BRS GROUP

Shipping and Shipbuilding Markets

Annual Review

2026

Contents

430+

Employees worldwide

120

Assets transactions per year

240+

Shipbrokers

5,000

Chartering transactions per year

Are we heading towards a Hurricane?

This year, I delayed writing the editorial until the last possible moment, in view of the geopolitical swings that are greatly affecting the global shipping markets.

After a rather slow 2025, which was shaken by “on-and-off” tariffs from the United States of America on both imported goods and foreign ship calls, the tanker markets improved in September, which in turn stimulated newbuilding activity. The winners were the South Korean shipyards, which were favoured by many shipowners, reflecting their fear that President Trump might one day impose his threats of introducing punitive tariffs on Chinese ships calling at US ports. Accordingly, the shipbuilding boom was ‘on’ once again in November, and almost 500 ships were contracted during the final two months of 2025. Accordingly, this drove newbuilding prices higher by 5–10%, depending on ship type.

The beginning of 2026 has been marked by the “Sinokor VLCC coup”. When shipowners and charterers returned from their end-of-year holidays in mid-January, they discovered that more than 45 VLCCs had discreetly changed hands during the last few weeks of 2025 and that, with these additions, the South Korean shipping behemoth Sinokor suddenly controlled more than 100 VLCCs. When factoring in chartered-in tonnage, Sinokor’s operated fleet now numbers around 130 ships, so that by mid-February, the company controlled approximately 20% of the mainstream VLCC fleet – a very audacious bet, planned and achieved under absolute secrecy.

On 26 January, the US Navy’s Fifth Fleet, including the aircraft carrier USS Abraham Lincoln, began its deployment towards the Gulf of Oman. Meanwhile, the VLCC market started to firm. On 28 February, US and Israeli forces launched an attack on Iran, which retaliated by striking its regional neighbours and Israel, effectively closing the strategically important Strait of Hormuz. The resulting scramble for oil and ships propelled the VLCC market towards the stratosphere, with the following ten days seeing the highest VLCC rates since 1973!

After the sun comes rain, and after a boom comes recession: this is something we all know, and something the shipping world has repeatedly experienced during the last five decades.

When the Suez Canal closed in the summer of 1967, the business cycle turned to boom. Two of the world's largest tanker owners, Hilmar Reksten and Erling Naess, were saved at the last minute from bankruptcy. Their fleets were seeking cargo in the Arabian Gulf when the canal closed. They subsequently became immeasurably rich, and, at one point, it was possible for a new supertanker to earn back its building cost in a single voyage. Six years later, during the next wartime boom, Reksten bought the entire Naess fleet. It became Reksten's bankruptcy....

In 2007, Torm acquired OMI’s product tanker fleet and barely survived the 2009–10 crisis. It took Torm half a decade to get back on its feet, while many others succumbed.

Between 1967 and 2026, there have been ten market booms and just as many crashes, with multiple years of extremely poor freight market rates that did not even cover operating costs.

In market booms, shipping companies are built up and prosper; when the market collapses, the less prepared and the most financially exposed are eliminated. This is why only a handful of shipping companies have managed to survive for 50 years under the same ownership.

> The time has come to be very careful about any ship investment at today’s second-hand values, and instead to observe the current environment carefully and wisely, preparing “all hands on deck” to brave the hurricane that lies on our course – the only question is how many miles away it is, and how hard it will hit.

Gilbert Walter
Chairman & CEO

What Does it Take to Become a Shipbuilding Country?

Fincantieri, the largest European cruise shipbuilder and a global leader in the construction of cruise vessels.

What Does It Take to Become a Shipbuilding Country?

Introduction

If US President Trump did one remarkable thing in 2025, it was to have centred the shipping community in international conversations, as countries suddenly rediscovered the strategic and pivotal role of the maritime industry, including ship owning and shipbuilding.

Shipping is a fascinating world. It is widely misunderstood and sometimes vilipended, whether through its association with acts of piracy and oil spills, or, more recently, with pollution and CO_2 emissions. The industry is a corollary of its own success in connecting nations and transporting about 90% of internationally traded goods, and the above-mentioned criticism is somewhat unfair, as it is by far the mode of transportation that consumes the least fuel and is the least polluting per tonne-mile.

We almost rediscovered its importance during Covid, just like many other 'invisible' jobs. Merchant ships never stopped transporting goods vital to humanity, thanks to the dedication of their crews. Yet afterwards, the shipping industry was quickly forgotten once again.

In 2025, as the race for supremacy became a seemingly existential issue, the US President decided that the country had to counter China's dominance in shipbuilding and shipping. To this end, incentives and a policy were devised to promote domestic shipbuilding and attract shipbuilding and shipping investment to US soil and to US-allied countries outside China.

The purpose of this paper is to understand what it takes for a country to become a shipbuilding nation.

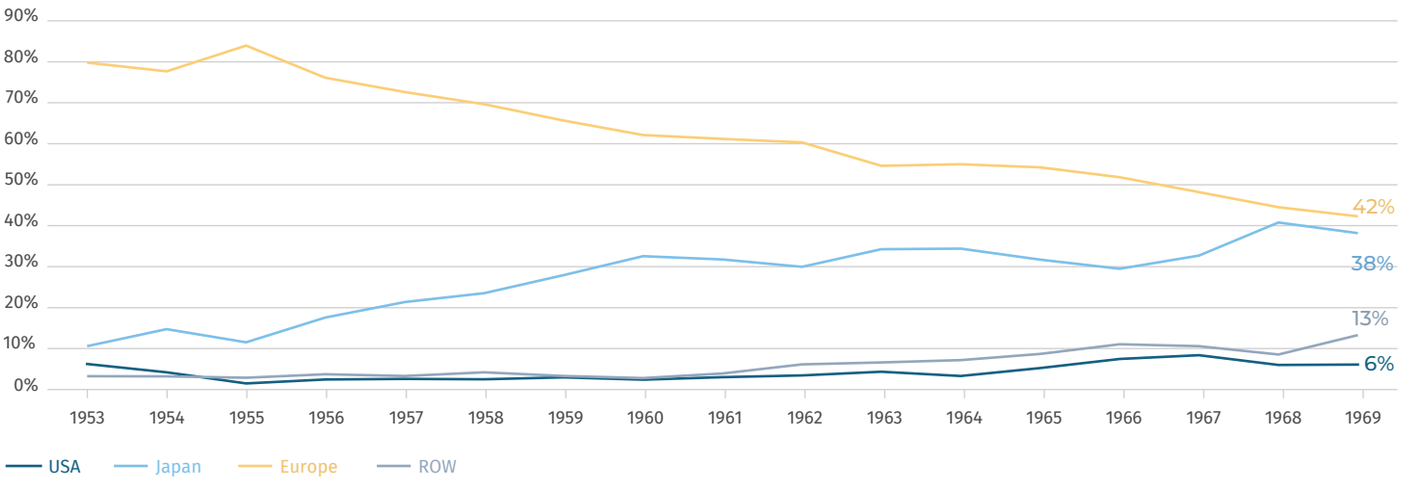
China is developing a vast, state-of-the-art shipbuilding hub on Changxing Island off Shanghai, where CSSC Jiangnan and CSSC Hudong shipyards have been relocated. The complex is capable of constructing some of the world's most advanced vessels, including LNG carriers and large container ships.

1. Market shares across nations: historical review post-WWII

We are all aware that US shipbuilders produced an incredible amount of merchant ships and military ships during the Second World War. Eighteen US shipyards delivered 2,710 Liberty Ships – 10,000 Dwt cargo ships – across 1941-45, averaging 1.5 ships per day. Each unit took an average of just 42 days to construct.

Just after WWII, the shipbuilding market was largely dominated by Europe. However, between 1950 and 1970, the market share of European nations subsided while that of Japan rose to such an extent that by the end of 1970, the shipbuilding world was divided almost 50/50 between Europe and Japan. Meanwhile, the US remained a minor player with a 6% share.

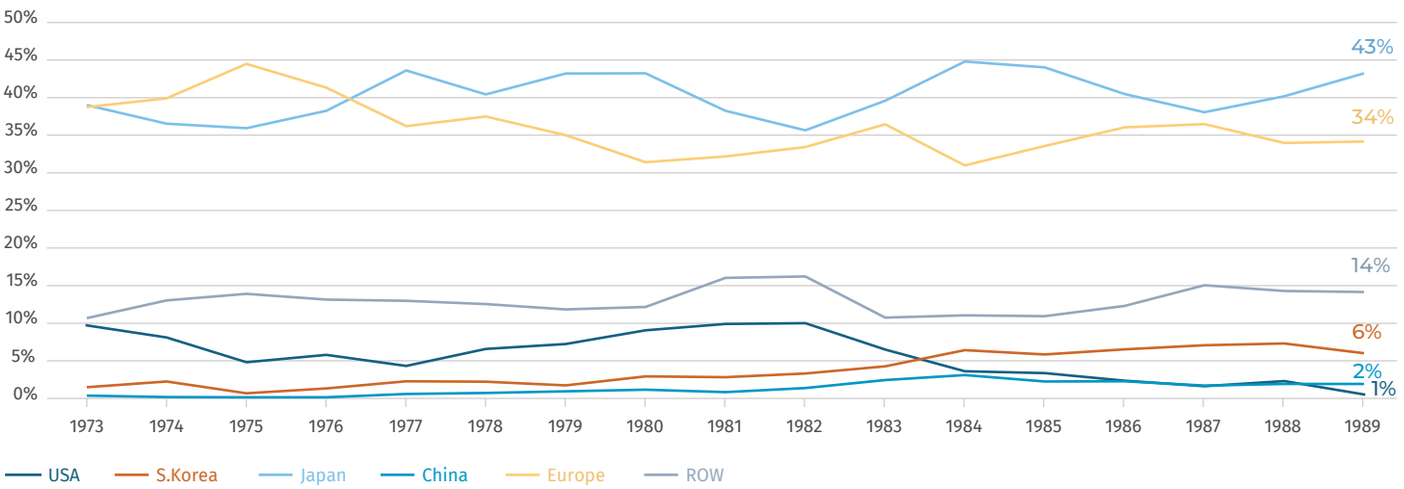
Percentage of Ships Delivered per Building Region between 1953 & 1969



Source: Lloyd's Register of Shipping- Statistical Tables - 1970

The 1970-90 period witnessed the consolidation of the Japanese shipbuilding industry and its under-pressure European counterpart, while shipbuilding in South Korea was about to kick off. During this time, the US became a marginal player. In this respect, it is fair to say that China had no responsibility for the decline of the US shipbuilding industry.

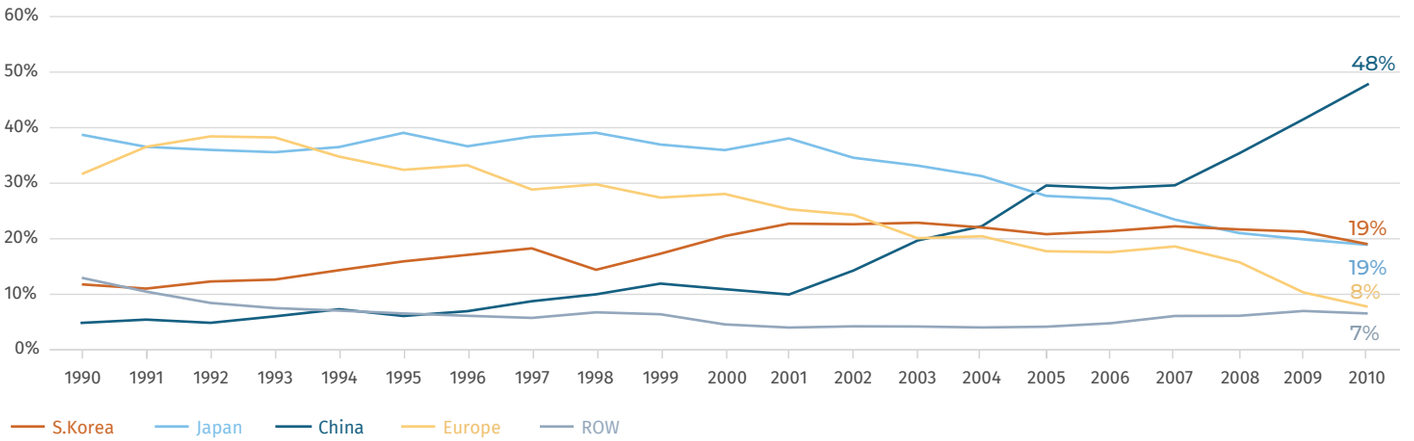
Percentage of Ships Delivered per Building Region between 1973 & 1989



Source: Lloyd's Register of Shipping- Statistical Tables - 1990

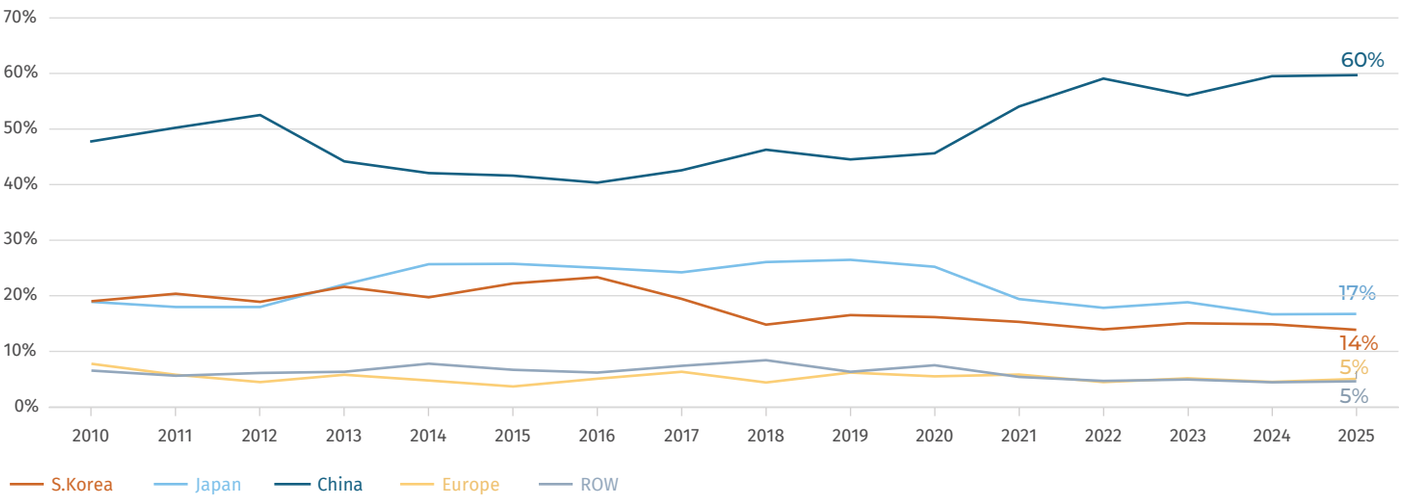
The period across 1990-2010 saw China emerge as the dominant shipbuilding country, as its market share in terms of ships delivered rose rapidly from 5% to 48%. This was to the detriment of not only Europe, the market share of which slumped from 38% to 8%, but also Japan, whose market share receded from 40% to 19%. Meanwhile, Korea's market share inched up from 12% to 19%. The US was no longer on the map. It is important to note that during this period, and in particular the boom years of 2003-08, many new shipyards were established. Although these were mainly in China, some appeared in Korea and Türkiye. Meanwhile, countries that had previously been absent from the international shipbuilding scene, such as India, Vietnam, the Philippines and Indonesia, opened new shipyards to cope with the demand for lower prices and faster deliveries. These attempts were unfortunately largely unsuccessful, and most of these new yards disappeared in the aftermath of The Great Recession of 2008. Consequently, global shipbuilding capacity was almost halved between 2010 and 2020.

Percentage of Ships Delivered per Building Region between 1990 & 2010

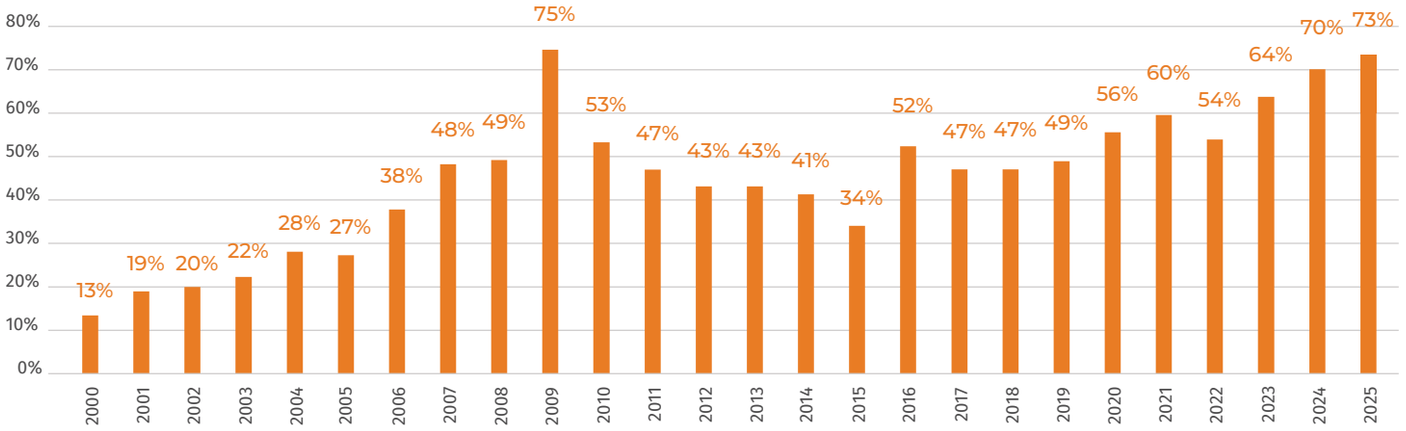


Since 2010, China has consolidated its place as the world's dominant shipbuilder and by end-2025, it held a 60% share of annual deliveries compared with 17%, 14%, 5%, and 5% for Japan, Korea, Europe and the rest of the world (RoW), respectively.

Percentage of Ships per Delivered Building Region between 2010 & 2025

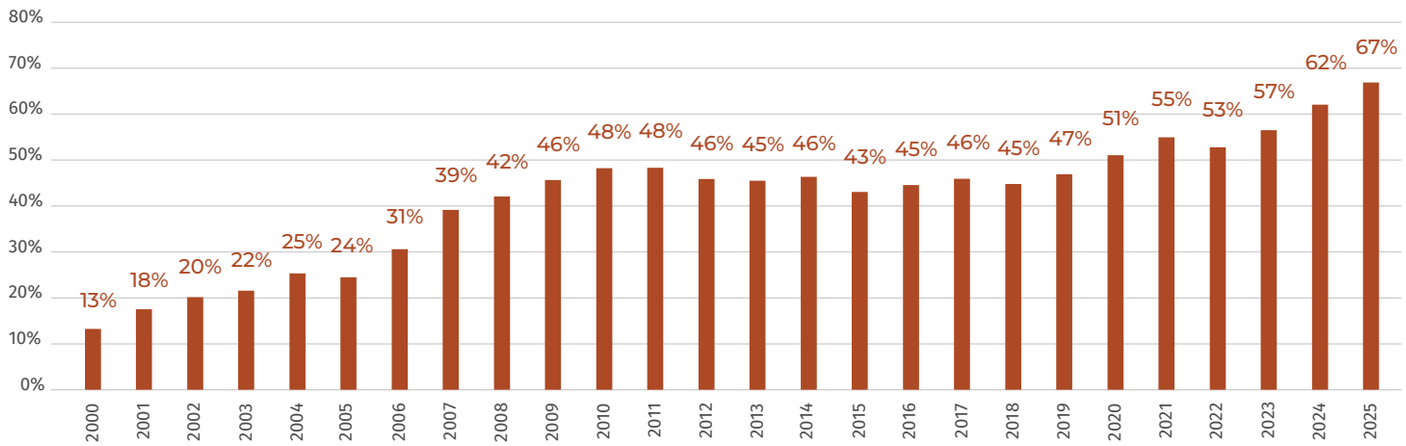


Chinese Share of Global Ship New Orders



	KOR	JPN	EUR
2025 New Orders	12%	9%	2%

Chinese Share of Global Ship New Orderbook



	KOR	JPN	EUR
2025 Orderbook	12%	11%	5%

2. Why does a country wish to have a shipbuilding industry?

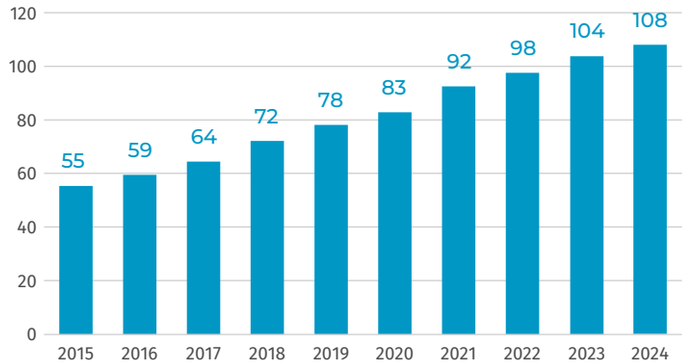
US President Trump deems shipbuilding to be an essential industry for the US to retain its economic power, and maintains that it is critical for national security.

Let us examine what are generally perceived to be among the main reasons for promoting and developing a shipbuilding industry.

The shipbuilding industry has often been associated, on the one hand, with low material and immaterial investments compared with other industries such as aerospace or car manufacturing. On the other hand, it has also been associated with other heavy industries such as steel mills, because the main building block of ships is steel. Accordingly, for a long period, a slipway, a few cranes, and abundant cheap labour were considered sufficient.

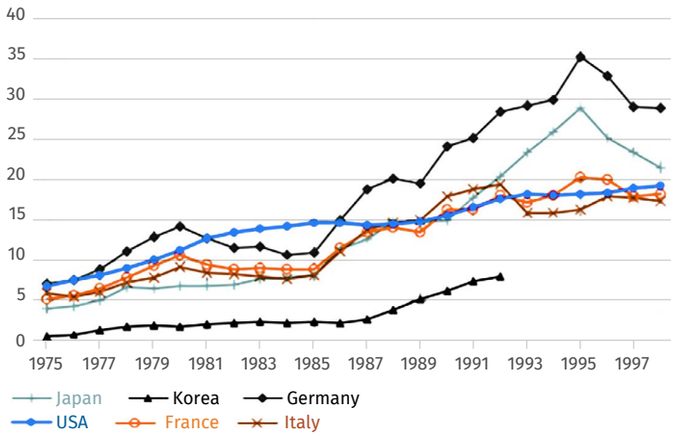
Shipyard	Workforce
CSSC	310,000+
HHI	15,000+
Imabari	10,000+
Fincantieri	21,000+
Chantiers de l'Atlantique	3,500+
Damen	12,500+

Average Wage of Employed Persons in Urban Units, Manufacturing (thousand CNY)



Source: National Bureau of Statistics of China

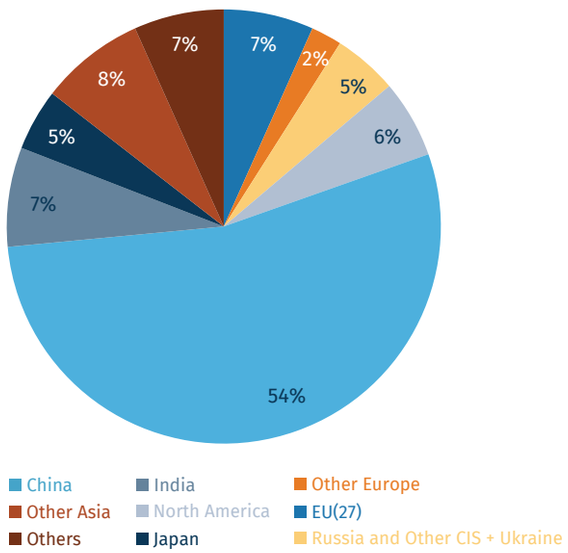
Hourly Wage + Benefits ($)



Source: World Steel Association (worldsteel)

Crude steel Production

World total: 1,892 million tonnes



	Apparent steel use per capita (kg of finished steel products)					Regional population
Year	2019	2020	2021	2022	2023	
Europe	971.3	930.5	1035.7	923.3	972.4	744m
USA	292.1	238.3	288.1	279.4	266.3	347m
China	641.3	707.9	669.3	649.9	628.3	1,416m
S. Korea	1027.5	948.9	1081.2	990	1056.6	52m
Japan	502.5	420.2	460.7	443.6	432.5	123m

Source: World Steel Association (worldsteel)

In addition to being a major source of national employment and industrial development, the shipbuilding industry has also served as an important source of exports and hard currencies. Nowadays, the race for increased quality and competitiveness in delivering more ships with the same workforce has pushed shipbuilders to drastically reduce the number of employees on their payroll, and shipbuilders are now outsourcing many tasks to specialised subcontractors that are therefore not part of their fixed costs. Similarly, quality requirements and shorter construction times have pushed shipbuilders to invest in more expensive equipment such as sophisticated panel lines, plasma cutting and laser welding, sandblasting and paint cells, large heavy gantry cranes, computer aided design, engineering and manufacturing, and smart warehouses.

3. Why does a country wish to have a shipbuilding industry? Other considerations

Apart from providing direct and indirect employment, a shipyard remains an assembly factory, the efficiency and success of which relies on short, preferably domestic, supply chains. This strategy not only improves supply chain control and reduces associated risk, but also fosters related industries and therefore employment and revenues. Thus, the development of the shipbuilding industry has also been behind the development of equipment makers and skilled subcontractors.

There have been many theories trying to rationalise that, unlike service-exporting nations, raw-materials-importing and goods-exporting nations require low transportation costs. Although this is the case for Japan and Korea, China presents a contrast, as it has enormous natural resources but relies heavily on the import of large volumes of raw materials (iron ore, coal…) to feed its vast manufacturing industry, which supplies the whole world.

4. Abundant and cheap labour: Sufficient to succeed in shipbuilding?

As previously discussed, the shipbuilding industry has historically relied on abundant and cheap manpower, necessary to handle, move and install anything between hundreds of thousands to several million ship components.

Across 1960 to 2000 shipbuilders employed several thousand workers to build and deliver only a few ships a year, with each ship requiring millions of man-hours to design, build and deliver.

Today, despite shipbuilders organising themselves more efficiently and investing in new tools and technology to reduce their dependence on labour, manpower remains an important factor. Shipbuilders in developed countries such as Japan and Korea continue to struggle with sufficient access to skilled labour. Therefore, to address this basic need, they are resorting to foreign labour where possible, or subcontracting the construction of blocks to other countries. China, whose shipbuilding industry has again been expanding since 2022, would have had the same issue if its yards had not dramatically improved their productivity post-Covid, and had not been able to capture a greater chunk of labour from the currently struggling construction industry.

5. Abundant and cheap labour: Not the only condition for success

Even if reasonably abundant and cheap labour remains a necessity, however, it does not guarantee success. Many additional conditions need to be met for an economically sound and prosperous industry, most notably the following:

- **Investment in the shipbuilding industry to meet tougher quality standards.** There is no doubt that manual welding cannot match the quality of automatic welding. Furthermore, steel cutting must be carried out as precisely as possible, thus plasma machines are superior to manual acetylene/oxygen devices. Additionally, laser welding can prevent many deformations and the need for post-weld grinding.

  Without these investments, not only would the expected construction quality not be achieved, but construction time would be longer, thus compromising both quality and companies' profitability.

- **A short supply chain characterised by the domestic manufacturing of most of the components necessary for the construction of ships**. This has already been developed in Japan, Korea and China, and not only promotes new business and expertise, but also encourages independence and reduces overall costs.

- **Skilled personnel, from manpower to management, that is well acquainted with the requirements and challenges of designing and constructing merchant ships.** Experience makes all the difference, especially in an industry with long maturing timelines spanning two to three years. Having the ability to design and build many types of ships is a guarantee of success. Large shipyards today deliver tens of ships each year, compared to a few units annually pre-1990. Shipbuilding has become a mass production industry.

- **A solid finance system that supports customers.** Previously, shipowners paid for their newbuildings in instalments across the construction process and thus became owners of their ships under construction. However, this was risky, as the shipbuilder could go bankrupt or fail to complete the contract. Today, shipbuilders offer their customers adequate securities in the form of acceptable bank refund guarantees for all pre-delivery instalments. To provide bank refund guarantees requires either a strong balance sheet or state support, and several shipyards and countries (such as domestic shipbuilders in Vietnam) do not have that ability. Japanese yards also refrain from providing such securities to their customers to save on costs (probably 1% of the contract price), replacing them with corporate guarantees. However, this system works in Japan, where cancellation for lack of performance or for builders' default is practically non-existent, and trust between parties is king.

- **A stable local currency.** In the shipbuilding industry, the main transaction currency is the US Dollar, and most of the contract prices are fixed and firm. Therefore, each time a local currency has shown signs of weakness or large fluctuations, this has resulted in inflation, which is always detrimental to the execution of the contract, as well as to yards' bottom lines. We may consider the formidable prospects of Brazil in the 1980s, the events in South Asia in 1997-98, and the current situation in Türkiye, where inflation is out of control.

- **A strong design expertise.** Ships are designed by shipbuilders, and in contrast to many industries, construction begins while the design is still in progress. Designs are only developed for a few ships, and sometimes only for one ship. This requires significant experience so that costly corrections at the construction stage are avoided. Although designs are often outsourced to dedicated design companies, shipbuilders prefer to rely on their own strengths to better control the whole chain of design, procurement, construction and assembly.

- **The ability to accept and cope with large losses.** In the shipbuilding industry, contract prices are fixed and generally very low. Newbuilding prices have barely increased over the last 35 years. A double hull VLCC in Korea in early 1990 was sold at $110 million. In 2025, a double hull VLCC sold in China for about $115 million, despite 35 years of inflation, and the fact that the lightship weight of a VLCC has jumped from under 30,000 Mt to more than 40,000 Mt due to rules and regulations regarding steel structure (CSR, HCSR…) and more demanding specifications around paint coating and equipment related to communication, navigation, safety and environmental protection. Consequently, building costs are often much higher than contract prices. Indeed, many existing yards would have gone bust if not for subsidies or state support, or restructuring to safeguard employment. This is an important consideration to understand why, to a certain extent, shipbuilding has almost vanished among the large historical players such as the UK and the US.

6. Business models and strategies followed by successful yards

As discussed, shipbuilders inhabit a notoriously precarious and competitive environment prone to long cycles where newbuilding prices swing very low and provide a thin margin, if any. Accordingly,

shipbuilders have developed various business models and survival strategies.

➔ These include mass production (1), specialisation (2), and diversification (3) across different businesses including newbuilding, ship repair and other industrial activities. Another option is the construction of naval ships (4), where in principle margins are more important and guaranteed.

➔ Some shipbuilders are state-owned (5) and (6), especially in China, and therefore benefit from a strong shareholder. However, there remains room for very large private shipbuilders such as New YangZijiang (NYZ), New Times, and Hengli. In Japan, Korea and Europe, most yards are private, although Fincantieri (Italy) and Chantiers de l'Atlantique (France) are owned by their respective governments.

➔ Some shipbuilders (7) have expanded into lower-cost countries to benefit from cheap labour, or simply to have privileged access to the local market.

➔ Some shipbuilders (8) felt the need to expand and consolidate beyond a critical size while others, being part of larger industrial groups, decided to exit shipbuilding.

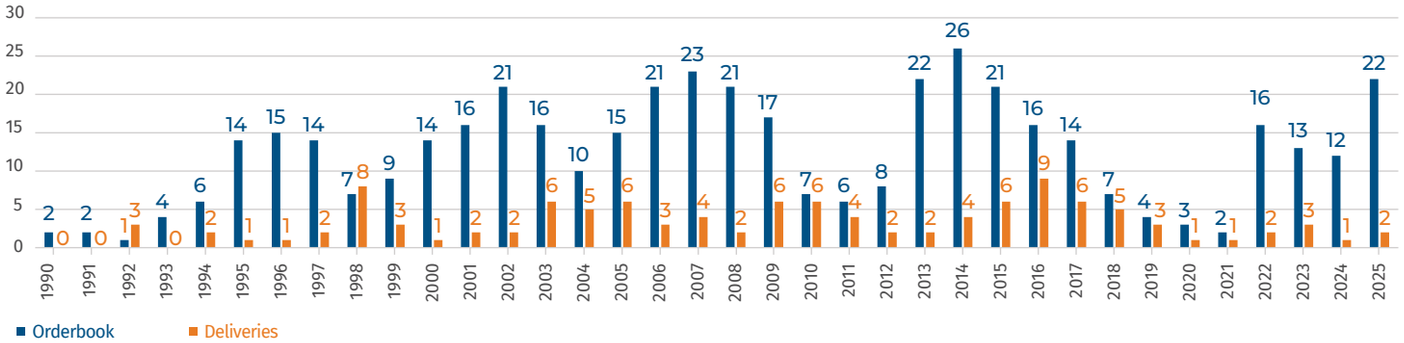
➔ Some shipbuilders (9) decided to become hyper-specialised, especially in Japan.

Business Models / Strategies	Examples
1) Mass prouction	Large yards in China, Korea and Japan
2) Specialisation	Oshima: Bulk carriers Fincantieri, Meyer Werft, Chantiers de l'Atlantique: Cruise Chips
3) Diversification	Newbuilding, Repair and Conversion, Industrial products
4) Navy ships	Fincantieri Piriou Chantiers de l'Atlantique RMC HHI HZ Jiangnan GSI Wuchang
5) State-owned status	Most Chinese yards Fincantieri and Chantiers de l'Atlantique
6) Difficulties in remaining a private yard	Korea, Japan, Europe
7) Expansion into countries with cheap, abundant labour	• Tsuneishi: Philippines (Tsuneishi Cebu), China (Tsuneishi Zhoushan) • HHI/HMD: Vietnam (HVS) • Kawasaki: China (NACKS, DACKS) • Samsung: China (Samsung Ningbo) • Damen: Netherlands (Gorinchem, Concordia, Hardinxveld, Damen Naval, Damen Dredging Equipment, Maaskant, Den Helder, Vlissingen), UAE (Albwardy Damen Sharjah), South Africa (Cape Town), Poland (Gdynia, Kozle), Vietnam (Song Cam), Türkiye (Antalya), China (Changde, Yichang), Romania (Galati), Norway (Folla) • Vard: Norway (Brattvaag, Langsten, Soviknes), Romania (Braila, Tulcea), Vietnam (Vung Tau), Brazil (Promar) • Seatrium: Singapore, USA, Brazil, UK, Norway, Indonesia, China, Philippines, Japan • Piriou: France (Concarneau), Romania (Giurgiu), Vietnam (Ho Chi Minh), La Réunion, Abidjan, Seychelles, Nigeria
8) Consolidation to go beyond critical size	Purchase of other critical builders in difficulty (ARMON, OCEA) Mitsubishi, Kawasaki, Mitsui wanting to exit
9) Hyper-specialisation & reduction of specification	No supervision – no project management (Japan)
10) Strong commitment over several decades	Japan, Korea, China, etc.

7. What about US shipbuilding?

The US is nowhere on the commercial shipbuilding map in 2025, and its production remains marginal with less than 1% of the global market share as only a few commercial ships are delivered each year.

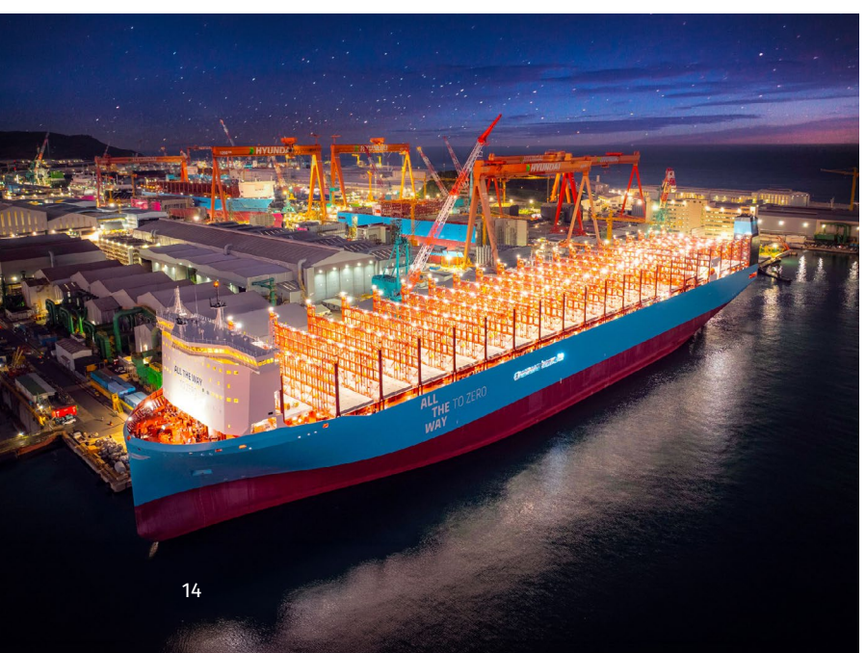
USA: Orderbook and Delieveries



As international shipbrokers, if we approach US shipyards in order to obtain price indications for very specific newbuilding projects, we constantly find ourselves confronted with the same scenario, i.e. that most of the time, US shipyards do not have any design readily available in order to develop and price the project. The process is tedious, and when we succeed in getting a price indication, it is three to five times the price we could obtain in China, Korea, Japan or Europe. Furthermore, the indications are often subject to various indices, inflation, and confirmation from the equipment suppliers, while deliveries may happen several years after a contract is signed.

In principle, nothing could prevent a great nation such as the US from making a comeback in the shipbuilding industry, as it has access to **capital** and enjoys a solid **banking system** which is the envy of the world, especially since the US Dollar remains the global currency of shipping transactions.

HD Hyundai Heavy Industries, South Korea's largest shipbuilder and one of the world's leading shipbuilding groups.



Still, the US will have a hard time **finding abundant and cheap labour**, especially when its immigration rules are tightening. It is not possible nor easy to create, almost ex-nihilo, a **skilled and flexible base of subcontractors** or **in-house qualified and experienced designers**. Even if designs can easily be outsourced, there is a need for a 'mirror' in-house design department for concept, basic, and detailed designs, plus a well-structured and solid department for engineering and workshop design developments. In comparison, large shipbuilders in China, Korea, and Japan have hundreds of engineers.

As mentioned, a **short supply chain** has become a must-have to ensure quality, control risks, avoid delays, and check costs. The best supply chain is a domestic chain and its development depends on many factors, including the number and types of ships constructed in the respective country. It takes time and resolve to cope with different cycles. Naturally, it is not impossible for the US to follow in the footsteps of Europe, Japan, Korea and China and implement such a supply chain, but this could take anything from 10 to 20 years, as we have observed in those other successful shipbuilding countries.

Finally, the shipbuilding industry remains risky and competitive, and sits within a volatile environment where cycles are very pronounced. Since WWII, many shipyards have failed, either on their own or because the same fate befell a customer. Therefore, to be a shipbuilder requires an acceptance of monetary loss from time to time, and sometimes for many years. This is an industry that has been, and still is, the subject of large subsidies, and it is not clear if US corporations have this ability.

In the following table, we have aimed to rank major shipbuilding countries and regions including China, Japan, Korea, Europe, Vietnam, India and the US on the basis of ten subjective criteria, and came to the conclusion that the US would potentially sit well behind China, Japan, Korea, Europe and India, and on par with Vietnam. It is interesting to note that Japan ranks third, almost on par with Europe.

Criteria (on a scale of 1 to 10, where 1 is the lowest and 10 is the highest)	China	Japan	Korea	Europe	Vietnam	India	USA
1) Cheap and abundant labour	8	4	6	6	10	10	2
2) Large capital	10	8	8	8	2	6	10
3) Short supply chain	10	10	10	8	2	2	2
4) A flexible, skilled and less expensive base of subcontractors	10	8	10	6	4	4	2
5) A solid banking system	10	10	10	10	2	4	8
6) A solid and stable currency	10	10	10	10	4	6	10
7) A solid in-house or outsourced design department and experienced managers	10	8	10	8	4	4	2
8) Ability to accept losses	10	6	8	6	2	4	2
9) Quality	8	8	10	8	6	6	6
10) Pricing	10	8	8	6	10	10	2
TOTAL out of 100	96	80	90	76	46	56	46

8. How to conclude?

First of all, it is fair to say that China had no responsibility for the decline of the US shipbuilding industry, and nor did any other country. We also doubt that the now-suspended USTR regulations that would have imposed various harbour fees on tonnage belonging to Chinese companies or built in China would have achieved the goal of allowing US shipbuilding and shipping to flourish again. This reflects the fact that the US morphed long time ago from an industrial country into a service-based nation.

Over 100 years ago, the US devised a piece of legislation – the Jones Act – to protect US shipping and shipbuilding, a regulation that requires ships to be US-built, US-owned, US-flagged, and US-crewed if they move goods between American ports.

It appears that The Jones Act has restricted competition in American shipping. "The Jones Act is outdated in a global economy. It enriches a very small special interest at the expense of every consumer in America," said Rep. Tom McClintock. "Repealing this restrictive and counterproductive law is vital."

Indeed, the US has no major shipowner nor shipbuilder and the Jones Act has therefore failed to produce that for which it was devised in 1920.

Europe has managed to retain a significant shipbuilding industry due to its specialisation, but above all Europe is home to many of the world's largest ship-owning companies.

China is today the dominant force in shipbuilding and is growing its ship-owning industry. Europe must prepare for this coming shock.

Nothing is impossible for the US, with resolve and patience, and US President Trump has already convinced certain shipbuilders (Hanwha in Korea) and shipowners to invest more in the US.

Beside the Jones Act, it might be instructive to consider the statements made in the National Security Strategy (NSS) document released by the Trump administration on 4 December 2025, which unapologetically and bluntly outlined the current administration's vision and ambition.

In this NSS edition, on Page 4, it mentioned that US wants to be:

> "...the world's most robust industrial base. American national power depends on a strong industrial sector capable of meeting both peacetime and wartime production demands. That requires not only direct defense industrial production capacity but also defense-related production capacity. Cultivating American industrial strength must become the highest priority of national economic policy."

This provides the policy thesis of why the US is urgently trying to beef up its shipbuilding capacity, which is a cornerstone of any country's industrial capabilities.

Furthermore, on Page 6, the NSS also lay out the US's available means to achieve its goals, such as:

1. **"The world's single largest and most innovative economy, which both generates wealth we can invest in strategic interests and provides leverage over countries that want access to our markets;**

2. **A broad network of alliances, with treaty allies and partners in the world's most strategically important regions"**

Hence, based on these two strengths, there is a huge likelihood that the US will use its economic leverage over Japan and Korea to accelerate its domestic shipbuilding capabilities, thereby overriding conventional economic considerations.

This is similar to how the US is working with Taiwan, to 'encourage' Taiwanese semiconductor manufacturing companies to build their most advanced chips on American soil, in Arizona.

Lastly, on Page 13, concerning **Economic Security**, the NSS made two key points as follows:

1. **"Securing Access to Critical Supply Chains and Materials [...] the United States must never be dependent on any outside power for core components—from raw materials to parts to finished products— necessary to the nation's defense or economy. We must re-secure our own independent and reliable access to the goods we need to defend ourselves and preserve our way of life.**

2. **Reindustrialization** – The future belongs to makers. The United States will reindustrialize its economy, "re-shore" industrial production, and encourage and attract investment in our economy and our workforce, with **a focus on the critical and emerging technology sectors that will define the future.** We will do so through the strategic use of tariffs and new technologies that favor widespread industrial production in every corner of our nation, raise living standards for American workers, and ensure that our country is never again reliant on any adversary, present or potential, for critical products or components."

As to labour and capital issues for shipyards, the current US administration is heavily betting on artificial intelligence (AI) to raise its future labour productivity, and this will include Robotics AI.

Robotics AI integrates advanced AI into physical machines (robots) to create intelligent systems that perceive, learn, reason, and act autonomously in the real world, moving beyond simple pre-programmed tasks to adapt and perform complex functions.

As mentioned, in the short term, the US will have a hard time finding abundant and cheap labour, especially as its immigration rules are tightening. But a decade down the road, Robotics AI could be a gamechanger for US manufacturing. Such a possibility will be worth consideration.

But will it lead to success?

Only the future will tell.

Guangzhou Shipyard International (GSI), a major CSSC shipbuilding complex in Nansha, Guangzhou, specialises in tankers, container carriers, car carriers, RoPax, and other high-value vessels.

Carbon

When the shipping industry entered, for the first time ever, a carbon pricing scheme in 2024 through its inclusion in Europe's Emissions Trading System (EU-ETS), the impact on companies was more administrative than financial. The value of European allowances remained relatively low and stable compared with the turbulence of the preceding years (2021–2023), and the gradual inclusion rule limited the surrendering obligation to just 40% of verified emissions.

2025 was another story. The average carbon price jumped from €66.55/mt in 2024 to €74.90/mt in 2025; the gradual inclusion rule pushed the surrendering obligation from 40% to 70%; and last but not least, Europe imposed a second carbon tax through the FuelEU Maritime regulation on ships calling at ports in the European Economic Area. The combined impact of both systems in Europe, the inclusion of shipping in the UK-ETS in July 2026, and the rollout of other schemes globally in the coming years will add further layers of complexity to a sector already grappling with uncertainty.

In 2025, shipping companies navigated between their first compliance under the EU-ETS and the start of the FuelEU regulation.

Evolution of the European Carbon Market in 2025

The carbon market experienced intense volatility in 2021 and 2022 as the recovery from the Covid-19 pandemic, Russia's large-scale invasion of Ukraine, and subsequent Western sanctions caused unprecedented price swings. This propelled a 10-fold gas price increase, and European Union Allowances (EUAs) reached their highest value ever for a benchmark carbon contract in February 2023 of €101.25/mt. However, the market turned negative in the second half of 2023 and stabilised in 2024, with carbon prices remaining under pressure due to reduced industrial output and record-high renewable energy production in Europe.

After a relatively serene 2024, carbon market volatility increased in 2025, and we expect 2026 to be even more unpredictable

Carbon market	2021	2022	2023	2024	2025
Yearly average (€/t)	53.66	81.26	85.25	66.55	74.90
Min - Max (€/t)	31.29 - 90.75	55.00 - 99.22	65.99 - 101.25	51.08 - 81.25	60.07 - 88.88
Std. deviation on settlemen (€/t)	12.67	7.62	7.01	5.06	5.56
Avg. daily traded volume (mn EUA)	30,321	21,479	21,037	28,815	28,588
Total traded volume (mn EUA)	7,853,090	5,520,086	5,385,544	7,405,356	7,318,483

2025 started on a bullish note, with carbon prices jumping by more than €10 (+15%) in January to hit a 15-month high, following the general surge of the European energy mix. Gas prices in particular consolidated around €30/MWh amid rapidly depleting inventories and ongoing attacks on energy facilities in Russia and Ukraine.

The carbon market turned negative from February as fears emerged over potential US import tariffs on major global economies. These fears materialised on 2 April – dubbed "Liberation Day" by US President Trump: equity markets, and in turn energy and carbon, plunged on the announcement of widespread import tariffs and the prospect of a trade war, as the hardest-hit countries responded with reciprocal tariffs.

In just one week, the Trump administration announced, delayed, escalated, and ultimately watered down US tariffs, creating substantial uncertainty and leaving market participants on tenterhooks. This had

drastic repercussions across global stock markets, where investors feared a recession triggered by this tariff war. Carbon prices joined the rollercoaster, experiencing up to €5/mt of intraday volatility before plunging to €60.07/mt on 9 April, the minimum of the year.

In the second half of April, markets reacted positively to the 90-day pause in the introduction of US import tariffs on all countries. This lifted EUA prices to €64-67/mt, where they remained until the end of the month.

The value of EUAs rose in May and June following newsflow that proved bullish for the overall European energy mix. The European Commission proposed legal measures to ban all Russian gas imports by the end of 2027, even if a peace deal with Ukraine was to be struck. Carbon prices also reacted to the election of Friedrich Merz as Germany's new chancellor, whose programme includes plans to build a new fleet of gas-fired power plants to work alongside intermittent renewables.

Carbon continued to accumulate gains in June, supported by expectations that most countries would strike trade deals with the US, lifting broader equity markets. Confidence in the EU-ETS was further boosted by talks during the UK-EU summit around relinking the UK-ETS with its European counterpart. In mid-June, news of corrosion at another French nuclear reactor sparked a rally across energy markets, while an Israeli air strike on Iran's nuclear sites and subsequent retaliation from Tehran added an extra layer of uncertainty to an already stressed market. Gas, oil, and carbon prices surged to multi-month highs, with EUAs climbing back above €75/mt.

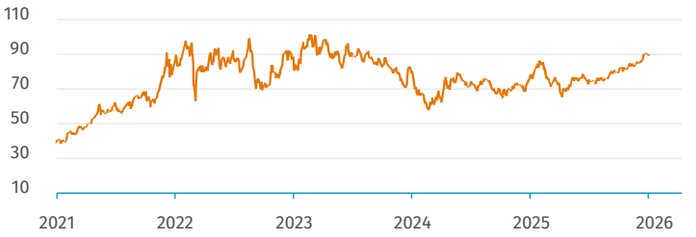
However, the upward momentum did not last, and in the second half of June, EUAs weakened. The decline was initially moderate but accelerated towards the end of the month, with prices losing over 3% on certain days. In fact, aggressive selling dominated a lacklustre carbon market even as the rest of the energy mix continued to climb amid the escalating conflict in the Middle East, where the US briefly joined the Israel–Iran dispute, and a major heatwave ramped up cooling demand across the continent.

Compared with June, EUA DEC-25 traded volumes slumped 18.9% in July and 25.4% in August, reflecting the reduced activity during the summer holidays. Volatility also decreased significantly, and the market remained rangebound in August with EUAs confined to a €4 band (on volatile days, EUAs can move across a wider range). Trump's summits, firstly with Russian President Vladimir Putin and then with Ukrainian President Volodymyr Zelensky and European leaders, failed to deliver a breakthrough. Carbon remained trapped in a narrow trading range, in line with limited movements in European gas prices and fading optimism for a Russia–Ukraine ceasefire.

After the lull of the summer months, the carbon market picked up in September, with EUAs breaking out of their narrow band to reach a seven-month high on sustained buying by compliance entities ahead of the 30 September compliance deadline. For the first time ever, shipping joined the party, as it had to surrender enough EUAs to cover 40% of 2024 verified emissions.

The value of EUAs continued to rise during 4Q25, exceeding €80/mt in October and eventually peaking at €88.88/mt on 23 December. Indeed, carbon appeared to follow its own path in 4Q25 as it detached from the rest of the European energy mix and responded to looming bullish factors such as the annual pause in EUA auctions, the expiry of the DEC-25 contract, and general anticipation of a tighter 2026. The market ultimately closed the year at €87.37/mt.

EUA Futures (EUR/t)



Source: BRS research, ICE

Expectations for 2026 and Beyond

The upward trajectory that began in September 2025 seems to be setting the tone for 2026, and we believe the value of EUAs could return to three-digit territory this year. This trend was already highlighted in last year's *BRS Group Annual Review*, as structural adjustments and shifts in the EUA supply/demand balance in 2026 are expected propel prices higher. Our outlook for 2026 is bullish, with an estimated average carbon price of €85-90/mt, up from the €74.90/mt averaged in 2025.

Structural adjustments to the EU-ETS, supply/demand balance, and an overall tighter market are expected to propel prices higher this year.

1. REGULATORY CHANGES TO THE EU-ETS.

To achieve the targeted minimum 55% net reduction in greenhouse gas (GHG) emissions from 1990 levels by 2030, legislators have committed to greater emissions reductions under the EU-ETS, setting a target of 62% below 2005 levels by 2030. This is a significant increase on the previous 43% target. 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.

Free allocation of allowances to aviation companies will cease from this year. This matches the 100% surrendering obligation shipping companies have from this January, up from 40% in 2024 and 70% in 2025. Furthermore, the Carbon Border Adjustment Mechanism **(CBAM)**, which also came into effect this year, will gradually cut the free allocation of allowances to zero by 2034 for the covered sectors (production of iron and steel, aluminium, cement, hydrogen, and fertilisers). The Commission is also expected to publish revised EU-ETS **benchmarks** for 2026-30 by March 2026. Current benchmarks were set in 2020 for 2021-2025. These benchmarks determine the free allowances distributed to industrial companies. Tighter benchmarks to accelerate decarbonisation would result in fewer free allowances for companies, which would then turn to the market to purchase the missing volumes.

In addition to the benchmark revision, the Commission is also expected to **review the EU-ETS** directive to align it with the intermediate goal of 90% emission reduction by 2040, ahead of carbon neutrality in 2050. The revision could modify the functioning of the supply-curbing Market Stability Reserve (MSR), recalculate the overall cap and linear reduction factor, and more. The executive is expected to launch a series of consultations on the various proposals in the coming months and conduct impact assessments, as the decisions taken this year are likely to shape the carbon market over the next decade.

The **inclusion of new sectors** in the EU-ETS is also on the table, with the Commission set to run an impact assessment on including municipal waste incineration in the EU-ETS, potentially from 2028. It is worth noting that some Member States already voluntarily include waste in the list of sectors included in the "EU-ETS 2" (the second European ETS, which will cover buildings and road transport), also set to start in 2028. Discussions on **extending the scope** of the EU-ETS to flights departing from European to non-European airports, and vice versa, are also on the table, with the EU consulting the UN aviation body to understand whether it plans to strengthen the global aviation scheme, CORSIA.

To finance part of the **RePowerEU** plan aimed at phasing out Russian fossil fuels, the European Commission planned to raise €20bn from the sale of additional EUAs under the EU-ETS. The Commission announced that a total of 250 mn EUAs (at an estimated average selling price of €80/mt) would be sold across 2024-26. To date, the Commission has raised almost €15bn, and if prices remain at current levels, would only need to sell another 57 mn EUAs instead of the initially announced 93 mn. The Commission is very likely to stop the sale once the €20bn target is reached this year, and this would reduce the supply of allowances by 36 mn.

2. LINK BETWEEN THE EU-ETS AND THE UK-ETS

Since its inception, the EU-ETS has embraced the concept of international carbon markets to reduce greenhouse gas emissions globally. The 2020 EU-ETS–Swiss ETS linkage set a precedent in terms of both expansion and approach. As the world's first carbon market, the EU-ETS has long led the development of carbon pricing, and the decision by the EU and UK to link their systems represents a significant endorsement of this approach.

European leaders have met several times to discuss the joining of the **UK-ETS** and the EU-ETS. The Commission is currently working on a draft agreement, which it plans to present to the UK early this year, although the linkage will take time. The Swiss ETS merged with the EU-ETS in 2020 after nearly a decade of extensive negotiations and legislative hurdles. Although we don't expect the linkage with the UK-ETS to take that long, considering the similarities between the two systems, any agreement is still, at best, a few years away. In our opinion, the two systems could merge by 2030, when the fifth phase of the EU-ETS is scheduled to begin.

The linkage of the two systems would have an immediate impact on prices. UK allowances currently trade at a gap €5-10 below European allowances, which the linkage would help to close. It would also send a strong signal to market participants and reinforce the EU-ETS as the world's leading carbon system. Finally, merging the UK-ETS and EU-ETS could have a direct impact on shipping, as the current inclusion rules between the two systems are not the same (see below).

3. THE INCREASING PRESENCE OF INVESTMENT FUNDS IN THE EU-ETS

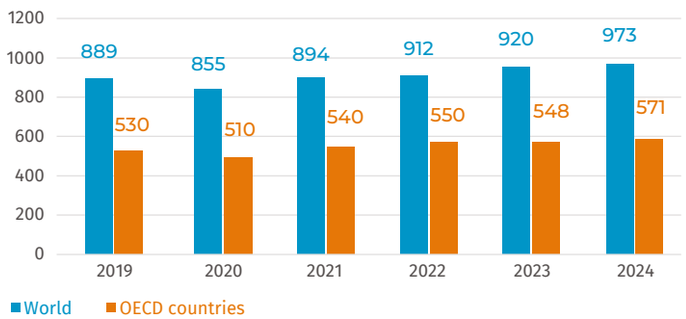
In January 2025, the combined net long position of investment and speculative funds stood at 19.5 mn EUAs, before dropping to a low of just 1.7 mn EUAs in April 2025. Since then, bullish bets have steadily increased to reach 117 mn EUAs at the end of 2025. This consistent build-up of long positions since April has served as a major price signal for traders and amplified the supply squeeze expected this year. Meanwhile, the value of EUAs increased from about €65/mt in April to a maximum of €88.88/mt in December, an increase of less than one-third compared with the surge in net long positions.

The strong correlation between fund positioning and EUA prices means that any sharp de-leveraging by funds could see prices fall quickly. Unexpected policy updates, geopolitical black swans or other exogenous shocks could trigger an avalanche of sales from these speculative actors, slashing the value of allowances over a few days, as occurred during the first days of the invasion of Ukraine.

Evolution of World Maritime Emissions

The Organisation for Economic Co-operation and Development (OECD), which analysed emissions trends using vessel-level Automatic Identification Systems (AIS), showed that global maritime emissions rose from 889.5 mn mt of CO_2 in 2019 to 972.8 mn mt in 2024, a 9.3% increase. Container and bulk carriers generated most of the increase, in line with their dominant contribution to global freight volumes. Containerships represented 24.2% of total global and OECD CO_2 emissions during the study period. Meanwhile, bulk carriers accounted for 21.3%.

World and OECD Maritime CO_2 Emissions



Source: OECD

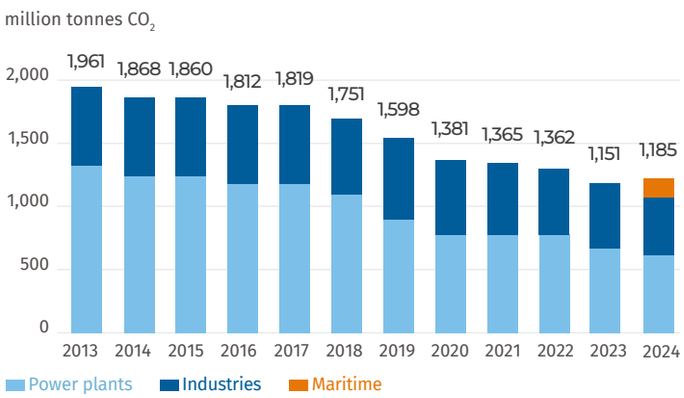
The report published by the OECD in January 2026 broke emissions down into six drivers: economic activity, transport intensity, capacity utilisation, distance travelled, fuel intensity, and emission factors. Global GDP growth exerted the strongest upward pressure on emissions, while rising transport intensity reinforced the effect as freight demand expanded faster than efficiency gains. In fact, the World Bank estimated that the world's GDP grew by 15.4% across 2019-24. On the positive side, fuel efficiency measures partly offset the increase.

Evolution of EU-ETS Maritime Emissions

The latest emissions data from the European Commission show that verified emissions from installations covered by the EU-ETS continued to decline in 2024. This marks the seventh consecutive yearly drop in emissions since 2017 (to keep the comparison relevant, shipping emissions from 2024 have not been included) and an overall drop of 44% since 2013. The EU-ETS is well on track to achieve the 2030 emission reduction target of -62% compared with 2005 levels. This target forms part of the broader European goal of a 55% emissions cut by 2030 compared with 1990 levels.

Once again, the power sector led the decarbonisation effort, with emissions falling 10.4% compared with 2023 levels as renewable electricity production steadily increased and gas continued to replace coal in power generation. Emissions from industrial installations decreased slightly. Overall industrial production remained broadly flat, but with differences between sectors, including a modest recovery in output of steel, non-ferrous metals, fertilisers and chemicals. However, aviation emissions jumped by 13% in 2024, almost returning to pre-pandemic levels. Around half of this increase reflects the continued growth of emissions in the sector, and the other part is due to expanded coverage of tourist flights to the EU's outermost regions.

Verified Emissions in the EU-ETS



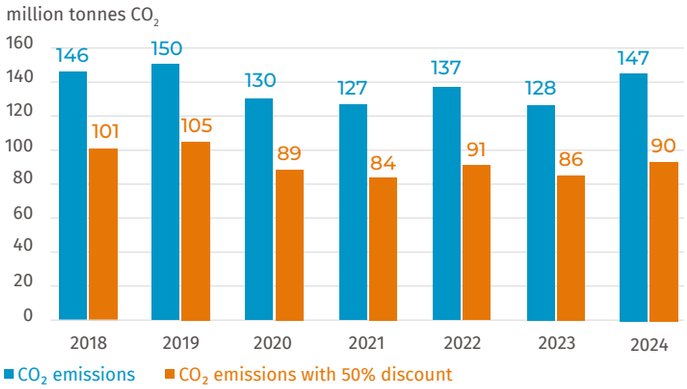
Source: Union registry verified emissions. BRS research

2024 was also the first year that CO_2 emissions from maritime transport were included in the EU-ETS. The system now covers 50% of emissions from voyages departing from or arriving outside the European Economic Area, as well as all emissions occurring between two EEA ports or while ships are at an EEA port. Accounting for the 50% discount, EU-ETS shipping emissions in 2024 amounted to almost 90 mn mt of

CO_2, or 9.2% of global shipping emissions of 972 mn mt. From an EU-ETS perspective, shipping represents 7.6% of the emissions covered by the European carbon scheme, while power plants remain by far the largest source, contributing just under 50%.

