

Lloyd's List Intelligence 

Shipping Outlook Forum: 2024 and Beyond

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Shipping Outlook Forum: 2024 and Beyond

Lloyd's List Intelligence 

Today's panel



Nikolaus H. Schües

President of BIMCO and CEO and
owner of Reederei F. Laeisz



Dr Alexandra Ebbinghaus

GM Decarbonisation, Shell



Eman Abdalla

Global Operations Director,
Cargill Ocean Transportation



Michael Parker

Citi Global Shipping, Logistics and
Offshore Chairman, and
Chair of the Poseidon Principles



Moderated by **Richard Meade**

Editor in Chief, Lloyd's List

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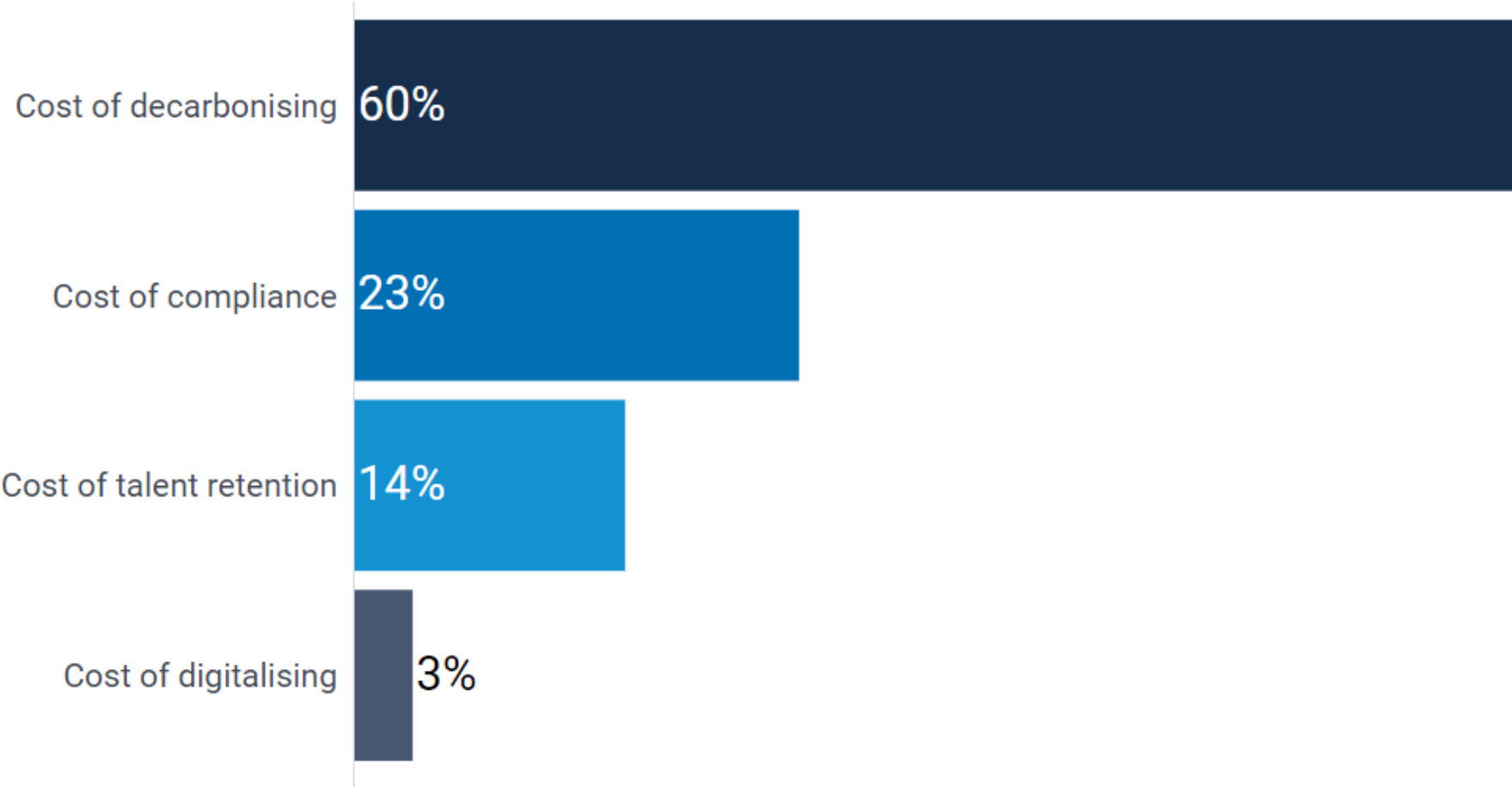


Shipping Outlook Forum: Key Takeaways

The cost of the green transition and geopolitical risk are the key concerns for shipping in 2024

- The ongoing Ukraine-Russia war and conflict between Israel and Hamas has disrupted global trade, placed sanctions compliance higher up the industry's agenda and increased safety concerns for crew and vessels
- Early relief at clarity from the IMO on emissions targets has given way to worries about how those targets will be met, and where the fuel will come from
- There is still uncertainty in the shipping sector over the future of regulation around decarbonisation but a bigger threat to the future viability of smaller operators will be the administrative burden that new regulation will bring
- A lack of suitable technology or infrastructure is seen as a big risk to shipping's energy transition
- Ammonia is expected to be the dominant shipping fuel beyond 2040, ahead of methanol, synthetic LNG and nuclear
- There will be a shortage of seafarers and officers globally within 3-5 years unless the industry does more to promote better remuneration and onboard working conditions

What keeps you awake at night most often?

