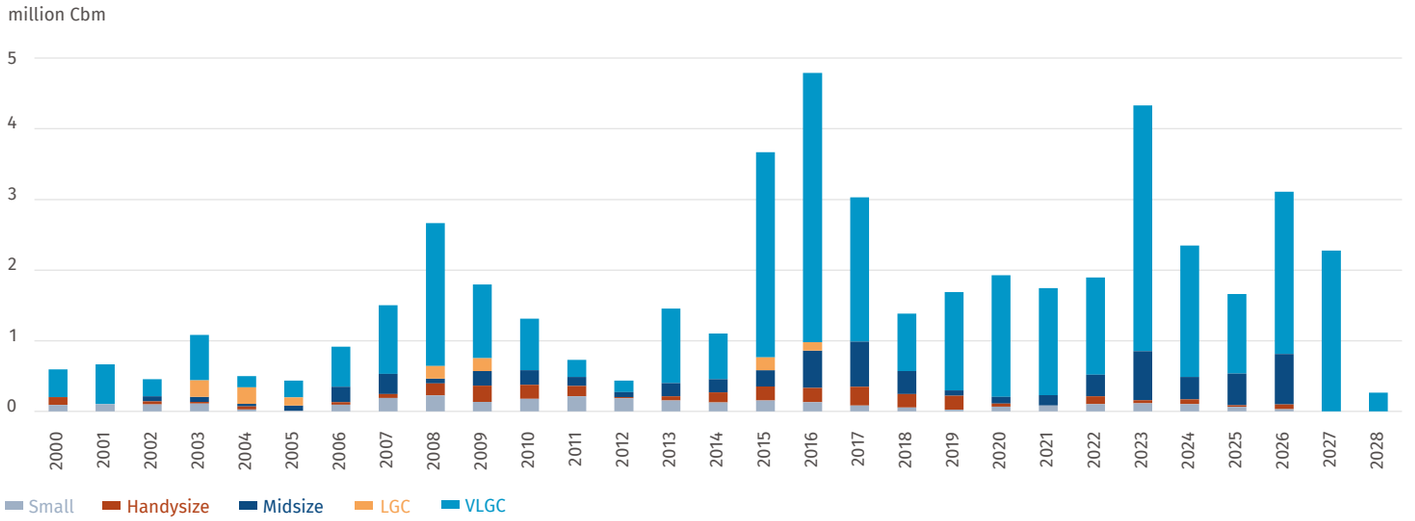
- Saudi Aramco is now the main shareholder of PetroRabigh's petrochemical facility and refinery, holding a 60% share after acquiring 22.5% from Japanese partner Sumitomo Chemical, which now holds 15%. The $702mn received by Sumitomo, along with additional funds from Aramco, will be invested into the complex.

- China announced a reduction of its ethane import tariff from 2% to 1%, from 01 January 2025. China imported around 5.4 mn mt of ethane in 2024. Market participants suggest that the reduced tariff could stimulate ethane demand, considering that it is the most cost-effective and environmentally friendly feedstock for producing ethylene.

- Navigator Gas expanded its joint venture with Enterprise Products Partners' ethylene export terminal in Morgan's Point, Texas, in late December. This project increases export capacity by at least 550,000 t/yr to 1.55 mn t/yr in 2025, with the potential to reach 3.2 mn t/yr. Enterprise is also developing the Neches River Terminal near Beaumont, Texas, as an alternative ethane export terminal for customers using Morgan's Point.

The Fleet

LPG Tonnage Deliveries and Orderbook by Vessel Type Since 2000



VLGC

The newbuilding market remained active last year, mainly supported by the new VLAC and VLEC orders. Fifty-six VLGC/ VLAC were contracted in 2024. Accordingly, the orderbook now stands at 110 vessels. Twenty-four new VLGC units were delivered in 2024, while 15 VLECs were ordered. Meanwhile, 15 VLECs were ordered in 2024. Eastern Pacific Shipping ordered six ULECs linked with a 15-year time charter agreement upon delivery. Samsung received orders for two ULECs, bringing the total ULEC orderbook to eight. The orderbook for the segment now numbers 61 vessels.

LGC

After nearly a decade, six new LGCs were ordered in 2024. Eastern Pacific Shipping (EPS) commissioned four for delivery in 2027 and 2028, while Asia Pacific Shipping ordered two 50,500 cbm vessels scheduled for delivery in 2026-27. The trend appears to have shifted away from building LGCs, driven by the improved economies of scale offered by VLGCs. Nevertheless, additional orders may still be placed, particularly to support the clean ammonia trade.

MGC

The current MGC fleet stands around 140 vessels including five newbuildings delivered in 2024. No deletions have been recorded since 2018. The average fleet age stands at 10.8 years and around 18% of the fleet is over 15 years. The orderbook stands at 34.9% of the current fleet; 10 vessels are scheduled for delivery in 2025 and 23 in 2026. Navigator Gas announced the construction of four 48,500 cbm vessels, for delivery in 2027-28. Sinogas is to receive three vessels which are already fixed on long-term time charters. Meanwhile Exmar, PascoGas, and Purus Marine are expecting two deliveries each. Sahara and Gaschem are scheduled to receive one dual-fuel MGC each. Avance has exited the LPG market after selling its last four MGCs for delivery in 2025-26 to Exmar. The second-hand MGC market remained active as nine sale and purchase transactions were recorded in 2024.

Handysize Gas Carriers

Fifteen Handysize vessels are on order; of these, 10 were contracted in 2024. Capital Gas ordered two 22,000 cbm LCo2/LPG carriers in 2023, and two more in 2024. Other companies involved in last year's orders included Southwest Maritime, Hartmann and Pertamina.

Small Gas Carriers

Last year's small vessel orders included one LCo2 carrier, to be operated by INEOS, two ethylene carriers and 15 LPG carriers. The total orderbook stands at 42 units. The market for small vessels below 5,000 cbm is currently tight. There is no appetite to construct new small units due to high newbuilding prices. Furthermore, shipyards are advising that deliveries will be 2028 at the earliest. One concern for smaller units, particularly the 3,500 cbm segment, is that the average age is now over 15 years old and there is only one unit on order, likely for Asian trade. This clearly shows that the replacement of the existing fleet is not a priority. Ultimately, we could see this segment slowly die, to be replaced by larger vessels as terminal sizes continue to increase.

Developments among Gas Carriers

A notable event last year was the exit of Avance Gas from the LPG market. It sold its entire fleet of 12 VLGCs to BW LPG for $1.05bn. The fleet comprised four 91,000 cbm dual-fuel VLGCs built between 2022-23, along with eight 2015-built 83,000 cbm vessels. This increased BW LPG's fleet from 41 to 52 vessels. Shortly after this, Avance Gas sold its remaining four newbuilding 40,000 cbm dual-fuel MGCs to Exmar for a total of $282.4mn.

NYK is to take over an 80% stake of ENEOS Ocean Corporation, which controls a fleet of 50 ships. NYK will take over 15 VLGCs along with nine tankers and 12 bulkers. The transaction is expected to close by April 2025.

Navigator Gas entered into an agreement with a third party to acquire three German-built 17,000 cbm vessels, which we understand to be Gaschem Antarctic, Gaschem Pacific and Gaschem Adriatic. Delivery is expected to take place between February and May 2025. Navigator Gas will own and operate a fleet of 59 vessels, 28 of which are ethylene and ethane-capable.

Erasmus Shipinvest Group, originally focused on bulk carriers, is now committed to becoming a key player in the LPG market, specifically within the small-pressurised segment. The Greece-based company made a significant acquisition of nine LPG carriers in the second-hand market, including the ex-BWEK vessels Epic Curacao (2014-built, 3,500 cbm), Epic St. Croix (2014-built, 5,000 cbm), Epic St. Agnes and Epic St. Ivan (both 2015-built, 5,000 cbm), Epic St. Martin (2008-built, 5,000 cbm) and the ex-Exmar vessel Sabrina (2009-built, 5,000 cbm).

Erasmus' fleet comprises vessels ranging from 3,500 cbm to 7,500 cbm. The company is awaiting delivery of one additional 5,000 cbm vessel in 2026 and three 7,500 cbm vessels in 2025. Furthermore, Erasmus has placed an order for what will be its largest LPG vessels to date: a pair of 11,000 cbm pressurised vessels from Japan's Kyokuyo Shipyard, with delivery scheduled for 2026 and 2027.

GAS INNOVATOR
Handysize Gas Carrier (HGC), built by Hyundai Mipo, South Korea, owned and operated by Iino Kaiun Kaisha, Ltd (Iino Lines), delivered in February 2024.

GASCHEM PHOENIX
Small Gas Carrier (Ethylene), built by Nantong CIMC Sinopacific Offshore & Engineering, China, operated by GasChem Services, on time charter to Marubeni, delivered in September 2024.

GAS BLOSSOM
Small Gas Carrier (SGC), built by Shitanoe Ship Building, Japan, owned and operated by Erasmus Gas Carriers Ltd., delivered in October 2023.

LNG

A Year of Market Shifts and Milestones

A landmark year for the LNG shipping market, 2024 was marked by a historic decline in LNG exports due to delays in commissioning new production, supply disruptions, and a fall in European demand. It will also undoubtedly be remembered as the year when shipping overcapacity finally hit the freight market, kicking off the current down cycle.

Amid these challenges, 2024 witnessed remarkable milestones. A record-breaking 59 LNG carriers were delivered, including the first vessels from Qatar's ambitious LNG carrier newbuilding project. Recycling activity also reached historic levels, with eight LNG carriers scrapped. In addition, owners placed 76 new orders for large LNG carriers, making 2024 the third-highest ordering year on record. The LNG bunkering vessel market also experienced an extraordinary surge, with a record 16 new orders underscoring the growing demand and investment in this essential segment.

LNG Trade

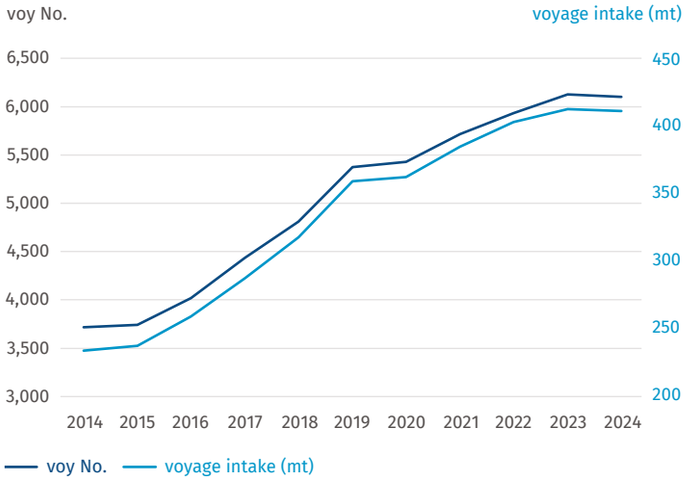
Historical 0.30% downtick in LNG trade

In 2024, LNG exports declined, marking a shift in the global market. This can be attributed to three primary factors: the postponement of new terminal start-ups, supply disruptions at existing facilities, and a substantial drop in European demand. No new LNG projects were commissioned last year, delaying the anticipated expansion of export capacity. Major projects were deferred to 2025 or later, except Arctic LNG 2 which remains under sanction and thus limited in its contribution to global supply. Compounding these challenges were scheduled and unscheduled maintenance and supply disruptions at existing facilities, which significantly curtailed exports and further contributed to the overall decline. Additionally, European LNG demand fell sharply by 19.5% to 93.3 Mt, down from 116.3 Mt in 2023, which had already recorded a 16% annual decline compared to 2022. This was driven by mild weather and increased renewable and nuclear output, which reduced European gas demand for heating and power generation during the winter.

Consequently, in 2024, the number of LNG tanker voyages decreased to 6,102 compared with 6,126 in 2023 (-0.39%). Similarly, globally traded LNG volumes broke their previously uninterrupted growth trajectory and fell by 0.3% to 411.2 mt, down from 412.4 mt y-o-y.

The three main LNG exporters - the USA, Australia, and Qatar - together accounted for nearly 60% of global LNG production in 2024. The USA retained its position as the world's largest LNG exporter for the second consecutive year, surpassing Australia and reaching 86.1 mt. However, for the first time since US LNG exports began, they fell by 2.1%, representing an annual drop of nearly 2 mt. This decline was largely attributed to frequent disruptions at the Freeport LNG facility, the second-largest LNG producer in the USA with a capacity of 15 million

Annual Voyage Number and Intake (mt)



tonnes per annum (mtpa). At least one of the plant's three liquefaction trains was offline every month in 2024 except October, and some outages lasted several weeks. Further exacerbating the situation were start-up delays at key LNG projects, including Golden Pass LNG trains 1 and 2 (12.06 mtpa combined), Plaquemines LNG Phase 1 (13.33 mtpa), and Corpus Christi trains 4 through 10 (11.48 mtpa). Originally scheduled to commence operations in 2024, these projects were delayed to 2025, constraining US export growth. Another contributor to the decline was the sharp reduction in European demand. US LNG exports to Europe fell by 24% in 2024, dropping to 41.6 mt from 56.6 mt in 2023. The Netherlands and France, the two largest European importers of US LNG, saw declines of 26% and 29%, respectively. Despite these setbacks, US LNG exports were bolstered by increasing demand elsewhere, notably from Asia. Japan, the third-largest importer of US LNG, posted a 6%

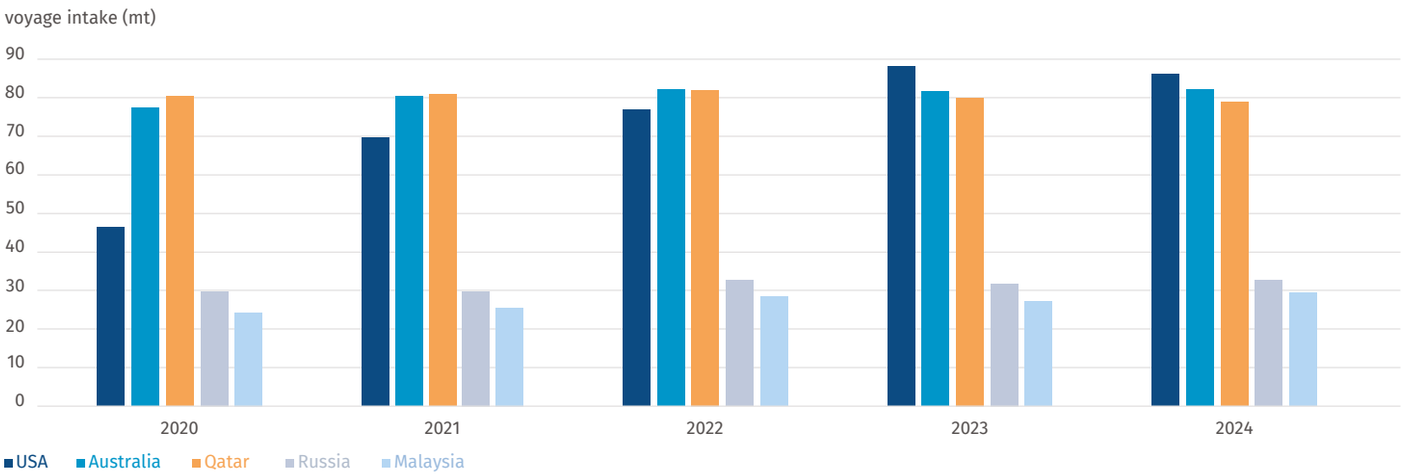
increase to 6.3 mt. Türkiye experienced substantial growth, with imports rising by 48% (+1.36 mt) to reach 4.2 mt. India also hiked its imports by a strong 37.5% (+1.25 mt) to reach 4.6 mt.

Qatar, last year's third-largest LNG exporter, also saw its export volumes decline slightly, by 1.4% y-o-y to 80 mt. This was primarily driven by plunging demand in Europe, where Qatar's exports plummeted by 22%, from 13.4 mt in 2023 to 10.4 mt in 2024. However, Qatar's LNG exports were bolstered by strong demand from Asia. China, the largest importer of Qatari LNG in 2024, posted a 10% increase to 19 mt. Growth was also strong in Pakistan as its imports soared by 9% (+0.9 mt) to 4.2 mt. South Korea contributed to Qatar's export stability, increasing its imports by 3% to 9.2 mt. Additionally, India emerged as a rising market for Qatari LNG, as its imports surged by 37.5% (+1.25 mt) to 4.6 mt.

Meanwhile, Australia, the second-largest LNG exporter in 2024, recorded a modest 0.6% increase, to 82.1 mt from 81.6 mt in 2023. This was largely driven by the end of the previous year's supply disruptions, including the scheduled maintenance shutdown of Shell's Prelude FLNG facility from August to mid-December 2023, as well as an extended strike at Chevron's Gorgon and Wheatstone facilities. It is worth mentioning that Australia also faced production challenges in 2024, including issues affecting trains 1 and 2 of the Ichthys facility during the second half. Despite these supply disruptions, export growth was driven by strong demand from key markets. China, Australia's largest LNG importer, hiked its imports by 2.17 mt (+9%) to 27.3 mt. South Korea purchased more Australian LNG, with imports rising by 1.66 mt (+15%) to 12.9 mt.

Russia and Malaysia, the fourth and fifth-largest LNG exporters in 2024, both saw their exports rise. Russia jumped by 2.8% to 32.7 mt, driven by a 7.65% increase in exports to Europe. France, Russia's top buyer, experienced a 42.5% surge to 6.5 mt, while the Netherlands nearly doubled its imports, adding 0.72 mt to reach 1.46 mt. Malaysia, meanwhile, enjoyed the largest boost among the top five exporters, up by 8.4% to 29.3 mt. This was driven by strong demand from key Asian markets. Japan, China, and South Korea, Malaysia's top three LNG buyers in 2024, increased their imports by 0.33 mt, 0.67 mt, and 0.57 mt, respectively. Indonesia also saw a remarkable boost in Malaysian LNG imports, increasing by 263% to reach 0.27 mt, up from 0.07 mt in the previous year.

Leading LNG Exporters



In 2024, Asia's robust demand largely sustained the global LNG market, while European demand saw a sharp decline. Therefore, it came as no surprise that five Asian countries dominated the top importers.

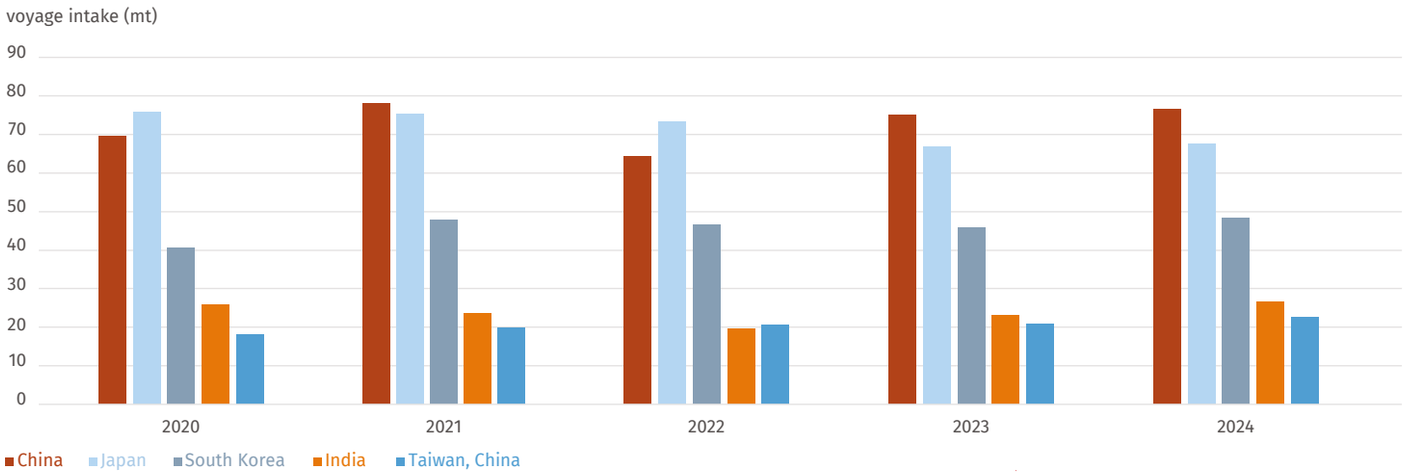
For the second consecutive year, China reaffirmed its position as the world's largest LNG importer, surpassing Japan with a total of 76.6 mt. Its growth was primarily driven by significant increases in exports from Australia (up by 2 mt) and Qatar (up by 1.7 mt), respectively the largest and second-largest LNG suppliers to China. In addition, China experienced a notable 17% boost in imports from the USA, reaching 3.7 mt.

Japan's LNG imports, which declined by 10% y-o-y in 2023, rebounded in 2024 with a modest 1.4% rise to 66.7 mt. Although Japan's imports from Australia decreased by 6% to 26 mt, Australia remains the largest LNG supplier to Japan. Its import growth was bolstered by a 52% surge in imports from Oman, which rose by 1.3 mt to reach 3.7 mt, as well as a 22% increase from Indonesia, which grew by 0.56 mt to hit 3.1 mt. South Korea, 2024's third-largest LNG importer, saw a 5.6% rise in imports to 48.5 mt. South Korea imported 13% more LNG from Australia, its largest supplier, to reach 12.65 mt. Additionally, South Korean imports from Malaysia rose by 6.8%, as did its imports from Qatar, Russia, and Peru.

Last year, India enjoyed the largest increase in LNG imports worldwide, up by a remarkable 14.8% (+3.41 mt), bringing its total to approximately 26.5 mt. Although imports from Qatar dropped by 3% to 11.2 mt, the country remained India's largest LNG supplier. India's impressive growth was driven by a 37% jump in imports from the USA, up by 1.25 mt to 4.9 mt. Additionally, imports from Angola surged by 1.15 mt (+143%) to reach 1.96 mt.

Taiwan, China also experienced a notable 9.6% rise in LNG imports, reaching 22.7 mt. This growth was fuelled by increases from Qatar (+0.17 mt), the USA (+0.42 mt), Malaysia (+0.35 mt), Indonesia (+0.59 mt), and the UAE (+0.29 mt). Imports from Australia, the largest Taiwanese LNG supplier, remained stable at 8.37 mt in 2024.

Leading LNG Importers



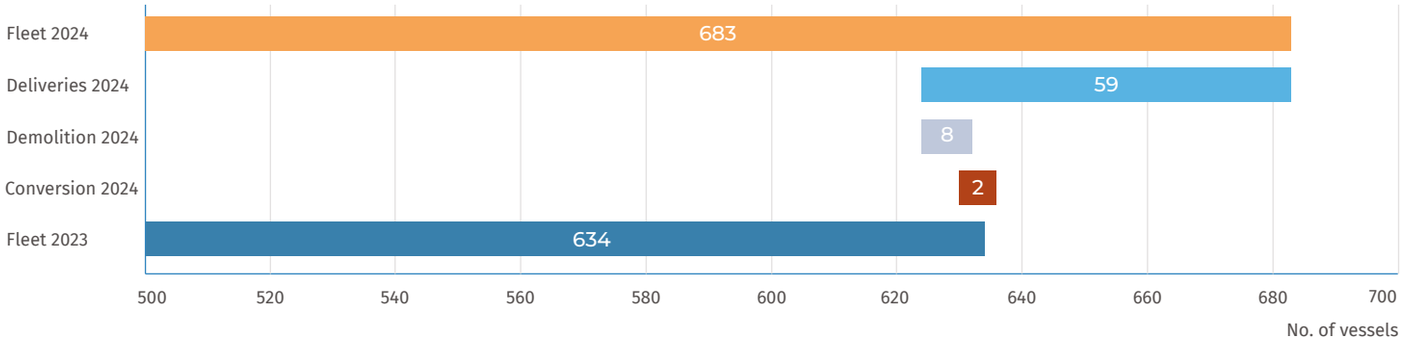
Fleet

76 Large LNG carriers ordered in 2024, with 8 units sold for recycling and 2 for conversion

By end-2024, the global fleet of large LNG carriers stood at 683 units, having grown by 7.5% over the year. This was driven by the delivery of 58 conventional large LNG carriers and one 79,800 cbm Medmax LNG carrier, increasing total capacity by 10,245,320 cbm. Meanwhile, ten conventional LNG carriers were removed from the fleet: eight were sold for recycling, setting a new record (compared to six in 2023 and just one in 2022) and two exited for conversion into floating storage units (FSUs). Arcadia Shipping, an Indonesian shipowner, acquired the 136,687 cbm Mazo, a 24-year-old laid-up steam-turbine LNGC, for around $20mn from NFE with plans to convert the unit into an FSU for use in Indonesia. Similarly, Knutsen LNG plans to convert the 138,000 cbm Bilbao Knutsen, a 2004-built steam-turbine LNG carrier, into an FSU for Genesis Energias. The vessel will be deployed at its under-construction LNG import terminal in Puerto Cortes, Honduras.

The LNG sale and purchase (S&P) market, typically less liquid than other industry segments, saw increased activity in 2024 with over 20 transactions. This surge was largely driven by the geopolitical situation, which led to unexpected demand for second-hand LNG carriers. Russian proxy companies were seeking additional tonnage for Russian LNG cargoes in anticipation of new sanctions, particularly in Europe. LNG S&P transactions related to Russian interests involved premium prices and were subsequently sanctioned. The LNG carriers associated with these transactions, often referred to as "shadow ships," include the 137,500 cbm East Energy (built 2002), the 138,000 cbm Pioneer (2005), the 149,700 cbm Nova Energy (2007), the 138,000 cbm Metagas Everest (2003), and the 79,800 cbm Mulan (2024). Additionally, the 174,000 cbm sisterships North Air (2023), North Mountain (2023), North Sky (2024) and North Way (2024) have also been sanctioned. The market was further supported by the occurrence of rare newbuilding resales, which added to the overall momentum. JP Morgan sold two LNG carriers, both under construction at the time, to Venture Global LNG for approximately $260mn each. Later on, TMS Cardiff Gas acquired three LNG carrier resales from Sinokor Maritime, also under construction at Samsung Heavy Industries, for a reported price of $233mn each.

Large LNG Carrier Fleet Evolution in 2024

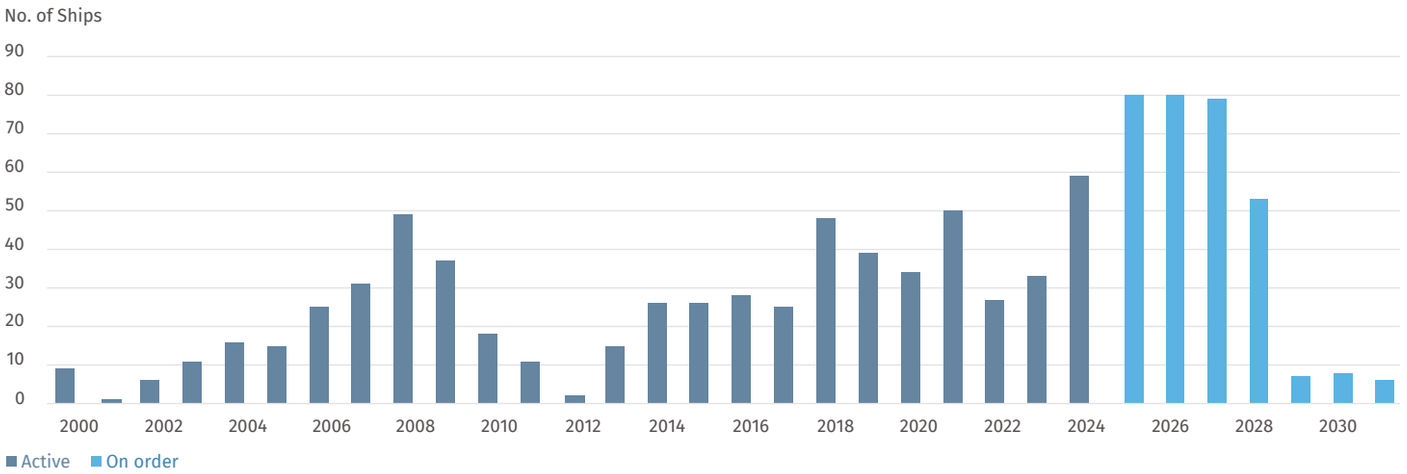


LNG Carrier deliveries

LNG carrier deliveries hit a new record in 2024, as 59 units hit the water. Notably, the first deliveries tied to Qatar's massive LNG carrier newbuilding project. Five 174,000 cbm LNG carriers were delivered, including the Rex Tillerson, the Umm Ghuwailina, and the Hlaitan from Hudong-Zhonghua, as well as Idasah and Umm Graybah from Samsung Heavy Industries.

Looking ahead, growth will continue with 238 LNG carriers scheduled for delivery over the next three years: 80 units in 2025, 79 in 2026, and 79 in 2027. This is a direct result of the unprecedented number of orders placed in recent years, including a record 158 in 2022, 65 in 2023 and 76 last year. Across 2029-31, 21 LNG carriers are so far scheduled for delivery, all linked to Qatar's newbuilding project. This includes two 174,000 cbm carriers expected in 2029 from Hyundai Heavy Industries and 19 of the 24 QC-max vessels being built by Hudong-Zhonghua.

Conventional LNG Carrier Deliveries and Orderbook



LNG Carrier scrap sale and conversion

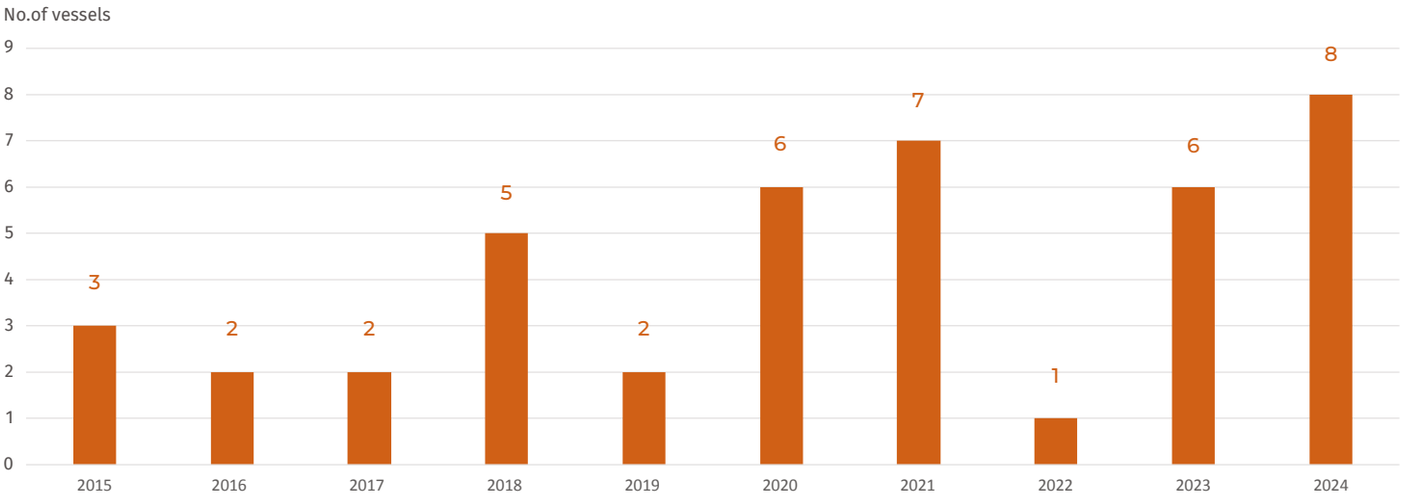
The future of steam-turbine LNGCs is increasingly uncertain, with significant challenges ahead

Last year saw record scrapping activity, with eight units sold for recycling compared to six in 2023 and just one in 2022. The year was particularly notable for SK Shipping's unprecedented en bloc scrap sale of four 138,000 cbm steam-turbine LNG carriers, all of which were below the average age for scrap sales. The SK Summit (built 1999), along with the SK Supreme, SK Splendour, and SK Stellar (all built 2000), were sold for a total value exceeding $55mn, averaging around $13.8mn per unit. The transaction was conducted on an "as-is, where-is" basis, with the ships located in Singapore. Additionally, the 127,125 cbm YK

Sovereign (built 1994), the 19,474 cbm Surya Aki (1996), the 126,400 cbm Coral Energy (1972), and the 130,600 cbm HL Pyeong Taek (1995) were sent for recycling in 2024.