Since monitoring began in 2018, emissions from ships calling at EEA ports decreased in line with the Covid-19 pandemic in 2020-21, before rebounding to 2018 levels in 2024.

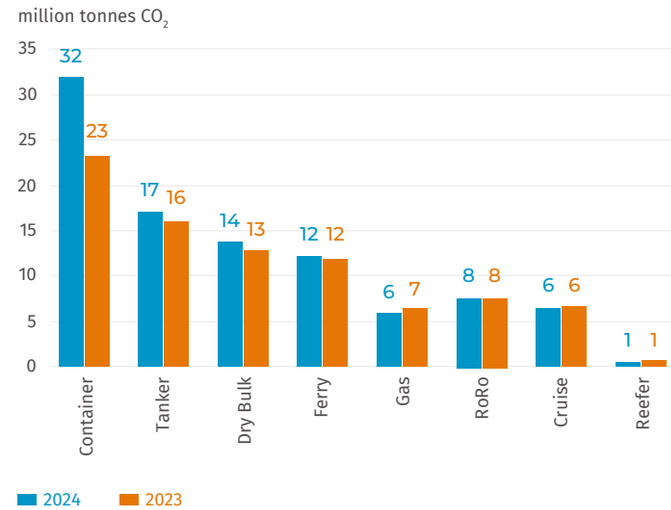
Evolution of Shipping emissions in the EU-ETS



Source: EU-MRV data, BRS research

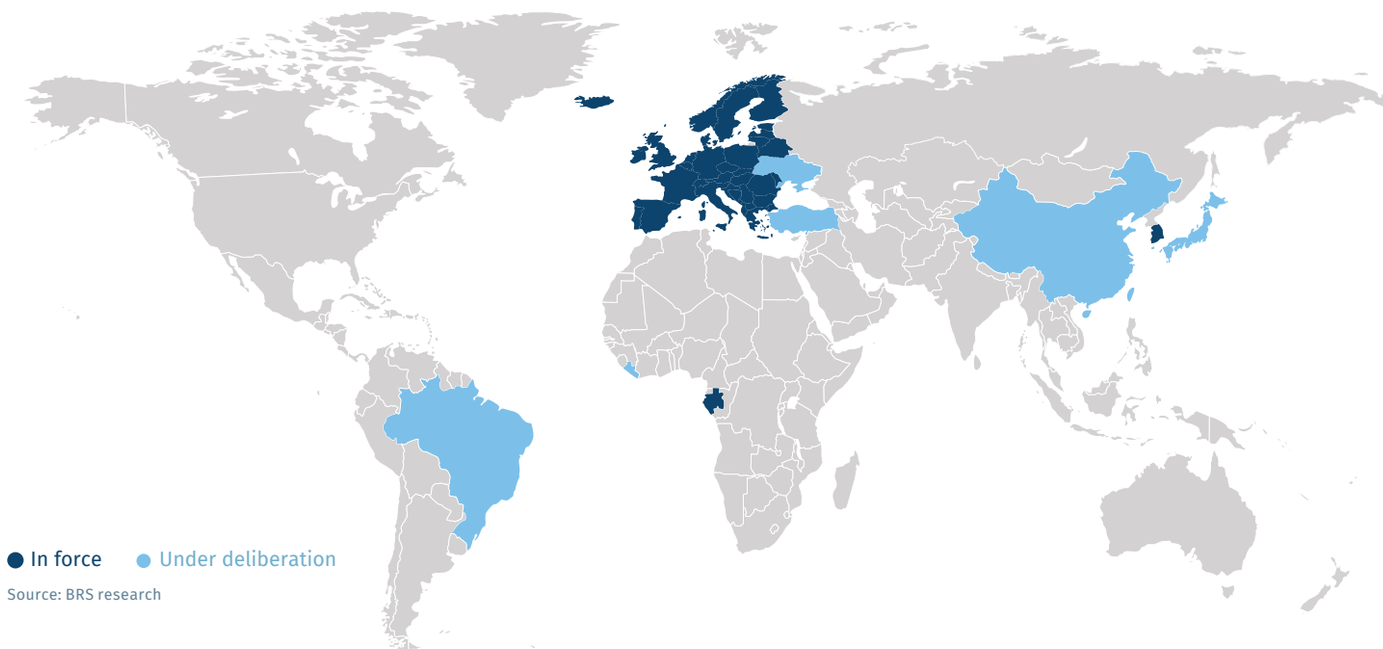
In line with OECD observations, containerships (+37.5%), tankers (+8.9%) and dry bulkers (+5.4%) recorded the largest increases in emissions compared with 2023 data. Gas carriers and refrigerated cargo ships, on the other hand, saw drops of 12% and 11.5%, respectively.

Evolution of shipping emissions in the EU-ETS per vessel category



Source: EU-MRV data, BRS research

Other Carbon Schemes Around the World That Include (or Could Include) Shipping



Source: BRS research

European Economic Area

Since January 2024, ships larger than 5,000 Gt used for the commercial transportation of passengers or cargo see their emissions fall under the scope of the EU-ETS as soon as they perform a “port of call” in a port located in the European Economic Area (EU + Iceland, Liechtenstein, Norway).

In addition, the FuelEU Maritime regulation came into force in 2025 and applies to all EEA countries except Norway and Iceland. The regulation sets well-to-wake greenhouse gas emission intensity requirements for energy used on board ships, and mandates the use of onshore power supply or zero-emission technology for containerships and passenger ships in ports from 2030.

United Kingdom

In addition to the EU-ETS, the shipping sector will soon be included in the UK-ETS, the United Kingdom’s own system launched after it voted to leave the European Union. In many ways, the UK-ETS mirrors the rules and scope of its European counterpart, making it only a matter of time before shipping was incorporated.

From July 2026, the UK will start including shipping emissions in its Emissions Trading Scheme, beginning with domestic voyages for ships over 5,000 Gt. The scheme will also include all port emissions, regardless of voyage, but unlike the EU-ETS, it will exclude emissions from voyages departing from or arriving at a UK port, which represent by far the largest share of emissions. Current regulations do, however, include 50% of emissions from voyages between the UK and Northern Ireland. Like the EU-ETS, emissions of carbon dioxide (CO_2), methane (CH4), and nitrous oxide (N2O) will be included, with CH4 and N2O emissions calculated as CO_2-equivalents.

In the last quarter of 2025, the UK published a series of public consultation responses on the evolution and future development of its carbon market. The consultations covered a revision of the free allocation rules, an extension beyond 2030, and a review of the rules for the shipping sector. The two main topics were the lowering of the 5,000 Gt threshold and the inclusion of 50% of the emissions from international voyages, identical to the EU-ETS. According to the country’s finance ministry, this scope expansion could take effect from January 2028.

South Korea

Since 2021, South Korea's Emissions Trading Scheme (K-ETS) has included emissions from domestic aviation, freight, and shipping, although the latter initially received largely free allowances due to its economic importance. While South Korea previously opposed applying the EU-ETS to international shipping, its national strategy now also incorporates shipping emissions reduction. This aligns with broader decarbonisation goals and supports the development of green ship technologies, as the K-ETS evolves to cover more entities and tighten targets in its next phase (2026-30).

New Zealand

Aviation and shipping make up about 9% of New Zealand’s net-domestic emissions, and the Climate Change Ministry has made multiple attempts to include the sectors in the country’s net-zero 2050 climate targets. However, in a 4 December 2025 decision, the government rejected their inclusion, arguing that New Zealand’s economy is highly dependent on the international transport of goods and people.

Gabon

In January 2025, a Presidential Decree established the Sovereign Carbon Initiative of the Gabonese Republic, as part of the Africa Sovereign Carbon Initiative. The carbon mitigation obligation came into effect in April of the same year and now applies to all international maritime operators calling at ports in Gabon. The tax is calculated based on the distance between the last port of loading and the next port of discharge and is currently set at $17/mt on half of the emissions to and from Gabon, capped at $15,000 per leg. Current Sovereign Carbon Registries are Djibouti and Gabon Registry, with only the latter country applying the tax. More African countries are considering joining the initiative, including Benin, Kenya, Madagascar, Togo, Morocco and Mauritania.

Ukraine

After the Russian invasion of Ukraine in February 2022, the country repeatedly expressed its willingness to join the European Union. At the end of 2023, as it became clear that the war would be protracted, formal negotiations began. While accession talks normally take years, some EU members argued that, politically, Ukraine did not have much time, as a peace deal with Russia could entail territorial concessions that might be difficult for Ukrainians to accept in a potential referendum. EU membership, even if limited, could form part of a post-war security guarantee from Europe, which, after four years of resisting a Russian invasion, seeks a credible promise that Ukraine is on a path toward economic stability and integration with the West.

On 16 January 2026, EU officials confirmed that they were exploring ways to allow Ukraine a fast-track accession as part of a peace deal with Russia, but without giving full membership rights immediately. These rights would be earned gradually as Ukraine aligns its laws with EU standards. As part of this, Ukraine would have to align its climate goals with those of Europe, and this means joining the EU-ETS, thus expanding the scheme to ships calling at Ukrainian ports. However, officials recognised that even a limited accession would raise a host of questions beyond Ukraine and could struggle to secure the unanimous support required at the Council of Member States.

Türkiye

In July 2025, Türkiye’s long-awaited climate change framework bill passed the country’s legislature after months of delays and nearly a decade of preparations. The Climate Law aims to gradually reduce GHG emissions, ultimately achieving carbon neutrality by 2053. The approved legislation includes the creation of an ETS, empowers the

Environment Ministry to coordinate other carbon pricing measures, and leaves the door open for a carbon border adjustment mechanism (CBAM).

The pilot phase of the Turkish ETS is expected to start this year, with the full scheme expected to come into force in 2027 or 2028. The ETS would cover approximately 95% of the country's emissions from about 800 energy-intensive facilities, but it does not include aviation or shipping.

In addition, the parliament passed a motion requiring owners of commercial ships to pay for GHG emissions released when entering and departing Turkish ports. The fee will be based on the carbon price of European allowances.

Brazil

Brazil established its own emissions trading system (SBCE in Portuguese) in 2024, aiming to cover major carbon emitters across power generation, industry, waste, mining and transportation (including aviation and shipping). The scheme would be similar to the EU-ETS, with a decreasing cap on emissions and the ability to trade allowances. Mandatory emissions reporting is anticipated to start next year, with the pilot phase, including the trading of allowances, scheduled at least one year later.

As Brazil plans to position itself as a major hub for low-carbon fuels, further regulations may link the SBCE to broader decarbonisation goals, possibly mandating the use of biofuels to reduce emissions.

China

China operates a national emissions trading scheme that covers power plants and some large industrials, alongside several other pilot ETS at the provincial level that may cover additional sectors. Conveniently, the national ETS includes the industrial sectors that will be most impacted by Europe's CBAM, with the aim of exempting these industries from Europe's carbon border tax. Among the eight pilot projects, only Shanghai's scheme includes emissions from domestic shipping and ports, serving as a test case for potential future inclusion at a national level.

USA

Before the re-election of President Trump, the US was exploring the possibility of imposing a $150/mt CO_2e carbon fee on ships over 10,000 Dwt discharging international cargoes at US ports. The fee was a component of a 2023 bill, the International Maritime Pollution Accountability Act (IMPA), which has since been discarded.

Liberia

Liberia's Carbon Markets Authority plans to launch the country's Sovereign Carbon Initiative on 1 March 2026. The Initiative will impose a carbon price on shipping and aviation operators, using a compliance mechanism modelled on the EU-ETS. This will require maritime and aviation operators to pay $25/mt of CO_2 equivalent for half of the emissions from any vessel or flight movement to or from Liberia, and the full $25/mt for domestic movements.

Moving Towards a Global Carbon Mechanism?

Under the United Nations Framework Convention on Climate Change's (UNFCCC) 1997 Kyoto Protocol, the IMO was assigned responsibility for limiting GHG emissions from international shipping, which falls outside national borders. In 2011, the IMO adopted its first mandatory requirements for GHG emissions from oceangoing vessels under the Energy Efficiency Design Index (EEDI). In 2015, reduction targets for international shipping and international aviation were subsequently excluded from the Paris Agreement.

A significant breakthrough came at the 72nd Marine Environment Protection Committee (MEPC) in 2018, when the IMO finally unveiled its initial comprehensive strategy to reduce GHG emissions from international shipping, aiming for a 50% reduction by 2050 compared with 2008 levels. In 2023, IMO member states adopted a revised strategy during MEPC80, setting an enhanced ambition to reach net-zero GHG emissions from international shipping by or around 2050. To achieve this target, the IMO updated ships' energy efficiency requirements (DCS, EEXI) and launched a new metric for measuring ship efficiency, the Carbon Intensity Indicator (CII).

Although more ambitious than the 2018 version, the IMO's revised strategy still lacked a strong carbon tax. During the 83rd MEPC session, after two further years of negotiations, IMO members finally agreed in principle to a historic deal that would have established the world's first

truly global carbon system, the Net-Zero Framework (NZF). However, fierce opposition from countries including Saudi Arabia, the UAE and the US – the latter threatening sanctions against any country in favour of the system – led to a one-year delay in its adoption. The Trump administration also proposed procedural changes that could postpone ratification for decades, while pressuring the EU to weaken its green shipping rules.

Considering how the political landscape has evolved since October, with President Trump regularly undermining the fundamental principles of international law, environmental protection is clearly not a priority. Hence, we think it is highly unlikely that the IMO will introduce a global carbon tax in the coming years.

In April 2025, members of the IMO reached a historic agreement that would have established the world's first truly global carbon system. However, by October, opposition led by the US and Saudi Arabia had effectively consigned the deal to oblivion.

What's Inside the IMO's Net-Zero Framework?

Under the draft regulations, ships larger than 5,000 Gt would be subject to:

- **Global fuel standard:** Ships must gradually reduce their annual greenhouse gas fuel intensity (GFI), i.e., how much GHG is emitted for each unit of energy used, calculated using a well-to-wake approach.
- **Global economic measure:** Ships emitting above GFI thresholds must acquire remedial units to balance their excess emissions, while those using zero- or near-zero GHG technologies will be eligible for financial rewards.

The requirements are based on a GHG fuel intensity (GFI) metric, similar to the European FuelEU regulation, which calculates the well-to-wake GHG emissions per unit of energy consumed on board a ship.

Attained GFI is then compared with the annual target GFI, denoted below as Zt, starting from a reference value of 93.3 gCO_2 eq/MJ.

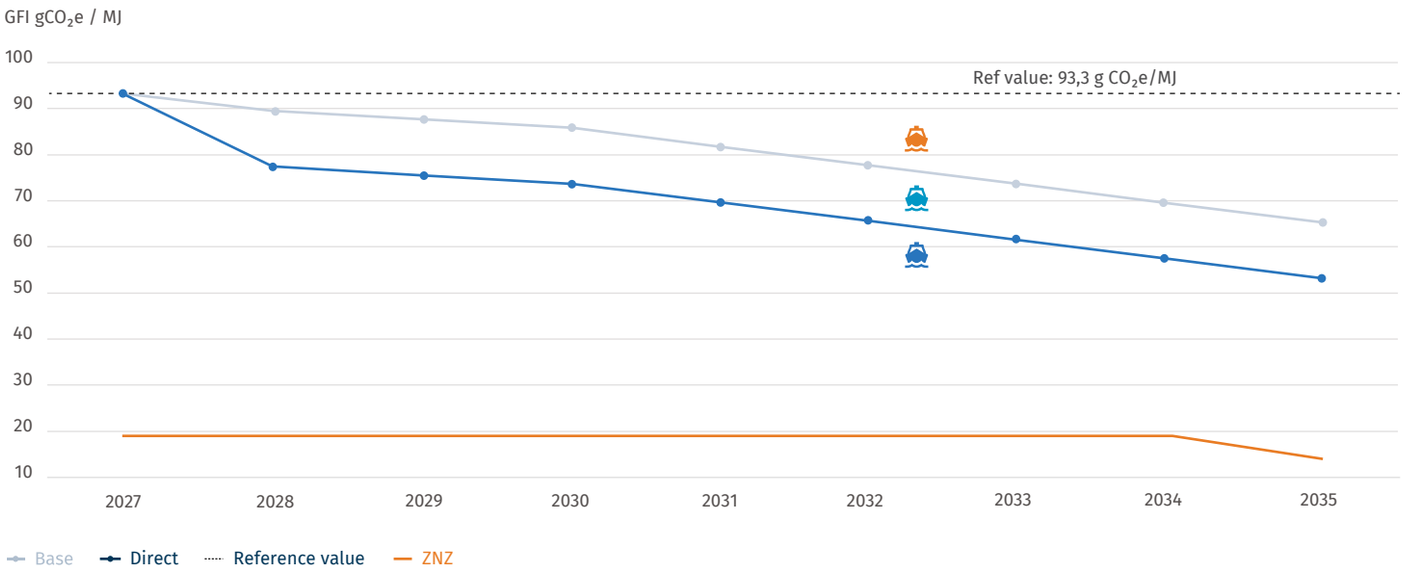
Z_1	2028	2029	2030	2031	2032	2033	2034	2035
Base %	4%	6%	8%	12.4%	16.8%	21.2%	25.6%	30%
gCO_2e/MJ	89.57	87.70	85.84	81.73	77.63	73.52	69.42	65.31
Direct %	17%	19%	21%	25.4%	29.8%	34.2%	38.6%	43%
gCO_2e/MJ	77.44	75.57	73.71	69.90	65.50	61.39	57.29	53.18

If a ship achieves a GFI lower than the Direct Compliance target, it will receive Surplus Units (SUs). Conversely, if a ship's GFI exceeds the Base or Direct Compliance target, it has a negative compliance balance and accrues one or two tiers of compliance deficits:

- Tier 1 deficit: Can only be offset with Tier 1 Remedial Units at $100/$mtCO_2e$.
- Tier 2 deficit: Can be offset by purchasing Tier 2 Remedial Units at $380/$mtCO_2e$, or by balancing the deficit with surplus units from another ship.

Proceeds from the system would then go to the IMO Net-Zero Fund, which would distribute the revenue to:

- Reward the use of zero- and near-zero **ZNZ** emission technologies, fuels and energy sources, i.e., those achieving below 19g CO_2e/MJ until 2034, then 14g CO_2e/MJ thereafter.
- Promote a just and equitable transition.



GFI above the base target: this ship generates both a Tier 1 compliance deficit (for the emissions between the Base and the Direct Compliance targets) and a Tier 2 compliance deficit (for the emissions above the Base target).

GFI between the base and direct target: this ship generates a Tier 1 compliance deficit

GFI below the direct target: this ship will receive surplus units (SU) that can be transferred to ships with a Tier 2 compliance deficit, banked for use in the following reporting years with a validity of two years, or voluntarily cancelled.

Shipbuilding

MINERAL MALTA / MINERAL EUROPA / MINERAL EESTI / MINERAL KYPROS, Drybulk (Newcastlemax), 210,000 Dwt each, built by Qingdao Beihai Shipbuilding Heavy Industry, owned/operated by Bocimar (CMB.TECH), delivery 2026

Disclaimer: Offshore vessels are not accounted for in this section. For further details please refer to the **Offshore & Renewables chapter** (page 129).

ECOMAR GARONNE
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 ShipyardInternational (GSI) China in July 2025 to ECOMAR, a Joint Venture between SOCATRA and HAFNIA BW (ECOMAR). On long-term charter to TOTAL ENERGIES

A Tale of Two Halves and a Story of Enduring Resilience

The year 2025 closed on a constructive note, underscoring the shipbuilding sector's resilience amid evolving market dynamics. The first half was marked by investor caution. Extended delivery schedules, elevated pricing, as well as a reinvigorated penchant for tariffs from the incoming US President, constrained new contracting momentum. Although new orders softened by 36% compared with the same period in 2024, price levels remained firm, supported by full orderbooks and healthy yard balance sheets. The second half of 2025 validated this underlying confidence with a rebound in ordering activity, most notably in China, which expanded its global orderbook market by a further 4.2%, further solidifying its dominant position at the expense of Japan (down 3%), while South Korea's market share also weakened slightly as it slipped by 0.3%. This 2H revival translated into a 99% increase over 1H25, and reached 112% of the volume seen in 2H24, resulting in a total annual decline of 10%. However, this moderation largely reflects the extraordinary ordering cycle of 2024. On a two-year view, contracting volumes in 2025 were still 41% higher than in 2023, highlighting continued investment appetite and strong capacity utilisation across leading shipyards. Meanwhile, robust market conditions and stable earnings discouraged owners from recycling older tonnage, raising questions about the market's ability to absorb future recycling volumes.

Indeed, 2025 unfolded as a year of two clearly distinct halves, both temporally and directionally, with key sectors charting diverging paths. Dry bulk orders declined 11% year-on-year to 53.6 million Dwt by year-end, yet remained 34% above the ten-year average. Tanker orders fell for the first time since the post-Covid rebound, dropping 19% year-on-year to 52.2 mn Dwt, but remained 75% above the ten-year average. Containership ordering, by contrast, proved remarkably strong, posting an 18% year-on-year increase from 2024's record volumes, marking both the highest and most consistent levels on record. Prima facie, 2025 might appear as a year of waning sentiment and subdued activity in bulk and tanker sectors. Yet closer inspection reveals a different picture: overshadowed by 2024's exceptional volumes, it remained a standout year for newbuildings, underscoring sustained yard utilisation and investor resilience.

The first half of 2025 raised questions about the elasticity of newbuilding demand, as ordering volumes fell. The sustained upward momentum for newbuild vessel pricing was tested for the first time in five years, and whilst this stress test proved that demand remains inelastic for now, prices have since stabilised. We can expect to see pressure on the dry market first; however, this is likely to be isolated to shipyards focusing on such business and is unlikely to drive a wider softening.

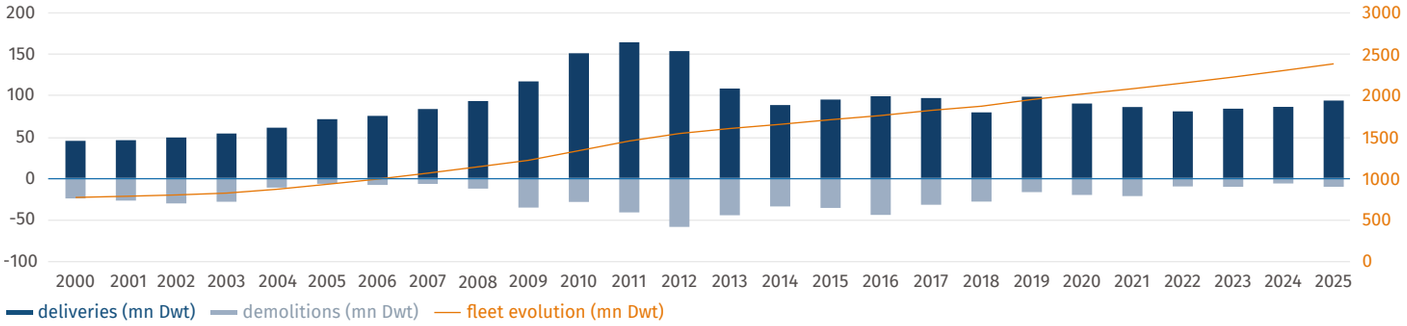
The phenomenal ordering volume in 2024 has extended available deliveries up to the end of the decade, with 2029 coming sharply into view. Shipbuilding's dominant theme over the past 24 months has been one of scarcity: for slots, equipment, and main engines. Perceived undersupply has reawakened shipyard investment, resulting in a sharp increase in expansions, restarts and upgrades – almost entirely in China – aimed at unlocking additional capacity. But can this capacity be sustained into the future?

Main engines remain the choke-point, especially for those featuring dual-fuel technologies. Limited expansion in engine manufacturing capacity has created a market where shipyards, especially small or reactivated facilities, are unable to secure sufficient main engines to fully utilise their available berths. One atypical concept attracting attention has been the decision by some private shipyards to build speculatively for resale. The seeds of this strategy were planted in 2024 and have since flourished into profitable resale transactions. While this scenario is unlikely to be repeated, it illustrates the remarkable market conditions experienced by shipyards over the past five years.

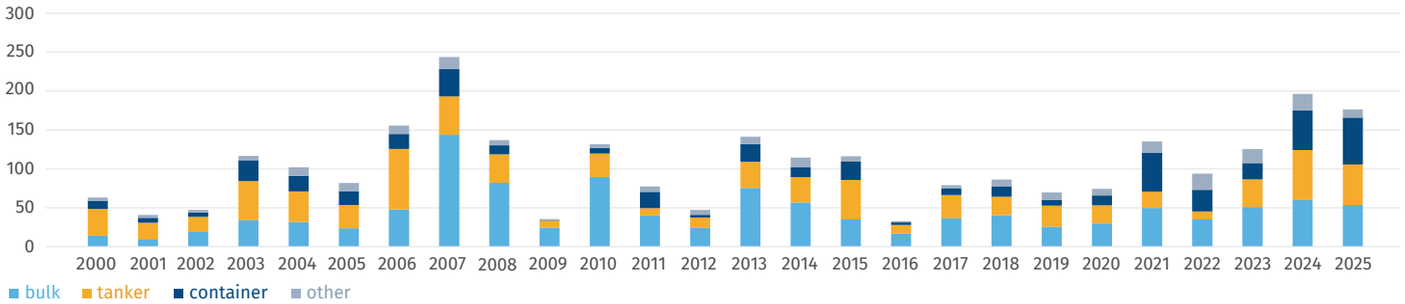
Discussions around propulsion selection continue, with a sharpened focus on technologies that future-proof assets most effectively amid tightening regulations. Liquefied natural gas (LNG), methanol, and ammonia remain the leading alternative fuels, as owners weigh fully fitted systems against the more flexible – and less expensive – dual-fuel-ready notations. LNG dual fuel has recently gained further momentum, driven by persistent methanol supply concerns and ongoing debates over green versus grey feedstocks. As the first ammonia-fuelled vessels enter service, only time will reveal the relative merits of each fuel – but fortune favours the bold.

Deliveries vs Demolitions (mn Dwt)

Fleet Evolution (mn Dwt)



Orders (mn Dwt)



	2022			2023		
	Gt	Dwt	No. Ships	Gt	Dwt	No. Ships
Market Sales	132,789,951	210,459,325	4,245	133,307,396	216,256,070	3,985
Demolition Sales	6,915,937	11,272,377	249	6,469,409	9,416,022	300
NBResales	16,285,236	22,655,944	257	12,981,274	16,866,004	202

	2024			2025		
	Gt	Dwt	No. Ships	Gt	Dwt	No. Ships
Market Sales	142,823,495	231,987,216	4,108	137,807,982	224,232,629	3,861
Demolition Sales	5,458,940	8,076,111	305	8,167,734	11,248,226	301
NBResales	15,946,665	19,889,733	276	10,982,349	15,213,533	207

Summary		2022	2023	2024	2025
Orders	mn Dwt	94.0	125.5	196.3	176.5
	ships	1,705	2,034	2,648	2,117
Deliveries	mn Dwt	80.8	83.9	86.1	93.7
	ships	1,413	1,402	1,578	1,643
Orderbook	mn Dwt	239.8	279.6	388.5	470.5
	ships	3,990	4,572	5,623	6,083
Active Fleet	mn Dwt	2,150	2,222	2,301	2,383
	ships	42,432	43,518	44,800	46,148
Orderbook / Active Fleet	mn Dwt	11.2%	12.6%	16.9%	19.7%
	ships	9.4%	10.5%	12.6%	13.2%

Orderbook		2022	2023	2024	2025
China	Market Share	51.0%	57.3%	66.7%	70.9%
	mn Dwt	122.4	160.2	259.0	333.3
	ships	2,107	2,589	3,504	4,055
South Korea	Market Share	27.5%	22.4%	16.9%	16.6%
	mn Dwt	65.9	62.6	65.8	78.2
	ships	678	679	704	731
Japan	Market Share	16.0%	15.3%	11.9%	8.9%
	mn Dwt	38.4	42.8	46.1	41.9
	ships	656	711	739	663
Europe	Market Share	1.9%	1.6%	1.2%	0.9%
	mn Dwt	4.6	4.3	4.5	4.4
	ships	310	307	333	320
RoW	Market Share	3.6%	3.5%	3.3%	2.6%
	mn Dwt	8.6	9.7	13.0	12.7

World Economy, Maritime Trade and Freight Rates

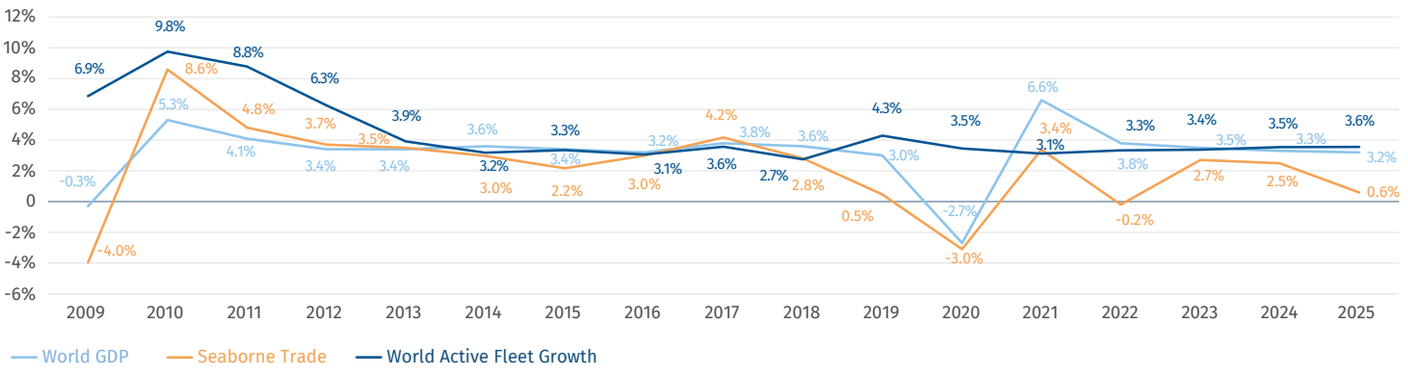
World economy

The global landscape remained unpredictable in 2025. Deals were promised, peace was preached whilst threats were made, and wars continued. We left 2025 much as we entered it: navigating economic fragmentation and political volatility. Confrontations in the Red Sea subsided in the second half of the year. However, with tensions in the region again at elevated levels, owners and operators remain cautious of a full return to peacetime passages. Following an impressive recovery exceeding 6% in 2021, global economic growth has since stabilised, averaging around 3% over the past four years. Chinese economic growth has been the dominant headline, with mixed signals raising questions in capital markets. However, year-end results for 2025 proved to align with market expectations. The economic performance of the United States has proven more resilient than predicted in the face of potential tariff-related fallout. Nonetheless, the social and political landscape remains volatile, with the potential for this to spill over into damaged productivity – certainly an issue worth watching in 2026. In Europe, increased infrastructure investment and defence spending promise to drive industrial rejuvenation, although bureaucracy and political division may threaten progress. Despite these challenges, the fragmented relationship with President Trump's administration is beginning to unify the European political landscape.

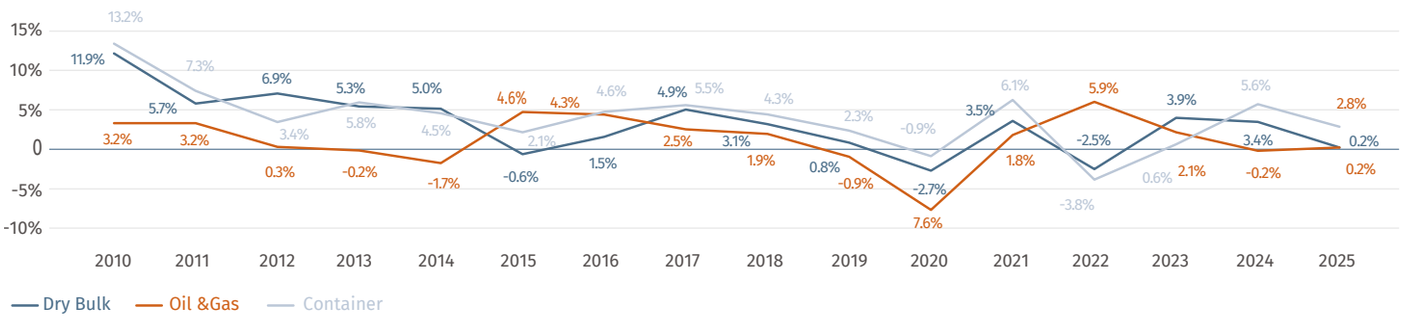
Maritime trade

Last year brought varied performances across different segments. The dry bulk and container trades both decelerated as their growth declined from 3.4% to 0.2% and from 5.6% to 2.8%, respectively. However, the oil and gas segment saw a slight rebound from −0.2% to +0.2%.

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



Maritime Trade Growth (Mt)



Freight rates

Dry bulk

The Baltic Dry Index (BDI) averaged 1,681 points in 2025, broadly maintaining the recovery seen in 2024 following the contraction of 2023. For context, the index averaged 1,934 points in 2022, declined to 1,378 in 2023, and rebounded to 1,755 in 2024. The Kamsarmax and Capesize segments outperformed the Supramax segment. The Capesize one-year time charter (TC) averaged $21,297/day in 2025. However, it was characterised by significant volatility, with the rate ranging between $5,899/day and $44,672/day.

Contrary to 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): $12,241/day in 2025 and $13,601/day in 2024
- Kamsarmax: $13,361/day in 2025 and $14,099/day in 2024
- Capesize: $21,297/day in 2025 and $22,593/day in 2024

During 2025, one-year time charter rates fluctuated within the following bands:

- Supramax: $5,575 – $16,835/day
- Kamsarmax: $6,736 – $18,056/day
- Capesize: $5,899 – $44,672/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	2025
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	1,755	1,681

	2020			2021			2022			2023			2024			2025		
	Avg	Low	High	Avg	Low	High	Avg	Low	High	Avg	Low	High	Avg	Low	High	Avg	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	12,241	5,575	16,835
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	13,361	6,736	18,056
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	21,297	5,899	44,672

Tanker

The Baltic Dirty Tanker Index (BDTI) remained relatively strong in 2025 at an average 1,069 points, only slightly below the 2024 average of 1,094. Despite remaining below 2023's 1,150 points, over the past three years the dirty tanker market has experienced a comeback on a scale unseen since 2008. Although the market softened in the second half of the year, rates remained healthy, providing tanker owners with much-needed positive returns.

Annual average time charter rates remained broadly stable with 2024 across both crude and clean tanker segments. 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.

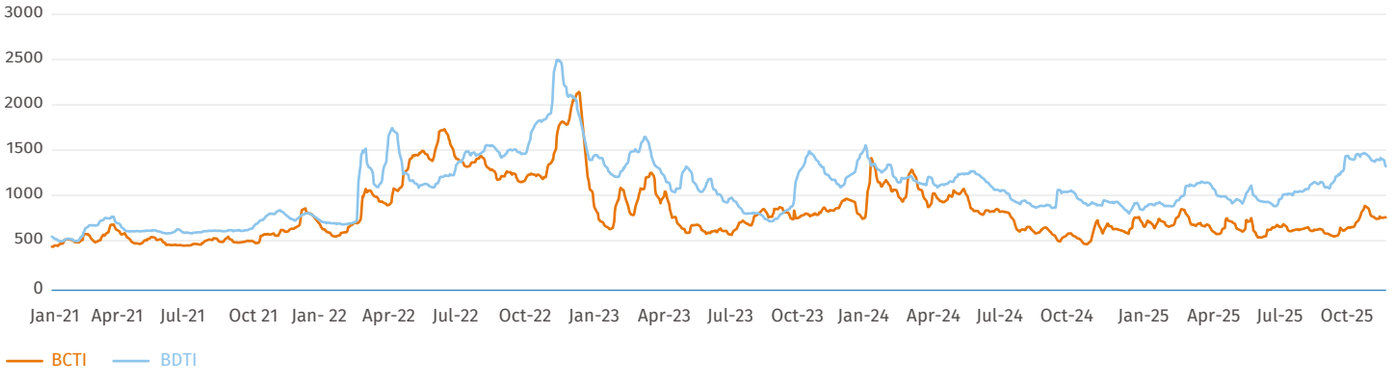
The election of US President Trump has bolstered the outlook for crude oil tankers, effectively silencing discussions about their potential obsolescence in the context of the energy transition. This positive sentiment has fuelled a continued newbuilding spree, driving newbuild tanker prices to highs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

	BDTI		
	Average	Low	High
2022	1,391	679	2,496
2023	1,150	713	1,648
2024	1,094	860	1,552
2025	1,069	799	1,468

	BCTI		
	Average	Low	High
2022	1,231	543	2,143
2023	801	563	1,250
2024	818	460	1,411
2025	667	534	885

	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	2025
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	1,094	1,069
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	818	667

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
2025	48,922	38,647	33,078	32,500	25,029	21,922	19,833

Average eco non-scrubber time charter rates were:

- MR2: $21,922/day in 2025 and $30,566/day in 2024
- LR1: $25,029/day in 2025 and $36,418/day in 2024
- LR2: $32,500/day in 2025 and $47,194/day in 2024

During 2025, one-year eco non-scrubber time charter rates fluctuated within the following bands:

- MR2: $19,500 – $23,500/day
- LR1: $23,500 – $27,500/day
- LR2: $29,500 – $38,000/day

Average eco non-scrubber time charter rates were:

- Aframax: $33,078/day in 2025 and $46,510/day in 2024
- Suezmax: $38,647/day in 2025 and $44,796/day in 2024
- VLCC: $48,922/day in 2025 and $49,551/day in 2024

During 2025, one-year eco non-scrubber time charter rates fluctuated within the following bands:

- Aframax: $30,500 – $38,000/day
- Suezmax: $35,000 – $46,000/day
- VLCC: $39,000 – $61,000/day

	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
2025	39,000	35,000	30,500	29,500	23,500	19,500	18,500

	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
2025	61,000	46,000	38,000	38,000	27,500	23,500	22,500

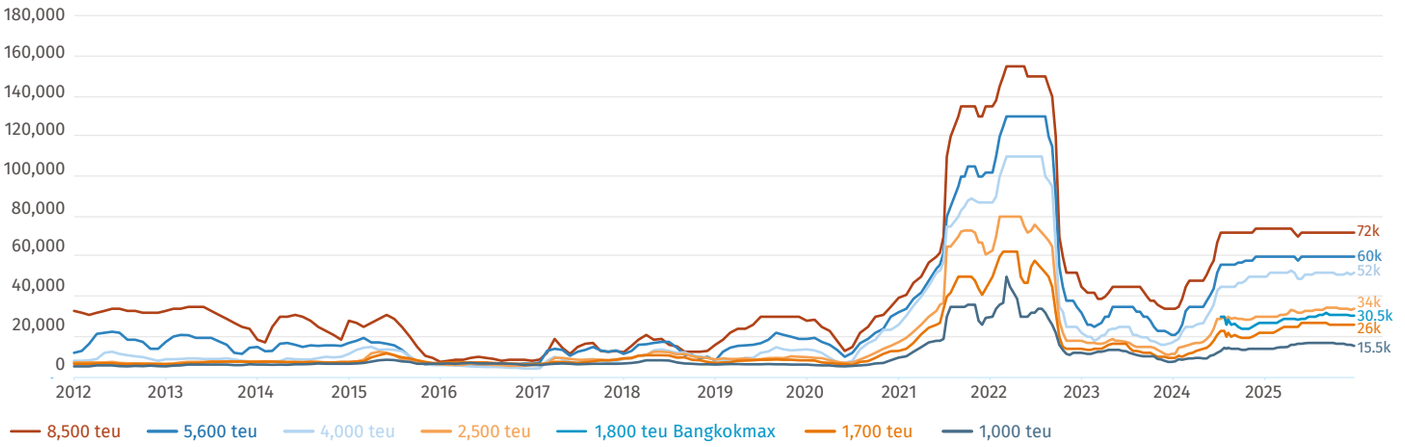
Container

The rerouting of container freight due to the Houthi attacks on Red Sea shipping remained a disruptive legacy from 2024, positively impacting container rates across all vessel sizes. The ordering wave seen over recent years has not yet been fully realised in deliveries, although these did increase from 11.9 mn Dwt in 2022 to 33 mn Dwt in 2024 and 24.3 mn Dwt in 2025, and many size categories have benefited from a substantial rise in demand. For instance, the annual average Panamax time charter rate increased by 37%, from $37,421/day in 2024 to $51,404/day in 2025. Meanwhile, the rates of larger vessels rose by 20–30% compared with 2024.

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 latent geopolitical and economic shifts. A key factor to monitor will be the potential implementation of tariffs proposed by President Trump. It remains to be seen whether all of these tariffs will be enacted and, if so, to what extent.

Alphaliner Time Charter Rates



Size	Avg 2018 $/day	Avg 2019 $/day	Avg 2020 $/day	Avg 2021 $/day	Avg 2022 $/day	Avg 2023 $/day	Avg 2024 $/day	Avg 2025 $/day	Change 2024/2025
8,500 teu	15,538	25,875	24,425	90,792	124,458	41,000	60,250	72,529	20%
5,600 teu	13,708	16,633	18,354	70,479	102,417	29,000	46,158	59,917	30%
(Panamax) 4,000 teu	11,163	11,088	13,792	61,458	83,646	20,400	37,421	51,404	37%
2,500 teu	10,792	9,275	10,027	46,900	59,558	15,700	23,721	32,658	38%
(Bangkokmax) 1,800 teu							26,063	19,550	13%
1,700 teu	9,646	8,096	8,242	33,460	44,438	13,250	17,258	25,446	47%
1,000 teu	7,242	6,283	6,125	23,696	28,771	11,200	11,727	15,960	36%
Alphaliner index	68.1	72.3	76.5	312.7	421.3	123.1	202	274	36%

Average one-year time charter rates were as follows:

- 1,700 teu: $25,446/day in 2025 and $17,258/day in 2024
- 4,000 teu: $51,404/day in 2025 and $37,421/day in 2024
- 8,500 teu: $72,529/day in 2025 and $60,250/day in 2024

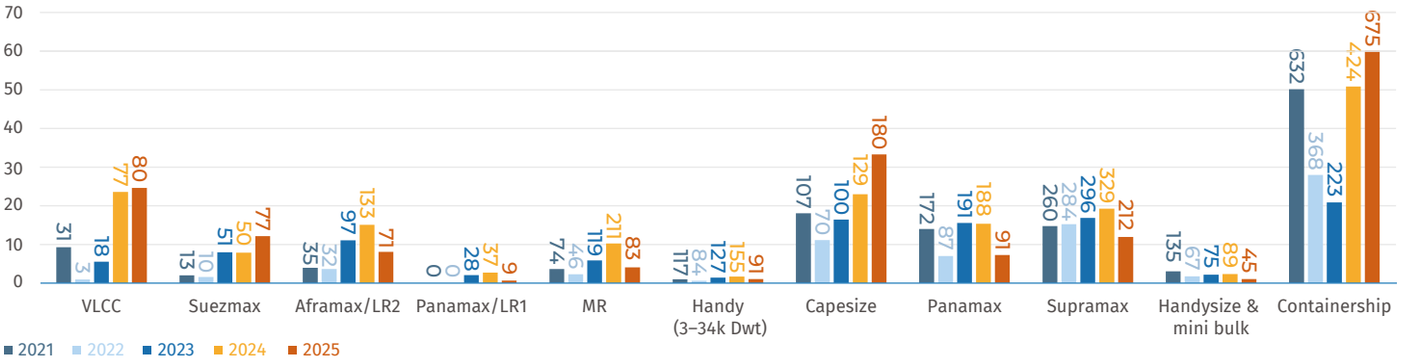
Orders and Orderbooks

Standard vessels (bulkers, tankers, container carriers)

In 2025 we observed a decline in newbuilding orders from 2024's elevated levels, down from 196.3 mn Dwt to 176.5 mn Dwt. However, deliveries, which reflect the prevailing shipbuilding output, increased slightly from 2024.

Container liners saw a rise in new orders last year as they surpassed 2024's notable ordering spree of 50.9 mn Dwt, to total 60.1 mn Dwt. The major container lines have continued their ordering surge. Many yards chose to shift their focus from other types of vessels to containerships. Tanker orders shrunk substantially from 64.2 mn Dwt in 2024 to 52.2 mn Dwt in 2025. Meanwhile, bulker orders declined by 11%, from 59.9 mn Dwt in 2024 to 53.6 mn Dwt in 2025.

New Orders for Standard Vessels per Year (mn Dwt)



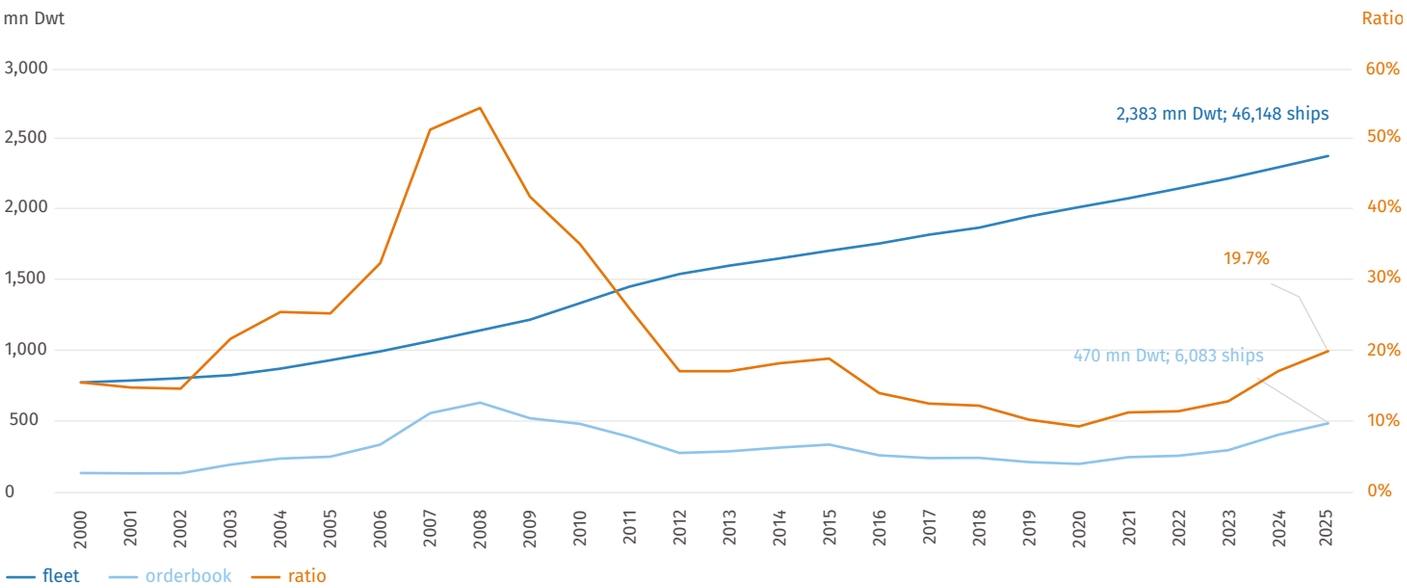
New Orders

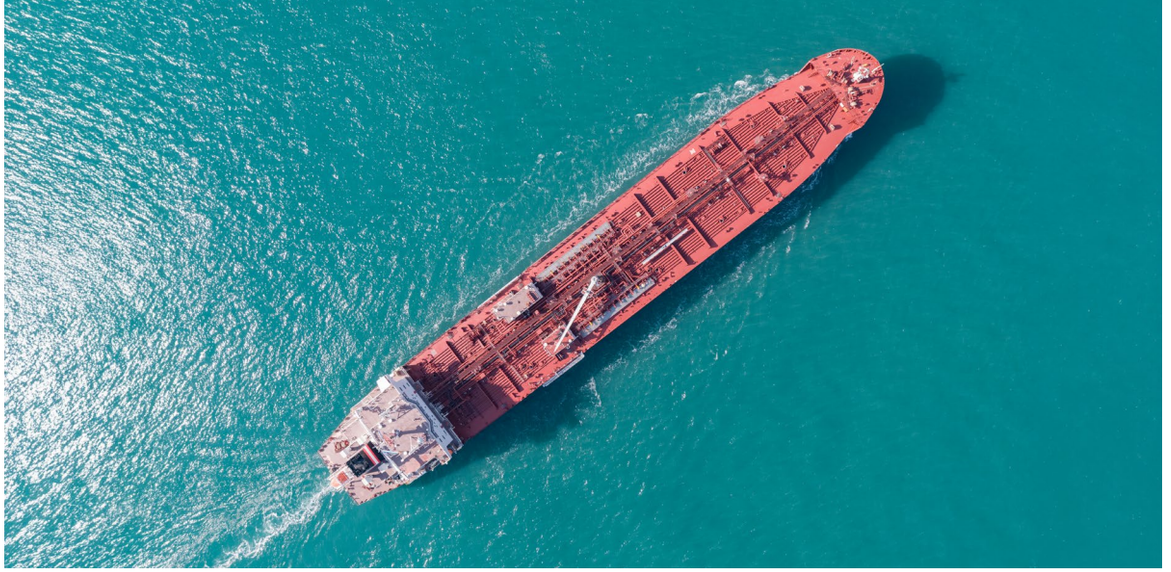
mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bulk	89.6	40.4	24.2	75.6	56.9	35.3	16.9	36.5	40.6	25.7	29.9	49.9	35.2	51.1	59.9	53.6
Tanker	30.2	9.1	13.4	33.6	32.5	50.6	11.2	30.0	23.7	27.2	23.3	20.9	10.1	35.6	64.2	52.2
Container	7.4	21.1	3.5	22.8	12.5	23.6	3.2	8.6	13.0	7.4	12.7	50.1	28.0	20.9	50.9	60.1
Other	4.6	6.9	6.2	9.2	12.7	6.9	1.7	3.9	9.0	9.4	8.5	14.2	20.7	17.9	21.3	10.7
Total	131.8	77.5	47.3	141.2	114.7	116.2	32.9	79.0	86.3	69.7	74.5	135.2	94.0	125.5	196.3	176.5

Deliveries

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bulk	81.2	100.1	100.0	63.0	48.1	48.9	47.5	38.9	28.5	41.8	50.0	38.4	31.3	34.1	33.5	35.0
Tanker	43.9	42.4	33.6	23.0	17.0	19.4	33.3	38.6	29.3	38.4	24.4	26.2	29.6	15.3	8.2	20.3
Container	16.9	14.7	15.1	16.5	17.4	19.2	10.0	12.6	14.2	11.4	9.4	11.7	11.9	25.5	33.0	24.3
Other	9.1	7.1	5.0	5.7	5.9	7.5	8.3	6.6	7.5	6.8	6.2	9.6	8.0	9.1	11.4	14.2
Total	151.1	164.4	153.8	108.2	88.4	95.1	99.0	96.8	79.5	98.5	90.2	85.9	80.8	83.9	86.1	93.7

Fleet and Orderbook Evolution





ALGOMA EAST COAST
37,000 Dwt Ice 1B Product Tanker, built by Hyundai Mipo to Algoma and chartered to Irving. Delivered in March 2025

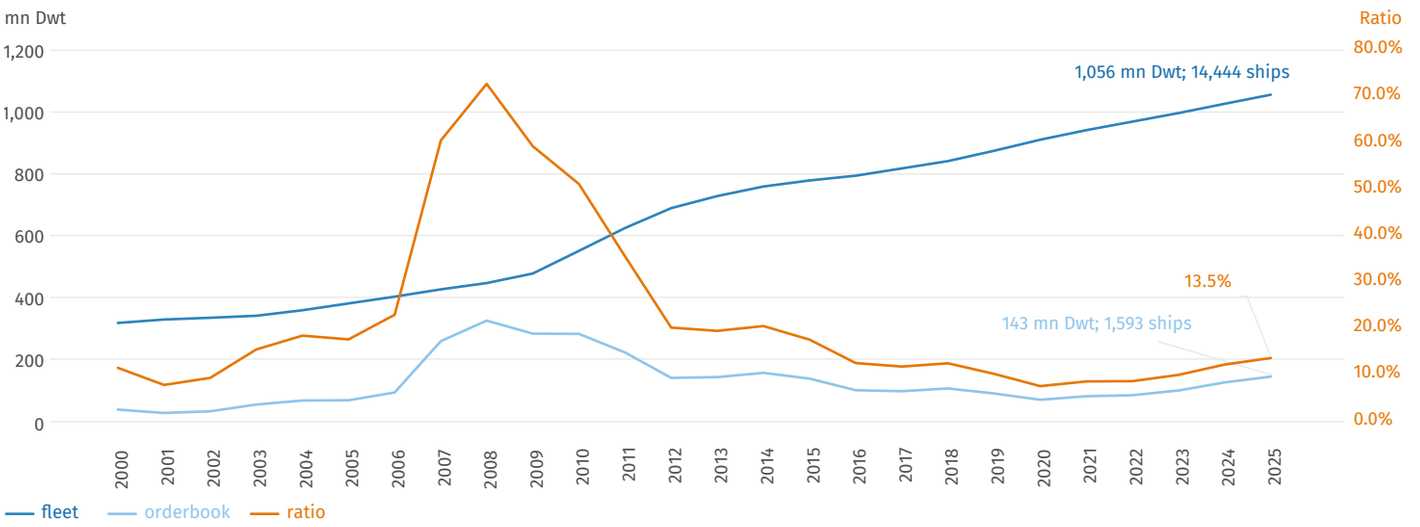
Bulk Summary		2022	2023	2024	2025
Orders	mn Dwt	35.2	51.1	59.9	53.6
Deliveries	mn Dwt	31.3	34.1	33.5	35.0
Orderbook	mn Dwt	83.0	98.8	124.5	143.1
Active Fleet	mn Dwt	969.5	996.9	1,026.7	1,056.3
Orderbook / Active Fleet		8.6%	9.9%	12.1%	13.5%
China	mn Dwt	50.4	65.2	87.8	110.6
	Market Share	60.7%	66.0%	70.5%	77.3%
South Korea	mn Dwt	0.4	0.0	0.0	0.0
	Market Share	0.5%	0.0%	0.0%	0.0%
Japan	mn Dwt	27.5	28.0	31.3	27.4
	Market Share	33.2%	28.4%	25.1%	19.2%

	Orderbook	Fleet	Ratio
Handysize / Handymax	10.3	128.7	8.0%
Supramax / Ultramax	29.3	228.0	12.9%
Panamax / Kamsarmax	31.1	220.9	14.1%
Post-Panamax / Babycape	10.9	68.7	15.9%
Capesize / Newcastlemax	47.2	305.3	15.5%
Vloc	13.1	82.3	15.9%

By the end of 2025, the bulker orderbook, totalling 143.1 mn Dwt, represented 13.5% of the active bulker fleet, which stood at 1,056.3 mn Dwt and remains the largest fleet on the water. The distribution of orders was fairly balanced across the major dry bulk fleet segments, from Handysize to Newcastlemax. Overall, deliveries in 2025 totalled 35 mn Dwt, falling below the ten-year average (37.9 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 holds a negligible role in bulker production.

Bulk Fleet and Orderbook Evolution



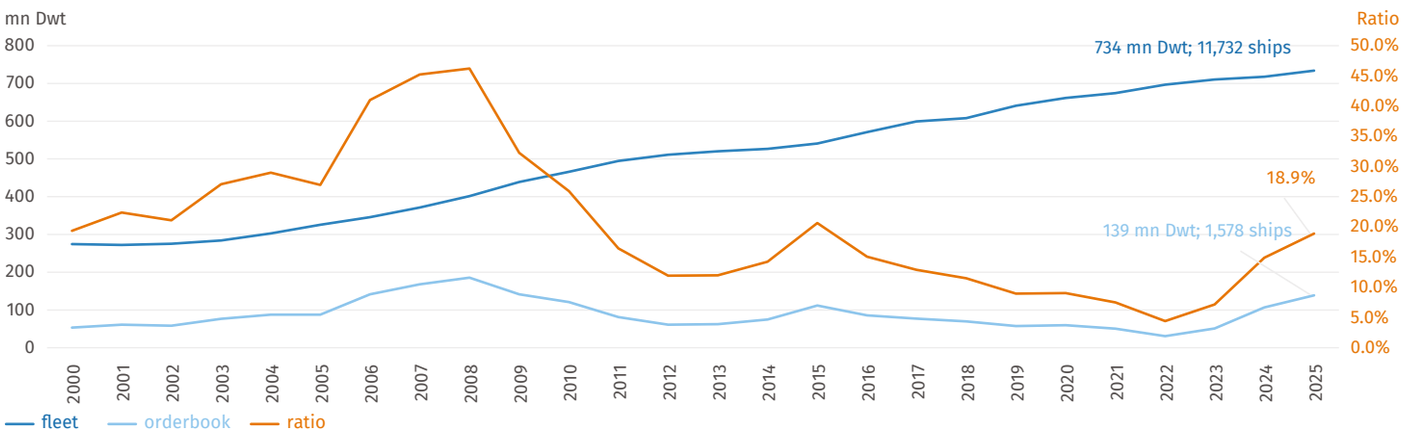
The proportion of tankers on order compared with the existing fleet has seen a significant increase from 14.9% in 2024 to 18.9% by end-2025. The tanker orderbook is more diversified across vessel types than the dry bulk segment, with MR1s and LR1s least in demand. Meanwhile, the Aframax/LR2 segment remains prominent, accounting for the largest share of the orderbook and construction activity.

Last year, tanker deliveries more than doubled compared with 2024, to total 20.3 mn Dwt. However, this increase simply matched the high number of newbuilding orders placed in 2023 and 2024, which totalled about 35.6 mn Dwt and 64.2 mn Dwt, respectively.

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 2024 China held 71.3% of the orderbook compared with 61.6% in 2023, although in 2025, its share declined to 68.7%. This shift has come at the expense of South Korea, which saw its share drop from 54.1% in 2021 to 18.7% in 2023 and 15.9% in 2024, before recuperating slightly in 2025 to 20.7%. Japan, meanwhile, experienced further erosion in its market share, falling from 10.8% in 2023 to 6.9% in 2024 and 5.9% in 2025.

Tanker Orderbook Shares	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
China	34.5%	36.0%	41.2%	38.5%	29.9%	31.1%	33.0%	31.1%	23.9%	30.3%	32.5%	27.4%	32.5%	61.6%	71.3%	68.7%
South Korea	46.7%	46.9%	40.7%	44.2%	50.1%	45.7%	38.5%	40.5%	50.1%	44.7%	46.8%	54.1%	43.9%	18.7%	15.9%	20.7%
Japan	11.8%	7.5%	6.1%	5.1%	8.0%	15.1%	19.5%	19.7%	17.9%	18.7%	15.2%	10.8%	8.9%	10.8%	6.9%	5.9%

Tanker Fleet and Orderbook Evolution



Tanker Summary		2022	2023	2024	2025
Orders	mn Dwt	10.1	35.6	64.2	52.2
Deliveries	mn Dwt	29.6	15.3	8.2	20.3
Orderbook	mn Dwt	30.7	50.9	107.0	138.6
Active Fleet	mn Dwt	696.7	710.6	717.8	733.9
Orderbook/Active Fleet		4.4%	7.2%	14.9%	18.9%
China	mn Dwt	10.0	31.4	76.3	95.3
	Market Share	32.5%	61.6%	71.3%	68.7%
South Korea	mn Dwt	13.5	9.5	17.0	28.7
	Market Share	43.9%	18.7%	15.9%	20.7%
Japan	mn Dwt	2.7	5.5	7.4	8.2
	Market Share	8.9%	10.8%	6.9%	5.9%

	Orderbook	Fleet	Ratio
MR1	1.3	19.0	6.7%
MR2	15.6	93.9	16.6%
Panamax/LR1	4.8	33.0	14.6%
AFRAMAX/LR2	30.2	132.0	22.9%
SUEZMAX/LR3	24.7	110.3	22.4%
VLCC	52.9	280.8	18.8%

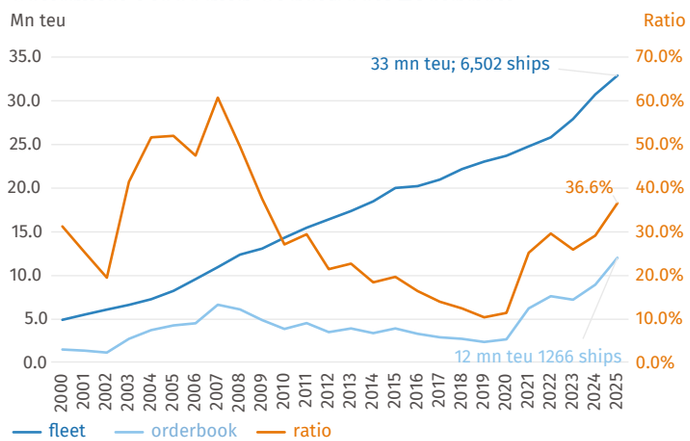
Container carrier orders increased from 50.9 mn Dwt in 2024 to 60.1 mn Dwt in 2025. Meanwhile, deliveries slowed, thus the ratio of orderbook versus active fleet increased from 27.0% in 2024 to 34.5% in 2025. Last year a popular ordering segment was the 18,000+ teu segment, with 116 ships contracted. But comparatively, the feeder and medium-size container carrier segments were also quite dynamic. Thus, the 1,500–1,999 teu segment saw 106 new units inked.