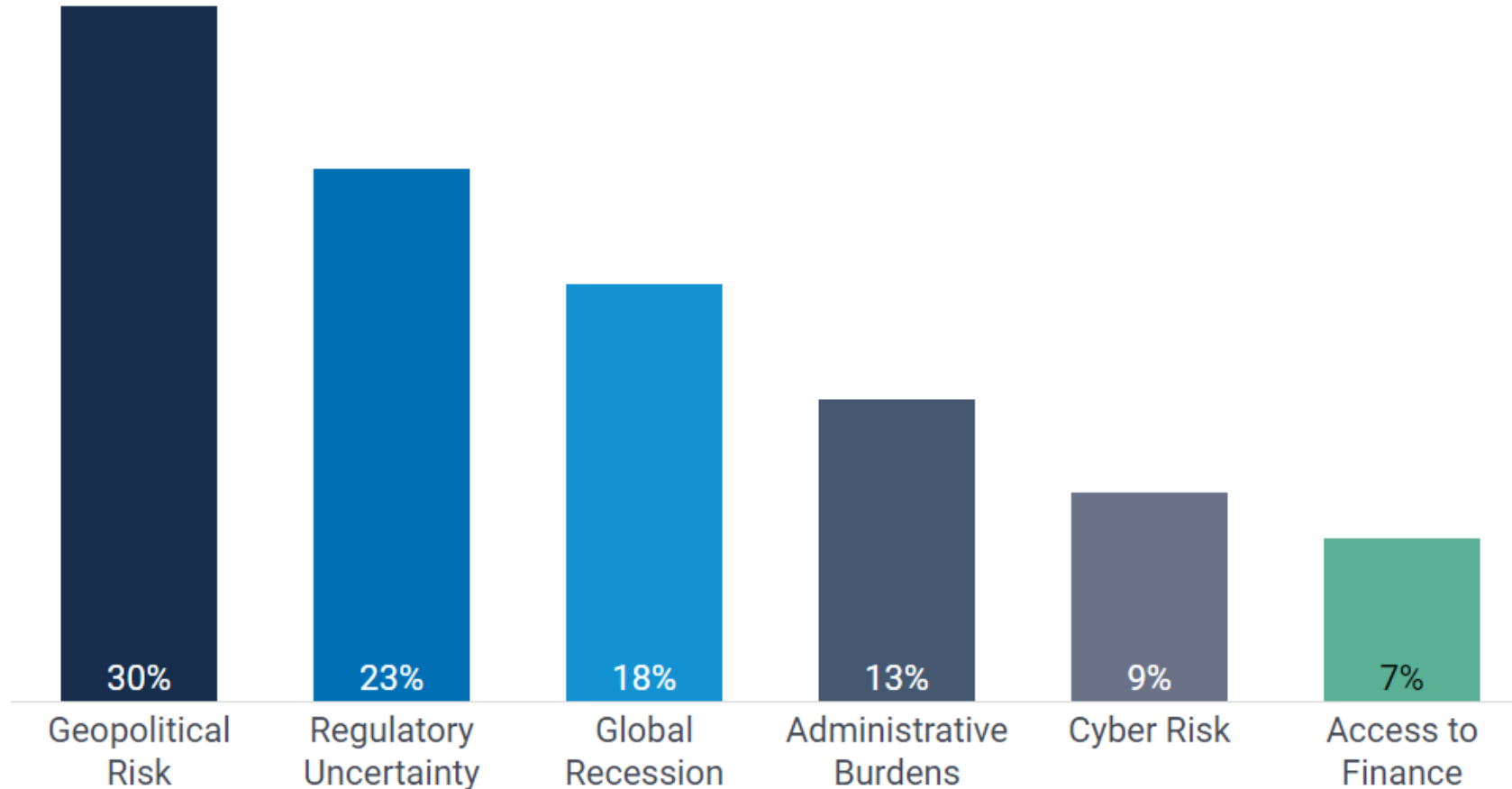


2022 results

- Cost of decarbonising: 35%
- Cost of compliance: 24%
- Cost of talent retention: 20%
- Cost of digitalising: 11%
- Other: 10%

Source: Lloyd's List Shipping Outlook Survey 2023

What do you see as the greatest risk to shipping businesses over the next 2 years?



2022 results

- Global Recession: 49%
- Regulatory Uncertainty: 28%
- Oversupply of vessels: 11%
- Access to finance: 5%
- Other: 5%

Source: Lloyd's List Shipping Outlook Survey 2023

On increasing geopolitical risk...