However, despite this record-breaking number, overall LNG recycling activity in 2024 was lower than anticipated. Looking ahead, we expect an uptick in LNG carrier recycling. Around 75 of the smallest and least efficient carriers will come off charter within the next two years, entering a market where spot rates for steam-turbine LNG carriers are below operating costs. With high operation and maintenance costs and stricter regulations, these ageing ships will become less viable. Accordingly, around 20 LNG carriers per year could be sent for recycling in the coming years.

LNG Carriers Scrapped by Year



LNG Carrier new orders

By end-2024, the LNG orderbook accounted for 46% of the active conventional LNG carrier fleet, with 313 vessels on order compared to 683 active units. Seventy-six large LNG carriers were ordered in 2024, marking the third-highest year for LNGC orders after 2022 and 2021.

As with 2022, last year saw a bottleneck in LNG carrier orders, largely driven by the Qatar LNGC newbuilding project. Of the 76 units ordered, 51 were tied to Qatar, representing 67% of 2024's orders. The 51 QatarEnergy LNG orders in 2024, along with the seventeen 174,000 cbm LNG carriers ordered in late 2023 at Hyundai Heavy Industries, mark the completion of Phase 2 of the Qatar LNG carrier newbuilding project.

In 2024, the Qatar LNGC newbuilding project reshaped market dynamics as Hudong-Zhonghua emerged as the top LNG carrier shipyard. The Chinese player secured orders for 24 LNG carriers from QatarEnergy LNG, all 271,000 cbm QC-Max units, at a reported $333mn each. These accounted for 32% of all LNG carrier orders placed in 2024.

Meanwhile, South Korean shipyards accounted for 63% of last year's orders with 48 large LNG carriers: 22 at Samsung Heavy Industries (SHI), 18 at Hanwha Ocean and eight at Hyundai Heavy Industries (HHI). The latter retains the largest LNG carrier orderbook, comprising 89 units, or 28% of the global orderbook, as of the end of 2024. Additionally, Dalian Shipbuilding Industry Company (DSIC) secured orders for four 175,000 cbm LNG carriers. The remarkable success of Hudong-Zhonghua in the Qatar LNGC newbuilding project, combined with the limited slots at Korean shipyards, further strengthens the position of Chinese yards.

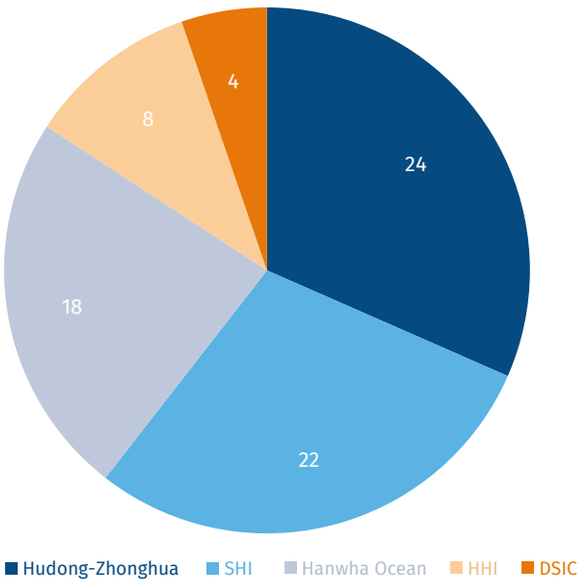
Looking ahead, we anticipate a more modest level of ordering in 2025 compared to the past four years, as newbuilding prices remain high, delivery slots are further out, and QatarEnergy LNG's Phase 2 was completed in 2024. However, QatarEnergy may still see additional tonnage, particularly supersize vessels, and is believed to be in ongoing discussions with South Korean shipbuilders.

Recap of Orders Related to the Qatar LNGC Newbuilding Project

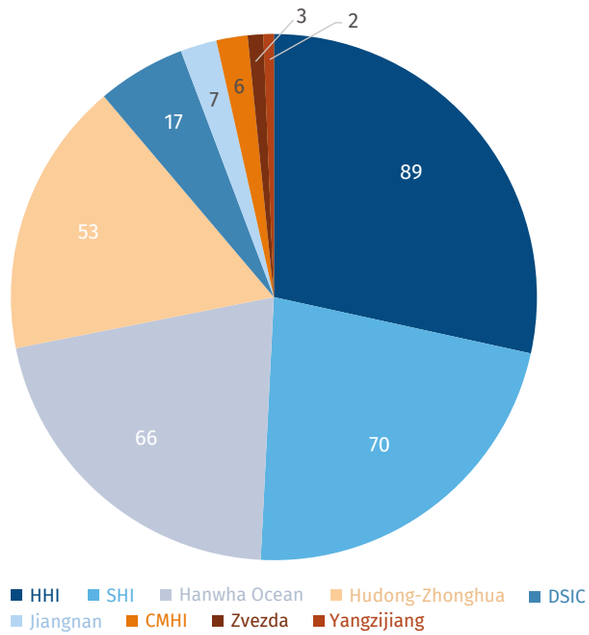
Shipyards	Phase 1	Phase 2	Total
Hyundai Heavy Industries	17	17	34
Samsung Heavy Industries	18	15	33
Hanwha Ocean	13 (+6*)	12	25 (+6*)
Hudong-Zhonghua	12	24	36
Overall total	60 (+6*)	68	128 (+6*)

* Six LNGCs were taken by ExxonMobil, an associate of QatarEnergy LNG for the Golden Pass LNG Project (four LNGCs owned by Meiji and two by MISC).

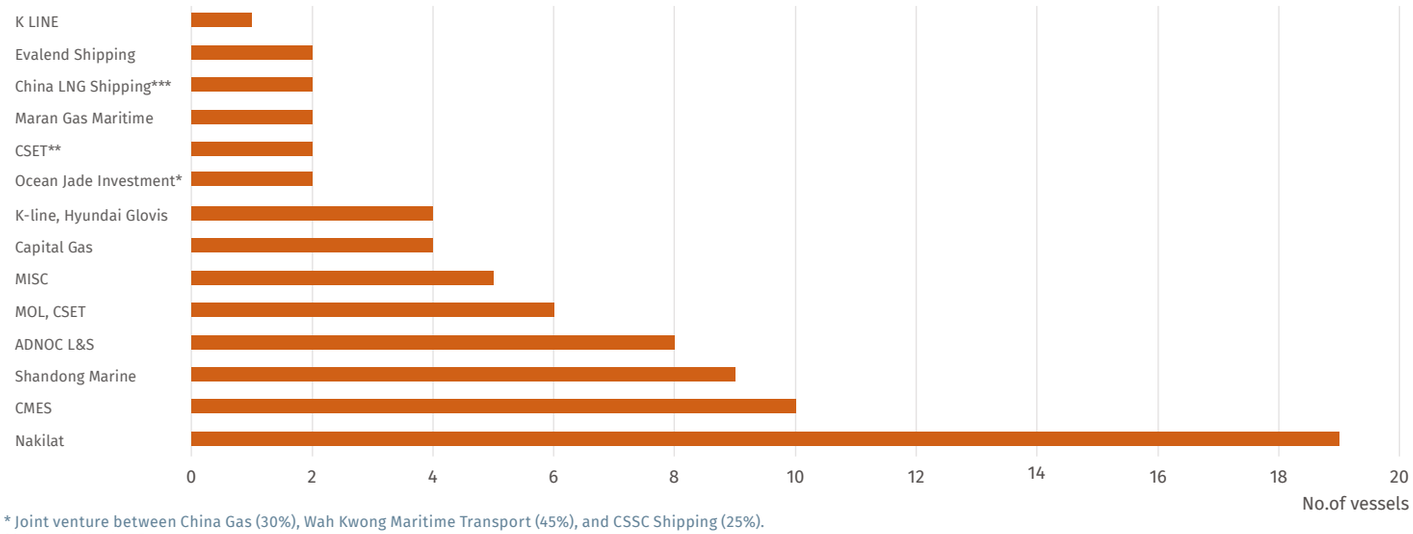
Conventional LNG Carrier Orders in 2024 by Yard



Conventional LNG Carrier Orderbook by Shipyard



Conventional LNG Carrier Orders in 2024 by Owner



* Joint venture between China Gas (30%), Wah Kwong Maritime Transport (45%), and CSSC Shipping (25%).
** Cosco Shipping Energy Transportation.
*** Joint venture between Cosco Shipping and China Merchants.

At the start of 2024, a South Korean-built 174,000 cbm LNG carrier, equipped with the latest standards including a slow-speed diesel engine-based propulsion, a membrane-type CCS with a 0.085% boil-off rate, a reliquefication, subcooling unit, ALS, and a shaft generator, was priced at $260mn. This dropped to approximately $255mn by the fourth quarter. In February, Hyundai Heavy Industries received orders for four Ice-B 174,000 cbm LNG carriers and two Ice-C 174,000 cbm LNG carriers, both priced at nearly $270mn each - the highest price recorded for this size. Meanwhile, DSIC was the only Chinese shipyard to receive orders outside of the Qatar LNG newbuilding project. The yard began 2024 with an order for two 175,000 cbm LNGCs, equipped with the latest standards except ALS and shaft generators, at a reported price of $238mn each in February, rising to $244mn in September.

LNG Carriers forecast

An additional 241 LNG carriers needed by 2034 to meet projected 5% annual demand increase

We estimate that 241 more LNG carriers need to be commissioned to meet the theoretical 5% annual increase in LNG demand over the next decade. This would bring global demand to 665 mtpa by 2034.

As of 01 January 2025, a total of 191 mtpa of LNG export capacity was under construction, requiring an estimated 243 standard 174,000 cbm LNG carriers based on trade patterns associated with their liquefaction terminals. In 2024, the Arctic 2 LNG train 2 (6.6 mtpa) was the only new liquefaction terminal to commence operations. All other projects originally expected for commercial start-up in 2024 have been postponed by one or two years. Notable delays include Tortue West Ahmeyim Phase 1 (a 2.5 mtpa FLNG project), Plaquemines LNG Phase 1 (13.33 mtpa), Corpus Christi trains 4 to 10 (11.48 mtpa), and Golden Pass LNG trains 1 and 2 (a combined 12.06 mtpa), all now scheduled for 2025. The Energia Costa Azul project (3.3 mtpa) has also been postponed to 2026.

In 2024, the Biden administration enacted a temporary freeze on approvals for new US LNG export projects seeking authorisation to supply markets in Europe and Asia. This marked a significant policy shift, introducing uncertainty for future LNG supply contracts and market dynamics. Meanwhile, 2024 saw relatively modest activity in new LNG export terminal investments with one Final Investment Decision (FID) for an onshore project and two FIDs for floating liquefied natural gas (FLNG) projects. ADNOC reached FID to develop an LNG export terminal in Al Ruwais. The project will consist of two trains, each with a 4.8 mtpa capacity, for a total capacity of 9.6 mtpa. Once operational, the Ruwais LNG project will more than double ADNOC's existing UAE LNG production capacity to approximately 15.6 mtpa. Cedar LNG, a joint venture between Haisla Nation (50.1%) and Pembina (49.9%), took FID on its $4bn LNG project located on Canada's west coast. This project includes a 3.3 mtpa FLNG unit, which Cedar LNG had already ordered from Samsung Heavy Industries in January 2024 for a reported $1.5bn. Additionally, Genting placed an order with Wison New Energies for a 1.2 mtpa FLNG unit worth approximately $1bn. The unit will be deployed to Teluk Bintuni, West Papua, Indonesia, and is expected to be delivered in 2Q26. This marks Wison's third FLNG project, following successful contracts with Exmar and Eni. For further insights into the FLNG market, please refer to the Offshore & Renewables chapter.

Terminals	Region	Start up Expected	Export Capacity mtpa	Gross Fleet Requirement Vessels #
Tortue West Ahmeyim 1 (FLNG)	WAF	2025	2.5	3
Plaquemines LNG	USGC	2025	13.3	20
Corpus Christi T4 - T10	USGC	2025	11.5	17
Golden Pass LNG T1	USGC	2025	6.0	9
Golden Pass LNG T2	USGC	2025	6.0	9
Golden Pass LNG T3	USGC	2025	6.0	9
LNG Canada	WCAN	2025	14.0	17
Gabon FLNG project	WAF	2025	0.7	1
Plaquemines LNG Phase 2	USGC	2026	6.7	10
NLNG T7	WAF	2026	7.6	10
Pluto LNG T2	SEA	2026	4.9	3
North Field LNG Expansion T1 (NFE)	ME	2026	8.0	8
North Field LNG Expansion T2 (NFE)	ME	2026	8.0	8
Genting FLNG	SEA	2026	1.2	1
Energia Costa Azul	WCAN	2026	3.3	4
North Field LNG Expansion T3 (NFE)	ME	2026	8.0	8
North Field LNG Expansion T4 (NFE)	ME	2026	8.0	8
ZLNG FLNG	SEA	2027	2.0	1
Port Arthur LNG T1	USGC	2027	6.8	10
Rio Grande LNG Train 1, 2 & 3	USGC	2027	17.6	27
North Field LNG Expansion T5 (NFS)	ME	2027	7.8	8
North Field LNG Expansion T6 (NFS)	ME	2027	7.8	8
Ruwais LNG Terminal	ME	2028	9.6	10
Port Arthur LNG T2	USGC	2028	6.8	10
Cedar LNG	WCAN	2028	3.3	4
Mozambique LNG	EAF	2028	12.9	17
TOTAL			**191**	**243**

An additional 63 mtpa of liquefaction capacity is projected to be built to meet the theoretical 5% annual rise in LNG demand over the next 10 years. This required expansion in liquefaction capacity will necessitate the construction of 90 standard LNG carriers.

Furthermore, we anticipate an increase in the phasing out of LNG carriers over 25 years old from active service, either through demolition or conversion, starting in 2025. This will be driven by a combination of factors, including stricter emission regulations, a high number of ageing vessels coming off charter, steam-turbine LNG carrier spot rates below operating costs, as well as high maintenance and operational costs, which rise significantly once these vessels reach 20-25 years of age. In our 2024 Annual Review, we forecast that LNG carrier deliveries would outpace the incremental LNG export capacity coming online until around 2027-28. This oversupply emerged in 2024, and therefore we maintain our earlier forecast that 221 new LNG carriers will be needed for fleet renewal.

Our estimated fleet renewal requirements include:

- 21 LNGCs of 174,000 cbm and 24 QC-max of 271,000 cbm to replace the existing 45 Slow Speed Diesel (SSD) LNGCs (10,150,000 cbm),
- 134 vessels of 174,000 cbm to replace 168 steam-turbines over 25 years (23,314,130 cbm),
- 42 vessels of 174,000 cbm to replace 47 DFDEs with a capacity below 160,000 cbm (7,259,913 cbm).

With 313 LNG carriers already on order, another 241 are needed, which translates to an average of 34-35 LNG carrier orders per year until 2031.

LNG prices

In 2024, the Japan-Korea Marker (JKM) averaged $11.9/MMBtu, while European DES (NWE) prices averaged $10.8/MMBtu. However, the $1 spread between these two indices was not consistent throughout the year.

During 1Q and the first half of 2Q, LNG prices remained just below the $10/MMBtu mark, fluctuating in response to various events. These included the ongoing Red Sea route disruption, reduced Panama Canal traffic, escalating tensions between Israel and Iran, an unusually cold spring in Europe, reoccurring outages at Freeport LNG, and brimming European gas storage levels by mid-2024.

In the second half of the year, prices in both the West and East rose, surpassing the $15/MMBtu mark in late November. In Europe, this was partly driven by developments related to Russian exports, including the anticipated halt in Russian natural gas transit via Ukraine (which eventually did materialise). Prices were also aided by the termination of the half-century-long supply agreement between Gazprom and Austria's OMV, and the rejection of Russian cargoes at German ports alongside new sanctions from the EU, UK and USA. Additionally, Europe had a cold end to the year, leading to the rapid depletion of gas inventories, which supported prices.

In Asia, LNG prices followed strong European prices, although for some of the largest consumers east of the Suez, LNG prices above $10/MMBtu are unsustainable, leading to demand destruction as buyers favour cheaper energy sources. Moreover, Asian consumers experienced a relatively mild winter. As a result, by December European DES prices had overtaken JKM, redirecting LNG flows to Europe. This shift lowered tonne-mile demand, and exerted further downward pressure on spot freight rates.

Status of Terminal	Export Capacity mtpa	Fleet Requirement No.
Under construction (U/C)	191	243
Proposed	63	90
Total U/C & Proposed	**254**	**333**

Fleet Balance		Vessel No.
Orderbook 01 Jan 2025	-	313
Qatar SSD LNGCs Renewal	+	45
Demolition & Conversion	+	176
Net Fleet Requirement	**=**	**241**

Chartering

Spot LNG charter rates

2024 will be remembered as the year shipping overcapacity triggered a rates depression

Last year, the LNG spot charter market was characterised by significant volatility, with a clear downward trend ultimately leading to record-low rates in both basins by year-end. While rates increased briefly, particularly in 2Q, these rises were largely overshadowed by weak demand and a clear oversupply of tonnage. The newbuild LNG carriers being delivered could not be absorbed by the expected incremental LNG export capacity due to the aforementioned postponements. This, coupled with minimal scrapping activity despite a record number of vessels being sold for recycling, further contributed to the supply glut and intensified downward pressure on rates.

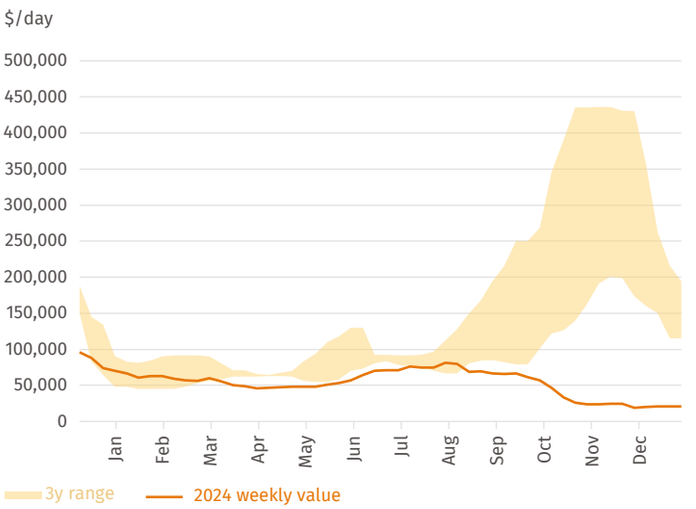
Continuing the trend that began in November 2023, early 2024 was characterised by steadily weakening rates. This was driven by a combination of mild winter conditions in the Northern Hemisphere and above-average gas storage levels in Europe. Weaker demand and an oversupply of LNG carriers in 1Q also muted freight rates, with those for two-stroke (2S) vessels in particular nearing historic lows. From mid-May the market showed a significant contrast between the Atlantic and Pacific basins. In the Atlantic, rates crept up, driven by eastbound movements. Spot rates truly accelerated in June as ample demand and tighter tonnage persisted. By the end of June, the Atlantic had experienced a substantial 60-65% increase in rates for 2S vessels, while the Pacific remained relatively stable amid ample supply and sluggish demand.

After a seasonal pre-winter price uptake, July saw a negative correction in the Atlantic and a rebalancing across both regions. Despite peaking in early July, Atlantic rates had dropped sharply by August on a combination of oversupply and disruptions to US LNG exports in the wake of Freeport LNG's unplanned outage. European gas storage levels, nearing full capacity, led to reduced spot demand in August, depressing Atlantic spot rates further. The Pacific market remained somewhat stable, supported by strong regional demand for space cooling. Rates dropped in September, thereby narrowing the gap between regions. In October, the market crashed and appeared to have reached a bottom, but it soon became evident that rates would continue to plunge. Portfolio players remained long on shipping and, when participating in cargo tenders, were willing to bid ignoring shipping costs. This left open tonnage with barely any demand, further depressing rates. Mild weather during October kept demand weak, while the delivery of newbuild tonnage compounded the oversupply. Despite the November arrival of colder temperatures in Europe, rates remained at record lows.

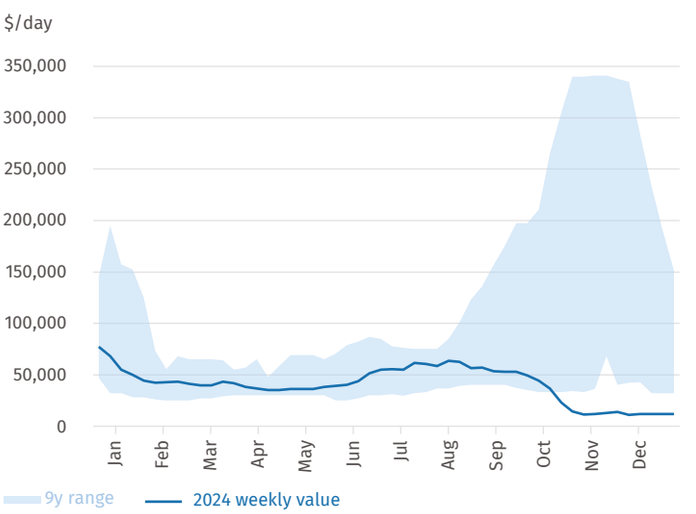
The anticipated halt of Russian gas supplies via Ukraine had no impact. December, like November, was marked by record-low rates with no upward movement even as European gas stocks continued to draw.

Interestingly, steamers showed a weak correlation with the overall market trend, suggesting they had evolved into a separate market niche. Throughout the year, most of their activity was concentrated east of the Suez, where demand dynamics and niche trading opportunities remained more favourable.

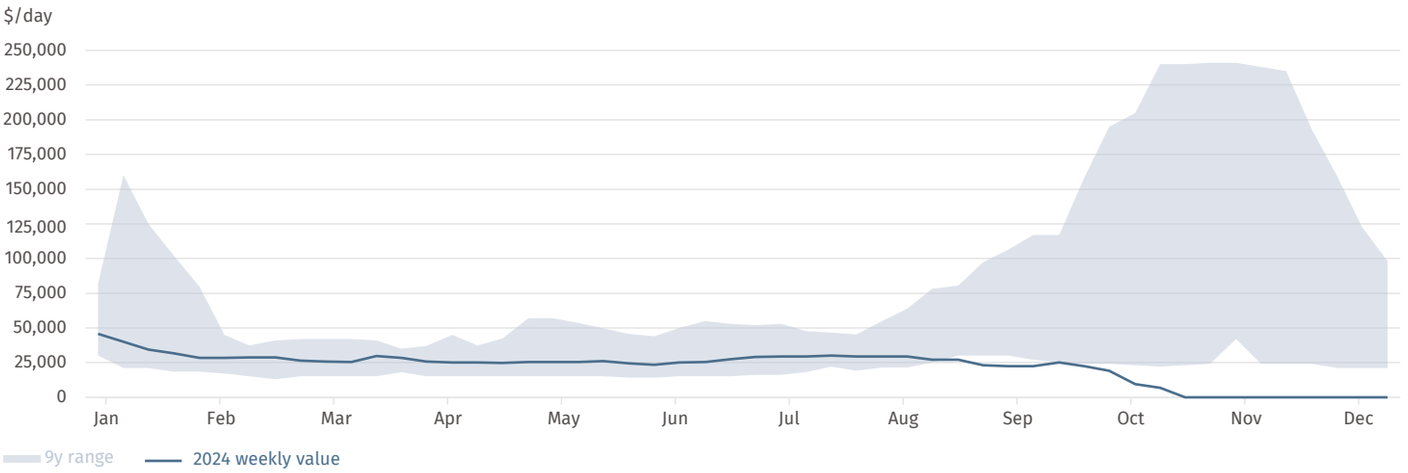
Two-Stroke LNG Carrier Spot Rates



DFDE/TFDE LNG Carrier Spot Rates



Steam-turbine LNG Carrier Spot Rates



Multi-Month and Term LNG Rates

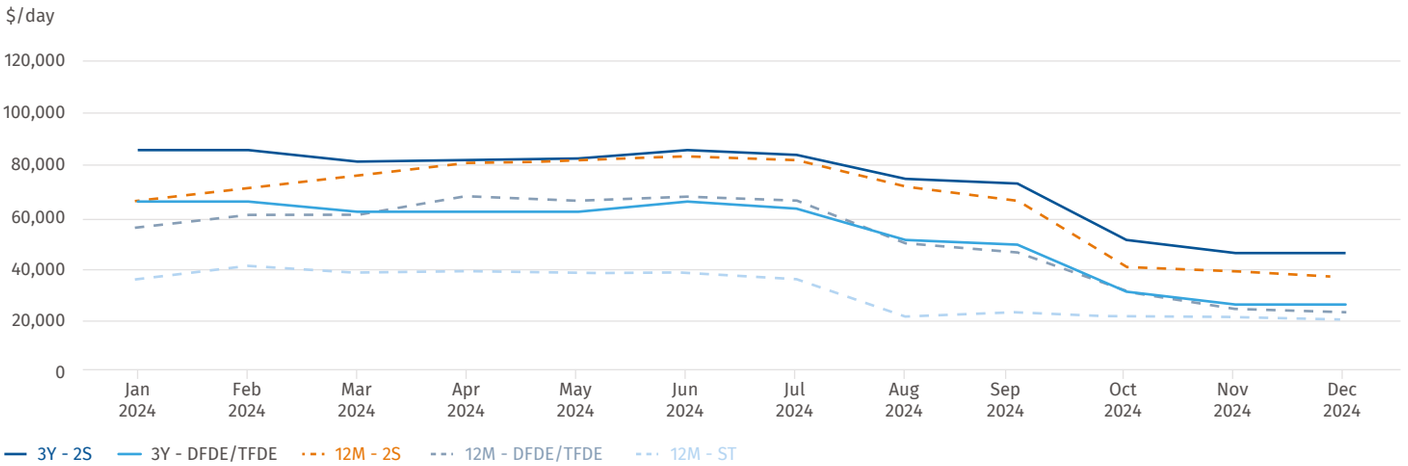
In 2024, the multi-month and term LNG charter market was characterised by cautious sentiment and sustained downward pressure on rates.

Early in the year, spot rates for both 2S and DFDE/TFDE vessels remained subdued, with limited multi-month activity as charterers hesitated to commit to long-term deals. A surge in activity during April briefly lifted market sentiment, but this was followed by a slowdown in May and June as the gap between bids and offers widened. In 3Q24, the mid-term and long-term markets continued to weaken, with charterers prioritising immediate spot market needs amid bearish sentiment, while owners maintained a cautiously optimistic outlook. The steady, almost weekly, delivery of newbuild LNG carriers left many market participants long on shipping. Traders sought discounted tonnage, while owners opted to keep fleets underutilised or shifted focus to the spot market.

The final quarter saw a dramatic decline in term rates, with one-year charter rates for modern 2S vessels dropping sharply to the mid-$30,000s/day, and three-year rates falling into the mid-$40,000s/day by year-end. Despite a few longer-term charters being secured for newbuilds, the market remained subdued, with bids and offers still far apart. Given the depressed spot market and a pessimistic 2025 outlook, owners remained hesitant to lock in deals at rock-bottom prices. Meanwhile, activity for steam-turbine LNGCs in the multi-month and term LNG charter market remained muted throughout the year.

The 4Q decline in rates left the 2025 outlook uncertain. Owners faced challenges in securing attractive term deals amid a market burdened by oversupply and low demand. As the year drew to a close, the multi-month and term LNG market appeared to be in a state of flux, with no immediate signs of recovery.

Near-term Time Charter Rates for LNG Carriers



LNG Bunkering Vessels

A landmark year for LBVs, with 16 orders and 10 deliveries.

The LNG bunkering vessel (LBV) market has seen exceptional growth, with a record ten units delivered and 16 ordered. This surge underscores the rising demand for LNG-powered vessels and reflects the industry's commitment to advancing cleaner fuels. By the end of 2024, 57 LBVs were in operation with 21 more under construction, making up 37% of the current active fleet. Of the 57 active LBVs, 23 are operating in Northern Europe, 15 in Asia, 13 in the US/Caribbean, five in Southern Europe, and one in the Middle East.

LBV Deliveries

LBV deliveries hit a new record in 2024, with ten vessels successfully handed over, outpacing the eight delivered in 2022 and seven in 2021.

In January, Indah Singa Maritime, a unit of MOL, took delivery of the 12,000 cbm LBV Brassavola, now operating in Singapore for Pavilion Energy and TotalEnergies. Around the same time, Hyundai Mipo delivered the 29,400 cbm LNGC/LBV Coral Evolution to Anthony Veder, since deployed in Finland. In February 2024, Fratelli Cosulich took delivery of the 8,200 cbm LBV Paolina Cosulich, currently serving PETCO Trading Labuan (PTLCL), a trading arm of Petronas. Shortly after, KEYS Bunkering West Japan Corporation, a joint venture between NYK (40%), Kyushu Electric (40%), Itochu Enex (15%), and Saibu Gas (5%), received the 3,500 cbm LBV KEYS Azalea. The unit now supports LNG coastal transportation and provides LNG bunkering services for oceangoing vessels calling at ports in the Kyushu-Setouchi area.

Further milestones included CNOOC's delivery of the 12,000 cbm LBV Hai Yang Shi You 302, deployed to serve international oceangoing ships, LNG-powered vessels on domestic coastal routes, and to undertake LNG transfers along the Yangtze River. Two more deliveries followed in July. First, Huaihe Energy Group received the 14,000 cbm LBV Huaihe Neng Yuan Qihang, delivered two months ahead of schedule and now operating along the Yangtze River. Shortly after, Fincantieri Bay Shipbuilding delivered the 12,000 cbm Progress to Crowley, which Shell has chartered on a long-term basis to support cleaner energy for ship operators at the Port of Savannah, Georgia. The year's deliveries concluded with Seaspan receiving the first two of three 7,600 cbm LBVs from Nantong CIMC Sinopacific Offshore & Engineering (CIMC SOE) in March 2022. The Seaspan Garibaldi is now operating in the Panama region, supplying LNG from the Costa Norte LNG terminal under Seaspan's agreement with AES. The Seaspan Lions provides LNG fuelling services along the west coast of North America. Between these two deliveries, LNG Shipping, a joint venture between Victrol and Sogestran, took delivery of the 8,000 cbm inland waterway LBV Energy Stockholm from RMK Marine. Shell has chartered the unit on a long-term basis to support LNG bunkering operations in the ports of Zeebrugge, Antwerp, Rotterdam, and Amsterdam.