This, in turn, strengthened China's market share of container newbuildings, from 56.7% in 2023 to 70.5% in 2024, and then to 77.1% in 2025. Korean yards saw their share decline over the same period, by 11.8% between 2023 and 2024, followed by another 3.4% in 2025. China has now become the world's biggest container carrier builder, a status it is unlikely to relinquish over the coming years.

	Existing		Orderbook		O/E (teu)	Orders in 2025		Average age
Size range teu	Ships	teu	Ships	teu	%	Ships	teu	Years
18,000-24,232	203	4,434,811	201	4,190,124	94.5%	116	2,343,990	5.1
13,300-17,999	456	6,861,443	223	3,396,622	49.5%	49	713,968	5.1
12,500-13,299	129	1,685,368	20	261,224	15.5%	4	52,544	8.1
10,000-12,499	218	2,396,325	95	1,069,720	44.6%	42	481,360	8.3
7,500-9,999	534	4,699,425	174	1,511,852	32.2%	54	467,328	12.8
5,100-7,499	558	3,512,648	67	414,822	11.8%	46	279,148	14.3
4,000-5,099	648	2,933,168	82	368,704	12.6%	63	284,854	15.8
3,000-3,999	337	1,141,998	95	305,440	26.7%	82	262,380	11.9
2,000-2,999	894	2,278,035	72	191,551	8.4%	57	155,673	12.9
1,500-1,999	804	1,412,559	116	211,673	15.0%	106	193,284	11.0
1,000-1,499	827	961,320	74	84,366	8.8%	38	43,066	13.1
500-999	682	505,328	32	23,858	4.7%	16	11,170	18.2
100-499	211	71,001	15	6,198	8.7%	2	976	19.7
Total	6,502	32,893,517	1,266	12,036,154	36.6%	675	5,289,741	13.7

Container Summary		2022	2023	2024	2025
Orders	mn Dwt	28.0	20.9	50.9	60.1
Deliveries	mn Dwt	11.9	25.5	33.0	24.3
Orderbook	mn Dwt	84.8	80.1	97.2	132.6
Active Fleet	mn Dwt	305.6	329.0	360.6	384.7
Orderbook / Active Fleet		27.8%	24.3%	27.0%	34.5%
China	mn Dwt	49.4	45.4	68.5	102.3
	Market Share	58.3%	56.7%	70.5%	77.1%
Korea	mn Dwt	28.6	27.1	21.4	24.7
	Market Share	33.8%	33.8%	22.0%	18.6%
Japan	mn Dwt	6.3	7.3	5.4	4.1
	Market Share	7.4%	9.1%	5.6%	3.1%

Container Fleet and Orderbook Evolution



NST (NYK–Stolt Tankers) Tanker (Chemical, stainless steel), 38,000 Dwt, built by Nantong Xiangyu Shipbuilding, under construction.

Specialised vessels

For the third consecutive year, newbuilding activity for specialised tonnage weakened, with around 7.3 mn Dwt ordered. This was considerably lower than in 2023 and 2024, when 14.7 mn Dwt and 19.5 mn Dwt were ordered, respectively. For comparison, the 2015–24 annual average was 10 mn Dwt.

Notably, there was a significant decrease in LNG carrier orders, from 106 in 2024 to 61 in 2025. Similarly, LPG carrier orders declined from 153 in 2024 to 49 in 2025.

Last year saw car carrier orders drop to 10 ships from a record 91 in 2023 and 59 in 2024.

Cruise ship ordering almost halved in 2025 in terms of vessels ordered, while still showing an increase in gross tonnage terms from 3 mn Gt in 2024 to 3.3 mn Gt in 2025, thereby underscoring the appetite for larger passenger vessels.

Demand for stainless steel chemical tankers was much weaker than in 2024, mirroring the trend in the oil tanker sector. Accordingly, the number of newbuilding orders declined from 132 ships in 2024 to 68 in 2025.

New Orders	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
LNG (cbm)	3,289,294	896,766	3,145,678	10,814,293	9,040,083	7,260,607	12,395,652	26,463,483	12,202,635	17,414,021	6,964,381
LPG (cbm)	3,795,643	26,768	1,252,298	1,935,041	2,531,693	2,513,197	5,966,668	2,689,997	7,931,657	10,392,289	2,803,033
Ferries & Ropax (Gt)	320,374	632,618	450,251	926,099	969,989	139,972	523,463	340,314	211,368	225,802	1,306,492
Cruise (Gt)	2,497,405	2,421,346	3,118,837	2,112,510	1,735,233	81,040	57,580	578,319	1,078,701	3,036,878	3,273,213
SST Chemical carriers (Dwt)	2,258,319	926,072	468,758	389,535	429,749	678,032	904,844	934,244	959,752	2,628,091	1,282,522
Car carriers (cars)	202,678	19,248	38,274	20,830	35,277	21,150	216,218	610,987	767,549	458,150	45,756
Ro-Ro (lm)	49,649	54,120	45,091	123,284	33,124	8,405	42,332	37,744	6,800	9,249	

Other (excluding Offshore vessels, reefer)

New Orders (No. of ships)	2021	2022	2023	2024	2025
LNG	80	159	74	106	61
LPG	109	50	118	153	49
Ferries & Ropax	18	20	17	14	38
Cruise	2	17	18	35	20
SST Chemical carriers	54	61	49	132	68
Car carriers	31	81	91	59	13
Ro-Ro	15	10	7	7	0

SPIRIT OF TOULOUSE, Ro-Ro (Airbus components carrier), capacity approx. 70 × 40-ft containers + 6 single-aisle aircraft subassembly sets, built by Wuchang Shipyard (CSSC Group), owned/operated by LD Armateurs (new name of Louis Dreyfus Armateurs) and chartered to Airbus, delivery expected 2026.

Order Cancellations in 2025

Order cancellations remained rare in 2025, 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	2025
Orders	121.8	77.5	47.3	141.2	114.7	116.2	32.9	79.0	86.3	69.7	74.5	135.2	94.0	125.5	196.3	176.5
Cancellations	38.4	23.4	16.6	30.9	14.7	11.5	12.1	4.5	7.8	2.0	1.0	4.8	2.4	2.1	2.0	0.8

Recycling in 2025

Demolitions picked up in 2025, with the volume of tonnage sent for recycling amounting to 10.7 mn Dwt. This figure is however very low, significantly below the ten-year average of 20.4 mn Dwt. Indeed, it accounted for only 0.4% 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. However, as long as older tonnage remains profitable, 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. A perennial answer will need to be found 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.

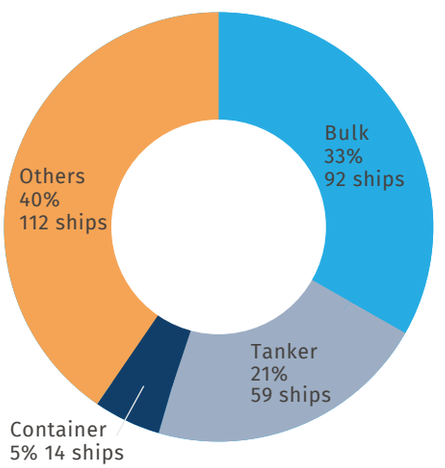
mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demolitions	29.1	41.8	59.4	45.1	34.6	36.4	44.8	32.6	28.7	17.1	20.6	22.0	10.3	10.7	6.8	10.7
Deliveries	151.1	164.4	153.8	108.2	88.4	95.1	99.0	96.8	79.5	98.5	90.2	85.9	80.8	83.9	86.1	93.7

The bulker and tanker segments saw higher scrapping activity in 2025 than in 2024, while the container segment showed the opposite. As previously stated, strong charter markets incentivised owners to hold onto their older vessels. Meanwhile, there is also a trend, in the wake of high freight rates, of charterers becoming more flexible with age restrictions. Scrapped bulk carriers totalled 5.4 mn Dwt, tankers amounted to 3.3 mn Dwt, and only 0.1 mn Dwt of containerships were recycled.

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	22,872,936	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	29,132,707	26	335.6	2,694,641	30	361.5	2,757,475	23	371.3
2016	30,880,159	24	254.2	2,556,188	30	283.3	8,952,542	19	289.6
2017	14,669,791	25	354.0	9,335,205	26	375.4	5,875,645	21	375.0
2018	4,773,842	33	423.3	20,455,088	25	432.9	1,368,839	24	445.8
2019	8,174,476	30	384.4	4,493,891	29	394.6	2,755,694	24	398.4
2020	13,619,417	28	328.9	2,882,923	30	340.4	2,595,720	24	348.7
2021	7,453,588	30	520.1	12,587,293	27	530.9	252,094	30	540.3
2022	3,177,703	27	582.7	6,469,888	27	612.7	15,301	29	622.7
2023	6,682,428	29	527.2	934,669	29	545.4	1,900,765	28	563.5
2024	3,403,861	29	489.0	873,638	28	509.0	1,256,671	30	523.4
2025	5,373,892	29	422.9	3,320,386	27	442.9	145,255	32	452.9

Demolition prices dipped slightly in 2025. Bulkers were priced at an annual average of $422.9/ldt, tankers at $442.9/ldt, and containers at $452.9/ldt.

Demolitions in 2025 (No. of Ships)



Deliveries and Worldwide Shipbuilding Capacity in 2025

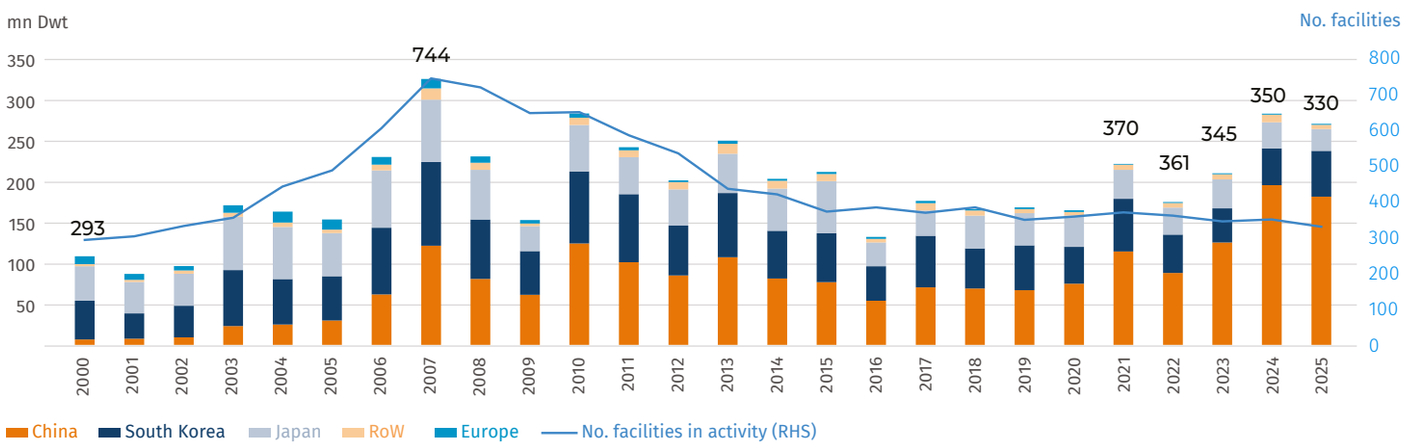
In 2025, new deliveries totalled 93.7 mn Dwt, up from 86.1 mn Dwt in 2024. Broken down by segment, bulk carriers accounted for 35 mn Dwt (compared to 33.5 mn Dwt in 2024), and tankers for 20.3 mn Dwt (up from 8.2 mn Dwt in 2024). Meanwhile, containerships totalled 24.3 mn Dwt (down from 33 mn Dwt in 2024).

Deliveries from Chinese yards rose from 48 mn Dwt in 2024 to 53 mn Dwt. South Korean yards sustained their delivered tonnage, from 20.9 mn Dwt to 21.8 mn Dwt. Japanese deliveries increased from 13.9 mn Dwt in 2024 to 15.5 mn Dwt in 2025.

Currently, there are about 330 operational shipyards worldwide that either have ships on order or have completed deliveries in the past two years. This is roughly 44% of the 2007 peak of around 744 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	2025
China	38.1	63.8	70.8	66.5	43.9	36.2	39.0	36.2	39.0	35.1	37.0	39.2	41.8	38.6	43.0	48.0	53.0
South Korea	43.0	46.5	53.6	49.0	33.4	24.3	29.0	35.7	30.8	19.0	32.3	25.0	24.2	23.7	22.3	20.9	21.8
Japan	29.2	32.8	31.9	29.2	25.0	22.4	21.1	21.6	20.2	20.1	24.6	22.6	17.0	15.9	15.4	13.9	15.5

Active Building Facilities per Year and Region (Excluding Offshore)



FRONT VALIANT, Tanker (VLCC), 306,000 Dwt, built by Hengli Shipbuilding (Dalian) Co., Ltd., owned/ operated by Frontline, delivered May 2026.

Newbuilding Prices in 2025

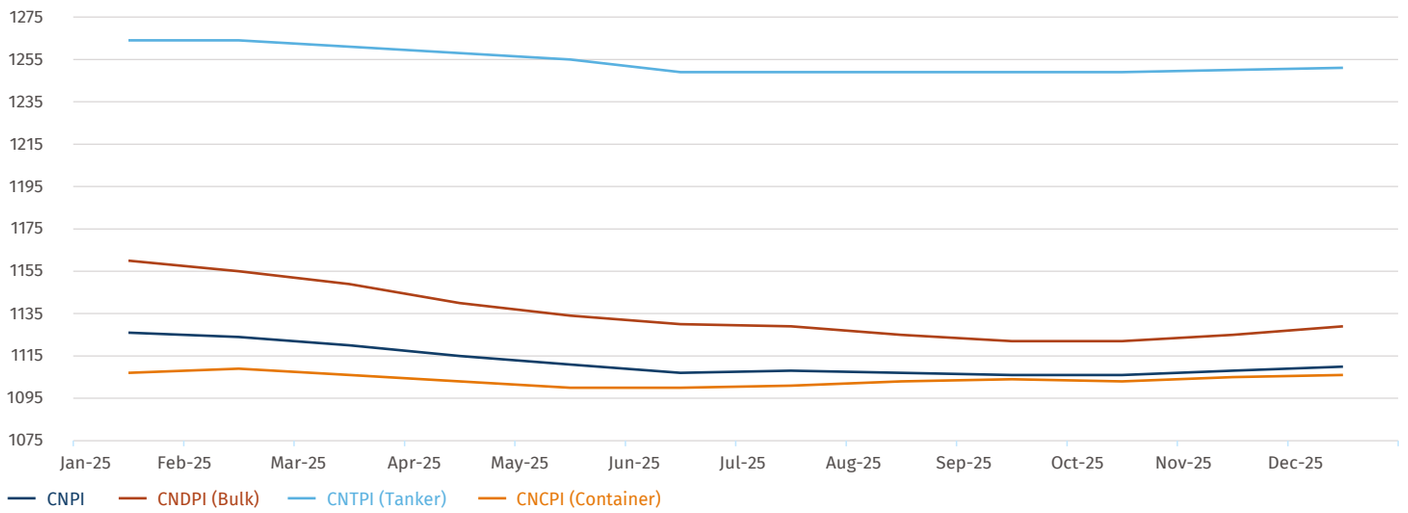
Newbuilding prices for bulkers, tankers, and container carriers saw an initial stabilisation in 2025.

The Chinese Newbuilding Price Index (CNPI), produced by a panel of shipbuilders and shipbrokers, weakened by 1.4% across 2025. Individual indices related to bulkers, tankers and container carriers, meanwhile, decreased by 2.7%, 1% and 0.1%, respectively.

After a slight weakening in the first and second quarters, prices stabilised. The strong orderbook played a key role in supporting prices, with second-hand vessel values also rising considerably.

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

CNPI

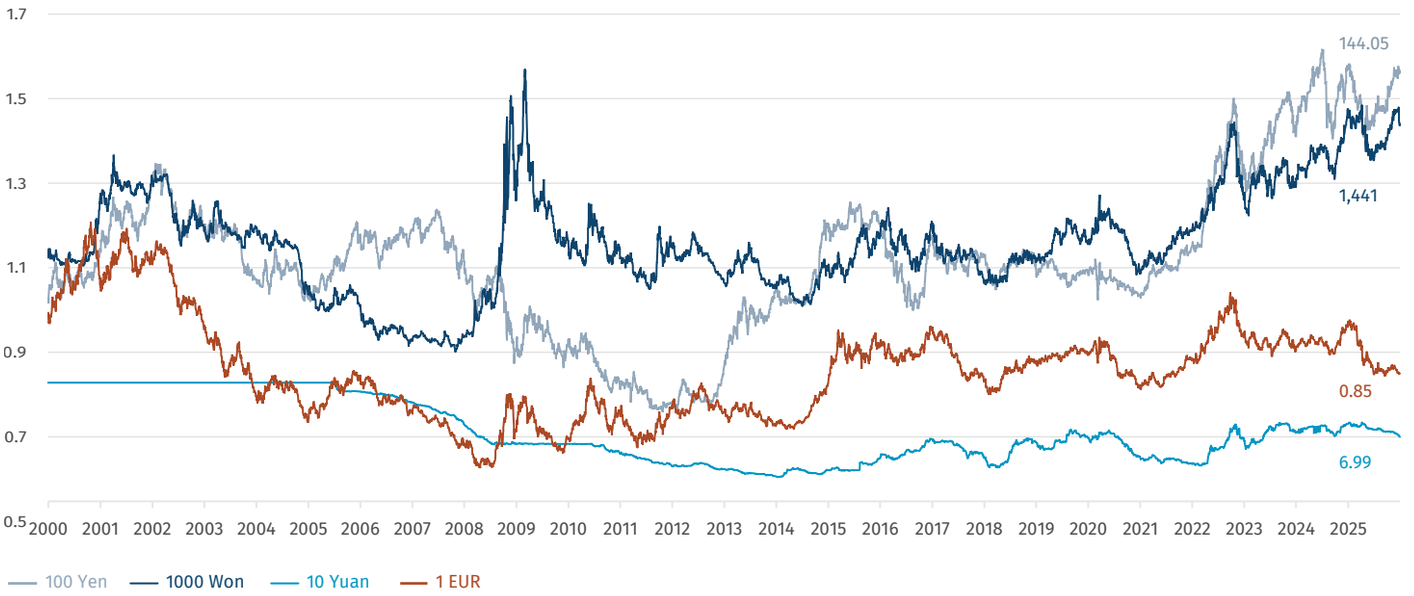


	Age	End 2021	End 2022	%variation	Dec 23	%variation	Dec 24	%variation	Dec 25	%variation
Kamsarmax Bulker	15 years	18	16	-11%	16	0%	15.5	-3%	16	+3%
	5 years	33.5	28.5	-15%	32.5	+14%	34	+5%	33	-3%
	Newbuilding (China)	35	33	-6%	35	+6%	37	+6%	36	-3%
VLCC Tanker	15 years	32	56	+75%	56.5	+1%	55	-3%	59	+7%
	5 years	71	93	+31%	101	+9%	112	+11%	118	+5%
	Newbuilding (South Korea)	106	123	+16%	127	+3%	130	+2%	127	+2%
1,700 teu Containership	15 years	27	11	-59%	7.5	-32%	17.5	+133%	22	+26%
	5 years	43	22	-49%	18	-18%	26	+44%	30	+15%
	Newbuilding (China)	27	29.5	+9%	29.5	0%	34	+15%	33	-3%

Mirroring the trends in demand for tonnage seen in newbuilding markets, second-hand tanker prices have firmed whilst prices for younger bulkers have weakened. The limited availability of timely slots has pushed owners to seek 'on the water' vessels, driving up second-hand containership prices.

One notable concept emerging in the second-hand container feeder market is the considerable proportion of vessels transferring from non-vessel operating owners to the operators themselves. This has reduced charter market liquidity, raising the question: will we see more speculative feeder newbuildings ordered in 2026?

Daily Exchange Rates with 1 US$



	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	End 2025 China 1st tier*	End 2025 SK/Japan
Tankers										
VLCC	95	106	115	123	118	127	124	128	118	127
Suezmax	66	74	71	83	79	87	84	89	78	87
Dual-fuel LNG			84	96	94	102	97	102	91	100
Aframax / LR2	55 (A)	59 (A)	56 (A)	67 (A)	63 (A)	74 (A)	71	75	66	72
	57 (LR2)	61.5 (LR2)	59 (LR2)	70 (LR2)	65 (LR2)	76 (LR2)	73.5	77.5	70	75
Dual-fuel LNG			68	79	76	87	83	87	78	84
			71	82	78	89	86	89.5	82	87
LR1			49	58	53	58	57	61	55	59
Dual-fuel LNG			60	70	65.5	70.5	69	73	67	71
Dual-fuel Methanol			59	68	63	68	67	71	65	69
MR2 IMO 3 (12+2)	39	39.5	39	45	43	48	46.5	51	44	49.5
Dual-fuel Methanol			48	54	53	58	56.5	61	54	59.5
Bulkers										
Newcastle (205k Dwt)	65/67	71/73	63	73	66	76	76	84/86	75	83/85
Capesize (180k Dwt)	60/61	66/68	60	69	63	73	70	77/78	70	77/78
Kamsarmax	35/36	38/40	33	38	35	40	37	43/44	36	42/43
Ultramax (U)	32/32.5 (U)	35/36 (U)	32	37	33	38	34.5	38/39	33.5	37/38
Handymax (H)	28.5 (H)	30/31 (H)					30	34/35	30	34/35
Containerships										
Post-Panamax (7k teu)	74/75 (6k)	77/78 (6k)	82	90	84.5	100	88	100	89	95
Post-Panamax (5.5k teu)	68/69	70/71	70	77	67.5	85	69	85	68	80
Feedermax (2.7k teu)	38	40	40	45	39	49	41	50	44	52
Feeder (1.9k teu)	28	29.5	30	34	30	37	30	37	33	37
Feeder (1.1k teu)	23	24	23.5	27	23.5	30	23.5	30	24	31

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

Shipbuilding in the World

Shipbuilding in China

China continues to expand its dominance in the shipbuilding industry, having reached an orderbook market share of 70.9% at the end of 2025, up from 66.7% in 2024 and 57.3% in 2023. China accounted for 72.3% of global new orders and 56.6% of global deliveries. Only the cruise and LNG segments remain resistant to China for the moment.

In 2025, China led global shipbuilding orders, ranking first in the bulk segment with 45.3 mn Dwt (84.5%), first in containerships with 46.4 mn Dwt (77.2%), first in tankers with 31.1 mn Dwt (59.6%), and first in all other segments combined with 4.8 mn Dwt (45.4%).

China's total shipbuilding output increased by 10.5% last year, from 48 mn Dwt to 53 mn Dwt, reflecting the surge in new orders since 2022–23, the expansion of shipbuilding facilities, and improvements in production efficiency. The orderbook-to-yearly-output ratio reached 6.3, another record compared with 5.4 in 2024 and 3.7 in 2023. This confirms that most Chinese yards are fully booked for the next three to four years, with almost no delivery slots available before 2029.

Shipbuilding in China		2023		2024		2025	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	57.3%	56.6%	66.7%	62.3%	70.9%	66.7%
	Bulk	65.2	814	87.8	1,027	110.6	1,127
	Tanker	31.4	548	76.3	1,041	95.3	1,118
	Container	45.4	551	68.5	604	102.3	1,014
	All ships	160.2	2,589	259.0	3,504	333.3	4,055
Orders	Bulk	36.7	437	44.4	523	45.3	416
	Tanker	25.0	379	48.7	630	31.1	313
	Container	11.2	144	41.9	341	46.4	565
	All ships	81.8	1,302	147.3	1,862	127.6	1,538
Delivery	Bulk	21.0	276	21.8	309	22.5	316
	Tanker	3.8	122	3.8	138	11.9	231
	Container	15.2	229	18.3	285	12.6	155
	All ships	43.0	786	48.0	939	53.0	981

Top 10 World shipyard groups by current orderbook in Dwt:

Note: the first ten shipyard groups in the world account for 71.6% of the world orderbook.

Shipyard Groups	Ships	mn Dwt
CSSC	956	106.9
Hengli	272	41.6
HD Hyundai	453	41.0
Cosco HI (CHI)	224	26.2
NTS	158	23.7
Nihon	205	22.2
YZJ	244	20.9
Hanwha Ocean	140	20.1
Hangtong	136	19.0
Changhong	121	15.3

China State Shipbuilding Corporation (CSSC) remains the number one shipbuilding group worldwide, holding 32.1% of the Chinese orderbook and 22.7% of the global orderbook. CSSC secured new orders amounting to 38.9 mn Dwt in 2025, about 2.4 times more than the largest Korean group, HD Hyundai, which secured 15.9 mn Dwt.

In only three years, **Hengli**, the new private yard owned by Hengli Group, which acquired the former STX Dalian facility, has secured a solid orderbook of 41.6 mn Dwt, representing 272 ships, 12.5% of the Chinese orderbook, and 8.8% of the global orderbook. The yard now ranks second both in China and globally. Note that Hengli only delivered two Kamsarmaxes and two Ultramaxes in 2024, and 17 ships in 2025: 14 Kamsarmaxes, two Capesizes, and one VLCC.

In third position in China and fourth on the world stage is **Cosco Shipping Heavy Industry** (CHI), including NACKS and DACKS, with an orderbook of 26.2 mn Dwt, representing 7.9% of the Chinese orderbook and 5.6% of the global orderbook. CHI secured 8.4 mn Dwt of new orders last year, accounting for around 4.8% of global ordering.

New Times Shipbuilding (NTS), one of the largest private shipbuilding groups in China, is now in fourth position in China and fifth position in the world with 23.7 mn Dwt, holding 7.1% of the Chinese orderbook and 5% of the world orderbook. In 2025, NTS secured new orders totalling 3.8 mn Dwt, accounting for around 2.2% of global ordering.

China's fifth position goes to **Yangzijiang** (YZJ), one of the country's largest private shipyard groups, with four large facilities. YZJ has secured a solid orderbook of 20.9 mn Dwt across 244 ships, representing 6.3% of the Chinese orderbook and 4.4% of the global orderbook. YZJ is now positioned seventh in the world.

The top five Chinese shipbuilding groups in 2025 – CSSC, Hengli, CHI, NTS and YZJ – together accounted for 65.8% (219.3 mn Dwt) of the Chinese orderbook. Meanwhile, their combined share of the global orderbook remained on par with 2024, at 46.6%.

Newbuilding capacity

The post-Covid boom in new orders continues to reshape the Chinese shipbuilding landscape. In 2025, additional new yards opened, while some

are expanding their facilities, and others that previously concentrated on domestic orders are now constructing ships for foreign entities.

NEW SHIPYARDS BEING OPENED OR REOPENED:

- **China Merchants Shipbuilding Industry Group (CMI):** Took over Qingdao Yangfan Shipyard, now **CMI Qingdao Shipyard**, stepping into large merchant ship (bulk, tanker, container) newbuildings; Reactivated Nanjing Dongze Shipyard, now **CMI Nanjing Shipyard**, for large stainless-steel tanker newbuildings (max. MR size); CMJL Jinling has reactivated **Qingshan Shipyard** in Wuhan to build small feeder containerships and other vessels below 30,000 Dwt.

- **Xiangshui Wanlong:** reactivated Sanjia Heavy Industry in North Jiangsu, although the site is still under construction. This includes new berths for 80,000 Dwt and 50,000 Dwt vessels, five large slipways, and a series of 200 and 600-tonne gantry cranes. Another two 100,000 Dwt dry docks will be added in the next phase, and the planned annual capacity is 1 mn Dwt. The yard has already received newbuilding orders for feeder containerships and Newcastlemaxes from domestic owners.

- **Ningbo Penghong HI:** reactivated from the ex-Beilun Lantian Shipbuilding yard. Previously focused on block construction as a subcontractor, the yard is now building feeder container vessels as well as 25,900 Dwt chemical tankers for domestic owners. It has also received ten orders for 6,000 Dwt bulk carriers from Maris Fiducia BV.

- **Jiangxi Xin Xiangsheng SY:** reactivated the ex-Jiujiang Xiangsheng Shipbuilding. The facility has one 50,000 Dwt dry dock, two 35,000 Dwt dry docks, and one 30,000 Dwt slipway, although operations are subject to the Nanjing air-draft limitation. Newbuilding capacity is about 200,000 mt per year. The yard is installing a new 400-tonne gantry crane and has already received orders for one 7,999 Dwt chemical tanker as well as one 1,360 Dwt product tanker from a Singaporean owner.

- **Shandong Fulton Shipbuilding:** reactivated the Baibuting Shipyard in Rushan, Shandong under Redhill Group. The yard operates three slipways: one 246m x 68m (300-tonne crane), one 120m x 26m, and one 150m x 45m, enabling construction of vessels up to 35,000 Dwt.

- **Shandong LianMeida Shipbuilding:** reactivated the former Penglai Bohai Shipbuilding in Penglai, Shandong. The yard is still being refurbished on the defunctionalised site, which previously held two 180m x 38m slipways, and is estimated to begin operations in 3Q26.

- **Rongsheng Facilities:** after two unfruitful attempts to revive the giant Rongsheng facility (the ten large bulkers ordered by Cardiff Marine in 2022 and the 12 LNG-fuelled 11,000 teu containerships signed by MSC in 2025 never materialised), it has now been renamed Wuhu Shipyard. The medium-sized shipbuilder is leasing two of the four large dry docks at Rongsheng to construct a series of Newcastlemaxes.

EXPANSION OF EXISTING YARDS

- **CSSC Hudong-Zhonghua:** in 2025, the facility in downtown Shanghai was closed, and a new facility was commissioned on Changxing Island. This has increased the yard's annual capacity of LNG carrier deliveries from 6–7 vessels to more than 12.

- **Guoyu Shipyard:** after its reactivation in 2024, Guoyu announced the acquisition of Peninsula Shipyard in Zhoushan. The yard has one Ultramax dry dock. It has also purchased the Panzhi Shipyard in Zhoushan, which previously built small chemical tankers. Both sites are estimated to reopen in late 2026. The yard is also building a new cape heavy platform at its Yangzhou site.

- **Zhoushan Ningshing:** established an automated block fabrication line, and refurbished its Beilun Huanhai Facility in Ningbo, thereby gaining another medium-sized dry dock for its dredger and chemical tanker newbuilding operations.

- **Hubei Hechuang HI** approved another investment to build new block fabrication workshops and painting workshops, as well as three new slipways.

- **Yangzijiang (YZJ)** started construction of its new facility, Yangzi Hongyuan Shipbuilding, which is expected to be commissioned later in 2026. It will include one VLCC dry dock, including a 1,800-tonne crane, with a capacity of 800,000 Dwt per year.

- **Zhoushan Changhong** officially took over Zengzhou Heavy Industry as its new shipbuilding base. The facility includes an 800m deepwater berth, a 100,000 Dwt slipway, and a 30,000 Dwt slipway. The site will support its feeder container and MR tanker newbuilding operations.

- **Zhejiang Xin Xinzhou** Shipbuilding (whose owner also controls Mingfei Shipyard in Taizhou, Zhejiang Province), received governmental approval of its CNY 1bn 300,000 Dwt-per-year capacity expansion, which should be commissioned in mid-2027. New 400-tonne cranes were deployed at the end of 2025. The yard is developing 5,700 teu domestic design containerships, as well as one 88,000 cbm VLGC newbuilding.

- **Dajin Shipyard** acquired the ex-Jiangsu Shenghua shipyard in Zhenjiang, Jiangsu province, with one dry dock for ships up to 100,000 Dwt and one slipway for ships up to 50,000 Dwt. Dajin will use this facility for Handysize and Ultramax bulk carriers.

EXISTING YARDS MOVING INTO THE INTERNATIONAL SPACE

- **Shandong Port Marine Equipment (SPME) & Anhui Port Marine Equipment (APME):** both province-based yards previously focused on domestic business. SPME secured an order for 3+2 17,500 Dwt MPP units from Bohwa. Meanwhile, APME (ex-Anhui Dongfang) received orders for 1+1 livestock carriers from 44 South Shipping, as well as four 12,000 Dwt deck carriers from Winning Group.

- **Panjin Dajin HI** secured an order for a 23,000 Dwt heavy deck carrier for a Korean client.

- **ShanDong Jining New Energy** will build one pure electric 182 teu containership from CMA-CGM. The yard also managed to export the components (via container) for two 2,000 Dwt bulk carriers, which will be assembled in Tanzania.

Overview per segment

BULK

Qingdao Beihai, part of the CSSC group, remained the leading shipyard for dry bulk order backlog by deadweight in 2025, with 19.7 mn Dwt of bulk tonnage on order comprising 55 Newcastlemaxes, 2 Capesizes, and 24 VLOCs. In second place was **Hengli** with a total of 17.2 mn Dwt (eight VLOCs, 43 Capesizes, five Overpanamaxes, 76 Kamsarmaxes, and two Ultramaxes), then **Hantong** with 8.2 mn Dwt (14 Newcastlemaxes, 36 Kamsarmaxes and 37 Ultramaxes).

CONTAINERSHIPS

Yangzijiang (YZJ) confirmed its lead in the containership segment with an orderbook of 13.5 mn Dwt (122 ships ranging from 1,100–24,004 teu) representing 13.2% of the Chinese containership orderbook. **Changhong** holds second place with 12.3 mn Dwt on order (89 ships from 2,756 to 21,700 teu), then **New Times** (NTS) with an orderbook of 10 mn Dwt (66 ships between 8,400 and 18,600 teu). The latter yards each represent 12.1% and 9.7%, respectively, of the Chinese containership orderbook. The three yards together account for 35% of containership orders in China, and 27% globally.

TANKERS

The tanker segment is largely dominated by three shipyards: **DSIC** with an orderbook of 20.2 mn Dwt (40 VLCCs, one Suezmax, 61 LR2s, five Aframaxes, two Panamaxes and four Flexies), **Hengli** with an orderbook of 17.1 mn Dwt (34 VLCCs, six Suezmaxes, 51 LR2s), and **NTS** with an orderbook of 12.1 mn Dwt (9 VLCCs, 38 Suezmaxes, 5 Aframaxes, 12 LR2s, 18 LR1s and 2 MR2s).

LNG

The large LNG segment is dominated by **CSSC Hudong-Zhonghua** with its orderbook of 52 units (49 of them large, including 26 x 265,580 cbm carriers) for delivery through 2031. **DSIC** follows with an orderbook of 17 units (including 16 large 170,520 cbm vessels), **CMHI Jiangsu** with ten (including eight large vessels), **CSSC Jiangnan** with five for ADNOC and domestic owners, and **Yangzijiang** with two 174,500 cbm units initially earmarked for Hammonia Reederei, but later on for the yard's own account. Overall, China holds 30.5% of the global large LNG carrier orderbook. In 2025, **Hengli** was certified by GTT and became the sixth Chinese shipyard capable of building membrane tanks for LNG carriers. However, China secured very few orders in 2025 due to looming USTR fees on Chinese-built LNG carriers. Three orders were taken for Nigeria LNG (BGT) at Hudong-Zhonghua, and two for EPS at Jiangnan.

ROPAX AND FERRIES

The construction of Ropaxes and ferries is mainly controlled by the following shipyards: **CMJL Weihai** with 14 units (nine for Grimaldi, three for Stena, one for CMA CGM, and one for La Méridionale), **CSSC GSI** with 11 units, including seven for MSC and two for New-Zealand FHL, and **Jinling** with four units, all for BC Ferries.

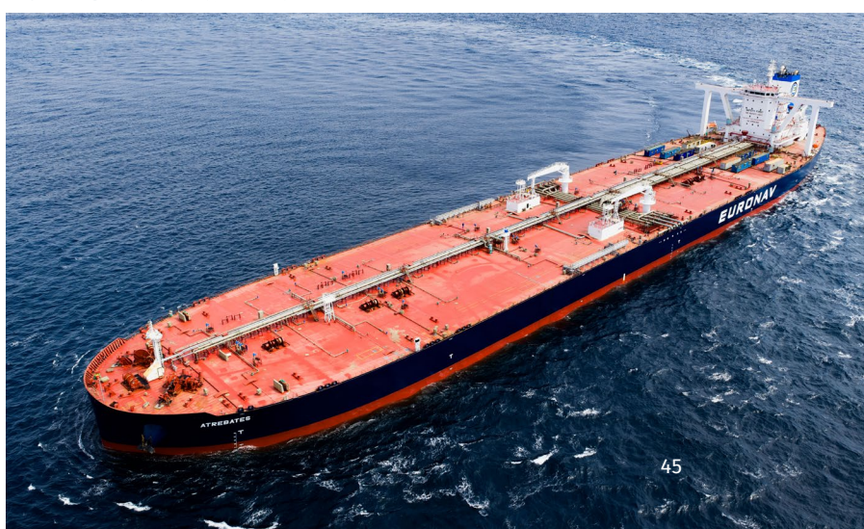
CRUISE

It appears that expedition cruise ship newbuildings are to become a new line of business for Chinese yards. In 2025, CMHI Haimen in Jiangsu secured one firm order with two options for a 26,000 Gt cruise ship with Mystic Cruises, a Portuguese-based company that had previously contracted up to seven expedition cruise ships with Portuguese shipbuilder Westsea, as well as a framework agreement to build a series of four hybrid-powered expedition cruises and four coastal cruisers for Ocean Advice (United Waterways). Meanwhile, the 141,900 Gt Adora Flora City, housing 5,300 guests, and representing the second large cruise ship under construction at SWS, is scheduled to be delivered in 2026. Its predecessor, Adora Magic City, was delivered to Adora Cruises in 2023.

DUAL FUEL NEW ORDERS

In 2025, Chinese shipyards secured 231 orders for dual fuel propulsion ships (excluding LNG carriers) against 428, 290, 173, 142, 61, and 52 orders placed in 2024, 2023, 2022, 2021, 2020 and 2019, respectively. This represented 67% of all dual fuel ships ordered globally last year (excluding LNG carriers) and 15% of the total ship orders placed in China. Meanwhile, Korea and Japan secured 20.9% and 6.4%, respectively, of last year's dual fuel orders. These included 141 DF-LNG and 22 DF-Methanol Containerships, 7 DF-LPG and 2 DF-Ammonia Gas carriers, 10 DF-LNG and 14 DF-Methanol Tankers, 13 DF-Methanol Bulkers, 1DF-LNG PCTC, 4 battery-equipped ferries, 4 DF-LNG and 9 DF-Methanol Ropaxes, and 1 DF-Ammonia, 2 DF-LNG, and 1 battery-equipped Dry Cargo vessel.

MT ATREBATES, Tanker (VLCC), 321,761 Dwt, built by Qingdao Beihai Shipbuilding Heavy Industry, owned by CMB.TECH, delivered 2025.



Shipbuilding in South Korea

South Korea is the world's number two shipbuilder, holding an orderbook market share of 16.6%, slightly down from 16.9% in 2024. In 2025, the orderbook reached 78.2 mn Dwt, up from 65.8 mn Dwt in 2024 (+19%).

South Korean shipbuilders benefited from the threat of sweeping charges to be imposed by the US on Chinese-linked ships calling at US ports, as well as from their ability to offer earlier slots. Accordingly, yards increased their new orders by 19.4% (from 24 mn Dwt to 34.3 mn Dwt). Annual tanker orders increased by 70% (from 9.9 mn Dwt to 16.8 mn Dwt) and containership orders increased by 97% (from 6.8 mn Dwt to 13.4 mn Dwt). However, annual gas carrier orders decreased by 43% (from 7.2 mn Dwt to 4.1 mn Dwt), as the general demand for LNG carriers subsided, however not to the extent observed in China with 92%. No bulker orders have been recorded since 2022.

Korean yards still dominate the construction of LNG carriers and accounted for 68.9% of orders placed globally (42 new units compared with 56 in 2024, 53 in 2023 and 112 in 2022), while Chinese yards secured 26.2% of new orders in 2025 with 16 units, compared with 49 in 2024, 20 in 2023 and 47 in 2022.

Illustrating the strong consolidation of the Korean shipbuilding industry, 89.7% of the new orders in 2025 were secured by the Big Three, with HD Hyundai holding 50.8%, Samsung 19.6%, and Hanwha Ocean 19.3%.

After the drop in Korean shipbuilding output from 23.7 mn Dwt in 2022 to 22.3 mn Dwt in 2023 and 20.9 mn Dwt in 2024, deliveries rebounded in 2025, reaching 21.8 mn Dwt, reflecting the increase in new orders over the past couple of years. Similarly, the orderbook-to-yearly-output ratio increased slightly from 2.8 in 2022 and 2023, to 3.1 in 2024, and 3.6 at end-2025. By comparison, as mentioned above, China's ratio now exceeds 6.0, making it easier to find an earlier delivery slot in South Korea than in China.

Shipbuilding in South Korea		2023		2024		2025	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	22.4%	14.9%	16.9%	12.5%	16.6%	12.0%
	Bulk	0.0	1	0.0	1	0.0	1
	Tanker	9.5	105	17.0	163	28.7	190
	Container	27.1	234	21.4	162	24.7	191
	Gas	25.6	321	27.1	364	24.6	343
	All ships	62.6	679	65.8	704	78.2	731
Orders	Bulk	0.0	0	0.0	0	0.0	0
	Tanker	5.7	66	9.9	85	16.8	95
	Container	6.3	42	6.8	58	13.4	105
	Gas	7.4	106	7.2	115	4.1	59
	All ships	19.5	218	24.0	260	34.3	259
Delivery	Bulk	0.4	2	0.0	0	0.0	0
	Tanker	9.4	55	2.5	27	5.0	68
	Container	7.8	77	12.5	130	10.1	76
	Gas	4.6	73	5.8	74	6.5	78
	All ships	22.3	211	20.9	235	21.8	228

Expansion Abroad

Facing intense competition from China, the need to focus locally on large and high-value designs, growing demand for more international cooperation from leading countries (US, India, Middle East…), and domestic constraints such as labour shortages and the need for skilled workers, Korean shipyards accelerated their expansion abroad:

HD HYUNDAI

- HVS (Vietnam): at its existing facility in Vietnam, the aim is to optimise efficiency and thus increase annual output from an average of 14.5 ships to 20.5 ships by 2030 – typically in the MR to Aframax range, or vessels of comparable size.
- HHIP (Philippines, ex- Hanjin Subic): this leased shipyard facility is suitable for large ships, and LR2 newbuildings have been secured from Nissen and Cido. Going forward, construction of alternative large ships, such as Suezmaxes, Capesizes and Newcastlemaxes, will be considered. Annual capacity is, for now, about ten ships.
- In India, an MoU was signed with Cochin (CSL) for the joint exploration of shipbuilding orders and construction in India, as well as to advance technical collaboration, enhance productivity, and support workforce education. The types of ships to be built have not yet been specified, but they will align with the needs of Indian shipowners, as the collaboration also aims to develop the Indian merchant fleet.
- Still in India, HD Hyundai signed an MoU with the Indian State Government to establish a new shipyard in Tamil Nadu state.
- In the US, MoUs were signed with Huntington Ingalls Industries (HII) for commercial and military ship construction and Edison Chouest Offshore (ECO) for a strategic partnership focusing specifically on Tampa Ship LLC for the joint construction of container vessels in the United States.
- In Morocco, HD Hyundai entered into a strategic partnership with local authorities for the right to operate Casablanca's new shipyard, 'Grand Shipyard of Casablanca'. It will include a dry dock with dimensions of 244m x 40m and spanning 210,000m2, designed for both shipbuilding and repair. The concession is for 30 years and requires the development, equipment, operation, and maintenance of the new shipyard. Morocco is understood to be seeking 100 new merchant vessels by 2040 to promote foreign trade.

- In Peru, HD Hyundai, together with local shipyard SIMA, was selected in 2024 as the preferred bidder for the construction of four warships for the Peruvian Navy, and a Letter of Intent was signed in 2025.

- In Saudi Arabia, HD Hyundai is currently building the International Maritime Industries (IMI) shipyard, and a plant for engine manufacturer Makeen, at the King Salman Maritime Industrial Complex for Maritime Industries in Al Jubail on Saudi Arabia's east coast. The shipyard is scheduled to enter full operation in 2026, with the engine facility to follow in 2027. The two sides will also explore potential cooperation in naval defence projects.

SAMSUNG HI (SHI)

- 'Global Operation' is SHI's new business model for the construction of commercial ships. It currently comprises Sungdong (Korea), Paxocean (China), and PVSM (Vietnam), although further expansion through the addition of yard facilities in China and/or the Far East is under consideration. The intention is to continue building ship types with which the group already has experience, thereby leveraging existing design capacity and increasing efficiency.

- SHI signed an MoU with Swan (SDHI, formerly known as Reliance Naval and Engineering Limited) in Pipavav, Gujarat state, in western India, to collaborate on shipbuilding and marine projects.

- An MoU was also signed between SHI and American Vigor Marine Group to cooperate on the maintenance, repair and overhaul (MRO) of US naval support ships. Through this partnership, SHI intends to gain experience with US naval vessels, with the possibility that the MRO business could eventually expand into the construction of US naval ships.

HANWHA OCEAN

- Hanwha Ocean currently has no further expansion plans following the Hanwha Group's acquisition of the Philly Shipyard in late 2024. Its focus is now on optimising the US shipyard, including an in-depth cooperation with the US government. With limited capacity – two dry docks of moderate size – Hanwha Philly Shipyard will focus on vessels for the US market while expecting to take new contracts for export. Hanwha Shipping placed separate orders for the construction of ten MR tanker newbuildings and two LNG carriers. The Jones Act-compliant MRs will be delivered from 2029, while it remains unclear when the LNG carriers will be delivered – the latter will be built based on a joint construction model between Hanwha Ocean (Korea) and Hanwha Philly Shipyard.

- In Singapore, Dyna-Mac Holdings Ltd. has now been integrated into Hanwha Offshore Engineering. The acquisition was completed in early 2025 and forms part of Hanwha's strategy to strengthen its offshore engineering and fabrication capabilities, particularly in topside module construction for offshore facilities like FPSOs, rather than for commercial ships.

- In China's Yantai province, Hanwha Ocean (and previously DSME and Daewoo) has, for more than 20 years, owned Hanwha Ocean Shandong Co., a block fabrication yard and manufacturer of products related to onshore and offshore plants.

Shipyards Review

In 2025, **HD Hyundai Heavy Industries** completed its merger with HD Hyundai Mipo, with the stated aim of allowing the two shipbuilders to grow and diversify their markets, maximise synergies, and accelerate the development of new technologies. HD Hyundai, including Ulsan,

MIARAKA, Containership (wind-powered), 210 teu, built by RMK Marine, owned by Windcoop, to be delivered in 2027. The first world wind-powered containership

Samho and ex-Hyundai Mipo, secured 43.8% of Korean new orders in 2025, representing $17.4bn, thereby exceeding its initial annual target by 16%. For 2026, the group has set a $17bn target across all its shipyards. The group will remain selective when taking new orders, prioritising profitability. Of the 128 ships secured last year, 48.4% were based on dual fuel propulsion.

Hanwha Ocean secured 29.7% of new orders placed in Korea in 2025. Of its 48 contracts, 12 (25%) were for large LNG carriers. The shipbuilder, which became part of the Hanwha Group in 2023, reported full-year revenue of KRW 12.69tn, up 18% from 2024, marking its strongest profit performance since 2018. The company benefited from productivity improvements and cost controls, while also adding high-value vessels such as LNG carriers, as well as large tankers and containerships, to its orderbook. It is also seeing growing opportunities in naval and specialised ships.

Samsung HI (SHI) secured some 15.2% of Korean new orders in 2025. Of the 39 contracts it secured, 11 (28.2%) were for large LNG carriers and two (5.1%) for Very Large Ethane Carriers (VLECs). For 2025, SHI reported consolidated revenue of KRW 10.65tn, up 7.5% from 2024, marking the first time sales have topped KRW 10tn since 2016. The improvement is due to a rebalanced orderbook focused on higher-value vessels and rising offshore output, which together have reshaped its earnings structure. SHI has set an aggressive order intake target of $13.9bn for 2026, up 75.9% from last year, with FLNG projects accounting for $8.2bn of the total. Accordingly, the yard is now concentrating on LNG carriers as well as very large containerships and tankers.

DH Shipbuilding, which was previously known as Daehan and mainly focused on constructing large tankers, has also caught the containership fever. In 2025, it secured orders for 11 Suezmaxes and two 8,800 teu containerships for Japan's Doun Kisen. This compares with six ships in 2024, 13 in 2023, 11 in 2022 and 19 in 2021. In 2025, DH successfully launched its IPO on the Korean Stock Exchange.

K Shipbuilding (ex-STX) continued to focus on tankers, securing 19 new orders in 2025 (three LR2s and 16 MR2s). This compares with 12 in 2024, 18 in 2023, 10 in 2022 and 22 in 2021. The main shareholders, KH Investment (KHI) and United Asset Management Co. (UAMCO), with 99.58% of the shares, are seeking to sell K Shipbuilding to capitalise on the yard's rising value amid the shipbuilding boom. US-based TPG Inc., previously known as Texas Pacific Group, is teaming up with South Korean textile and chemical manufacturer Taekwang Industrial to acquire K Shipbuilding. With its two large docks, the yard could also attract additional US Navy maintenance, repair, and overhaul (MRO) projects.

HJ Shipbuilding and Construction (HJSC) (ex-Hanjin shipyard) focuses mainly on containerships. In 2025, it secured orders for four 8,850 teu containerships and four 7,900 teu containerships from the Greek owner Navios, as well as one 18,000 cbm LNG bunkering vessel from compatriot H-Line. This compares with orders for eight 9,000 teu containerships in 2024. By end-2025 its orderbook comprised 17 ships. HJSC secured orders worth KRW 2.5tn in 2025, surpassing its annual target.

Korea Yanase Tongyeong Shipbuilding was originally established in 1994 as Haedong Shipbuilding and renamed Samho Shipbuilding Co. in 2001 before going bankrupt in 2011. Following the bankruptcy, parts of its business were sold and succeeded by other companies, such as the current Korea Yanase Tongyeong Shipbuilding. The company specialised in constructing small and medium-sized vessels, particularly chemical tankers. In 2025, the yard secured two 39,400 Dwt coated tankers for a Vietnamese owner and one 3,815 Dwt tanker for an owner from the Philippines.

After two years of financial restructuring, **Daesun Shipbuilding** has finally exited the shipbuilding sector after completing the sale of the yard to Hanla IMS, a specialised marine equipment manufacturer that is looking to expand its base in specialised equipment as well as the MRO sector. Originally launched in 1945, Daesun was considered the oldest of the South Korean shipyards, but in recent years, it had struggled with mounting debt.

Dual Fuel new orders

In 2025, Korean shipyards secured orders for 72 dual fuel propulsion ships (excluding LNG carriers) against 75 in 2024, 73 in 2023, 71 in 2022, 123 in 2021, 43 in 2020 and 31 in 2019. This represented 20.9% of all dual fuel ships ordered globally last year, and 27.8% of the total orders placed in South Korea. In comparison, Chinese and Japanese yards won 67% and 6.4% of such orders, respectively. These included four DF-Ethane and eight DF-LPG gas carriers, 58 DF-LNG containerships, and two DF-LNG Suezmax tankers.

Shipbuilding in Japan

Shipbuilding in Japan		2023		2024		2025	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	15.3%	15.6%	11.9%	13.1%	8.9%	10.9%
	Bulk	28.0	410	31.3	439	27.4	376
	Tanker	5.5	101	7.4	123	8.2	138
	Container	7.3	82	5.4	53	4.1	37
	All ships	42.8	711	46.1	739	41.9	663
Orders	Bulk	11.8	181	13.7	186	7.2	94
	Tanker	3.7	55	2.6	50	2.7	53
	Container	3.4	33	1.0	13	0.3	5
	All ships	19.8	319	18.1	300	11.3	199
Delivery	Bulk	11.3	155	10.2	154	11.1	157
	Tanker	1.0	25	0.8	28	1.9	38
	Container	2.4	35	2.1	36	1.6	21
	All ships	15.4	264	13.9	263	15.5	275

Japan, the world's third-largest shipbuilder, continued to see its orderbook market share shrink as it dropped to 8.9% in 2025, against 11.9% in 2024 and 15.3% in 2023. In 2025, the country's orderbook

decreased by 10% (from 46.1 to 41.9 mn Dwt), newbuilding orders decreased by 37% (from 18.1 to 11.3 mn Dwt), and deliveries increased by 11% (from 13.9 to 15.5 mn Dwt).

New orders for bulkers have fallen by 47% (from 13.7 to 7.2 mn Dwt), tankers remained steady at 2.7 mn Dwt, and only five containerships were ordered, despite being the most in-demand segment.

Together, Japan's four largest shipyards, Nihon (Imabari + JMU), Oshima, Namura, and Shin Kurushima, secured 82.3% of the total new orders placed at Japanese yards in 2025, with shares of 36.4%, 20%, 16.8% and 9.1%, respectively.

Japan's total shipbuilding output increased slightly in 2025 to 15.5 mn Dwt, versus 13.9 mn Dwt and 15.4 mn Dwt delivered in 2024 and 2023, respectively. Meanwhile, its orderbook-to-yearly-output ratio decreased to 2.7 at end-2025, compared with 3.3 and 2.8 at end-2024 and end-2023, respectively, thereby reflecting the lack of new orders.

Some newsworthy events of the year

- Japanese shipyards have announced significant investment plans aimed at combating their declining market share and potentially doubling output by 2035. Many yards have ageing facilities and require sizeable long-term investment to boost capacity. These measures would include the installation of large cranes and the use of robotics. However, labour supply and material costs remain key challenges if the nation is to strengthen its shipbuilding competitiveness. With an ageing population and fewer young workers entering the industry, most yards are facing labour shortages and are still struggling to recover a large share of the workforce that left during the Covid shutdown. In addition, disparities in steel plate costs also make it difficult for Japanese shipyards to remain price-competitive with their Chinese and South Korean counterparts, which primarily source steel plates from domestic manufacturers.

- **Imabari Shipbuilding** and **Japan Marine United** (JMU) are Japan's two largest shipbuilders, with orderbooks of 12.9 mn Dwt (30.8% of Japan's orderbook) and 9.3 mn Dwt (22.3%), respectively. In 2021, they launched a joint venture, **Nihon Shipyard**, with Imabari holding a 51% stake and JMU 49%. This joint company handles all commercial ships excluding LNG carriers. In 2025, Nihon won orders for 28 ships (against 88 in 2024, 130 in 2023, 90 in 2022 and 110 in 2021) for a total of 4.1 mn Dwt. At the end of 2025, Nihon's orderbook totalled 205 ships for a total of 22.2 mn Dwt, making it the world's sixth-largest shipbuilder after CSSC, Hengli, HD Hyundai, CHI and NTS. Notably, Imabari Shipbuilding has increased its own stake in JMU from 30% to 60%, making JMU a fully controlled subsidiary. It celebrated the delivery of its 3,000th vessel in early 2025, marking a significant achievement for the yard.

- **Oshima Shipbuilding, Shin Kurushima** and **Namura**, respectively the third (orderbook of 6.7 mn Dwt), fourth (3.8 mn Dwt) and fifth (3.1 mn Dwt) largest Japanese shipbuilders, secured a total of 84 ships in 2025 for a total of 5.2 mn Dwt. In Japan, 25 shipyards secured new orders last year, with the top five receiving a combined 82.3% of the total.

- **Tsuneishi Shipbuilding** continued the development of its new shipyard, Tsuneishi Timor Shipbuilding (TTS), in East Timor, which has the capacity to build up to 12 ships annually. The Kambara Family Group has thus successfully developed several shipbuilding facilities abroad (notably in Cebu, Philippines, and Zhoushan, China) from greenfield sites and also operates a small shipyard in Paraguay. Tsuneishi completed the acquisition of 100% of Mitsui E&S Shipbuilding's shares, making it a wholly owned subsidiary. Following the acquisition, Mitsui E&S Shipbuilding was renamed Tsuneishi Solutions Tokyobay. This move was part of a broader strategy to integrate operations, enhance competitiveness, and ensure sustainable growth in the Japanese shipbuilding sector. In order to develop its domestic capabilities in gas carriers, containerships, and passenger ships, it also acquired a majority stake in compatriot Mitsui E&S Shipbuilding. In addition, Yangzijiang Shipbuilding completed its acquisition of a 34% equity stake in Tsuneishi Zhoushan. This move followed a joint venture agreement signed in 2024. The partnership aims to combine the strengths of both companies in research and development, shipbuilding, and supply chain capabilities, positioning Tsuneishi Zhoushan Shipbuilding as an associated company of Yangzijiang.

- **Oshima Shipbuilding**, in collaboration with Sumitomo Corporation, has advanced the design and development of an 80,000m³ ammonia-fuelled dry bulk carrier. This project is part of Japan's push to adopt zero-carbon fuels. It also completed the first hard windsail for the Wind Challenger project, designed to reduce fuel consumption and emissions on bulk carriers.

- **Kawasaki Heavy Industries** and **Japan Suiso Energy** have signed a deal for the world's largest – and only second-ever – liquefied hydrogen carrier. The vessel is set to have a capacity of 40,000 cbm and is due for delivery in 2030.

- **Mitsubishi Shipbuilding** has secured orders for three more methanol-ready Car carrier freight vessels from a trio of domestic owners. To be delivered in 2028, the 168m Car carriers will have capacity for around 2,300 cars. The ships will be able to run on green methanol made from sustainable biomass or captured CO_2, and hydrogen produced from renewable energy.

Shipbuilding in Europe

In 2025, market share held by European shipyards remained on par with 2024, at 3.6% of the global orderbook in Gt terms. European shipyards increased their orderbook from 11.2 mn Gt (333 ships) in 2024 to 12.6 mn Gt (320 ships – 13 fewer than in 2024). New orders decreased from 98 ships in 2024 to 70 in 2025. Meanwhile, in Gt terms, total new orders still increased from 2.6 mn Gt to 3.8 mn Gt thanks to the noticeable appetite

for larger cruise ships. Dry cargo, a ship type for which European yards have proved to be more attractive in recent years, saw orders fall to 28 vessels (0.1 mn Dwt) in 2025 compared to 53 units (0.3 mn Dwt) in 2024. Last year, China, Korea, Japan and Europe accounted for 237.8, 68.4, 26.9 and 12.6 mn Gt (or 333.3, 78.2, 41.9 and 4.4 mn Dwt) of the global orderbook, respectively.

European output has increased to 2.3 mn Gt (83 ships) in 2025 from 1.4 mn Gt (71 ships) in 2024. The orderbook-to-yearly-output ratio of 5.5 in 2025 and 7.9 in 2024 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.

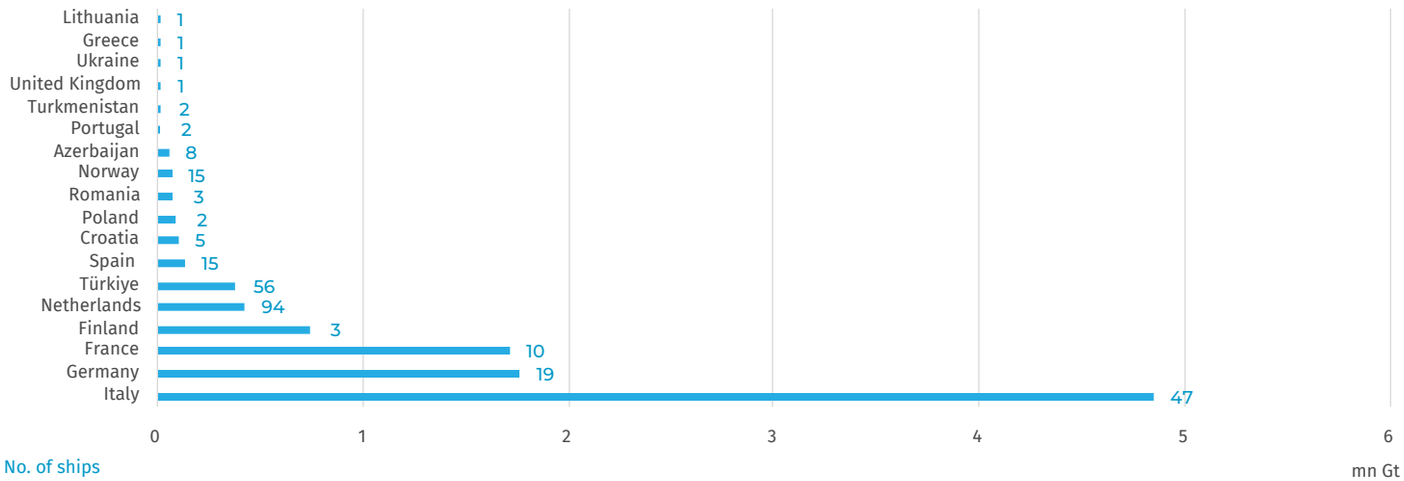
- In 2025, Italy was by far the largest European shipbuilding country with 4.8 mn Gt on order, mainly thanks to Fincantieri's position as the world's largest cruise ship builder. By end-2025, **Fincantieri** had 41 large cruise ships on order against 35 in 2024, representing 41% of the global cruise ship orderbook, with the last delivery scheduled in 2036. Italy can also count on **Mariotti**, with one 23,000 Gt cruise ship for 2027 delivery, and **Visentini**, with one 3,000 LM DF Methanol-ready Ro-ro for 2026 delivery. Furthermore, in 2026 **San Giorgio del Porto** will deliver a 7,500 cbm LNG bunkering vessel for renewable producer Axpo.