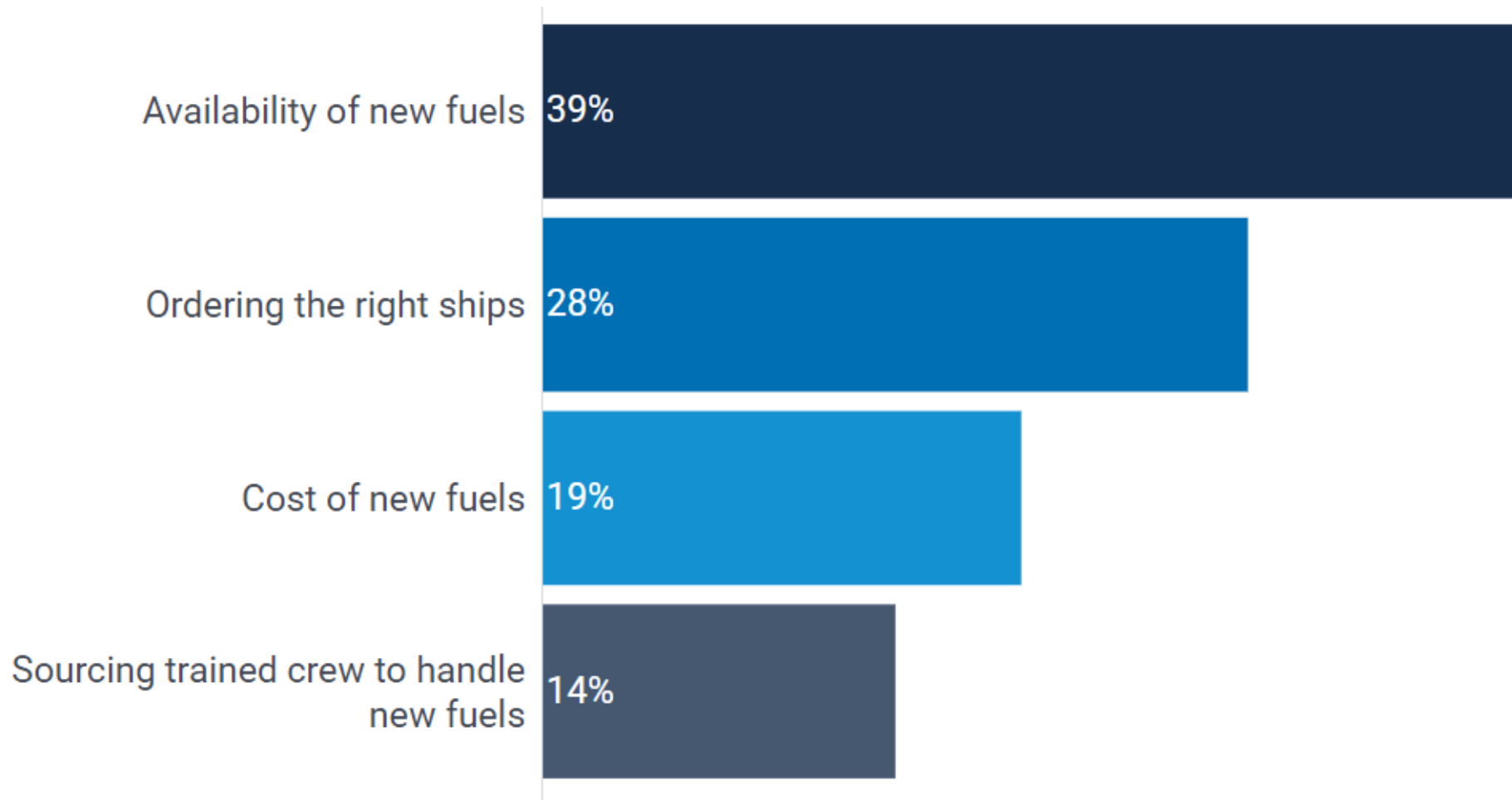
“This is probably the unsafest time in the world since the Cuban Missile Crisis, just from the ability of leaders to actually control things or not allow things to get out of control.”

“You can't not watch what's going on in the world. This is not a 15 second Tik Tok thing; you actually have to understand these issues in some depth. If you're in the shipping industry, understanding how it affects your business is very important”

Michael Parker, Citi Global Shipping Logistics and Offshore Chairman, Chair of the Poseidon Principles



What is the bigger challenge for the industry over the next five years?

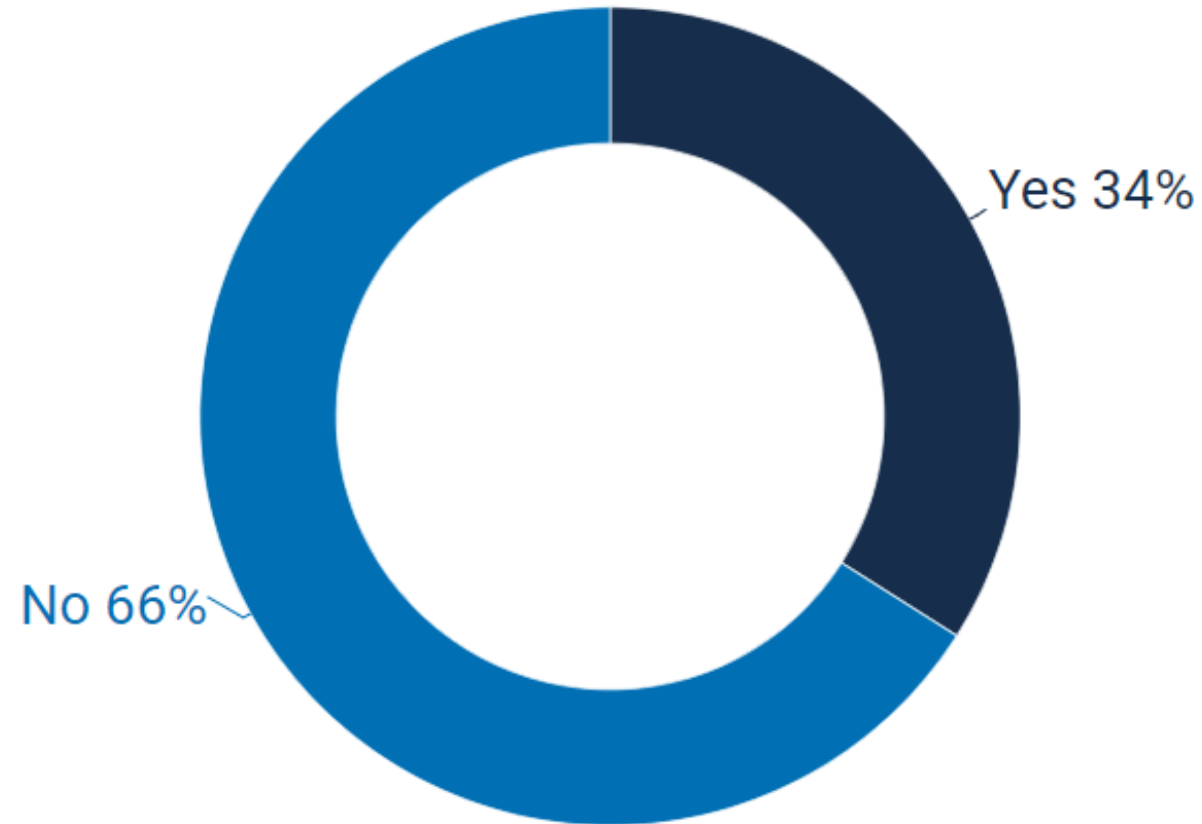


2022 results

- Availability of new fuels: 46%
- Cost of new fuels: 26%
- Sourcing trained crew to handle new fuels: 21%
- Other: 7%

Source: Lloyd's List Shipping Outlook Survey 2023

Has shipping taken its eye off the ball when it comes to safety?