LBV New Orders and Chartering

Throughout 2024, interest in the LBV market surged, leading to 16 new orders from both established players and, more notably, new market entrants. Uncommitted and off-charter units also successfully secured time charter contracts, further indicating strong market momentum.

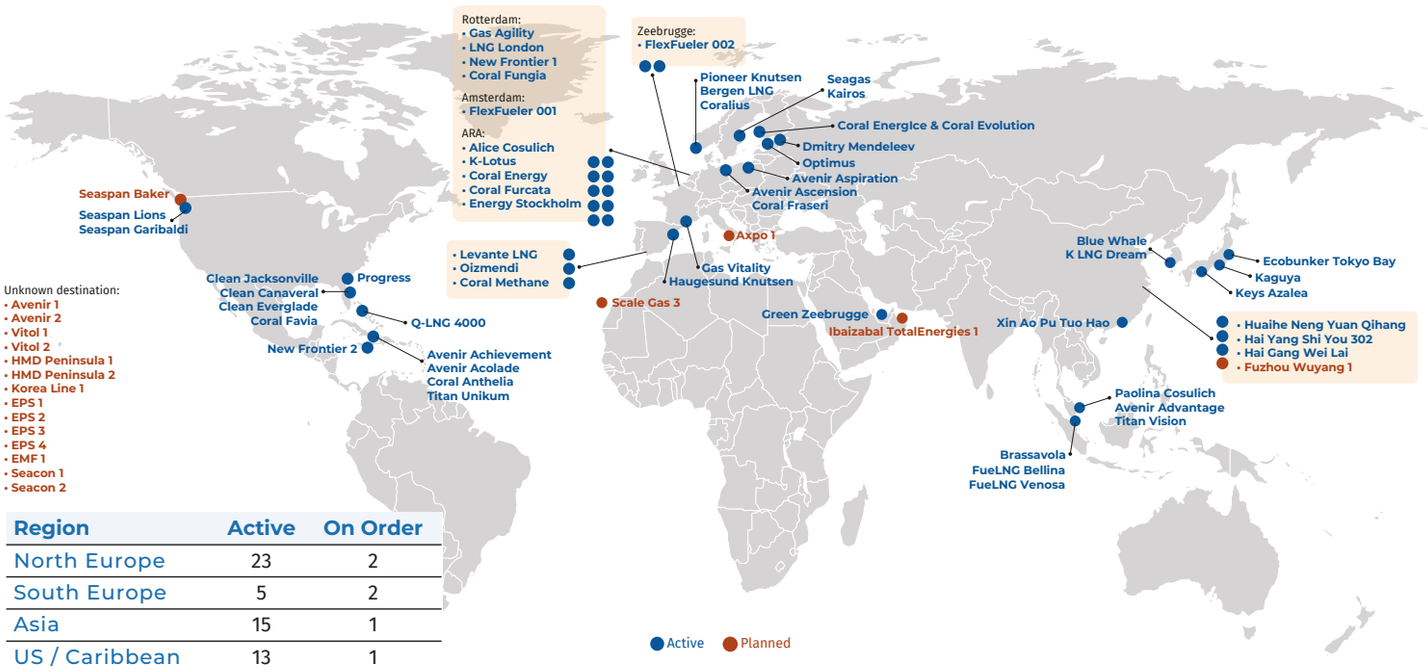
Avenir LNG kickstarted the surge by ordering two 20,000 cbm LBVs from CIMC SOE, with deliveries expected in 4Q26 and 1Q27. In June, Vitol made a noteworthy entry by ordering one 12,500 cbm and one 20,000 cbm LBV from CIMC, with delivery planned for 4Q26 and 3Q27, respectively. Vitol also secured a seven-year charter (with options to extend by up to ten years) for the first of two 20,000 cbm LBVs that Avenir LNG had ordered from CIMC SOE in April 2023. Meanwhile, TotalEnergies selected Hudong-Zhonghua and Ibaizabal for the construction of an 18,600 cbm LBV, set for deployment in Oman following early 2027 delivery.

In September 2024, Peninsula entered the market by placing an order with Hyundai Mipo for two 18,000 cbm LBVs for its own operations. Korea Line, an established owner, followed with an order for a 12,500 cbm LBV from Hyundai Mipo, scheduled for delivery in May 2027 under a long-term contract with POSCO. During the same period, Bunker One secured its first LBV by chartering the 10,000 cbm Coral Fraseri from Anthony Veder, with deployment in Northwest Europe expected in January 2025 following a regular class renewal. Eni also made its market debut by chartering the 7,500 cbm Avenir Aspiration for a multi-year period beginning in 2025, with deployment anticipated in Europe.

The end of the year was particularly active, marked by a striking entry from EPS and MSC, which jointly ordered four 18,000 cbm LBVs from Hyundai Mipo. Fuzhou Wuyang Refined Oil Trading placed an order with CIMC SOE for a 12,000 cbm LBV for deployment in China, while Equatorial Marine Fuel Management Services concluded 2024 by ordering a 20,000 cbm LBV from the same shipyard. Additionally, rumours emerged in 4Q24 that Seacon ordered two 18,000 cbm LBVs from Xinle. Meanwhile, Monjasa entered the LNG bunkering market by chartering the 5,200 cbm Green Zeebrugge, owned by NYK. After being chartered in Amsterdam, the vessel headed to Dubai and commenced operations in January 2025.

We anticipate that the coming years will be particularly dynamic as additional LBVs will be required to meet growing demand from LNG-fuelled vessels. By 2025, LNG fuel demand is projected to reach 9 mt, increasing to 22 mt by 2030. By the end of 2024, approximately 572 LNG dual fuel vessels were in operation, with around 680 more on order. A Danish shipowner placed an order for two 20,000 cbm LBVs at CMI Yiulian Shenzhen in early 2025, and Greek shipowners were reportedly in discussions to place additional LBV orders. Evalend confirmed an order with Hyundai Mipo for four 18,000 cbm LBVs.

LNG Bunkering Vessels Map



Region	Active	On Order
North Europe	23	2
South Europe	5	2
Asia	15	1
US / Caribbean	13	1
ME	1	1
Unknown	-	14

Floating Storage Regasification Units

The floating storage regasification unit (FSRU) market remained active in 2024, continuing the previous two years' momentum with notable milestones across a range of projects. Significant growth was driven by successful commissioning, new orders, conversion projects, and ongoing operational shifts, underscoring the continued expansion of global LNG infrastructure.

Of note, the 160,000 cbm Energos Celsius, owned by Energos, a joint venture between NFE and Apollo, was successfully commissioned. After being converted into an FSRU at Seatrium's yard in Singapore, the vessel is now operational at NFE's terminal in Barcarena, Brazil. Additionally, the 174,000 cbm Energos Power (built 2021) resumed operations at Germany's Mukran LNG Terminal, further strengthening the country's LNG import capacity. Energos Power, along with sistership Energos Force, was purchased en bloc by Energos from Dynagas. Both FSRUs began their 10-year time charters with the German Federal Ministry of Economic Affairs and Climate Change in early 2023, with the former joined at Mukran terminal by the 145,000 cbm FSRU Neptune. At the same time, the 170,000 cbm FSRU Hoëgh Galleon, owned by Hoëgh Evi, received its first cargo at the Ain Sukhna port in Egypt, where the vessel will operate under a sublet agreement with EGAS until end-2025. This interim deployment follows its commencement of a 15-year charter contract with Australian Industrial Energy (AIE) in November 2023, which includes early termination options after five and ten years. Originally intended to support the Port Kembla Terminal in Australia, the FSRU is temporarily redeployed in Egypt due to delays in the terminal's construction, now anticipated to be operational by early 2026.

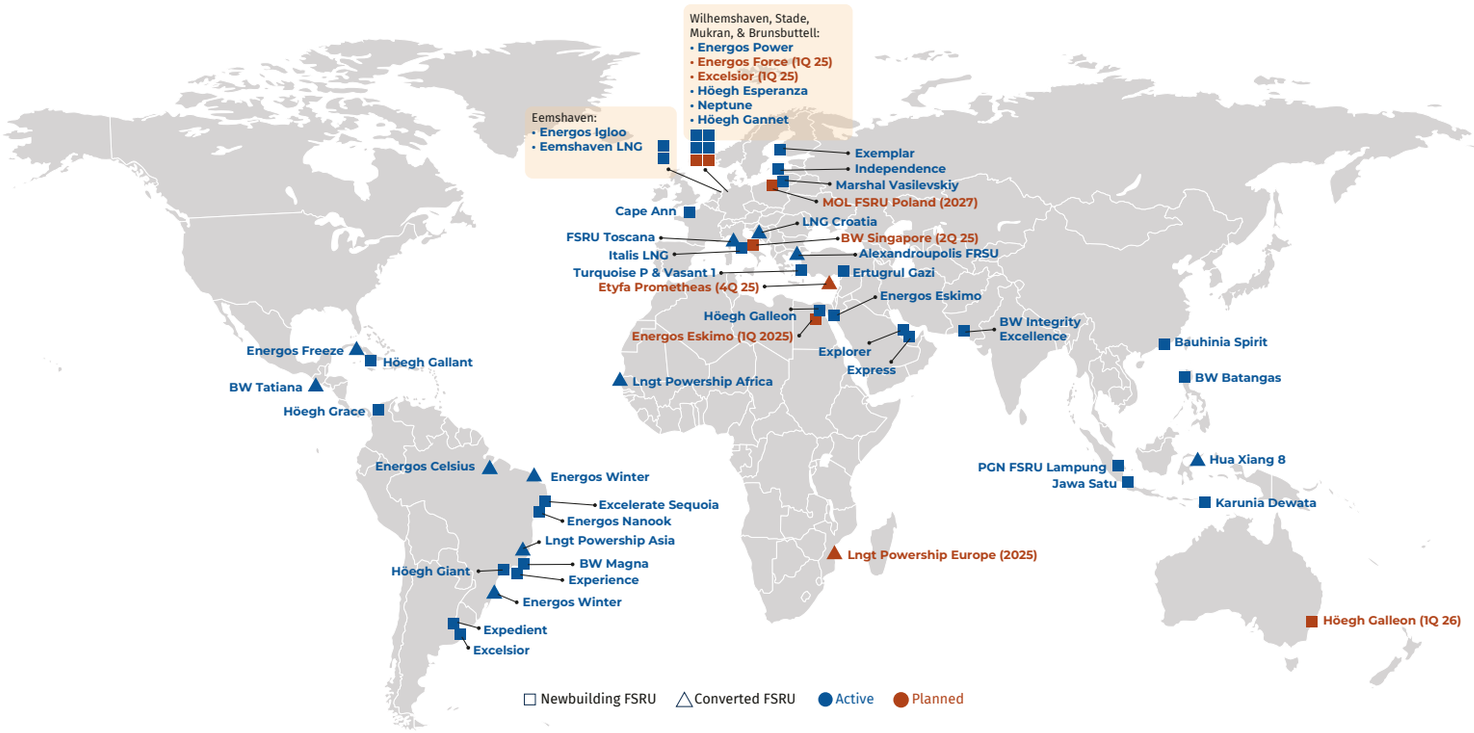
The FSRU market also saw substantial growth through two new orders and a conversion project. In early 2024, Gaz-System selected MOL for the FSRU at the planned LNG import terminal in Gdansk, Poland, set to begin operations in 2027/2028. Both parties agreed to a 15-year charter, with extension options. As a result, MOL placed an order with Hyundai Heavy Industries for a 174,000 cbm FSRU, scheduled for delivery in 2027. Furthermore, Gaz-System secured the option to purchase the FSRU at a later date. MOL, meanwhile, made another significant order: a 200,000 cbm FSRU with a regasification capacity of 5 mtpa from Hanwha Ocean for a reported $413.7mn. Scheduled for delivery by October 2027, this unit will be chartered by Singapore LNG and berthed at Jurong Port. Once operational, it will increase Singapore's LNG import capacity to 15 mtpa. Additionally, Karpowership secured a major contract with Seatrium to convert three LNG carriers into FSRUs, with an option for a fourth. This project is believed to be linked to Karpowership's acquisition of NWS LNG Carriers' steam-turbine LNG carrier fleet in August 2023, which included the Northwest Sanderling, Northwest Sandpiper, Northwest Snipe, and Northwest Stormpetrel. This marks another significant step in Karpowership's FSRU expansion.

Other notable developments included a new agreement between Hoëgh Evi and Sociedad Portuaria El Cayao (SPEC LNG) concerning the 170,000 cbm Hoëgh Grace FSRU, operating in Cartagena since 2016. Under this new agreement, the long-term commitment has been extended by five years to at least 2031. As part of this deal, the FSRU-based terminal will now be able to regasify up to 533 MMscfd, from the previous 400 MMscfd. Additionally, Botas agreed to purchase the 180,000 cbm FSRU Vasant 1 from Swan Energy for approximately $400mn. Vasant 1 was already operating at Saros Bay, Türkiye, from April 2023 under a one-year charter with Botas.

We also observed notable operational shifts and transitions in the FSRU market, as several vessels underwent essential repairs and modifications. The year began with OLT Offshore LNG Toscana announcing a temporary halt in operations at its FSRU terminal in Italy for "extraordinary" maintenance, to replace the bearing in its anchoring system. Following planned shipyard activities at SGdP's Chantier Naval de Marseille, the 135,000 cbm FSRU resumed operations and received its first LNG cargo on 25 November. Similarly, the 145,000 cbm FSRU Neptune, owned by TotalEnergies and chartered by Deutsche ReGas, left Lubmin, Germany, in April 2024 for essential refitting work. By July, Neptune had resumed operations at Germany's Mukran LNG Terminal, joining the 174,000 cbm Energos Power as the second FSRU, leading to Lubmin Port's decommissioning. Furthermore, the 170,000 cbm FSRU Independence left Klaipeda, Lithuania, in early May 2024 for its first dry dock inspection in Denmark and resumed regasification operations by mid-June. In early December, Hoëgh Evi officially transferred ownership of the Independence to KN Energies, as the latter had exercised its purchase option for $153.5mn in October 2022. Hoëgh Evi continues to provide the unit's technical and operational management. Finally, the 138,000 cbm FSRU Summit LNG, which has been operating at Bangladesh's second LNG import terminal since April 2019, was damaged by Cyclone Remal in May. The unit underwent repairs at a shipyard in Singapore before returning to Bangladesh in July and resuming operations in September.

Looking ahead, 2025 is forecast to be another active year for the FSRU market, with several FSRU terminals scheduled to begin operations. Among them is the 170,000 cbm FSRU BW Singapore, owned by Snam, which is expected to start operating off Ravenna in April 2025. The vessel arrived in Italy at the end of 2024 from DP World Drydocks in Dubai, following extensive repairs and modifications. Also scheduled for delivery is the 160,000 cbm Energos Eskimo, which will be chartered by EGAS for 10 years after its current contract in Jordan expires this year. The two latest non-operational FSRUs in Germany, the 174,000 cbm Energos Force and Energos Power, are expected to begin operations in 1Q25. Energos Force, which arrived at the new FSRU-based import terminal in Stade, Germany, in March, has been awaiting commissioning. Once operational, it will supply up to 5 bcm of gas annually to the German network. Furthermore, AG&P, which acquired Venice Energy, the developer of the Outer Harbor FSRU Terminal, has also acquired one of GasLog's 145,000 cbm steam-turbine LNG carriers for conversion into an FSRU. AG&P expects to reach FID in 2025, with the first cargo due for delivery by 1Q27.

FSRU Map



Conclusion

Reflecting on 2024, the LNG shipping market underwent significant shifts, driven by overcapacity, geopolitical events, and supply challenges. Looking ahead to 2025, we anticipate a milestone year for LNG, with major terminals such as Tortue West Ahmeyim Phase 1, Plaquemines LNG Phase 1, Corpus Christi trains 4 to 10, Golden Pass LNG trains 1 and 2, and LNG Canada set to be commissioned. Together, these projects will add nearly 60 mtpa to global LNG supply, significantly expanding production capacity.

The LNG carrier fleet will also expand, with around 80 new carriers expected to be delivered in 2025. At the same time, we expect recycling activity to reach new heights, with up to 20 units potentially being scrapped each year. However, we foresee more modest ordering compared to the past four years, considering factors such as high newbuilding prices, extended delivery timelines, and the 2024 completion of QatarEnergy LNG's Phase 2 project. The oversupply of LNG carriers will continue to impact the spot market, maintaining pressure on freight rates.

On a more positive note, we anticipate 2025 to be a particularly strong year for the LBV market. As the fleet of LNG-fuelled vessels continues to grow, demand for LBVs will also rise, further driving activity in this sector.

Offshore & Renewables

HORIZON GEODRILL, Geotechnical Survey Vessel, converted from a PSV in 2024, built by Nam Cheong Dockyard, Gardline, 2013.

Offshore Wind

In 2024, the offshore wind market saw notable advancements driven by developments in Europe and Asia, while progress in the USA was mixed. Despite delays in the Vineyard 1 project, Equinor secured $3bn for Empire Wind 1, while SouthCoast Wind received approval. However, US offshore wind prospects dimmed after the Trump Administration halted new leasing in January 2025. This raised industry concerns as Ørsted subsequently announced a $1.7bn write-down on its US projects, although existing ones such as Revolution Wind remain federally approved.

Wind Turbine Installation Vessels (WTIVs)

In 2024, the WTIV market saw significant developments and challenges. Dominion Energy's Charybdis, the first US-built WTIV, approached completion, with testing underway. Construction costs now significantly exceed $700mn, up from an initial estimate of $500mn, due to modifications required for handling the latest turbine designs. The vessel is planned to support Dominion's Coastal Virginia Offshore Wind (CVOW) project when it is delivered later in 2025.

Cadeler secured a contract to install 64 turbines for the East Anglia TWO wind farm in the North Sea in partnership with ScottishPower Renewables. Valued at up to €382mn, this deal is lower than earlier projections but adds to the company's substantial orderbook of nearly €2.4bn.

Maersk's WTIV, Sturgeon, scheduled for delivery in 2025, features a feeder barge concept that eliminates the need for port transits and permits the on-site loading of turbine components. This approach differs from the strategies employed by other industry players operating conventional WTIVs. The feeder system could offer a practical solution to the growing size of turbines and components, addressing challenges posed by limited deck space on traditional WTIVs.

Van Oord took delivery of the Boreas CIMC Raffles in China. This NOV Gusto-designed dual fuel methanol-powered unit will be able to operate in waters up to 70m deep and is capable of handling next-generation 20 MW offshore wind turbines.

China delivered the Tie Jian Qi Feng Dian 2000, a self-elevating wind turbine installation vessel, at the end of 2024. The vessel is 136m long, equipped with a 2,000-mt full-slewing crane and 465 sq m of deck space, and designed to install turbines exceeding 20 MW. It can operate in depths of more than 79m and is self-propelled, supporting offshore wind installations in deeper and more challenging environments.

South Korea has increased its investments in WTIVs, with Hanwha Ocean and another local shipbuilder securing contracts worth approximately $951mn to construct two vessels for Korean operators. These WTIVs are designed to install larger 15 MW turbines, thereby aligning with South Korea's plan to achieve 14.3 GW of offshore wind capacity by 2030. The initiative aims to strengthen Korean firms' competitiveness in the global renewable energy market amid competition from European and Chinese players.

Demand for WTIVs remains high as projects compete for unit availability. In the USA, the market faces constraints due to Jones Act compliance, which limits the use of foreign-built WTIVs. Accordingly, feeder vessels are often required for non-compliant ships. Ørsted's cancellation of its US charter for Charybdis due to supply chain and vessel availability issues highlights these ongoing challenges.

Globally, the WTIV market is adapting to technological advancements, such as larger turbines and cleaner fuels like methanol. As offshore wind projects expand, specialised units like Charybdis and Boreas play an essential role in meeting installation schedules and advancing renewable energy objectives.

Operation & Maintenance (O&M)

In a strategic move to strengthen its foothold in offshore wind maintenance, Danish shipowner Ziton has acquired the Wind Discovery, a 139m jackup installation vessel, from Shandong Marine Group. With this acquisition, Ziton's European O&M-dedicated fleet of six jackup vessels is the largest of its kind and signals the company's focus on maintenance and component replacement for larger turbines. The unit will be converted for O&M work and will begin a charter agreement in 2Q25. The move aligns with Ziton's efforts to meet growing industry demand and reflects its resilience following financial restructuring.

Foundation Installation Vessels (FIVs)

No orders were placed in 2025 for FIVs, although demand is expected to grow in the coming years.

In Japan, Seatrium partnered with Penta-Ocean Construction to develop a 5,000-mt fully revolving heavy-lift vessel designed specifically for the offshore wind market. This collaboration underscores the growing importance of heavy-lift vessels in renewable energy infrastructure.

BOKALIFT 2, FIV, Boskalis, 2021.

(Commissioning and) Service Operation Vessels (C/SOVs)

Last year saw key changes in fleet dynamics, with expansion driven by newbuildings rather than permanent conversions.

Driven by improved vessel utilisation and fleet expansion, Edda Wind reported significant growth in revenue and operating profit in 2024. The Group's utilisation continued to improve following gangway upgrades, and two of its newbuildings commenced operations in 3Q24: Sudri Enabler and Vestri Enabler. This boosted its capacity to support offshore wind operations. The Group's revenue rose by €6.6mn in 3Q24 compared with the same period the previous year.

North Star launched its latest hybrid CSOV, Grampian Kestrel, and partnered with multiple companies to develop CSOVs tailored for floating wind farms. Vard was contracted to build a CSOV for Navigare Capital Partners, in close collaboration with Norwind Offshore. This will feature advanced technology and a focus on sustainable operations. A German joint venture ordered four innovative CSOVs designed for broad offshore energy applications, including the wind and oil and gas sectors.

Norwind Offshore expanded its fleet with the delivery of the Norwind Helm, designed by Vard for multifaceted offshore operations. Dong Fang Offshore secured a 12-year contract with Vestas for a new CSOV supporting Taiwanese offshore wind projects.

German shipping company MPC Capital entered the CSOV market, investing €130mn in six new vessels for the North and Baltic Seas. Kongsberg Maritime celebrated its 1,000th ship design with the IWS Seawalker, a state-of-the-art CSOV set to operate in the North Sea. UK shipowner Purus signed a multi-year service contract with Vestas for its methanol-ready CSOV, Purus Chinook.

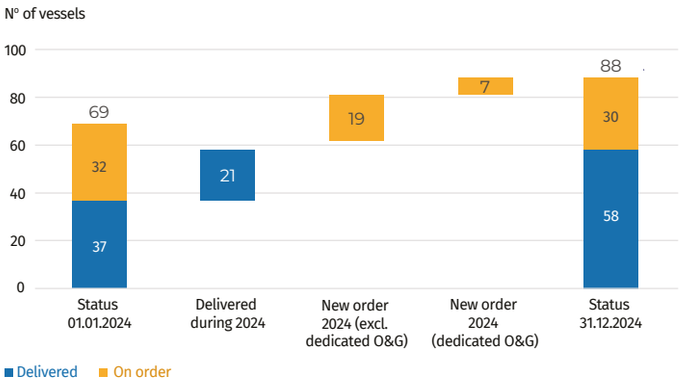
Olympic Subsea took delivery of its first hybrid CSOV, Olympic Boreas, incorporating Ulstein's twin-stern hull design for enhanced manoeuvrability. Anglo-Eastern expanded its offshore operations by managing Windcat's hydrogen-powered CSOVs, marking a shift towards greener maritime solutions. Acta Marine announced the construction of its fourth CSOV, Acta Pegasus, to be delivered under a French flag, designed for methanol fuel.

Louis Dreyfus Armateurs (LDA) secured a major partnership with Vattenfall to build, own, and operate up to three CSOVs. These will support operations in the North Sea, with advanced designs focusing on reduced emissions and enhanced crew comfort. The first SOV is scheduled to commence service in mid-2027, strengthening LDA's position in the offshore wind sector.

Simultaneously, some vessels exited the Walk-to-Work (W2W) market. Notably, two subsea units – REM Inspector and Orient Adventurer – returned from years of W2W service in Taiwan, China, to resume subsea operations in the North Sea, joining DOF and DeepOcean, respectively.

The year also saw a surge in W2W vessel orders for the oil and gas sector, with owners committing to up to seven new units. Highlights included DOF supporting Cenovus in Canada, OMV in the Black Sea, and Shell Brunei. These shifts underscore a strategic focus on newbuildings and region-specific operations for sustainable growth.

Purpose-built W2W Fleet — 2024 Expansion



Subsea Rock Installation (SRI)

The rock installation fleet saw significant developments, mainly driven by growing offshore wind energy requirements and the resurgence of demand for subsea infrastructure protection. Boskalis announced the Windpiper, set to be the world's largest SRI vessel with a 45,500 mt capacity and expected for delivery in early 2026. The vessel is being developed by converting an existing unit. In June 2024, DEME launched the Yellowstone, a 37,000-mt fallpipe vessel. Originally built in 2010 as a bulk carrier, it was converted by PaxOcean Shipyards in Singapore. Yellowstone is fitted with dual-fuel capability and hybrid power systems.

Additionally, CSL OWL Subsea Rock Installation (CSL OWL SRI), a partnership between the CSL Group and Dutch Offshore Wind Logistics (OWL), has commissioned two methanol-ready subsea rock installation

vessels to serve the offshore wind industry. These purpose-built DP2-class units will each have a cargo capacity of 17,500 mt. They will be equipped with a tremie pipe featuring active motion compensation, enabling performance in water depths ranging from 30–100m. The vessels are due for delivery in 2H26.

The industry continues to monitor the ongoing construction by Philly Shipyard (US) of the first Jones Act-compliant, modern SRI unit for Great Lakes Dredge & Dock Company (GLDD). The Ulstein-designed vessel is to be named the Acadia and features similar characteristics to Van Oord's Bravenes, another Ulstein-designed unit.

Cable-Laying Vessels (CLVs)

The power CLV market experienced significant advancements in 2024, with notable investments in innovation, sustainability, and infrastructure expansion. Danish company NKT secured €1bn of contracts to deliver advanced HVDC cable systems for Germany's energy transition projects.

Prysmian Group signed a €700mn agreement with France's RTE to connect two offshore wind farms to the grid through high-voltage alternating current (HVAC) cables. The Fos and Narbonnaise projects will use 640km of submarine cables, manufactured in Italy and Finland, with installation scheduled for 2031-2032.

Nexans invested €90mn to upgrade its manufacturing capabilities in Europe, particularly at its Charleroi, Belgium facility. The upgrades include new equipment for producing high-voltage direct current (HVDC) cables and facilities for advanced testing. This investment supports key grid projects like BalWin 3 and LanWin 4, critical for Europe's offshore wind infrastructure.

Van Oord has been contracted by Copenhagen Infrastructure Partners (CIP) to install 33 inter-array cables for the Fengmiao 1 offshore wind farm in Taiwan, China, covering 64km. The project will utilise the CLV Nexus and remote-controlled trenchers, with installation due to begin in 2027.

Jan De Nul introduced its second XL cable-laying vessel, William Thomson, named after the Irish physicist renowned for his contributions to submarine telegraphy and thermodynamics. Like its predecessor Fleeming Jenkin, the 215m vessel boasts a 28,000-mt cable-carrying capacity, ultra-low emission technology, and a hybrid power plant capable of operating on biofuel and green methanol. This positions it as one of the world's largest and most sustainable cable-laying vessels.

In early 2025, the Norwegian shipbuilder Vard will deliver the 171m-long cable-laying vessel Monna Lisa to Prysmian, marking another milestone in Prysmian's fleet expansion. Designed as a sistership to the Leonardo da Vinci, Monna Lisa boasts industry-leading cable storage capacity, lower CO_2 emissions, and green energy features such as a high-voltage shore connection and biodiesel-ready generators, supporting Prysmian's efforts in global power grid upgrades.

Japan's Penta-Ocean Construction has ordered its first CLV at PaxOcean based on SALT design, targeting offshore wind turbine and submarine power cable installations.

Taihan Cable & Solution launched South Korea's first dedicated CLV to bolster its offshore wind operations, thereby emphasising regional competitiveness. Damen introduced a next-generation CLV designed for modular customisation and environmental sustainability, prepared for future methanol propulsion and equipped with batteries to reduce emissions.

According to a TGS analysis, the power CLV market is expected to grow significantly as a result of increasing demand for subsea cable installation and repair. An estimated 3,600 cable failures are projected between 2024 and 2035, costing approximately €61.5bn. Furthermore, the strong demand for offshore wind platforms and the planned installation of 832 substations globally by 2040 will necessitate the construction of specialised vessels to address these complex and time-sensitive infrastructure needs.

The telecom CLV market saw modernisation efforts and several conversions to meet escalating global connectivity demands. Malaysia's OMS Group initiated a fleet renewal programme with Royal IHC, focusing on next-generation vessels capable of laying telecom cables at greater depths. In Norway, Green Yard completed a sustainable conversion of Japan's Vega II, repurposing it for cable-laying and repair operations. SeaTech Solutions and PaxOcean successfully converted a platform supply vessel (PSV) for ASEAN Cableship into the 97m cableship ASEAN Challenger, featuring a carrying capacity of 1,000 mt of fibre-optic cables. Norwegian shipbuilder Vard converted the PSV IT Infinity into a cable-laying vessel for IT International Telecom Marine. Meanwhile, in Qatar, Milaha subsidiary Halul Offshore Services Company secured a $71.7mn contract with North Oil Company (NOC) to construct a new 140km fibre cable system from Al Kabaan to Ras Laffan and the Al-Shaheen oil field.

Survey market

The survey market saw non-stop growth in 2024 as it was marked by fleet expansions, technological advancements, and strategic partnerships. N-Sea announced the addition of the hybrid Geo Master vessel, scheduled for operation in 2026, to support its growth ambitions with advanced fuel efficiency and emission-reducing technology. Fugro also made strides toward sustainability by converting its Fugro Pioneer to methanol, aiming for climate neutrality by 2035. Meanwhile, Alpha Marine revealed plans for a new low-emission vessel specifically designed to cater to offshore renewable energy projects.

Among other significant events, we noted the loss of the Royal New Zealand Navy's HMNZS Manawanui and increasing geopolitical tensions fuelled by the unauthorised operations of the Chinese survey vessel Ke Xue San Hao near contested waters in the Philippines.

On a more positive note, India signed a major contract to build an advanced research vessel capable of deep-sea exploration under its national Deep Ocean Mission programme, to further its scientific and resource utilisation goals. Strategic partnerships are also shaping the market, such as the joint venture between “K” Line Wind Service and EGS Survey to address offshore wind power demand in Japan.

Brazil’s research vessel Vital de Oliveira continues to support scientific exploration with its advanced onboard technologies. Meanwhile, reflecting rejuvenated demand for seismic survey operations related to oil & gas exploration, companies like SeaBird Exploration are securing extended contracts. These developments highlight a dynamic market balancing innovation, growth, and operational challenges.