- Germany reached second position in 2025, with **Meyer Werft's** orderbook of 15 units after the yard contracted four new units (all for MSC), with the last delivery scheduled for 2033. Founded in 1795 and led by seven generations of the Meyer family, the yard is now temporarily nationalised until 2027, with the federal government and the state of Lower Saxony taking an 80% share. The country can also count on **Ferus Smit Leer** with its orderbook of eight small ships (seven General Cargo/MPP units and one tanker). **Flensburger** (FSG) has been renamed FSG Shipyard after it became part of the Heinrich Rönner Group in 2025. FSG has now restarted the construction of its LNG-powered Ro-ro ferry for SeaRoad, which is planned for delivery in 2026.

Shipbuilding in Europe		2023		2024		2025	
		mn Gt	No.	mn Gt	No.	mn Gt	No.
Orderbook	Market share	4.3%	6.7%	3.7%	5.9%	3.6%	5.3%
	Bulk	0.1	8	0.1	15	0.1	18
	Tanker	0.7	37	0.7	42	0.7	41
	Container	0.1	6	0.1	6	0.1	6
	LNG	1.9	16	1.9	16	1.7	16
	Dry Cargo	0.7	150	0.7	153	0.7	135
	Cruise	5.7	58	7.7	75	9.5	83
	All ships	10.0	307	11.2	333	12.6	320
Orders	Bulk	0.0	3	0.0	8	0.0	7
	Tanker	0.0	5	0.1	10	0.1	8
	Container	0.0	2	0.0	0	0.0	0
	LNG	0.0	1	0.0	0	0.0	1
	Dry Cargo	0.2	46	0.3	53	0.1	28
	Cruise	1.0	13	3.0	26	3.2	19
	All ships	1.4	75	2.6	98	3.8	70
Delivery	Bulk	0.0	2	0.0	1	0.0	4
	Tanker	0.1	6	0.1	5	0.1	9
	Container	0.0	0	0.0	0	0.0	0
	LNG	0.0	0	0.0	0	0.1	1
	Dry Cargo	0.2	44	0.2	50	0.2	46
	Cruise	1.4	16	1.0	9	1.5	11
	All ships	1.8	72	1.4	71	2.3	83

- France is in Europe's third position thanks to its leading shipyard, **Chantiers de l'Atlantique**. Its orderbook now stands at ten cruise ships, following MSC's order for two new cruise ships with LNG propulsion and Celebrity's order for one new dual fuel methanol cruise ship. Ships are set for delivery through 2031. The French State remains Chantiers' main shareholder, holding an 84% stake following European competition regulators' rejection of a proposed merger with Fincantieri.

Orderbook of European Shipyards at end-2025 (mn Gt)



- In Finland, **Meyer Turku Oy** holds an orderbook of 0.75 mn Gt, consisting of three DF LNG cruise ships for Royal Caribbean, to be delivered by 2028. **Rauma Marine Constructions** (RMC) won a significant contract to build two Arctic Security Cutters (icebreakers) for the US Coast Guard. The first of these is expected to be delivered in 2028. The project involves collaboration with Louisiana-based Bollinger Shipyard, which will build four additional cutters using RMC's design and expertise. **Helsinki Shipyard** (owned by Canada's Davie) also signed a landmark deal with the US to build up to 11 Arctic Security Cutters. Helsinki Shipyard will construct two of these, with the first expected to be delivered in 2028. This agreement is part of a broader US-Finland partnership to strengthen Arctic capabilities. It also secured a contract with the Canadian government to build a heavy icebreaker, the Polar Max, with the hull to be transferred to Davie's shipyard in Quebec for final outfitting.

- Dutch shipbuilders won Europe's highest number of new orders in 2025, with five yards securing orders for 23 ships, including 16 general cargo ships. In terms of orderbook, the main shipyards are Royal Bodewes (20 ships), Thecla Bodewes (15), Damen Gorinchem (12), and Niestern Sander (10 ships). In 2025, **Thecla Bodewes Shipyards** was granted the Royal designation, becoming **Royal T Shipyards**. This honour recognises the company's long-standing legacy and leadership in sustainable and innovative shipbuilding. The Dutch government also introduced a new initiative, "No guts, no Hollandse glorie", which includes a €450mn financial support package aimed at strengthening the competitive position of the Dutch maritime manufacturing sector. The programme is intended to alleviate financing constraints and reduce the risk exposure faced by Dutch shipyards when competing with heavily subsidised Asian counterparts. In addition, several major Dutch shipyards formed **SHIP NL**, a consortium established to enhance cooperation when bidding for Dutch government and naval contracts, thereby reinforcing the national shipbuilding base. After several challenging years marked by restructuring and financial pressure, the shipyard **Royal IHC** demonstrated clear signs of recovery in 2025, reflecting renewed commercial momentum with various new orders.

- Türkiye's shipbuilding industry moved to sixth position in 2025, with an orderbook of 0.38 mn Gt, spread across 21 shipyards. Last year, only ten orders were secured in seven different shipyards after 13 in 2024, 15 in 2023 and 35 in 2022. **Gelibolu Shipyard** signed a landmark contract for the construction of two hydrogen-powered bulk carriers for the Norwegian company GMI. These 4,000 Dwt vessels are the world's first hydrogen-powered bulk carriers. **RMK Marine** was chosen to build Windcoop's world-first wind-powered containership, the Miaraka. The vessel, designed to carry 210 containers and reduce CO_2 emissions by 60%, is set to operate on the France–Madagascar route starting in 2027.

- Spain is back in seventh position, with six new orders at **Murueta** (3), **Armon** (2) and **Zamakona** (1). Its orderbook now stands at 15 ships for a total of 0.13 mn Gt spread across seven shipyards.

- Croatian shipbuilding is still going through difficult times. **3. Maj 1905** has finally been acquired by Iskra Shipyard, a smaller yard from Šibenik now controlled by a Slovenian company. Production is currently being re-established at the shipyard's premises, offering a more positive outlook for its future. Meanwhile, Scenic Group is continuing to use the facility to build several polar cruisers. **Uljanik Brodogradnja 1856** continues to face financial difficulties, and its future remains uncertain. There have been discussions about the Croatian government seeking a buyer, but no concrete developments have followed. In the south, **Brodosplit** has been busy building patrol vessels for the Croatian Navy, but that contract has now been terminated. Its previous project with Storylines – the world's largest sailing residential ship, designed with strong environmental sustainability features – has also fallen through. The shipyard remains focused on commercial shipbuilding and continues efforts to stay competitive in the market. While seeking employment, it is building various steel constructions and bridge components. **Brodotrogir Cruise**, formerly known as Brodotrogir, is actively seeking new projects but has recently been engaged primarily in building mini cruisers for local owners.

- Polish shipyards secured small tonnage orders. **Remontowa** contracted seven electric ferries for Scottish shipowner Caledonian Maritime Assets Limited (CMAL), with a length overall of less than 50m, together with the Polish government's order of three 4,100 Dwt dual fuel ferries at Remontowa yard. Thus, the country's seventh-place position is preserved. Poland can also count on the **Gryfia Shipyard** and its partner **Stocznia**. Poland remains very active, with yards such as Crist, which serves as a block and hull manufacturer for other European builders, including French and Norwegian yards.

- Romania mainly relies now on **Constanta shipyard**, which secured an MR1 tanker for compatriot Histria.

- Norwegian shipbuilders have secured orders for three small live fish carriers in 2025; two at **AAS** and one at **Havyard Leirvik**. The total orderbook (excluding offshore vessels) comprises 15 ships across four different shipyards.

Shipbuilding in the Rest of the World

The orderbook held by shipyards in the Rest of the World (RoW) decreased slightly from 13.0 mn Dwt in 2024 to 12.3 mn Dwt in 2025. New orders for tankers, bulkers and containerships decreased sharply with 25 tankers (1.5 mn Dwt), five bulkers (0.6 mn Dwt) and no containers ordered in 2025. The region's global orderbook market share decreased from 3.3% to 2.6%.

Deliveries increased in nominal value, moving from 70 to 76 ships, but overall Dwt remained on par with 2024 at 2.7 mn, thereby highlighting smaller average dimensions for the ships built. Thus, the ratio between the current orderbook and yearly output decreased slightly from 4.6 to 4.5.

In 2025, 18 RoW shipyards secured new orders (compared with 25 in 2024, 25 in 2023, 21 in 2022, 19 in 2021 and 15 in 2020). The first three yards, HVS (Vietnam), Tsuneishi Cebu (Philippines), and CSBC (Taiwan), account for 31.1%, 28.2% and 16.6%, respectively, of the RoW orderbook, totalling 75.9%. This was a reduction from 75.2% in 2024. Last year, Hyundai Vietnam (HVS) secured orders for seven ships (all LR2s), CSBC secured two ships (both Newcastlemaxes), and Tsuneishi secured only three ships, against 16 in 2024.

Shipbuilding in RoW		2023		2024		2025	
		mn Dwt	No.	mn Dwt	No.	mn Dwt	No.
Orderbook	Market share	3.5%	6.3%	3.3%	6.1%	2.6%	5.1%
	Bulk	5.5	92	5.2	81	4.6	65
	Tanker	3.4	69	5.2	95	5.4	91
	Container	0.2	6	1.8	22	1.4	18
	All ships	9.7	286	13.0	343	12.3	308
Orders	Bulk	2.6	41	1.7	18	0.6	5
	Tanker	1.1	28	2.9	48	1.5	25
	Container	0.0	2	1.2	12	0.0	0
	All ships	3.9	120	6.1	128	2.4	45
Delivery	Bulk	1.5	25	1.6	24	1.3	21
	Tanker	0.8	18	1.1	22	1.3	29
	Container	0.2	5	0.0	0	0.0	0
	All ships	2.6	69	2.8	70	2.7	76

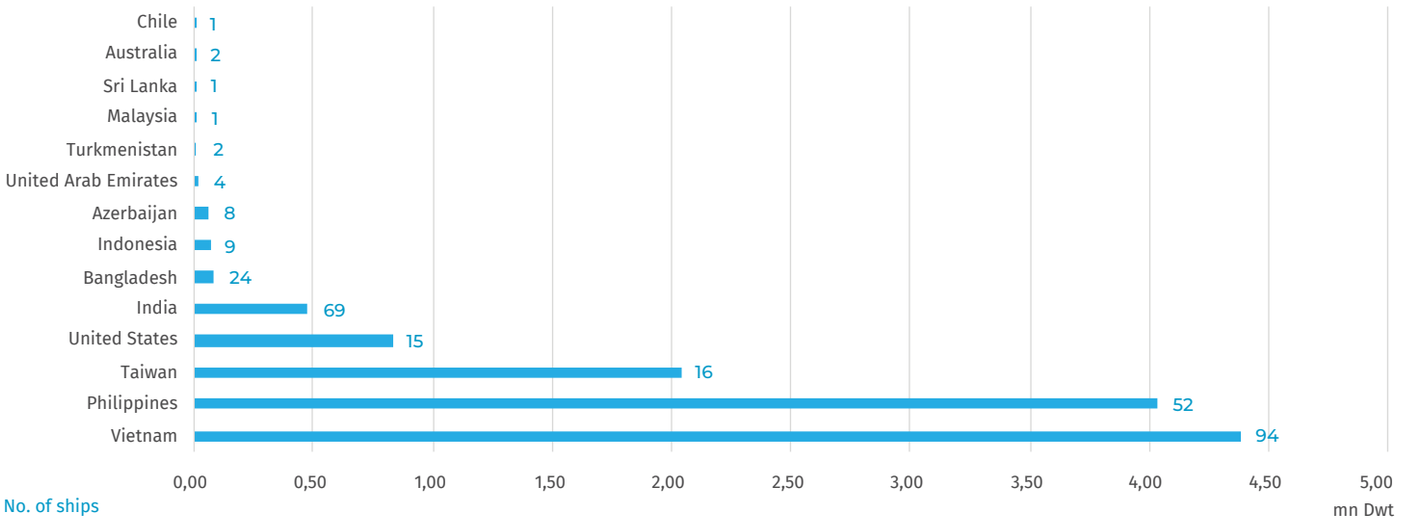
→ Last year, Vietnam gained the position of largest shipbuilding nation in the RoW category, with 35.6% of the RoW orderbook, thanks to **Hyundai Vietnam** (HVS), which accounted for 87.2% of the country's orderbook. By end-2025, HVS had 47 ships on order (23 Aframax/LR2s and 24 MR2 tankers), totalling 3.8 mn Dwt. Most of the additional new orders in Vietnam were backed by local Vietnamese owners, with some notable activity in **Bach Dang** securing three new orders and **Pacific Shipbuilding** obtaining two orders for 26,000 Dwt bulkers. The exception came from **Pha Rung shipyard**, which secured three new orders for 12,980 Dwt chemical tankers from Korean owners. Overall, the situation regarding the SBIC bankruptcy remains unchanged, making it very difficult for foreign owners to identify the appropriate conditions for placing direct orders from Vietnam.

→ The Philippines, led by **Tsuneishi Cebu**, lost its top rank among RoW shipbuilding countries, dropping to a 32.9% share of the orderbook at end-2025. This compares with 34.1% in 2024, 50.3% in 2023, 47.6% in 2022, 55.2% in 2021 and 44.5% in 2020. Last year, Tsuneishi secured orders totalling only 0.2 mn Dwt (three ships). These were all for bulk carriers (one Kamsarmax and two Ultramaxes). **Austal Philippines** has been awarded a contract to design and construct a new high-speed, hydrogen-ready ferry ordered by Swedish transport company Gotlandsbolaget. **Hyundai Philippines** secured an additional LR2 order for delivery in 2028 to a Japanese owner.

→ Taiwan's **CSBC** shipyard secured two Newcastlemax bulkers for compatriot Chinese Maritime Transport (CMT) in 2025. CSBC primarily serves local owners such as Wan Hai and CMT.

→ US shipyards climbed into fourth place, thanks to both the strong push by the American administration to "Make American Shipbuilding Great Again" (MASGA) and the support given by Hanwha to support this plan. Notably, Washington has helped shape more favourable conditions for restarting construction in the United States. As an example, **Hanwha Philly** pocketed 12 new orders totalling 0.6m Dwt – ten MR2s and two LNG carriers – with a significant portion of the construction to be carried out at Hanwha Ocean's Geoje shipyard in Korea. Hanwha is bringing its LNG shipbuilding and operational expertise from Korea to the US through capability and technology transfers that support the growth of the country's maritime industrial base.

Orderbook Rest of the World 2025 (mn Dwt)



- India, ranked fifth last year, is receiving significant attention thanks to new policies prepared by the administration to place India among the world's top five shipbuilding countries by 2047. Many new government policies are aimed at supporting current shipyards through new investments, modernisation, internationalisation and expansion. As a demonstration of this evolution, CMA CGM signed an LOI with **Cochin** for the construction of six 1,700 teu DF LNG containerships.

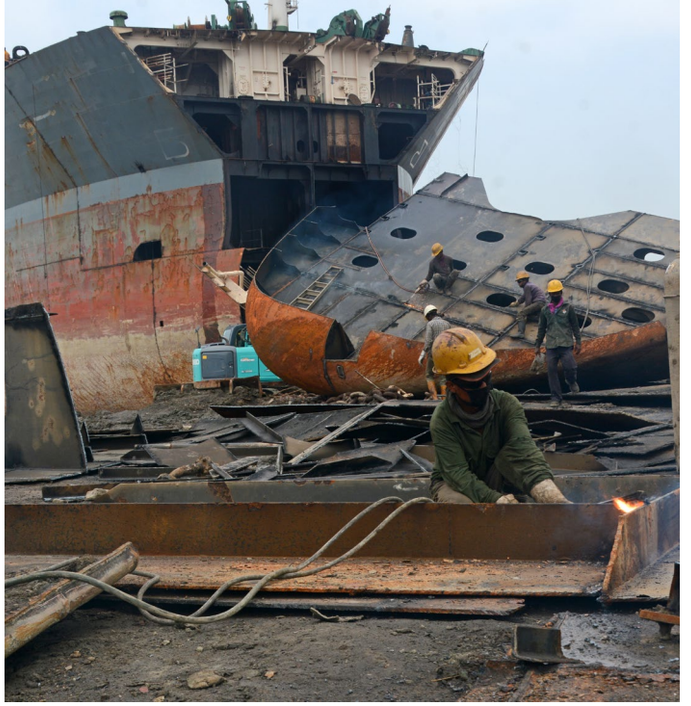
- Saudi Arabia made an appearance on the map, snatching sixth place through its national shipping and logistics company. Bahri placed a landmark order for six Ultramaxes at **International Maritime Industries** (IMI), the operator of the Kingdom's emerging shipbuilding and repair complex and a joint venture between Aramco, Bahri, Hyundai Heavy Industries and Lamprell. These contracts mark a major milestone as they represent Saudi Arabia's first large-scale shipbuilding project, underscoring the country's ambition to become a global maritime hub.

- Bangladesh remains relatively active with an orderbook of 24 units spread across four different shipyards. The largest shipbuilder is **Bashundara** Group, with ten ships on order. Bangladesh is mainly a domestic market, focusing on vessels below 5,000 Dwt.

- Indonesia remained in eighth position. The country's orderbook (excluding offshore vessels) contains nine ships spread across six shipyards, the largest being the **KTU shipyard** with four 5,000 Dwt general cargo ships still on order.

KAMSARMAX "SEA LEO" and KAMSARMAX "SEA LYRA" of each 82,000 Dwt (BULK CARRIER)
Built by QINGDAO SHIPYARD (CMI) CO., LTD. OWNER SEATANKERS, DELIVERY MAY AND JUNE 2025

Some Aspects of the Shipbuilding Market



Time for the shipping community to develop an industrial solution for ship recycling

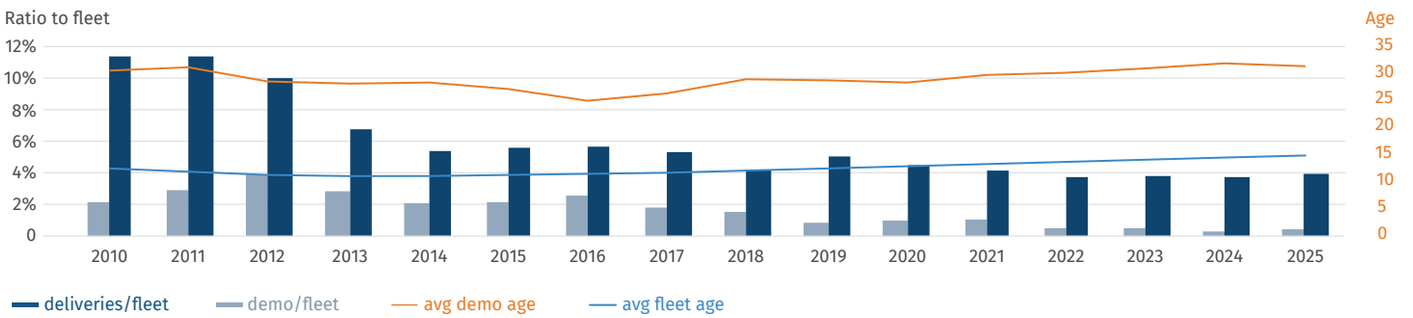
If shipbuilding has expanded tremendously over the last 25 years, enabling the merchant fleet to almost triple in size during the same period so as to match the expansion of global trade, the same cannot be said for ship recycling, which has become a comparatively minor activity. Accordingly, this situation constitutes a major challenge for the shipping industry going forward.

To illustrate the acuity of the problem: in 2025, 93.7 mn Dwt of new tonnage was delivered from shipbuilders, while 10.7 mn Dwt was recycled – a ratio of 9:1.

Besides, while shipbuilding has become a major industry thanks to plentiful investment and modernisation, the ship recycling 'industry' has not benefited from similar attention, and consequently remains artisanal at best, and primitive at worst.

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demolitions	29.1	41.8	59.4	45.1	34.6	36.4	44.8	32.6	28.7	17.1	20.6	22.0	10.3	10.7	6.8	10.7
Deliveries	151.1	164.1	153.8	108.2	88.4	95.1	99.0	96.8	79.5	98.5	90.2	85.9	80.8	83.9	86.1	93.7
Demo/fleet	2.2%	2.9%	3.9%	2.8%	2.1%	2.1%	2.5%	1.8%	1.5%	0.9%	1.0%	1.1%	0.5%	0.5%	0.3%	0.4%
Deliver/fleet	11.3%	11.4%	10.0%	6.8%	5.4%	5.6%	5.6%	5.3%	4.3%	5.0%	4.5%	4.1%	3.8%	3.8%	3.7%	3.9%
Avg Demo Age	30.6	31.1	28.6	28.2	28.3	27.1	25.0	26.4	28.9	28.8	28.4	29.8	30.1	31.0	31.9	31.3
Avg Fleet Age	12.6	11.9	11.3	11.1	11.2	11.4	11.6	11.8	12.2	12.6	13.0	13.3	13.7	14.1	14.5	14.9
Fleet Evolution	1,331.1	1,448.1	1,538.7	1,598.9	1,649.6	1,704.8	1,757.0	1,819.8	1,869.8	1,949.9	2,017.3	2,080.3	2,149.7	2,222.2	2,301.1	2,382.9

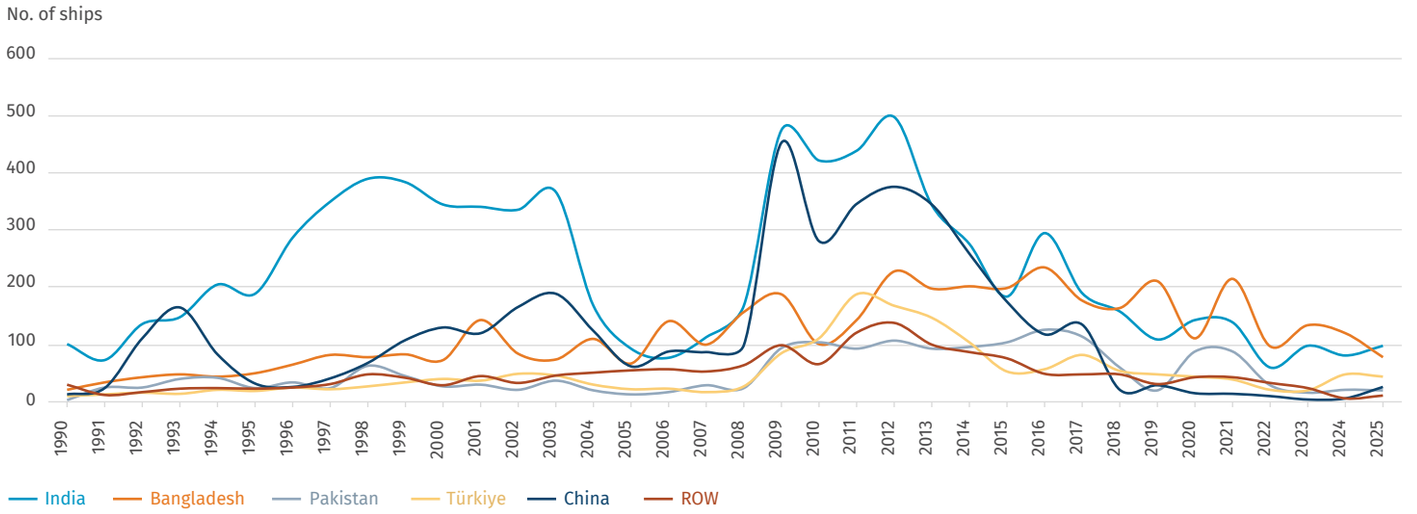
Demolitions vs Deliveries



In 2025, ship recycling activity remained concentrated across three countries: India, Pakistan and Bangladesh. Although progress has been made to improve working conditions through the introduction of new conventions, ship recycling remains stuck in the past: a source of pollution and, worse, an activity plagued by injuries and fatal accidents.

At a time when the shipping industry has been focused on reducing its environmental footprint, it may have overlooked the issue of ageing ships and what to do with them. Sometimes, as an industry, we get our priorities wrong.

Demolitions per Demo Country



Demo year	India	Bangladesh	Pakistan	Türkiye	ROW
2021	26%	40%	16%	7%	11%
2022	24%	39%	12%	8%	17%
2023	33%	45%	5%	7%	9%
2024	29%	43%	7%	17%	4%
2025	35%	28%	7%	16%	13%

The shipbuilding industry should now take the lead in developing an industrial solution that benefits itself, its customers, and the shipping world as a whole.

Finding an industrial solution that matches the formidable development of the shipbuilding industry would have many virtues:

- Removing ageing vessels that threaten human life and safety – crew and beyond.
- Phasing out ships that are less energy-efficient and more polluting.
- Eliminating older units, most of which are fully amortised and thus able to accept lower rates, thereby compromising the profitability of modern ships and hindering investment in new tonnage.

Considering China's shipbuilding market share of about 75% and its centralised organisation, we are of the opinion that Chinese authorities should promote a solution whereby ships under any flag may be dismantled in an industrial fashion. This could spark investment in dedicated facilities within China. Additionally, China could invest in foreign countries, particularly India, Pakistan, and Bangladesh, where recycling currently prospers, thereby modernising the industry from within. Such facilities would host vessels in covered grave docks so as to limit the release of dust and pollutants. Cutting robots could be used, and powerful logistics systems implemented to ensure proper recycling of material, thus mirroring the standards already seen at modern shipyards.

Such a project could be promoted by major Chinese shipbuilders, or in association with major international ship owning companies. Furthermore, as the world's largest steel producer, Chinese steel mills could have a genuine interest in recovering the scrap steel to use as feedstock for modern, less polluting electric arc furnaces, thereby forming a new virtuous steel industry circle.

It is understandable that, on 1 January 2019, China chose to close its market to the recycling of foreign-flagged ships. The decision was logical since China, like many other countries, seeks to reduce domestic pollution and waste-producing industries. Few countries are willing to maintain a domestic recycling sector unless it can evolve into a clean industry that generates added economic and social value. However, the pollution generated in India, Pakistan or Bangladesh ends up in our shared atmosphere. So, it is better to control the issue.

As discussed previously, China could opt to invest either domestically or abroad. In 2025, many expansion projects aimed at opening shipyards abroad were led by Korean groups.

Moreover, there is a growing sense of alarm over the rapidly expanding shadow tanker fleet, which largely consists of old and poorly maintained ships that will eventually need to be recycled. It is interesting to note that, in early 2026, cash buyer and ship recycler GMS applied to OFAC for an exemption from sanctions to sell two shadow fleet tankers, recently seized by the US, for recycling.

Sanctioned tankers	On order	<5	5 to 9	10 to 14	15 to 19	20 to 24	25+	Total existing	Avg age	Avg age of full fleet for comparison
Small	0	0	8	24	28	17	30	107	20.3	17.8
Intermediate	0	0	0	1	13	11	13	38	22.3	17.1
Flexy	0	0	0	0	6	9	4	19	21.3	18.0
MR1	0	0	0	1	24	32	6	63	20.8	18.8
MR2	3	1	14	0	40	61	20	136	19.6	13.3
Panamax	0	1	1	2	20	38	4	66	19.7	16.5
Aframax	12	7	9	8	133	136	18	311	18.8	13.7
Suezmax	2	0	0	8	32	55	25	120	21.1	13.3
VLCC/ULCC	0	0	0	13	32	78	27	150	20.6	13.8
Asphalt/Bitumen	1	0	0	3	3	2	3	11	21.5	15.5
Chemical	0	0	0	0	5	2	19	26	27.7	16.0
Total	18	9	32	60	336	441	169	1,047	20.2	15.7

Let's hope this issue will soon be taken more seriously by the shipping industry, and that a resolution will be found in the coming years.

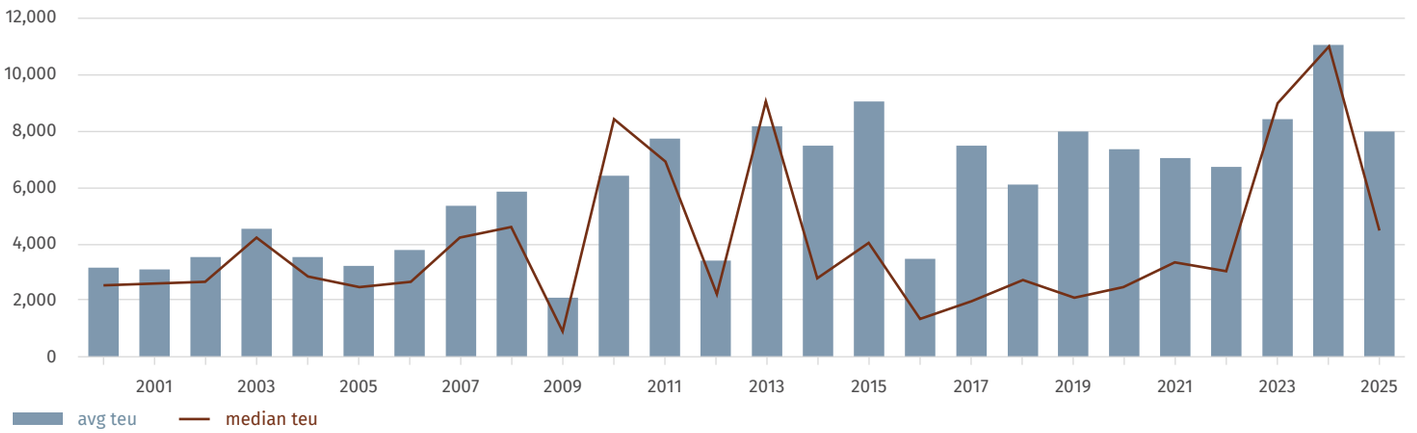
Unexpected boom in container carriers... again

Despite a formidable orderbook equivalent to about 36.6% of the existing container carrier fleet, which may raise questions on the sustainability of these investments, newbuilding orders continued to defy the laws of gravity as if there was no tomorrow, as they reached 60.1 mn Dwt in 2025, well above previous historical highs of 50.1 mn Dwt in 2021 and 50.9 mn Dwt in 2024. All the more surprising is that this came, firstly, after an exceptional 2024, and secondly, at a time when tariff-related uncertainty was hindering commercial decision-making and disrupting supply chains.

mn Dwt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bulk	89.6	40.4	24.2	75.6	56.9	35.3	16.9	36.5	40.6	25.7	29.9	49.9	35.2	51.1	59.9	53.6
Tanker	30.2	9.1	13.4	33.6	32.5	50.6	11.2	30.0	23.7	27.2	23.3	20.9	10.1	35.6	64.2	52.2
Container	7.4	21.1	3.5	22.8	12.5	23.6	3.2	8.6	13.0	7.4	12.7	50.1	28.0	20.9	50.9	60.1
Other	4.6	6.9	6.2	9.2	12.7	6.9	1.7	3.9	9.0	9.4	8.5	14.2	20.7	17.9	21.3	10.7
Total	131.8	77.5	47.3	141.2	114.7	116.2	32.9	79.0	86.3	69.7	74.5	135.2	94.0	125.5	196.3	176.5

This time, buyers clearly focused on feeder and medium-sized tonnage as the average size of newbuildings fell from 11,000 teu to 8,000 teu per order and, much more characteristically, the median size fell from 11,000 teu to just over 4,000 teu.

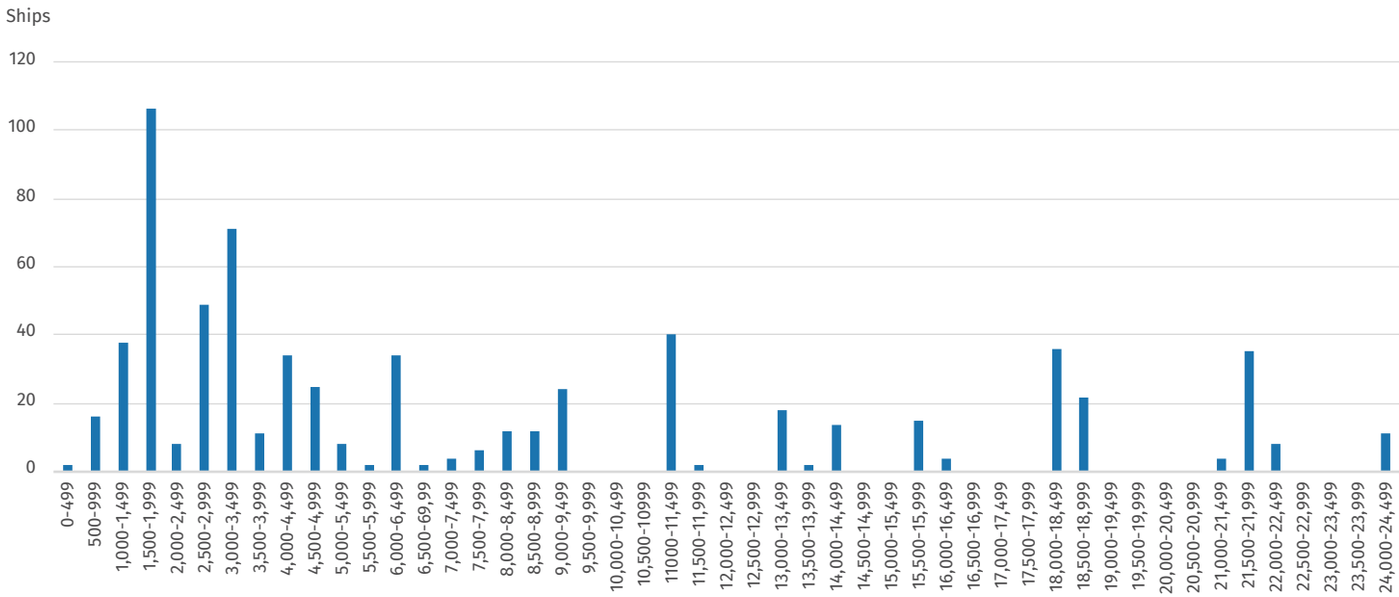
Containership Size Preferences as per Yearly Ordering (Since 2000)



The density metrics of the orders also offer an interesting angle on the phenomenon described above. Indeed, the density of the 100 container carriers' newbuilding orders in the feeder segment between 1,000 and 1,499 teu contracted in 2025, was six times greater than the density of the 116 newbuilding orders placed for units with between 18,000 and 24,500 teu.

	Existing		Orderbook		O/E (teu)	Orders in 2025		Average age
Size range teu	Ships	teu	Ships	teu	%	Ships	teu	Years
18,000-24,232	203	4,434,811	201	4,190,124	94.5%	116	2,343,990	5.1
13,300-17,999	456	6,861,443	223	3,396,622	49.5%	49	713,968	5.1
12,500-13,299	129	1,685,368	20	261,224	15.5%	4	52,544	8.1
10,000-12,499	218	2,396,325	95	1,069,720	44.6%	42	481,360	8.3
7,500-9,999	534	4,699,425	174	1,511,852	32.2%	54	467,328	12.8
5,100-7,499	558	3,512,648	67	414,822	11.8%	46	279,148	14.3
4,000-5,099	648	2,933,168	82	368,704	12.6%	63	284,854	15.8
3,000-3,999	337	1,141,998	95	305,440	26.7%	82	262,380	11.9
2,000-2,999	894	2,278,035	72	191,551	8.4%	57	155,673	12.9
1,500-1,999	804	1,412,559	116	211,673	15.0%	106	193,284	11.0
1,000-1,499	827	961,320	74	84,366	8.8%	38	43,066	13.1
500-999	682	505,328	32	23,858	4.7%	16	11,170	18.2
100-499	211	71,001	15	6,198	8.7%	2	976	19.7
Total	6,502	32,893,517	1,266	12,036,154	36.6%	675	5,289,741	13.7

New Orders per teu Group



It was expected that interest in medium-sized tonnage would eventually emerge. This reflects the fact that the industry kept on prioritising ordering ever-larger containerships in the race for more efficient global logistics. Accordingly, the renewal of older segments had been somewhat neglected. Moreover, these older segments were largely built before the eco-revolution and thus had become somewhat obsolete compared to the capabilities of today's naval architecture, while current maritime environmental regulation is stricter. These orders reflect the anticipated development of regional trades, which could be further stimulated by threats to globalisation. There is also little doubt that the battle for market share among those major stakeholders that accumulated profits post-Covid made such investments easier.

Finally, the shipping industry must recognise the superior efficiency of the container mode versus bulk mode, not only in terms of the door-to-door concept, but also when factoring in the seamless operations at container terminals during loading and discharge.

In a Trumpian New World, what is the Future of Maritime Decarbonisation?

Since taking office, President Trump has devised a new energy strategy for the United States, aimed at facilitating oil and gas projects and supporting the coal industry. Renewable energy, especially wind and solar power, is now facing strong opposition since it is considered unreliable and uncompetitive. Notably, offshore wind has been the subject of specific measures aimed at hindering its development. As part of this strategy, President Trump succeeded in passing the One Big Beautiful Bill Act (OBBBA), which ended most of the clean energy tax credits previously awarded under the 2022 Inflation Reduction Act (IRA).

"Drill, Baby, Drill" is the new US agenda!

In this context, maritime decarbonisation, which has been a key focus for the global shipping industry over the last few years, is now under attack. In particular, the US decided to oppose the IMO's Net Zero Framework (NZF), which aimed to reduce global carbon dioxide emissions from international shipping through a global carbon levy on applicable vessels. Meanwhile, Washington has also threatened Europe over the carbon tax imposed on ships calling at European ports.

President Trump has made it clear that the US will not accept any international environmental agreement that unfairly burdens it or harms the interests of the American people. Accordingly, in October 2025, the US not only rejected the adoption of the NZF but also threatened action against nations supporting it. It will be interesting to monitor how the regulatory framework develops, and what decisions shipbuilders and shipowners ultimately make.

Meanwhile, the world is moving in another direction as exemplified in the following table, which shows the development of global wind installation, as well as the fact that battery-electric heavy-duty trucks exceeded 50% of new sales in China, to the detriment of diesel.

Simultaneously, the maritime world is striving to fulfil its responsibilities to the planet, as shown in the following tables, which provide the proportion of newbuilding tonnage with dual fuel propulsion. Progress is slow, with many technological and logistical hindrances. Let's see how it develops in the years to come.

Wind Installations (as of 2024)

Country	Installed Capacity (MW)	Annual Growth Rate (2023-2024)
China	521,764	18%
U.S.	153,152	0%
Germany	72,823	0%
India	48,163	8%
Brazil	32,959	13%
Spain	31,811	0%
UK	30,902	0%
France	24,592	6%
Canada	18,376	8%
Sweden	17,239	6%
Australia	15,288	18%
Italy	12,992	6%
Türkiye	12,973	10%
Netherlands	11,679	9%
Poland	10,059	8%

Based on annual growth rate from 0% to 20%. Capacity figures include both onshore and offshore wind and are on an alternating current basis
Source: Energy Institute, 2025 Statistical Review of World Energy

Orderbook	DF		DF Ready		All		DF	DF Ready
Type	mn Dwt	Ships	mn Dwt	Ships	mn Dwt	Ships	Ratio (# Ships)	Ratio (# Ships)
Bulk	15.1	108	16.2	98	143.1	1,593	6.8%	6.2%
Container	91.0	595	15.8	142	132.6	1,266	47.0%	11.2%
Dry Cargo	0.4	40	0.7	45	9.9	647	6.2%	7.0%
Ferry	0.2	35	0.02	3	0.4	74	47.3%	4.1%
Gas	40.0	553	0.9	21	42.2	647	85.5%	3.2%
RoRo	2.5	140	1.3	61	2.5	149	94.0%	40.9%
Tanker	14.8	149	18.6	191	138.6	1,578	9.4%	12.1%
Cruise (GT)	7.5	59	0.9	4	9.8	100	59.0%	4.9%
All fleet		1,679		565		6,083	27.6%	9.3%

Fleet	DF		DF Ready		All		DF	DF Ready
Type	mn Dwt	Ships	mn Dwt	Ships	mn Dwt	Ships	Ratio (# Ships)	Ratio (# Ships)
Bulk	11.8	73	15.1	69	1,055.5	14,441	0.5%	0.5%
Container	36.5	299	26.8	206	383.1	6,490	4.6%	3.2%
Dry Cargo	0.3	44	0.3	19	67.6	7,646	0.6%	0.2%
Ferry	0.3	79	0.11	16	4.2	1,141	6.9%	1.4%
Gas	74.9	999	0.5	11	106.9	2,263	44.1%	0.5%
RoRo	3.2	168	0.8	36	22.0	1,523	11.0%	2.4%
Tanker	17.8	218	17.0	170	733.1	11,720	1.9%	1.5%
Cruise (GT)	4.4	38	0.6	3	30.5	414	9.2%	0.7%
All fleet		1,918		530		46,148	4.2%	1.1%

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

Looking back at the *BRS Group 2025 Annual Review* and our forecasts for the upcoming year's newbuilding orders, we estimated that around 100 mn Dwt of new tonnage would be contracted in 2025, split into 40 mn Dwt for bulkers, 40 mn Dwt for tankers, 10 mn Dwt for container carriers, and 10 mn Dwt for other types, including LNG and other gas carriers.

The main arguments at the time were:

- 2024 had been such a spectacular year for ordering, totalling about 196 mn Dwt, second only to 2007 (when about 243 mn Dwt was contracted). This 196 mn Dwt figure was also well above the 2024 annual output of less than 90 mn Dwt, pushing deliveries well beyond the three-year horizon of available slots and thus discouraging, in principle, further newbuilding investment. In short, we deemed that the 2024 level could not be repeated.

- We also noted that freight markets in several segments, especially bulk and LNG carriers, were showing signs of weakness at the beginning of 2025.

- However, an even more important issue arose from the newly inaugurated US President's announcement of a substantial increase in import tariffs. This, in our opinion, would inject uncertainty and additional costs into businesses, and as a consequence, slow global exchanges and global economic growth.

- Moreover, we feared that the US Administration's announcement of fees on Chinese-linked ships calling at US ports – or on any vessel calling at US ports owned by a foreign company with Chinese-built units in its fleet – could only discourage additional investment.

Ultimately, reality proved somewhat different in 2025, as around 176.5 mn Dwt (+76.5%) of new tonnage was ordered. This included about 53.6 mn Dwt of bulkers (+34%), 52.2 mn Dwt (+31%) of tankers, 60.1 mn Dwt (+601%) of container carriers, and 10.7 mn Dwt of other ships.

In short, the assessed global figure was underestimated, together with the figures for bulkers, tankers and container carriers. The fall from 196 mn Dwt in 2024 to 176.5 mn Dwt remained marginal (-11.2%), thanks to the acceleration of ordering in the second half of the year. Indeed, 2025 told a 'Tale of Two Halves', with roughly 60 mn Dwt in the first half (precisely 59.1 mn Dwt), and roughly 120 mn Dwt in the second half (precisely 117.4 mn Dwt). **Regardless, 2025 ranks as the industry's third-highest ordering year, after 2007 and 2024.**

The only solace to our guesstimates having missed the mark is that the additional 76.5 mn Dwt on the global figure comes mainly from the unexpected boom in containership orders, as mentioned above. A record 60.1 mn Dwt was commissioned in 2025, well above previous all-time peaks in 2021 and in 2024 when 50.1 mn Dwt and 50.9 mn Dwt of container carrier orders were placed, respectively.

Last year proved that even the best educated guess can be upended by reality and unexpected events, as we saw in the past with 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 upward or downward.

Forecasts for 2026

As mentioned, 2025 was a spectacular year for ordering, third only to 2007 and 2024, with orderbooks for some segments already stretching to 2029 and beyond.

2026 could remain as buoyant as 2025 for many reasons:

- The need for new tonnage remains. This is driven by several factors: compliance with evolving environmental regulations; replacement of an ageing fleet; lower operating speeds required under environmental frameworks such as EEDI, EEXI, and CII; and longer distances if passage through the Suez or Panama canals is compromised, or if geopolitical considerations and sanctions oblige certain countries to procure raw materials and energy from further afield.

- There also remains the potential for a new shipbuilding industry super-cycle, driven by the need to replace the large number of non-eco vessels ordered between 2005 (1,450 units) and 2010 (2,450 units) and delivered three to four years later.

- Demand for container carriers remains strong and should continue moving towards feeder and medium-sized units.

- Bulk carriers, which comprise the most significant portion (1,056 mn Dwt) of the whole merchant fleet (2,383 mn Dwt), still represent the least contracted segment with only 13.5% of the bulker fleet versus 19.7% for the tanker fleet and 36.6% for the container carrier fleet.

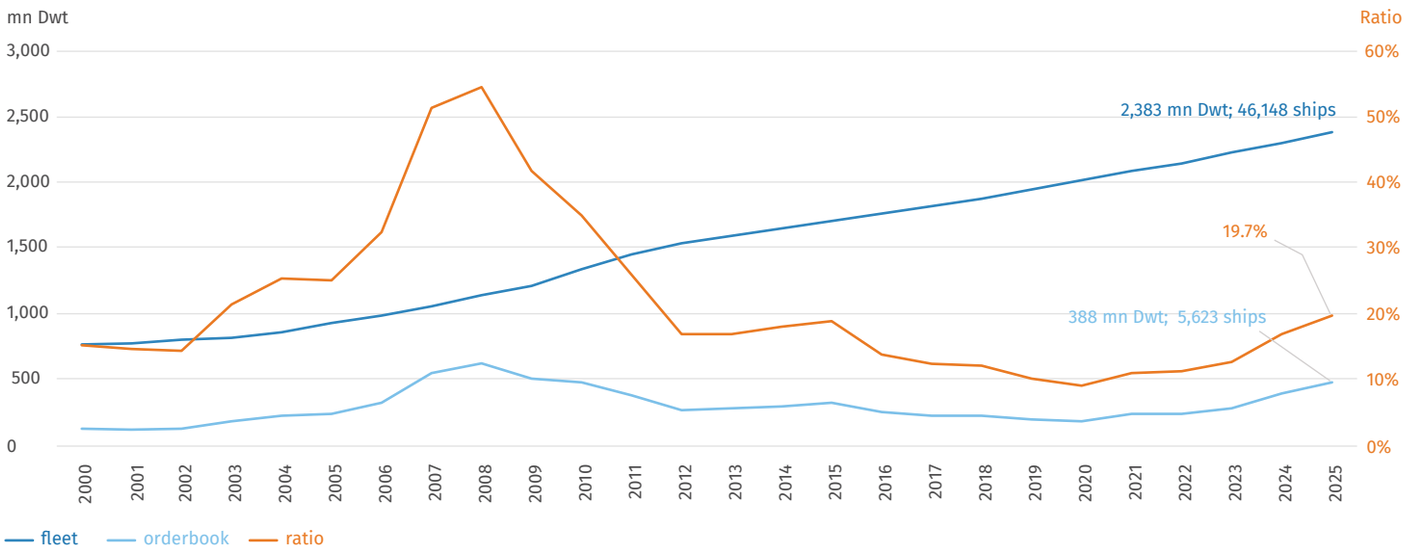
- As for tankers, the level of contracting in previous years, and especially across 2021–22, had been very disappointing. In fact, the number of tankers under construction reached a historical low back in 2022, absolute and relative, with about 4.4% of the tanker fleet. Accordingly, the strong ordering seen in 2024 and

to a lesser extent in 2023 was in reaction to this shortfall. Many tanker owners are now ready to disregard the narrative of energy transition and the vilification of oil, and maintain the belief that oil will remain an integral component of the energy mix for decades to come, aligning with the 20–25-year lifespan of an oil tanker ordered today. The Trumpian doxa may well reinforce this view.

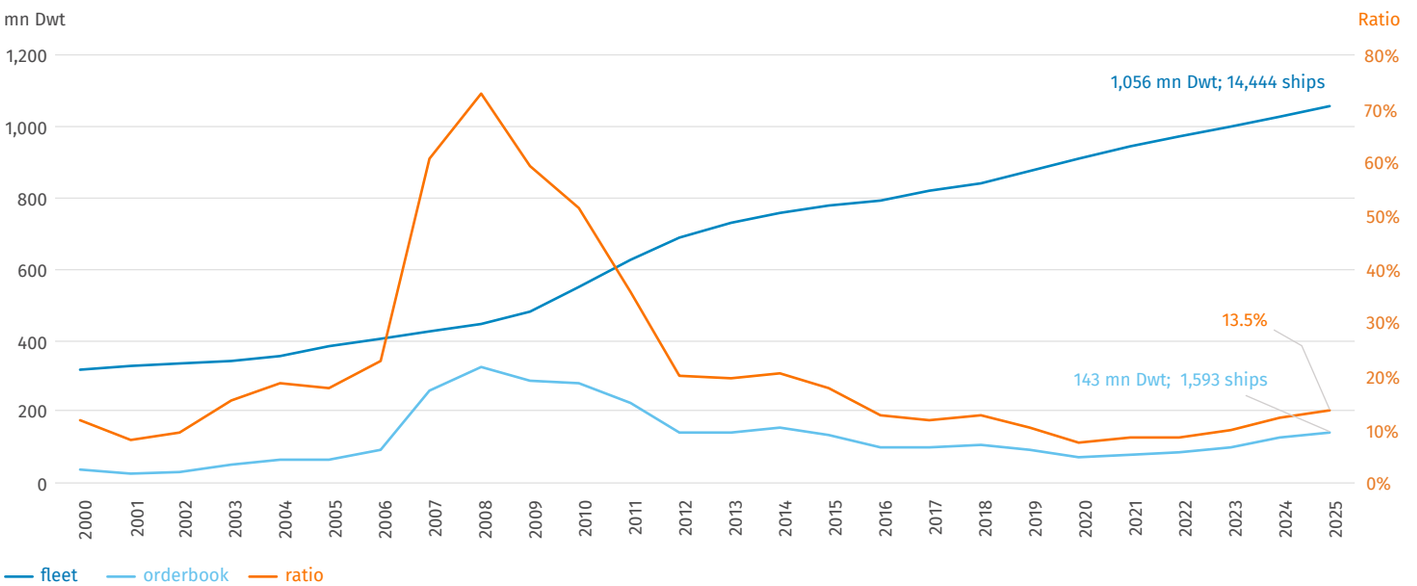
Meanwhile, non-traditional tanker owners, especially international oil traders, have looked to expand their forays into shipping either by ordering vessels for their own accounts or by backing owners with long-term time charters, further encouraging new orders. The recent buying spree by South Korea's Sinokor may reflect this.

→ It is worth noting that there will be ample competition between established shipbuilders and the newcomers of the Chinese shipbuilding industry's second wave of expansion, and that the extraordinary dynamic observed in the second half of 2025 seems to be willing to continue into the beginning of 2026 with a redoubled intensity.

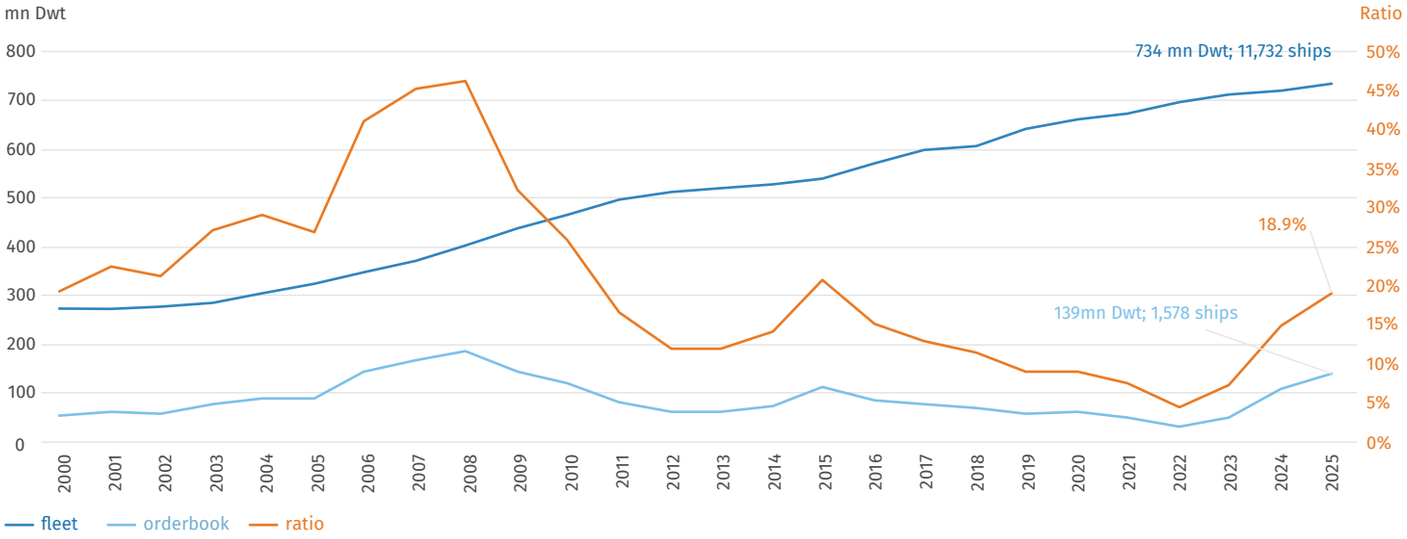
Fleet and Orderbook Evolution



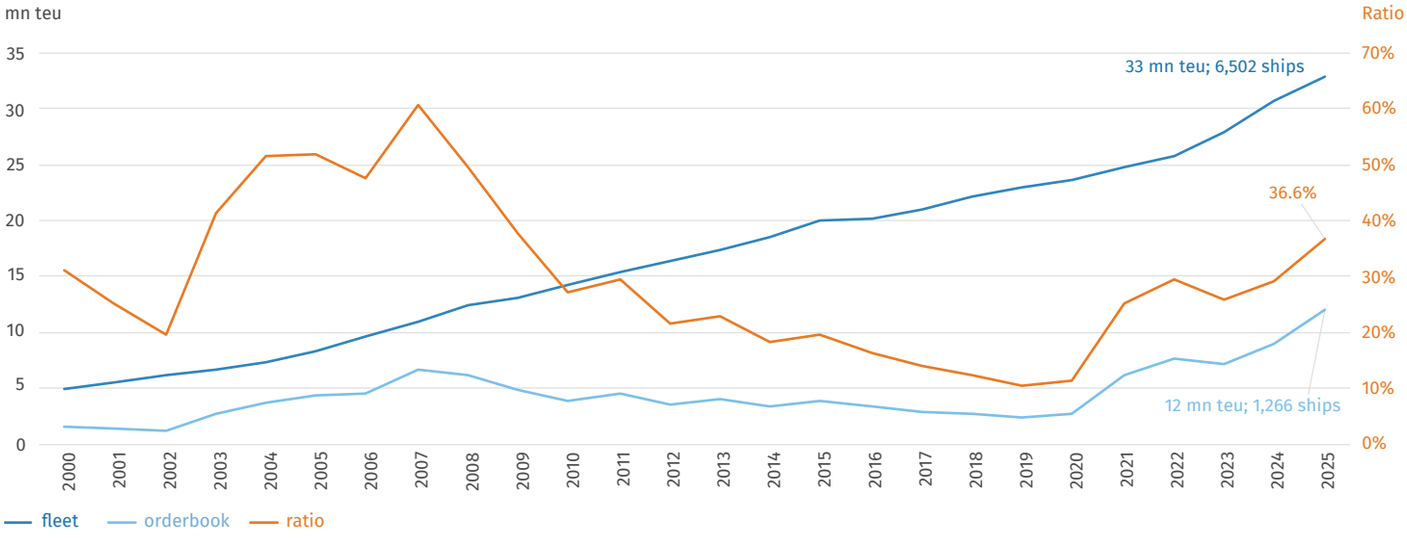
Bulk Fleet and Orderbook Evolution



Tanker Fleet and Orderbook Evolution



Container Fleet and Orderbook Evolution



A New World Order

There is no doubt that the world we have known since WWII and the fall of the Berlin Wall is on the verge of disappearing, not only because of the end of US supremacy and a new geopolitical environment, but also due to the formidable rise of new technologies. The impact of both is difficult to assess and may generate numerous black swans, which will disrupt even the most well-informed forecasts.

Under these conditions, we would then anticipate the following order levels in 2026:

- 50 mn Dwt for bulkers,
- 60 mn Dwt for tankers,
- 40 mn Dwt for container carriers,
- 15 mn Dwt for the others, including LNG and other gas carriers,
- **An approximate total of 165 mn Dwt for 2026.**

Deliveries

Deliveries will accelerate in 2026 following shipbuilding expansion and increased productivity at shipbuilders. Based on actual data, deliveries should increase from 93.7 mn Dwt to reach about 138.2 mn Dwt. There will be delays and slippage, hence 2026 will likely end up around 120–130 mn Dwt, which would represent a huge step forward compared to 2025.