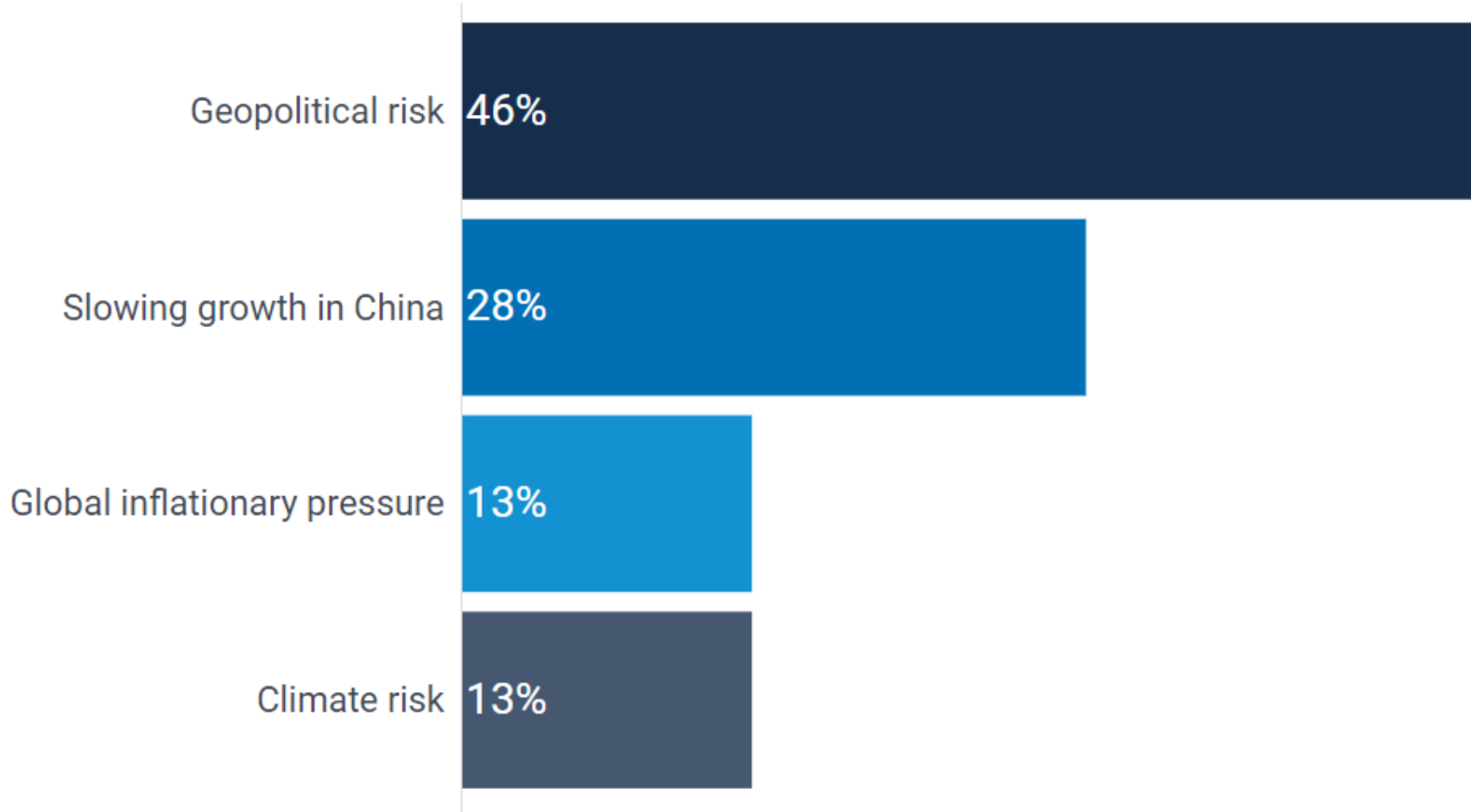


2022 result

- Yes: 34%
- No: 66%

Source: Lloyd's List Shipping Outlook Survey 2023

The most significant macro factor affecting the outlook for shipping markets over the next two years will be:



2022 result

- Global inflation: 34%
- Slowing growth in China: 33%
- Extended conflict in Ukraine: 15%
- Escalating US-Sino conflicts: 14%
- Other: 4%

Source: Lloyd's List Shipping Outlook Survey 2023

On geopolitics impacting shipping's decarbonisation progress...

“The implications of the geopolitical situation are not just on global trade but also on making progress with decarbonisation and safety. It is undermining and deterring progress on various fronts.