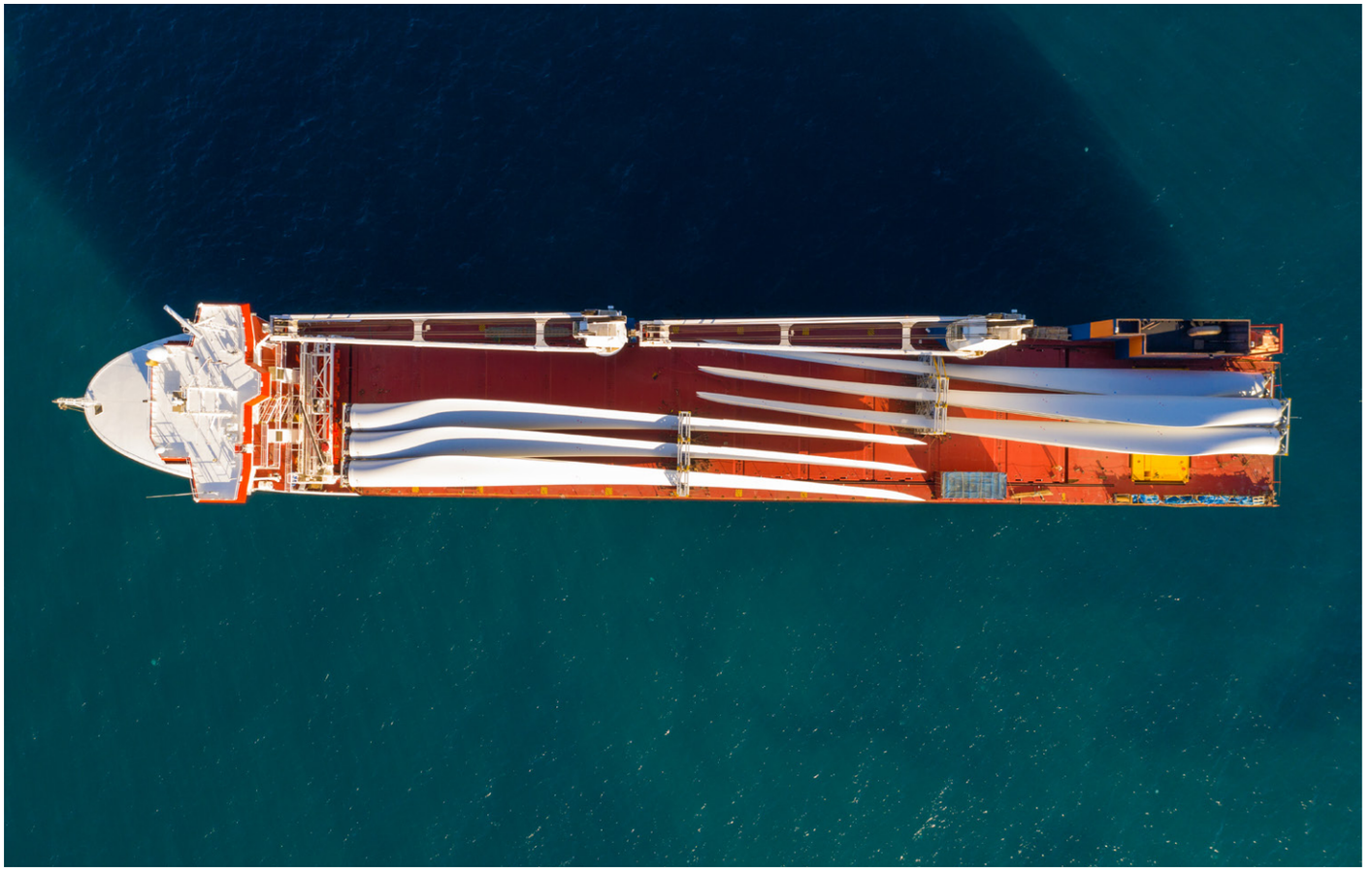
Heavy Transportation fleet

In 2024, the heavy transportation fleet welcomed significant new entries driven by technological innovation and growing demand from the offshore and renewable energy sectors.

Japanese shipping group MOL placed an order with Taizhou Sanfu Ship Engineering for a 13,000 Dwt open deck carrier, tailored for transporting offshore wind energy components, with delivery scheduled for 2026. This advanced vessel, equipped with a DP system and weather-resistant features, will enhance the logistics of offshore wind turbine construction.

Meanwhile, CY Shipping and BigLift Shipping expanded their heavy transport vessel fleet by ordering two new BC-Class units from Jingjiang Nanyang Shipbuilding, bringing their combined fleet to six vessels. Designed for ultra-large modular cargo, these are interchangeable with BigLift’s MC-Class vessels, providing flexibility and optimised loading and transport capabilities. Both MOL and BigLift focus heavily on supporting offshore wind logistics, reflecting the market's emphasis on renewable energy infrastructure. The new vessels showcase advancements in DP, efficient cargo handling, and innovative designs, while aligning with the growing demand for specialised transport solutions in the renewable energy sector.

China delivered the Fan Zhou 8, capable of transporting over 58,000 mt of cargo, including offshore wind components and oilfield modules. This vessel also boasts polar-ready capabilities and advanced automation, and is compliant with international environmental standards.



Oil and Gas

Logistics and mobilities

The offshore support vessel (OSV) market experienced a resurgence in 2024, fuelled by rising demand, increasing day rates, and fleet modernisation initiatives. OSV day rates climbed steadily, with Tidewater reporting an average of $22,275/day in 3Q24, a 5% q-o-q increase. Meanwhile, effective utilisation rates reached 75% and are projected to rise to 78% by 2027, according to an analysis by Westwood Global Energy. Global upstream engineering, procurement, and construction (EPC) spending surged by 43% to $63bn as Latin America, Southeast Asia, and the Middle East drove growth. These developments reignited confidence in the OSV sector, leading to the first newbuilding orders after a decade-long hiatus.

Mergers and acquisitions dominated the market, with significant deals including DOF Group's $1.1bn acquisition of Maersk Supply Service and Adani Ports acquiring an 80% stake in Astro Offshore for $185mn. Meanwhile, Atlantic Navigation sold 20 vessels for $183mn, marking one of the largest transactions in the sector. Financing challenges persisted, but alternative sources including credit funds and Chinese shipyard financing gained prominence, enabling growth despite ESG compliance pressures.

Following Siem Offshore's management change and renaming to Sea1 Offshore, Kristian Siem took a stake in Borealis Maritime's Aurora Offshore, transferring management of nine Siem offshore vessels to Aurora and increasing its fleet to 28 ships. This deal positions Aurora Offshore as a significant global OSV operator, expanding its presence in subsea and offshore markets while employing around 950 seafarers across its diverse fleet of construction, anchor-handling tug supply (AHTS), and platform supply vessels (PSVs).

Spot and term charter markets diverged, with term contracts yielding better returns for PSVs. While spot rates in the North Sea saw moderate increases, term rates exceeded expectations, driven by higher activity on the Norwegian continental shelf. A robust drilling programme in Norway, with up to 50 exploration wells projected, further bolstered demand for PSVs and AHTS vessels.

Innovative digital platforms like Seavium aimed to "uberise" OSV chartering by improving transparency and accessibility. Overall, the OSV market demonstrated strong fundamentals, driven by rising offshore oil and gas activity, emerging technologies, and evolving financing solutions, setting the stage for sustained growth in 2025.

ADDITIONAL NEWS FOCUSED ON AHTS:

- Vallianz Offshore Marine expanded its fleet with the delivery of three ABS-class shallow-draught, diesel-electric AHTS vessels, part of a series of ten.
- Viking Supply Ships is upgrading its six ice-class AHTS vessels with advanced subsea features, including 100-mt heave-compensated offshore cranes and remotely operated vehicle (ROV) systems. The upgrades will begin implementation in 2026.
- Sea1 Offshore took over the management of Viking Supply Ships' six AHTS vessels.
- ADNOC purchased the 10-year-old AHTS vessel POSH Radiant from Singapore's Posh, renaming it ADNOC A09. This acquisition is part of ADNOC's strategy to maintain its position as the largest offshore support fleet operator in the Middle East, with more than 110 vessels under its control.

ADDITIONAL NEWS FOCUSED ON PSVS:

- Vard completed a major conversion of the PSV IT Infinity into a cable-laying vessel for IT International Telecom Marine. Similarly, Britoil Offshore Services partnered with Seas Geosciences to convert its PSV BOS Princess into a geotechnical drilling vessel, targeting the offshore wind sector.
- In Brazil, Bram Offshore and Starnav Serviços Marítimos ordered up to 12 hybrid-powered PSVs against long-term charter deals with Petrobras. The total newbuilding contract value was in excess of $1bn.
- MMC Ship Design signed a contract to design ten advanced PSVs for Fujian Mawei Shipbuilding, emphasising fuel efficiency, operational flexibility, and methanol-capable propulsion systems.
- Capital Offshore, led by Evangelos Marinakis, continued to expand its fleet with the acquisition of the Ace Discoverer and the placement of an order for four firm PSVs at Fujian Mawei Shipbuilding, with an additional four options attached.
- Wärtsilä and Eidesvik Offshore partnered to retrofit the PSV Viking Energy with ammonia-fuelled propulsion.
- Aurora Offshore took over the management of the Capital Offshore-owned Ace Kristiansand.
- Havila Shipping secured a new contract for the Havila Borg for offshore operations in the Netherlands, where the vessel will be employed on two well jobs estimated to last 200 days with Dutch company Peterson Den Helder.
- Dina Scout's management transitioned from Myklebusthaug Management to Atlantica Shipping.

SPEC ANN, PSV, ABC Maritime, 2015.

Subsea construction and installation

Last year, the subsea construction and installation vessel market experienced unprecedented growth driven by increased demand for deepwater oil and gas projects, offshore renewables, and advanced subsea operations. DeepOcean secured its largest contract ever, an eight-year subsea inspection, maintenance, and repair (IMR) deal with Equinor. This was supported by a custom-built, dual-fuel IMR vessel designed to reduce emissions and optimise operations. This vessel, developed with Myklebust Shipyard and Rem Offshore, highlights the sector's focus on sustainability and technological innovation.

Suardiaz Group acquired a DP2 subsea vessel to service the offshore wind market in Europe, while Sea1 Offshore expanded its fleet with two new methanol-ready units. Additionally, the transfer of the Siem Stingray and Siem Barracuda from Sea1 Offshore to Borealis Maritime's Aurora Offshore, scheduled by April 2025, will mark the company's entry into the subsea market.

In South America, Saipem won a $1.9bn contract for subsea infrastructure at TotalEnergies' GranMorgu field off Suriname. Meanwhile, Subsea7 secured a $1.25bn contract with Petrobras for Brazil's Búzios field. These large-scale projects emphasise the region's central role in subsea construction. Additionally, Allseas expanded operations with contracts in the Caribbean, North Sea, and Timor Sea, showcasing its global reach in pipeline installation.

Europe remained a hub for innovation, with Reach Subsea collaborating with Equinor on unmanned surface vessels (USVs) to validate remote operations for seabed mapping and subsea inspection. Norwegian companies like Havila Subsea & Renewables also bolstered their presence in the market through acquisitions and long-term contracts.

The subsea construction market saw a surge in demand, with day rates for construction support vessels reaching $150,000, while pipelay units in Brazil commanded rates as high as $284,000 per day. Vessel owners capitalised on this growth, with orderbooks swelling and long-term contracts extending into the next decade.

Acquisitions and mergers defined the market dynamics. Cyan Renewables purchased MMA Offshore and Moreld acquired Ocean Installer to strengthen their positions in the subsea segment. Chouest's acquisition of ROVOP added over 100 ROVs to its fleet, emphasising the sector's reliance on advanced robotics. Similarly, in line with subsea vessel owners seeking control over WROV operations, Solstad acquired a 36% stake in WROV operator Omega Subsea.

Overall, 2024 was a transformative year for the subsea construction market, blending technological progress, strategic investments, and robust demand across multiple sectors. This trajectory is expected to continue as offshore energy projects expand worldwide.

Diving Support fleet

The Diving Support Vessel (DSV) market experienced notable activity, with operators securing long-term charters to meet specialised operational demands. Shelf Subsea, an Australian subsea services provider, entered a five-year charter agreement with Jumeirah Offshore for the DSV Oriental Dragon. This advanced DP3 vessel, designed for challenging environments, features a twin-bell saturation diving system, ROV hangers, and a 250-mt AHC crane, making it well-suited for complex underwater operations. The charter reflects the growing demand for high-specification DSVs to support subsea construction and maintenance in the offshore energy sector.

Drilling

In 2024, regions rich in offshore oil and gas infrastructure like the Middle East, Brazil, and the North Sea experienced strong demand for offshore rigs, reflecting ongoing development projects and highlighting areas of growth and regional strengths. This included significant investments by Petrobras in Brazil and efforts in India to modernise an ageing drilling jackup fleet. On the corporate front, Noble Corporation's acquisition of Diamond Offshore might represent one of the industry's last significant consolidations for some time. Although drillers remain cautious about utilisation in 2025 due to 2024's subdued tendering activity, the overarching trend indicates that recovery is underway.

Drillships

In 2024, the drillship market experienced a robust recovery, characterised by new contracts and operational expansions. Constellation secured $1bn in contracts with Petrobras for two ultra-deepwater drillships: the Laguna Star and the Tidal Action. These rigs are set to work in the Roncador field in Brazil's Campos Basin, commencing operations in mid-2025. The Laguna Star, currently completing its existing contract with Petrobras, will undergo upgrades before transitioning to the new contract. Meanwhile, the Tidal Action, a seventh-generation drillship built by Hanwha Ocean, marks Constellation's first operation of a third-party-owned unit, thereby showcasing its strategic diversification.

Transocean capitalised on demand for ultra-deepwater rigs, securing multiple contracts. The Deepwater Atlas, working in the Gulf of Mexico, received extensions worth up to $650,000/day for advanced completions through January 2027. Similarly, Petrobras extended its contract for the Deepwater Mykonos in Brazil until late 2025, further solidifying Transocean's presence in key markets. These contracts contributed to Transocean's backlog of $8.8bn by mid-2024, highlighting strong demand for its fleet.

Overall, 2024 underscored the rising importance of high-specification drillships, driven by growing global energy demand and advanced drilling requirements. Companies strategically focused on leveraging technological advancements and deepwater opportunities to maximise operational efficiency and profitability. In an innovative move, Vantage Drilling entered into a joint venture with TotalEnergies, selling a 75% interest in its Tungsten Explorer drillship for $199mn, thereby creating the TEVA entity. We suspect that the unit will be working with TotalEnergies for a long time.

Semisubmersible rigs

Last year, the semisubmersible market reflected a mix of contract wins, strategic fleet adjustments, and decommissioning activities. Noble secured an $84mn contract with Petronas for its Noble Developer rig to drill three wells off Suriname. This contract reinforced Noble's position in high-specification rig operations and continued its collaboration with Petronas.

Island Drilling commenced a plug-and-abandonment campaign in Mauritania using its Island Innovator rig. This project focused on decommissioning suspended wells and seabed cleanup in the Banda and Tiof fields. Meanwhile, Dolphin Drilling adjusted its fleet, selling the ageing Dolphin Leader for recycling at $5.8mn and acquiring two established rigs in the North Sea, the Paul B. Lloyd Jr and the Transocean Leader.

Not all developments were positive. A disagreement over the drilling programme at the Kraken field in the North Sea led to the termination of the Borgland Dolphin's contract. While Dolphin Drilling received a $20.75mn cancellation fee, the rig's future remains uncertain.

The semisubmersible market in 2024 showcased its adaptability, with operators balancing exploration, decommissioning, and fleet optimisation to address evolving industry demands. As the energy transition gains momentum, the role of semisubmersible rigs in both the traditional and renewable energy sectors remains critical.

Jackup rigs

The jackup rig market saw dynamic activity in 2024, including fleet realignments and contract awards. Seadrill exited the shallow-water jackup market entirely by selling its West Prospero rig for $45mn. This decision, part of a broader focus on deepwater opportunities, reflected strategic fleet optimisation. Meanwhile, Borr Drilling expanded its global operations, securing 13 new contracts worth $644mn. Among these, its Arabia I rig, suspended earlier in Saudi Arabia, secured a lucrative long-term contract in Brazil with Petrobras, reflecting a 60% day rate increase.

Singapore's Seatrium delivered the final two of five high-specification KFELS Super B Class jackups to Borr Drilling ahead of schedule. Seatrium LeTourneau USA signed a Memorandum of Understanding (MoU) with Cochin Shipyard to collaborate on the design and supply of critical equipment for jackup rigs for the Indian market.

Challenges persisted, however. Aramco suspended operations for several Valaris jackups as part of a broader reduction in drilling capacity in Saudi Arabia. Despite these setbacks, the jackup segment remained resilient, with opportunities in Brazil, Southeast Asia, and Africa driving demand for advanced rigs.

In summary, the offshore drilling market demonstrated resilience and strategic evolution across drillships, jackups, and semisubmersibles. While drillships capitalised on deepwater opportunities, semisubmersibles balanced decommissioning and operational efficiency and jackup rigs navigated supply challenges and regional demand shifts. These trends underscore a dynamic industry adapting to technological advancements, economic pressures, and global energy needs.

Floating Oil Production fleet

The FPSO market saw notable activity in 2024 and was marked by strategic advancements, significant contracts, and technological innovations. Petrobras maintained its dominance in the sector, accelerating deployment timelines and commissioning numerous FPSOs for Brazil's pre-salt fields. The FPSO Marechal Duque de Caxias began operations at the Mero field, boosting the field's capacity to 590 kb/d. The unit features cutting-edge carbon reduction technologies,

including high-pressure subsea separation (HISEP) and carbon capture, highlighting Petrobras' commitment to more sustainable production.

SBM Offshore increased its FPSO operations as well. SBM Offshore delivered the FPSO Prosperity to ExxonMobil for Guyana's Stabroek block, supporting the nation's emergence as a global oil powerhouse. ExxonMobil also acquired the FPSOs Liza Destiny and Prosperity, securing operational control while SBM Offshore continues their management. Additionally, SBM's Jaguar FPSO, designed for Guyana's Whiptail development, achieved $1.5bn in project financing and will commence production in 2027.

In Angola, TotalEnergies focused on its Kaminho project, deploying FPSOs designed for high efficiency and low emissions. The French energy major converted a VLCC tanker into an FPSO for this venture, aligning with a $6bn investment in Angola's Kwanza basin. TotalEnergies' broader FPSO strategy reflects the rising demand for carbon-efficient units in deepwater operations.

Redeploying idle FPSOs proved challenging due to complex requirements for field compatibility and customisation. However, projects including the refitting of OSX-1 for Repsol in Mexico demonstrated opportunities for the repurposing of existing units. Meanwhile, innovative designs such as Wison New Energies' low-emission FPSO obtained approval, the resulting carbon footprint reduction signalling a shift toward sustainability.

China's role as a manufacturing hub for FPSOs continued, with CIMC Raffles and Seatrium delivering advanced units for Petrobras. The P-82 and P-83, described as the world's largest FPSOs, emphasised efficiency and emissions control.

Brazil's FPSO expansion continues aggressively, with Petrobras planning to deploy 14 FPSOs from 2024 to 2028. Significant investments in decarbonisation and the use of advanced processing technologies demonstrate the company's leadership in combining production growth with the address of environmental concerns.

Yinson Production extended its FPSO PTSC Lam Son's charter in Vietnam, reinforcing its operational stability. With a fleet of ten FPSOs and a $22bn orderbook, Yinson remains a critical player in the global FPSO market.

The FPSO market's evolution in 2024 underscores its pivotal role in offshore energy production. Operators and contractors increasingly leverage advanced technologies, sustainability-focused designs, and strategic acquisitions to navigate the pressures of high energy demand and environmental responsibility.

Major oil companies have not only confirmed their exploration programmes, but they have further increased their direct equity stakes in exploration and production units to bring more support to their main leading subcontractors.

Floating Liquefied Natural Gas (FLNG)

The FLNG market saw substantial developments in 2024, with major contracts, fleet expansions, and strategic initiatives shaping the sector. Golar LNG secured an Engineering, Procurement, and Construction (EPC) contract with CIMC Raffles for a new MK II FLNG vessel. This unit, with a liquefaction capacity of 3.5 mtpa, is slated for delivery in late 2027, with an option for a second MK II unit by 2028. These new FLNGs are expected to increase Golar's liquefaction capacity by 70%, positioning it as a market leader.

Golar also inked a 20-year charter deal for its FLNG Hilli, currently operating off Cameroon, to serve Argentina's Neuquén basin by 2027. This deal offers Golar the flexibility to substitute the Hilli with a more advanced MK II unit, enhancing operational and financial efficiency. Analysts have projected significant EBITDA growth from this arrangement, emphasising its long-term value.

Strategic investments highlighted the growing interest in FLNG. Perenco acquired a 10% stake in Golar LNG, fuelling speculation about potential future collaborations.

In Africa, Golar partnered with Nigeria's NNPC to develop an FLNG project. A final investment decision was expected by late 2024. This venture underscores the region's growing demand for FLNG solutions to monetise natural gas reserves.

Technological advancements and cost efficiencies are also driving the market. Golar's MK II units, priced at approximately $600 per mt of liquefaction capacity, offer competitive time-to-market and high returns, making them attractive for clients aiming to monetise gas resources quickly.

In addition, the FLNG sector is witnessing a trend toward LNG carrier conversions. Golar is evaluating options for converting its existing vessels, reflecting a broader market shift toward repurposing assets to meet growing demand. Analysts have identified Africa, Latin America, and Southeast Asia as key regions for future FLNG deployment.

Last year also highlighted the sector's financial robustness of the sector. Golar's share price hit a two-year high following new contracts and investments, reflecting strong investor confidence. Market observers anticipate continued growth as FLNG units play a critical role in global energy transition efforts.

With increasing liquefaction capacity, strategic collaborations, and innovative designs, the FLNG market is set for significant expansion, driven by robust demand for clean energy solutions and efficient gas monetisation strategies.

After a few years of continuous improvement, the oil and gas markets seem to be stabilising. Global demand for offshore services and construction capacities remains robust across all traditional oil and gas regions. For example, at the beginning of 2025, Equinor awarded 27 new production licenses, all for acreage in the North and Barents Seas.

Overall, the dynamics and fundamentals of both the wind energy and traditional oil and gas sectors are expected to maintain the utilisation rate of specialised fleets near their maximum capacities.

Despite uncertainties stemming from geopolitical factors and the energy transition, 2024 witnessed a resurgence in speculative orders, driven more by owners than by contractors. Construction support and logistics-focused tonnages have proven to be versatile cross-border players within the offshore industries.

SEAWAY EAGLE, semisubmersible, converted from a tanker in 2006, Seaway7.
Copyright : SEAWAY EAGLE

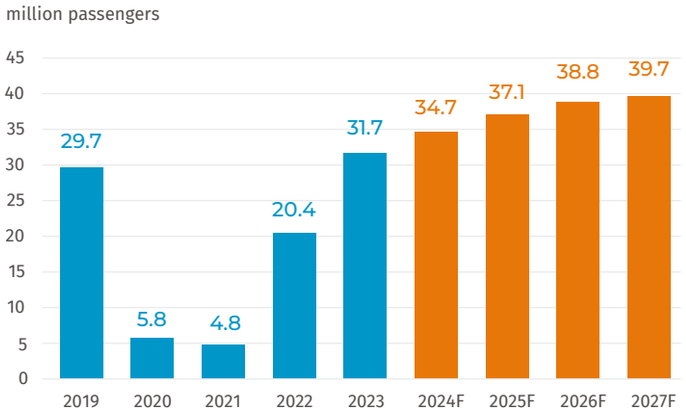
Cruise

ILMA
Cruise ship, 476 passenger capacity, built by Chantiers de l'Atlantique, operated by The Ritz-Carlton Yacht Collection.

Characteristics of the Cruise Industry in 2024

In 2024 we saw a spectacular rebound in the number of cruise passengers, which made a quantum leap from 31.7 mn in 2023 to 34.7 mn in 2024. This was naturally well above the Covid-hit lows of 5.8 mn in 2020, 4.6 mn in 2021 and 20.4 mn in 2022, but it also surpassed the previous record of 29.7 mn passengers posted in 2019.

Historical and Forecast Ocean-going Cruise Passengers



Source: CLIA State of the Cruise Industry Report, May 2024

When examining growth across 2019-23, it is evident that most of the post-Covid increase in cruise passengers came from North America.

Source Region (in millions)	2019	2023	% Change
Global	29.7	31.7	7%
North America	15.4	18.1	18%
Europe	7.7	8.2	6%
Asia	3.7	2.3	-38%
Australasia	1.35	1.34	-1%
South America	0.935	0.996	7%

Source: CLIA State of the Cruise Industry Report, May 2024

After years of reduced operations, the Chinese market is set for a major comeback in 2025 and some Western companies such as MSC Cruises and Royal Caribbean International resumed their operations in the country. There was also an equally spectacular recovery in the finances of cruise companies. Many had seen their earnings almost halted in 2020-21, forcing them to obtain large loans from financial institutions and to scrap old cruise ships, which had never taken place at this scale before.

Operating Income (million $)	2018	2020	2023	2024
CCL	3,325	-8,865	1,956	3,573
NCLH	1,219	-3,484	931	
VIK		64 (2022)	818	
RCI	1,895	-4,602	2,878	

Source: Company websites & Macrotrends

EBITDA (million $)	2018	2020	2023	2024
CCL	5,341	-6,505	4,487	
NCLH	1,786	-2,745	1,814	
VIK		341 (2022)	1,070	
RCI	2,981	-3,166	4,442	

Source: Macrotrends

A combination of the healthier economics of cruise companies and very favourable future prospects for the industry saw the share prices of many publicly listed companies such as Carnival Cruise Line (CCL), Royal Caribbean International (RCI) , Norwegian Cruise Line (NCL) and Viking Cruises stand at 52-week highs.

Year Closing (USD)	CCL	VIK	RCI	NCLH
31/12/24	24.92	44.06	230.69	25.73

MEIN SCHIFF RELAX
Cruise ship, approximately 158,000 Gt, 4,000 passenger capacity, LNG-powered, built by Fincantieri in Monfalcone, delivered to TUI Cruises, February 2025.

RCL Stock Price

VIK Stock Price

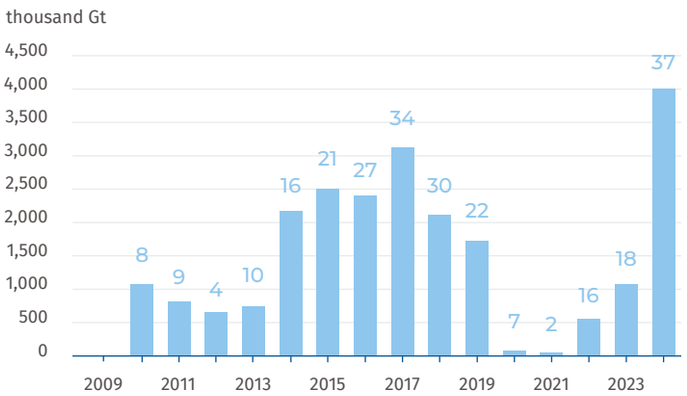
CCL Stock Price

NCLH Stock Price

Consequently, all major cruise ship owners returned to the newbuilding market and placed 37 orders in 2024, which totalled 2.6 mn Gt. This set a new historical record, surpassing the previous one set in 2017, when orders for 34 newbuilding cruise ships totalling 3.2 mn Gt were placed.

The largest companies in the cruise industry returned to their favourite three shipbuilders AMF (Atlantique, Meyer, Fincantieri), which were delighted to sign new contracts after several lean years. AMF's orderbook increased from a combined 50 ships (5.8 mn Gt) to 67 ships (8.2 mn Gt).