New Orders (mn Dwt)

	Bulk	Tanker	Container	Other	All
2015	35.3	50.6	23.6	6.9	116.2
2016	16.9	11.2	3.2	1.7	32.9
2017	36.5	30.0	8.6	3.9	79.0
2018	40.6	23.7	13.0	9.0	86.3
2019	25.7	27.2	7.4	9.4	69.7
2020	29.9	23.3	12.7	8.5	74.5
2021	49.9	20.9	50.1	14.2	135.2
2022	35.2	10.1	28.0	20.7	94.0
2023	51.1	35.6	20.9	17.9	125.5
2024	59.9	64.2	50.9	21.3	196.3
2025	53.6	52.2	60.1	10.7	176.5

New Orders (ships)

	Bulk	Tanker	Container	Other	All
2015	519	563	245	341	1,668
2016	138	229	78	192	637
2017	350	314	111	240	1,015
2018	467	278	195	363	1,303
2019	336	334	89	419	1,178
2020	451	299	160	352	1,262
2021	674	331	632	496	2,133
2022	508	245	368	584	1,705
2023	662	533	223	616	2,034
2024	735	823	424	666	2,648
2025	528	494	675	420	2,177

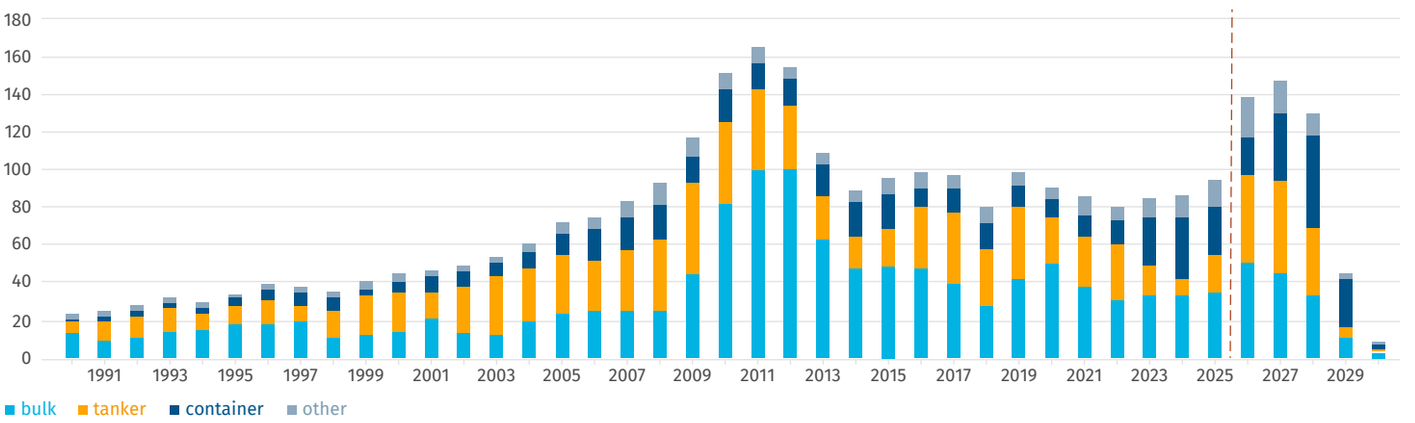
Deliveries (mn Dwt)

	Bulk	Tanker	Container	Other	All
2015	48.9	19.4	19.2	7.5	95.1
2016	47.5	33.3	10.0	8.3	99.0
2017	38.9	38.6	12.6	6.6	96.8
2018	28.5	29.3	14.2	7.5	79.5
2019	41.8	38.4	11.4	6.8	98.5
2020	50.0	24.4	9.4	6.2	90.2
2021	38.4	26.2	11.7	9.6	85.9
2022	31.3	29.6	11.9	8.0	80.8
2023	34.1	15.3	25.5	9.1	83.9
2024	33.5	8.2	33.0	11.4	86.1
2025	35.0	20.3	24.3	14.2	93.7
2026	50.3	46.8	19.6	21.5	138.2
2027	45.0	49.2	35.2	17.7	147.1
2028	32.9	36.1	50.1	11.3	130.3
2029	10.8	5.7	25.2	3.4	45.2
2030	3.5	0.7	2.5	1.6	8.2

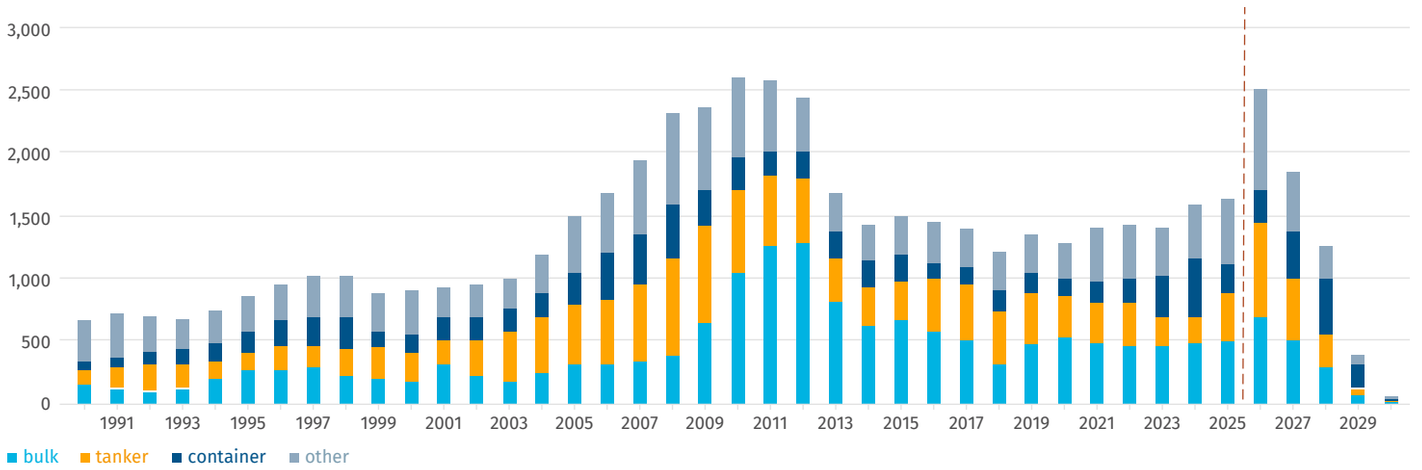
Deliveries (ships)

	Bulk	Tanker	Container	Other	All
2015	666	316	205	307	1494
2016	588	409	132	328	1457
2017	502	444	155	303	1404
2018	322	419	167	293	1201
2019	479	408	155	303	1345
2020	528	323	142	300	1293
2021	475	345	164	407	1391
2022	455	363	194	401	1413
2023	460	226	346	370	1402
2024	488	220	451	419	1578
2025	498	375	252	518	1643
2026	686	755	265	789	2495
2027	500	504	374	460	1838
2028	297	263	436	264	1260
2029	88	46	176	74	384
2030	20	7	14	30	71

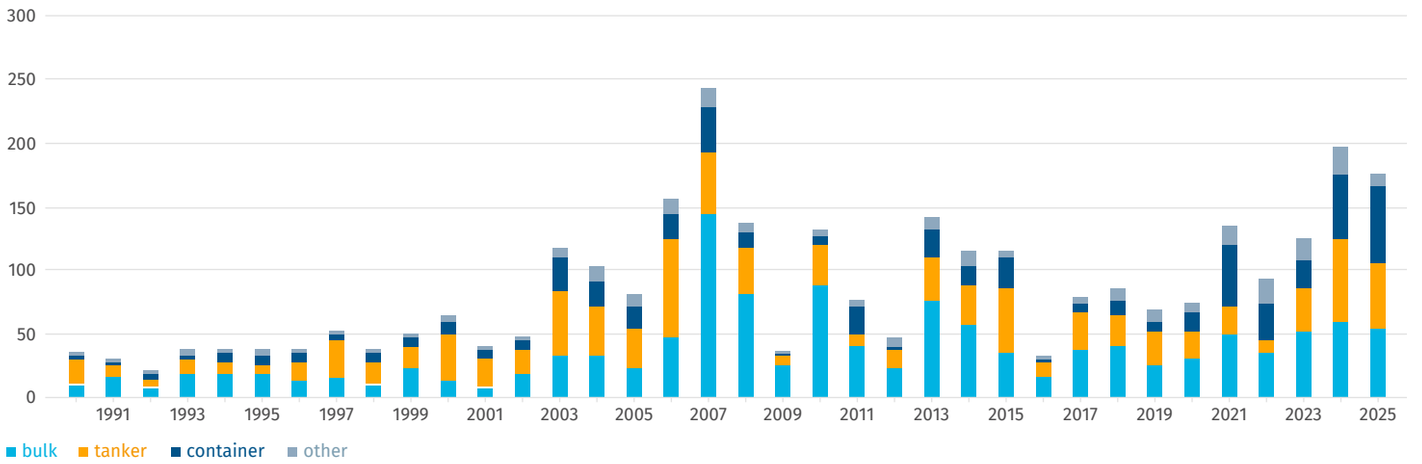
Deliveries per Ship-Type (mn Dwt)



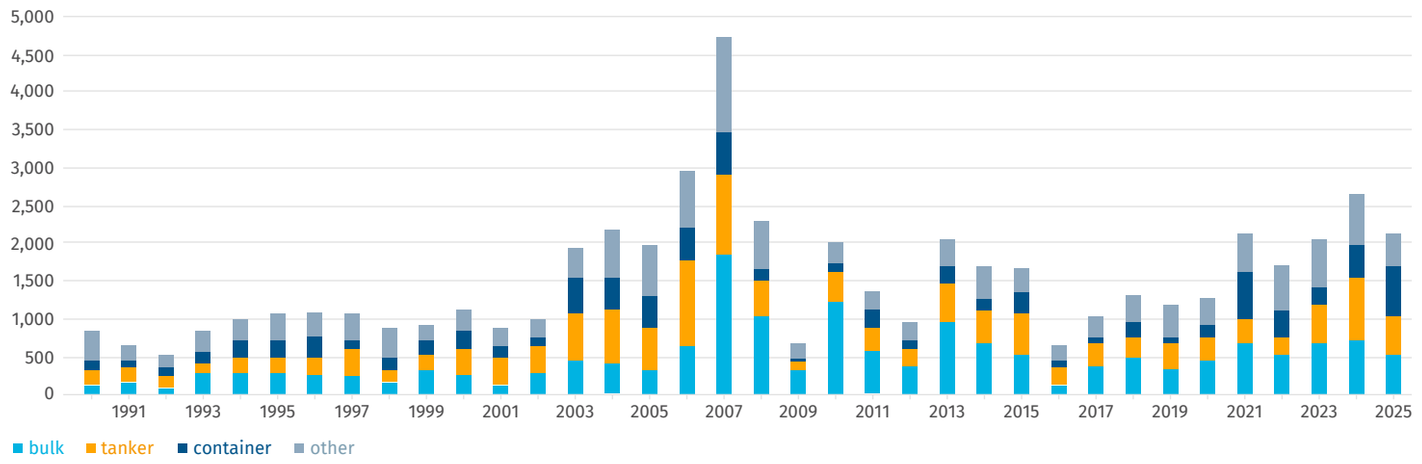
Deliveries per Ship-Type (# Ships)



New Orders per Ship-Type (mn Dwt)



New Orders per Ship-Type (# Ships)



Ship recycling

Based on the age of the merchant fleet and the prevalence of inefficient vintage tonnage designed before the eco-revolution, vessel scrapping should, in principle, rise in the near future. However, experience tells us that as long as a ship has economic value, it will continue to sail the seas. Thus, demolition sales for containerships were at their lowest in 20 years, with only 14 units for a total capacity of 10,444 teu recycled in 2025. This was well below the already weak 2024 figure of 89,628 teu, and a far cry from the 10-year record of 672,534 teu scrapped in 2016.

This year, we will remain cautious on this issue in the absence of an industrial solution and estimate that around 15 mn Dwt could be demolished in 2026.

Newbuilding prices

We expect that newbuilding prices will remain firm. As mentioned previously, after having reached a relatively low in 3Q25, they began to inch up later in the second half, and this dynamic should continue for some time into 2026.

We expect that there will be support for newbuilding prices, given the formidable orderbooks at most shipbuilders, which stretch out three to four years. Besides, certain countries have now engaged in a new naval arms race, and thus many shipbuilders will dedicate slots for the construction of naval ships in the US, Europe, Japan, Korea and China.

	CNPI	CNDPI	CNTPI	CNCPI
Jan-26	1,112	1,133	1,253	1,107
Dec-25	1,110	1,129	1,251	1,106
Nov-25	1,108	1,125	1,250	1,105
Oct-25	1,106	1,122	1,249	1,103
Sep-25	1,106	1,122	1,249	1,104
Aug-25	1,107	1,125	1,249	1,103
Jul-25	1,108	1,129	1,249	1,101
Jun-25	1,107	1,130	1,249	1,100
May-25	1,111	1,134	1,255	1,100
Apr-25	1,115	1,140	1,258	1,103
Mar-25	1,120	1,149	1,261	1,106
Feb-25	1,124	1,155	1,264	1,109
Jan-25	1,126	1,160	1,264	1,107

We also note that marine equipment makers are equally fully loaded and will aim to increase their prices, while at the same time, there is a renewed and intense competition for labour in the wake of the Chinese shipbuilding industry's second wave of expansion.

Finally, we note that the US Dollar, which remains the main shipping currency, has been weakening against the currencies of most shipbuilding countries – primarily the Chinese Yuan – and this will create some upward pressure.

Still, the additional shipbuilding capacity from the previously mentioned second wave of expansion, the huge post-Covid productivity surge at shipbuilders, and the intense competition in China between private and state-owned shipbuilders may ultimately trigger some discounting.

ALGOMA EAST COAST
37,000 Dwt Ice 1B Product Tanker, built by Hyundai Mipo to Algoma and chartered to Irving. Delivered in March 2025

BITUMEN “FERESA” of 8,000 Dwt (BITUMEN TANKER)
Built by China Merchant Jingling Shipyard (Yangzhou) Dingheng Co., Ltd. (CMJL) OWNER SOCATRA DELIVERY DECEMBER 2025

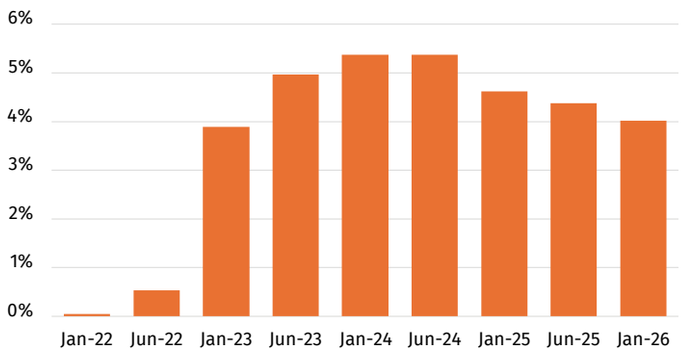
STELLAMAR
Ice class 1A general cargo carrier with hybrid propulsion, 5,350 Dwt, built by Chowgule (India), ATOB@C (part of ESL Shipping Ltd.), April 2024. Copyright: AtoB@C Shipping

Ship Finance

Financing costs continue to weaken

Interest rates continued to weaken over 2025, with the 90-day average SOFR reaching around 4% by year-end. Although the SOFR remains elevated from a historical perspective, margins have been under pressure, meaning that the overall borrowing cost for ship finance is becoming more manageable.

90-Day average SOFR



SOFR forward curves suggest there is potential for more rate cuts in 2026. The number and level of these rate cuts will notably depend on GDP growth expectations, labour market conditions and inflation.

The Trump effect on Ship Finance

In early 2025, the United States announced tariffs on ships built in China, and/or operated and owned by Chinese entities, effective 14 October, 2025. The aim was to revive the American shipbuilding industry.

China responded by imposing tariffs on ships flying the US flag that were built, operated, or owned in the United States. Ownership or operation was defined as American if US citizens had direct or indirect ownership, or representation of more than 25% of the shareholding, voting rights, or board members.

As a result of these measures, some US companies made changes to their boards. The uncertainty surrounding vessels financed – and therefore owned – by Chinese leasing entities also prompted some cautious shipowners to begin unwinding these structures earlier than expected.

At a meeting in South Korea in October 2025, Donald Trump and his counterpart Xi Jinping discussed multiple trade issues and reached an agreement to suspend the proposed port fees for one year, effective 10 November, 2025.

Uncertainty around the outcome of the moratorium continues to affect the attractiveness of Chinese leasing, given that the term of these financings typically covers 10 years.

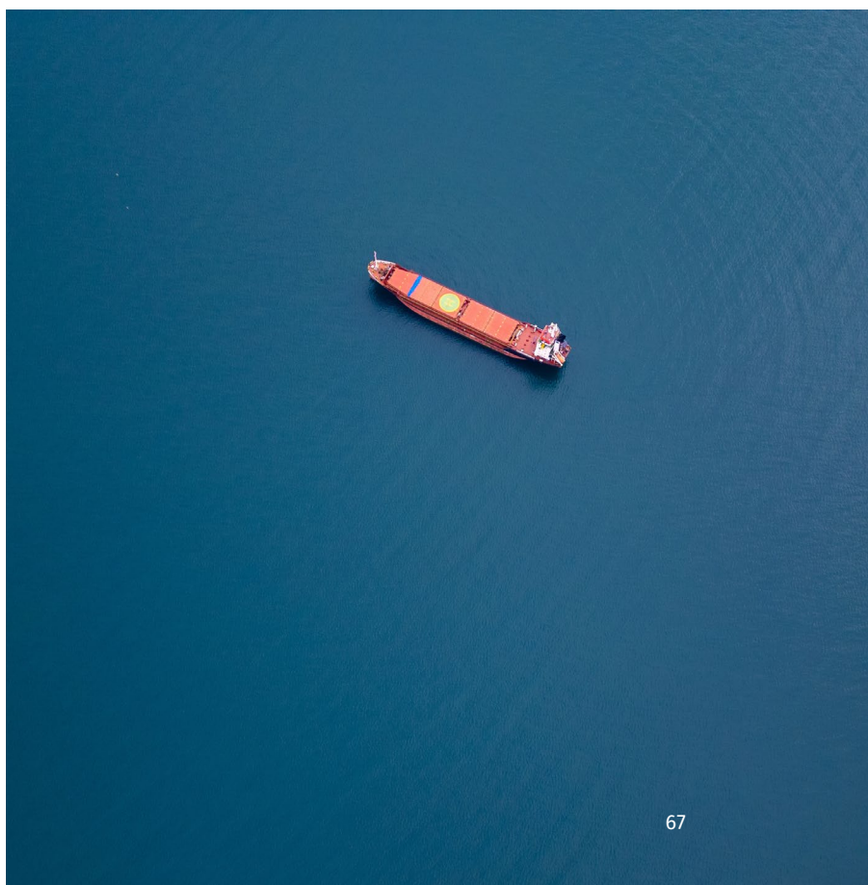
Ship Finance activity in 2025

Last year was another tough one for shipping financiers chasing deal flow, as shipowners continued to deleverage.

Chinese leasing houses were impacted by geopolitical developments, which led to early prepayments and a decade-low level of new business with foreign owners. As a result, they shifted focus aggressively toward the domestic market, driving activity to above historical average levels. One of the largest ship leasing transactions in recent years was concluded by Chinese leasing house CITIC, involving 30 multipurpose bulk carriers for COSCO.

Meanwhile, Japanese financiers actively sought new assets to finance as replacements for those prepaid, and there was clearly a lack of available tonnage to fulfil the demand. Banks and private debt players also pursued financing opportunities, further intensifying competition in the market.

This led to further compression of margins from already low levels, and compelled financiers to loosen other terms to stay competitive. Ultimately, the most notable ship finance activity in 2025 was likely the refinancing of existing debt to take advantage of these improved financing conditions. Illustrations of this trend include the $857mn facility reported by Torm and aimed at refinancing two loans and lease agreements covering 22 vessels under more attractive terms. In the dry bulk space, Genco also reported a $600mn facility, which featured more competitive terms and larger amounts available for opportunistic asset renewal.



Everything green

Sustainable finance continues to develop, with Sustainability Linked Loans remaining the most successful product.

The Poseidon Principles gained one additional signatory in 2025, reaching 36 signatories and representing around three quarters of global ship finance. Initially restricted to mortgage lenders and export credit agencies (ECAs), the initiative opened to other financial players in 2025.

The latest reporting generally shows an improvement in alignment scores, with the average deviation narrowing compared to previous years. Three signatories achieved alignment against the IMO 2023 GHG strategy “minimum” curve, while most portfolios remain above IMO pathways.

Mergers and acquisitions

Against the backdrop of high asset values, mergers and acquisitions remained an attractive option for growing company fleets.

Take-private transactions continued, as investors were keen to take advantage of public markets pricing shipping companies below the value of their fleet.

Noteworthy take-private acquisitions included the return of Svitzer as part of the AP Moller group after being listed only one year, on the basis that its public market valuation was insufficient. The LNG owner CoolCo, already majority-owned by Eastern Pacific Shipping (EPS), was also delisted and became a wholly-owned subsidiary of EPS.

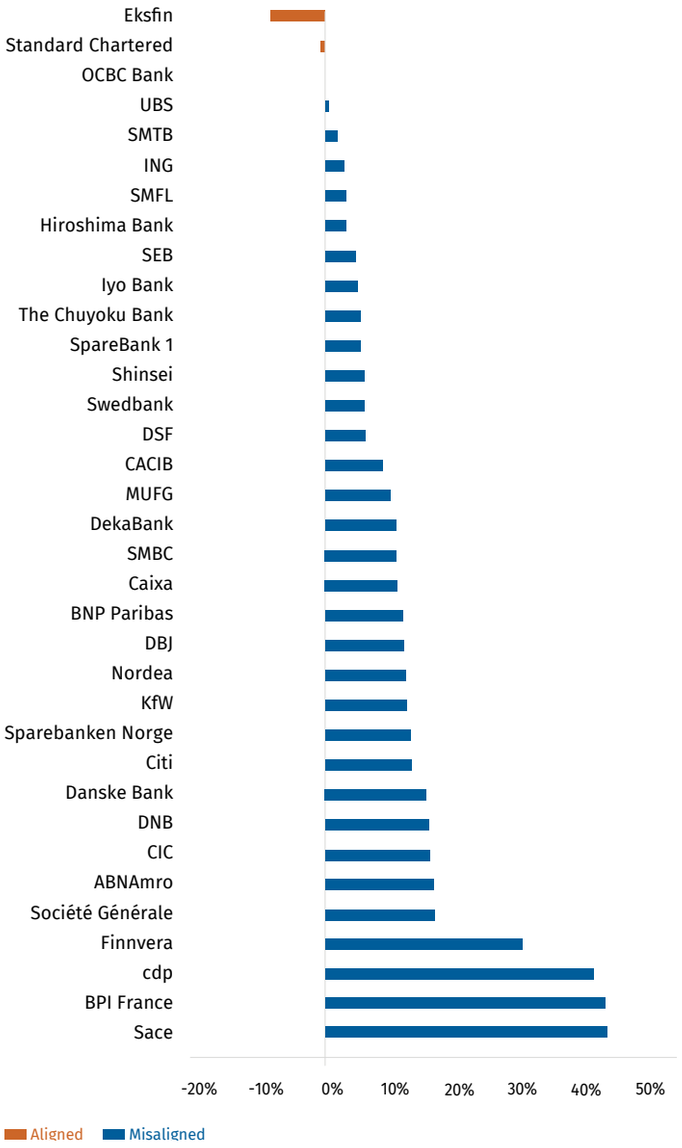
The French shipowner Louis Dreyfus Armateurs attracted the interest of private equity firm InfraVia, which took an 80% stake in the company, with the remaining 20% staying with the Louis Dreyfus family.

Debt and equity capital markets

The bond market saw a good level of activity in 2025. There was strong appetite from investors, leading to competitive pricings. A number of issuances ended up being oversubscribed and/or were priced below initial targets. This benefited regular bond issuers, as well as new entrants such as International Seaways and Contships, which took advantage of these favourable conditions to issue their first bonds.

Equity capital markets were less active. In May 2025, Solstad Maritime was listed in Norway as part of its restructuring strategy. Costamare Bulkers Holdings was listed in New York, with the aim to spin off all dry bulk activities from Costamare Inc, traditionally involved in container shipping.

Alignment of the Poseidon Principles Signatories to the 2023 IMO GHG Strategy — Minimum Decarbonisation Curve (2025 reporting)



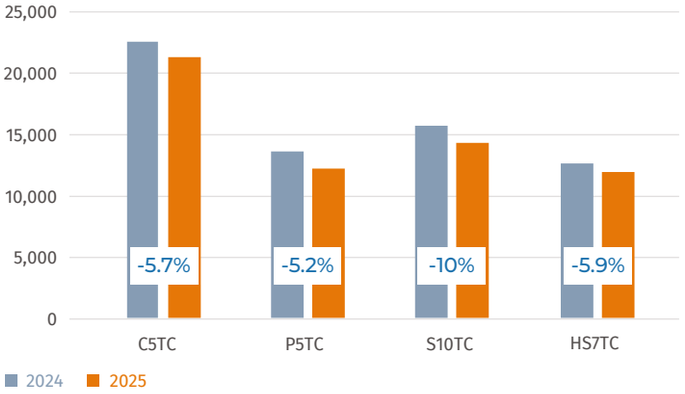
Dry Bulk

LOWLANDS CENTURY, Drybulk (Kamsarmax), approx. 82,400 Dwt, built by Tsuneishi Cebu, owned/operated by Cobelfret, delivered 2024.

Introduction

In 2025, the dry bulk market transitioned away from disruption-driven volatility into a phase of structural normalisation. Unlike 2024, when freight performance was repeatedly distorted by geopolitical shocks, supply chain inefficiencies, and risk premia, 2025 was shaped by how quickly the market adapted to those conditions. This adjustment was reflected in earnings, with average time charter rates softening across vessel classes. C5TC declined by 5.7% y-o-y, P5TC by 5.2%, S10TC by 10%, and HS7TC by 5.9%, pointing to broad-based pressure rather than weakness isolated to a single segment.

Annual TC Average ($/day)



Geopolitical tensions remained elevated, including instability around the Red Sea and Suez, but their impact on freight continued to fade as rerouting became routine and inefficiencies were absorbed. What initially constrained effective vessel supply, increasingly became priced-in background risk, allowing capacity to re-enter the market, thereby weighing on rates.

Dry bulk import growth continued but became increasingly Asia-centric. Chinese and Indian imports continued to steadily grow. Meanwhile, Southeast Asia emerged as the fastest-growing demand region. In contrast, Atlantic-facing markets lagged, reinforcing the structural shift away from mature import regions.

Within this environment, China remained the anchor of market balance, acting more as a stabiliser than as a growth engine. Despite ongoing weakness in the property sector, large-scale imports of iron ore, coal, and bauxite were sustained, supporting steel production, power generation, and alumina output without generating outsized incremental demand.

With exceptional inefficiencies fading, dry bulk performance in 2025 was driven primarily by cargo composition, Asia-centric demand dynamics, and the market's ability to absorb returning capacity, rather than by geopolitical shocks or headline volume growth.

Capesize (>120,000 Dwt)

2025 will be remembered as the year the Capesize market revealed two distinct faces: a first half still driven by traditional mining cycles and cautious Chinese steel demand, followed by a much tighter second half propelled by a spectacular surge in bauxite flows and by a symbolic yet decisive event: the operational launch of the Simandou project.

January opened with the market still digesting the late 2024 slowdown. The familiar post-holiday lift faded quickly. February saw a pronounced seasonal lull: Australia shipped less iron ore due to weather disruptions, Brazil remained conservative with its early-year export programme, and Chinese steel mills operated under compressed margins and a weak construction sector.

Iron ore exports across January and February were 11 mn mt below 2024 levels, reinforcing an unusually muted market tone. That said, a positive signal emerged from bauxite exports, which surged sharply, displacing Australian supply and pushing Capesize tonne-miles from bauxite cargoes up by 47% y-o-y over the period.

From March to April, mining exporters returned to full speed. Volumes from Australia and Brazil accelerated, and cumulative volumes suggested that 2025 would not repeat the softness observed in late 2023 to early 2024.

In early March, nearly 50 Capesizes (about 3% of the global fleet) were waiting off Guinea. Congestion remained extreme throughout April, with 16 days' waiting time, reflecting both surging bauxite flows and structural bottlenecks in transshipment.

Guinean exports on ships of over 120,000 Dwt surged by 17.5 mn mt y-o-y across January to April. Rates reacted instantly: C3 (Brazil-China) and C5 (West Australia-China) climbed together, supported by rising tonne miles.

June delivered the second major upswing of the year and the first true cyclical peak. Export programmes peaked, weather conditions were favourable, and Chinese steel mills engaged in selective restocking. The outcome was clear: Brazilian exports posted strong annual growth (C3 was above $26/mt by mid-June), while Australia set an all-time June iron ore export record exceeding 87 mn mt, with 94% loaded on Capesizes (C5 increased by $3.5/mt in one month, reaching $11/mt by mid-June). Market tension returned: the 5TC hit $30,900/day in mid-June.

July and August saw a burst of hyper-volatility, characteristic of the Capesize market. China slowed its iron ore purchases slightly. Meanwhile, steel mills continued to face an uncertain steel-price environment, as margins tightened whenever a commodity rally took

hold. Between mid-June and mid-July, the 5TC initially plunged by $17,000/day before rebounding just as quickly. The market gradually shifted to an owner-driven environment where freight operators no longer hesitated to price above the FFA curve. It is at this point that the year began to pivot toward greater stability, with 5TC oscillating around $25,000/day.

Transported volumes continued to grow, not only thanks to iron ore, but increasingly due to bauxite, which by the end of August showed a 29 mn mt annual increase for vessels in the 160–220,000 Dwt category. Guinea asserted itself as China's primary supplier, as China absorbed roughly 98% of Guinean exports loaded on vessels within this deadweight range. Consequently, this tonne-mile boom captured an ever-growing share of the Capesize/Newcastlemax fleet, significantly altering the fleet's effective availability. This marked the first link in a chain reaction that ultimately led to the spectacular tightening of the market in the fourth quarter.

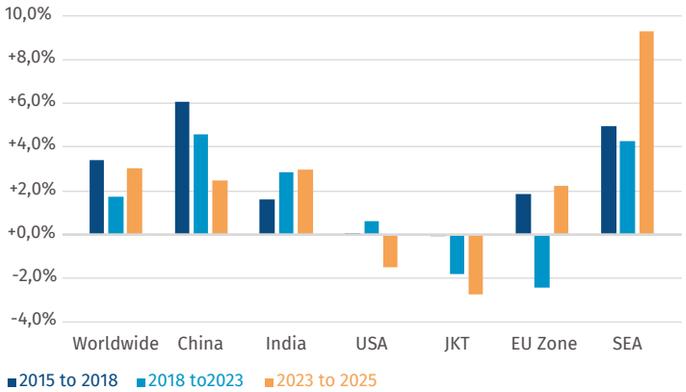
The signals begin to multiply in September. Iron ore flows remained solid, as export programmes accelerated and caught up following the weather-related delays earlier in the year. Chinese port inventories remained comfortable and well within their historical range, which left room for additional iron ore purchases. Congestion in Guinea, although less intense in the second half as exports declined with the monsoon, nonetheless entered what appeared to be a structurally elevated phase. Everything was in place for the market to change tone. Tension was no longer anecdotal but systemic: each Capesize held several extra days off Kamsar Port represented capacity being withdrawn from the effectively available global fleet.

A historic turning point was reached on 11 November when Guinea officially launched the mining and logistics operations of Simandou, a mammoth iron ore project that ultimately aims for peak production of 120 mn mt per year. If this level is attained, it could account for about 7% of the global seaborne iron ore market and 10% of China's imports. Of course, export volumes in 2025 were symbolic, with only two vessels loaded, but that is not what matters. What changes everything is the anticipatory effect: the market's conviction that new, massive flows originating in the Atlantic Basin will structurally increase tonne-miles for the Capesize segment. The announcement acted as a catalyst, and from as early as 12 November, the Capesize segment was caught in a powerful upswing. Over the next three weeks, the 5TC surged from $25,000/day to $45,000/day, and the C3 and C5 routes rose in unison by $3/mt.

In this overheated environment, the mechanism quickly ran out of steam, and the correction was just as rapid and sharp as the spike. During the last three weeks of December, the 5TC rate plunged from $45,000/day to $27,500/day, a brutal but logical unwinding after a rally driven solely by excess momentum rather than a sustainable plateau. The December pullback does not invalidate anything; rather, the market is simply digesting its own frenzy. The fundamentals remain the same; let's just say they cease to surprise.

All told, 2025 will be remembered as the year when the geography of the Capesize market shifted. Guinea is no longer a mere contributor, but has become a structural pivot that will continue to shape fleet utilisation and tonne-mile demand well into 2026 and beyond. In that sense, 2025 was not just another year; it was the year the market revealed exactly what it is becoming.

Dry Bulk Import CAGR, by Major Destinations, %



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

The Babycape and Post Panamax segments moved through 2025 without major demand dislocations. While US–China trade tensions influenced trade flows at the margin, overall volumes remained broadly stable y-o-y. Structural supply-side factors, particularly fleet age and design differentiation, increasingly dictated employment quality and asset values throughout the year.

Overpanamax / Post Panamax (85,000–100,000 Dwt)

East Coast Australia and Indonesian coal remained the core drivers of utilisation, together accounting for the bulk of voyage activity. Outside of these trades, diversification remained limited, leaving the segment exposed to a narrow set of commodity and geographic demand channels.

On the supply side, the fleet continued to age into a more constrained trading profile. Average age now stands near 13.9 years, with 37% of the active fleet over 15 years old. This ageing cohort increasingly faces commercial headwinds, particularly on Australian and Japanese stems where charterer preference remains firmly skewed toward modern, fuel-efficient designs. First-generation 90,000 to 94,000 Dwt units delivered between 2010 and 2012 are now clearly at an inflection point, with both trading optionality and asset values under pressure.

The orderbook appears sizeable at first glance, with roughly 120 Post Panamax units scheduled through 2030. In practice, deliveries are

LOWLANDS CRIMSON, Drybulk (Kamsarmax), approx. 82,000 Dwt, built by Oshima Shipbuilding Co., Ltd., owned/ operated by CMB (Bocimar / CMB.TECH), delivered 2020.

highly concentrated. Around half comprise standardised 87,000 Dwt COSCO units at CSSC Chengxi and CSIC Dalian. Near-term diversity remains limited, with only six 89,000 Dwt Tsuneishi deliveries expected in 2026. The balance of the orderbook, largely Imabari and Tsuneishi Zhoushan 94,000 Dwt designs, does not arrive materially before 2027.

Babycape (100,000–125,000 Dwt)

Babycape demand in 2025 remained anchored to Australian exports, with coal ex East Coast Australia and iron ore ex West Australia dominating volumes. However, over the year, a structural narrowing in trade optionality became clearer. Transatlantic coal and iron ore volumes declined materially, with fewer charterers actively seeking this size in the Atlantic. ArcelorMittal, historically a key Babycape charterer, increasingly relied on its owned fleet of around 10 units to lift largely internal volumes, further reducing spot liquidity.

Incremental growth emerged from East and Southern Africa. Mozambique recorded a notable rise in chrome ore and coal exports to China, with volumes up around 45% y-o-y. This reflected improved mine output, ongoing logistical constraints in South Africa, and the Babycape's ability to combine parcels and offer lower all-in freight costs.

Liquidity deteriorated on both fronthaul and backhaul routes. Cargo concentration reduced fronthaul availability, while traditional backhaul and investment routes offered fewer employment opportunities. This was compounded by tighter regulatory and vetting requirements. Age limits, mooring line specifications and minimum drum requirements at several Australian terminals have become increasingly restrictive, narrowing effective trading eligibility for older units.

Geopolitical developments added another layer of complexity. USTR-related disruptions in 2025 temporarily reshaped flows but, more importantly, distorted the Post Panamax and Babycape fleet balance. Tonnage increasingly favoured Pacific employment, with fewer vessels repositioning into the Atlantic. Liquidity west of South Africa thinned sharply, reinforcing a more basin-concentrated market structure.

Supply-side fundamentals remain the defining feature of the Babycape segment. While the average fleet age of 12.4 years appears manageable, 58% of vessels now sit in the 11- to 15-year bracket. Of the 159 units trading, 35 will turn 15 in 2026, followed by another 39 in 2027. By end-2027, over 63% of the fleet will exceed 15 years of age, materially tightening trading eligibility given Australia's outsized role. With virtually no orderbook, replacement capacity remains absent.

Sales and purchase activity picked up modestly in 2025, reflecting owners' growing focus on remaining commercial life rather than headline earnings. Elevated scrap prices drew attention to the sector. Standard 114,000 Dwt Babycapes traded largely in the mid to high teens (million dollars), with values increasingly benchmarked against remaining trading life. Time charter pricing skewed toward Panamax forward curves, while Capesize influence continued to fade.

Post Panamax units continue to command premiums in period discussions, while spot performance increasingly tracks modern Kamsarmax levels, a dynamic now being reflected in asset values. For Babycapes, the outlook remains finely balanced. Structural constraints, regulatory friction and declining Atlantic liquidity pose clear headwinds. Offsetting this, a limited Capesize orderbook and growing optimism around fronthaul iron ore and bauxite flows raise the prospect of spillover demand. This remains the environment Babycapes were originally designed for, and historically where the segment has generated its strongest returns during sustained Capesize strength.

Panamax (68,000–84,999 Dwt)

The Panamax sector experienced 2025 as a year of contrasts, characterised by uneven earnings, shifting trade patterns and persistent tension between expanding fleet supply and episodic demand support. While average returns remained comfortably above pre-pandemic levels, sentiment for much of the year remained subdued, particularly in the early months, pressured by ample tonnage availability and limited cargo visibility.

After a weak start, the Panamax market followed a familiar 'two halves' pattern, marked by pronounced intra-year volatility. The Baltic Panamax 5TC slid to cycle lows in late January and February, briefly trading in the mid-$6,000/day range as Atlantic demand stalled and Pacific activity slowed around the Lunar New Year. In the Pacific,

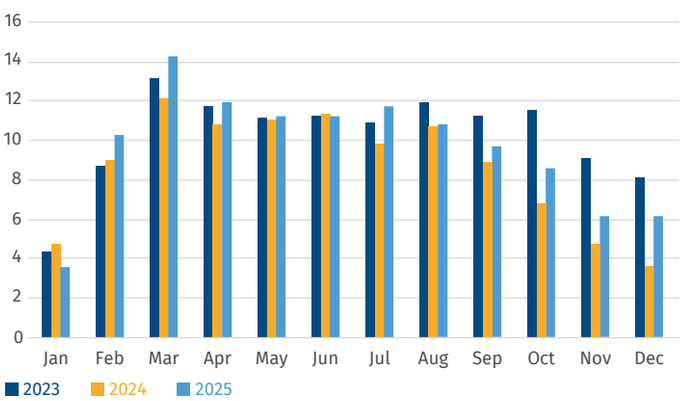
sentiment was particularly soft, with typical bids for Australia and North Pacific rounds starting around $3,500–4,000/day, while shorter Indonesia coal voyages were fixing closer to $2,000/day, reflecting surplus tonnage and muted Chinese buying interest.

Following the Lunar New Year, sentiment improved steadily as Chinese utilities resumed coal procurement and Pacific demand began to recover. By March, market conditions had firmed noticeably, with Indonesia–South China voyages becoming more competitive and Panamax fixtures climbing into the $11,500–13,000/day range, depending on vessel type and delivery position. This recovery gathered pace into late spring and summer, supported by firmer coal imports into China, improving grain flows and a gradual tightening of prompt tonnage. Rates peaked at around $18,000/day during the summer months and again in September, before easing towards year-end as fleet availability increased and cargo volumes softened.

Panamax (68,000 - 84,999 Dwt)	Coal Volumes (MT)		
Loading Origins	**2024**	**2025**	**Y.o.Y %**
Indonesia	268 975 742	265 800 200	-1.18%
Australia	114 828 609	122 068 451	6.30%
Russia	69 257 348	74 066 814	6,94%
USA	44 298 503	46 636 219	5.28%
South Africa	18 995 091	20 989 232	10.50%
Colombia	11 121 582	14 958 444	34.50%
Canada	11 439 379	11 225 043	-1.87%
Mozambique	7 167 374	7 652 738	6.77%
Philippines	2 350 211	1 189 509	-49.39%
China	1 872 626	1 881 543	0.48%
Top 10	550 306 465	566 468 193	2.94%
Total	555,46 mn	572,78 mn	3.12%

Coal remained a key pillar of Panamax demand in 2025, although underlying volumes grew only modestly year-on-year. Chinese import patterns were once again the dominant variable. Elevated domestic production and policy intervention weighed on seaborne imports throughout the first half of the year, particularly from Indonesia, where price convergence reduced arbitrage opportunities. This trend reversed from mid-year, as mine safety inspections, weather-related disruptions and declining domestic output supported a renewed pull on imported coal. Panamax demand strengthened accordingly into the third quarter, with cargoes increasingly split from Capesizes as larger vessels continued to command persistent earnings premiums.

Monthly Brazilian Grain Exports on Panamax (mn mt)



Grain trades provided more consistent, if uneven, support, particularly during the second half of the year. South American exports, led by Brazilian soybeans and corn, underpinned Atlantic employment and helped absorb surplus tonnage during the ECSA season. In the Pacific, North Pacific grain and Australia-to-India cargoes remained key drivers of regional activity. However, overall tonne-mile growth was capped by the prevalence of shorter-haul US grain exports, as trade policy uncertainty and logistical considerations limited longer-distance flows. Ambiguity surrounding US trade measures, particularly the evolving USTR framework, distorted chartering behaviour during the third quarter, with cargo timing and routing decisions frequently delayed and demand appearing softer than fundamentals alone would have implied.

Regionally, the Atlantic Basin remained challenging for much of the year. Early weakness in US Gulf and North Atlantic activity kept pressure on returns, while elevated vessel availability weighed on fronthaul rates. Conditions improved sharply by August, as tightening tonnage coincided with heightened sensitivity to USTR restrictions on Chinese-owned units. Anticipation of enforcement resulted in aggressive bidding for compliant ships, and a clear two-tier market emerged. Charterers were increasingly willing to pay premiums of up to $1,000/day for non-Chinese-owned Panamax tonnage, contributing to a notable rebound in rates despite limited underlying cargo growth. This improvement was widely attributed to easing tensions in China–US relations and greater clarity around regulatory risk.

In contrast, the Pacific market demonstrated greater resilience over the course of the year. Despite softer Chinese macro indicators, Panamax demand benefited from steady coal and grain exports from Southeast Asia and Australia, alongside a late-year recovery in Chinese import appetite. Seasonal factors, including typhoon-related disruptions and Indonesia's temporary suspension of non-compliant mining activity, added minor pressure to rates, although these effects were broadly typical and short-lived. Competition from Ultramaxes nevertheless capped upside during periods of marginal demand growth.

Geopolitical and regulatory factors continued to shape trading patterns. While Red Sea disruptions remained a feature of the broader dry bulk market, Panamax exposure was more limited than in larger segments, with a restricted number of owners willing to commit to transits. Consequently, diversion-driven tonne-mile inflation provided modest support. At the same time, regulatory pressure intensified, particularly in Europe. The expanding impact of EU environmental measures, including emissions-related costs, increasingly influenced voyage economics and charterer behaviour, a trend that became more pronounced toward year-end and is expected to remain structural.

Fleet dynamics continued to act as a moderating force on earnings. Deliveries into the segment remained elevated by historical standards, while recycling activity stayed muted, supported by asset values that remained well above long-term averages. Although special surveys, weather disruptions and episodic congestion offered temporary relief by reducing effective supply, these factors were insufficient to offset sustained fleet growth. The market balance therefore remained fragile, with sentiment prone to rapid shifts on relatively small changes in cargo availability.

Asset values reflected this cautious equilibrium. Panamax prices held firm throughout the year, supported by expectations of regulatory-driven inefficiencies and the sector's entrenched role in coal and grain trades. However, values increasingly appeared to discount a relatively optimistic forward earnings outlook, leaving limited margin for disappointment should demand weaken or fleet growth accelerate further.

Looking ahead, the Panamax outlook remains finely balanced. Grain trades are expected to provide ongoing seasonal support, particularly from South America, while continued cargo splitting from the Capesize sector represents a key upside risk should larger vessel earnings remain elevated. Conversely, further fleet expansion, the potential release of tonnage from Chinese domestic trades, ongoing regulatory cost pressures in Europe, and renewed policy uncertainty in the US could quickly undermine rate momentum. Environmental regulation and fuel efficiency considerations will continue to favour modern, well-positioned units, reinforcing a widening performance gap within the fleet.

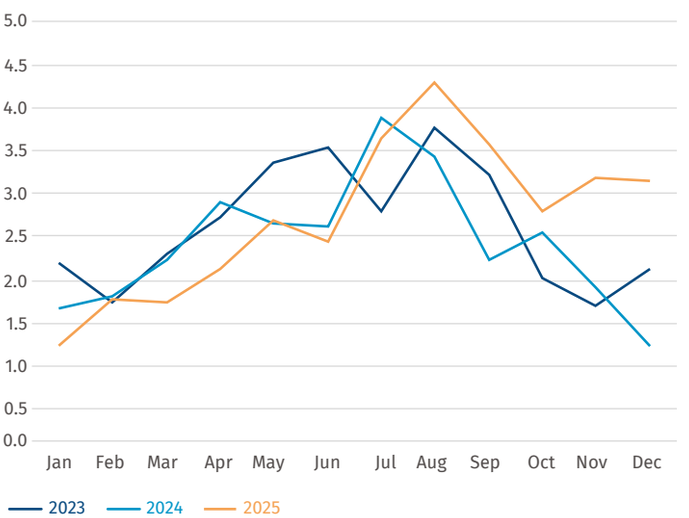
Overall, 2025 reaffirmed the Panamax sector's role as the dry bulk market's flexible workhorse, but also highlighted its growing exposure to regulatory, geopolitical and policy-driven variables beyond pure cargo volume growth. As the market moves into 2026, owners and charterers alike are likely to remain focused on timing, positioning and inter-segment arbitrage, with volatility set to remain a defining feature of the Panamax landscape.

Handysize - Ultramax (25,000–67,999 Dwt)

The dry bulk market across the Americas and the wider Atlantic entered 2025 in a position that initially resembled several prior cycles, with declining freight rates, ample vessel availability and subdued demand. That familiarity proved short-lived. As the year progressed, trade flows became increasingly shaped by geopolitical risk, regulatory intervention and operational inefficiencies rather than by underlying demand growth.

The first quarter marked a decisive turning point. A Presidential memorandum issued in late January signalled forthcoming changes to trade policy under new USTR regulations. While early details were limited, subsequent proposals for reciprocal tariffs, particularly targeting China, rapidly altered market sentiment. Spot fixing for Far East voyages slowed materially, and COA discussions lost momentum. Once the scope of the USTR framework became clearer, uncertainty translated into direct disruption. Port fees imposed on Chinese-built vessels and on companies with Chinese affiliations unsettled long-established trade patterns, with coal, petroleum coke, and grain flows among the most affected as freight costs rose sharply. By the end of the quarter, the market was no longer contending with weak demand alone, but with policy risk and unresolved questions around cost and risk allocation between owners and charterers.

Brazilian Grain Exports on Geared Bulk Carriers (mn mt)

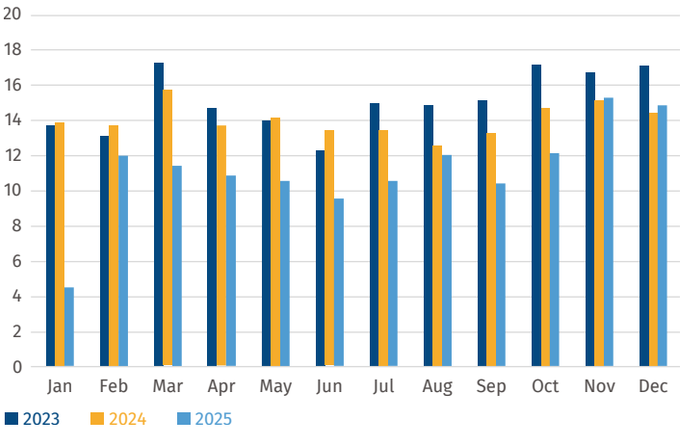


The second quarter brought a gradual return of activity, supported primarily by seasonal agricultural exports. Within the Atlantic Basin, the South remained the strongest pillar of geared tonnage demand, with Brazil continuing to lead volumes. Agricultural cargoes such as soybeans, corn and sugar underpinned employment, while bauxite and manganese shipments from northern Brazil and West Africa provided additional support. However, confidence remained fragile. Charterers limited forward exposure and fixed tonnage close to laycan, while owners priced regulatory risk into longer haul voyages. Despite modest improvements in cargo availability, abundant tonnage and lingering hesitation continued to cap rate momentum.

Volatility intensified in the third quarter as the practical effects of regulatory intervention became more pronounced. The initial USTR measures displaced a pool of vessels that would typically trade in the US Gulf, tightening local supply conditions. Subsequent clarifications indicating that the Handy and Supramax segments would be affected to a lesser extent prompted a return of spot cargo orders into a market with fewer available vessels. This shift translated rapidly into positional tightness, strengthening owners' negotiating leverage and exposing charterers to sharp rate adjustments. Elsewhere in the Atlantic, West Africa reasserted its importance, supported by expanding intra African trade in cement, clinker and coal, alongside continued demand for export parcels despite ongoing weather-related and port inefficiency risks. In contrast, Mediterranean and Black Sea markets remained volatile, with geopolitical uncertainty limiting visibility, and sporadic corridor reopenings generating only short-lived bursts of activity, particularly constraining earnings for older Handysize tonnage.

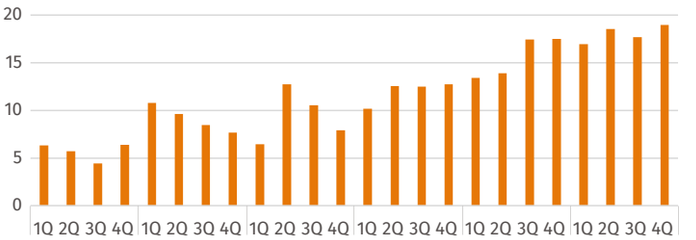
In the Pacific, Supramax market conditions followed a similar pattern of contrast between a subdued first half and a firmer late-year recovery. Major bulk demand remained under pressure, particularly Indonesian coal exports to China, as increased domestic production reduced import requirements. Late-year stockpiling ahead of the 2026 Lunar New Year supported a partial recovery in volumes, while sustained growth in minor bulks such as bauxite, manganese ore and scrap steel provided a stabilising floor for utilisation. Rising Chinese grain imports from Brazil offered incremental spillover support, even though most volumes moved on larger vessels.

Indonesian Coal Exports on Geared Bulk Carriers (mn mt)



By the fourth quarter, vessels compliant with evolving regulatory frameworks gradually re-entered the Americas, easing the extreme volatility observed earlier in the year. Freight levels remained firmer than typical seasonal norms, although hesitation around year-end commitments and ongoing regulatory uncertainty continued to weigh on sentiment. The growing influence of compliance regimes such as the EU-ETS widened performance gaps between modern, fuel-efficient vessels and older units, particularly on European-linked trades. The year closed with a market shaped less by traditional supply-demand dynamics and more by regulatory direction, reinforcing policy risk as the defining feature of dry bulk trading conditions in 2025.

Chinese Steel Quarterly Shipments (25-68k Dwt), mn mt



Forward Freight Agreement (FFA)

Weak sentiment from the previous year carried into 2025, with dry bulk FFA rates collapsing to unexpectedly low levels. The Baltic Exchange Capesize index hit a trough of 5,899 on 12 February, a level not seen since early 2023. Panamax and Supramax indices also fell sharply, bottoming at 5,400 and 5,575 respectively by end-January. Much of this weakness was driven by the reintroduction of US import tariffs and USTR-related trade policies, which cast a gloomy outlook over global trade and shipping markets. In response, owners increasingly sought period cover to limit near-term exposure, while others turned to selling FFA as a hedge against downside risk.

The first recovery phase emerged in February, initially driven by profit-taking before accelerating into widespread short-covering and repeated stop-outs, a defining feature of the 2025 FFA market. While the physical market remained largely flat in early 2025, the rebound in paper restored a degree of confidence. Iron ore exports from Australia were lower during the first four months compared with the prior year, partly due to multiple cyclone disruptions. Momentum shifted decisively in the second half. A sharp reversal in US tariff policy helped lift equity markets in May, while improving C5 volumes and firmer coal demand underpinned a resilient FFA recovery.

Capesize momentum strengthened in June, as the index surged to $30,944/day, followed by a further push in July to $31,756/day. The rally accelerated later in the year, surprising many participants as the Capesize index peaked at $44,672/day in early December. Fourth quarter performance averaged $28,875/day, broadly matching the strong 4Q23 performance. The Panamax index reached its annual high of $16,750/day on 12 September, while the Supramax index peaked at $16,835/day on 13 September. Coal and mineral cargoes provided the primary support for Panamax and Supramax segments, while the absence of Chinese demand for US grain limited additional physical and sentiment-driven upside. Even so, year-average FFA levels exceeded expectations, with Capesizes settling at $21,400/day, Panamaxes at $13,387/day, and Supramaxes at $12,241/day.

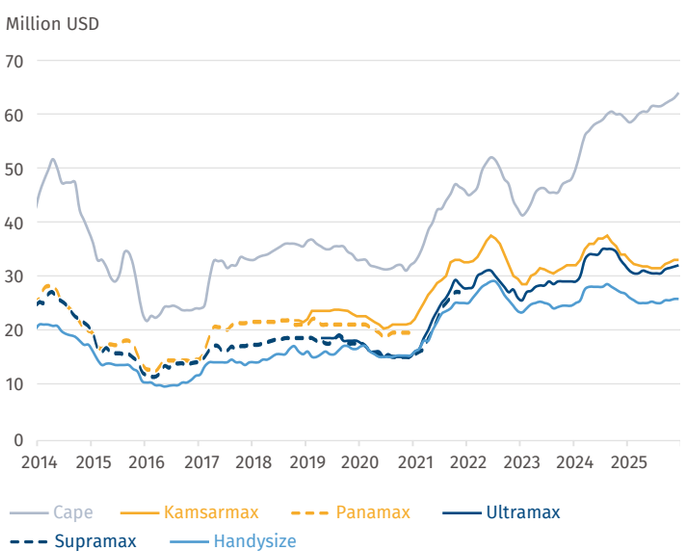
Trading volumes reflected a mixed picture. Capesize volume declined 8.19% y-o-y, falling from 1.51 mn lots to 1.39 mn lots. In contrast, Panamax volumes rose 24%, increasing from 1.09 mn to 1.36 mn lots, while Supramax volumes climbed 39%, from 388,400 to 540,740 lots. Handysize remained the least active segment, with only 32,890 lots cleared, down 5.39% from 34,764 lots the previous year.

Overall, the FFA market structure has shifted, with freight derivative pricing increasingly influenced by factors beyond traditional physical supply-demand dynamics. The growing presence of non-traditional participants, including CTAs, hedge funds and algorithmic traders deploying proprietary strategies, has contributed to price movements becoming more detached from the physical market. As a result, FFA volatility has intensified, with large daily price swings now a defining feature of the market.

Sale and Purchase

The second-hand dry bulk market remained buoyant in 2025, extending the strong momentum seen in recent years. More than 800 vessels, totalling over 60 mn Dwt, changed hands, making 2025 the most active year on record by transaction volume.

Assets Values - 5YO Bulk Carriers



The year began with asset values elevated across all segments, supported by strong owner balance sheets, low demolition activity, and residual optimism from earlier freight strength. As 2025 progressed, sentiment softened and volatility increased, particularly for larger vessels, as a heavy newbuilding delivery schedule, slower growth in Chinese demand, and persistent geopolitical uncertainty gradually weighed on confidence. Unlike previous downturns, the adjustment was orderly, with no signs of forced selling or financial distress.

A defining feature of the year was the widening valuation gap between modern and older tonnage. Demand remained firm for eco and high specification vessels, which held value and often outperformed freight sentiment. In contrast, mid-age and older units, especially those built between 2005 and 2012, came under sustained pressure, reflecting increasing regulatory constraints linked to EEXI and CII compliance. Buyer selectivity intensified, widening price differentials based on age profile, fuel efficiency and yard pedigree.

Greek and Western owners remained active sellers, supported by strong balance sheets, while Chinese buyers focused primarily on mid-age and older vessels, particularly within the Supramax, Panamax and Capesize segments. Japanese-built units continued to command consistent premiums, reinforcing their position as the quality benchmark in the second-hand market.

By segment, geared vessels dominated trading activity. Handysize and Supramax Ultramax units benefited from operational flexibility and diversified employment. Although pricing softened due to delivery pressure, liquidity remained healthy, with modern Ultramax values showing early signs of stabilisation toward year-end. Panamax and Kamsarmax vessels performed comparatively well, supported by grain trade exposure, with eco Kamsarmax units holding value better than most other classes.

Capesizes saw the highest volatility. After a strong start, values declined mid-year as iron ore and coal demand weakened, particularly in China. Even so, transaction activity remained steady, concentrated on modern eco and Newcastlemax designs.

Several high-profile transactions helped re-establish market benchmarks. The acquisition of Golden Ocean's 91 fossil fuelled dry bulkers from CMB.Tech in the second half of the year supported sentiment. In parallel, Oslo-listed 2020 Bulkers, the operator of eight modern Newcastlemax vessels, divested its entire fleet through a sequence of progressively higher-priced transactions. Two units were sold to Neda Maritime of Greece, one to EBE of Belgium, three to Oman's Asyad Shipping and the remaining two to New York-listed Genco Shipping and Trading.

Overall, 2025 marked a year of repricing, rather than retrenchment. Liquidity remained ample, but buyers demanded greater compensation for earnings volatility and regulatory uncertainty. Sale and leaseback structures, en bloc deals, and forward delivery transactions became more common mechanisms for bridging valuation gaps.

Looking ahead to 2026, asset values appear more closely aligned with earnings, while slower newbuilding deliveries point to a more balanced fleet growth profile beyond the current delivery wave. With improved regulatory visibility and generally healthy balance sheets, the second-hand market enters the new year on a stable footing, offering selective opportunities rather than broad-based upside.

LYRIC SUN, Drybulk (Gearless Kamsarmax), 81,276 Dwt, built by HD Hyundai Ulsan, owned/operated by Lyras Maritime, delivered 2011.

Capesize values end-2025: (175,000–182,000 Dwt)

10 year old:
A special survey passed Capesize, built in Korea or Japan, was worth about $47 - 48 million at end-2025, i.e. 20% more than end- 2024 where values ranged around $39 - 40 million.

5 year old:
Eco-type (180,000 Dwt) Capesize values were at $63 - 64 million by end-2025, a rise of 7% from 2024 values of $59 - 60 million.

Newbuilding re-sale:
The value of a Capesize re-sale built in Japan posted an increase of 4%, ending 2025 around $77 - 78 million.

Kamsarmax values end-2025: (80,000–82,000 Dwt)

10 year old:
By end-2025, Kamsarmax (82,000 Dwt) prices appreciated by approximately 6%, with indicative price levels assessed in the region of $25–26 million.

5 year old:
Kamsarmax (eco-type) values closed out the year at about $32 - 33 million which reflects a marginal decline of 3% versus end 2024 values of $33 - 34 million.

Newbuilding re-sale:
For prompt (3–6 months) delivery ex-Japanese yards, Kamsarmax resales based on NSF contracts with 20/80% payment terms were assessed at $39–40 million, broadly unchanged from levels recorded 12 months earlier. Whereas China-built Kamsarmax resales indicative values reduced slightly (1.3%) in the range of $36–37 million by end-2025.

Supramax-Ultramax values end-2025: (56,000–58,000 and 60,000–64,000 Dwt)

10 year old:
The price for Supramaxes (56,000 -58,000 Dwt) increased by 10% over 12 months, closing the year in the region of $21 - 22 million. Ultramax (60,000 - 63,000 Dwt) values raised by 6.5% reaching levels of $24 – 24.5 million by end-2025.

5 year old:
Japanese eco-type Ultramax values decreased by 1.5% year-on-year, recording levels of $31–32 million.

Newbuilding re-sale:
China-built Ultramaxes were valued at $34 - 35 million by end 2025, compared with $38 million for Japan-built vessels, representing annual declines of 3.0% and 1.3%, respectively.

Handysize values end-2025: (37,000–42,000 Dwt)

10 year old:
At the end of 2025, a Japan-built Handysize (37,000 Dwt) was valued at approximately $19 - 19.5 million, reflecting an average increase of about 5.5% compared with end- 2024 values of $18 - 18.5 million.

5 year old:
The values of larger eco-type units of 38,000 Dwt fell slightly, by around 2.0% on a year-on-year basis, to the region of $25.5 – 26 million.

Newbuilding re-sale:
At the end of 2025 the values of 40,000 - 42,000 Dwt Japan-built units retained their values in the region of $34 million compared with 2024.

(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.)

Tanker

BARCELONA SPIRIT, Tanker (Suezmax), approx. 150,000 Dwt, built by Samsung Heavy Industries (South Korea), delivered 2011

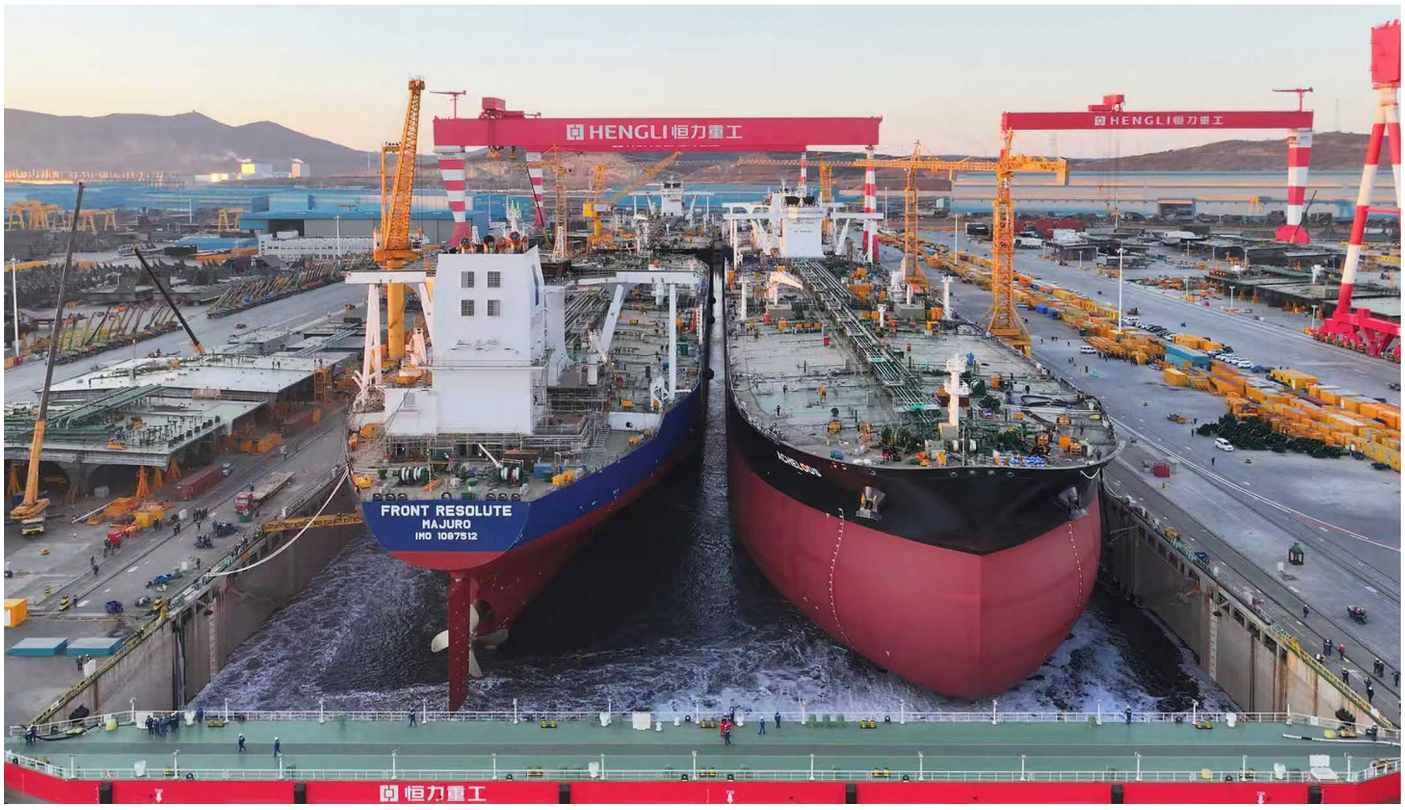
Introduction

In 2025, it seemed that volatility was the only guarantee for tanker markets. Several trends persisted from 2024, such as rerouting around the Suez Canal and reorganised crude and product flows out of Russia, but a new year (and a new US presidency) brought tariff uncertainty and the shadow fleet's transformation into a large and significant sanctioned fleet, all of which persist into 2026. As the year progressed, geopolitical events triggered major market movements, notably, the conflict between Iran and Israel, which drove a short-lived earnings spike, and the US-China trade war, which injected uncertainty into asset management decisions.