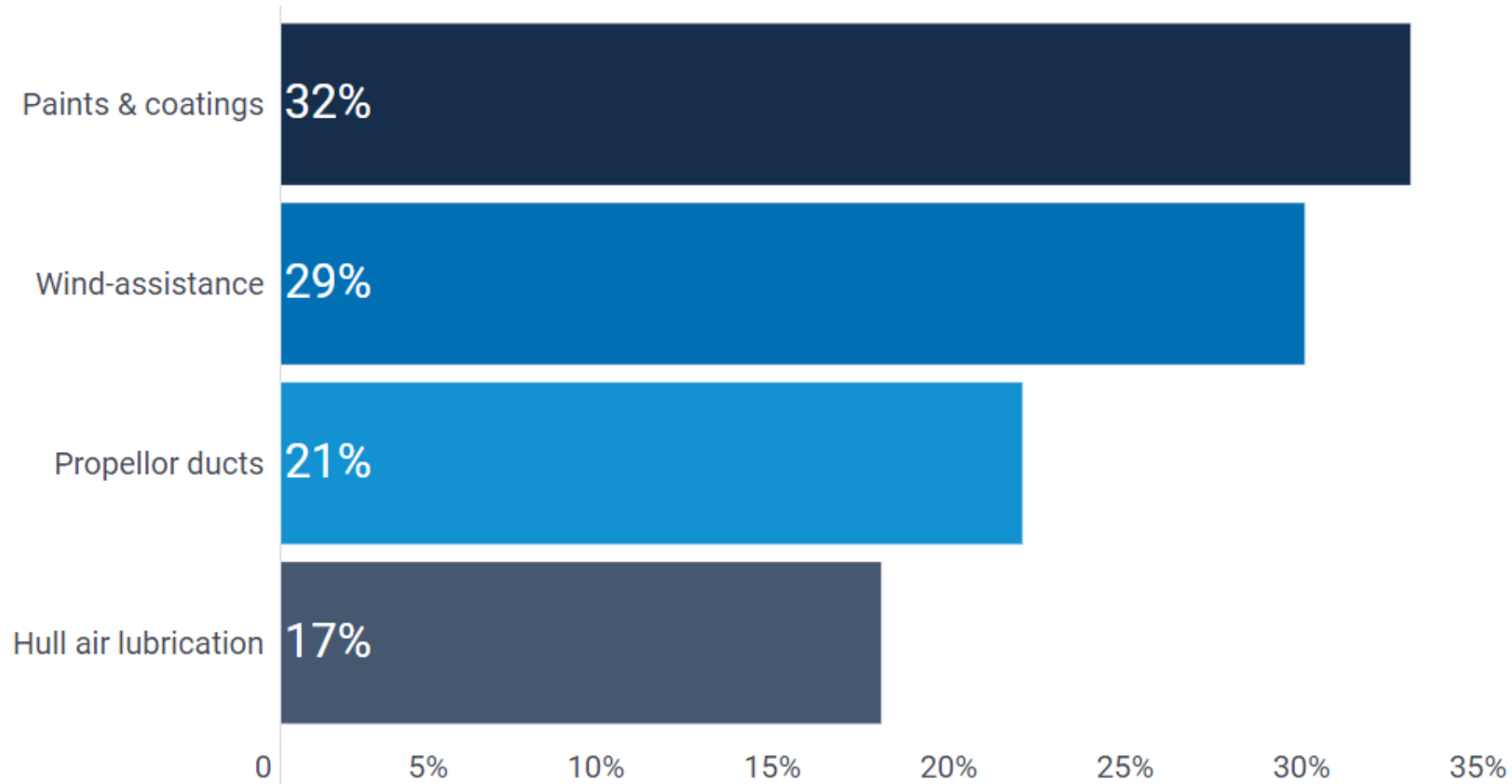
You have seen the COP28 resolution to try to phase out fossil fuels. I think this is a positive signal. But if we are so intertwined in the geopolitical scene, how are we going to be able to have the right emphasis on what matters the most?

What matters the most is saving our planet and making sure that the industry stays as sustainable as possible”

Eman Abdalla, Global Operations Director, Cargill Ocean Transportation

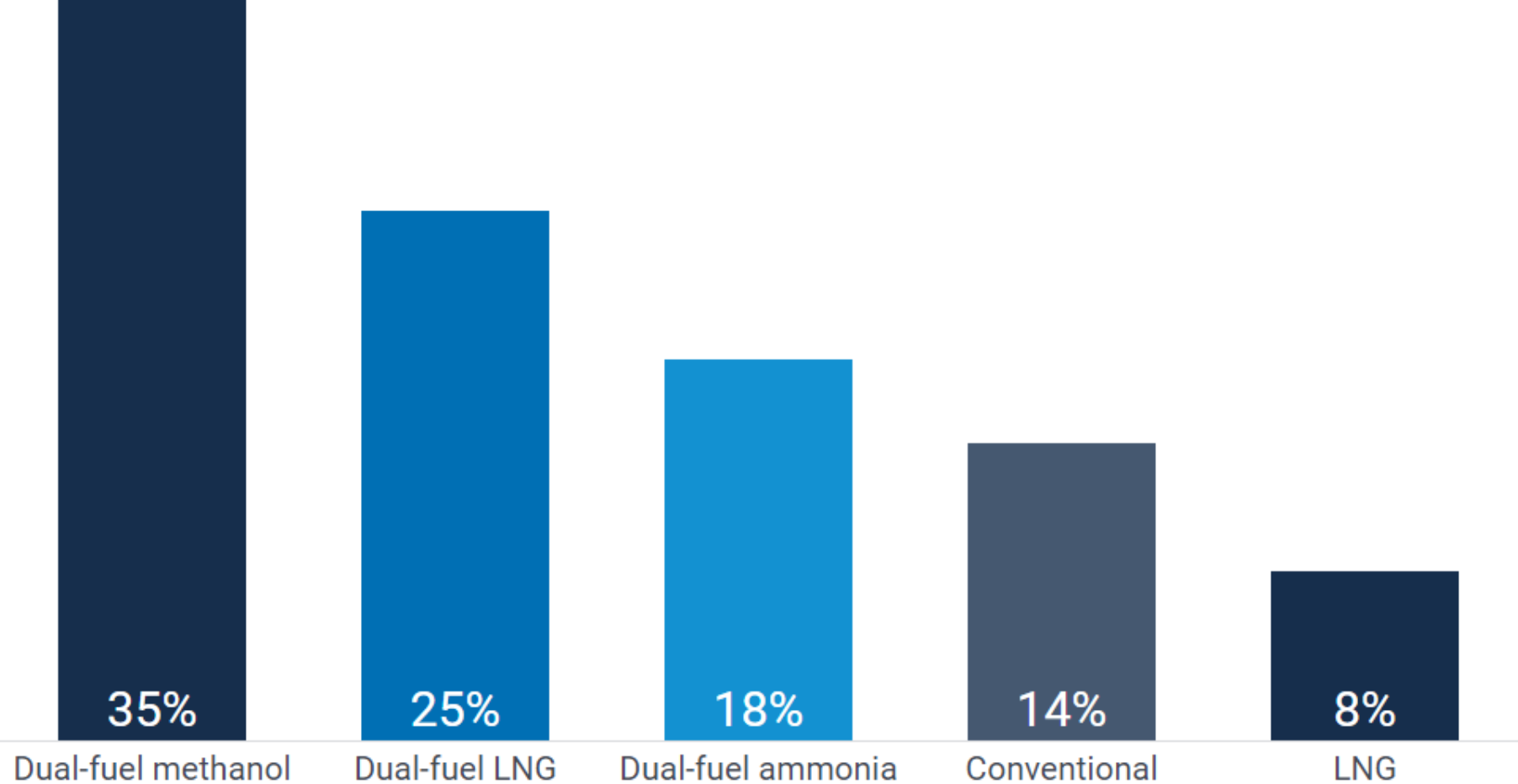


What emissions/fuel reduction measures do you consider offer the best value?