Cruise Ship New Orders



Shipyard	Orderbook by the end of 2023	Orderbook by the end of 2024
Atlantique	12	10
Meyer	7	13
Fincantieri	31	44

The below table details 2024's cruise ship orders:

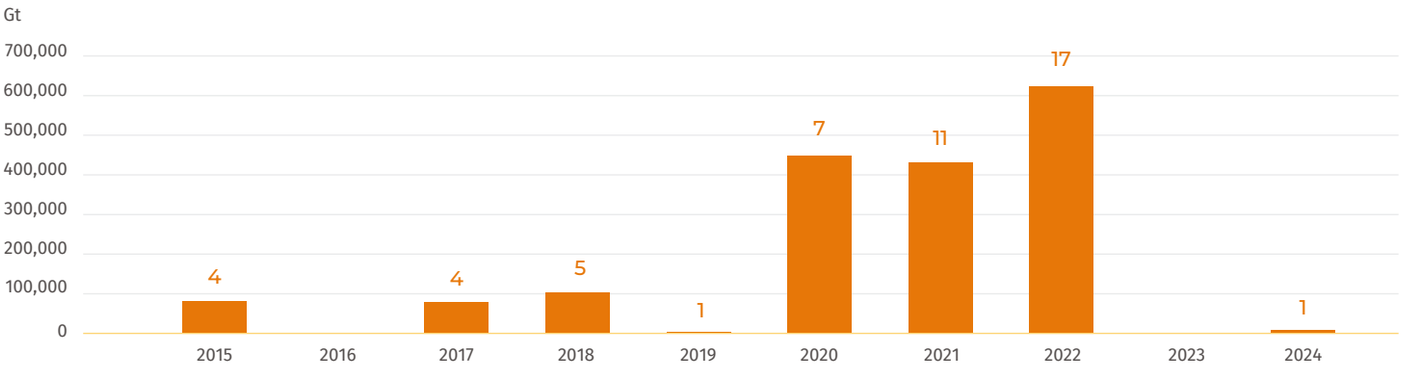
Shipyard	Delivery year	Gt	Ordering company	Passengers	Ship fuels	Ship fuels ready
Asenav	2026	6,730	Antarctica XXI	76	Conventional	
Atlantique	2028	231,000	RCCL	6,360	Dual Fuel: LNG	
Chesapeake	2026	3,344	American Cruise Lines	109	Conventional	
Chesapeake	2026	3,344	American Cruise Lines	109	Conventional	
Chesapeake	2026	6,000	American Cruise Lines	180	Conventional	
Chesapeake	2027	3,344	American Cruise Lines	109	Conventional	
Chesapeake	2027	3,344	American Cruise Lines	109	Conventional	
Chesapeake	2028	6,000	American Cruise Lines	180	Conventional	
Chesapeake	2028	6,000	American Cruise Lines	180	Conventional	
Fincantieri Ancona	2026	77,000	NCL Holdings	850	Conventional	
Fincantieri Ancona	2027	86,000	NCL Holdings	1,450	Conventional	
Fincantieri Ancona	2028	47,800	Viking Ocean Cruises	998	Multifuel: Batteries, Hydrogen	
Fincantieri Ancona	2029	47,800	Viking Ocean Cruises	998	Multifuel: Batteries, Hydrogen	
Fincantieri Ancona	2029	77,000	NCL Holdings	850	Conventional	
Fincantieri Ancona	2029	86,000	NCL Holdings	1,450	Conventional	
Fincantieri Ancona	2030	47,800	Viking Ocean Cruises	998	Multifuel: Batteries, Hydrogen	
Fincantieri Ancona	2030	47,800	Viking Ocean Cruises	998	Multifuel: Batteries, Hydrogen	
Fincantieri Ancona	2030	200,000	NCL Holdings	4,950	Conventional	
Fincantieri Ancona	2032	200,000	NCL Holdings	4,950	Conventional	
Fincantieri Ancona	2034	200,000	NCL Holdings	4,950	Conventional	
Fincantieri Ancona	2036	200,000	NCL Holdings	4,950	Conventional	
Fincantieri Breda	2028	61,800	Crystal Cruises	690	Conventional	
Fincantieri Breda	2031	61,800	Crystal Cruises	690	Conventional	
Fincantieri Breda	2032	61,800	Crystal Cruises	690	Conventional	
Fincantieri Monfalcone	2029	228,500	Carnival Corp	8,000	Dual Fuel: LNG	
Fincantieri Monfalcone	2031	228,500	Carnival Corp	8,000	Dual Fuel: LNG	
Fincantieri Monfalcone	2033	228,500	Carnival Corp	8,000	Dual Fuel: LNG	
Halong	2026	11,000	Emerald Cruises	100	Dual Fuel: LNG	
Meyer Papenburg	2027	144,000	Disney			
Meyer Papenburg	2027	185,581	Carnival Corp	6,600	Dual Fuel: LNG	
Meyer Papenburg	2028	135,000	Disney	4,000	Dual Fuel: LNG	
Meyer Papenburg	2028	185,581	Carnival Corp	6,600	Dual Fuel: LNG	
Meyer Turku	2027	248,663	RCCL	7,600	Dual Fuel: LNG	Hydrogen
Meyer Werft (Germany)	2027–2030	160,000	Disney Cruise Line	3,000	Dual Fuel: LNG	
Meyer Werft (Germany)	2027–2030	160,000	Disney Cruise Line	3,000	Dual Fuel: LNG	
Meyer Werft (Germany)	2027–2030	160,000	Disney Cruise Line	3,000	Dual Fuel: LNG	
Meyer Werft (Germany)	2027–2030	160,000	Disney Cruise Line	3,000	Dual Fuel: LNG	

Meanwhile, 12 cruise ships were delivered in 2024:

Shipyard	Delivery date	Gt	Ordering company	Passengers	Ship fuels	Ship fuels ready
Atlantique	Jul/24	47,435	Ritz-Carlton Hotel CO	456	Dual Fuel: LNG	
Atlantique	Jun/24	236,473	RCCL	6,360	Conventional	
Brodosplit	Dec/24	5,590	Polar Expeditions	194	Conventional	
Chesapeake	Dec/24	3,344	American Cruise Lines	109	Conventional	
Chesapeake	Dec/24	3,344	American Cruise Lines	109	Conventional	
Fincantieri Ancona	Dec/24	53,769	Viking River Cruises	944	Conventional	
Fincantieri Castellammare	Sep/24	63,621	MSC	922	Conventional	
Fincantieri Monfalcone	Apr/24	114,188	Cunard	3,000	Conventional	
Fincantieri Monfalcone	Feb/24	177,882	Carnival Corp	4,320	Dual Fuel: LNG	
Ha Long SB	Dec/24	5,175	Emerald Cruises	100	Conventional	
Meyer Papenburg	May/24	55,061	Silversea Cruises	596	Dual Fuel: LNG	
Meyer Papenburg	Oct/24	144,256	Disney	4,000	Dual Fuel: LNG	
Meyer Turku	Jun/24	112,982	Tui	3,132	Conventional	Methanol

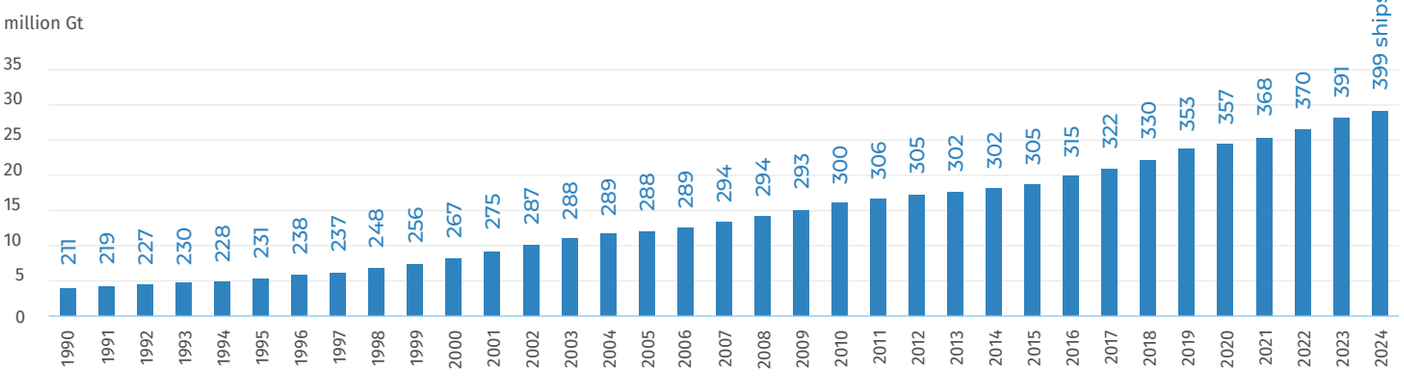
Only one demolition was reported in 2024, with the sale of MV Diamond XI.

Cruise Ship Demolition over the Past 10 Years



At end-2024, the total cruise ship fleet consisted of 399 vessels.

Cruise Ship Fleet Evolution



An Overview of the Cruise Ship Industry in 2024 (shipping and shipbuilding)

1. Trend for larger cruise ships

It seems that after giving some priority to expedition- or exploration-type cruise ships over the last few years, the trend for larger cruise ships is back. This is reflected by the average gross tonnage of newbuilding orders rising to 73,000 Gt in 2024 compared with 65,000 Gt in 2017, and just 19,000 Gt in 1990.

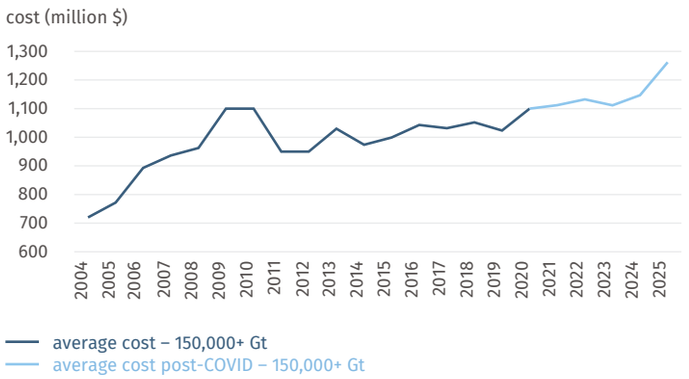
Putting this into further perspective, the largest cruise ship in 1987 was the RCI Sovereign of the Seas, at 73,000 Gt.

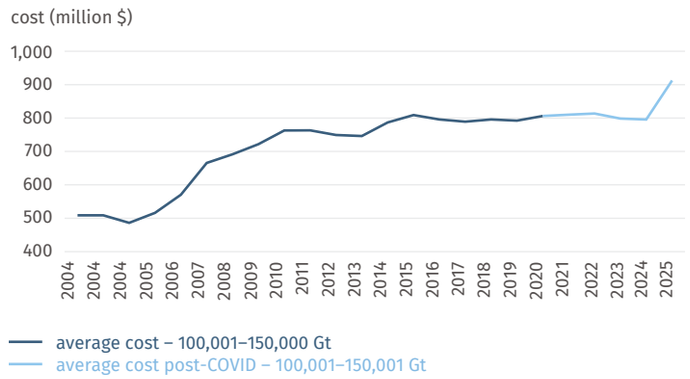
The trend for larger ships is a general characteristic of the shipping industry, particularly within the container carrier, bulker, LNG carrier and PCTC segments. Meanwhile, on the oil tanker side, sizes stabilised after a giant leap in the 1960s and 1970s with supertankers reaching 550,000 Dwt. Since then, standard tanker sizes have decreased somewhat with 330,000 Dwt VLCCs now the largest generally traded oil tankers.

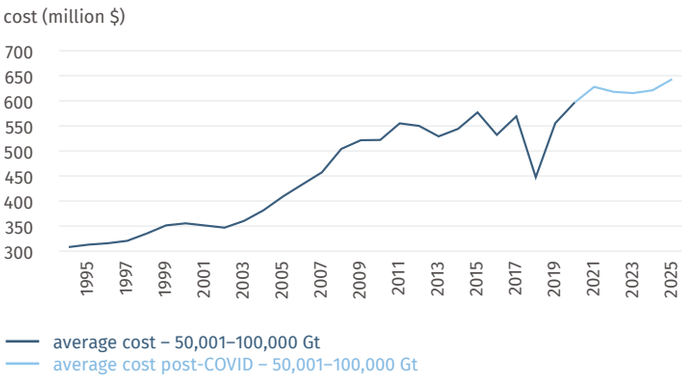
Although there had been some downward inflection due to fleet renewal and an increase in the popularity of exploration and expedition cruise ships (with passenger capacities of less than 500), this new, post-Covid trend for larger cruise ships has most likely been fuelled by economics. Post-Covid prices for cruise ships have soared by 40-80% compared to 2019. These rises have been steeper than the general increase in newbuilding prices for merchant ships such as bulker, tanker and container carriers. This is evidenced by the 46% rise in the Chinese CNPI benchmark. All told, this has pushed cruise ship owners to opt for the economies of scale of larger ships.

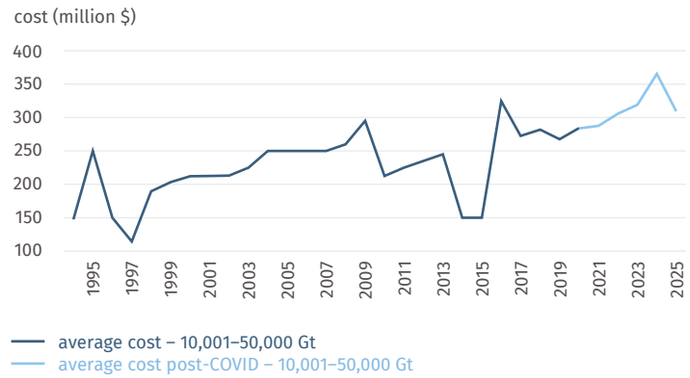
Price Evolution Graphs based on CIN Orderbook data:

Cruise Ship Newbuilding Cost Evolution

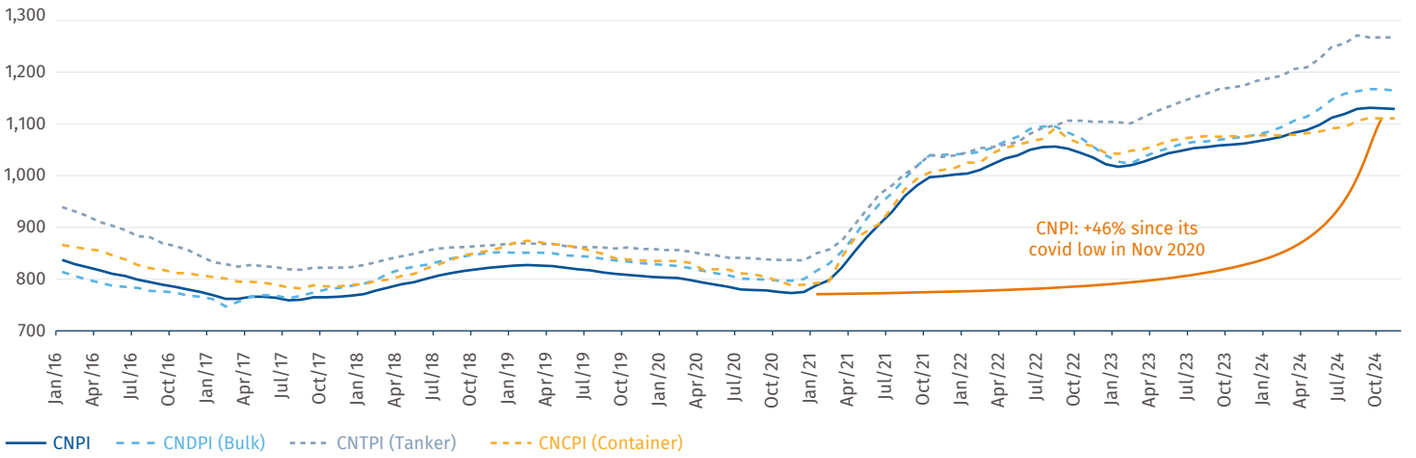




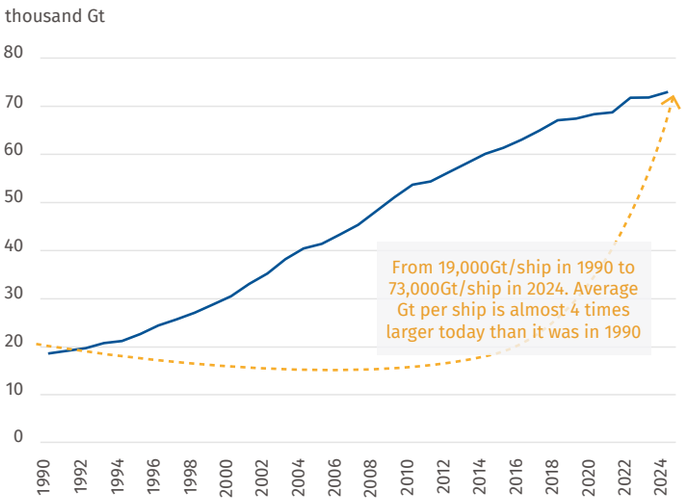




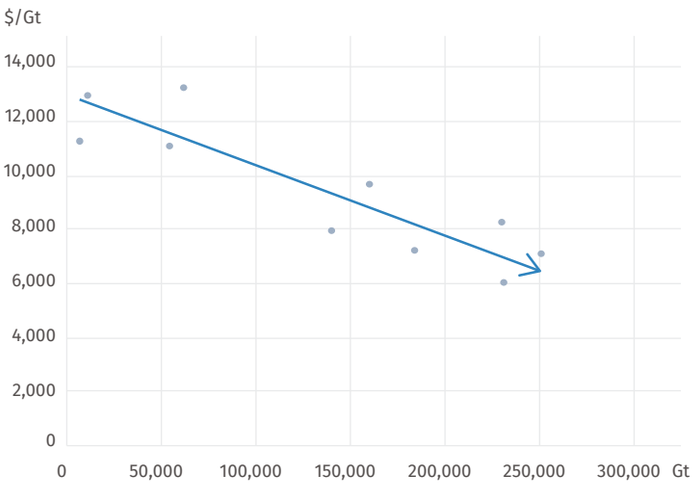
Chinese Newbuilding Indices



Average Gt per Cruise Ship



Cruise Ship Newbuilding Price per Gt



ASUKA III
Cruise ship, 744 passenger capacity, built by MEYER WERFT, delivery year April 2025.

Mega cruise ships

On 27 November 2023, Meyer Werft delivered the largest ever cruise ship, the Icon of the Seas, to RCI. At 249,000 Gt, the ship featured:

- length overall: 364.75m
- beam: 48.77m
- number of decks: 20
- passenger capacity: 7,600
- crew capacity: 2,350
- lifesaving appliances for 9,950 persons.

RCI currently has 3 + 2 sisterships under construction at Meyer Turku.

Once again, RCI has confirmed its boldness in breaking records and remains the first cruise company to opt for ever-larger ships – these so-called “mega cruise ships”.

But have we reached the maximum size possible for an already-giant cruise ship?

Probably not, as there are other giant ships on the sea such as 24,000 teu container carriers with a length overall of 400m and a beam over 61m, or Very Large Ore Carriers (VLOCs) with lengths of 365m and beams of 65m. Therefore, in theory, we could see future cruise ships of up to 350,000 Gt.

But the question remains concerning where these mega cruise ships could sail, at a time when many ports of call complain about plagues of overtourism, especially in small coastal cities or on pristine Mediterranean islands. At the beginning of 2025, a mayor in the South of France decided to ban cruise ships over 900 passengers, triggering an outcry from the cruise industry. Will he succeed? Will that trend spread to other cities?

Overtourism is not the appanage of the cruise industry but many cities and islands in the Mediterranean have taken, and will continue to take, steps to reduce the number of cruise passengers disembarking.

Mega cruise ships seem to have found a natural outlet in areas close to the USA (notably the Caribbean and Gulf of Mexico). It is interesting to note that main players including CCL, RCI, NCL and MSC have invested in private islands and resorts which constitute not only a destination but a new call en route to the Caribbean. It could also reflect that this region is more liberal and open to business than Europe.

The cruise industry must address many challenges, notably overtourism and its environmental impact. This will see ships reducing their greenhouse gas emissions while installing technology to treat wastewater and waste in the most sustainable way possible. Such measures will help minimise the impact of regulations which otherwise could hamper business by forbidding or limiting access to certain ports or destinations.

2. To be (or not to be) a cruise ship builder

We all remember the difficulties of the famous and great Japanese shipbuilder Mitsubishi H.I. with the construction of MV AIDA Prima. It is equally painful to have to mention that a seventh-generation shipbuilder with an excellent track record in the design, engineering and construction of cruise ships lost a significant amount of money, which ultimately resulted in the control of the company changing. Meyer Werft experienced a major industrial accident and the worst crisis in its 229-year history. Many of its contracts were negotiated before Covid and were subsequently not adjusted to take account of higher raw materials and energy costs. It is very difficult to build within budget a new generation of cruise ships if you have not built the previous one and accumulated experience and expertise in the field. What happened to Meyer Werft was probably a mix of inflationary costs during Covid and post-Covid times, coupled with a scale effect.

As a result, the German government took control of the German assets of the shipbuilding group, while Meyer Turku remained fully owned by the Meyer family. Meyer Werft, along with Neptun Werft, was split with 20% ownership held by the Meyer family, 40% by the state government, and 40% by the federal government.

Notwithstanding these difficulties, Meyer Werft succeeded in gaining the support of the German authorities, and very quickly all of its customers extended their support and trust, which saw further orders placed at the yard. This tells us a lot.

ADORA MAGIC CITY
Cruise ship, 5,246 passenger capacity, 1,292 crew capacity, built by Shanghai Waigaoqiao Shipbuilding (SWS), operated by Adora Cruises Co. Ltd., delivery year December 2023.

However, we must salute the performance of Chinese shipbuilder SWS having succeeded in building, without any previous experience, a giant cruise ship – the 135,000 Gt MV Adora Magic City – on time and as per specification. This was delivered in November 2023. There are rumours concerning large building cost overruns. However, these must be viewed as an investment into a new line of business as SWS decided to go ahead with the construction of a slightly larger 140,000 Gt sistership, due to be delivered in 2026.

The successful delivery of that first cruise ship consolidated China's entrance into the cruise ship market where two other Chinese yards had previously distinguished themselves. CMHI Haimen has a track record of producing a long series of expedition cruise ships for Sunstone customers. Meanwhile, Huanghai shipyard has built ships for companies trading in the Pacific islands. This also comes at a time when Chinese shipyards have grown their market share in the construction of ferries and Ropaxes for renowned western companies including Viking Line, Gotland, Stena, MSC / Grandi Navi Veloci, Corsica Linea, Marine Atlantic, DFDS, Grimaldi, and La Meridionale.

3. Dual Fuel Propulsion on board cruise ships

Propulsion type remains a challenge for cruise ship newbuilding orders. Although many orders have been specified with dual fuel LNG propulsion, there are also newbuilding orders with conventional propulsion as their owners bet on biofuel availability.

Delivered	Ships	Ratio Ships	Thousand Gt	Ratio Gt
Batteries	5	1.3%	91	0.4%
LNG	25	6.3%	3,161	13.5%
TOTAL	399		23,464	

On order	Ships	Ratio Ships	Thousand Gt	Ratio Gt
Batteries	4	4.5%	191	2.6%
LNG	27	30.3%	4,417	59.3%
Methanol	8	9.0%	755	10.1%
Hydrogen	6	6.7%	337	4.5%
TOTAL	89		7,452	

4. New cruise lines

Although the cruise industry has consolidated at an accelerating pace, encompassing large companies including CCL, RCCL, NCL and their associated brands, it is interesting to note that a number of new cruise companies have been established over the last few years. These either began their operations in 2023-24 or will begin to operate over the coming years. Their strategies either involve purchasing second-hand cruise ships or following the placement of newbuilding orders. These include (on the following page):

SEABOURN VENTURE & SEABOURN PURSUIT
Expedition cruise ships, operated by Seabourn, delivery years 2022 (Seabourn Venture) and 2023 (Seabourn Pursuit).

Company	Cruise Ship	Capacity	First Voyage	Additional Info
Neonyx Cruises	Goddess of the Night (formerly Costa Magica)	2,720 passengers	2024	
Positive Polar	Polar Angel (formerly Ocean Atlantic)	198 passengers	2024	Positive Polar focuses on sustainable expedition cruises, combining travel and scientific research in the Arctic and Antarctica
Aroya Cruises	Aroya (formerly World Dream) 	3,400 passengers 100 passengers	2024 2027	Aroya Cruises, backed by Cruise Saudi, will be the first Saudi cruise line, sailing from Jeddah
Mitsui Ocean Cruises	Mitsui Ocean Fuji (formerly Seabourn Odyssey)	450 passengers	2024	Mitsui Ocean Cruises, from Mitsui O.S.K. Lines, will introduce luxury cruising to the Japanese market, launching from Tokyo
Four Seasons Yachts	Newbuilding at Fincantieri Newbuilding at Fincantieri	180 passengers 180 passengers	2025 2026	Four Seasons will debut in the luxury cruise market with two yachts offering world-class design and service
Ritz Carlton	Evrima at Barreras Ilma at Chantiers de l'Atlantique Luminara at Chantiers de l'Atlantique	298 passengers 448 passengers 448 passengers	2022 2024 2025	
Orient Express	Orient Express Corinthian at Chantiers de l'Atlantique	108 passengers	2026	Orient Express will bring luxury sailing yachts to the market, offering refined design and service
Adora Cruises	Adora Magic City Adora Flora City	5,246 passengers 5,300 passengers	2024 2026	This Chinese cruise company will be sailing from Shanghai to Korea and Japan on round trips
Ryobi	Newbuilding at WestSea	150 passengers	2027	Ryobi plans to introduce Japan's first yacht-style cruise with exceptional personal service by 2027. It is interesting to note the expansion of Japan's cruise ship market with new investments on the part of both NYK and Mitsui O.S.K.
Compagnie Française de Croisière (CFC)	Renaissance (formerly Maasdam)	1,100 passengers	2023	Beginning of 2025, it was reported that French CFC company was to merge with British cruise company Ambassador Cruise Line
Selar	Newbuilding at CNOI	36 passengers	2026	Selar will organise exclusive cruises to the Arctic
Aman at Sea / Cruise Saudi (project Sama)	Newbuilding at T.Mariotti	100 passengers	2027	Ultra-luxury brand at the junction between luxury cruise and yacht experience

2024 illustrated in many respects the formidable dynamism of the cruise industry.

MV CAPTAIN ARCTIC
Solar sailing ship, designed for low-carbon expeditions, 36 passenger capacity, under construction at CNOI for Selar.

LE COMMANDANT CHARCOT
Hybrid electric polar exploration vessel, 31,757 Gt, 150m in length, 28m beam, Polar Class 2 (PC2) icebreaker, built by VARD (Fincantieri). Hull constructed in Tulcea, Romania, and final outfitting in Søviknes, Norway, operated by PONANT, delivery year 2021.

Container

CMA CGM LOUIS BLERIOT
Container vessel, 20,954 teu, built by Hanjin-Philippines in Subic Bay, operated by CMA CGM, delivery year 2018. Copyright: C.H. Mercier

Red Sea Crisis and Robust Cargo Demand Save Container Market from Overcapacity

The container shipping markets had an excellent 2024, with both containership owners and shipping lines enjoying a substantially better trading environment than in 2023. Although initial prospects did not look particularly bright, with a staggering 3 mn teu of newbuilding capacity expected to hit the water and soft cargo demand on many trade routes, the situation did improve. The Red Sea crisis and its resulting Cape of Good Hope diversions saw a sharp increase in the teu-mile demand for tonnage, while global cargo volumes rose more strongly than expected.

MSC TURKIYE
Container vessel, 24,346 teu, built by Yangzijiang Shipbuilding, owned by Seaspan and chartered to MSC, delivery year 2023.
Copyright: C.H. Mercier

Last year was positive for the container shipping industry, with both geopolitical and economic developments contributing to its success. The continued crisis in the Red Sea, with over 130 commercial ships attacked by Houthi rebels since November 2023, forced most container shipping lines to re-route via the Cape of Good Hope. This worked out well for a market threatened by overcapacity, as 10-15% more tonnage was needed to maintain sailing frequencies on typical services connecting Asia with Europe.

Meanwhile, global cargo demand turned out stronger than expected, increasing by an estimated 6.5% in the first nine months of the year. This growth happened as inflation eased, particularly in developed countries.

As a result of these developments, the enormous newbuilding capacities were easily, and rather unexpectedly, absorbed. Demand for charter tonnage also spiked, nearly doubling charter rates from their 2023 levels amid ever-tightening supply, especially among the larger vessel sizes.

Cargo rates were much stronger than in 2023, leading to a rapid improvement in carriers' financial results, particularly in the second half of the year. However, rates softened significantly after July's peak, but started to rebound in November, partly due to strong volumes out of Asia to North America. This surge allowed the Shanghai Containerized Freight Index (SCFI) to end 2024 around 30% higher than a year earlier.

Given the favourable environment, vessel ordering gathered momentum in 2024, with 366 new ships contracted for a whopping 4.5 mn teu capacity. This compared with 202 ships for 1.78 mn teu ordered in 2023. All the units ordered have a 'green' element in their design, whether it be a scrubber, or an LNG or methanol dual-fuel propulsion.

Activity was very low on the demolition front, with only 81,000 teu of cellular capacity sold for recycling versus 167,000 teu in 2023. Ship owners evidently preferred to make the most of the strong charter and freight markets.

ECO MAESTRO
Container vessel, 1,170 teu, built by Ningbo Xinle, operated by Sea Consortium, delivery year May 2024.
Copyright: C.H. Mercier

The Red Sea crisis will dictate the market direction

Prospects for the container market in 2025 will be geopolitically-driven and will depend, by and large, on how long the crisis in the Red Sea will persist. With a ceasefire agreement between Israel and Hamas concluded in January 2025, it is expected that container shipping lines will again be able to use the Suez route by the summer, assuming that this agreement is not violated.

The possible end of this crisis, which has been instrumental in the market's good fortunes, means that overcapacity will likely return. This is due to the uninterrupted flow of newbuilding deliveries, with a further 2 mn teu of new ships due to hit the water in 2025. An expected pick up in demolition sales and cargo demand, however, which carriers such as Maersk anticipate could grow by up to 7% in 2025, could mitigate the projected supply and demand imbalance.

Meanwhile, until the Suez route is again widely used, ship diversions via South Africa will continue, prolonging the market bonanza for both carriers and shipowners.

In Ukraine, container shipping slowly picked up again despite the war. From 2Q onwards, several carriers called at Odessa and Chornomorsk using small ships. This trend is expected to continue in 2025.

In the USA, the re-election of Donald Trump ushers in the return of tariffs on imported goods. It is too early to tell how harmful these new measures will be for container shipping, but cargo volumes on Pacific trades will most likely be impacted. However, the US waterfront will be spared from a potentially harmful strike after dock workers and their employers eventually struck an agreement over terminal automation in the country's ports.

This year will also bring more regulatory challenges on the decarbonisation front, with the implementation of FuelEU rules in January. This new EU regulation, adding to the existing EU-ETS, aims to reduce greenhouse gases by 55% by 2030 and encourage the use of low-carbon fuels, but its complexity is causing concern among market stakeholders.

Highlights of 2024

Maersk and Hapag-Lloyd announce Gemini Cooperation

On 17 January 2024, Maersk and Hapag-Lloyd announced the launch of a large-scale East-West joint network branded 'Gemini Cooperation'. The collaboration was due to start in February 2025, with a fleet of 340 container vessels running 59 weekly East-West services. The total capacity amounts to a staggering 3.7 mn teu. Due to the continued Red Sea crisis, the network planned to route via the Cape of Good Hope. Once the Suez Canal can be used again, Gemini will need 40 fewer ships.

Gemini is based on the 'hub and spoke' concept, whereby carriers minimise the number of direct port calls, and maximise the use of connecting regional shuttles. The principal objectives of this strategy are to reduce delays, improve service reliability, and provide faster turnaround times for ships.

The creation of Gemini follows the dissolution of the Maersk and MSC '2M' vessel sharing agreement in January 2025, and the departure of Hapag-Lloyd from its current East-West alliance, THE Alliance, operated jointly with ONE, HMM and Yang Ming.

MSC has decided to operate its East-West services mostly on a standalone basis, although it will cooperate with ZIM on the trade between Asia and the US East and Gulf coasts. It will also slot between Asia and Europe on the 'Premier Alliance', the new name given by ONE, HMM and Yang Ming to THE Alliance following Hapag-Lloyd's departure.

Last year set to be third most profitable outside of Covid

The year 2024 is expected to be the third most lucrative for container shipping lines, outside of the exceptional post-Covid cargo boom of 2021 and 2022. Cargo rates surged in the first half of the year, peaking in July at their highest point in two years, boosting carriers' financial performance. Maersk, for example, posted a net profit of $756mn in 2Q24, versus $177mn in 1Q24. ONE logged a net profit of $667mn, up from $223mn in 1Q24, and Matson announced gains of $113mn from April to June versus $31mn in the first quarter. As the year progressed, the extent of the rally became even more apparent. In 3Q24, CMA CGM reported a net profit of $2.7bn, up from $388mn in 3Q23, and ZIM saw its profits skyrocket to $1.1bn versus a huge loss of $2.3bn in 3Q23.

ANE MAERSK
Container vessel, 16,592 teu, built by Hyundai H.I., operated by A.P. Moller-Maersk, delivery year January 2024. Copyright: C.H. Mercier

These performances were all the more remarkable as carriers faced a steep rise in expenses, particularly bunker costs associated with the Cape of Good Hope diversions, higher charter rates, rising OPEX and additional transshipment and environmental costs.

MSC reaches 20% market share

The world's leading container carrier MSC, with an operated fleet of 6.2 mn teu, continued its phenomenal expansion in 2024 to hit a global market share of 20% in late July.

This was the first time any container shipping line had reached such a figure, although Maersk was close in 2018 with its global market share of 19.8%. The Danish line, for a long time the undisputed number one carrier, has since slipped into second position. Although it is gradually regaining lost ground, it remains far behind MSC with an operated fleet of just 4.4 mn teu.

MSC's expansion is built on massive fleet growth and is far from over. The carrier has a mind-blowing orderbook comprising 132 vessels for a total of 2 mn teu. Although some will be used to replace ageing tonnage, the net growth will see MSC continue to race well ahead of any other container shipping line. The carrier has also raided the second-hand market, having bought an astonishing 400 container vessels in only four years.

Red Sea crisis: ups and downs

In late 2023, Yemen-based pro-Palestine Houthi rebels embarked on a campaign of attacks against commercial ships sailing in the Red Sea, in protest of Israeli military operations in Gaza. While initially only Israeli or Israel-related ships were targeted, the attacks later extended to virtually all commercial shipping in the Red Sea. Even the Middle East Gulf became hazardous, as illustrated by the 13 April seizure of the 15,000 teu MSC Aries by Iranian authorities in the Strait of Hormuz, over alleged links with Israel.

The intensification of the Red Sea attacks eventually forced most container shipping lines to avoid the area completely and divert via South Africa's Cape of Good Hope. These diversions and the extra teu-mile demand generated have been a boon in absorbing the huge newbuilding capacities hitting the market, dodging the much-feared overcapacity. However, Egypt and the Suez Canal have lost out. Since the beginning of 2024, traffic through the waterway has been down a whopping 66% and the Egyptian authorities claim they have already lost $6bn in much-needed revenue.