A cocktail of accelerated Chinese stock building, surging supply from both OPEC+ and non-OPEC+ producers, low VLCC deliveries, and Middle Eastern refinery maintenance brewed in the middle months of the year. This drove VLCC demand and earnings to multi-year highs in the fourth quarter. Indeed, for once, this was led by supply and demand fundamentals rather than geopolitics, which gave the surge an air of sustainability. Eventually, these heightened earnings trickled down to the smaller crude tanker segments. This extended the trend of LR2s dirtying up, providing some relief to a segment otherwise worryingly plagued by a heavy orderbook. Furthermore, this trend, plus a tight Atlantic Basin diesel market, helped to propel demand and earnings for clean tankers upwards during the fourth quarter.

Several key issues will be at the forefront of tanker market participants' minds in 2026. Red Sea tensions seem to be at their lowest level since the start of the crisis, raising the question of whether tankers will make a tentative return this year. OPEC+ continues to hold its crude production steady, but members are caught between a rock and a hard place as they balance the fight for market share with adding barrels to an already oversupplied oil market. The Russia-Ukraine war and its associated shadow fleet, which continues to expand, President Trump's tariffs, and China's crude stockpiling are also likely to influence tanker demand in 2026. On the other hand, fleet side pressures appear likely to increase given that most segments should see deliveries accelerate.

FRONT RESOLUTE, Tanker (VLCC), 306,000 Dwt, built by Hengli Shipbuilding (Dalian) Co., Ltd., owned/ operated by Frontline, for delivery June 2026



Time Charter

After several years of underperformance relative to the deep-sea tanker segments, 2025 will likely be remembered as the year of the VLCC revival in the tanker time charter (TC) market.

Overall, the 2025 tanker TC market broadly mirrored the pattern seen in 2024: a strong start followed by a softer rate environment. With the exception of VLCCs, the first half of 2025 saw 1-year TC rates decline by around 25% on average compared with the second half of 2024, largely reflecting weaker spot earnings.

In contrast with the rest of the tanker complex, VLCC spot earnings surged in mid-January 2025, with the the TD3C Middle East Gulf to China TCE hovering between $30-50,000/day through June. An unexpected rise in the tanker spot market triggered a rise in tanker TC rates in the second half of the year, and this strength pushed 1-year TC rates for eco non-scrubber VLCCs up from $41,500/day in January to $61,000/day by December, the highest level recorded since early 2020.

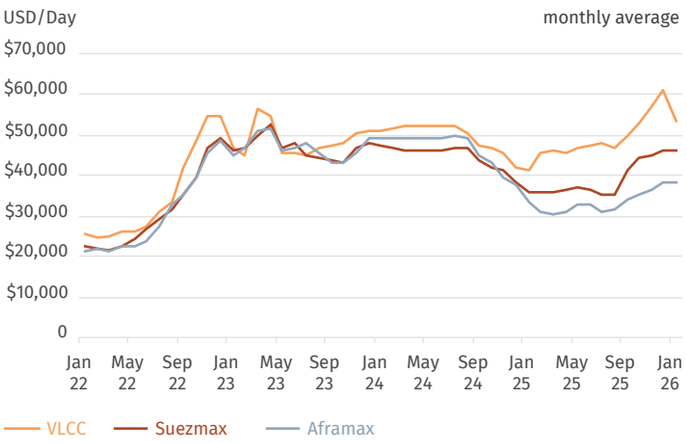
The other tanker segments began to follow VLCCs in the second half of the year. As spot earnings climbed, TC rates rebounded toward those last seen in the first half of 2024. Eco non-scrubber MR2 1-year TC rates rose from a yearly low of $20,500/day in July to $23,500/day in December, while Aframax and LR2 1-year TC rates increased by roughly 12% in the second half, to $38,000/day by year-end.

The softer spot environment in the first part of the year led market participants to favour short-term deals over longer TC periods. In addition, the uncertainties surrounding the USTR regulation on Chinese vessels, later mirrored by China in October for US-linked ships, further complicated TC negotiations, particularly for multi-year periods. These regulatory risks effectively became an additional item on charterers' due-diligence checklists when considering units for TC employment.

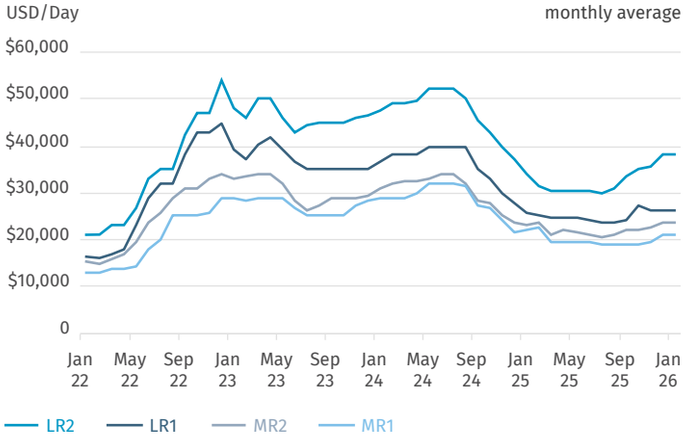
Looking ahead, sentiment for 2026-2027 was initially bearish, largely due to the sizeable wave of newbuilding deliveries. However, a closer look at the orderbook shows a split between opportunistic owners, who may consider time chartering their ships, and owners who ordered vessels primarily for fleet renewal, and are therefore likely to trade them spot. As a result, not all newbuildings will become TC candidates. Moreover, market perception shifted toward the end of the year as geopolitical uncertainties intensified, raising the risk of disruptions to oil flows and introducing additional inefficiencies across tanker trades. These evolving dynamics have begun to place upward pressure on TC rates.

MT ATREBATES, Tanker (VLCC), 321,761 Dwt, built by Qingdao Beihai Shipbuilding Heavy Industry, owned/ operated by CMB. TECH, delivered 2025.

2022-2026 ECO Crude Tanker 1-year TC Rates (Non-Scrubber)



2022-2026 ECO Clean Tanker 1-year TC Rates (Non-Scrubber)



VLCC

In 2025, VLCC rates experienced extreme volatility, going through a series of short, sharp, often sentiment-driven rallies and subsequent abrupt falls off the back of geopolitical events, especially the strikes on Iran and resulting fears that there would be disruption to traffic in the Strait of Hormuz. The global crude trade remained split between conventional market tankers and the shadow fleet as a result of expanded sanctions. It was once again a year of contrasting halves, with the average TD3C TCE (270,000 mt Ras Tanura to Ningbo) increasing sharply from $40,386/day in 1H25 to $102,644/day in 4Q25, the highest quarterly average on record.

Supply side fundamentals continued to tighten, with the global VLCC fleet increasing by only five units to 910 as just six deliveries arrived and a single unit was scrapped. However, in real terms, the tonnage supply for the conventional VLCC market shrank considerably due to the number of vessels subject to OFAC sanctions growing in 2025 from 68 to 155, and the VLCC shadow fleet now accounting for 19.6% of the active fleet. The split in the global fleet continues to exacerbate the inefficiencies in tonnage usage. Furthermore, the VLCC fleet continued to age, rising to an average of 13.2 years, while 59 units turned 15 years old in 2025. The ordering spree continued with 80 vessels ordered during the year. This brought the orderbook to 172 units or 19.8% of the active fleet.

Global oil demand grew by 0.8 mb/d, again falling short of expectations of 1.1 mb/d growth at the start of the year. Similarly, VLCC tonne-mile demand grew only 0.85% on an annual basis, largely due to the increase in OPEC+ production. However, this growth was not uniform throughout the year. After demand remained largely flat in 1H25, it rose sharply by 6.5% from 3Q to 4Q, driven by China refilling its strategic reserves. Furthermore, this was spurred on by India replacing some of its Russian barrels. Consequently, the number of VLCC cargoes discharging in India climbed from an average of 37.3 per month in 1H25 to 47.3 in 4Q25. Many of these cargoes came from the Atlantic Basin, adding tonne-miles as a result.

So far, 2026 has started strongly, with earnings remaining in the six figures. The US actions in Venezuela and the potential for further intervention by Washington have added to the geopolitical risk factor, lifting sentiment and keeping rates elevated. In addition, the prospect of Venezuelan trade opening back up to the conventional fleet, replacing the shadow fleet, could also add demand in 2026. Similarly, the talk of Sinokor consolidating the VLCC market has added to optimism, with S&P values rallying consequently. Meanwhile, strong production growth in Brazil and Guyana should also support VLCC tonne-miles in the upcoming year. Fundamentals remain constructive for the market despite the 42 deliveries expected in 2026, with the ageing fleet and further sanctioning likely to persist, along with further demand growth.

Suezmax

The Suezmax market in 2025 evolved as fundamentals steadily tightened, with the year best understood in two distinct phases. The first half set the foundation: rates were comparatively soft early on, with January TD20 (130,000 mt West Africa to UK Continent) printing near the yearly low as West Africa struggled to build momentum. Yet even in this quieter opening, structural shifts were already underway. The Atlantic Basin became progressively tighter as US Gulf and Guyana programmes displayed consistency and absorbed more tonnage. At several points, Eastern ballaster participation visibly thinned, leaving the European fleet increasingly central in balancing the basin. These early signs of reduced ballasters and sturdier Atlantic pull seeded the conditions that would later magnify volatility and pricing power. During this first quarter, TD20 averaged $34,500/day (w87).

Sentiment improved at a measured pace across 2Q25, and TD20 averaged $39,000/day (w93). Adjacent markets firmed, liftings from the Mediterranean/Black Sea were steady, and supply in West Africa (WAF)

became gradually more constrained. Lists remained workable but were no longer comfortably long, and market commentary repeatedly highlighted how the “tight front end” dynamic was beginning to emerge: not yet explosive, but enough to create sprint-like upswings whenever a cluster of stems hit the market. While the first half did not deliver the headline-grabbing spikes seen later in the year, it marked a decisive shift toward a more balanced, occasionally tonnage-short market environment. This set the stage for the far sharper moves that unfolded once 3Q began.

The second half of 2025 delivered the true acceleration. The third quarter brought more visible tightening: a combination of steady Atlantic demand, thinner Eastern inflows, and firmer surrounding markets meant that even small increases in inquiry could trigger quick rate jumps. The Mediterranean and Black Sea added another structural layer. CPC volatility – driven by uneven programme releases, recurring SPM delays, and occasional security-related risks – repeatedly tightened lists in the region and fed strength into the Atlantic. TD6 (135,000 mt Black Sea to Mediterranean) gains regularly spilled over into WAF and UK Continent/Mediterranean trades, amplifying rate reactions across the basin. TD20 averaged $42,000/day (w100) in this quarter.

From early 4Q onward, the tightening became more pronounced. Market reports consistently described a dripfeed of WAF stems, each small batch pushing rates higher due to the already thin pool of prompt ships. October demonstrated the sensitivity of the market: TD20 moved sharply from high-90s to mid-130s as charterers attempted to cool owners’ momentum while Atlantic and Mediterranean/Black Sea support remained firm. Eastbound replacement tests, such as Algeria–Onsan, lifted ideas to around $5.7mn via the Cape of Good Hope, confirming cross-basin pressure.

November and December delivered the year’s most dramatic moments. TD20 touched w162.5 on best dates, Black Sea routes jumped into the w175–180 range for UK Continent/Mediterranean as delays intensified, and late-December cargoes “piled up,” drawing European units westward. WAF/East traded near w160, CPC/Mediterranean assessments reached w160–165+, and even brief periods of list normalisation only offered temporary relief; week-ahead guidance occasionally dipped toward w130, illustrating the market’s razor-thin balance. These pressures brought the 4Q25 TD20 average to $68,000/day (w138).

By year-end, 2025 had become a story of gradually tightening fundamentals that culminated in a highly reactive 4Q environment. A firmer Atlantic balance, persistent Black Sea/CPC volatility, and reduced eastern ballaster participation shaped a market where even minor shifts translated into outsized rate movements.

There were 27 Suezmaxes delivered in 2025, comprising 3.8% of the fleet. In 2026, we expect 53 deliveries accounting for slippage, representing 7.6% of the fleet.

SELETAR SPIRIT, Tanker (LR2), approx. 109,000 Dwt, built by Hudong-Zhonghua (China), owned/operated by Teekay Tankers, delivered 2010.

Aframax Europe

Last year proved to be another constructive year for Aframax owners, with earnings holding at historically strong levels. TD7 (80,000 mt North Sea to Continent) averaged $41,471/day, a 4.97% y-o-y increase. Meanwhile, TD19 (80,000 Cross Mediterranean) softened modestly to $41,062/day, down 4.14% y-o-y.

Geopolitical developments remained a key driver of market volatility throughout the year, underpinning elevated freight rates. During the first half, with growing US and EU pressure on Russian oil trades, several mainstream owners decided to reduce or stop performing such voyages under the price cap. These vessels going back to mainstream trades did not prevent Aframax freight rates from rising to elevated levels in 4Q25.

At the same time, the ongoing crisis in the Middle East created a persistently uncertain operating environment, with owners demanding significant risk premiums to call high-risk areas, indirectly lending support to freight levels across other basins.

On a more granular level, a sharp decline in Aframax exports from the CPC pipeline introduced short-term negative sentiment into the market. However, this was ultimately outweighed by stronger underlying fundamentals and broader macroeconomic instability.

The strength in the West Aframax market, especially compared to LR2s, also led to a significant number of LR2s dirtying up. This was particularly visible in 4Q, when the number of Aframax and LR2s on DPP trades reached record levels. Among the eight Aframax and 51 LR2 newbuilds delivered in 2025, 58% were trading dirty by the end of the year, a break from historical trends that usually saw the oldest LR2s switch to trade dirty.

Looking ahead, the 2026 outlook appears increasingly uncertain. Despite 88 Aframax and LR2 vessels expected to be delivered (up 49% y-o-y), momentum currently appears to favour owners, who are positioning for another year of robust returns.

Aframax US

The US Aframax market started 2025 on the slower side, but then ramped up through to end-summer, before dipping briefly but finishing the year on a high.

The overall high market can be attributed to several factors, the biggest being the trade war between China and the US. This lowered US crude demand in China, thus giving Europe a chance to increase its US imports and keeping Aframaxes busy in the Atlantic. In turn, Chinese interest increased in Western Canadian barrels exported on Aframaxes. This led to the creation of a new Baltic route, TD28 (80,000 mt Vancouver to Ningbo).

The year ended on the news of Venezuela opening back up after US intervention, adding demand to an already busy regional Aframax market and leaving available tonnage on the lighter side.

We expect these added volumes to keep the Americas market on the high side in 2026.

Aframax East

The East of Suez Aframax market remained healthy, with earnings on TD8 (80,000 mt Kuwait to Singapore) averaging $36,585/day across the year. The route remains lucrative for the owners involved, albeit with a minor decline from the great heights of 2024 ($40,389/day) and 2023 ($44,490/day).

The owners are fragmented across the region, with strong preferences for particular trades and routes. This forces the tonnage supply within each loading area to be held in tight-knit supply, and charterers find it rare to have more than a handful of options for each spot enquiry.

Oil major relets and publicly listed companies tend to remain Far East, focused on TMX (Vancouver-China) and other longer hauls such as crude deliveries into Australia. Additionally, the core Singapore and local Middle Eastern owners have been targeting TD8, short-haul into India, and intra-Indo runs to Thailand. Most of these units are still not willing to do Red Sea transits, and are unlikely to have the consumptions or are scrubber-fitted to compete on longer routes such as TMX.

And finally, the ex-Russian vessels. Not the shadow fleet, but mainstream owners lifting fuel oil stems from the Baltic, and price cap crude towards India and China. Preference is always on premium Red Sea transit, and these units focus on westbound-routed stems such as Middle East Gulf to the Red Sea or Europe, or they simply ballast back for much of the year.

These structures remained in place for most of 2025, with each market at a different earning benchmark. It was rare to see Russian export earnings fall sufficiently to influence the other two. But on occasion, when it did occur, these units swiftly shifted mostly into the Middle East Gulf mainstream market for TD8 and short-haul.

In a sense, the East of Suez earnings are continuously capped by earnings on vessels ex-Russia. Yet without this split in place, earnings could never ‘hold’ at such profitable levels. Even with the seismic deliveries of Afra/LR2 ex-China throughout 2025 and set for 2026, if all remains the same (unlikely!), the market should remain in good stead.

Fuel Oil UKC & Mediterranean

In 2025, the fuel oil market across Northern Europe and the Mediterranean remained volatile but clearly anchored within a higher underlying rate environment, confirming the structural shift that began

in 2024. While seasonal patterns persisted, developments in trade flows, refinery output, and vessel availability played an increasingly important role in shaping regional dynamics.

In the North, the TD18 route (30,000 mt Baltic to UK Continent) opened the year softer, with Worldscale levels easing from around w180 into the low w160s, reflecting typical post-year-end seasonality and sufficient prompt tonnage in the continent. This weakness was short-lived. From late 1Q into 2Q, rates strengthened sharply, breaking through w200 and accelerating into the w240–260 range. Tightening vessel availability and strong refinery output in Northwest Europe supported the rally, particularly in the Handy segment, where prompt units were increasingly absorbed by short-haul and intra-Continent movements. Importantly, elevated levels were sustained rather than fleeting. An orderly correction followed in 3Q, with rates easing toward w220–230, before recovering in 4Q and closing the year in the w240–255 range, leaving TD18 materially stronger than where it began.

In the Mediterranean, the year followed a similar but more measured trajectory. Early softness saw rates dip into the mid w160s–170s, before firming decisively from late 1Q into 2Q, pushing through w200 and peaking in the low-to-mid w230s. Increased regional refinery output, evolving trade flows, and longer average hauls supported freight, with East Mediterranean tonnage often proving more resistant to downside and frequently setting the market tone. Into 3Q, rates corrected gradually toward w210–215 as additional tonnage re-entered the list, before settling into a steadier 4Q around w200.

Overall, while average levels moderated compared to the extremes of 2024, reduced volatility and a firmer rate floor confirmed a more resilient fuel oil freight market heading into 2026.

CPP East

Last year was turbulent for the Middle Eastern clean tanker markets, shaped far more by geopolitics than by traditional fundamentals. Several events that were expected to have a material impact ultimately faded into the background, while comparatively minor events triggered outsized market reactions.

China remained relatively muted and was not a key driver of the year. By contrast, MRs in the Far East had a strong year overall, outperforming expectations and providing consistent support for Far East LR markets, which helped keep sentiment constructive on the whole.

The first quarter was characterised by sharp rate swings rather than a clear directional trend. Softer conditions carried over from late 2024, before lists tightened and heavy off-market fixing triggered a rally across segments. The LR1 market set the tone early, with list dynamics doing much of the heavy lifting. Uncertain itineraries, Far East activity holding up ballast tonnage, a shrinking pool of quality ships as vessels aged out, and concentrated ownership combined to produce repeated runs on the list. Momentum faded into late January as cargo underperformance became harder to ignore and the Lunar New Year disrupted flows, allowing lists to rebuild and rates to correct. February and March then saw a gradual recovery as the Far East returned, enquiries improved, and lists thinned again, first in the MRs and then spilling into LR1s and LR2s. Earnings broadly mirrored 4Q24 levels, with LR2s around $26,500/day, LR1s near $19,000/day, and MRs pushing toward $20,000/day.

Contrary to expectations of a softer summer, CPP markets firmed through 2Q and into 3Q. Tight position lists, steady eastbound flows and intermittent westbound demand kept sentiment supported, as did geopolitical developments, with US airstrikes on Iran acting as a temporary catalyst for Middle Eastern freight. Still, LR2 volumes were partially absorbed by newbuilds, clean-ups and Suezmaxes, with roughly 17% of LR2 cargoes in June and July lifted by unconventional tonnage. Charterers often sought relief in this manner, pulling natural westbound LR2 stems out of the market, pressuring adjacent segments and eventually managing to build LR2 tonnage lists back in the East. Even so, LR1 strength regularly underpinned LR2 sentiment, with occasional MR strength adding spillover support. By mid-August, momentum eased, but supply remained balanced and prompt lists tight, and the market ended up trading sideways. Earnings improved across the board during this period, most notably on the LR2s, where 2Q averages reached around $31,000/day before retreating into 3Q.

Volatility defined the final part of the year. Refinery turnarounds across the Middle East Gulf and India weighed on CPP volumes, leaving the market underfixed and activity uneven. Position lists grew, LR2s increasingly lifted MR stems, and waiting days lengthened, pushing freight lower. Incoming newbuild tonnage siphoned off diesel cargoes, accelerating the rate correction. However, a sharp rally in the DPP markets reduced the threat from unconventional tonnage and helped LR2 stems return to more natural trading patterns, with a number of vessels, particularly trader relets, opting to dirty up. This marked a clear shift away from the cannibalisation of CPP cargoes and allowed clean markets to stabilise and firm into December despite lower volumes. Year-to-date earnings ended around $30,000/day for TC1 (75,000 mt Middle East to Japan), $22,500/day for TC5 (55,000 mt Middle East to Japan) and $22,000/day for TC17 (35,000 mt Middle East to East Africa), much healthier than what was expected at this time last year.

Looking ahead to 2026, CPP markets appear more balanced, although challenges persist. Middle East Gulf refinery utilisation has normalised versus late 2025, but newbuild deliveries still act as a headwind. Fundamentally, the relationship between CPP and DPP will be the key swing factor. If dirty markets remain firm, spillover risk stays limited, which is supportive for LR2s in particular. LR1s should continue to benefit from structural tightness in quality tonnage, though they remain sensitive to short-haul demand and MR competition. That said, the experience from 2025 is a reminder that while fundamentals matter, geopolitics remain the ultimate wildcard and will almost certainly account for any major swings we might see in the year ahead.

MT EBURONES, Tanker (VLCC), 321,735 Dwt, built by Qingdao Beihai Shipbuilding Heavy Industry, owned by CMB. TECH, delivered 2026.

CPP West

Time charter equivalent earnings in the West have decreased from the highs seen in the years immediately following the Russia–Ukraine war, yet the two-tiered CPP market remains. However, TCEs are now coming under pressure due to a reduction in long-haul exports from Europe, vessels shifting away from premium business due to increased security risks, and the ramping up of the EU-ETS. Indeed, the EU-ETS has become an increasingly significant factor for European Handy and MR tanker TCEs. In 2025, allowance coverage rose to 70% of emissions, from 40% in 2024, meaning owners now face higher carbon costs for EU-linked voyages. While some costs are being passed through via higher freight rates, overall TCEs have come under pressure across both Handies and MRs. Furthermore, European refineries are steadily closing as they are outcompeted by newer, more efficient refineries outside Europe, adding further pressure to regional export volumes and, in turn, freight rates.

MR West

MRs in both Europe and the Mediterranean faced a challenging 2025, with TCEs declining for the second consecutive year. A strong European diesel market saw TC14 (38,000 mt US Atlantic Coast to Continent) overtake TC2 (37,000 mt Continent to US Atlantic Coast) as the front-haul Atlantic Basin MR voyage. The US East Coast sourced the majority of its gasoline from the Colonial Pipeline, reducing the need for imports from Europe. As a result, TC2 and Mediterranean–US voyages suffered sharply, with TC2 TCEs down over 20%. Transatlantic voyages were generally preferred as owners repositioned to the more profitable US Gulf, but securing cargoes became increasingly difficult as the arbs remained closed for much of the year. Another key development was the surge in the premium for West Africa voyages over Transatlantic voyages, peaking at nearly +70 Worldscale points on TC2 in 4Q, compared with +10–20 points points in previous years. The prospect of opening in West Africa became less attractive due to the stagnant European/Mediterranean market. Owners opening in West Africa were left with little choice but to ballast back north into what is increasingly becoming a backhaul market. Furthermore, cross-West Africa activity remained limited, and exports from the Dangote refinery have failed to reliably materialise, meaning owners are unable to triangulate effectively.

The Dangote refinery had a major influence on West Africa in its first full year of operation. While there are still operational issues to iron out, with multiple pauses seen so far, its impact is clear as West African rates and activity fall in line with refinery output disruptions. Looking ahead, the outlook for the region feels increasingly binary, with market conditions now heavily dependent on Dangote's consistency.

Handy West

Handies in both the Mediterranean and Northwest Europe have become increasingly intertwined with the MR market, with MRs now competing more frequently for traditional Handy cargoes. This shift is driven by an ageing Handy fleet: only 13 newbuilds were delivered in 2025, while 50 vessels surpassed 20 years of age. Charterers have increasingly turned to MRs to fill the gaps, often achieving better returns on a Dollar per tonne basis.

Mediterranean Handies experienced a characteristically turbulent year, with TC6 (30,000 mt Algeria to European Mediterranean Coast) TCEs down over 30% versus 2024. The year began strongly for owners,

but rates steadily declined, bottoming out in 4Q with average TCEs roughly 2.5 times lower than in 1Q. Geopolitical instability remained at the forefront, with the Israel–Hamas conflict continuing to impact trading patterns, and the premium for Lebanon trade settling around +50 Worldscale points. Furthermore, more product sourced from the east, combined with weaker refinery margins, further weighed on Mediterranean earnings.

In Northwest Europe, Handy rates remained even more closely aligned with MR levels. A scarce Handy fleet and a thin orderbook kept the lists tight, but the demise of TC9 (30,000 mt Baltic to UK Continent) and increased MR availability meant charterers were often able to upsize cargoes where needed, ensuring Handy earnings fell in line with MRs on a Dollar per tonne basis despite the tight lists throughout the year.

FFA

The FFA Benchmark TD3C (270,000 mt Middle East Gulf to China) remained stable throughout 1H25, trading between w45-65. In 2H25, volatility skyrocketed as geopolitical issues arose along with President Trump's statements and military actions. This combination drove the market to almost stratospheric levels, with TD3C trading in the wide range of w43-140 in 2H25. The last week of December saw the market collapse in meteoric style from w130 to w73 for the active Jan 2026 contract.

TD20 (130,000 mt West Africa to UK Continent) followed a similar pattern, although at smaller volumes in the paper market compared to TD3C.

The biggest annual growth area for the FFA market was seen in the US Gulf to UK Continent S&P Global route, with traded contracts across the curve doubling in traded volume from the previous year. This brought levels of open interest going forward to 2026 to between 2-2.5 million tonnes of paper freight per month at the Exchange.

Clean FFAs saw a significant increase in volume, with 270,000 lots traded, a 13% rise y-o-y.

TC5 (55,000 mt Middle East Gulf to Japan) remained the most traded clean tanker route, with over 102,000 lots traded. This represented a 2.4% increase compared to 2024, and the route continued to serve as a proxy for TC1, which is still not traded.

TC6 (30,000 mt Cross Mediterranean) traded in its niche market. Over 41,000 lots traded in 2025, an 18% increase from 2024, and almost double the volume traded in 2023.

One of the main changes was the progressive exchange of TC2 with TC14 (38,000 mt US Gulf to Continent), the usual backhaul becoming fronthaul after TC14 saw much stronger levels than TC2, despite several stoppages at the Dangote refinery's RFCC, which usually pushes the ARA loading rates. Thus, TC2 is back to 2023 levels with 50,000 lots traded (42,000 lots in 2024), while TC14 continued to increase from 50,000 lots in 2024, up 27% to 63,000 lots in 2025.

Last year saw 2,439,044 total traded lots at the Exchange.

Sale and Purchase

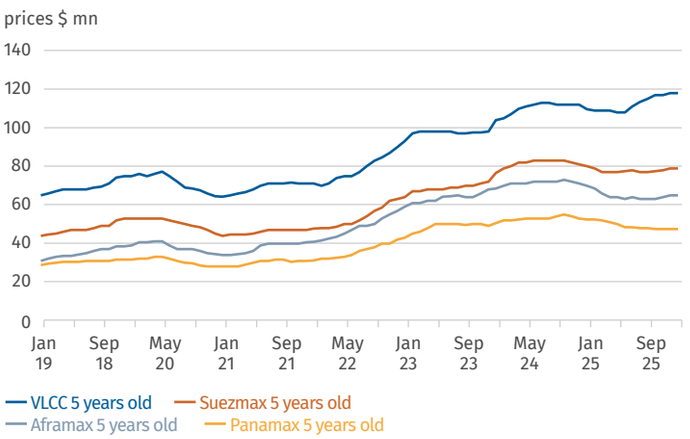
Units reported sold for scrap per year

No. of Ships	2021	2022	2023	2024	2025
VLCC	20	5	0	2	3
Suezmax	10	11	1	2	4
Aframax & LR2	32	20	2	3	15
Panamax & LR1	12	10	2	0	10

New Orders 2021 to 2025

No. of Ships	2021	2022	2023	2024	2025
VLCC	31	2	18	66	71
Suezmax	13	9	57	55	75
Aframax & LR2	50	30	104	253	46
Panamax & LR1	0	0	36	72	5

Tanker Second-Hand prices



Vessel Value Changes from January 2025 to December 2025

	Resale	5 years	10 years	15 years
VLCC	3.32%	8.78%	7.82%	7.43%
Suezmax	1.09%	0.00%	4.33%	-4.82%
Aframax & LR2	-7.53%	-5.15%	-3.67%	-7.00%
Panamax & LR1	-5.00%	-6.97%	-9.43%	-20.72%

“I know that I know nothing”

- Socrates (c. 471-399 BC)

Considered the father of classical philosophy, Socrates was designated by the Delphic oracles as "the wisest man among men". Socrates claimed his ignorance and considered it useful for unmasking those who were unaware of their own ignorance and too sure of themselves. Put more prosaically, to disregard one's ignorance is to act foolishly and to be open to criticism.

Throughout 2025, tanker owners had to ask themselves multiple questions without being able to realistically find answers, such as:

- → Will tariffs affect my trade?
- → Will the USTR be enforced and/or be re-enforced in the months to come?
- → Will a re-enforced USTR maintain the same criteria?
- → What does the “Ships for America Act” mean to me and my fleet?
- → Will I need to build ships in the US and/or exclude building in other countries?
- → When will the war in Ukraine end?
- → How shall my fleet be impacted by the return of oil exports to the market from sanctioned countries?
- → When will it be safe again for my crew and my ship to go through the Suez Canal?
- → How long will this two-headed market (mainstream vs. sanctioned) last?
- → Could some of the shadow fleet units come back to mainstream trades?
- → Could some of the modern sanctioned units come back to mainstream trades?
- → Could the potential traffic congestion at the gates of shipbreaking yards affect my oldest units?

MONJASA HUNTER, Product Tanker, 7,858 Dwt, built by Nantong Mingde Heavy Industry Co. Ltd., owned by MONJASA HUNTER ApS, delivered 2009. Photo: Kasper Fuglsang

Analysts and brokers were, and still are, struggling to answer these questions because every answer starts with hypotheses that are questionable in themselves. These questions, which often remained unanswered all year, led shipowners to follow their instincts to decide their second-hand sale and purchase policy. Depending on the structures and locations of the ownerships together with the size and age of their fleet, opinions among owners have been contradictory and created multiple spaces for transactions for the various types and vintages of their tankers.

2025 saw an increase in the total number of tanker transactions for further trading. In early 2025, we witnessed a reduction in the demand for older tonnage as the shadow fleet became saturated. Nevertheless, during the year, the UN, EU, UK and US sanctioned more tankers, creating a continuous need for shadow owners to look for replacement units to cover their requirements.

Prices for modern large tankers remained high, sustained by global demand and a strong orderbook in multiple shipyards. Smaller units and product tankers were affected by a small decline in value but remained close to historical highs. Medium aged and older tonnage were affected in value independently of the size.

Overall, last year was another reminder that geopolitical events and political decisions trampled all other considerations.

Sale and Purchase Activity (Vessels for Further Trading)

N° of Ships	2021	2022	2023	2024	2025
VLCC	101	81	89	53	73
Suezmax	38	59	42	22	60
Aframax & LR2	129	142	99	65	80
Panamax & LR1	41	61	72	21	30

Last year, the transactions for VLCCs rose significantly from 2024 as the overall number of ships changing hands increased by about 37%.

The activity was once again more concentrated on older tonnage moving to Middle Eastern and Chinese interests.

Transactions for tankers younger than five years old were almost non-existent with only a reported resale from Trafigura going to Advantage Tankers, two five-year-old units, and various units from Hengli which could be argued as either resales or newbuilding contracts. In 2025, prices for modern tonnage and newbuildings remained elevated due to the shipbuilding landscape. The six- to ten-year-old segment was not much more active with only nine transactions reported. For vessels built 11 to 15 years ago, 18 transactions took place with eight of them in the last four months of 2025, evidence of a keener interest in this size. For vessels older than 15 years, the number jumped to an astonishing 38 units. However, it is worth noting that seven of them were sanctioned before year-end.

Prices for vintage units increased significantly over the year with the 20-year-old units increasing in value by around 40%. Chinese buyers were certainly very confident in the possibilities of quick amortisation and played a major role.

At the beginning of the year, six VLCCs were expected to hit the water, and six were delivered. As of end-December 2025 the orderbook stood at 172 units, and 42 ships should theoretically hit the water in 2026. Meanwhile, only three VLCCs were sold for recycling in 2025.

Suezmax

The Suezmax market sales and purchase volume broke records with 60 units sold for further trading versus 22 in 2024. The focus was once again on vintage tonnage with 75% of the transactions involving units built in 2010 or earlier.

Modern units saw their theoretical value kept quite high over the year, driven by a solid newbuilding market, not only rich in new orders but also sustained by a strong market and many geopolitical events. The market assessment was confirmed towards the end of the year with Hayfin's resales under construction at Hyundai reportedly going to clients of Capital at about $97.5 million each, and two others under construction at Daehan from Atlas Maritime to clients of Okeanis Tankers at similar levels. We noticed only nine transactions for ships between five and nine years old, with the majority taking place in the second half of the year.

The subsegment with a massive increase in transaction volume was for units aged 15 years and older. Their prices were constant. Many owners decided on opportunistic sales for their older tonnage. Clients of CMB were reported to have sold five units and Teekay appeared to do so with seven units of its fleet. The values for vessels aged 20 years and older registered an increase of close to 25%. Many Chinese and Middle Eastern buyers and a few Greek owners showed faith in acquiring vintage Suezmaxes.

The Suezmax fleet saw 27 units delivered in 2025 (versus an end-2024 forecast for 30 vessels). Only three units were scrapped. By end-2025, the total Suezmax orderbook rose to 157 units, of which 53 are expected to hit the water in 2026.

Aframax/LR2 and Panamax/LR1

The activity for Aframaxes and LR2s increased, with 80 transactions reported, against 65 in 2024. As with the other sizes and in keeping with the same trend observed since the start of the Russian invasion of Ukraine, the bulk of the activity was for vintage tonnage, with 65% involving units aged 15 years and older.

Only ten units younger than five years old changed ownership, of which eight were in the second half of the year with six of them being resale transactions. Prices did not break 2024 records but remained, historically speaking, very high.

Nine units aged six to ten years old were sold. Prices were high, as seen with the 2019 Japanese-built Platanos, sold for a reported price in the region of $66.5 million.

Of the 61 remaining transactions, eight were for vessels between ten and 14 years old, exactly as in 2024. Lastly, 53 units 15 or more years old were sold. No fewer than 13 of them were sanctioned during the year.

Out of the 68 Aframaxes (including LR2s) which were expected to be delivered during 2025, 59 were launched. In 2026, we expect another 88 vessels to hit the water while, as of late December 2025, the total orderbook stood at 266 units. Fifteen units were reported sold for demolition.

Significant activity was seen for the Panamax/LR1 segment, with 30 units sold for further trading compared to 21 in 2024. The only "sale" of a modern unit was D'Amico exercising the purchase option it had on its Korean 2019-built Cielo Di Houston. Except for this one, and another two units built in 2011 and 2012, the remaining 90% of the transactions involved units aged 15 years or older.

Values for 15-year-old units plunged by about 20% during the year. The 2010 Korean-built GH Madison was reported to be sold by Hayfin Capital to clients of Ultratank in September for $21.5 million when 2008 units were sold at a peak of $30 million in 2024.

In the Panamax (including LR1) fleet, eight vessels were delivered in 2025 against the 11 forecast. There were nine reported sales for demolition of which six were sanctioned, while a meagre nine new orders were placed. The total orderbook at end-2025 stood at 66 units, with 26 expected to hit the water in 2026.

MR1 and MR2

Looking chronologically at the past year, 2025 saw the same thirst for vintage tonnage, as 50% of the transactions involved ships of 15 years

and older. Asset prices decreased slightly for modern tonnage but remained very high historically. Modern units were sought after and even vessels built in second-tier yards got attention and managed to sell.

The total number of transactions increased to 156 units compared to 141 in 2024. Twelve units younger than five years old were sold. No records were broken but strong levels prevailed as seen with the clients of Laskaridis purchasing a resale under construction at Zhoushan Changhong for a reported $48.5 million. In the six- to ten-year-old segment, 32 transactions took place, in line with the 31 registered in 2024. It was noteworthy that many units came from the same sellers who took the view that now was the time to benefit from historically strong prices. As an example, the 2018-built M/T PS Milano was reported sold for $38 million – higher than its original estimated construction price.

The 11- to 14-year-old segment saw 24 units changing hands, in line with the previous year. Additionally, 84 units older than 15 years were reported sold. Prices decreased by about 20% for the 15-year-old and 25% for the 20-year-old units, showing some sign of saturation in the shadow fleet. Only four ships from this segment were sanctioned.

On the newbuilding front, 80 MR2s were ordered during 2025, and 96 were delivered, exactly as expected in December 2024. The total orderbook remained high with 308 units, of which a massive 152 are expected to be delivered in 2026. Eleven units were reported sold for demolition last year.

The MR1 segment was constantly active as 36 units were reported sold in 2025, exactly as in 2024. There were few sales of modern units due to the fleet composition. However, worth mentioning is the acquisition by clients of Montanari of two rare modern Korean units from Trafigura, a 2015-built earlier in the year and a 2016-built later in the year for prices in the region of $30 million each. Only eight transactions between ten and 15 years old took place with the bulk (17) of transactions involving ships older than 15 years.

As of 31 December 2025, the MR1 orderbook was 31 units, of which five were ordered in 2025, three units were delivered against the five expected and 14 are expected to be delivered in 2026. Meanwhile two units were reported sold for demolition in 2025.

Dual Fuel

The ocean-going fleet of real dual fueled tankers (excluding dual fuel ready) from Panamax to VLCC increased to 91 units on the water from 88 in December 2024. The orderbook grew to 63 units with confirmed dual fuel installation from 68 one year earlier. This demonstrates that in 2025 tanker owners considered it less urgent to commit themselves to ordering vessels with dual fuel propulsion. Only ten orders with such capacity were placed out of a total of 206 orders. Naturally the choices of a segment are not necessarily representative of the behaviour or reflection in other segments but clearly, environmental topics lost preponderancy in the concerns tanker owners had to deal with.

Sale and purchase outlook for 2026

For the last ten years tanker owners have mainly had to worry about, and get prepared, for new regulations, and make the right technological choices to minimise their risks and enhance their trading edges. It appears now that on top of those concerns, owners need to adapt their forward thinking to include the composition of their fleet (in terms of construction origin), the structure of their group, and the source of their assets' financing. Decisions used to be driven by efficiency and cost concerns. It is not "just that" anymore. From now on, their choices need to integrate the dislocation of a harmonised global trade. They must keep their options open in the face of international and local political or societal disruptions.

Looking at history, disruptions have mostly benefited tanker owners but the new world order, as it is taking shape with the return of protectionism and self-sufficiency, does not bode too well for the freedom of the sea. US supremacy and its status as the world's leading economic power are contested by China. To "keep it" or to "take it", the US and China are now both convinced that control of a powerful merchant fleet is a prerequisite. Independent tanker owners will need to navigate carefully so as not to find themselves stuck and prevented from offering their transport services to one block or another. To achieve this, it is likely that the ownership structures of existing and ordered ships will need to change more frequently. Since transport of oil and gas remains highly strategic, the coming year should once again demonstrate a sustained sale and purchase trading volume. As for prices, they were high due to inefficiencies from Covid, stayed high due to inefficiencies generated by wars and conflict, and looked likely to remain as such due to the inefficiencies that politicians create.

Globalisation might have lived its best days (at least for the foreseeable future). The world is becoming increasingly polarised and the race among world powers/blocs for privileged access to raw materials becoming harder and sometimes more violent. Sooner or later, one will realise water will become one of them. To finish on a positive note, tanker owners know how to transport liquid and will be ahead of the pack for this new challenge.

Specialized Tankers

LATANA, Tanker (Chemical, stainless steel), 15,990 Dwt, built by Aukra Industrier AS, owned/operated by Utkilen AS, delivered 2000.

Shifting Tides

Introduction

In 2025, the chemical tanker market maintained a certain balance following the record earnings achieved over the previous three years. While freight levels eased gradually during the year, returns stayed healthy and above long-term averages. This was mainly supported by a strong base of contract coverage among chemical tanker owners and the limited availability of swing tonnage.

Market fundamentals remained supportive across the year. Deliveries of stainless steel newbuildings were limited, and global economic growth proved more resilient than initially expected. However, geopolitical volatility persisted and had a noticeable impact on chemical trade. Ongoing trade tensions, particularly between the US and China, led to changes in established chemical trade routes and forced shippers to seek alternative markets. These shifts reduced cargo visibility in certain trades and added uncertainty across several segments, contributing to a more cautious chartering environment as the year progressed.

Security concerns in the Red Sea remain a key factor shaping market dynamics. Most chemical tanker owners continued to avoid the region, supporting tonne-mile demand with the longer voyages around the Cape of Good Hope. At the same time, a limited number of owners continued to transit the area, creating differences in trading patterns and freight levels.

ANTRACYTH, Tanker (Chemical, stainless steel / Marineline), 6,092 Dwt, built by Gisan Shipyard, owned/operated by Unibaltic Sp. z o.o., delivered 2025.

Chemical consolidation through owners' mergers, acquisitions and diversification

Throughout 2025, owners continued to secure their position, increasingly driven by strategy rather than pure fleet growth. Integration and diversification remained key tools for helping owners to strengthen their market presence and prepare for tightening environmental regulations.

A notable transaction was the April merger of Fairfield Chemical Carriers into MOL Chemical Tankers. The deal combined Fairfield's 36 stainless steel chemical tankers with MOL's existing fleet, creating one of the world's largest multi-segregated chemical tanker platforms and linking major trade routes across Asia, North America and Europe.

Beyond traditional fleet mergers, several owners pursued diversification. Christiania Shipping expanded into energy trading through bunkering, lubricants and carbon credits, reflecting a broader trend of combining energy and compliance services with shipping operations.

STEN ARNOLD, Tanker (Oil), 16,578 Dwt, built by Jiangnan Shipyard, owned/ operated by Stenersen Chartering AS, delivered January 2008. In dry dock, Gdańsk.

Cooperative ownership structures also gained traction. Odfjell and Nissen Kaiun developed their cooperation further, forming a joint venture combining ten stainless steel chemical tankers under a unified commercial platform, with plans to expand over time. Similarly, regional alliances, such as the Asia Chemical Tanker Alliance (ACTA) established by GSB Tankers and Asahi Tanker, demonstrated how owners can extend market access without full balance-sheet consolidation.

Decarbonisation also drove new partnership models. Mitsui OSK Lines and CMB.TECH agreed to jointly own and charter two ammonia-dual fuel and four ammonia-ready chemical tankers. Meanwhile, Italy's Fratelli Cosulich Marine Energy and Japan's Iino Lines announced a strategic cooperation for further collaboration on methanol, LNG and ammonia bunkering.

Vertical integration remained an important theme. Stolt-Nielsen expanded its terminal footprint through a new chemical and gas terminal at Ceyhan in Türkiye, while MOL completed the acquisition of LBC Tank Terminals. By combining shipping with terminal infrastructure, these moves allow owners to offer end-to-end chemical logistics solutions and diversify their portfolio.

Overall, consolidation in 2025 was driven less by large-scale takeovers, and more by strategic positioning, partnerships and service diversification.

Chemical production

The global chemical industry continued to show divergent regional performances. North America demonstrated relative stability, supported by domestic energy advantages, related competitive feedstock costs, and tariff protection.

At the same time, Asia (especially India and Southeast Asia) continued to strengthen its position as a major chemical producer and exporter. India is emerging as a major manufacturer, driven by accelerating domestic demand and growing exports. In parallel, Southeast Asian countries, including Indonesia, Thailand, Vietnam, and Malaysia, are expanding chemical capacity, partly as a result of the "China+1" strategy, which encourages Chinese companies to diversify their supply chains outside of China. The Middle East also reinforced its role as a leading petrochemical export hub, benefiting from cost-competitive feedstocks.

In contrast, Europe is facing a far more challenging environment. European chemical output weakened as persistently high energy costs continued to undermine the sector's competitiveness. This pressure resulted in several capacity closures. LyondellBasell and Covestro phased out their Propylene Oxide and Styrene Monomer production unit in the Netherlands, citing global overcapacity and rising Asian

FURE VITEN, Tanker (Oil), 17,999 Dwt, built by China Merchants Jingling Shipyard (Yangzhou), owned/operated by Furetank Chartering AB, delivered June 2021. Off New York.

imports. Similarly, INEOS shut down two units in Germany due to elevated energy and carbon costs. Dow also announced plans to close three plants (two in Germany and one in the UK) in 2026 and 2027, aiming to reduce exposure to higher-cost, energy-intensive assets.

These closures illustrate the structural pressure on high-cost regions, especially Europe. Rising imports from lower-cost regions (particularly Asia), combined with high and therefore disadvantageous energy costs plus tariff pressures, are forcing European producers to rationalise capacity. Consequently, global trade flows are being reshaped, with direct implications for chemical shipping routes, cargo volumes, and regional supply balances.

Chemical fleet development

Fleet investment and renewal in the chemical tanker market was active in 2025, with owners across Europe and Asia strengthening their appetite for ordering. Stainless steel activity included Odfjell, Jaldhi Overseas, Cosco, Stella Tanker, DM Shipping and NYK Stolt Tankers, either placing new orders or expanding existing programmes. European chemical owners such as John T Essberger and Marnavi also added replacement tonnage, targeting ageing units.

This surge in ordering follows a prolonged period of strong freight rates and reflects continued confidence in the chemical segment, although the market remains sensitive to overcapacity.

Looking ahead, 2026 is expected to be a record year for stainless steel tanker deliveries, with 112 vessels scheduled to hit the water, representing a 175% increase compared to 2025. To put the scale of this influx into perspective, the previous peak delivery year was 2018, when 96 units entered service. This year's deliveries include 61 vessels below or equal to 19,000 Dwt, while 49 are above 19,000 Dwt.

While these deliveries mark a historic influx of tonnage, around 24 stainless steel vessels will reach 25 years of age in 2026, offsetting roughly 22% of the incoming supply. However, the high number of deliveries means the market will require the careful management of supply and demand.

The environmental regulations race

In 2025, chemical tanker owners continued to navigate a rapidly tightening regulatory landscape, driven by IMO rules, the EU Fit for 55 package, and carbon and fuel regulations.

Many operators are investing in fleet renewal and retrofits, including scrubbers, LNG or ammonia-ready engines, and energy efficiency technologies, to reduce emissions and stay competitive. Diversification into terminals, integrated logistics, and sustainable fuels is increasingly seen as a part of compliance strategies, allowing owners to offset costs while offering clients greener transport solutions.

Industry innovation is accelerating. In February, Furetank completed a milestone when undertaking its first bunkering of bio-LNG to meet new fuel regulations. In April, Odfjell's 49,000 Dwt Bow Olympus crossed the Atlantic using only biofuel and sails, marking the company's first ultra-low emission voyage. In June, Whitaker Tankers became the first in the

industry to receive certification from Lloyd's Register to load, carry, and blend FAME B100 with petroleum-based marine fuels aboard its 4,450 Dwt Whitchampion. This marked a significant step forward, as bunker tankers certified under MARPOL Annex I had previously been limited to blends containing no more than 30% FAME.

In short, environmental compliance continues to shape fleet strategy and commercial positioning in the chemical tanker sector.

Transatlantic Chemical Tanker Market Review

Over the past year, the transatlantic chemical tanker market has been characterised by a persistent undertone of uncertainty, largely driven by geopolitical developments and evolving US trade policy. Overall, the market followed a familiar pattern: contract of affreightment (COA) volumes continued to provide the backbone of activity, while the spot market oscillated between short-lived firmness and extended periods of stability.

On the eastbound leg, the year began in a cautious "wait-and-see" environment. Political uncertainty surrounding the US election cycle and prospective tariff measures weighed on sentiment, keeping space readily available and limiting owners' ability to preserve freight levels. However, as the first quarter progressed, robust COA nominations gradually tightened space amongst regulars, creating balance with spot activity, and helping owners to uphold existing freight levels. This status quo settled over the first quarter and set the basis for a largely uneventful second quarter. Persistent uncertainty surrounding US tariff developments dampened sentiment, encouraging a cautious approach from market participants.

The summer months presented a mixed picture. A seasonal slowdown, combined with ongoing tariff-related uncertainty, led to an imbalance between supply and demand in July, driving rates lower. Nevertheless, steady COA liftings prevented a sharper correction, and as August unfolded, tightening space allowed owners to claw back some lost ground. By early autumn, eastbound fundamentals stabilised, with consistent COA volumes and regular spot demand slowly firming the market.

A notable development occurred in October, when the implementation of USTR measures prompted several Chinese-controlled vessels to withdraw from the trade. This temporary reduction in tonnage availability created enough pressure to modestly lift freight levels. Although these measures were suspended in November, the episode highlighted the market's sensitivity to regulatory shifts. Toward year-end, strong COA demand and charterers' desire to conclude liftings ahead of the holidays tightened space further. However, with December largely covered in advance, this tightening translated into firmness rather than a rate spike.

In contrast, the westbound transatlantic market experienced no significant developments over the year. Demand was steady but uninspiring, with COA volumes dominating and spot activity consistently muted. Charterers periodically tested lower levels, but with freight already near the perceived floor, particularly against the backdrop of 2026 COA negotiations, owners generally resisted further erosion.

Looking ahead, the transatlantic market appears set to maintain a steady-to-firm tone, particularly for eastbound voyages, provided that COA volumes remain robust and trade disruptions are limited. However, the influx of newbuildings coming to the market over the next few years may shift the balance.

Conclusion

Entering 2026, the chemical tanker market faces significant uncertainty and potential structural change. Strong contract coverage and disciplined fleet management provide a solid base, but geopolitical tensions, tariffs, and shifting trade patterns continue to create an unpredictable environment.

A substantial number of newbuildings are due for delivery, potentially loosening supply and putting pressure on freight. At the same time, the Red Sea route remains far from fully normalised, affecting voyage distances and fleet employment.

Other factors, including shifts in chemical production, evolving regional trade patterns, and the ongoing push for decarbonisation, add further layers of complexity.

Overall, 2026 is likely to be a year of increased volatility and market adjustment, where owners will need flexibility and strategic focus to navigate a chemical tanker market that may be fundamentally changing.

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

As expected, the CPP market remained relatively consistent throughout 2025, with occasional spikes in freight rates that ultimately readjusted and settled at a steady level over the course of the year. The DPP market, on the other hand, saw a major shift when Scotland's Grangemouth oil refinery ceased functioning in April 2025, concluding over a century of operations.

CPP – Intermediates

For most of the year, activity remained flat, and freight levels were lower compared with previous years. This was partly driven by an increasing number of relets taken on time charter (very much in vogue) by some of the major charterers (namely Shell and ExxonMobil), thereby impacting their spot market requirements. Owners operated under constant pressure, although the market did see some freight spikes during April and again from October through to December. The 18–19,000 cbm benchmark route (Mongstad/Kaarstoe/Grangemouth to ARA) traded at

SAKURA THERESA, Tanker (Chemical, stainless steel), 13,140 Dwt, built by Murakami Hide Shipbuilding Co., Ltd., owned/operated by Christiania Shipping AS, delivered 2025.

an average of $230,000 lumpsum for most of the year, with the highest recorded fixture reaching $325,000 by the end of October. This final freight spike gradually lost momentum toward the New Year, with rates falling back to settle at $285–290,000 going into 2026.

CPP – Coasters

Owners in this market (4–10,000 cbm) experienced a less than memorable year. Activity in the Baltic/UK Continent was largely steady, and freight levels remained flat. The Mediterranean endured another weak year and at times resembled a graveyard, with a consistent shortage of stems in the market. As has become the norm, traditional Mediterranean operators have now positioned their ships in the North, where they feel they have more opportunity. This concentration of vessels in the Continent has weighed on the market and kept freight levels under pressure.

DPP

The market experienced a significant shift following the disappearance of Petroineos, which resulted in fewer cargoes being available. Navix remained largely occupied with COA business from Orlen. However, Maersk looked further afield, spreading its vessels geographically into the Mediterranean to keep some of its fleet trading long-haul in an attempt to maintain a better balance in the Continental market. Similar to their counterparts in the clean segment, an increasing number of relets came under the control of the usual oil majors, with Shell in particular remaining the second-largest tonnage holder. The overall storyline remained unchanged. Orlen, with substantial volumes, traded its stems primarily under COA. ExxonMobil lifted its cargoes on its own vessels, with the remaining balance covered through the spot market. Meanwhile, Neste remained well covered by its own tonnage.

Looking ahead

Our crystal ball offers limited visibility beyond the near term. Nevertheless, in view of current global sociopolitical tensions and escalating conflicts, we could foresee a knock-on effect on European refining and product output. With Trump's latest bout of 'diplomacy' regarding the Greenland question, Europe remains very much on the back foot compared with its American counterparts. With pressure on the NATO alliance, Putin must be chuckling to himself at what he likely sees as weakness in the West (particularly the soft underbelly of Europe). It goes without saying that EU–Russia tensions could yet turn even 'hotter'. This places the market in a fragile position that could directly affect shipping activity. Adding to this, uncompetitive operations, significant losses, ageing infrastructure and, at times, mismanagement have led to the closure of two major UK refineries, leaving Europe even more vulnerable when it can least afford to be.

Charterers continue to take tonnage to cover their own cargoes, strengthening their presence in the spot market. Shell, for example, has now taken a very significant position through its relets, directly competing with major owners. It should also be noted that the EU-ETS enters full compliance for ships above 5,000 Gt in 2026. While this continues to be absorbed into freight, it is another factor that will affect owners' calculations, both in the spot market and when renewing contracts. We believe that 2026 will remain relatively flat in both the CPP and DPP markets, provided no further EU crisis occurs. But it appears we are all, to some extent, at the mercy of President Trump...

Palmoil, Vegoil and Biodiesel – Deep Sea

Vegoils and Biodiesel

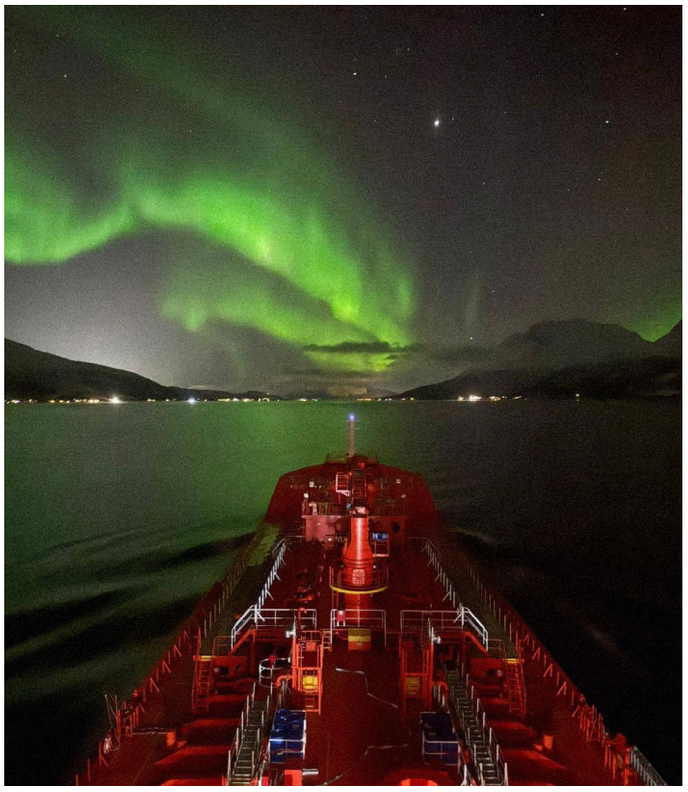
Vegoil exports from Argentina increased in 2025, with over 8.5 million mt shipped, 13% more than in 2024. Some 216 MR1s and MR2s were chartered, of which 171 went to India, which remains the main importer of vegoil. Other destinations are still importing regularly, including Canada, with approximately 300,000 mt.

Biodiesel flows were greatly reduced. Less than 300,000 mt of SME (soya methyl ester) were exported into Europe, three times lower than in the previous year.

Freight rates fluctuated in 2025 and did not necessarily follow the clean petroleum tanker market. Rates for 40,000 mt lots to India moved from a high of $62/mt (on average) in January, to a low of $52/mt in October/November and ended the year around $56/mt. These rates produced returns of between $20–$25,000/day.

In 2025, Black Sea sunflower oil exports remained curbed by the Ukrainian conflict. Most of the international exports continued to be shipped directly from Ukraine and varied in size from small tankers up to MR2. The long-haul exports preferred 18-40,000 mt size lots. Few owners were willing to call at Ukrainian or Russian ports, and the list of those willing further decreased in December due to a series of attacks on Ukrainian ports. Rates were relatively stable during the year, with a spike in December following the attacks. For most of the year, rates for 40,000 mt from Ukraine to India remained in the low-mid $50s/mt.

STEN FRIGG, Tanker (Oil), 16,587 Dwt, built by Jiangnan Shipyard, owned/operated by Stenersen Chartering AS, delivered January 2009. Off Tromsø.



Palm Oils and Biodiesel

We have observed a continued decline in palm oil exports from Asia, alongside a noticeable increase in biodiesel volumes on long-haul routes. This development extends last year's trend, driven largely by Europe's sharp reduction in palm oil imports as it increasingly substitutes palm oil with more sustainable biodiesel feedstocks. In contrast, the US has maintained its regular palm oil import volumes while also absorbing additional biodiesel shipments.

One of the most notable events of the year was the proposed US tariff on Chinese-owned vessels, which introduced significant uncertainty into the market before being postponed by 12 months. Should this measure be reinstated or expanded, it could disrupt trading patterns, limit tonnage availability on certain routes, and inject renewed volatility into freight markets.

Out of the 95 MR newbuildings delivered this year, approximately 50 were fixed for palm oil and biodiesel trades for their maiden voyages, underlining the strong pull of these cargoes on newly delivered tonnage.

Earnings ranged from around $22,000/day during the softer summer period to peaks of $29,000/day towards year-end, with the average time charter equivalent for 2025 estimated at approximately $25,000/day.

Looking ahead, around 140 MR2 vessels are expected to be delivered in 2026, an increase of nearly one-third compared to last year. While fleet growth could place downward pressure on rates toward the end of the year, any implementation of vessel-related tariffs or trade restrictions could offset this impact by effectively reducing available tonnage, thereby helping sustain or even support higher freight levels.

Pacific

Last year, the Asian chemical tanker market was defined by global uncertainty, geopolitical tensions, and structural shifts in trade flows, particularly due to evolving US–China tariff policies. While contract volumes provided a stable foundation, spot market activity often languished under the weight of vessel overcapacity and sluggish demand.

In Northeast Asia, the market remained relatively stable early in the year, although Lunar New Year celebrations and seasonal plant shutdowns caused temporary lulls. By year-end, winter storms and rough seas constricted vessel availability, tightening flows between Taiwan, Province of China, Japan, South Korea, and North China. A

significant trend was the increasing assertiveness of Chinese fleets, which challenged the traditional dominance of Korean and Japanese owners, and often led to lower freight levels on specific routes.