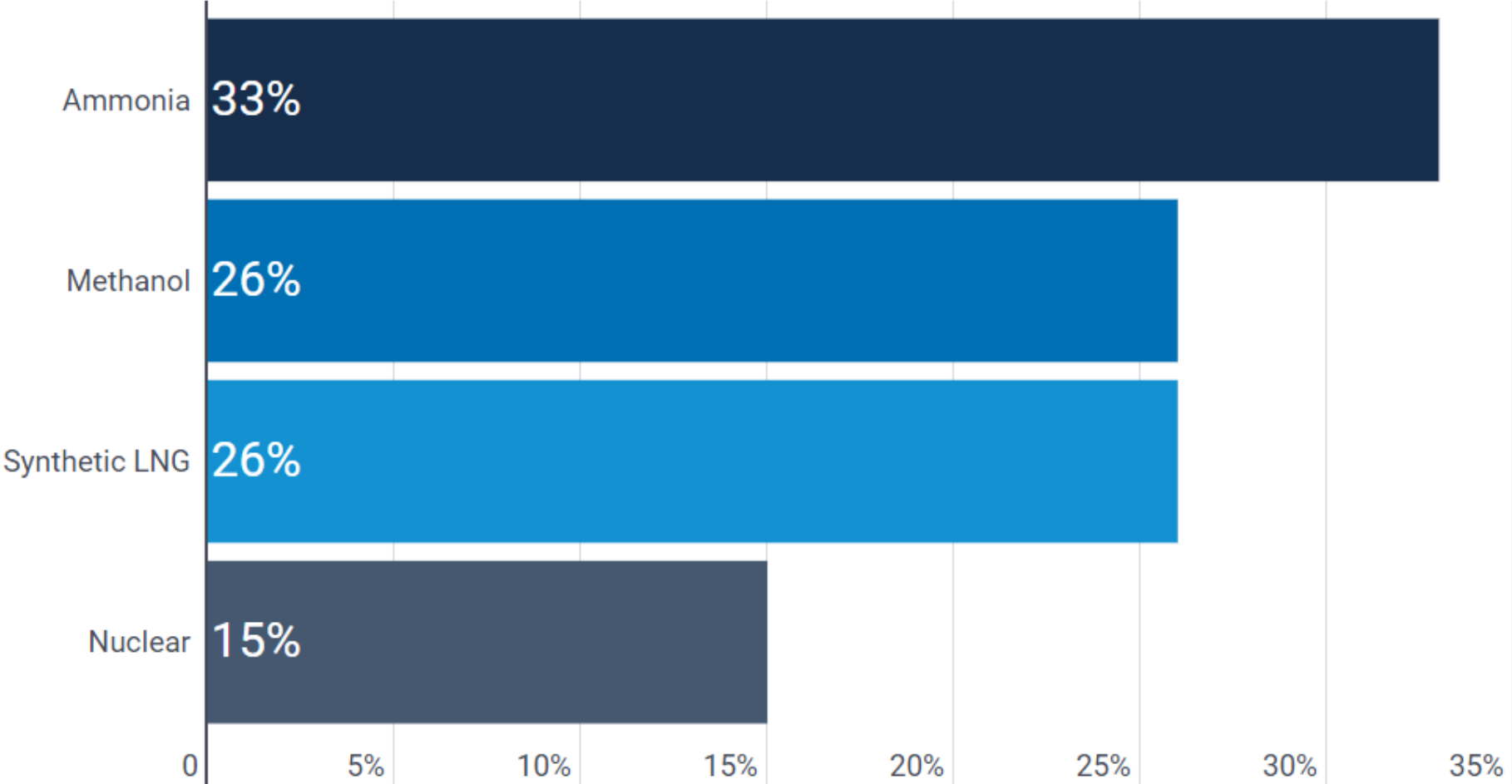
Source: Lloyd's List Shipping Outlook Survey 2023

If you ordered newbuildings next year, what fuel type would you choose?



Source: Lloyd's List Shipping Outlook Survey 2023

The dominant shipping fuel beyond 2040 will be:



Source: Lloyd's List Shipping Outlook Survey 2023

On the administrative impact of new regulations...