While 2024 ended with no end in sight to the crisis, January 2025 saw Israel and Hamas sign a ceasefire agreement which could pave the way for a longer-term gradual return of containerships in the Red Sea, providing peace holds. That is potentially good news for the Suez Canal but bad news for a container market threatened by overcapacity.

Panama Canal returns to normalcy

Traffic through the Panama Canal gradually returned to normal in 2024, after a challenging 2023 when an exceptional El Niño-related drought drastically cut the freshwater levels needed to operate the waterway. As a result, the Canal Authority (ACP) was forced to dramatically reduce the number of daily ship transits from 40 to 32 in July 2023, 25 in October and 24 in November. The allowed draft was meanwhile cut by a massive two metres.

Although the ACP was planning to reduce daily transits further to 20 and even 18 ships, the return of rainfall later in 2023 allowed these extreme measures to be avoided. In March 2024, the number of daily transits rebounded to 27, then 31 in May and 35 in August while drafts returned to around 15 metres. On 30 August, the ACP celebrated the return to normalcy with the transit of the 16,616 teu MSC Marie, the biggest ever container vessel to travel through the waterway.

The current transit target is 36 vessels a day, and the ACP is working on a large-scale $1.6bn project to construct additional water reservoirs that would permit a similar number of daily transits in the case of serious drought.

All in all, the consequences of the Panama Canal problems on the container shipping industry have been minor compared to the Red Sea disruptions, even though carriers had to adapt their voyage loading plans and, in some cases, reorganise some services.

Container lines resume services with Ukraine

Despite the ongoing war with Russia, in April Ukraine saw the return of the first container service since the February 2022 invasion. This initiative came from local Ukrainian company Iteris Feeders, which commenced a service connecting Chornomorsk (formerly Ilichevsk) with Constanta in Romania.

In May, Hapag-Lloyd and CMA CGM also returned to Ukraine, taking slots from Iteris. In June, MSC introduced an offering from Odessa to Türkiye using its own tonnage, and Iteris opened a second loop connecting Ukraine with Greece. Finally in October, UFS (part of Unifeeder) launched a service connecting Chornomorsk with Egypt (Port Said) at the request of Maersk.

Boom on China–Mexico trade route

Last year saw a trade boom between China and Mexico, driven by a series of new container services launched on the route from April onwards. COSCO Shipping Lines and its sister company OOCL, as well as MSC, CMA CGM, BAL, ONE and HMM all introduced dedicated routes within weeks of each other. This expansion was fuelled by the massive investments made by Chinese manufacturers in Mexico over the last few years.

In addition to serving the local markets, China is believed to be using Mexico as a backdoor to access the US consumer market without having to pay the import tariffs implemented by President Trump. Whilst exchanges between China and Mexico grew by nearly 20% in 2024, they are now expected to take a hit going forward, with the new Trump administration introducing a 25% import tariff on goods coming into the USA from Mexico.

Decarbonisation: another busy year with multiple initiatives

The decarbonisation of the container shipping industry continued apace in 2024. Besides massive orders for LNG dual fuel as well as methanol dual fuel newbuildings, there were new projects for ammonia, electric and hydrogen-powered container vessels along with numerous retrofitting projects. Nuclear was also on the agenda.

On the newbuilding front, in January ONE moved ahead with the development of a 3,500 teu ammonia dual fuel container vessel in cooperation with Japanese yard Nihon. Meanwhile, Maersk embarked on a study for a similar-sized ship in cooperation with the Maersk McKinney Moller Center for Zero Carbon Shipping, ABS, Lloyd's Register, MAN, Deltamarin and Electronic Fueltech.

In February, CMB.TECH of Belgium ordered the Yara Eyde: a 1,400 teu, ice class ammonia-powered container vessel from Qingdao Yangfan, to be run by Yara. In May, Imoto Lines of Japan and Ningbo Ocean Shipping Co (NBOSCO) each ordered fully electric tonnage of 200 and 740 teu respectively, and CMA CGM was rumoured in December to be following suit with an 80m-long ship to be built in China. In July, Veer ordered two sail-powered and hydrogen-assisted container vessels of 152 teu from Germany's Fosen yard.

On the retrofitting front, CMA CGM announced in January that it would retrofit up to ten vessels of 9,000 teu to methanol. In April Hapag-Lloyd announced a similar move with plans to retrofit methanol propulsion to five vessels of 10,010 teu that it currently charters from Seaspan: Seaspan Amazon, Thames, Ganges, Yangtze and Zambezi. In October, Maersk took delivery of the 15,690 teu Maersk Halifax, freshly retrofitted for methanol use. This is the very first large container vessel to have undergone such a conversion.

Evergreen decided to equip its 14,110 teu Ever Top with carbon capture equipment, the first ever installed on a large vessel. Meanwhile, in June Samskip announced its plans to retrofit the 120 teu Samskip Kvitnos to burn hydrogen.

Scrubber retrofittings remained popular, especially with MSC which, like other carriers, also embraced windshields as another improvement to vessel efficiency and to cut emissions.

Nuclear energy also continued to generate significant interest. In March, the NEMO (Nuclear Energy Maritime Organisation) was created in London to promote the use of nuclear power at sea. In July, Maersk, Lloyd's Register and CORE POWER kicked off a cooperation for the development of a nuclear-powered containership. In December, MSC announced it was considering nuclear energy as a possible future fuel.

EVER ART
Container vessel, 23,992 teu, built by Samsung H.I., operated by Evergreen, delivery year 2022.
Copyright: C.H. Mercier

Charter Market: 2024 the Best Year Outside of Covid

Non-operating owners (NOOs) had an excellent 2024, with the container charter market performing significantly better than in 2023. Demand for all ship sizes was robust throughout the year, thanks to stronger than expected cargo volumes and the Red Sea crisis adding significant additional teu-mile demand.

The high activity caused tonnage supply to gradually reduce, particularly for larger sizes, which consistently pushed charter rates to new highs. At the end of December, the Alphaliner Charter Rate Index (ACI) was nearly three times as high as in January, reaching its best-ever level outside of the exceptional post-Covid demand-boom years of 2021 and 2022.

The charter market went through three phases in 2024. January to July saw high activity with sustained demand and fast-dwindling ship availability. The ACI jumped from 99 points in January to 254 points in July. The rally became very tangible on charter rates, with tonnage of 1,000 teu fixable at $8,300/day in January obtaining a much higher $14,000/day in July for a typical 12-month employment. Units of 2,500 teu, meanwhile, saw their rates jump from $13,000/day to just under $30,000/day during this period.

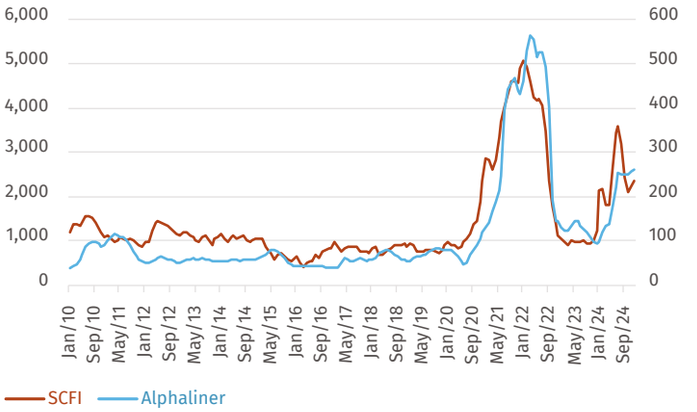
However, the biggest gains were observed for large tonnage, with classic Panamaxes of 4,250 teu seeing their rates skyrocket from $18,500/day to $45,000/day, and vessels of 8,500 teu witnessing a doubling of charter rates from $34,500/day to $72,000/day. Additionally, the market saw the return of six-digit figures agreed for tonnage of 7,000 teu on short charters, unseen since the Covid era.

Meanwhile, the July-October period saw slower activity, mainly due to a growing shortage of ships, particularly among the larger sizes. Despite freight rates peaking in July then starting to fall across most major routes, charter rates remained largely stable. With a dearth of large ships and a belief that the Suez route would not reopen any time soon, carriers bullishly started fixing tonnage on a forward basis for multi-year employments, typically looking at ships coming open in 2025 or even beyond.

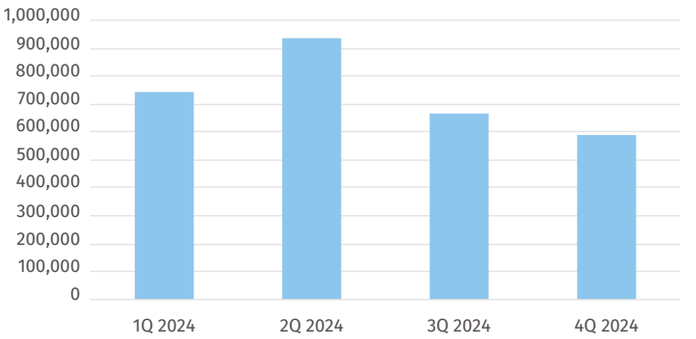
These developments contributed to the market rebound, and from October charter rates for large vessels resumed their upward trend. Tonnage of 8,500 teu was estimated to be worth $73,000/day for a 12-month employment. Meanwhile, rates for units of 5,600 teu stood at close to $60,000/day and classic Panamaxes fetched $50,000/day.

After a slight softening in October, charter rates for smaller ships (3,000 teu and below) picked up from November. Standard tonnage of 2,500 teu reached $30,000/day, modern Bangkokmaxes of 1,800 teu fetched $26-27,000/day, and standard units of 1,000 teu hit $14,000/day.

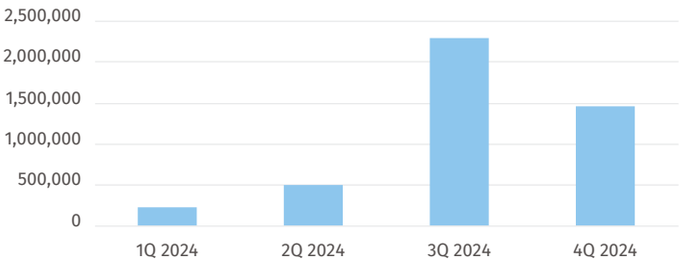
SCFI vs Alphaliner Charter Index 2010-2024



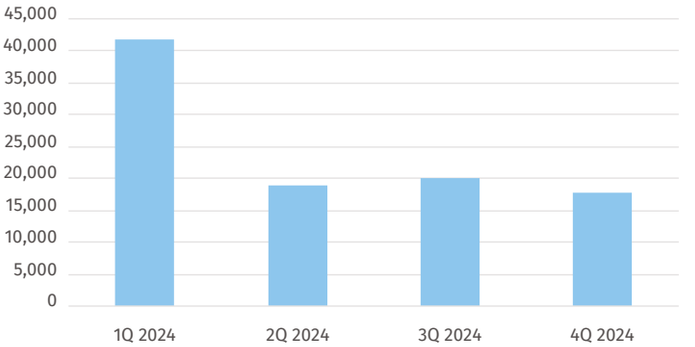
Deliveries (teu)



Orders (teu)



Scrappings (teu)



The market ended 2024 on a strong note for NOOs, with a combination of short vessel supply above 2,000 teu and robust demand supporting healthy charter rates. The ongoing shrinkage of the NOO fleet, however, particularly in the 1,000 to 9,000 teu sizes, remains a concern with rafts of vessels being sold to shipping lines, especially MSC.

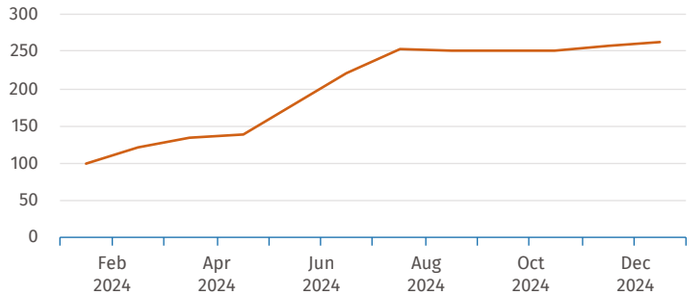
What can we expect in 2025?

The main concern in 2024 was the orderbook, as 3 mn teu of newbuilding capacity was slated to hit the water. Meanwhile, doubts remained around the strength of cargo demand, despite the rebound seen in 3Q23. However, unexpectedly strong freight volumes across the globe, as well as the extra teu-mile demand generated by the Cape of Good Hope diversions, helped to absorb this new capacity without problem. Inefficiencies and congestion in some ports put further pressure on supply, forcing carriers to tap heavily into the charter market. This resulted in an unexpectedly firm trading environment for NOOs.

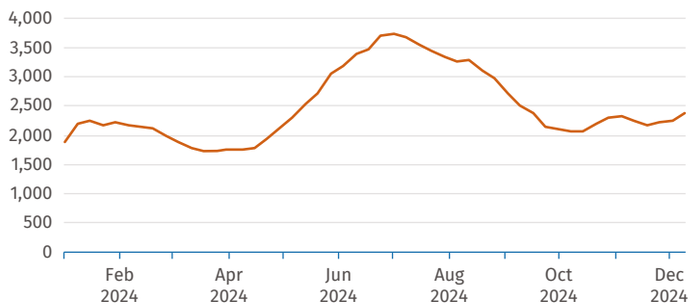
In 2025, the charter market's fortunes will continue to depend on both cargo demand and the Red Sea situation. On the cargo side, some carriers like Maersk are showing great optimism, anticipating growth in volumes by up to 7%, higher than in 2024. The vitality of the US economy is instrumental to this growth, but the tariffs due to be implemented by the Trump administration could take their toll on volumes. Regarding the Red Sea, no one knows when the area will become safe for navigation so the question of when the Suez route will be used is for now unanswered, despite the ceasefire agreed between Israel and Hamas in the early days of 2025.

Given the extra 2 mn teu of newbuilding capacity expected to join the fleet in 2025, a reopening of the Suez route might trigger the return of overcapacity, with larger vessels particularly exposed and not necessarily easily transferred to other trade routes. Should the crisis linger, the charter market could experience another strong year, although it remains to be seen if newbuilding capacity will be absorbed as easily as in 2024, given the continued low demolition figures.

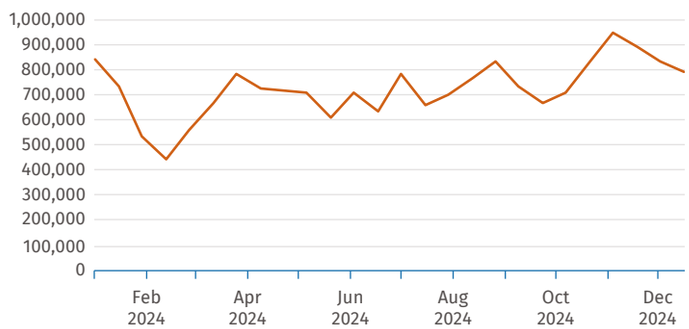
Alphaliner Charter Index



SCFI



Inactive Containership Fleet (teu)



CMA CGM ANDROMEDA
Container vessel, 11,356 teu, built by Hyundai H.I., operated by CMA CGM, delivery year 2009.
Copyright: Piet Sinke, www.maasmondmaritime.com

VLCS 7,500-13,500 teu

2024 REVIEW

Demand for VLCS (11,000-13,500 teu) and Handy VLCS (7,500-10,999 teu) tonnage was strong throughout 2024. Despite the limited availability of ships, activity was reasonably high with over 80 fixtures concluded, of which 20 were for newbuildings. Apart from prevailing stability across July-September, charter rates steadily strengthened. Rates for standard units of 8,500 teu assessed at around $34,000 per day for 12-month employments in January more than doubled to $74,000/day in December. Most of the deals were concluded for 24 or 36-month periods, often with forward deliveries in 2025 or even 2026. On that basis, standard tonnage commanded rates of around $31,000/day for 24-month contracts early in the year and scrubber-fitted units fetched as high as $46,000/day for 36 months in November. Newbuilding units of 8-9,000 teu were meanwhile typically fixed for durations of 60 months at rates ranging from $42-50,000/day.

2025 OUTLOOK

With only around 20 ships opening for charter in 2025, the VLCS segment is expected to remain very firm, with continuously strong charter rates. The number of newbuildings, 48, appears high, but all have already secured employment. These vessels will continue to thrive on fast-expanding North-South and high-volume regional routes.

LCS 5,300–7,499 teu

2024 REVIEW

LCS units were in high demand in 2024, which, given the gradually shrinking supply of NOO tonnage over the year, pushed charter rates to ever-higher levels. In January, a standard unit of 5,600 teu was fixable in the region of $22,000/day for a 12-month employment. In December, the same type of ship was estimated to be worth around $60,000/day for a similar duration. More fancy 'wide beam' tonnage of 5,500 teu would meanwhile get fixed at $29,000/day for a 24-month charter in February and as much as $41,000/day for a 36-month employment agreed in October. Just like the VLCS segment, NOOs managed to mostly fix their ships for periods of 24-36 months, and sometimes up to 60 months for quality tonnage. As the year passed and prompt tonnage became scarcer, an increasing number of forward fixtures were concluded with vessels being delivered in 2025 or even 2026.

2025 OUTLOOK

The popularity of LCS units remains high among charterers, as these vessels are increasingly well-suited for high-volume regional trade routes. With only about 20 NOO ships coming open next year and a mere seven newbuildings with employments already in place, the LCS segment is expected to remain very firm, with continuously strong rates for owners.

Classic Panamax 4,000–5,299 teu

2024 REVIEW

Classic Panamaxes had a great year, with strong demand translating into a high level of activity, particularly for the popular Handy units of 4,250 teu. Thanks to the limited availability of ships throughout the year, NOOs were able to obtain ever-increasing charter rates. To illustrate this, Handy units fixable at $18,500/day for 12-month charters in January were worth a whopping $45,000/day in July and $50,000/day in December, twice as much as the $25,000/day peak achieved by this ship type in 2023. However, from May, most fixtures were concluded for durations of 24 months at rates of $30,000. From September fixtures of 36 months became the norm, with Handy units of 4,250 teu typically obtaining $35,000/day for forward deliveries in 2025 and around $37,000/day for prompter deliveries.

2025 OUTLOOK

The number of ships concluding their charters in 2025 will be significantly lower than in 2024, suggesting that this segment will continue to benefit from strong conditions, irrespective of any Red Sea developments. Despite picking up in recent months, the 20-vessel orderbook is not an issue, as only six ships are due this year, all of which have employment in place.

3,000-3,500 teu

2024 REVIEW

Vessels of 3,000-3,500 teu remained very popular in 2024, particularly on certain regional trade routes in the Americas and Africa. Despite this segment becoming increasingly niche, the 87 fixtures concluded during the year could be seen as relatively high. Consistently strong demand and limited supply propelled charter rates steadily upward. In January, a standard 3,500 teu vessel was fixable at $17,000/day for a typical 12-month employment. By July, the same vessel would command $30,000/day, with the shipowner also likely requiring a much longer charter period of at least 30 months. By December, most fixtures were for 30-36 months, with the highest specification units (geared or 'wide beam') commanding $31-36,000/day

2025 OUTLOOK

Prospects for vessels of 3,000-3,500 teu remain positive. Carriers' interest remains strong while supply remains limited, with only around 20 ships expected to end charters in 2025, versus 35 in 2024. The orderbook includes only 18 ships due for delivery in 2025, all of which already have employment lined up.

2,700-2,900 teu

2024 REVIEW

The 2,700-2,900 teu segment had a stellar year, as charter rates more than doubled between January and the last quarter on the

Alphaliner Top 25 Operators as of 01 January 2025

		Total Existing		Orderbook				Total Existing		Orderbook	
#	Operator	teu	Ships	teu	Ships	#	Operator	teu	Ships	teu	Ships
1	Mediterranean Shg Co	6,304,240	879	2,093,297	139	14	SITC	181,161	115	12,846	8
2	APM-Maersk	4,414,724	714	774,572	54	15	X-Press Feeders Group	178,220	93	99,426	16
3	CMA CGM Group	3,831,898	655	1,148,949	75	16	KMTC	154,824	65	33,800	4
4	COSCO Group	3,319,382	512	903,472	55	17	UniFeeder	149,485	92	7,656	6
5	Hapag-Lloyd	2,330,943	299	468,322	37	18	IRISL Group	144,470	32		
6	ONE (Ocean Network Express)	1,962,800	253	604,544	46	19	Sinokor	136,993	74		
7	Evergreen Line	1,759,089	223	572,795	49	20	Emirates Shipping Line	111,434	26	56,680	4
8	HMM Co Ltd	906,167	82	88,700	10	21	TS Lines	110,018	43	64,784	7
9	Zim	780,172	131	39,400	5	22	RCL (Regional Container L.)	100,649	35	63,424	12
10	Yang Ming Marine Transport Corp.	705,505	97	77,500	5	23	Ningbo Ocean Shg Co	82,817	86	11,726	13
11	Wan Hai Lines	527,517	117	308,339	30	24	Global Feeder Shipping LLC	80,747	29		
12	PIL (Pacific Int. Line)	383,016	96	230,984	23	25	Antong Holdings (QASC)	76,152	78		
13	Sea Lead Shipping	198,930	54	3,636	2						

back of strong demand and limited supply. Modern fuel-efficient Chittagongmax units were extremely popular, coveted by carriers ready to pay high prices to secure the tonnage they needed. This created a two-tier market – modern fuel-efficient ships obtained very strong rates and long charters of up to 36 months, while standard tonnage obtained much lower, albeit still decent rates, with generally shorter charter periods. Illustrating this, modern eco tonnage of 2,800 teu that earned $16-17,000/day in January for six- to nine-month employments was fixable at $32,000/day for 36 months by November, and as high as $36,000/day for 24-month contracts. In contrast, standard 2,700 teu units, which fixed at $12-13,000/day for six-month charters in January, then fetched $25,000/day for 24 months in May. Since then, rates have largely stabilised.

2025 OUTLOOK

Prospects for NOOs look good in this segment. Significantly fewer ships will become available in 2025 compared to 2024, and only three newbuildings are expected, all of which have employment lined up. These ships remain in high demand on regional and feeder routes, particularly in Asia, with little indication that this will change any time soon.

2,000-2,699 teu

2024 REVIEW

Just like the 2,700-2,900 teu segment, vessels of 2,000-2,699 teu had a very strong year, against a backdrop of robust demand and limited supply. Although high-reefer and modern fuel-efficient units were the most coveted ships, standard units also did very well, with rates more than doubling from around $13,000/day in January to $30,000/day at year-end for 12-month employments. However, most fixtures concluded from May onwards were typically for charters of 24 months, with rates gradually reaching $25,000/day. Meanwhile, modern fuel-efficient ships were fixed at $30,000/day for similar durations from September and the gap with standard units remained the same as the year drew to a close.

2025 OUTLOOK

Prospects for this segment look more mixed than for units of 2,700-2,900 teu given the higher number of ships concluding charters in 2025. However, significantly fewer newbuildings will swell the fleet than in 2024, with only seven ships due for delivery. Only two are believed to be employment-free. Carriers remain globally keen on this size of ship, especially the high-reefer and fuel-efficient units which are well-suited for perishable-oriented trade routes in the Atlantic and Caribbean regions.

1,500-1,900 teu

2024 REVIEW

The 1,500-1,900 teu segment had an excellent year, with strong demand resulting in a high number of fixtures. Modern, fuel-efficient Bangkokmax tonnage of 1,800 teu became increasingly popular and now dominates the segment in terms of number of deals concluded. Standard units of 1,700 teu such as Wenchong 1700s, Kouan 1800s or B-170s are losing ground, meanwhile, with many leaving the charter market fleet to join liner shipping companies.

The first six months of the year saw a steady rise in charter rates, propelling standard units from $10,000/day in January to $23,000/day in July for employments of 12 months. During the same period, modern Bangkokmax tonnage saw conditions improve even more markedly with rates skyrocketing from $13,000/day in January to $30,000/day in July. However, from 2Q onwards most fixtures were for durations of 24 months, with standard units fetching $20,000/day and Bangkokmaxes obtaining $24,000/day.

Activity slowed and supply rose during 3Q, which saw charter rates stabilise and eventually soften while periods became shorter. However, the market picked up in November on the back of a rebound in demand. Standard units ended 2024 at $22,000/day for employments of 12 months, and modern Bangkokmaxes were able to obtain $27,000/day.

2025 OUTLOOK

The outlook for the 1,500-1,900 teu segment is good but demand will need to remain strong to absorb supply, with a high number of ships concluding their charters in 2025. Modern Bangkokmax vessels will continue to be prioritised by charterers at the expense of older, conventional units, which will likely continue to exit the market. On the newbuilding front, the segment will be under less pressure than in 2024, with only a dozen ships due to hit the water versus 70 a year earlier.

1,250-1,499 teu

2024 REVIEW

After a weak end to 2023, vessels of 1,250-1,499 teu enjoyed strong conditions in 2024. Charter rates increased rapidly in the first half of the year, on the back of robust demand and limited supply. Illustrating this, vessels of 1,400 teu fixed in the low-$8,000s/day in January hit $14,000/day in June. In July, a peak of $18,000/day was obtained for the best units, while slightly smaller geared ships of 1,300 teu (such as MRC 1100s) typically obtained $16,500-17,000/day. Longer-term employments of up to 24 months also became more frequent. After a slight softening during the summer due to a growing supply, charter rates picked up again from 3Q and were again ranging from $16-18,000/day in December, depending on the exact ship type and trading area.

2025 OUTLOOK

Prospects for this segment look good, with slightly fewer ships coming off charter in 2025 than in 2024. Only 11 newbuildings have employment lined up, versus 16 in 2024. High-reefer, geared and ice class units will remain coveted by charterers at premium rates, but standard gearless vessels should also continue to thrive, particularly in Asia and the Mediterranean.

1,000-1,249 teu

2024 REVIEW

Non-operating owners (NOOs) of 1,000-1,249 teu units had a reasonably good 2024. Charter rates recovered rapidly in the first half, thanks to strong demand. While in January a standard 1,000 teu unit would be fixed at $8,000/day for a typical six-month charter, the same ship would command $14,000/day from July. Eco ships or vessels operating

- **The cellular fleet counts 6,398 ships for 31.03 mn teu — of which 42% are chartered from non-operating owners**
- **The cellular fleet aggregates 98.7% of the total capacity deployed on liner trades in teu terms**
  - Out of a total of 7,190 ships active on liner trades for 31.44 mn teu and 372.5 mn Dwt
- **The orderbook counts 780 ships for 8.58 mn teu, representing 27.7% of the existing fleet (firm orders only)**
- **The orderbook includes 208 ships for 1.67 mn teu with charter status representing 19.4% of the total orderbook**

	01 January 2025 — Existing					01 January 2025 — Orderbook					
Size ranges	All		Chartered from NOO			All		Chartered from NOO			All
teu	Ships	teu	Ships	teu	% Cht	Ships	teu	Ships	teu	% Cht	O/E
18,000–24,000	197	4,264,027	66	1,405,135	33.0%	91	1,970,124	12	221,400	11.2%	46.2%
15,200–17,999	183	2,913,324	82	1,281,418	44.0%	156	2,522,589	35	562,717	22.3%	86.6%
12,500–15,199	317	4,358,238	132	1,820,089	41.8%	131	1,808,170	18	241,852	13.4%	41.5%
10,000–12,499	209	2,295,905	130	1,415,515	61.7%	54	603,800	0	0	0.0%	26.3%
7,500–9,999	516	4,555,476	217	1,906,813	41.9%	138	1,189,988	56	480,932	40.4%	26.1%
5,100–7,499	535	3,364,440	231	1,432,375	42.6%	22	140,517	10	59,288	42.2%	4.2%
4,000–5,099	644	2,920,126	233	1,042,876	35.7%	22	95,964	2	8,764		3.3%
3,000–3,999	322	1,099,842	124	432,591	39.3%	23	76,413	3	9,609	12.6%	6.9%
2,000–2,999	891	2,272,900	367	934,233	41.1%	20	48,317	6	13,910	28.8%	2.1%
1,500–1,999	814	1,424,125	348	614,953	43.2%	19	33,656	10	17,456	51.9%	2.4%
1,000–1,499	801	926,120	380	453,091	48.9%	60	70,252	34	40,008	56.9%	7.6%
500–999	775	574,068	352	269,713	47.0%	25	18,341	9	6,618	36.1%	3.2%
100–499	194	62,072	77	24,176	38.9%	19	5,442	13	3,802	69.9%	8.8%
TOTAL	**6,398**	**31,030,663**	**2,739**	**13,032,978**	**42.0%**	**780**	**8,583,573**	**208**	**1,666,356**	**19.4%**	**27.7%**

Note: the existing chartered fleet takes into account ships chartered out by non-operating owners to operators, thus it does not take into account 300 ships for 773,724 teu which are normally owned by an owner-operator but are chartered out to another operator, either for operational reasons (operational exchanges within alliances or partnerships) or because they are surplus to their owners' requirements.

The above table is compiled with data from Alphaliner and is therefore inconsistent with data presented in the Shipbuilding chapter.

in remote trades would obtain as much as $15,000/day. Employment length, meanwhile, would increase to 12 months but rarely more, except through special deals or for high-quality units. After the market softened during 3Q on the back of swelling supply, charter rates for standard designs bounced back in November to stand at $14,000/day by year-end, a level only marginally higher than 2023's $13,500/day peak.

2025 OUTLOOK

This segment is still popular and was one of the most active in 2024, with around 350 fixtures concluded. While these ships are being replaced by larger and more modern Bangkokmax units of 1,700-1,800 teu on some trade routes, there is still a market for these sizes, particularly in Asia, the Caribbean and in North Europe and the Mediterranean.

However, few owners are investing in new tonnage, and the fleet renewal, particularly for the ageing CV 1100 type, has yet to come. New designs, such as the Kyokuyo 1100 and Tsuneishi 1100, as well as a second generation of Dae Sun 1000 units, are becoming increasingly popular, but many more of these would have to be built to fully renew the fleet.

Meanwhile, 2025 should see roughly the same number of ships coming to the end of their charters as in 2024, and only a dozen newbuildings are believed to be employment-free.

Sub-1,000 teu

2024 REVIEW

The sub-1,000 teu segment had a very good year, with high demand absorbing the ample supply of tonnage. The first half was particularly busy, especially in the Atlantic, with charter rates rising steadily to peak in July. Illustrating this, the 868 teu Sietas Typ 168, fixable at around $8,000/day in January, hit $11,000/day in 3Q for its gearless version, and $13,000/day for the geared version. The 698 teu Mawei 437, meanwhile, saw its rates jump from $7,000/day in early 2024 to above $9,000/day during the same period. After softening during 3Q, the market rebounded in 4Q with the Atlantic market again the main driver of demand. Meanwhile, charter rates returned to their 3Q peaks.

2025 OUTLOOK

The sub-1,000 teu vessel size remains popular, particularly in the Atlantic. However, questions remain on the future of this segment. There is very little investment in newbuilding tonnage apart from projects concerning specific niche routes. On some main regional trade lanes, sub-1,000 teu ships do not always allow economies of scale and tend to be replaced by larger and more efficient vessels. Carriers are also buying NOO tonnage, further reducing the charter market fleet. As a result, the number of NOO ships ending their charter in 2025 will be significantly lower than in 2024, which should support charter rates.