Southeast Asia faced persistent challenges in northbound trade lanes, which remained sluggish for much of the year. Activity was frequently hampered by regional holidays, such as Hari Raya, and severe weather, including a record number of typhoons in November that disrupted schedules and forced vessels into other regions. Port congestion, particularly in the Straits, Pengerang, and Malaysian terminals, created bottlenecks that stranded shipments and muted upward freight momentum.

The export market ex-China was similarly sluggish. Although total export volumes for major bulk liquid chemicals increased year-on-year, the persistent oversupply of newbuild stainless-steel tankers kept rates low. Exports to India remained a bright spot, supported by strong demand for acetic and sulphuric acids, although fleet expansion continues to threaten rate levels on this route.

Palm oil remained a ‘structural anchor’ for the region. While exports to India and China were stable, the market saw a shift as Indonesian authorities adjusted export taxes to remain competitive against US tariffs.

The biofuels (HVO/SAF/UCO) sector saw massive disruption. The removal of the US Blender’s Tax Credit and the implementation of the restrictive 45Z Credit effectively halted Used Cooking Oil (UCO) exports from China to the US. Consequently, Asian biofuel flows (led by Singapore) increasingly diverted towards Europe.

The intra-Asian trade in aromatics like benzene and paraxylene (PX) remained active, albeit often disrupted by weather. While the CPP market saw periods of strength, the chemical segment struggled to follow suit as more ‘outsider’ tonnage entered the trade.

As 2025 concluded, the industry remained cautious. The suspension of the USTR regulations on Chinese-owned vessels provided a temporary reprieve, but the influx of this tonnage back into Asian and Middle Eastern waters contributed to the weakening market in 4Q. Owners are pinning hopes on South Korean capacity cuts and a potential return to Suez Canal transits in early 2026 to restore balance.

The 2026 outlook for the Asia chemical tanker market can be described as "a year of survival”, as the industry contends with a significant glut of supply and continued weak demand. This instability is largely driven by China overbuilding across the chemical value chain and a massive orderbook of new chemical tankers – primarily built in China – that are set to flood the market over the coming years. Furthermore, the market faces structural realignment due to cracker closures, notably in Singapore, and the ongoing disruption of trade flows caused by geopolitical tensions and reciprocal tariffs between the US and China.

Despite these challenges, certain segments may find opportunities amidst volatility. For instance, Asian-based owners have occasionally maintained a competitive edge by continuing to transit the Red Sea, while others must endure lengthy reroutes. Additionally, the production of renewable diesel (HVO) and sustainable aviation fuel (SAF) is increasing in China, Korea, and Southeast Asia. However, competition for these volumes will be intense as new vessels enter the fleet.

BALTIC, Tanker (Oil), 11,253 Dwt, built by Dearsan Shipyard, owned/ operated by Alba Tankers Sweden AB, delivered November 2020. On the Canadian Lakes.

CAP JANET & CAP MORGIOU
4,300 Dwt IMO II
Chemical / Bunkering
tankers (Diesel-electric
propulsion and twin
azimuth thrusters)
under construction in
CMI Yangzhou Dingheng
account Sogestran
Shipping / Maritima, to
be delivered in 2028.
Designed by Deltamarin

The Sale and Purchase Market for Small Tankers (3,000-25,000 Dwt) – 2025

The liquid is drying up

In a now customary pattern, the number of sales of small tankers and chemical carriers (3–25,000 Dwt) declined further, falling by 15% to just 71 transactions (versus 89 in 2024, 111 in 2023 and 139 in 2022). There were fewer sellers on the market, and thus demand would clearly have been higher if suitable tonnage was available.

Unsurprisingly, asset values have therefore remained firm.

Stainless steel vessels represented 37% of total sales, while no second-hand transactions were recorded for bitumen tankers.

Fleet Development and Orderbook

While second-hand liquidity remained constrained by a lack of willing sellers, newbuilding contracting reflected forward-looking fleet renewal decisions for delivery over the coming years.

The orderbook currently stands at 10.4% of the existing fleet in deadweight terms, and 8.2% in number-of-ships terms. The average size of vessels on order continues to increase and now stands at 11,700 Dwt.

The fleet expanded by 1.3 million Dwt (2.8%), with the orderbook now representing 10.4% of the fleet, in an environment of extremely limited scrapping (180,000 Dwt, or 0.37% of the fleet).

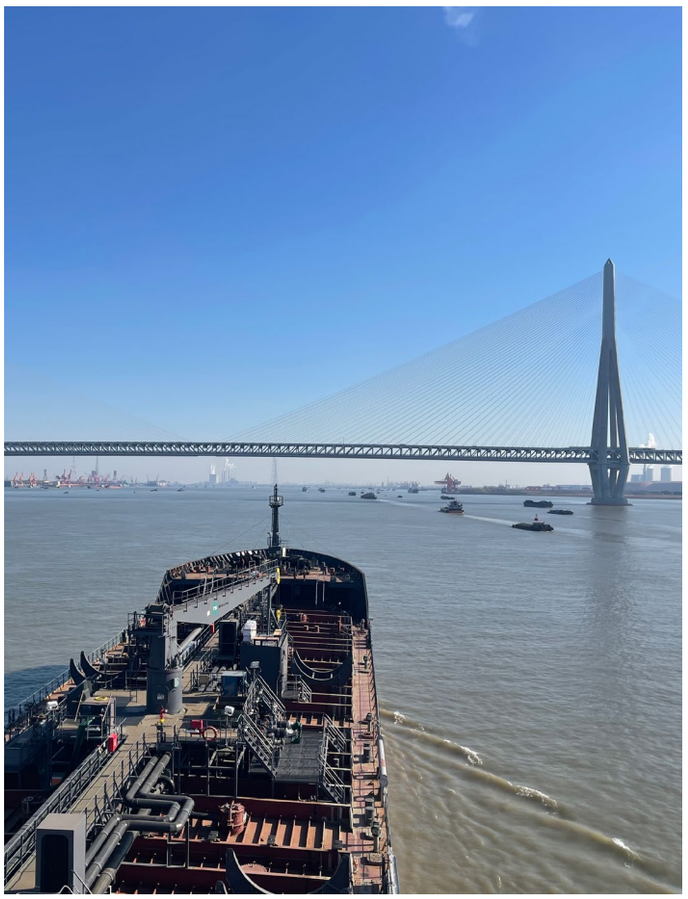
The average age of vessels at the time of sale has stabilised at around 15.5 years. For the third consecutive year, demolition rates remained below 0.4% of the active fleet.

Newbuilding prices softened slightly over the year, while contracting activity remained vigorous.

Year	Orderbook (Dwt)	Fleet (Dwt)	Ratio	Orderbook (ships)	Fleet (ships)	Ratio	Average size (Dwt)
2018	2,933,683	43,821,137	6.69%	294	5,033	5.84%	9,979
2019	2,729,561	44,746,326	6.10%	280	5,111	5.48%	9,748
2020	2,800,795	45,401,395	6.17%	279	5,179	5.39%	10,039
2021	2,635,993	45,441,992	5.80%	291	5,169	5.63%	9,085
2022	2,609,845	46,218,199	5.65%	279	5,248	5.32%	9,354
2023	3,841,123	47,052,555	8.16%	357	5,338	6.29%	10,759
2024	5,188,130	48,014,067	10.81%	462	5,453	8.47%	11,230
2025	5,137,618	49,357,354	10.41%	439	5,594	7.85%	11,703

Chinese shipyards now hold 70% of the orderbook, while Japan ranks second with 15%. Türkiye's competitiveness is under pressure from the financial environment, notably currency risk and ongoing difficulties in securing refund guarantees from Western banks. In a segment that was once a stronghold for Turkish shipbuilders, Japan now outweighs Türkiye by a factor of five.

The bitumen segment now appears over-invested, with 30 vessels currently under construction: 29 in China and one in Japan.



BITU OCEAN
18,000 Dwt Bitumen tanker (integral tanks and scrubber fitted) built by CMI Yangzhou Dingheng (China) account Rubis Asphalt Middle East and delivered in 2026. Designed by FKAB

Outlook for 2026

The sector now appears to be back on a sounder footing, supported by more disciplined contracting. The period of speculative ordering seems to be over, and supply and demand are gradually rebalancing.

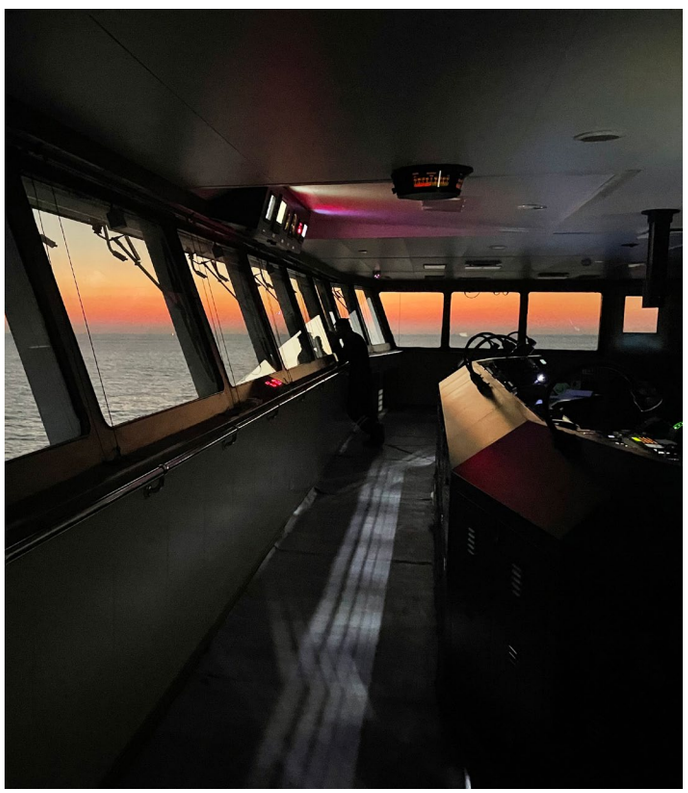
In terms of alternative fuels, methanol (whether "ready" or not) is losing momentum, while dual fuel LNG has regained traction. For smaller vessels operating at an average speed of around 11.5 knots, VLSFO remains the most pragmatic option when supplemented by batteries, shore power and dedicated bunker tanks for biofuels.

If recycling figures remain unchanged, the fleet is expected to grow by around 6.9% in deadweight terms in 2026.

No easing in vessel prices is expected, at least for this year. The war in Ukraine has not ended as previously anticipated for 2025, and sanctions could potentially outlast the conflict itself. This could extend the fragmentation of supply and continue to support freight rates and asset values.

Absent a meaningful acceleration in scrapping activity, the current pace of deliveries risks translating into an oversupply of tonnage in the years ahead, despite today's supportive market conditions.

BITU OCEAN
18,000 Dwt Bitumen tanker (integral tanks and scrubber fitted) built by CMI Yangzhou Dingheng (China) account Rubis Asphalt Middle East and delivered in 2026. Designed by FKAB



Gas

ACTIVE, Gas Carrier (LCO_2 / LPG / NH_3 – Handy Size), 22,000 cbm, built by HD Hyundai Mipo (South Korea), owned by Capital Clean Energy Carriers (CCEC) and operated by Capital Gas, delivered January 2026.

The Mid-Flight Engine Swap

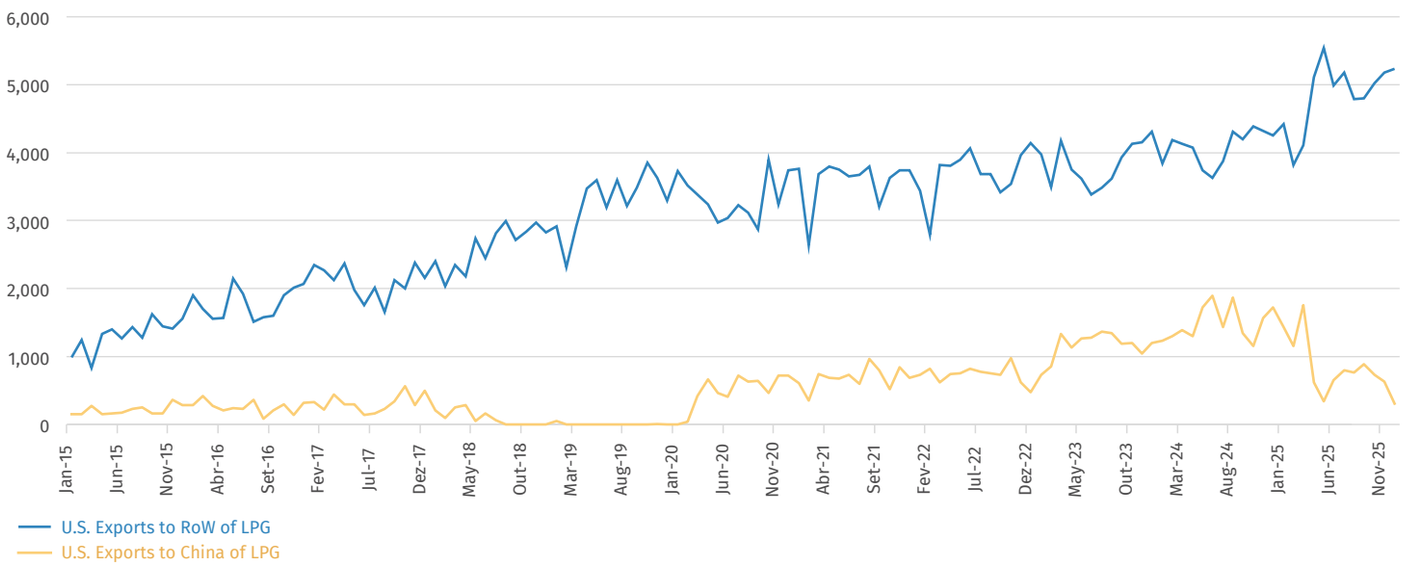
Although some progress was made regarding global tensions in 2025, a sense of geopolitical recession took hold, making crisis management more difficult and increasing business risk. Arguably, the most significant advance during the year was a peace plan brokered by the United States between Israel and Hamas in October, leading to a ceasefire, prisoner and hostage releases, the demilitarisation of Hamas, and the associated dispatch of international aid to Gaza. This constituted phase one of the plan, but a lasting peace, although hoped for, is not yet guaranteed.

On another front, peace in Ukraine remained elusive. Although US President Donald Trump has resisted increasing US support, the European Union agreed at the end of the year to provide Kyiv with a $105 billion loan, granting it greater financial security for the next two years. Indirect support, including sanctions on individuals and entities as well as crackdowns on the shadow fleet, continues to make Russia's prosecution of the war increasingly difficult, and one hopes that combined efforts will bring the conflict to an end soon.

The most consequential event of the year, however, was surely Donald Trump's return as US president. The speed of policy announcements, followed quickly by backtracking, delays, and cancellations of delays, necessitated a high degree of adaptability. The luxury of pausing to adjust to the various tariffs and other impulsive foreign policy measures was not permitted. Adding complexity to the ever-changing tariff regime were proposals from the US Trade Representative (USTR) to impose fees on vessels owned or operated by Chinese entities, as well as on ships built in China, in response to Chinese trade practices and the country's large-scale expansion of its shipbuilding industry. In response, China's Ministry of Finance initiated its own 'Special Port Service Fee' on US-linked vessels, before both initiatives were suspended for one year until November 2026.

Still, global seaborne LPG trade increased by 2.5% year-on-year (y-o-y) in 2025 to about 149.4 million mt, compared with 145.8 million mt in 2024. This marked the slowest growth since the heavy impact of Covid-19 in 2020. Average annual trade growth over the past five years has been 4.9%, and China remained the world's largest LPG importer at 33.8 mn mt. But this represented a 2.1% fall in imports from the previous year – the first such reduction in at least ten years, according to Kpler data. Chinese LPG imports from the US plummeted by 43.4% y-o-y to 10.1 mn mt, even though US exports increased from 66.6 to 68.27 mn mt, a 2.5% rise. The main beneficiaries were Japan, South Korea, and Indonesia. Perhaps the most interesting trade development involving China's LPG imports, aside from the above, was Canada's total shipment of 1.8 mn mt to China, despite shipping no volumes in 2023 or 2024, and prior annual shipments never having exceeded 200,000 mt.

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



LPG/C ROSABLANCHE. Very Large Gas Carrier (VLGC), 88,000 cbm, built by Samsung Heavy Industries, South Korea. Delivered in July 2025, managed by Eastern Pacific Shipping.

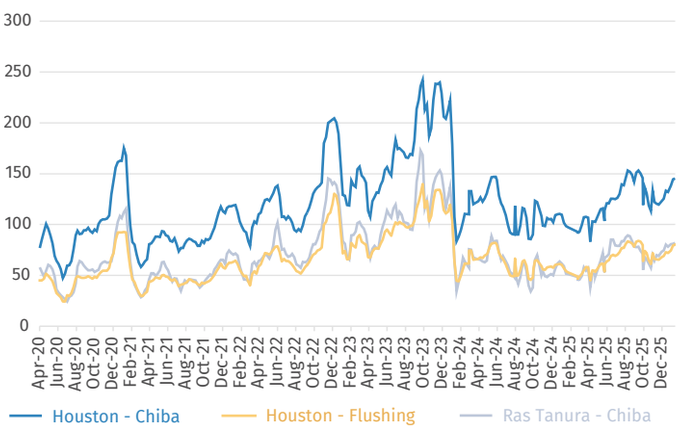
Chartering

VLGC

Going into 2025, most market participants expected a sharp fall in VLGC rates after a strong 2023–24. However, after an initial wobble in the early months, the market managed to absorb the influx of new tonnage and reach new highs. The Panama Canal remained stable in 3Q25, with no restrictions on draught. Rates for 1Q and 2Q stayed suppressed, with time charter equivalents as low as $23,000/day.

Geopolitics continued to create havoc in the market as Trump increased tariffs on all major importers of US LPG. The 'on and off' tariffs on China also set up new trading patterns for VLGCs, as non-US cargoes earned a premium there. Previously, Middle Eastern exports had largely headed to India; however, the new measures saw more Middle Eastern supplies diverted to China, while more US exports were redirected to India.

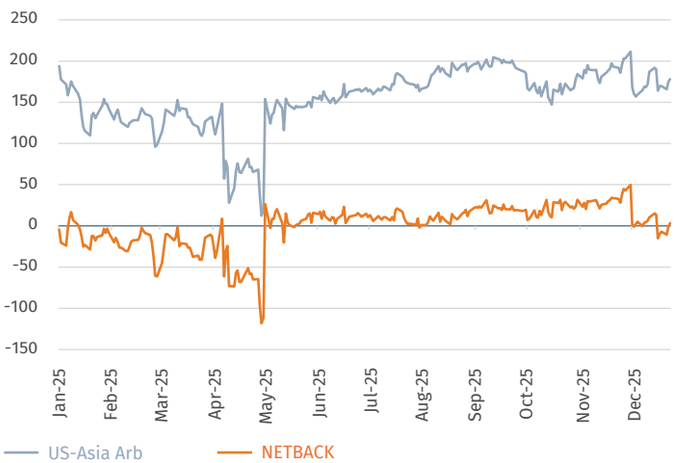
BLPG Rate Comparison (Weekly Average - $/t)



Middle Eastern traders have now started to deliver US LPG to India, thereby increasing LPG tonne-miles. Global LPG liftings were up nearly 10% y-o-y, which helped to absorb recent new tonnage.

The anticipated expansion of LPG export capacity along the US Gulf Coast over the next two years, coupled with rising demand for LPG as a petrochemical feedstock, may help alleviate some of the forecast pressure on VLGC freight rates. This is expected to be driven by a surge of new vessel deliveries in 2027.

Arbitrage vs Netback for 2025



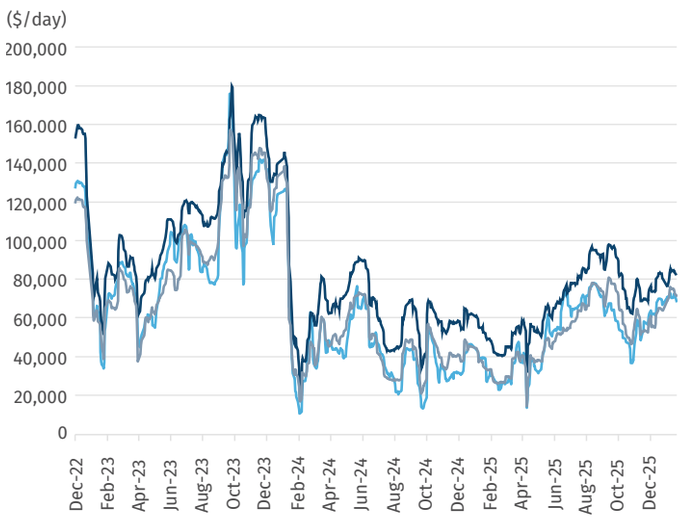
Targa Resources, an independent midstream company, plans to increase throughput at its 450 kb/d LPG export terminal in Galena Park to 19 mb per month – approximately 625 kb/d on an annualised basis – by 3Q27. Additionally, MPLX, a Marathon Petroleum midstream

subsidiary, in partnership with Oneok, is set to construct a new 400 kb/d LPG export facility in Texas City. Together, these projects are expected to raise total US LPG export capacity to more than 3.2 mb/d by 2028, up from the current level of around 2.2 mb/d.

These developments build on recent and planned capacity additions, including Energy Transfer's 250 kb/d expansion at its Nederland terminal in 2025 and Enterprise's 300 kb/d addition at its Houston terminal, scheduled for completion by end-2026. If fully utilised for propane and butane exports, these combined expansions could enable the US Gulf to load approximately 65 VLGC cargoes per month.

Meanwhile, the VLGC market faces mounting supply-side pressures, with around 100 newbuilds scheduled for delivery by the end of 2028, the majority of which are expected in 2027. This influx of tonnage is likely to exert downward pressure on freight rates unless met by a corresponding increase in demand. Fleet rationalisation appears unlikely to offset this growth, as ship recycling remains limited despite over 15% of the fleet being 25 years or older. Strong freight market conditions and ongoing utilisation of older vessels, particularly for Iranian trades, continue to delay scrapping activity.

VLGC Time Charter Equivalents ($/day)



Yards are now sold out until 2027, and given limited availability and elevated pricing, the orderbook is not expected to grow much from its current level. Although the infrastructure is not yet sufficiently developed to make the transport of ammonia by VLGCs viable, the market is beginning to move in this direction. This shift is reflected in new orders being built with ammonia carriage capability, and in VLACs designed solely for NH3 trades. If ammonia offtake happens at the scale some are predicting, many of the new units will be absorbed by this trade. However, switching between LPG and ammonia does present complications. Would VLGC-VLAC players retain the same flexibility on last-cargo ammonia considerations?

LGC

LGC activity was again subdued in 2025, as existing vessels remained on long-term employment. The LGC fleet saw no additions or deletions during the year, holding steady at 21 units, with six on order and scheduled for delivery in 2026–27. The existing fleet has an average age of 17 years, with vessel distribution still heavily concentrated west of Suez, apart from a few units trading east of Suez. In 2025, the segment gained popularity for carrying US LPG to West Africa, the Mediterranean and Northwest Europe. Meanwhile, a few vessels continued to be employed for hauling ammonia from the Middle East Gulf to the Far East.

There was only one sale and purchase transaction during 2025 as Solvang sold its 2003-built 58,000 cbm Clipper Moon for $32mn to Confidence Petroleum India. Asset prices remained strong for the segment, with newbuilding prices around $84mn for a 57,000 cbm vessel. Earnings on LGCs were lower in 2025, with the 12-month time charter rate averaging $33,000/day across the year, compared with $40,000/day in 2024.

Modern MGC designs are increasingly encroaching on LGC capabilities, narrowing the commercial and operational gap with smaller VLGCs. As a result, the segment is increasingly viewed as a transitional size rather than a strategic growth target. Looking ahead, prospective growth in the ammonia sector and several speculative project pipelines could sustain the relevance of the 60,000 cbm class. These vessels offer a meaningful capacity advantage over the 40,000–45,000 cbm MGCs with only marginally higher time charter costs, thus preserving their utility in niche trades even as the broader investment focus shifts elsewhere.

MGC

The MGC segment enjoyed a relatively stable 2025, as the fleet grew by nine vessels, with no deletions recorded. The fleet has increasingly segmented by cargo-carrying capacity as the average vessel size continues to increase. Freight remained weak, with 35,000 cbm units being quoted around $25,000/day, compared to 40,000 cbm vessels earning close to the mid-$31,000s.

Terminal expansions at India's West Coast ports are expected to reduce demand for MGCs on the AG–India trade, as Indian PSUs released 3–4 vessels in 2025. Spot activity increased for MGCs as traders preferred to take vessels on spot or short time charters rather than fixing them long-term. As terminals continued to prefer selling 44 kt FOBs, traders faced challenges securing term supply contracts. Although some Argentinian LPG volumes were observed heading to China on MGCs in 2025, with Kpler reporting about 115 kt of LPG trade, most of the supply remains dedicated to Brazil.

A shift in preference from older 35,000 cbm units to larger 40,000 cbm vessels was noted in 2025, especially for WAF discharges of USG volumes. Ammonia is still transported by MGCs in both eastern and

western markets, with over 33 vessels employed in the ammonia trade, and a few switching between ammonia and LPG.

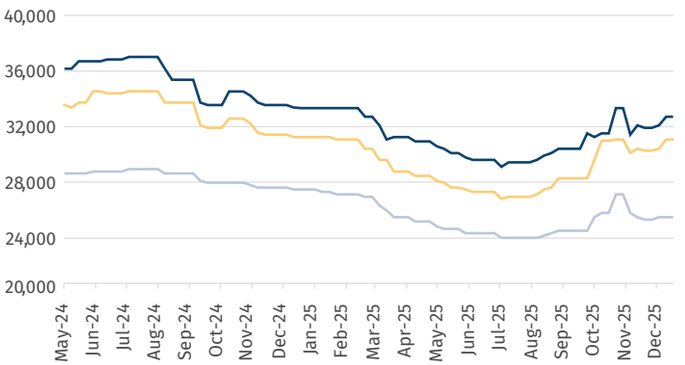
MGC time charter earnings were lower in 2025 than in 2024. Long-term MGC fixtures were observed for Indian PSU requirements of 12–24 months. A 35,000 cbm 2007 built was fixed at $35,000/day for 12 months.

Looking forward, vessels scheduled for delivery in 2026–2027 remain available for employment. Newbuild 45,000 DF-Ammonia units were recently fixed on time charter, with TCEs of nearly $40,000/day. Exmar remained the largest MGC owner and operator in 2025.

Sale and purchase activity continued to be strong, although few deals concluded with TC back options, as new owners entered the market with an interest in the gas segment.

Given the strong ammonia plant outputs, trader sentiment for ammonia remained positive for cross-Atlantic and cross-Pacific routes. Fleet utilisation of MGCs was certainly healthy. Although some ammonia-capable MGCs continued to trade LPG, delays in ammonia plant start-ups created challenges for the incoming vessel supply. Overall, the spot market remained attractive in 2025, with certain owners continuing to focus on lucrative spot opportunities over long-term time charters.

12 Month TCs for MGCs



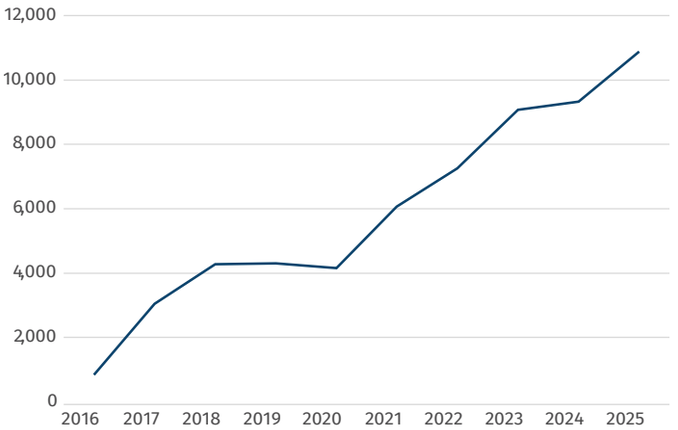
Ethane

US ethane exports closed 2025 at record highs after mid-year increases in loading capacity along the US Gulf Coast. Ethane exports reached 1,082 kt in December, the strongest monthly level on record and 21.7% higher than in December 2024.

Shipments were 10,848 kt, the highest annual level ever recorded, and up 17.7% from 2024. This record was achieved despite an effective US embargo on loadings to China – the world's largest ethane importer – which sharply reduced flows for much of June and July.

Energy Transfer commissioned its 21–22 kt/d propane and ethane expansion at the Nederland, Texas, export terminal in July 2025, while Enterprise Products' 10.3 kt/d Neches River ethane terminal near Beaumont, Texas, also started operations that month.

Global Seaborne Ethane Trade (kt)



The Neches River terminal increased US ethane-dedicated nameplate loading capacity to 52.9 kt/d from about 35.4 kt/d at the end of 2024. Ethane loadings are now near or above nameplate capacity, with shipments averaging 54.4 kt/d in January 2026.

Further growth in 2026 ethane exports could be supported by flexible capacity additions. Of the 17.6–18.5 kt/d added at Nederland, Energy Transfer stated in August that roughly half is initially set to be used for ethane and ethylene.

Ethane exports from the Nederland terminal during 2025 peaked at 427 kt in both August and October, although average ethane loadings in the final two months of 2025 were below the terminal's nameplate capacity.

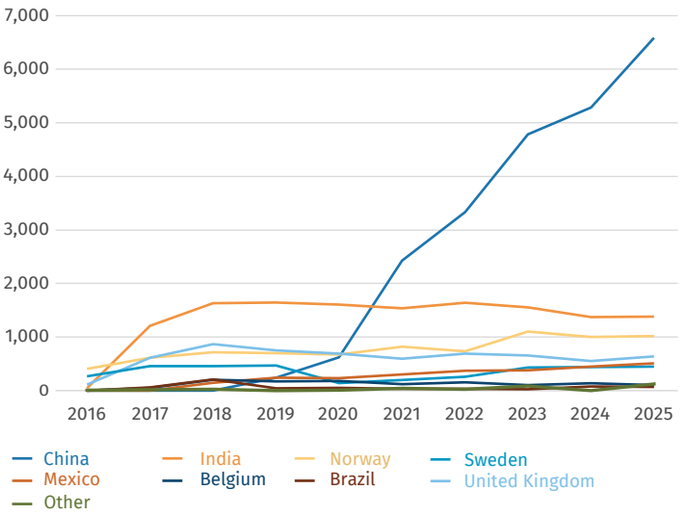
Enterprise is set to expand its Neches River capacity in the first half of 2026, enabling up to 28.3–28.5 kt/d of propane loadings or up to an additional 14.4 kt/d of ethane loadings.

Meanwhile, US ethane exports above 25 kt/d are expected to continue into early 2026, as nearly all shipments are tied to term contracts with petrochemical producers in China, India and Europe. Yet following this year's planned Neches River expansion, loadings could rise well beyond that level if market conditions encourage exporters to allocate more flexible capacity to ethane.

US ethane exports fell in June to 714 kt, their lowest since November 2023, as a result of the US Department of Commerce's Bureau of Industry and Security imposing special licensing requirements on US terminals exporting ethane to China.

China is the largest single buyer of US ethane, accounting for 6,691 kt of the total 10,839 kt of US exports in 2025. The other buyers were India, Norway, the UK, Mexico, Sweden, Belgium and Brazil.

Ethane Trade by Import Countries 2016-2025 (kt)



Ammonia

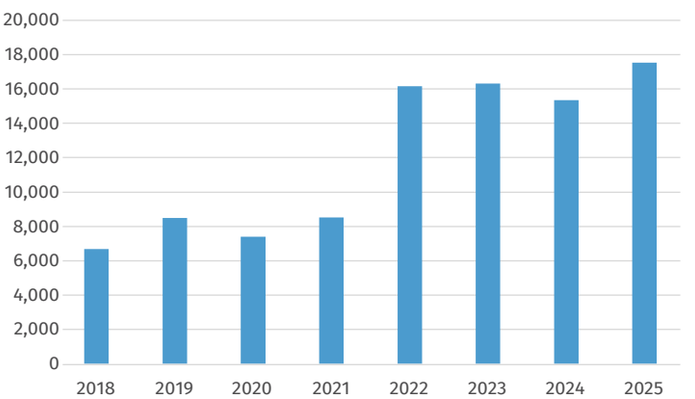
The ammonia market began 2025 with prices easing west of Suez, pressured by ample supply. European demand, mainly from Northwest Europe, helped balance the market early on. By February, weaker spot buying pushed prices lower across most regions. In the Middle East, steady output and soft East Asian demand kept the region long, weighing on global prices.

The second quarter saw a shift in dynamics. Throughout April and May, sluggish downstream consumption and limited gas-related disruptions – mainly in Egypt – kept prices under pressure, while output cuts in Trinidad were extended. As supply tightened, prices rebounded in June, also supported by production issues in key regions and heightened geopolitical uncertainty.

In July, Middle Eastern supply improved with Ma'aden ramping up and Iranian exports resuming, but soft East Asian demand capped gains. However, west-of-Suez markets remained tight through early August. Persistent constraints and rising demand drove a sharp price surge that became more evident in September, as traders quickly absorbed new volumes amid strong European demand and low inventories.

In October, Norwegian fertiliser producer Yara settled the November ammonia contract price with US fertiliser producer Mosaic at $650/mt cfr Tampa, a $60/mt rise from the previous month and the highest monthly contract settlement since February 2023, following the shutdown of four Nutrien plants. Supply disruptions that began in 2Q25 kept the market in check through year-end, with no supply relief from Saudi Arabia or Trinidad. In November, prices strengthened again across most regions. A sale from Trinidad into Europe established a new high, while Nutrien's spot purchase of 28,000 mt to cover its contract shipment to Yara was reported at $690–695/mt cfr, setting a new benchmark for west-of-Suez markets.

European Ammonia Imports (Mn Tonne-Miles) 2018-2025



CHAMPAGNY, Gas Carrier (MGC – LPG), 46,000 cbm, built by HD Hyundai Mipo (South Korea), owned/ operated by Exmar, delivered February 2025.

The Gulf Coast Ammonia (GCA) plant began its startup phase in November, and by mid-December, a third cargo had been loaded, totalling 65,000 mt. Woodside Energy's 1.1 mn mt/yr ammonia plant in Beaumont, Texas, also produced its first ammonia. Commercial production was expected in early 2026, with low-carbon ammonia output beginning in the second half of the year.

Assuming new ammonia production on the US Gulf Coast meets domestic demand by spring 2026 as anticipated, this could influence global prices, as early output may create a first quarter surplus. The 1.2 mn mt/yr GCA plant in Texas City, Texas, could reach commercial operations during 1Q26, while Woodside Energy's 1.1 mn mt/yr Beaumont plant was also set to start commercial sales early in the year. This added supply may help stabilise domestic prices, even with the ongoing outage at Nutrien's 2.2 mn mt/yr Trinidad facility.

The December Tampa settlement held steady at $650/mt cfr, ending a run of five consecutive monthly increases and indicating that rising production expectations were already tempering prices. West-of-Suez ammonia markets were under pressure amid subdued import demand. In early December, the European Commission revised the default emissions factor for US producers, increasing it from 2 mt CO_2e to 3.41 mt CO_2e after determining that two inland plants used petroleum coke instead of natural gas. This higher CO_2e value could reduce European import interest in the near term, although delays or revisions to the EU's carbon border adjustment mechanism (CBAM) leave the ultimate impact uncertain.

China could become an important ammonia export hub in 2026 if domestic prices remain weak, particularly as supply interruptions at major Middle Eastern producers continue to underpin global prices. However, sustained export flows will depend on a wide price gap between China's domestic market and international benchmarks, supported by an expected increase in Chinese production next year. If domestic prices remain relatively stable, arbitrage opportunities will open up for Chinese producers to redirect volumes to export markets.

Chinese ammonia generally carries higher production costs than material from Southeast Asia or the Middle East, as most plants are coal-based and located inland, requiring rail and truck transport to ports. Even so, exports are likely to continue into 1Q26 while Middle Eastern supply remains tight. Although new Middle Eastern capacity – including Qatar Energy's 1.2 mn mt/yr Qafco 7 line – could eventually ease high loading prices, rising Chinese output in 2026 may continue to pressure domestic prices, preserving export incentives even if international prices soften.

New export destinations have emerged, including South Korea and Morocco, while India could also become a key destination in 2026 as new phosphate projects lift ammonia demand. Europe, however, is unlikely to absorb significant Chinese volumes due to the CBAM. While some cargoes were tested further west in 2025, the high carbon intensity of coal-based Chinese ammonia, together with longer shipping distances, increases costs and limits its competitiveness in Europe.

Petrochemical Gases

European olefins output has continued to decline, with cracker run rates staying below 80% of nameplate capacity despite several shutdowns in 2025. Total production of ethylene, propylene and butadiene in Western Europe reached 6.71 mn mt in the third quarter, a drop of 5.5% from a year earlier. Output over the first nine months of 2025 was 4.4% lower y-o-y, based on Cefic/Petrochemicals Europe data adjusted by Argus.

Ethylene exports were marginally higher in 2025 compared with 2024. World annual exports of ethylene reached 6,066 kt in 2025, up from 5,877 kt in 2024. Out of the total volume in 2025, South Korea was the number one exporter with 2,000 kt, followed by the US with 851 kt. Japan accounted for 633 kt, Norway 413 kt, Singapore 356 kt, the UK 312 kt, Malaysia 300 kt, the Netherlands 239 kt, Iran 232 kt and France 135 kt.

South Korea's latest wave of cracker rationalisation began at the end of 2025, but its overall effect may be constrained by ongoing capacity additions elsewhere in Asia, particularly in China. According to press releases from South Korea's Ministry of Trade, Industry and Resources (MOTIR), 16 chemical companies based in the Yeosu, Daesan and Ulsan petrochemical complexes submitted draft business restructuring plans to the government on 19 December 2025. These plans target nationwide cracking capacity reductions of 2.7–3.7 mn mt/yr.

Capacity additions in other parts of Asia have continued despite rationalisation efforts in South Korea. In January 2026, China's BASF Zhanjiang started up its 1 mn mt/yr cracker, while Wanhua Chemical commissioned its upgraded 1.2 mn mt/yr cracker. This added cracking capacity will generate surplus ethylene that could be sold into the merchant market or used internally as feedstock. Huajin Aramco Petrochemical's project in Liaoning province, northeast China, is anticipated for completion by end-2026 and will produce up to 1.6 mn mt/yr of ethylene. In South Korea, S-Oil's Shaheen Project in Ulsan, which includes a 1.8 mn mt/yr cracker, is under development, with start-up expected by 4Q26.

Plant rationalisation and closures have become the norm in the current petrochemical downcycle that began in 2022. Singapore's ExxonMobil 900,000 mt/yr cracker on Jurong Island was the latest to join the shutdown list, with closure expected by end-1Q26. Other major crackers, including Malaysia's Lotte Titan No. 1, the Philippines' sole cracker operated by JG Summit, and Taiwan's Formosa No. 1, have also been idled over the past two years.

Average PDH Unit Operating Rate In China

Europe accounted for 84% of total US ethylene exports in 2025; for the first time in 18 years, the top three destinations (Belgium, Italy, and Portugal) were all European. China ranked fourth for the year but was the largest buyer in December. Belgium, home to Ineos' deep-sea import terminal in Antwerp, imported 239,440 mt, or 30% of US volumes, up 2% y-o-y and topping global imports for the fourth time in seven years. Over the January–September period, Italy absorbed 22% of US ethylene exports. This increase follows the shutdown of two crackers in 2025. Eni's chemicals arm Versalis permanently closed its 410,000 mt/yr Brindisi cracker in April, then its 430,000 mt/yr Priolo cracker in July. The Brindisi complex produces 216,000 mt/yr of high-density polyethylene (HDPE) and 205,000 mt/yr of linear low-density polyethylene (LLDPE). These polymer units are now relying on externally sourced feedstocks.

In December 2025, Energy Transfer shipped its first ethylene cargo from its Nederland, Texas, terminal. The inaugural vessel departed Nederland on 17 December, bound for China. The shipment forms part of Energy Transfer's 250 kb/d expansion project at the terminal, which the company said came online in August. The added capacity is evenly divided between propane and ethane/ethylene.

Ethylene fixtures out of Texas rose slightly toward the end of 2025, with traders also securing positions into early next year.

Freight rates have recently eased for older Handysize vessels carrying US ethylene, as newer VLECs with capacities above 80,000 m³ have increased availability for Handysize ships that can carry around 17,000 m³. Ethane and ethylene are largely interchangeable on ethane-capable vessels. The nearby Enterprise Products Partners terminal in Nederland, Texas, shipped its first ethane cargo in August.

Lower ethylene prices are being driven by record US output amid elevated inventories, which jumped by 39% y-o-y. Ethane remained the main US cracker feedstock at 78% in the third quarter, followed by propane at 12%, butane at 8% and naphtha at 2%.

Propylene exports from South Korea – the world's largest exporter – totalled 1,885 kt in 2025. This was followed by Japan with 587 kt, the US with 416 kt, Spain with 376 kt, the Netherlands with 307 kt, Taiwan with 209 kt, Norway with 204 kt, Malaysia with 195 kt, Italy with 116 kt and the Philippines with 112 kt. China was the main receiver, followed by Belgium, Germany, the Netherlands, Indonesia, Colombia, Mexico, France and Japan.

Regarding Latin American trade, the US only shipped propylene into Colombia and Mexico in 2025, with these volumes supplemented by one cargo from each of the UK, Libya, Taiwan and the UAE. Brazil has not exported propylene since 2022. Meanwhile, European propylene exports significantly decreased on an annual basis, from 120 kt in 2024 to only 46 kt in 2025 (not including intra-region flows). Egypt and Morocco are among the main receivers, and Spain and Italy the main supplying countries. Only a couple of imports were reported (not including intra-region flows): one in February from Ras Lanuf to Porto Marghera, and another in April from Jubail to Brindisi for a combined 11 kt. In 2024, Libya shipped 52 kt into Europe. Intra-regional European export-import flows decreased marginally from 2024. Exports reached around 1,600 kt, compared to 1,700 kt in 2024. Dow Terneuzen, Repsol's Tarragona refinery and Equinor's Mongstad were among the main suppliers, and Dow Stade, Total's Antwerp, and Lyondell Rotterdam were among the main receivers. The closure of ExxonMobil's Mossmorran cracker had no direct impact on propylene supply, as the ethane-fed unit does not produce propylene. This shortfall could lift operating rates at some mainland European crackers, boosting propylene production, although it could also be covered by US ethylene imports, which would not add any propylene.

In China, PDH units (the main receivers of propylene) struggled with poor profitability throughout 2025, although operating rates remained relatively resilient. Across January to December, the monthly spread between ANI (Argus Naphtha Index) and polypropylene prices narrowed by $104/mt to $296/mt, driven by a continued decline in polypropylene prices.

The average operating rate of PDH plants stayed above 70% for most of the year, despite a drop in April and May when some units shut, reflecting fears of US tariff-related propane supply disruptions.

PDH margins are expected to stay under pressure in the near term, capped by tight winter LPG supply and sluggish PP demand, potentially prompting outages.

US butadiene market downside risks are likely to persist into 2026, as oversupply concerns continue to weigh on sentiment amid sluggish demand and a growing reliance on seaborne exports. Market participants broadly expect annual term volumes to remain steady this year, although some cuts are possible as downstream nameplate capacity declines. Most buyers and sellers anticipate demand conditions similar to those seen in 2025, which turned out weaker than initially forecast, as tariff-related disruptions and broader trade frictions compounded an already difficult operating environment.

The permanent shutdowns of three downstream facilities in 2025 – Lion Elastomers' synthetic rubber plant in Texas, Ineos Styrolution's ABS unit in Ohio, and Denka Performance Elastomer's chloroprene rubber plant in Louisiana – highlight the widespread softness across multiple derivative chains. These closures followed Invista's adiponitrile plant shutdown in Orange, Texas, in 2023. Together, these four assets represent the removal of 17% of US butadiene consumption capacity between 2023 and 2025.

Producers have pointed to a mix of rising feedstock costs, higher capital spending requirements, weak end-market demand and increasing regulatory pressures as major drags on chemical sector profitability. These challenges have been compounded by a surge in competitively priced imports, mainly from Asia-Pacific. The US tariff framework introduced in April 2025 has yet to revive demand and, in some cases, has actually reduced output at domestic derivative facilities.

Attempts to bolster domestic production have delivered little tangible improvement, prompting some US suppliers to more closely align contract nominations with export netback economics. This shift has effectively repositioned the US as the lowest-cost supply region, displacing Europe's long-held advantage.

Falling domestic demand for butadiene has forced suppliers to depend more heavily on exports to close structural imbalances, although this strategy has also reinforced downward price pressure.

US exports surged to record highs in 2025, reaching 193 kt, from 159 kt over the same period in 2024. Asia-Pacific – the world's largest consumption region – received 43% of US supplies and was below only Mexico, which absorbed 53%. Europe accounted for just 2%, although this share could grow as traders exploit the logistical benefits of co-loading butadiene alongside ethylene bound for Mediterranean destinations.

On a monthly contract basis, US butadiene has remained more competitively priced than European product for deliveries into Northeast Asia.

Despite the US's cost advantage and its rising exposure to seaborne exports, Europe shipped 41% more butadiene to Asia-Pacific in 2025, compared to 2024, reaching 152 kt. A key factor behind this divergence is China's taxes on US product, which gives other regions more favourable market access.

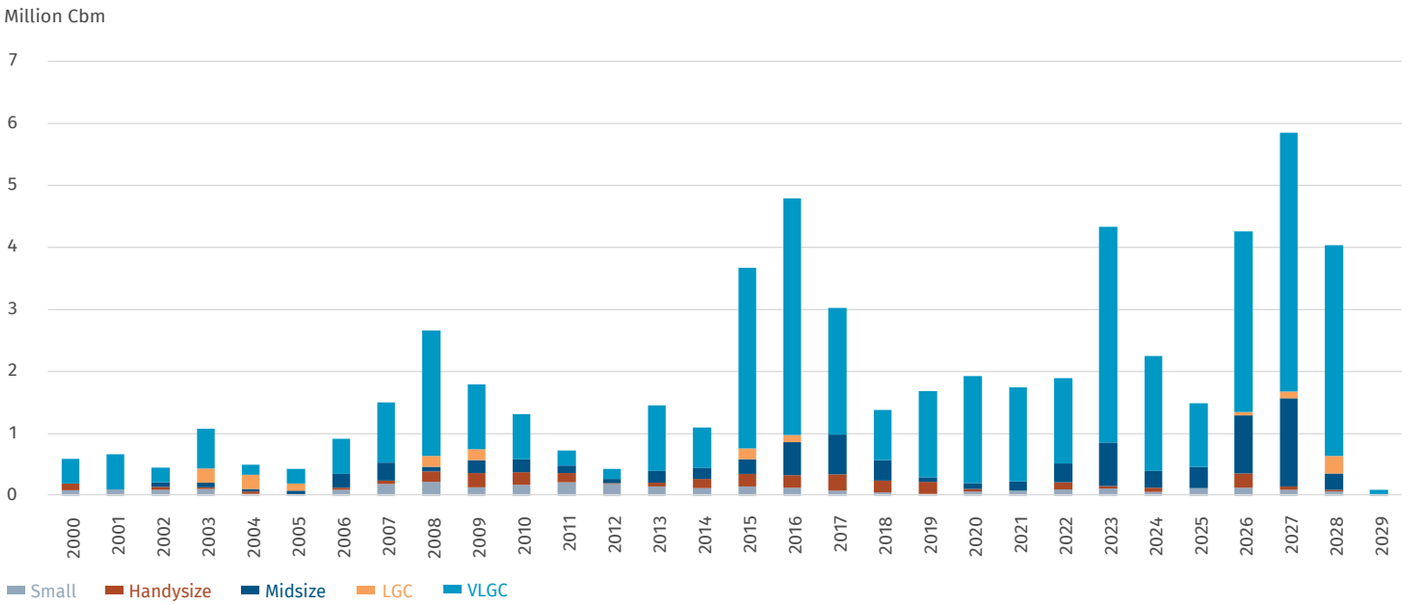
Asia-Pacific annual exports of butadiene declined by 14% in 2025 compared to 2024, from 21 kt to 18 kt. However, the region increased its imports by 44% y-o-y to a total of 528 kt in 2025.

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
2025	
Wanhua Chemical No.2	900,000 t/yr
Guoheng Chemical	660,000 t/yr
Fujian Soft Packaging Meide No.3	900,000 t/yr

BRILLIANT FUTURE, Gas Carrier (Midsize Ethane Carrier), 36,000 cbm, built by Jiangsu Yangzi-Mitsui Shipbuilding (China), owned/operated by Braskem, delivered January 2025.

The Fleet

LPG Tonnage Deliveries and Orderbook by Vessel Type Since 2000



VLGC

As of 2025, the VLGC fleet stood at 411 vessels, with an average age of 10.14 years. The newbuilding orderbook remained at 114 vessels, with deliveries scheduled until 2029. Most yards are fully occupied until 2028. In 2025, eighteen units were ordered, including six ordered by Mitsui for delivery in 2027–2028, two by Sahara Group for the same delivery window, and two by Benelux for delivery in 2028-2029. The VLGC fleet continues to age as deletions are kept minimal, but although the market remains firm for older tonnage, the incoming newbuildings may add pressure, resulting in increased scrapping. In addition, 11 VLECs were delivered during the year. The VLGC fleet continues to age as deletions are kept minimal, but although the market remains firm for older tonnage, the incoming newbuildings may add pressure, resulting in increased scrapping.

LGC

The LGC fleet size remained unchanged at 21 vessels, with an average age of 17 years. Newbuilding orders stood at eight units, with Yara placing orders for two LGCs, with deliveries anticipated in 2028.

MGC

The MGC fleet consisted of 150 vessels as of 2025, with the average age equating to 10.07 years. The newbuilding orderbook for MGCs consists of 62 vessels to be delivered by 2028. Additionally, seven MGCs were ordered during the year, comprising four units from Mitsui for delivery in 2028, two from Nieto scheduled for 2027, and one from Weista for delivery in 2027.

Handysize Gas Carriers

The Handy fleet consists of 136 vessels, with 14 on order, and an average age of 14.48 years. There were no deletions on this segment in 2025, and no fresh orders.

Small Gas Carriers

In 2025, only six small gas carriers were scrapped, and the total fleet remains at 655 vessels with an average age of over 15 years. Thirty-eight vessels are scheduled for delivery in 2029, and 14 SGCs were ordered, with deliveries expected between 2027 and 2028.

GAS HOPE, Gas Carrier (LPG – Small Gas Carrier, pressurised), 7,500 cbm, built by Kyokuyo Shipyard (Japan), owned/operated by Erasmus Corp., delivered March 2025.

LNG

2025: LNG Demand Rebounds in a Year of Modest Orders and Record-Low Spot Rates

LNG exports rebounded in 2025, rising by 2.35% to reach 420.84 million tonnes per annum (mtpa), supported by the addition of new production capacity and a marked resurgence in European demand. Nevertheless, the year was also characterised by a further widening of the tonnage oversupply, as fleet expansion continued to outpace liquefaction capacity growth, with a record 75 conventional LNG carriers delivered. Consequently, 2025 recorded historically low spot rates across both the Atlantic and Pacific basins. This structural oversupply also accelerated the phase-out of steam-turbine LNG carriers, which are increasingly unviable and are now being scrapped at a younger age and in greater numbers, with a record 15 units sold for demolition. In parallel, the number of LNG carriers entering idle or lay-up status increased significantly during the year. Ordering activity remained modest, with only 40 LNG carriers contracted, mainly at South Korean shipyards. In contrast, the LNG bunkering segment continued its exceptional momentum, as a record 23 new orders were placed in 2025.

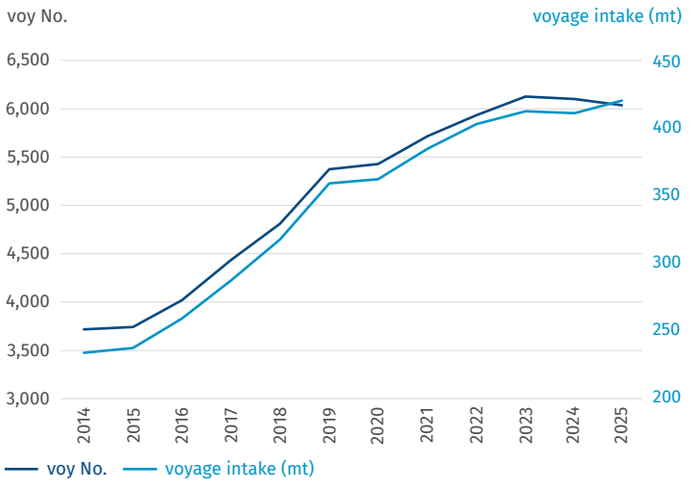
LNG Trade

LNG trade reached 420.84 mtpa in 2025, up 2.35%

After a historic 0.3% decline in LNG exports in 2024, driven by delayed new production, supply disruptions, and weaker European demand, the market rebounded in 2025. Global LNG traded volumes rose by 2.35%, reaching 420.84 mtpa compared with 411.2 mtpa the previous year. This recovery was supported by two main factors. Firstly, the addition of new production capacity, including the start-up of Plaquemine LNG Phase 1 (13.3 mtpa) in the very first days of 2025, the Greater Tortue Ahmeyim FLNG project (2.3 mtpa) in April, and LNG Canada (14 mtpa) at the end of June. Secondly, a marked resurgence in European demand after two consecutive years of decline, with consumption increasing to 106.1 mtpa, up 13.7% from 93.3 mtpa in 2024, largely supported by higher US LNG imports. Meanwhile, Asian LNG imports decreased, reflecting weaker demand, higher domestic production, mild summer weather, and increased pipeline gas imports.

Despite the increase in global LNG traded volumes, the number of LNG carrier voyages declined in 2025, totalling 6,047 compared with 6,102 in 2024, a decrease of 0.9%. This trend reflects the continuous increase in the average capacity of LNG carriers, as older, smaller vessels of around 140,000 cbm and below are being scrapped, sold for conversion, or entering idle or lay-up status. Meanwhile, a significant number of newbuildings – 75 – were delivered in 2025. These were mainly in the 174,000 cbm and above range, representing a roughly 25% increase per vessel compared to the steamers being phased out. This drove the average capacity per LNG carrier to 167,114 cbm by end-2025.

Annual Voyage Number and Intake (mt)



The world's three leading LNG exporters, the United States, Qatar, and Australia, together accounted for nearly 62% of global LNG production in 2025. The United States maintained its position as the world's largest LNG exporter for the third consecutive year, shipping 96.5 million metric tonnes (mn mt), surpassing Qatar by 13.7 mn mt and Australia by 15.9 mn mt.

The US experienced a strong rebound in 2025, after recording its first annual decline in 2024 since US LNG exports began. The country's exports rose by 12.1%, from 86.1 mtpa in 2024 to 96.5 mtpa in 2025,

representing a year-on-year (y-o-y) increase of 10.4 mtpa. This growth was largely driven by the recovery in European LNG demand, which was primarily supplied by the United States. US–Europe LNG trade expanded by 16.6 mtpa, or 40%, from 41.6 mtpa in 2024 to 58.2 mtpa in 2025. In addition, the Freeport LNG facility, the second-largest US LNG exporting terminal with a capacity of 15 mtpa, experienced fewer operational issues compared with 2024. In that year, at least one of the plant's three liquefaction trains was offline every month except October, with some outages lasting several weeks and significantly reducing export capacity.

Seven of the top ten US LNG importers in 2025 were European countries. The Netherlands and France were the two largest buyers of US LNG, importing 11.8 mn mt (+38%) and 8.5 mn mt (+23%), respectively. Egypt followed, recording the largest y-o-y increase in US LNG exports, with imports rising by 5.13 mn mt (+216%) to reach 7.5 mn mt. In contrast, US LNG exports to Asia declined sharply in 2025. China imported almost no US LNG, receiving only 0.075 mn mt compared with 3.7 mn mt in 2024 (-98%) mainly due to renewed trade tensions with Washington. Consequently, many US LNG cargoes originally destined for China were redirected to Europe. At the same time, Japan and South Korea also scaled back their US LNG imports to 4 mn mt (-2.35 mn mt) and 4.3 mn mt (-1.32 mn mt), respectively, while India similarly reduced its US purchases to 2.8 mn mt from 4.6 mn mt in 2024.

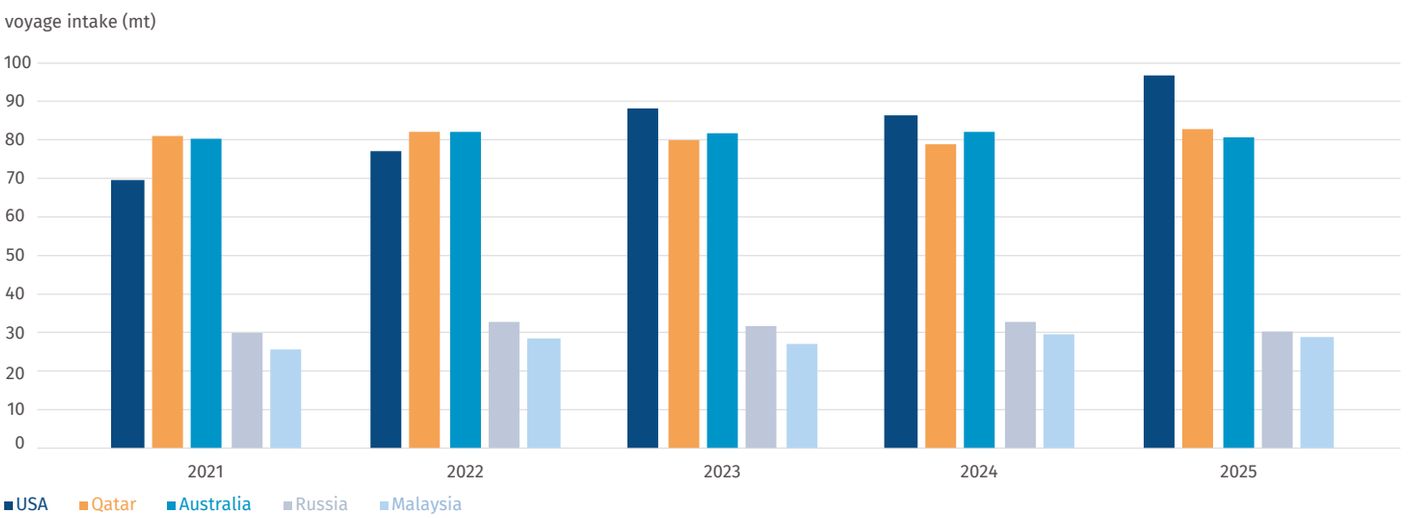
Qatar, the world's second-largest LNG exporter in 2025, raised its export volumes by 5% y-o-y to 82.8 mn mt, driven primarily by Asian markets. In contrast, European demand fell 17% to 9 mn mt from 10.8 mn mt in 2024 (-1.8 mn mt). China, Qatar's largest LNG buyer since 2022, imported 19.7 mn mt, up 4%, while India's imports grew 5% (+0.6 mn mt) to 11.8 mn mt. Taiwan, Province of China, emerged as a rapidly expanding market, with imports surging 41% (+2.4 mn mt) to 8.4 mn mt. Meanwhile, South Korea recorded the largest decline among Qatar buyers, with imports dropping 2.2 mn mt to 7 mn mt.

In contrast, Australia, the world's third-largest LNG exporter in 2025, saw exports drop by 8% (-6.5 mn mt) to 80.6 mn mt from 87.1 mn mt in 2024. While exports to Japan, Australia's largest LNG buyer, remained stable at 26.8 mn mt, and shipments to South Korea rose by 20% (+2.5 mn mt) to 15.4 mn mt, overall growth was weighed down by a sharp drop in Chinese imports. China, Australia's largest LNG importer in 2024, saw imports fall 20% (-5.6 mn mt) to 21.7 mn mt in 2025, down from 27.3 mn mt the previous year.

Russia, the world's fourth-largest LNG exporter in 2025, saw its exports decline by 2.4 mn mt (7%) to 30.2 mn mt. This decrease was primarily driven by a sharp reduction in exports to Europe, which fell by 17% (-3.1 mn mt). Spain led this regression, cutting its imports by 1.9 mn mt, followed by Belgium with a reduction of 0.8 mn mt. Meanwhile, Asian demand did not offset the European drop. China, Russia's largest LNG customer, imported 6.7 mn mt (+0.44 mn mt), surpassing France at 6.4 mn mt, while South Korea and Japan only added 0.4 mn mt and 0.1 mn mt, respectively.