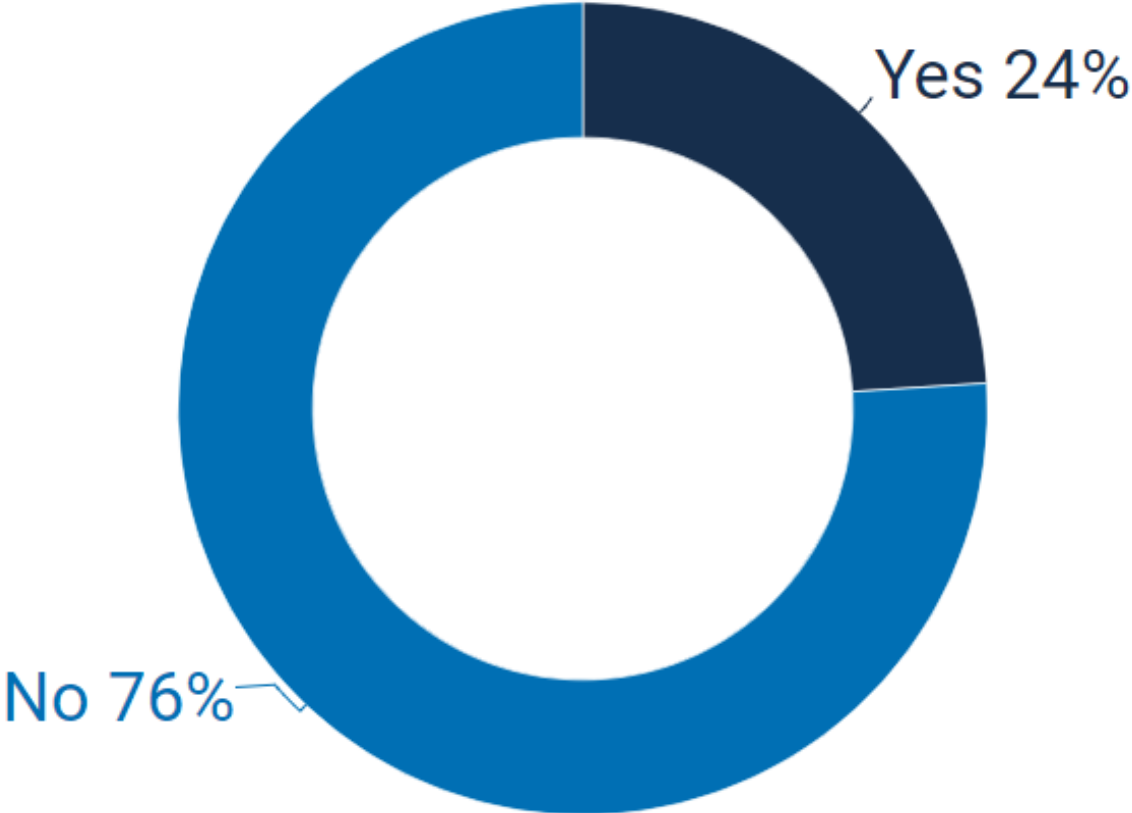


“I see [administrative burdens] as a concern because with this clear, regulatory framework coming in [IMO, EU ETS etc], there will be increased work for ship owners, especially smaller owners who don't have the infrastructure to really tackle that.

It will be a big concern. It will not burden Cargill, it will not burden Shell, but smaller owners will have a lot of administrative work to do”

***Nikolaus H. Schües, President of BIMCO and CEO
and owner reederei F. Laeisz***

Will the shipping industry meet the IMO's new 2030 target?



Source: Lloyd's List Shipping Outlook Survey 2023

Will the shipping industry meet the IMO's new 2040 target?



Source: Lloyd's List Shipping Outlook Survey 2023

Will the shipping industry meet the IMO's new 2050 target?



Source: Lloyd's List Shipping Outlook Survey 2023

On shipping's 'chicken and egg' scenario over new fuels...