Alphaliner 2024–2023 Cellular Ships — Essential Figures

	Ships	teu	% Change y-o-y
Fleet as at 31 Dec 2024	6,398	31,030,000	10.20%
Orderbook as at 31 Dec 2024	780	8,583,000	21.0%
Orderbook as % of fleet		27.7%	
2024 — Containerships Activity			
Ordered 2024	366	4,491,404	152.0%
Value of new orders (Est.)			
Delivered 2024	463	2,934,395	29.2%
Scrapped 2024	61	98,319	-31.0%
Average inactive fleet 2024		725,905	-37.0%
Inactive fleet at end Dec	58	730,000	-29.3%
Average SCFI 2024		2,525	151.0%
SCFI end Dec		2,460	138.0%
Av. Alphaliner charter index 2024		202.0	64.2%
Index at end Dec		263.0	183.0%
Average FO $/mt 2024 (Rtm/Sin)		483	3.6%
FO $/ton end Dec		466	2.9%
Average VLSFO $/mt 2024 (Rtm/Sin)		607	2.1%
VLSFO $/ton end Dec		548	-5.3%

	Ships	teu
Fleet as at 31 Dec 2023	5,977	28,140,846
Orderbook as at 31 Dec 2023	844	7,099,183
Orderbook as % of fleet		25.2%
2023 — Containerships Activity		
Ordered 2023	202	1,782,327
Value of new orders (Est.)		
Delivered 2023	343	2,271,060
Scrapped 2023	79	142,284
Average inactive fleet 2023		1,152,612
Inactive fleet at end Dec	248	1,033,256
Average SCFI 2023		1,006
SCFI end Dec		1,760
Av. Alphaliner charter index 2023		123.1
Index at end Dec		93.1
Average FO $/ton 2023 (Rtm/Sin)		466
FO $/ton end Dec		453
Average VLSFO $/ton 2023 (Rtm/Sin)		594
VLSFO $/ton end Dec		579

Note: the above table is compiled with data from Alphaliner and is therefore inconsistent with data presented in the Shipbuilding chapter.

Fleet and Orderbook

As of 01 January 2025, the world cellular containership fleet stood at 6,398 units and 31 mn teu, surpassing the symbolic 30 mn teu threshold for the first time. The fleet grew by 2.8 mn teu compared with 01 January 2024, with the addition of 463 new vessels. In comparison, 2023 saw the fleet grow by 2.1 mn teu with 343 new units.

One of 2024's significant new additions was the 16,592 teu, A.P. Moller-Maersk-controlled Ane Maersk, the world's first methanol-powered mainliner, delivered in April. Since then, six sister ships have followed, and a further five will be delivered in 2025.

On the demolition front, only 81,000 teu of cellular capacity was sold for recycling in 2024 – just half of 2023's already-disappointing figure. The very firm cargo and charter markets gave owners very little incentive to scrap their older tonnage, despite continuously attractive demolition prices ranging from $450-550/ldt on the Indian Sub-Continent and $330-380/ldt in Türkiye.

Meanwhile, newbuilding orders totalled 366 vessels for 4.5 mn teu, massively up from the 202 vessels for 1.8 mn teu ordered in 2023.

Chinese shipyards dominated, bagging a staggering 3.6 mn teu, making China by far the main builder of container vessels, with 68.5% of the global orderbook. Former number one South Korea is now left with only 23.3% of boxship orders, while Japan is down to 6.4%. The total orderbook currently stands at 8.5 mn teu, corresponding to 27.7% of the existing fleet.

Newbuilding orders were dominated by large tonnage in 2024, with only 56 units below 5,000 teu. Most contracts incorporated a 'green' element (LNG, methanol, scrubber etc). LNG came back in force as the favoured propulsion choice with 147 vessels ordered, outpacing methanol which has been receding on supply fears with only 69 orders.

This year will see the cellular fleet grow by 2 mn teu, pushing the total fleet to 33 mn teu. However, scrapping is expected to gather pace, with 250,000 teu of tonnage projected for recycling – three times the amount scrapped in 2024.

SEASPAN ZAMBEZI
Container vessel, 10,100 teu, built in 2014 by Yangzijiang Shipbuilding, owned by Seaspan and chartered to Hapag-Lloyd, retrofitting for methanol propulsion planned.
Copyright: Bert Oostdijk

Healthy Freight and Charter Markets Benefit Sale and Purchase

Sale and purchase enjoyed a strong 2024, the third strongest year ever, driven by healthy freight and charter container markets and overall industry optimism. All in all, 333 cellular container vessels for 1.1 mn teu changed hands during the year, versus 285 sales for 937,000 teu in 2023.

Apart from July and August and the traditionally quieter December, the market was busy all year with an average of over 30 transactions concluded every month. Contrary to 2023, which saw prices steadily soften, ship values surged in 2024, with some vessels changing hands in the last quarter for twice their price at the start of the year.

The most active buyer was once again MSC which snapped up a whopping 70 units of all sizes from 1,300 to 14,700 teu. In November, the carrier hit the symbolic threshold of having made 400 second-hand container vessel acquisitions since August 2020, when it embarked on an unprecedented ship-buying spree. CMA CGM was also busy, buying 15 vessels including units it already had committed on time charter, slightly more than in 2023. Other significant buyers included HMM (10 vessels), MPC Container Ships (9) and Safe Ships (8).

On the sellers' side, the most active participants were German non-operating owners (NOOs) NSB Niederelbe and V Ships Hamburg, which sold 12 vessels each. Capital Ship Management of Greece, meanwhile, disposed of 11 ships and compatriot owner Contships Management let nine smaller feeder vessels go.

Regarding size, as usual the most transacted vessels were of 900-2,000 teu, with 101 units changing hands, versus 113 in 2023. These were followed by vessels of 3,000-5,100 teu with 66 units sold, versus 45 in 2023.

In terms of age of ships sold, 68% were 15 years old and over, while only 4% were under five years of age. Vessels aged 15-19 years were the most transacted, with 124 sales concluded.

Geopolitics will dictate 2025 prospects

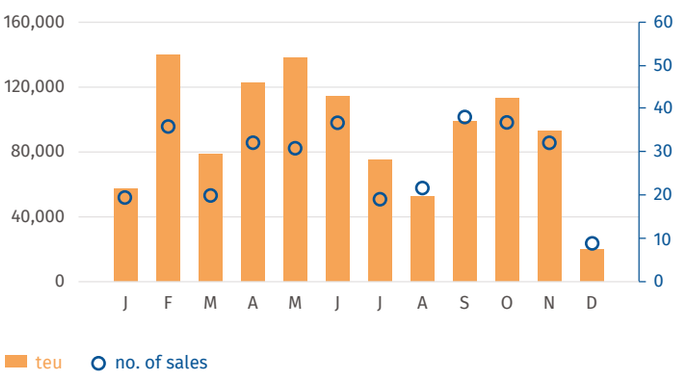
Like the charter market, 2025's sale and purchase prospects will very much depend on the geopolitical situation in the Middle East. The key question remains: when can container lines resume using the Red Sea and Suez Canal route?

With January 2025's ceasefire agreement between Israel and Hamas, container shipping lines may soon be able to use the Suez route once again, provided the ceasefire is sustained. In the meantime, most container vessels will continue to divert via the Cape of Good Hope, which will support demand for tonnage, keeping freight and charter rates healthy.

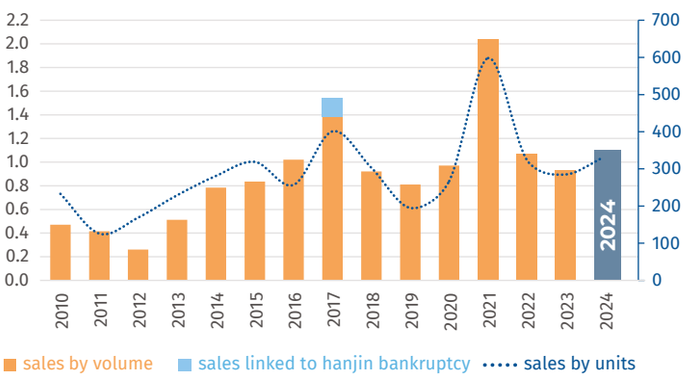
Once the Suez route is once again being widely used, the market could take a different turn. With 2 mn teu of newbuilding capacity expected to hit the water in 2025, overcapacity threatens to return, especially if cargo demand falls short of its 2024 vitality.

The second-hand sale and purchase market could then take a hit with a rising number of candidates offered for sale, combined with falling prices. This could prompt some owners of older and less efficient units to turn instead to the recycling market, potentially creating a bottleneck at Turkish recycling yards, since the EU still has not approved any single sub-continental recycling facilities.

Breakdown of 2024 Sales by Month (teu)



Containerships Sales by Year Since 2010 (m teu/n° of ships)



Top Buyers Second-hand

Operator	Units	Total Size/Average Age
MSC	70	328,001 teu/18 yrs
CMACGM	15	84,248 teu/9 yrs
HMM	10	45,049 teu/14 yrs
MPC Group	9	34,790 teu/13 yrs
Peter Doehle	8	46,841 teu/16 yrs
Safe Ships	8	20,866 teu/22 yrs
Yang Ming Marine	5	61,076 teu/3 yrs

Top Sellers by Units

Seller	Units	Total Size/Age
NSB Niederelbe	12	68,136 teu/19 yrs
V.Ships (Hamburg)	12	51,171 teu/14 yrs
Capital Ship Management	11	74,435 teu/13 yrs
Contship Management	9	9,022 teu/18 yrs
Delphis (CMB Tech)	8	29,134 teu/11 yrs
A.P. Moller-Maersk	8	52,444 teu/21 yrs

Analysis of 2024 transactions by size

Conterships Total Transactions Breakdown

Size	N° of Transactions 2024 vs 2023	Variation
>10,000 teu	10 vs 9	+9%
Over Panamax	52 vs 40	+30%
3,000–5,100 teu	66 vs 45	+46%
2,000–3,000 teu	55 vs 48	+14%
900–2,000 teu	101 vs 113	-10%
<900 teu	49 vs 22	+122%

SITC JIANGSU
Container vessel, 1,808 teu, built by CSBC, operated by SITC, delivery year 2015.
Copyright: C.H. Mercier

Number of sales of units over 10,000 teu:

10 sales (9 in 2023)
Average age 6 years
Total teu 121,640
Units breakdown per quarter: 1Q: 3, 2Q: 4, 3Q: 2, 4Q: 1

LARGEST BUYERS:	LARGEST SELLERS:
Yang Ming Marine: **5**	Shoei Kisen: **5**
MSC: **2**	BAL Container Line Co Ltd: **2**
ZIM: **2**	NSC Schiffahrt: **2**

Number of sales of units between 2,000–3,000 teu:

55 sales (48 in 2023)
Average age 17 years
Total teu 141,819
Units breakdown per quarter: 1Q: 13, 2Q: 10, 3Q: 8, 4Q: 24

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **24**	Seatrade Groningen: **5**
CMA CGM Group: **5**	Delphis (CMB): **3**
	Schulte Group: **3**

Number of sales of Overpanamax:

52 sales (40 in 2023)
Average age 15 years
Total teu 397,869
Units breakdown per quarter : 1Q: 17, 2Q: 22, 3Q: 4, 4Q: 9

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **22**	NSB Niederelbe: **9**
CMA CGM: **6**	A.P. Moller-Maersk: **4**
Doehle, Peter: **5**	Capital Ship Management Corp.: **4**
Global Ship Lease: **4**	Cido Shipping: **4**
Oltmann, D.: **3**	Schulte Group: **4**
	Seamax Capital Management: **4**

Number of sales of units between 900–2,000 teu:

101 sales (113 in 2023)
Average age 16 years
Total teu 137,394
Units breakdown per quarter: 1Q: 16, 2Q: 32, 3Q: 28, 4Q: 25

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **6**	Leonhardt & Blumberg: **4**
Nortada Shipmanagement: **3**	Marlow Navigation Co: **4**
	Wan Hai Lines: **3**

Number of sales of units between 3,000–5,100 teu:

66 sales (45 in 2023)
Average age 15.0 years
Total teu 275,060
Unit breakdown per quarter: 1Q: 12, 2Q: 20, 3Q: 24, 4Q: 10

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **16**	V. Ships (Hamburg) GmbH & Co. KG: **10**
MPC Group: **9**	Capital Ship Management Corp.: **7**
	Borealis Maritime Ltd: **4**
	Delphis (CMB): **4**
	Safetrans Shipping: **4**

Number of sales of units below 900 teu:

49 sales (22 in 2023)
Average age 21 years
Total teu 30,072
Unit breakdown per quarter: 1Q: 15, 2Q: 13, 3Q: 12, 4Q: 9

LARGEST BUYERS:	LARGEST SELLERS:
Meratus: **4**	Kotoku Kaiun: **4**
Philippine Span Asia Carrier Corp.: **4**	Goto Shipping (Starocean Marine Co Ltd): **3**
	SITC: **3**

MPP

MV BBC GENOA – MPP / LakerMax / 13,400 Dwt / built August 2024 at Taizhou Sanfu Heavy Industry / Owner/ Operator: Briese / BBC Chartering GmbH & Co. KG / Copyright BBC Chartering GmbH & Co. KG

Unexpectedly Prosperous: Multipurpose and Heavy Lift in 2024

The demand and supply balance was swiftly disrupted in 2024, as Houthis attacks on international shipping in and around the Red Sea led to rerouting around the Cape of Good Hope. Accordingly, freight rates rapidly soared, driving time charter rates for multipurpose (MPP) vessels higher. This persisted until year-end, with the market delicately poised as 2025 opened.

The benefits of a strong container market

The decision by most container liner companies to reroute via the Cape of Good Hope led to a shortage of tonnage from May 2024 onwards. The Far East – Europe container freight index peaked in July 2024, with these soaring rates impacting the multipurpose market. Many MPP owners aimed to charter out their vessels to container liner operators, especially those trading in the Red Sea where rates were highest. We must point out that there was a certain gap between rates in the conventional breakbulk and container markets. Fixtures for large MPP vessels of around 30,000 Dwt easily exceeded $20,000/day for container trading, while breakbulk operators could only reluctantly afford rates in the mid-to-high teens for MPP vessels of the same design or type. Throughout the year, we observed fewer and fewer spot fixtures as many MPP vessels were used to carry containers.

New owners primed, traditional owners fading

Last year saw many vessel sale and purchase deals across the shipping spectrum and the MPP vessel segment was no different. However, the logic behind investments here was very different to the broader scene. Owners buying MPP units mostly aimed to trade them in the temporary booming container market, or in sanctioned countries such as Russia and Iran. Those selling MPP vessels were mainly traditional MPP owners, who saw asset prices as high enough for their older-design vessels. Indeed, the timing was perfect to sell off their old fleet and either invest in the next generation of young, modern MPP units, or enter other segments. One interesting buyer was the Saudi Arabian government-backed Bahri Line. Considering the limited choice in the second-hand vessel market, it was forced to pay sky-high prices for large 10-15-year-old MPP vessels.

MV THE WHALE ORCA – MPP / MPC Neptun 30 / 33,000 Dwt / built October 2009 at Zhejiang Ohoua Shipbuilding Co. / Owners/Operator: Carrier 53' / Lignes Maritimes Congolaises / Copyright: Arne Kuehn

The quiet rise of private Chinese owners

The Far East is a traditional breakbulk cargo region, of which China has the largest market share. After many years of engaging in the wider shipping market, private Chinese owners have started to invest more, including in MPP vessels. For example, CSL Shipping purchased four heavy-lift vessels last year. Meanwhile, Chinaland Shipping ordered six 62,000 Dwt MPP vessels with delivery starting in September 2025. We expect to see more owners step into the MPP sector soon.

Breakbulk cargo in 2024 and 2025

Industrial cargos rely on a stable and peaceful geopolitical environment. The chaos of the Ukrainian war and the Houthis attacks on commercial shipping have, to a large extent, restricted investment in areas such as infrastructure, factories, and wind farms. However, the Middle East appears to be bucking this trend, especially Saudi Arabia, which is anticipated to see the largest infrastructure investment in both 2025 and over the medium term.

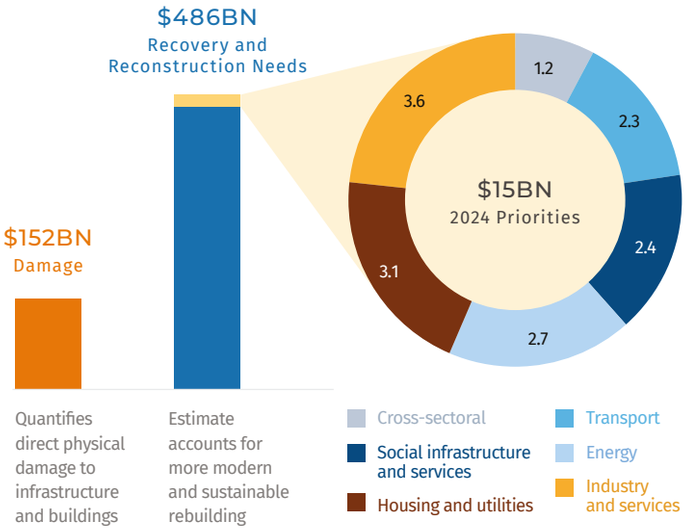
Some potential wind projects:

- Goldwind: about 100 sets to Chile, Brazil and Argentina
- Goldwind: about 100 sets to South Africa
- Goldwind: about 100 sets to Australia
- Goldwind: about 48 sets to Laos
- Envision: about 48 sets to the Philippines
- Envision: about 28 sets to Mozambique
- Envision: about 9 sets to Morocco
- Sany: about 500–800 sets of blades to India

Rebuilding Ukraine

With Donald Trump elected as the 47th US President and the anticipation that the USA will have a renewed appetite to end the war in Ukraine, we hope that peace will come and Ukraine will be rebuilt. After three years of war, most of Ukraine's infrastructure and industry has been destroyed. According to World Bank statistics, Ukraine's total loss has exceeded $500bn.

Estimation of Ukraine's total loss and rebuilding costs (World Bank data)



Outlook for 2025

In the past five years, markets have been impacted by several grey swan events, mainly driven by geopolitics. In 2025 we hope to see the Ukrainian war end, which should reset Russian trade flows as sanctions are lifted. The early January halt to the Houthis attacks potentially reopens the Red Sea and the Suez Canal routes, which may lead to the normalisation of global shipping in 2025.

Against this backdrop, we expect spot markets to weaken from their current high levels, especially in the container market. In 2025, a tremendous number of new container vessels will be delivered, prompting unease over a potential market collapse. However, we had the same concern in early 2024 and the year turned out surprisingly positive.

As the multipurpose market also depends on the bulk market, where we see some limited optimism, we still believe that MPP will remain stable with firm rates. Most likely, rate levels will not be as high as those seen recently, but will stay healthy enough that charterers and owners can enjoy their year. Our optimism is based on the limited MPP orderbook, and the reconstruction of Syria, Gaza and hopefully Ukraine. Only time will tell if we are correct in this assumption.

MV AAL HAMBURG - MPP / Super B-Class / 32,000 Dwt / built July 2024 at Guangzhou Wenchong / Owner/Operator: Austral Asia Line / Copyright: Austral Asia Line

Ro-Ro

GREAT ABIDJAN, Con-Ro with 4,700 LM + 2,500 CEU + 2,000 teu capacity. Delivered in April 2024 by Hyundai Mipo Dockyard in South Korea and operated by Grimaldi.

Consolidated They Stand

Chartering

To assert that the Ro-Ro sector had an unremarkable 2024 is no bad thing. How many other shipping industry sectors can say they were effectively immune to the year's geopolitical events? Charter rates and vessel values remained at sustainable levels, underpinned by a minuscule orderbook that sits at 3.8% of existing lane meter (LM) capacity. Consolidation remained the tenet of the sector. Speculation could be seen in the establishment of some new lines and services, but no speculative ordering took place. The second-hand market was active all year, with a good series of transactions executed by established tonnage providers and operators. A happy equilibrium exists on the surface, but with 37% of LM capacity now over 20 years old a fundamental shift in newbuilding strategies is required to rejuvenate the fleet.

The first quarter was characterised by limited chartering activity, with no new fixtures concluded over 12 months in duration. This was likely due to the shortage of available vessels, and a "wait and see" attitude on the part of owners and charterers trying to ascertain if the drop in car volumes seen in 4Q23 would stick or rebound. Car feedering Ro-Ro demand remained suppressed throughout 2024, leading to issues for some operators who in 2023 had chartered in vessels in anticipation of higher volumes. As it became clear the car feedering party had ended, owners of Ro-Ros with good car intakes adjusted their charter rate and price expectations down slightly. Strike action by trade unions in Finland forced all ports in the country to close for 27 days from 11 March, meaning that local Ro-Ro operators had to idle or even release tonnage in response.

Against this gloomy backdrop, P&O Ferries launched a new freight ferry service connecting London (Tilbury 2) and Rotterdam (Europoort) while DFDS completed its acquisition of FRS Iberia / Maroc, thereby expanding its footprint in the Strait of Gibraltar. Lakeway Link, a new company jointly owned by Wallenius and Greencarrier, announced its presence via the purchase of a vessel (Lakeway Express ex Miramar Express) to run a thrice-weekly service between Gdynia, Västerås and Södertälje. DFDS also presented a new freight service which commenced in 4Q24 connecting Trieste and Damietta, and Stena Line commenced a new Dublin – Liverpool freight service, its seventh route in the Irish Sea.

The charter market remained subdued well into the second quarter, with most deals in April and May being six to 12-month extensions of existing contracts. However, in today's fundamentally consolidated Ro-Ro market, even half a year of negative sentiment makes little difference to the ambitions and plans of established operators, as evidenced by their 2Q24 activities. Stena Line connected its Liepaja–Travemünde line to Wallenius SOL's weekly Travemünde to Zeebrugge, Antwerp, and Tilbury service. Stena Line also entered into an agreement to acquire Attica Group's 49% shares in Africa Morocco Link (AML) for €49mn, including two vessels. Finnlines launched a new route between Malmö and Świnoujście, and DFDS struck a €260mn deal to acquire Ekol Logistics.

The charter market finally lurched into life in June with a flurry of fixtures and rife gossip about the fate of Flensburger 4100 types Alf Pollak and Maria Grazia Onorato, the legal issues between their owner (Siem Shipping) and bareboat charterer (Moby), problems for sub-charterers, and ensuing fallout for shareholders of respective companies involved. Twelve ships with a combined LM capacity of 24,803 – ten under 3,000 LM – were fixed or extended, for a total of 12 years' time charter. As such, the year's busiest chartering month involved fixing just under 3% of total LM capacity (Ro-Ros >1,000 LM). Meanwhile, CLdN and Transfennica announced the connection of their services in Zeebrugge, aiming to expand their networks throughout Northern and Western Europe.

June's events and fixtures meant the proverbial lines were buzzing well into July and August and a steady level of fixing activity continued even throughout the August holidays. Siem took back control of its two Flensburger 4100 types and fixed them for five years (Lismore ex Alf Pollak) and six years (Longstone ex Maria Grazia Onorato) respectively to P&O Ferries at firm rates, thereby chalking the two most substantial fixtures of the year in the open market.

Following a relatively eventful few weeks, chartering activity tailed off in September with extensions accounting for 60% of period fixtures concluded. Grimaldi launched a new service between Trieste and Ambarli with two weekly departures from each port, in response to demand from clients that included several OEMs. Separately, it commenced monthly calls to Cartagena, Colombia, signalling an expansion of its South America to North America service. Finnlines set in motion a weekly service from Finland to London Medway Port, Sheerness. By now under new ownership, AML started a daily service between Algeciras and Tanger Med.

By the end of October, market sentiment was subdued, with a fresh shortage of available tonnage combined with a perceived lack of demand and cargo. Chartering activity throughout the rest of the fourth quarter was not spectacular but did not point to any real malaise on the demand side. The 14 period fixtures concluded in November and December were a mixture of short and medium-term charters and extensions covering a range of needs – in short, business as usual. December also saw the year's most significant military Ro-Ro contract on this side of the Atlantic awarded to incumbent owner Foreland Shipping. The £476mn contract ensures the continued provision of strategic sealift coverage to the UK Ministry of Defence over a seven-year period.

The fleet

Despite good levels of sale and purchase discussion throughout the first three quarters of the year, only 26 vessels changed hands in 2024 – 24 with straight stern ramps and two (Con-Ros) with quarter stern ramps, totalling 62,000 LM. This was 20% lower than in 2023, with the average age of units sold rising to 22 years, versus 19 in the previous year. Unlike 2023, there were no substantial en bloc transactions or even sale and leaseback deals, which was to be expected given the lack of growth in cargo volumes and the highly consolidated nature of the market. With little room for speculation and limited opportunities for profit, seasoned maritime investors and newcomers alike saw little incentive to enter the market.

UAE terminals giant Abu Dhabi Ports (ADP), which entered the sector in 2023 via the blockbuster purchase of four ex-Messina type Con-Ros and two Ro-Ros, struggled to develop regular trades as originally planned. In 2024, the SSF Ania (2,600 LM), originally intended for Middle East Gulf liner business, was converted into a hospital ship. Meanwhile, Con-Ros Al Samha and Al Bateen (6,400 LM) were sold profitably to US interests in the second half of the year, leaving Con-Ros Al Jubail and Ramhan (6,400 LM) to perform a scaled-back liner service in the Middle East Gulf and Mediterranean. This service was aided by the Abu Samrah (4,007 LM), through a joint venture with Erkport, which primarily used the vessels for car feedering. In July, ADP purchased the Super-Fast Baleares (3,530 LM) but swiftly put it back on the market.

Traditional Ro-Ro owners and operators are all too aware of the delicate equilibrium between tonnage supply and cargo demand alongside the regulatory and financial challenges of recycling EU-flagged or EU-trading ships – especially with historically high newbuilding prices. Unsurprisingly, only two Ro-Ros of over 1,000 LM were scrapped during the year: Duta 1 (1,250 LM, built 1991) in Bangladesh and Maestro Sun (2,170 LM, built 1986) in Türkiye. At year-end, the fleet of straight stern ramp Ro-Ro and Con-Ro tonnage in excess of 1,000 LM stood at 419 vessels, with a combined capacity of approximately 1.3 mn LM and an average age of 19.1 years.

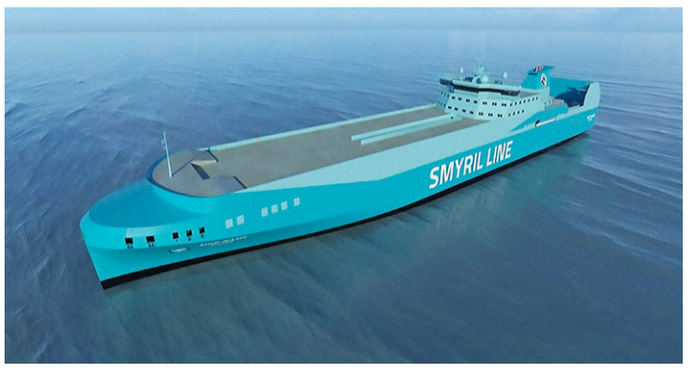
New orders were strictly limited to five vessels – Smyril Line with two 3,800 LM and Louis Dreyfus Armateurs (LDA) with three 883 LM units – keeping tally with the five new orders of 2023 but increasing contracted capacity by 50% to 10,249 LM. These orders were placed against committed employment and were absolutely non-speculative.

Grimaldi accounted for 90% of the 24,400 LM capacity delivered in 2024, with 21,900 LM split between three G5 class Con-Ros (4,700 LM) and one GG5G class Ro-Ro (7,800 LM). The remaining 2,500 LM came from a single Japanese-owned vessel. While this marked a slight increase on the 19,326 LM delivered in 2023, it was far less remarkable than the 74% drop seen between 2022 and 2023.

The sector is left with 52,905 LM of capacity on order, all in the form of straight stern ramp Ro-Ros, equating to 5.56% of the existing straight stern ramp capacity or 3.83% including Con-Ro tonnage. June 2026 is, for now, the end of the Ro-Ro sector's orderbook!

Newbuilding options are becoming more limited. While Cantiere Navale Visentini is going strong, it is physically limited to delivering two vessels per year and cannot compete with Far Eastern prices. The closures of Fosen Yard in Norway and Flensburger Schiffbau-Gesellschaft in Germany, both of which entered insolvency proceedings in 2024, are too well-documented. Owners must increasingly turn to major Far Eastern yard groups, where they compete alongside multi-vessel container and LNG carrier series for yard space and finance. If successful, they must then put in place experienced supervision teams to manage contracts being performed on the other side of the world. In short, contracting new vessels is becoming more challenging every year, especially for the small and medium-sized owners that have historically provided much of the sector's tonnage. There is without doubt an opportunity for dominant operators to now play tonnage provider. Grimaldi, DFDS and CLdN together own 41% of existing LM capacity and individually have the clout to navigate the newbuilding jungle. In addition, there is a clear role for existing global tonnage providers, with their critical mass and large, diversified orderbooks. The question is whether, when, and how they will decide to seize this opportunity.

Rendering of 3 x 883 LM Ro-Ro under construction at Wuchang Shipbuilding in China with deliveries in 2026 for Louis Dreyfus Armateurs (LDA).



Rendering of 2 x 3,300 LM Ro-Ro under construction at CIMC Raffles in China with deliveries in 2026 for Smyril Line.

ECO SALERNO,
Ro-Ro with 7,800 LM capacity. Delivered in December 2024 by Jingling Shipyard in China and operated by Grimaldi.

Car Carrier

CERULEAN ACE
First in the Blue series of car carriers with post-Panamax beam with 12 decks equivalent to approximately 7,050 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in March 2024 by Shin Kurushima Dockyard Co. Ltd. in Japan to and operated by Mitsui OSK Lines.

Shifting Down a Gear

2024 will be remembered as the year that ushered a course correction in the market dynamics of the car carrier sector after a historic three-year hot streak. A second consecutive year of record-breaking Chinese vehicle exports [+19.3% year-on-year (y-o-y)], with approximately 5.86 million (mn) vehicles, cemented China's position as the leading vehicle exporting country for the second year in a row but was not enough to counter-balance the headwinds hitting the sector.

While charter rates remained at historically high levels, they reached their inflection point during the first quarter of the year and thereafter commenced their downward trajectory. By the end of the year, the time charter rate for a mid-size ship of 4,900 car equivalent units (CEU) had fallen in the mid-$40,000/day range for 12 months' time charter, whereas that of a Panamax beam ship of 6,500 CEU was in the low $60,000/day range for 12 months' time charter.

It was also a year of frenetic contract renewals, with most operators securing solid cargo backlogs on the back of strong freight rates. Publicly listed operators and tonnage providers kept on posting record earnings, attracting the interest of outsiders to the sector. This culminated with the acquisition of Gram Car Carriers (GCC) by SAS Shipping Agencies Services Sarl, a wholly owned subsidiary of Mediterranean Shipping Company SA (MSC). The Grimaldi Group expanded its services out of China and opened an office in Shanghai. Sallaum Lines launched a new shipping route connecting Europe with East Africa and also opened an office in Shanghai. Siem Car Carriers secured a cargo contract with a major car manufacturer for volumes out of South Korea to the West Coast of the United States (US) commencing in January 2025 marking its return to direct operating as a Vessel Operating Common Carrier (VOCC). While the sector's fundamentals remained healthy overall, a shift in the dynamics was palpable.

Looking ahead, increased demand side volatility risks being amplified by the supply side. Downside triggers on the demand side appear to be higher than previously, with geoeconomic fragmentation and ratcheting protectionist policies among the key threats to trade and supply chains. With the sector on a downward trajectory from its historic peak, it is questionable whether the orderbook will be resorbed or whether it will exert further downward pressure. We can only hope that sensible minds will prevail in the determination of policies that will keep demand side volatility in check so that – barring any black swan event – the sector can adjust to its new dynamics gradually and organically.

The ongoing anti-trust investigation

The sweeping investigation into the global car carrier price fixing scandal that has been ongoing since 2012 might be nearing a conclusion. In what might be the last legal battleground – the class-action suit against a group of car carriers on behalf of United Kingdom (UK) motorists – the UK's Court of Appeal Tribunal (CAT) approved settlements on 6 December between the class representative and three of the five defendant groups left, namely Wallenius Wilhelmsen and sister company EUKOR as well as K Line, for respectively £24.5 mn and £12.75 mn. Only Mitsui OSK Lines and NYK remain, and their trial is scheduled to start on 13 January 2025, with a provisional time estimate of ten weeks. We wonder whether the outcome of this trial will bring closure to this unfortunate chapter.

LIAO HE KOU
Car carrier with post-Panamax beam and with approx. 59,000 sq m on 13 decks, equivalent to approx. 7,500 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in July 2024 by Xiamen Shipbuilding Industry in China to COSCO Shipping Specialized Carriers and operated by COSCO Shipping Car Carriers.

The fleet

Based on a capacity of 1,000 CEU and above, at the turn of the year, the fleet counted 768 vessels reaching just under 4.4 mn CEU, with an average age of just under 15 years. It marks the second consecutive year that the 4.0 mn CEU threshold is breached. Given the size of the orderbook due for delivery, we anticipate the overall CEU capacity to hover comfortably above the 5.0 mn CEU mark in the foreseeable future. Compared with 2023, fleet and capacity expanded by 6% and 8% y-o-y respectively, whilst the average age shrunk by approximately 6% y-o-y. Annual fleet growth rose fivefold to approximately 6% y-o-y, improving the average over the past five years to approximately 1%. To add perspective, the average fleet growth over the past ten years is approximately 0.2% and the last time the fleet experienced double-digit growth was in 2014 (13.6%).

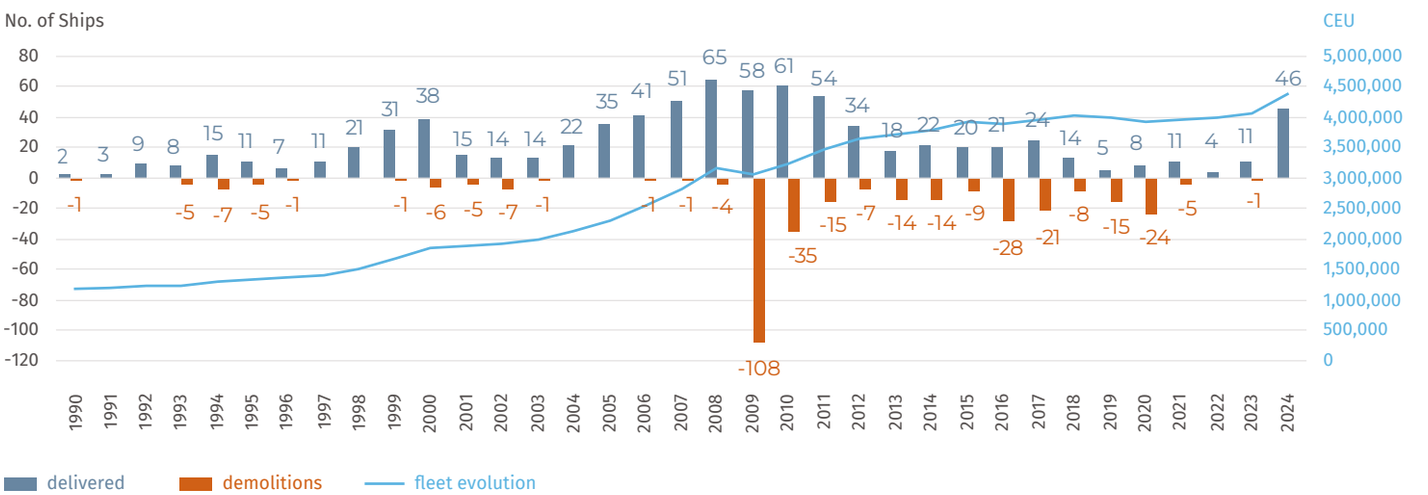
The overall orderbook ended the year at a whopping 212 units, representing approximately 28% of the current fleet, stretching out up to 2031, and accounting for a total of approximately 1.7 mn CEU, representing approximately 38% of the current capacity. The orderbook to fleet ratio shrunk approximately 2% y-o-y to approximately 28%. Nevertheless, it was the third consecutive year of double- digit growth. Looking back over the past ten years, the previous peak occurred in 2015 at 11%.

Nearly the entire orderbook – 205 units or approximately 97% – consists of post-Panamax beam vessels, accounting for approximately 1.7 mn CEU, which is equivalent to approximately 99% of the capacity on order! Most importantly, 161 units, equivalent to approximately 76% of this orderbook, are endowed with dual fuel liquified natural gas (LNG) propulsion. This technology regained momentum as the preferred transitional fuel for decarbonisation on the back of a broader industry shift during 2024. Unsurprisingly then, last year LNG-powered ships accounted for 73% of new orders.

Mid-size tonnage (4,200 – 5,500 CEU) made a comeback with 16 units ordered, representing approximately 27% of new orders. Twelve units were ordered speculatively by Eastern Pacific Shipping (EPS), which is traditionally a first mover to plug imbalances in shipping segments.

Last but not least, approximately 57 units, equivalent to approximately 27% of the orderbook, are without committed employment upon delivery, equating to an estimated capacity of 412,000 CEU. The number of uncommitted ships rose approximately 55% y-o-y, indicating that many tonnage providers threw their hats in the ring, despite record high construction prices and a shifting market. We imagine that one of the driving factors might be the age profile of the 6,200/6,700 CEU industry workhorse, which features a substantial number of units (~115) between 15 and 19 years old.

Fleet Evolution (ships from 1,000 CEU)



HÖEGH AURORA
First in the Aurora series of car carriers with post-Panamax beam and with approx. 75,000 sq m on 14 decks equivalent to approx. 9,100 CEU with 5 hoistable decks, endowed with multi-fuel propulsion. Delivered in August 2024 by CMHI Jiangsu in China for, and operated by, Höegh Autoliners.

A huge 59 new orders were placed during 2024, equivalent to approximately 448,000 CEU with an average intake of approximately 7,600 CEU. This marks the third consecutive year of significant investment, albeit with an approximate 31% y-o-y reduction, suggesting that industry players' appetite for new tonnage might be waning against a backdrop of a softening market. Wallenius Wilhelmsen set a new industry record for the largest ever vessels by upgrading seven units from its Shaper class series on order from 9,300 CEU to 12,100 CEU. Of note is the return to the scene of CIDO with an order for 20 vessels of 7,800 CEU with dual-fuel LNG propulsion.

BYD EXPLORER NO. 1
Car carrier with post-Panamax beam and with approx. 59,000 sq m on 12 decks equivalent to approx. 7,000 CEU with 4 hoistable decks, endowed with dual-fuel LNG propulsion. Delivered in January 2024 by CIMC Raffles in China to Zodiac Maritime and operated by BYD.

Forty-six units were delivered during the year, accounting for approximately 330,000 CEU, with an average capacity of approximately 7,200 CEU. Deliveries surged 318% y-o-y, up from a mere 11 units, as did capacity with an approximately 327% rise, up from 77,177 CEU. The number of deliveries will skyrocket over the next two years, with 62 due in 2025 and 69 in 2026, before easing to 45 in 2027, then 21 in 2028, and, so far, 15 units spread between 2029 and 2031.

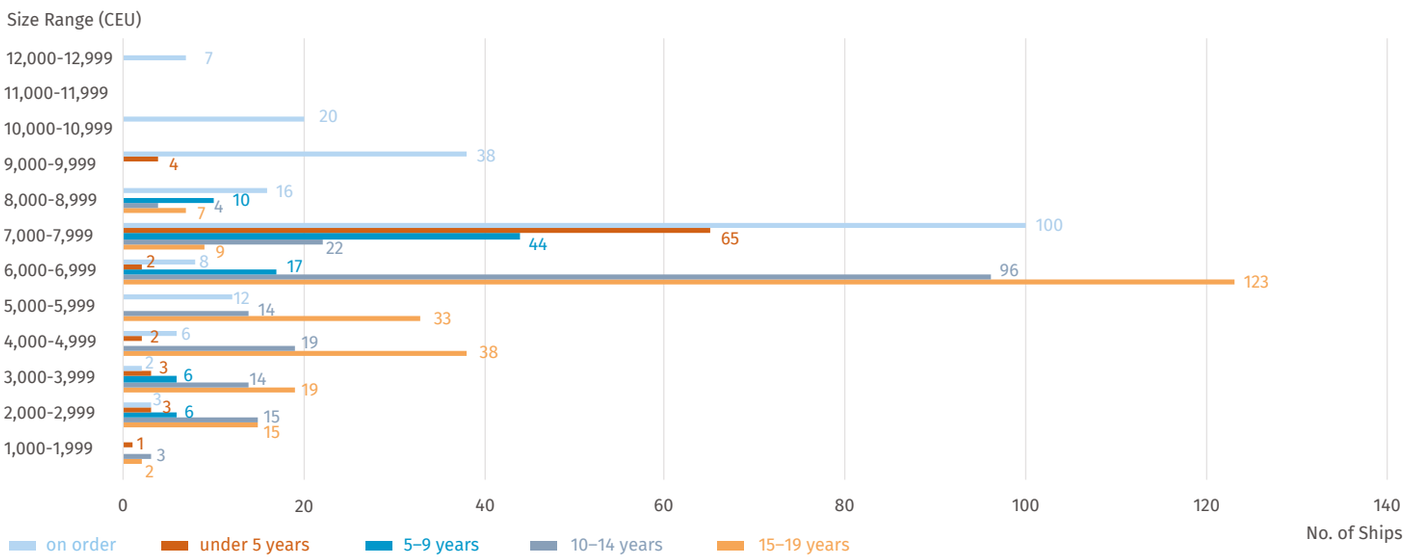
Nine units saw their delivery dates deferred to 2025, accounting for approximately 68,000 CEU. They are being constructed at a mix of Chinese (Shanghai Waigaoqiao Shipyard, CIMC Raffles and Wuhu SY) and Japanese (Imabari Tadotsu and Shin Kurushima Toyohashi) shipyards.

As was to be expected, due to the strong market, demolition activity was virtually non-existent, with only one unit, the Diamond Highway, a casualty from 2023, being recycled. As the market slides on its downward trajectory, we expect recycling activity to start picking up in the coming year.

Looking ahead, 32 ships, or approximately 137,000 CEU, representing approximately 4.2% of the current fleet, will be 28 years old and above in 2025. In 2026, 51 ships, or approximately 235,000 CEU, representing 6.6% of the current fleet, will be 28 years old and above. We expect the market to continue its downward trajectory in the coming year, encouraging operators and owners to start retiring these vintage and inefficient units, as the deliveries of more fuel-efficient newbuildings gather pace. For European short sea, this retirement process might be boosted by the implementation of FuelEU Maritime regulation beginning 1 January 2025 as well as by the extension of the Emission Control Area (ECA) for sulphur oxides (SOx) to the Mediterranean as from 1 May 2025.

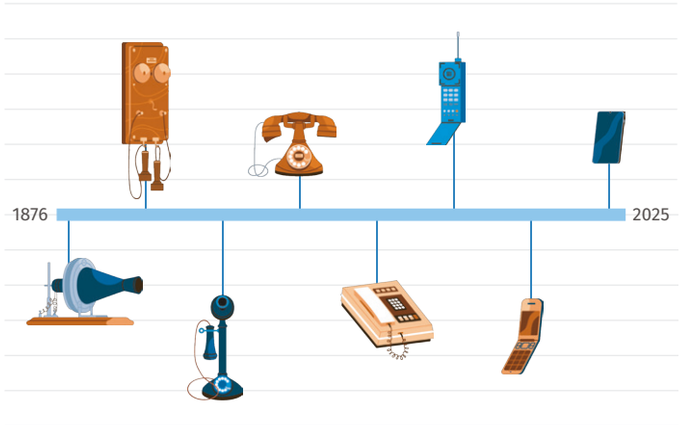
Contrary to our expectations, sale and purchase activity increased by 23% y-o-y, reaching 32 transactions. The average age of the vessels was slightly over 11 years, and the average size was approximately 6,300 CEU, totalling around 201,000 CEU. As usual, the activity comprised a mix of financial sales (11) and arms' length sales, including purchase options (21). Höegh Autoliners divested three units and Wallenius Wilhelmsen exercised purchase options on six units, capitalising on competitive pricing previously secured. With asset values beginning to soften, we anticipate that sale and purchase activity should pick up in the coming year.

Existing Fleet and Orderbook by Age Class and Capacity Range (ships from 1,000 CEU and below 20 years)



Data Developments

Keeping Your Head Above Data



Since the creation of BRS in 1856, shipbroking has been revolutionised by major advancements in communication technology. Just before BRS began, the telegraph had arrived onto the world stage, allowing shipbrokers to efficiently transmit messages over long distances. This laid the groundwork for an even more consequential shift, with Alexander Graham Bell's invention of the telephone in 1876. Real-time voice conversations fundamentally changed the global marketplace by speeding up negotiations and decision-making. At the turn of the 20th century, the radio pushed progress even further. Wireless communication between ships and shore became crucial for tracking vessel statuses and their cargoes while at sea.

Fast-forward a few decades, and the 1990s saw the rise of the internet and email. Suddenly, the instant exchange of documents, contracts, and market data became possible. More recently, smartphones and applications such as WhatsApp have transformed communication yet again, enabling shipbrokers to instantly share messages and documents, and conduct negotiations in real time from anywhere in the world.

So what's the problem?

Today's communication technologies, through their many applications, generate more information than anyone in prior generations could have ever imagined. Today, every industry is inundated by a vast sea of data. Managing, analysing, and extracting actionable insights has become increasingly complex.

In an era where one can access all manner of information in seconds, it is somewhat ironic that critical insights may be overlooked simply because there is too much data.

Data overload affects not only shipbrokers but all players in the maritime industry – whether shipowners, charterers, or shipyards – and indeed nearly every industry and individual. Consider your own inbox and reflect on the stress it causes; the overwhelming volume of messages is a familiar challenge.

Just like shipbrokers, shipowners are facing a data deluge. Modern vessels are equipped with numerous sensors and tracking systems that generate continuous streams of information, from navigational data and engine performance metrics to weather updates and maintenance logs. This abundance of data provides significant opportunities for optimising operations, such as enhancing route planning, reducing fuel consumption, and implementing predictive maintenance strategies. However, managing and analysing these vast datasets can be challenging without robust digital infrastructure and analytics tools. Consequently, many shipowners are investing in advanced data processing and intelligence solutions to transform this overload into actionable insights for more efficient and competitive maritime operations.

Today, cutting through the vast sea of digital data requires sophisticated applications just to filter out the "noise". This process is time-consuming and demands both advanced data management tools and expertise. While Artificial Intelligence and data analytics are essential in addressing this challenge, they also introduce risks such as an over-reliance on automation that might overlook key nuances or fail to keep up with sudden market changes. This is why smarter data management solutions are more crucial than ever for effective communication and confident decision-making.

Before we continue, let's review key definitions:

- **Big Data:** Massive, diverse volumes of information – both structured and unstructured – that require advanced methods for storage, processing, and analysis.
- **Data Lake:** A centralised repository that stores raw data in its native format until it is needed for analysis.
- **Artificial Intelligence (AI):** A field of computer science focused on creating systems capable of performing tasks that typically require human intelligence, such as learning and problem-solving.
- **Data Intelligence:** The process of transforming raw data into actionable insights through analysis, visualisation, and interpretation.
- **Internet of Things (IoT):** The wireless network of physical things – objects, devices, buildings – consisting of installed sensors, electronics, software and network connectivity enabling these 'things' to collect and exchange data.

Big Data serves as the expansive raw resource generated by various sources, while a **Data Lake** acts as a centralised repository that stores this unprocessed information in its native format. **Artificial Intelligence** then leverages advanced algorithms to analyse the data housed within the **Data Lake**, ultimately leading to **Data Intelligence**, which transforms these analytical outputs into actionable insights for informed decision-making.

Prepare Your Systems to Welcome AI

Before AI and Data Intelligence can benefit organisations and the maritime industry, it is crucial to ensure that systems are ready for AI integration. Clean, well-organised data is the foundation of quality AI output – without it, organisations risk inefficiencies and unreliable insights. Upgrading legacy systems is the key to eliminating data silos and supporting real-time monitoring, predictive maintenance, and process optimisation.

Digital transformation enables maritime players to harness IoT sensors, automation, and real-time digital records to analyse vast amounts of data, from fleet performance to supply chain logistics. By consolidating this information into a Data Lake, organisations can improve efficiency, streamline operations, and proactively address maintenance needs.

Despite these advancements, many maritime companies still rely on manual processes and outdated software, resulting in fragmented systems that hinder efficiency. Transitioning to modern, integrated digital solutions allows businesses to unlock insights from historical data, bridge the gap between traditional methods and advanced analytics, and fully capitalise on the benefits of AI.

Avoid "garbage in, garbage out"

In maritime operations, clean data is essential for accurate analysis, reliable decision-making, and efficient operations. Poor-quality data – such as incomplete, outdated, or inconsistent information – can lead to flawed insights, wasted resources, and costly mistakes.

Let's consider compliance checks. A company seeking to charter a vessel conducts due diligence to check whether it is linked to a sanctioned entity. However, due to inconsistent naming conventions

across databases – where the same owner appears under multiple name variations – the automated screening system fails to flag the vessel as belonging to a restricted party. If the compliance team does not catch this discrepancy before finalising the charter agreement, the company could face serious regulatory violations, financial penalties, and reputational damage. This scenario shows the critical importance of standardised data governance and robust compliance frameworks in maritime transactions, ensuring accurate risk assessments and adherence to international sanctions regulations.

In an industry where data-driven decisions shape success, maintaining clean, standardised, and reliable data is not just a technical necessity but a strategic imperative.

Generate content while maintaining guide rails

Harnessing vast data sets to produce insights, reports, or automated outputs requires a careful balance between innovation and control. It's about using big data to create valuable content without straying from predefined rules, standards, and frameworks that ensure accuracy, consistency, and compliance. Necessary "guide rails" could include regulatory requirements, internal best practices, or quality control measures that prevent misleading or off-target information.

By keeping content generation within these boundaries, organisations can scale their data-driven efforts while mitigating risks such as errors, bias, or non-compliance.

How Do We All Benefit?

In January 2025, US President Donald Trump announced a private sector investment of up to $500bn to fund AI infrastructure, aiming to outpace rival nations in the business-critical technology.

That same month, the state-owned Bank of China announced its decision to provide at least 1 trillion yuan (approximately €130bn/$140bn) in funding to AI sector companies over the next five years.

In February, European Commission President Ursula von der Leyen revealed the EU's plans to invest €50bn in AI development and application.

AI is evolving rapidly, with even bigger advancements on the horizon. This transformation is already underway, and will continue to shape the future.

$5 billion

TO FUND AI INFRASTRUCTURE
US PRESIDENT DONALD TRUMP

CN¥1 trillion

IN FUNDING TO AI SECTOR COMPANIES
THE BANK OF CHINA

€50 billion

TO SUPPORT AI DEVELOPMENT AND APPLICATION
URSULA VON DER LEYEN

This chapter serves only as an introduction to how AI is transforming the maritime industry. Covering the vast number of recent innovations would require many more pages and risk losing our readers' attention. However, over the past three years, we've seen a rapid acceleration in Data Intelligence investments – and this is set to continue. With substantial budgets allocated by China, Europe, and the USA, AI is poised to revolutionise the industry even further in the coming years.

BRS is positioning itself as a future leader in this field within the shipping industry. Now is the time to get on board and join BRS at the forefront of this transformation.

Mercy Ships

2024: A Year of Transformative Impact

Why hospital ships?

Since over 50% of the world's population lives near a coast, Mercy Ships provides the best way to reach people in need with personalised, quality, medical care.

Globally, 5 billion people lack access to safe surgery. Thanks to generous donations and support, we deploy hospital ships to combat this overwhelming statistic.

Fuelled by a crew of volunteer professionals

Our hospital ships are filled with state-of-the-art medical equipment and a volunteer crew of doctors, nurses, medical staff, technicians, teachers, physical therapists and other caring people, all driven by mercy to help make the world a better, healthier place.

Healthcare is a human right

Mercy Ships believes that everyone deserves a life full of promise and potential. That every mother deserves to see her child grow up healthy and thrive. And that being able to access the medical care you need should never depend on where you are born.

Global Mercy™ (37,000 Gt)

The world's largest civilian hospital ship, constructed as the first purpose-built floating hospital for the humanitarian organisation Mercy Ships with six operating theatres, 199 hospital beds and 641 volunteers onboard.

Build by Stena Roro, Gothenburg, Sweden.

Africa Mercy® (16,572 Gt)

A former rail ferry named Dronning Ingrid (Queen Ingrid) converted into a hospital ship by Mercy Ships with five operating theatres, 82 hospital beds, and 450 volunteers onboard.

Build by Helsingørs Værft AS, Elsinore, Denmark

Two hospital ships in simultaneous service

In 2024, Mercy Ships delivered life-changing healthcare and training across Sub-Saharan Africa, marking significant milestones in its mission to provide free surgical care and build capacity in local healthcare systems.

Through its two hospital ships, the Global Mercy™ and the Africa Mercy®, the organisation improved thousands of lives by combining direct medical services with education, training, and advocacy programmes, partnering with governments for lasting impact.

In 2024, the Global Mercy was in service in Freetown, Sierra Leone for 10 months and will extend its service for 10 additional months in 2025. The Africa Mercy was in service in Toamasina, Madagascar and returned for 10 more months in February 2025.

Through the work of the 1,700 international volunteer crew and the 670 African day crew members, Mercy Ships provided:

- → **159,727 hours** of healthcare education and training for **923 healthcare professionals**
- → more than **2,280 surgeries**
- → more than **3,690 surgical procedures**
- → more than **3,600 dental visits**
- → more than **9,090 dental procedures**
- → served more than **2,040 dental patients**

Sierra Leone faces significant challenges, with only 0.7 doctors, 2.04 nurses, and 0.02 dentists available per 10,000 people, according to the World Health Organization.

Similarly, in Madagascar, 1.76 doctors, 2.92 nurses, and 0.08 dentists per 10,000 people, serve a population of over 31 million.

These statistics underscore the urgent need for capacity-building programmes and free surgical care.

Cargo Day 2024 Results

Since its inception in 2016, Mercy Ships Cargo Day has united the Shipping and Trading community in an extraordinary fundraising effort, generating over $15 million for Mercy Ships' vital work.

The initiative operates through a unique model where charterers designate "Mercy Cargoes" to shipbrokers, who then donate 50% or more of their commissions to Mercy Ships, with additional support coming from shipowners, ship agents, and other maritime companies.

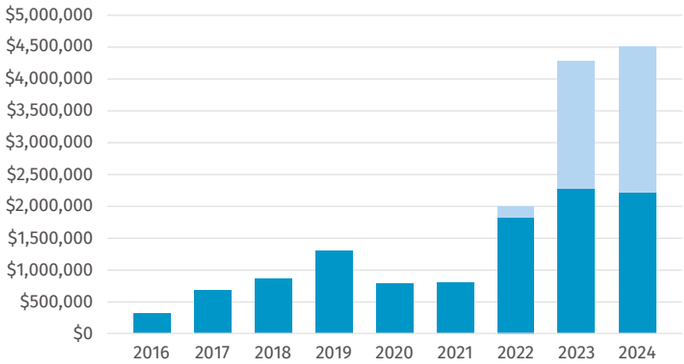
Despite challenging market conditions in 2024, the campaign maintained its upward momentum, raising $2.2 million with impressive growth metrics: the number of Mercy Cargoes increased by 26% and pledges by 29% compared to the previous year. While the Tanker sector remains the main contributor to this initiative, the Dry Bulk sector notably nearly tripled its contribution.

As in previous years, Mercy Ships partners matched the $2.2 million raised. In a separate but related initiative, Eastern Pacific Shipping's annual "To the Moon" sports event generated an additional $1.5 million for Mercy Ships in memory of Tim Webb.

These crucial funds cover the daily operational expenses of the hospital ships, including marine expenses, insurance, and maintenance. This financial support ensures that the ships' operating theatres remain active, allowing volunteer medical professionals to perform life-changing surgeries for thousands of patients.

The milestone 10th edition of Mercy Ships Cargo Day will launch on the 5th of November, 2025.

Mercy Ships Cargo Day 2024 Results



The lighter colours topping 2022–2024 bars represent the additional funds raised through Mercy Ships' double match.

9 years > $15 million (including Mercy Ships Double Match)

Year	Result ($)
2016	314,000
2017	673,000
2018	860,000
2019	1,300,000
2020	787,000
2021	800,000
2022	2,000,000
2023	2,262,000
2024	**2,210,000**

New Hope on the Horizon, a New Ship in the Making

Mercy Ships is announcing a brand-new purpose-built hospital ship, having partnered with the MSC Foundation and the MSC Group. This addition, to be built to similar specifications as the Global Mercy, will expand the impact of Mercy Ships' life-changing surgeries, aesthetic care, and surgical education for future generations of patients and healthcare professionals in Sub-Saharan Africa.

The agreement was finalised on 08 April 2024 by chairman of MSC Group and MSC Foundation, Captain Gianluigi Aponte, MSC Group President and Member of the MSC Foundation Board, Diego Aponte, and Mercy Ships Founder, Don Stephens. This new project is made possible by a generous anchor donation from the MSC Foundation, reflecting the visionary leaders' commitment to supporting access to critical healthcare for generations to come.

"I spent part of my childhood and early years in the shipping industry in the Horn of Africa, it is a region close to my heart. I saw firsthand the challenges faced by many local communities there and this shaped my conviction that improving the availability of healthcare would bring real and lasting impact for them. It has been extremely gratifying to work with Don Stephens and provide this crucial support through his unique organisation Mercy Ships, our partnership has reaped extraordinary results already and now we are on the verge of expanding their fleet to increase this support. I truly look forward to seeing this new ship set sail to help more communities across Africa."

— Capt. Aponte, founder of the MSC Group

Testimonial

Mercy Ships — Story of Anjara

Baby Anjara made history as the first surgical patient in Madagascar in 2024. Dr Gary Parker performed the cleft-lip surgery onboard the Africa Mercy.

A special visit to the Africa Mercy in Madagascar, where it all began

In 2016, Tim and Corinne Webb joined a group of shipping industry stakeholders for their annual visit aboard the Africa Mercy while docked in Madagascar — a pivotal moment that gave birth to Cargo Day.

In 2024, a special tribute took place in that same location aboard the Africa Mercy. The bridge became the setting for an intimate ceremony, where Captain Jan presided while Bryce Wagner served as master of ceremonies. Alexander Hamalton (BRS), Scott Moncrieff (Ampol Trading and Shipping), Gilles Rolland (Mercy Ships Cargo Day Geneva Committee member and ex-Nyala Shipping) and Corinne Webb gave moving speeches.

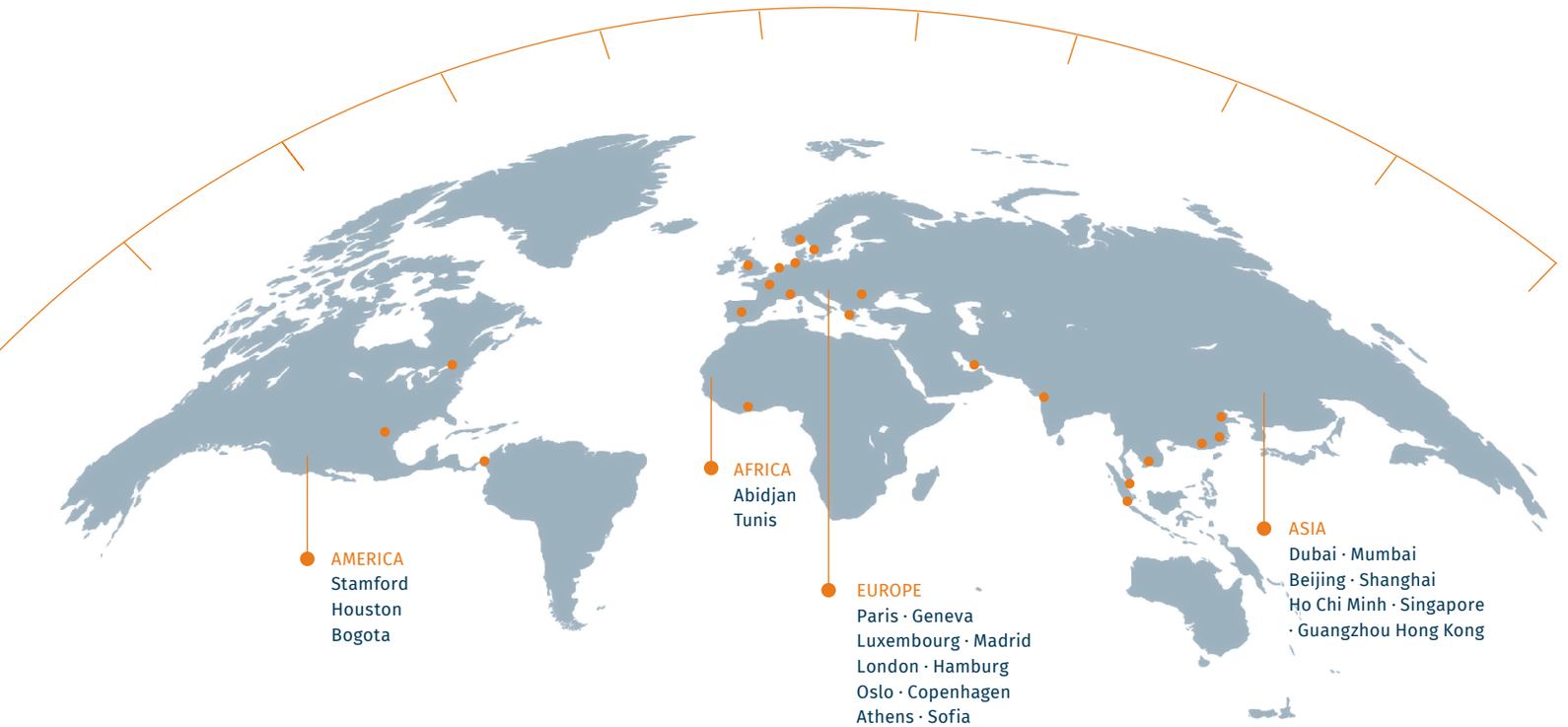
Join us now at
www.mercyshipscargoday.org

Tim Webb, founder of Cargo Day and former Global Head of Tankers at BRS (left) with a patient on the Africa Mercy in 2018 in Douala, Cameroun

In Memory of Tim

To honour Tim's lasting impact, a commemorative plaque was mounted on the bridge door. The celebration of Tim's larger-than-life spirit was made even more poignant by the joyful songs of a Malagasy choir.

Global Shipbroking and Market Intelligence Services



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