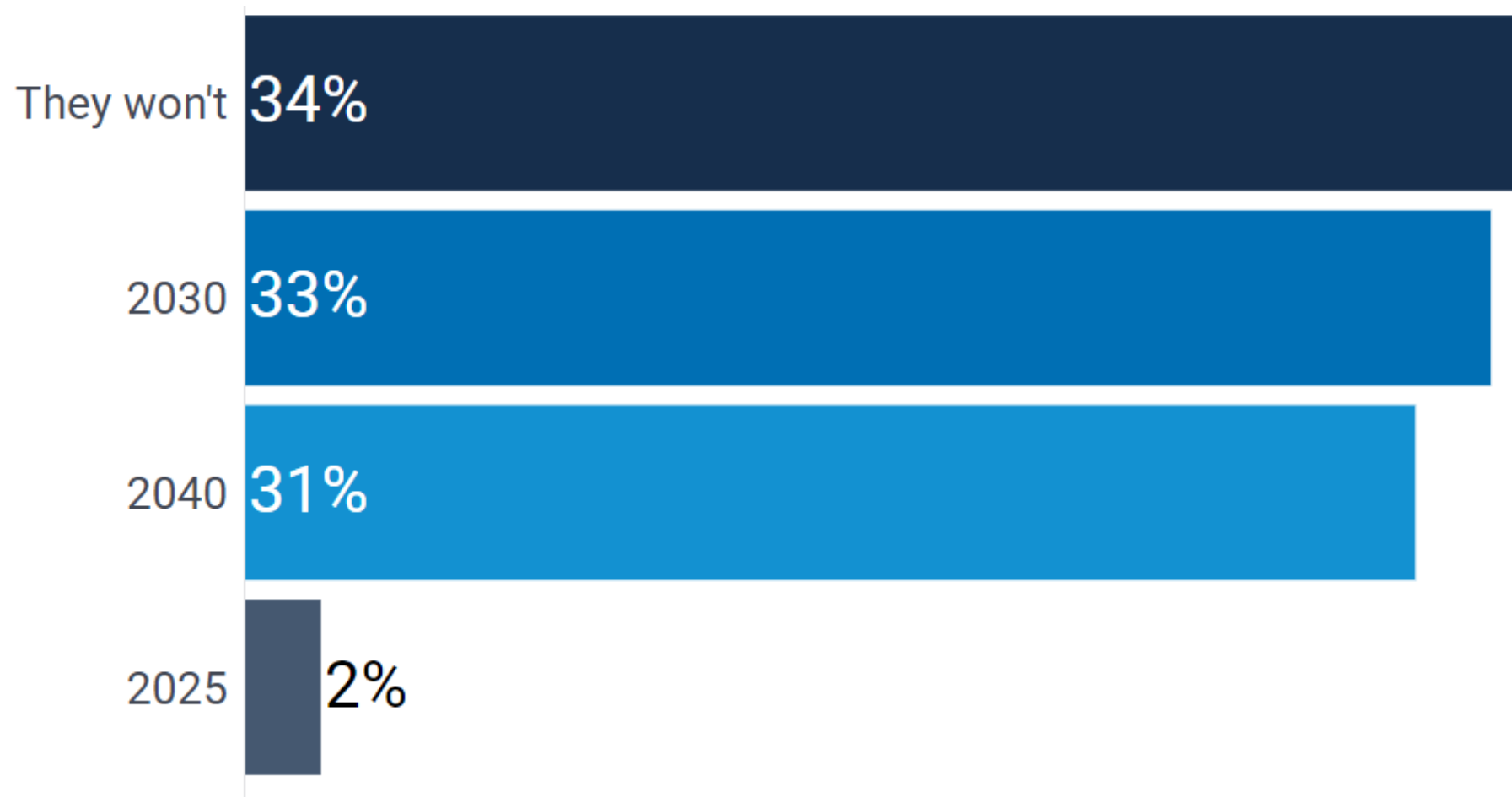


“The transition to new shipping fuel will be costly. The demand is there but it is difficult for [oil majors, such as Shell] to know where to invest.

Never in the past have oil majors had to build refineries dedicated to the needs of a single industry, as it will have to do for shipping”

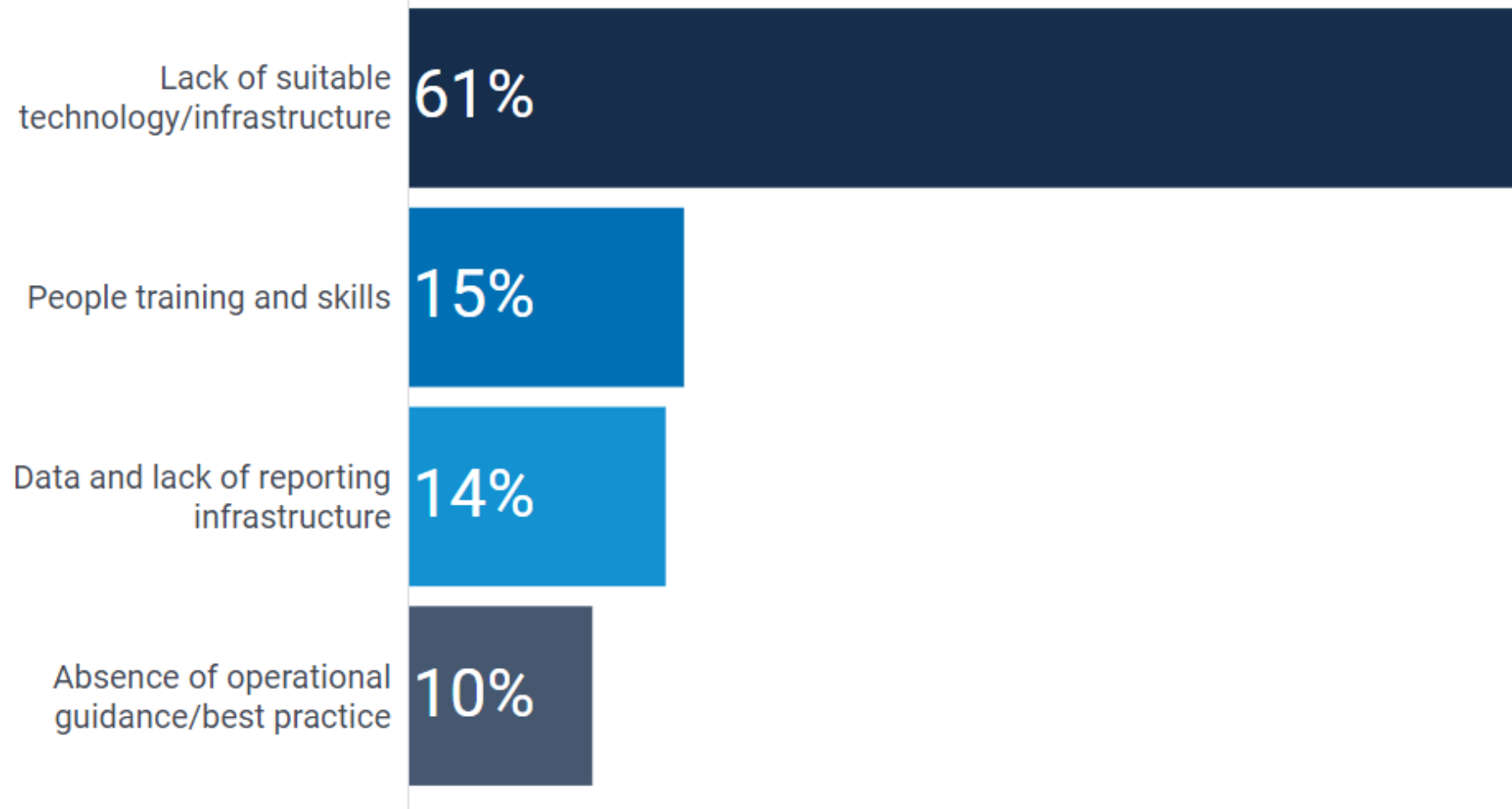
***Dr Alexandra Ebbinghaus, GM
Decarbonisation, Shell***

Green corridors will have a material impact on industry decarbonisation trends by:



Source: Lloyd's List Shipping Outlook Survey 2023

Where do you think the biggest risks are with energy transition implementation?



Source: Lloyd's List Shipping Outlook Survey 2023

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Geopolitics and cost of decarbonisation top Outlook Poll of industry concerns

Lloyd's List's annual outlook poll for 2023 found widespread doubts that the IMO 2030 and 2040 targets can be met, while geopolitics has surpassed fears on the economy as a key risk

Read more on [Lloyd's List](#)



Shipping will 'get there by 2050', industry heavyweights tell Lloyd's List Outlook Forum

Shipping will manage to meet the International Maritime Organization's goal of net zero emissions sometime around mid-century.

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