After two consecutive years of growth, Malaysia's LNG exports fell modestly by 0.5 mn mt (-2%) to 28.8 mn mt in 2025, down from 29.3 mn mt in 2024. The decline was driven by lower demand from Japan, Malaysia's largest historical importer, which reduced purchases to 10.5 mn mt (-7%), and Taiwan, Province of China, where imports plunged 79% to just 0.2 mn mt. China also cut its imports by 5%. These decreases were partly offset by a 17% rise in South Korean demand (+1.2 mn mt) to 8 mn mt, along with smaller increases from regional buyers, including Singapore (+0.25 mn mt) and the Philippines (+0.15 mn mt).

Leading LNG Exporters



As in 2024, and despite the rebound in European demand alongside a decline in Asian demand, the top five LNG importers in 2025 remained exclusively Asian countries.

China was the world's largest LNG importer for the third consecutive year, slightly ahead of Japan, with 67.7 mn mt imported in 2025. That being said, China experienced a significant decline in LNG purchases, down 8.9 mn mt (-12%). US LNG became less competitive due to tariffs imposed amid renewed US–China trade tensions, prompting Chinese buyers to shift toward cheaper alternatives. Consequently, US LNG cargoes initially intended for China were redirected to other markets, particularly Europe. China also boosted domestic gas production and increased pipeline imports, while mild weather and softer industrial activity further reduced LNG demand. Qatar, China's second-largest supplier, raised shipments by nearly 1 mn mt (+4%) to 19.7 mn mt. Meanwhile, Malaysia, its third-largest supplier, saw a 6% decline (-0.4 mn mt) to 7.5 mn mt. This was offset by a 0.4 mn mt (+7%) increase in imports from Russia.

After a modest rebound of 1.4% in 2024, Japan's LNG imports fell again in 2025, falling by 0.9 mn mt (-1.5%) to 66.8 mn mt. Australia remained Japan's largest LNG supplier, increasing deliveries by 0.8 mn mt (+3%) to 26.9 mn mt. Japan also stepped up purchases from Indonesia, which rose by 0.8 mn mt (+24.5%) to 3.5 mn mt, and from Qatar, up by 0.7 mn mt (+22%) to 3.6 mn mt. In contrast, imports from the US dropped sharply, down by 2.35 mn mt (-37%) to just 4 mn mt, compared with 6.3 mn mt in 2024. Meanwhile, Malaysia, Japan's second-largest LNG supplier in both 2024 and 2025, saw shipments decline by 0.8 mn mt (-7%) to 10.5 mn mt.

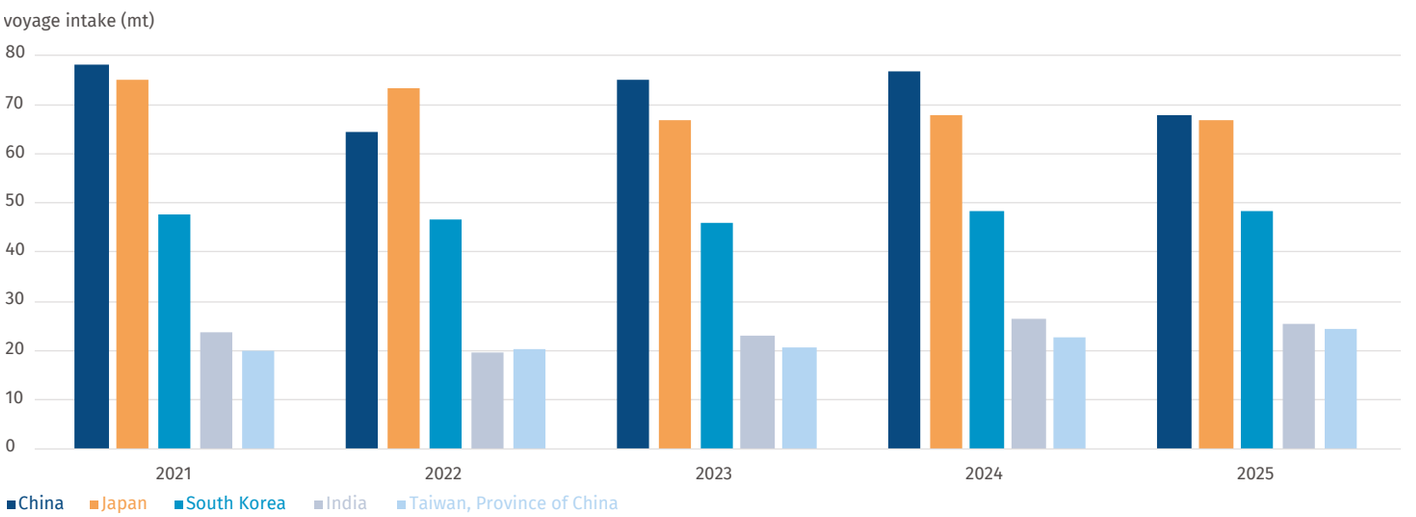
South Korea, the world's third-largest LNG importer in 2025, saw imports edge slightly lower by 0.5%, reversing the 5.6% growth seen in 2024, as volumes totalled 48.5 mn mt. The country increased purchases from Australia, its largest supplier in both 2024 and 2025, by 2.5 mn mt (+20%) to 15.4 mn mt, while imports from Malaysia rose for the second consecutive year, up 1.2 mn mt (+17%) to 8 mn mt. Imports from Trinidad and Tobago and Mozambique both increased sharply, each rising from 0.1 mn mt in 2024 to 1.0 mn mt in 2025. These gains were offset by steep y-o-y declines in imports from Oman, down 3.4 mn mt (-65%), as well as reduced volumes from Qatar (down 2.2 mn mt) and the US (down 1 mn mt).

Meanwhile, India, having recorded the largest absolute increase in LNG imports globally in 2024 with a 14.8% surge, saw volumes reduce in 2025. Imports fell by 0.9 mn mt y-o-y (-3.5%), bringing total inflows to approximately 25.6 mn mt. The decline was driven primarily by a sharp reduction in purchases of US LNG, which dropped by 1.8 mn mt (-40%). In parallel, India increased imports from Qatar, its largest supplier, by 0.6 mn mt (+6%) to 11.8 mn mt, while deliveries from Oman rose significantly by 1.1 mn mt (+91%) to 2.4 mn mt.

Taiwan, Province of China, stood out as the only top-five LNG importer to post growth in 2025, with imports rising nearly 7% to 24.2 mn mt. This increase occurred despite declines from its largest suppliers. Australia fell slightly by 0.15 mn mt (-2%) to 8.2 mn mt, while Malaysia dropped sharply by 0.8 mn mt (-79%) to just 0.2 mn mt. The overall gain was driven primarily by higher purchases from Qatar, which surged by 2.4 mn mt (+40.5%) to 8.4 mn mt, complemented by a substantial increase from Oman, up 0.7 mn mt (+248%).

In 2025, Egypt recorded the largest absolute annual increase in LNG imports worldwide, adding 5.5 mn mt (+193%) to reach 8.4 mn mt. The surge was driven primarily by US LNG purchases, which rose by 5.13 mn mt (+216%) to 7.5 mn mt.

Leading LNG Importers

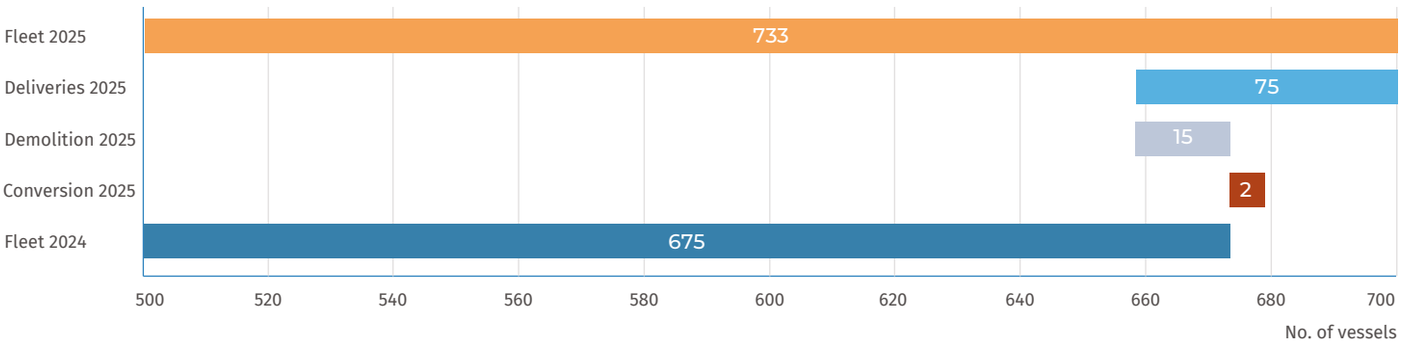


Fleet

40 large LNG carriers were ordered in 2025, with 15 units sold for recycling and 2 additional units undergoing conversion

By the end of 2025, the global fleet of large LNG carriers reached 733 units, reflecting annual growth of approximately 8.5%. This expansion was driven by the delivery of 75 conventional LNG carriers, adding 13,148,600 cbm of capacity. At the same time, 15 conventional carriers were recycled, removing 2,033,806 cbm from the active fleet – a new industry record, and surpassing the previous high of eight units set in 2024. Meanwhile, eight LNG carrier sale and purchase transactions were reported, with two units already undergoing conversion and several of the remaining vessels expected to follow suit.

LNG Carrier Fleet Evolution in 2025

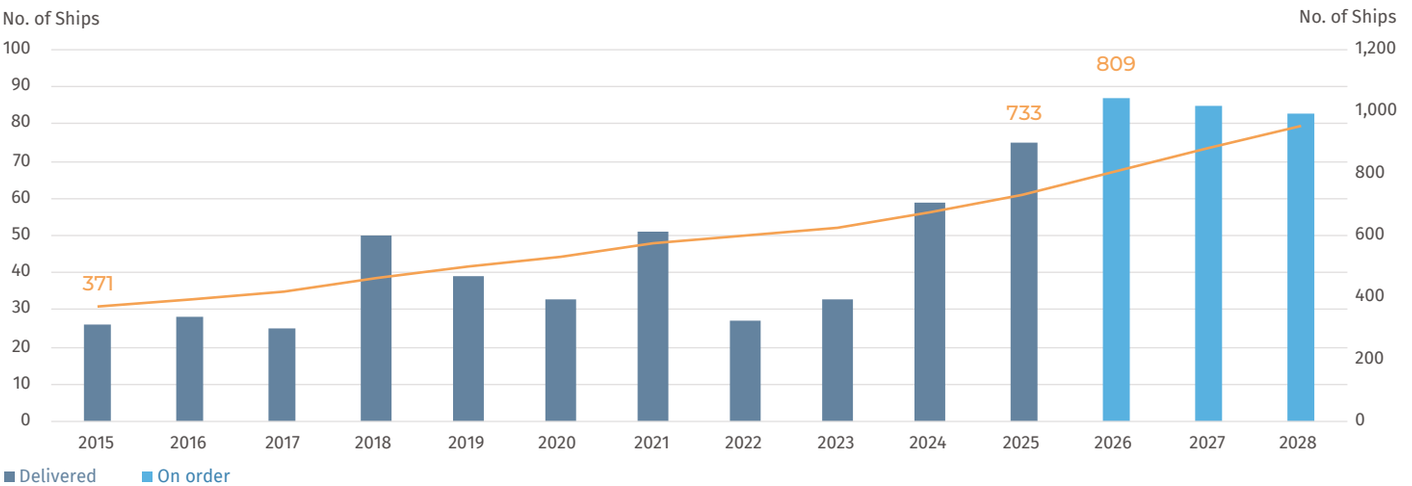


LNG Carrier deliveries

2025 marked a new record for LNG carrier deliveries, with 75 vessels entering the fleet, surpassing the previous high of 59 units in 2024. Of these, 27 were delivered to QatarEnergy LNG, representing 36% of total deliveries for the year.

Looking ahead, this strong growth is set to continue, with 253 LNG carriers expected to be delivered over the next three years: 87 in 2026, 85 in 2027, and 81 in 2028. This exceptional expansion reflects the unprecedented wave of newbuilding orders placed in recent years, including a record 158 orders in 2022, followed by 65 in 2023, 76 in 2024 and 40 last year. Beyond this horizon, deliveries between 2029 and 2031 are already taking shape, with 28 vessels scheduled. Of these, 21 are linked to Qatar's major newbuilding programme: two 174,000 cbm carriers due in 2029 from Hyundai Heavy Industries, and 19 of the 24 QC-Max vessels under construction at Hudong-Zhonghua, with eight deliveries planned for 2030 and six for 2031.

LNG Carrier Fleet Outlook



ENERGY FIDELITY, LNG Carrier, 174,000 cbm, built by Hyundai Samho Heavy Industries (HSHI), owned/ operated by Alpha Gas, delivered 2023.
Photo: HSHI

LNG Carrier scrap sale and conversion

2025 marked a landmark year for LNG carrier recycling, with 15 vessels sold for demolition, setting a new record following the already historic year of 2024, when eight steam-turbine LNG carriers were scrapped. Among the 15 steamers sold for demolition in 2025, seven were membrane-type LNG carriers, sold at reported prices ranging from $11.6–14.4 million, with an average of $12.8mn, while eight were Moss-type vessels, sold for between $19.2–21mn, averaging $20.0mn. At the same time, the average age of vessels sent for demolition continued to decline, highlighting a deepening structural shift in the fleet. In 2025, the average demolition age fell to 26 years, compared with 29.5 years in 2024 and 37 years in 2023.

The combination of declining demolition age and record scrapping activity reflects the growing unviability of older steamers, driven by rising maintenance and operational costs as well as tightening regulatory requirements. This underscores the official and accelerated phase-out of steam-turbine vessels. A significant number of steamers remain in warm lay-up, struggling to secure short-term employment, and when they do, rates have often been close to, or even below, operating costs.

The 15 LNG carriers scrapped in 2025 were in line with our previous forecast. Looking ahead, we reiterate our estimate that around 15 vessels per year will be scrapped on average in the coming years, further accelerating the transition toward a more modern and efficient LNG fleet. Moreover, potential FSU/FSRU conversion opportunities remain limited relative to the number of available steamers.

LNG Carrier sale and purchase transactions

In 2025, the LNG sale and purchase (S&P) market remained active, with eight transactions. However, this was down from the unusually high activity of 2024, which was largely driven by Russian-affiliated companies seeking additional tonnage for LNG cargoes ahead of the Arctic LNG 2 start-up and potential new sanctions.

Last year's LNG carrier S&P transactions were mainly related to conversion projects and predominantly involved steamers, with one exception. In the first days of the year, NYK reportedly sold the 147,798 cbm Alto Acrux (Moss-type, built 2008) to Karadeniz for a reported $42.3mn. The vessel is expected to be converted into either an FSU or FSRU, in line with the buyer's recent shipping activities. In February, the 140,600 cbm Golar Arctic was sold to Soechi for a project linked to contracts with Pertamina, with the rumoured price around $25mn. This transaction marked the completion of Golar LNG's planned exit from the LNG shipping market, 50 years after taking delivery of its first LNG carrier in 1975. In April, Dixstone, a subsidiary of Perenco, reportedly acquired the 137,500 cbm LNG Bayelsa (built 2003) from Bonny Gas Transport (BGT) at an undisclosed price. Renamed FSU LNG Cap Lopez, the vessel is being converted into an FSU at Drydocks World to serve Dixstone's LNG export project at Cap Lopez, Gabon.

GasLog was active in the S&P market, beginning with the sale of the 145,000 cbm Methane Alison Victoria (built 2007) to Excelerate Energy for a reported price in the low-to-mid $20mn range. This was followed by the sale of the 145,000 cbm Methane Jane Elizabeth to PT Humpuss for a reported $25mn. The vessel has been renamed Danaputri 1, reflagged under Indonesia, and is assumed to be earmarked for future conversion. In addition, the 146,000 cbm LNG River Orashi was reported sold by BW LNG for around $20mn to an undisclosed buyer. This 2025 S&P transaction involving a non-steamer was highly unusual. Cosco Shipping signed a sale-and-leaseback deal with MOL to purchase a 271,000 cbm QC-Max LNG carrier, owned by the Japanese shipowner, for a reported $360mn. The vessel, to be named Oryx LNG and built by Hudong-Zhonghua, is expected to be delivered in July 2029. Upon delivery, the unit will be leased back to MOL for $445mn over 20 years, after which MOL will be obliged to purchase the vessel for $1.

LNG Carrier new orders

By the end of 2025, the orderbook represented approximately 39% of the active conventional LNG carrier fleet, with 283 vessels on order compared to 733 in service. A total of 40 conventional LNG carriers were ordered during the year, marking a significantly more moderate level of contracting activity compared with the previous four years. Notably, half of these orders were placed in December, providing a late-year

boost to overall ordering volumes. This anticipated slowdown in new orders materialised as newbuilding prices remained at high levels throughout most of 2025. The slowdown was also influenced by the completion of QatarEnergy's LNG ordering programme in 2024.

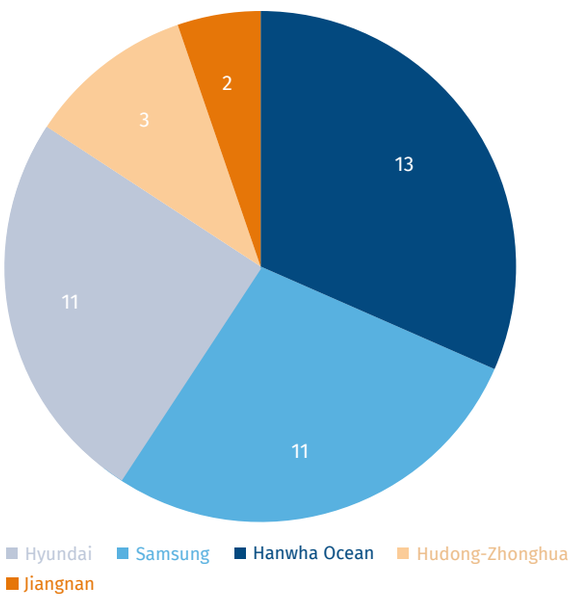
In 2025, South Korean shipyards dominated the LNG carrier market, capturing 87.5% of all new orders, with a total of 35 LNG carriers commissioned: 13 at Hanwha Ocean and 11 each at Samsung Heavy Industries (SHI) and Hyundai Heavy Industries (HHI). HHI remained the shipyard with the largest LNG carrier orderbook, holding 78 conventional LNG carriers, equivalent to nearly 28% of the global orderbook. Average newbuilding prices for a conventional 174,000 cbm LNG carrier built in South Korea, featuring the latest standards such as slow-speed diesel engine propulsion, a membrane-type containment system with a 0.085% boil-off rate, a re-liquefaction/subcooling unit, ALS, and a shaft generator, remained largely unchanged throughout the year. Reported prices hovered in the low-to-mid $250mn range, averaging around $251.7mn.

Last year saw the first LNG carrier orders placed at an American shipyard since the late 1970s. Hanwha Ocean, through its US affiliate Hanwha Philly Shipyard, which it acquired in December 2024, signed contracts to build a total of four LNG carriers. The orders were placed by Hanwha Shipping – Hanwha Ocean's shipping division – while Hanwha Philly Shipyard will manage US Coast Guard certification and act as subcontractor. This initiative appears to be a strategic response to the US federal government's mandate requiring the use of US-built LNG carriers for US exports by 2029. Hanwha Ocean aims to gradually transfer South Korea's advanced shipbuilding expertise to Hanwha Philly Shipyard, supporting the US yard's diversification into higher-value vessel sectors. As the only shipbuilder with facilities in both Korea and the US, Hanwha Ocean plans to further expand its capacity to construct LNG carriers directly in the US, in collaboration with Hanwha Philly Shipyard.

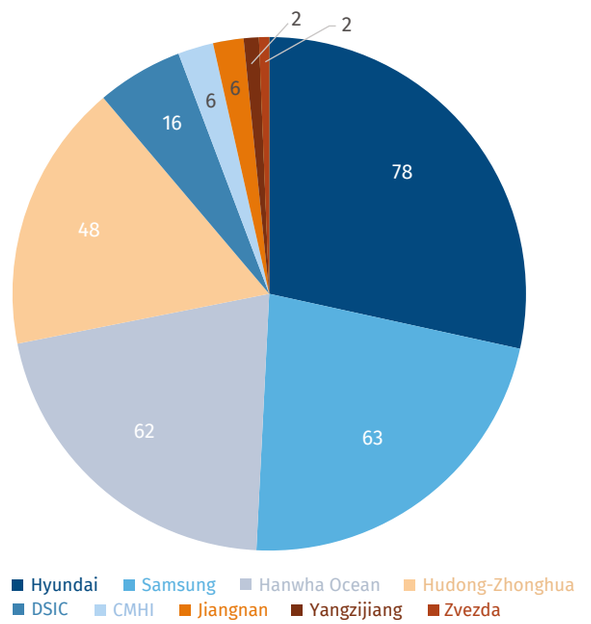
Throughout 2025, some shipowners and charterers were hesitant to place orders at Chinese shipyards. This caution was driven by the escalation of US–China trade tensions and was especially evident when uncertainties arose regarding future vessel trading routes or planned US LNG shipments amid potential geopolitical developments. This also helped sustain high newbuilding prices in South Korea. Nevertheless, Chinese yards continued to demonstrate their attractiveness, particularly toward the end of the year. Notably, BGT placed an order at Hudong–Zhonghua for three 174,000 cbm carriers, with options for three additional units as part of its fleet renewal plan, at a reported price of around $235mn per vessel. This was followed by the last reported newbuilding deal of 2025: Eastern Pacific Shipping ordered a pair of 175,000 cbm units at Jiangnan for a reported $220–225mn each, reflecting a significant discount compared with South Korean yards and Hudong–Zhonghua. These price differentials and recent deals are expected to generate interest among other owners and charterers in placing orders in China in 2026.

Looking ahead, we anticipate a more modest level of ordering activity, with an average of around 40 units expected to be ordered annually over the coming years. However, 2026 is likely to exceed this level, driven by orders associated with the restart of Mozambique LNG, as well as the potential launch of Phase 3 of QatarEnergy's major newbuilding programme at the end of the year.

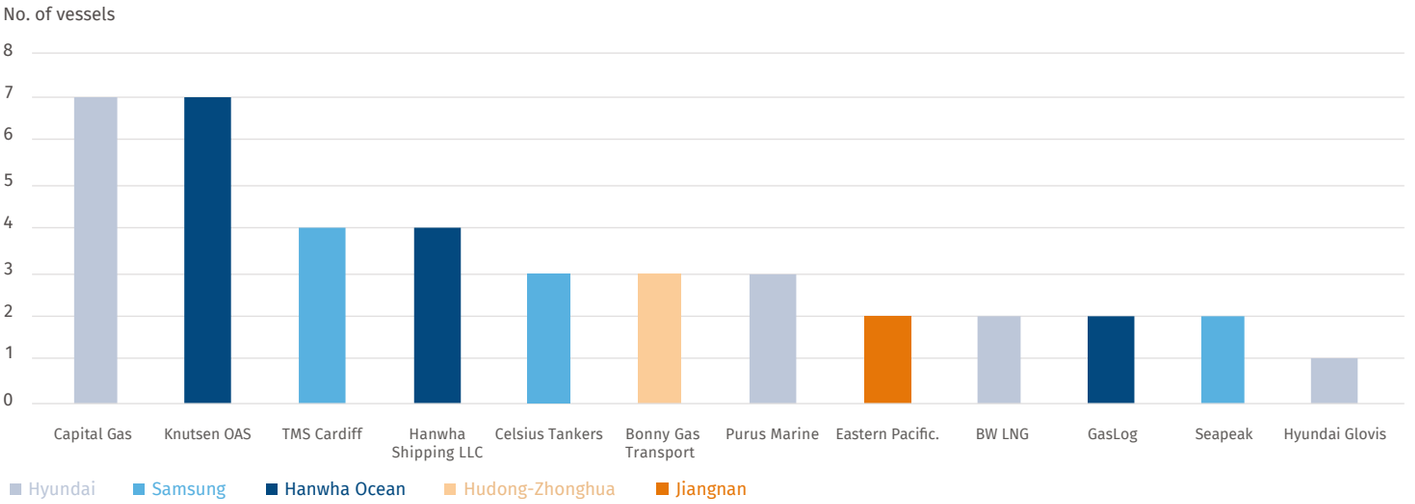
Conventional LNG Carrier Orders in 2025 by Shipyard



Conventional LNG Carrier Orderbook by Shipyard



Conventional LNG Carrier Orders in 2025 by Owner



LNG Carriers forecast

An additional 272 carriers are needed by 2035 to meet a theoretical 5% annual increase in demand

Last year stands out as a pivotal year for the future of LNG, with 71 mtpa of new liquefaction capacity having reached final investment decision (FID). This wave of project sanctioning reflects renewed confidence in long-term LNG demand and marks one of the strongest years for new capacity approvals since the mid-2010s. The momentum has been overwhelmingly driven by the US, which accounts for five of the seven projects sanctioned last year, representing 61.5 mtpa out of the 71 mtpa approved, or roughly 87% of all liquefaction capacity on which FID was taken in 2025.

The year began with a major announcement in April, when Woodside sanctioned the 17.5 mtpa Louisiana LNG project, originally initiated by Tellurian. Targeting start-up in 2029, it marked the first FID of 2025. This was followed in June by Cheniere, which approved the development of Corpus Christi Midscale Trains 8 & 9 and its associated debottlenecking programme, adding approximately 5 mtpa of capacity. Momentum continued in July, when Venture Global LNG sanctioned the first phase of its CP2 LNG project (14.4 mtpa) in Louisiana, part of a two-phase development designed to reach peak production capacity of 28 mtpa. In September, Sempra Infrastructure reached FID on Phase 2 of the Port Arthur LNG project in Texas, adding 13 mtpa through Trains 3 and 4, with commercial operations expected in 2030 and 2031, respectively. In parallel, NextDecade sanctioned Trains 4 and 5 at its Rio Grande project in September and October, bringing an additional 12 mtpa of capacity. With these two new trains, total capacity under construction at Rio Grande LNG now approaches 30 mtpa, cementing its position as one of the largest LNG projects globally.

Although US projects dominated the 2025 FID landscape, emerging as the epicentre of new capacity approvals and driving most of the year's momentum, notable FID milestones were also reached in FLNG projects overseas. In Argentina, two projects were sanctioned with a combined capacity of approximately 6 mtpa: Phase 1A (2.5 mtpa) and Phase 1B (3.5 mtpa). Southern Energy (SESA) took FID on Phase 1A in May 2025. Golar LNG received final approval for a 20-year charter of the FLNG Hilli Episeyo, scheduled for deployment offshore Argentina in early 2027 under charter to SESA. SESA also took FID on its second FLNG, the 3.5 mtpa MK II FLNG, in August 2025. The 148,000 cbm Moss-type carrier Fuji LNG is currently being converted into the MK II FLNG at CIMC Raffles in Yantai, China, an evolution of the MK I units used for FLNG Gimi and Hilli Episeyo. Meanwhile, in Mozambique, Eni and its consortium partners took FID on the Coral Norte FLNG (3.5 mtpa) in October, marking the country's second FLNG project. This development will raise Mozambique's total LNG export capacity to over 7 mtpa. The Coral Norte FLNG, a replica of the 3.6 mtpa Coral Sul facility already in operation, will be constructed by SHI.

Beyond the projects that reached FID in 2025, the year also saw tangible capacity additions as three new projects totalling around 30 mtpa entered commercial operations, supporting the recovery in global LNG demand. In early January, Venture Global LNG shipped its first commissioning cargo from Plaquemines LNG (13.3 mtpa) and rapidly ramped up operations, with several trains now online. However, long-term buyers under SPAs are reportedly not yet being supplied, mirroring the situation previously observed at Calcasieu Pass LNG, where exports began well ahead of contractual deliveries. In parallel, BP and its partners successfully shipped the first cargo from the

Greater Tortue Ahmeyim FLNG project (2.3 mtpa) offshore Mauritania and Senegal. Furthermore, Shell and its partners (Petronas, PetroChina, Mitsubishi Corporation, and Kogas) officially launched LNG Canada (14 mtpa) in Kitimat, British Columbia, with the departure of the first cargo on 30 June.

Around 60 mtpa of new liquefaction capacity was initially expected to come online in 2025. However, major projects such as Golden Pass LNG (18 mtpa) and Corpus Christi Trains 4–10 (11.5 mtpa) have been deferred to early 2026. These delays are now expected to contribute to a stronger increase in transported LNG volumes in 2026.

Following these strategic developments, we estimate that an additional 272 LNG carriers will need to be commissioned by 2035 to meet a projected 5% annual growth in LNG demand over the next decade, which is expected to bring global demand to 680.6 mtpa by 2035.

As of 1 January 2026, an impressive total of 232 mtpa of LNG export capacity is under construction, which is estimated to require 302 standard large LNG carriers of 174,000 cbm based on trade patterns associated with these liquefaction terminals.

Terminals	Region	Start up expected	Export capacity mtpa	Gross fleet requirement Vessels #
Corpus Christi T4 - T10	USGC	2026	11.5	16
Golden Pass LNG T1	USGC	2026	6.0	9
Golden Pass LNG T2	USGC	2026	6.0	9
Golden Pass LNG T3	USGC	2026	6.0	9
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)	MEA	2026	8.0	8
North Field LNG Expansion T2 (NFE)	MEA	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	2
Port Arthur LNG T1	USGC	2027	6.8	10
Rio Grande LNG Train 1, 2 & 3	USGC	2027	17.6	25
North Field LNG Expansion T5 (NFS)	ME	2027	7.8	8
North Field LNG Expansion T6 (NFS)	ME	2027	7.8	8
Argentina FLNG Phase 1a	USGC	2027	2.5	5
Cap Lopez FLNG	WAF	2027	0.7	1
Ruwais LNG Terminal	ME	2028	9.6	10
Port Arthur LNG T2	USGC	2028	6.8	10
Calcasieu Pass LNG 2 Phase 1	USGC	2028	14.4	20
Cedar LNG	WCAN	2028	3.3	5
Corpus Christi Midscale T8 & 9	USGC	2028	5.0	7
MK II FLNG	USGC	2028	3.5	6
Louisiana LNG	USGC	2029	16.5	23
Mozambique LNG	EAF	2029	12.9	17
Rio Grande LNG T4&5	USGC	2029	12.0	17
Coral Norte (FLNG)	EAF	2030	3.6	5
Port Arthur LNG T3	USGC	2030	6.8	10
Port Arthur LNG T4	USGC	2031	6.8	10
TOTAL			**232**	**302**

Only a further 28 mtpa of liquefaction capacity is projected over the next decade to meet the theoretical 5% annual growth in LNG demand, underscoring the substantial volume already under construction. Meeting this incremental demand will require the construction of 39 standard 174,000 cbm LNG carriers.

In addition, we estimate that 214 new LNG carriers will be required for fleet renewal. Our anticipated accelerated phase-out of LNG carriers over 25 years old, through demolition and conversion, began in 2025. This trend is driven by a combination of factors, including stricter emissions regulations, a high number of ageing vessels coming off

charter, sharply rising maintenance and operational costs once vessels reach 20-25 years of age, and unappealing spot rates due to strong competition from modern tonnage amid an oversupply which is expected to persist over the next 2-3 years. Our estimated fleet renewal requirements include:

- 20 LNGCs of 174,000 cbm & 24 QC-max of 271,000 cbm to replace the existing 44 Slow Speed Diesel (SSD) Q-Flex and Q-Max LNGCs (9,888,403 cbm).
- 127 vessels of 174,000 cbm to replace 157 steam-turbines over 25 years (22,114,896 cbm).
- 43 vessels of 174,000 cbm to replace 49 DFDEs/TFDEs with a capacity below 160,000 cbm (7,379,043 cbm).

With 283 LNG carriers already ordered, we therefore estimate that a further 272 vessels will need to be ordered to meet combined demand growth and fleet renewal requirements, translating to an average of approximately 39 LNG carriers per year from now until 2032.

Status of Terminal	Export Capacity mtpa	Fleet Requirement No.
Under construction (U/C)	232	302
Proposed	28	39
Total U/C & Proposed	**260**	**341**

Fleet Balance		Vessel No.
Orderbook 01 Jan 2026	-	283
Qatar SSD LNGCs Renewal	+	44
Demolition & Conversion	+	170
Net Fleet Requirement	**=**	**272**

LNG prices

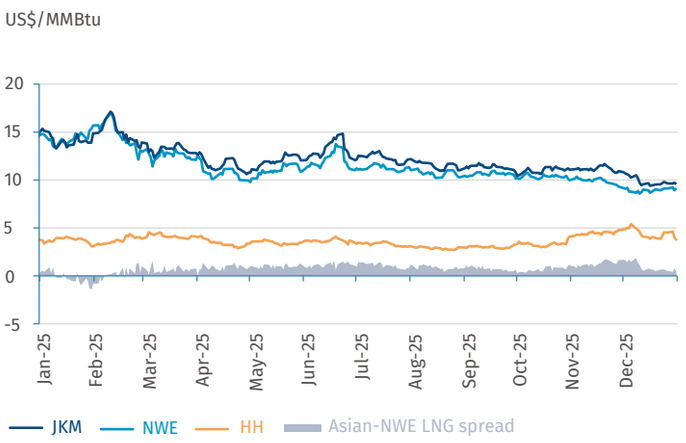
2025 marked yet another transformative year for global energy markets, extending the structural shifts initiated by the 2022 supply shock. Political considerations continued to outweigh purely economic drivers, particularly in the LNG market, where geopolitics increasingly played a decisive role in shaping trade flows, pricing dynamics, and buyer behaviour.

Key trends influenced LNG pricing throughout the year. European nations continued to secure future US volumes while progressing toward a full phase-out of Russian molecules (pipeline gas and LNG) by late 2027. Meanwhile, China, the largest energy consumer in Asia, faced renewed trade tensions with the US, resulting in a near-complete halt of LNG imports from that source. Meanwhile, for the first time, sanctioned Russian LNG entered the Chinese market via the Beihai LNG terminal, reflecting a politically driven shift in trade patterns. These developments effectively reversed the traditional roles of the Atlantic and Pacific LNG markets. China emerged as a 'swing' buyer, a role historically associated with Europe, while Europe assumed the position of a stable, price-setting LNG consumer. As a result, incremental LNG volumes in 2025 were predominantly absorbed by Europe. Arbitrage opportunities between basins remained largely closed, with the year-average spread between JKM and European DES prices narrowing to less than $1/MMBtu. The Japan-Korea Marker (JKM) averaged $12.16/MMBtu, up 2.2% from $11.9/MMBtu in 2024, while European DES (NWE) prices averaged $11.41/MMBtu, up 5.6% from $10.8/MMBtu in 2024.

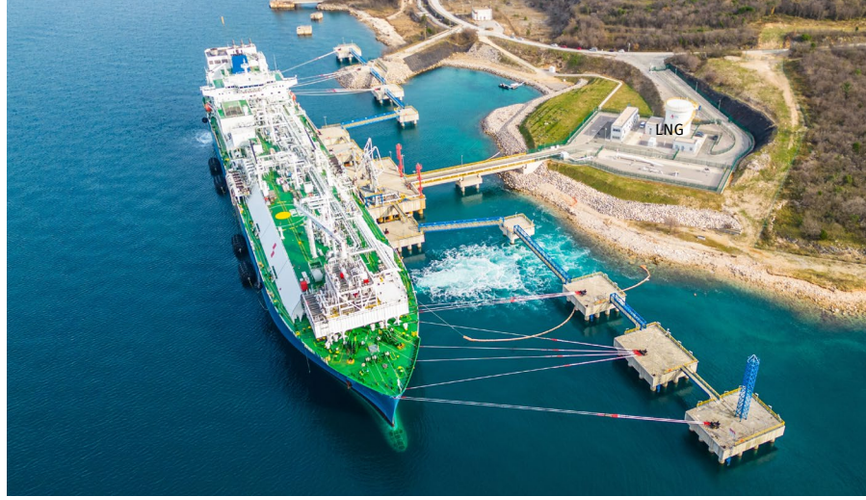
Although LNG prices remained above long-term historical averages, market sentiment increasingly centred on expectations of an impending 'LNG glut'. While the precise impact remains subject to debate, the consensus points to a significant surplus, supported by record levels of liquefaction capacity under construction. With a global LNG shortage now appearing unlikely, new challenges have emerged.

Unlike QatarEnergy and other oil-major-led projects, US LNG companies are not vertically integrated. Developers procure feed gas from the domestic market at Henry Hub-linked prices and sell LNG under long-term contracts often indexed to Henry Hub, effectively transferring price risk to offtakers. While expanding liquefaction capacity exerts downward pressure on global LNG prices, rising export volumes simultaneously increase demand for US domestic gas. These opposing forces compress margins between US gas prices and LNG benchmarks, leaving limited room for operating costs, CAPEX, liquefaction, and shipping, particularly during periods of higher domestic demand. In 2025, this dynamic became increasingly evident: the US Henry Hub (HH) gas benchmark recorded an annual average of $3.62/MMBtu, up 50% from $2.41/MMBtu in 2024 and 35% above $2.68/MMBtu in 2023. At one point, HH exceeded $6/MMBtu, while both JKM and European DES prices trended lower, falling below $10/MMBtu and $9/MMBtu, respectively. Market participants remain concerned that such pricing dynamics may become more frequent as US LNG exports continue their historical expansion.

LNG Prices



Chartering



Spot LNG charter rates

2025 spot LNG charter rates sank to historically low levels

Structural oversupply defined the LNG market in 2025, and the record delivery of 75 carriers only intensified the imbalance, forcing spot charter rates to historic lows. Fleet growth continued to outpace the capacity added by new liquefaction projects entering commercial operation, exacerbating market imbalances. In the Atlantic, two-stroke spot rates averaged $39,500/day, down from $54,500/day in 2024 (-27.5%), while four-stroke rates declined to $24,000/day from $40,000/day (-40%). In the Pacific, two-stroke and four-stroke spot rates averaged $33,000/day and $20,500/day, respectively, compared with $54,000/day (-39%) and $40,750/day (-50%) the previous year. During the year, intra-basin trade increasingly outpaced cross-basin movements.

The first quarter of 2025 marked one of the most challenging starts to the year for the LNG spot market, driven primarily by a persistent structural oversupply of vessels. In January, Atlantic spot rates hit record lows, with modern tonnage being fixed at levels as low as $9,000/day, and in some cases relet at no cost through cargo-linked arrangements. Rates remained subdued through February and early March across both basins, staying well below $10,000/day, despite LNG prices peaking at $17/MMBtu, the highest since November 2023. The oversupply of vessels, coupled with limited cross-basin activity, continued to suppress any meaningful rate recovery. A turning point emerged in late March, as falling Asian LNG prices (the JKM was down over 20% from its peak), discussions surrounding potential easing of EU storage targets, the spring thaw, and renewed geopolitical tensions collectively boosted shipping demand. Atlantic spot rates briefly exceeded $30,000/day, the highest since October 2024, before settling in the mid-$20,000s/day range. In the Pacific, improvements were more modest, with rates rising to around $15,000/day.

Building on this late-1Q recovery, 2Q25 was characterised by heightened volatility, particularly in the Atlantic Basin. The quarter began with a strong rebound, as Atlantic rates exceeded $40,000/day, driven by tight prompt vessel availability, which also reactivated the previously quiet TFDE/DFDE segment. In contrast, rates in the Pacific remained subdued, hovering at roughly half the Atlantic levels. Following a relatively stable May, volatility returned toward the end of the quarter, with both Atlantic and East of Suez rates rising to finish the month in the $40,000s/day range, narrowing the gap between the two basins. While Middle East tensions had only a limited impact, market dynamics were primarily driven by recurring demand surges and bottlenecks in the US Gulf, which contributed to peak rates, including one fixture in the low $60,000/day range.

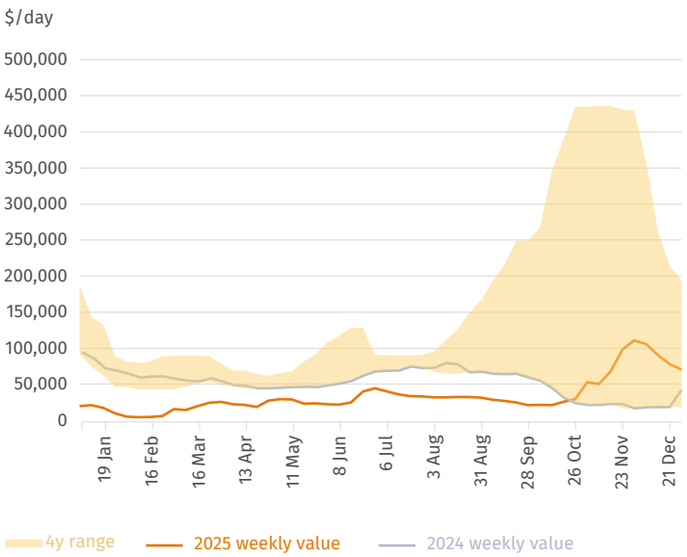
After the turbulence of 2Q, the market entered a period of relative stability in early 3Q. From early July through to mid-September, LNG spot freight rates held in the $30,000s/day across both basins, with only minor fluctuations. Despite seasonal factors and record heat in East Asia, market sentiment remained muted, with little momentum to drive rates in either direction. This level appeared to provide a temporary equilibrium that suited both owners and charterers. However, in the second half of September, Atlantic rates dropped sharply, first into the mid-$20,000s/day and then into the low $20,000s/day, signalling a sudden market shift. Pacific rates followed a similar trend, declining to the mid-$20,000s/day by the end of the month.

Market conditions then began to shift rapidly, however, with 4Q25 marking a strong turnaround in the LNG spot market. After a subdued start in October with fixtures just above $20,000/day in the Atlantic and in the mid-$20,000/day range in the Pacific, rates rose sharply in late October, climbing above $60,000/day. In November, the spot market – particularly in the Atlantic – entered a period of exceptional strength, reaching multi-year highs, with rates surging to $150,000–160,000/day, levels not seen since December 2023. This abrupt rally caught the market by surprise, delivering strong earnings for owners while placing significant pressure on charterers after a year characterised by low rates and abundant prompt tonnage. The surge was driven by a combination of late-October eastbound cargoes tightening vessel availability, higher US liquefaction output, operational delays in Egypt, and the highly sentiment-driven nature of the LNG spot market. Although rates eased in December, the market remained relatively firm, pointing to a gradual softening into early 2026 rather than a sharp correction, with Atlantic rates in the mid-$70,000s/day and Pacific rates around $70,000/day.

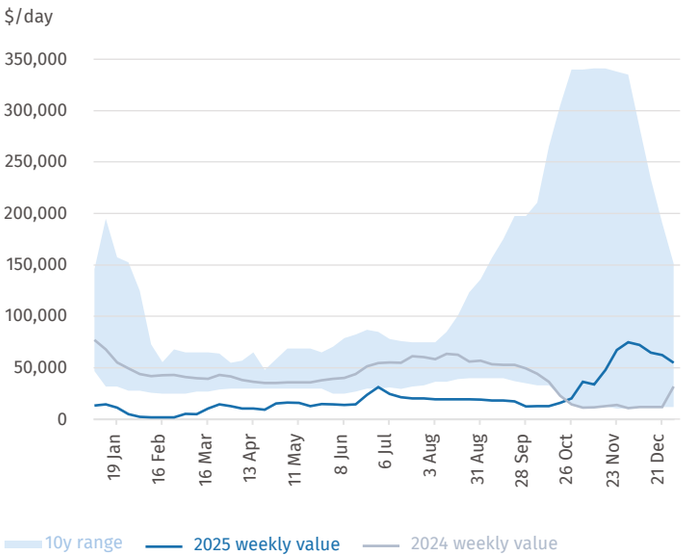
Looking ahead, rates eased further so that by early January 2026, they were standing in the $40,000s/day as open tonnage increased and cargo volumes retreated from the exceptional levels seen in December. The downward momentum subsequently intensified, with Atlantic fixtures slipping below the $20,000/day threshold into the mid-teens, while Pacific spot rates declined to the low $30,000s/day. Despite this continued softening, market activity has remained robust, with a high volume of fixtures concluded across both regions, reflecting sustained underlying trading interest.

We expect spot rates to remain under pressure in 2026, broadly in line with 2025 levels, as the structural oversupply of tonnage is likely to persist throughout the year.

Two-Stroke LNG Carrier Spot Rates



DFDE/TFDE LNG Carrier Spot Rates



Term LNG Charter Rates

The LNG shipping market experienced 2025 as a year of contrasts, with a soft start, a gradual mid-year recovery, and ending with cautious optimism, shaped by structural oversupply and very low spot rates.

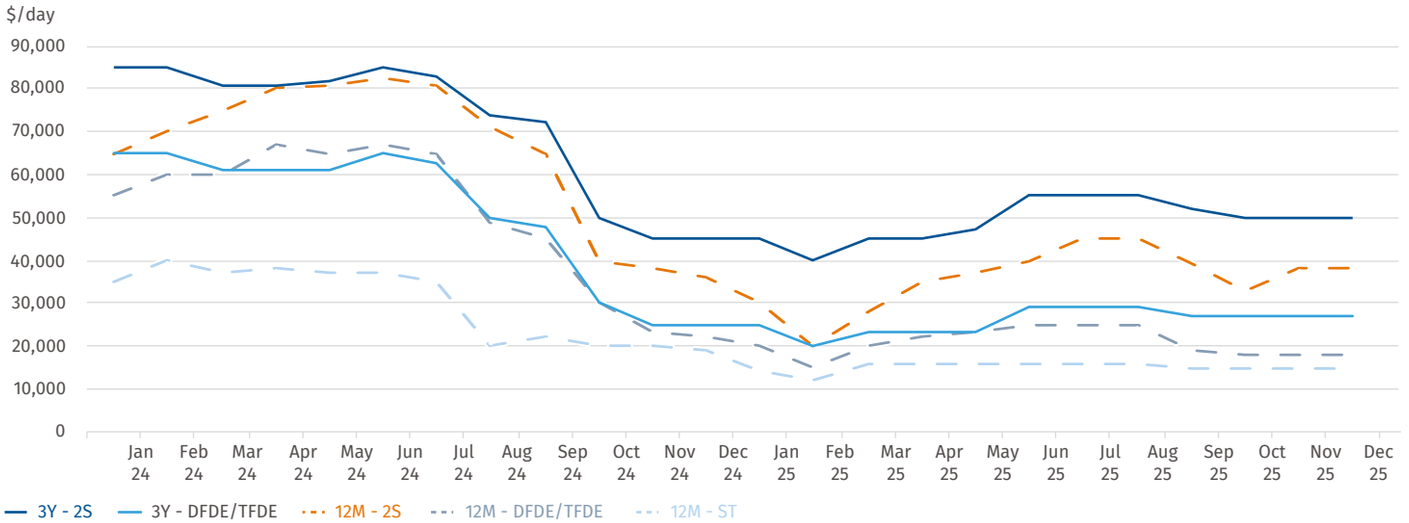
The first quarter was marked by limited activity across mid- and long-term markets. Atlantic and Pacific spot rates fell to record lows, discouraging new term fixtures, although a few long-term deals on modern 174,000 cbm vessels at $80–90,000/day provided isolated benchmarks. Mid-term activity slowly picked up in March, with notable deals covering 6-month to 5-year periods, reflecting cautious optimism for modern carriers, while steamers and TFDEs remained largely inactive. Several fixtures were also observed at index-linked rates with discounts around 20%, a trend that has become increasingly common since late 2024.

Building on 1Q's slight recovery, 2Q saw a gradual improvement in mid-term rates, supported by tighter prompt tonnage and active chartering. Long-term charter activity declined as charterers favoured the more attractive mid-term market, while long-term rates remained resilient despite the broader downturn. Mid-term fixtures were reported across all vessel generations, as charterers increasingly sought to secure tonnage at competitive rates.

In 3Q, mid-term activity cooled, with rates holding steady: modern 1-year time charters (TCs) were fixed around the mid-$40,000s/day, 3-year TCs around mid-$50,000s/day, and TFDEs for 6-month periods near $20,000/day. The abundance of mid-term tonnage expected in 4Q25 and 2026 prompted charterers to hold back, waiting for more clarity on forward rates. As a result, index-linked deals resurfaced, often with aggressive Baltic Exchange discounts. Meanwhile, long-term chartering remained calm and rates stable, highlighted by Conoco's fixtures of two modern LNG carriers from 2028 for seven years in the $80,000s/day range.

Following a quiet 3Q and abundant forward tonnage, mid-term activity in 4Q started cautiously, with bearish signals and low index-linked fixtures shaping early deals. Despite a strong spot market surge in November, mid-term deals were limited, as both charterers and owners likely reassessed their risk exposure and rate expectations for 2026. Observed transactions included 1-year modern 2S charters in the high $30,000s/day and a few 1- to 2-year index-linked deals, suggesting that despite the strong spot push, the market remained cautious. Long-term rates stabilised in the low-to-mid $80,000s/day range, with Conoco reportedly contracting a newbuild two-stroke in the high $80,000s/day and newbuilding orders with attached TCs in the low-mid $80,000s/day, confirming the resilience of long-term benchmarks.

Near-Term Time Charter Rates for LNG Carriers



LNG Bunkering Vessels

A landmark year for LNG bunkering vessels, with 23 orders and 3 deliveries

In 2025, the LNG bunkering vessel (LBV) market experienced unprecedented growth, as a record 23 LBVs were contracted. This surge confirmed the sector's rapid structural expansion, driven by sustained growth in demand for LNG-fuelled vessels and reflecting the shipping industry's continued commitment to cleaner energy solutions.

Despite the surge in orders, deliveries remained modest, with only three LBVs and one small LNG carrier entering service, compared to a record 10 in 2024. By year-end, the global LNG bunkering fleet comprised 60 vessels in operation and 39 units under construction, equivalent to nearly 70% of the active fleet. Of the operational vessels, 22 were deployed in Northern Europe, 15 in Asia, 13 in the US/Caribbean region, and 10 in Southern Europe. Among the current orderbook, 33 vessels fall within the 18,000–20,000 cbm range, reinforcing this capacity as the emerging industry standard. In addition, more than 15 units were reportedly ordered on a speculative basis.

LBV New Orders

Building on the notable surge of interest in LBVs in 2024, when 14 units were ordered, last year set a new record with 23 orders. This momentum was driven by both established players and numerous new market entrants, with 22 of the 23 units featuring a capacity of 18,000–20,000 cbm.

The year started strongly, as eight LBVs were ordered in February 2025. Notably, Evalend made a significant market entry with four 18,000 cbm vessels at HD Hyundai Mipo, each reportedly valued at $92.4mn, with deliveries expected between 4Q27 and 3Q28. H-Line Shipping also entered the market, securing a single 18,000 cbm LBV at HJ Shipbuilding & Construction for a reported $88mn. Another new entrant, GSX Energy, a joint venture between SeaKapital, Seacon, and Golden Union, placed its first LBV order, consisting of two 20,000 cbm units at Ningbo Xinle Shipbuilding, with options for four additional vessels. The first delivery is expected in early 2027, with each unit valued at an estimated $85–88mn. Meanwhile, a joint venture between Gasum and Sirius ordered a 7,800 cbm LNG bunkering vessel, the only ordered unit below the 18,000–20,000 cbm range in 2025, at RMK Marine for an undisclosed price. The vessel is expected to be delivered in 2027 and will be chartered by Gasum for operations in Northwest Europe.

Further orders followed during the year. Singfar entered the market with an order for two 20,000 cbm LBVs at Huangpu Wenchong Shipbuilding, with options for two additional vessels. The units are expected to be delivered from August 2027 and will be deployed on a long-term basis for LNG bunkering and regional trading on behalf of an undisclosed charterer. Shanghai International Port Group (SIPG) also placed an order for a 20,000 cbm LNG bunkering vessel at Jiangnan Shipyard, assessed in the mid-$60mn range, with delivery scheduled for 1H27. This order marks Jiangnan's return to building gas carriers with C-type tanks after a two-year hiatus and represents its debut in the LNG bunkering vessel segment.

Additionally, Somtrans reportedly placed two separate orders for a total of two 20,000 cbm LNG bunkering vessels at Nantong CIMC Sinopacific Offshore & Engineering (CIMC SOE), scheduled for delivery in April and September 2027, respectively. The vessels will be equipped with WinGD dual-fuel engines and iCER technology. Ibaizabal was also active in the market through multiple orders. In May, the company was reported as the shipowner behind two 18,000 cbm LNG bunkering vessels contracted at HD Hyundai Mipo for approximately $98.7mn each, with employment secured by Shell and delivery scheduled for 2H27. This was followed in August by TotalEnergies' confirmation of an option with Ibaizabal for a second 18,600 cbm LNG bunkering vessel, to be built at Hudong-Zhonghua and delivered in 2028 at a reported price of around $90mn.

Later in the year, China Bunker entered the LNG bunkering market with an order for a 20,000 cbm LNG bunkering vessel at Dalian Shipbuilding Offshore Co. (DSOC), which will be equipped with an independently Chinese-developed membrane cargo containment system. This was followed by three additional orders for pairs of LBVs. First, Celsius Tankers and Caravel Group formed a joint venture to order two 20,000 cbm LNG bunkering vessels at China Merchants Heavy Industry in Jiangsu for an undisclosed price, with deliveries scheduled for the third and fourth quarters of 2027. Shell also entered into charter agreements with Purus for two 18,900 cbm LNG bunkering vessels ordered at CIMC SOE, with delivery expected in 2028. Finally, GSX Energy placed orders for two additional 20,000 cbm LNG bunkering vessels at CIMC SOE, also scheduled for delivery in 2028.

Looking ahead, we still expect the coming years to remain dynamic, with more LBVs required to meet the rising demand from LNG-fuelled vessels. By the end of 2025, approximately 746 LNG dual-fuelled vessels were in operation, with an additional 703 on order. For instance, TotalEnergies and CMA CGM have formed a 50/50 joint venture to develop and operate an LNG bunkering solution in Rotterdam. The JV plans to order and deploy a new 20,000 cbm LBV at the port by the end of 2028. Meanwhile, the Suez Canal Authority and Egypt's Ministry of Petroleum and Mineral Resources have signed an MoU to establish a liquefaction and LNG bunkering facility in the Raswa area of Port Said.

LBV Deliveries and Chartering

Following 2024's record delivery of 10 LNG bunkering vessels, only three LBVs entered service in 2025. Some uncommitted and off-charter units also successfully secured TC contracts.

Early in the year, CIMC SOE delivered the third and final 7,600 cbm LNG bunkering vessel to Seaspan Energy – the Seaspan Baker – which was deployed to serve the Long Beach containership market on the

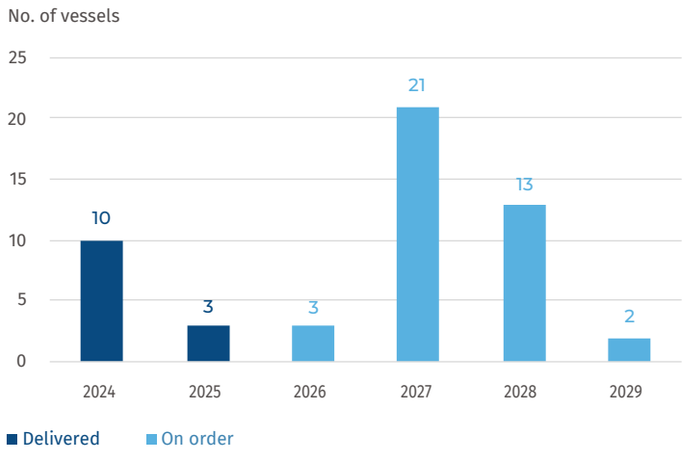
West Coast of North America. Toward the end of the year, Scale Gas took delivery of the 12,500 cbm Alisios LNG from CIMC SOE, which will operate for Axpo at Valencia on a long-term basis. In parallel, Somtrans received the 8,000 cbm United LNG I from TeamCo Shipyard, set to serve Vinotra in the Amsterdam-Rotterdam-Antwerp (ARA) region.

Chartering remained active throughout the year. In early January 2025, Monjasa, which had secured its first LNG bunkering vessel by chartering the 5,200 cbm Green Zeebrugge from NYK at the end of 2024, successfully carried out the first LNG bunkering operation in the Middle East (Dubai). The vessel was later redelivered to NYK, which rechartered the unit to Axpo for operations in the Mediterranean. In May, Avenir LNG secured a multi-year extension for its 7,500 cbm LNG bunkering vessel, Avenir Accolade, with Excelerate Energy. The vessel is slated to operate in Jamaica following Excelerate's acquisition of New Fortress' LNG import and power businesses. Moreover, ExxonMobil has signed multi-year TC agreements with Avenir LNG and Evalend Shipping for two LNG bunkering vessels: a 20,000 cbm unit owned by Avenir LNG and an 18,000 cbm vessel owned by Evalend Shipping. This marks its entry into the LNG bunkering vessel market. Both vessels were ordered on a speculative basis, with deliveries expected in 2027.

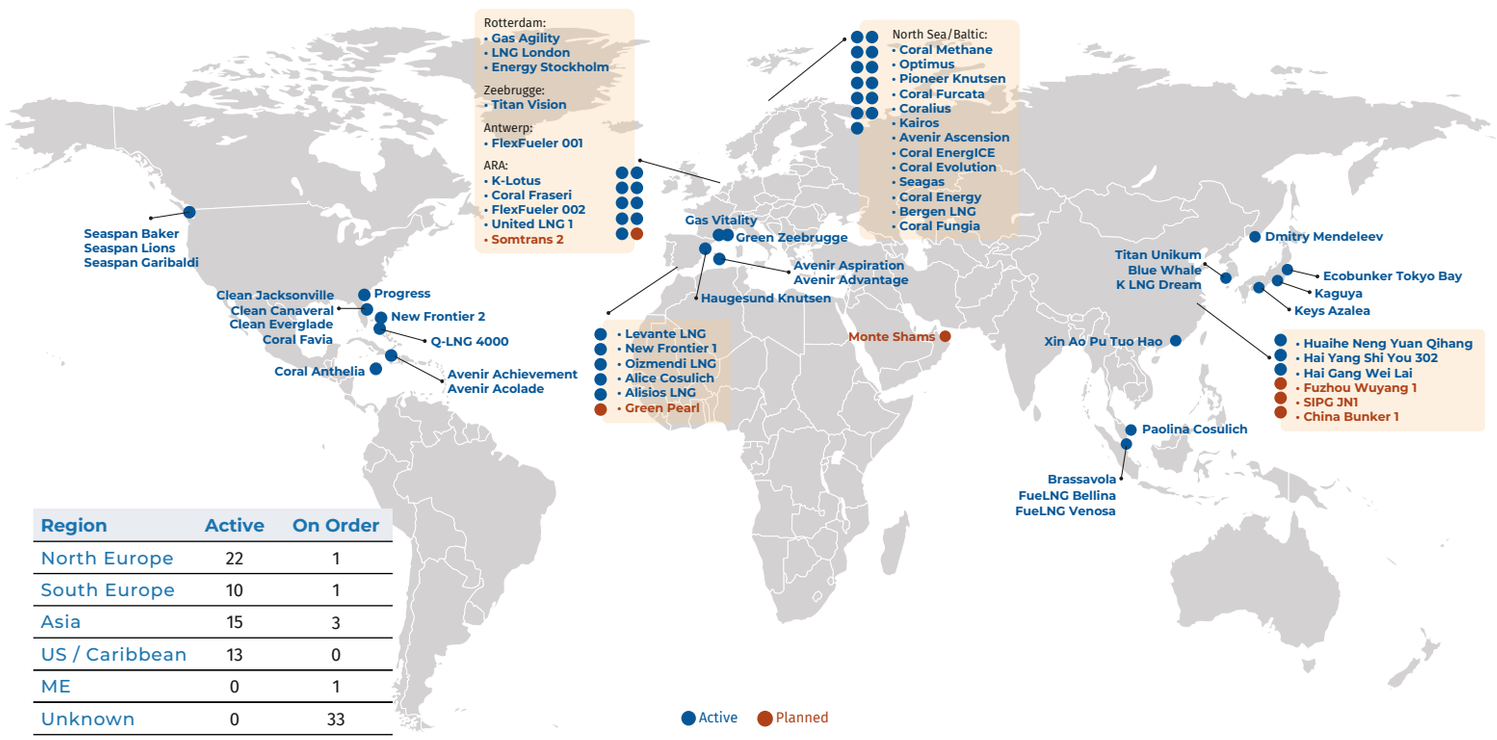
At the end of the year, Stabilis Solutions fixed the 7,500 cbm Seaspan Garibaldi on a two-year TC at a reported rate of $32,400/day. The agreement includes a positioning payment to relocate the LBV from western Canada to Galveston, Texas, with its arrival targeted for around 1 March 2026. The repositioning cost is estimated at approximately $1mn. Additionally, Stabilis holds a $60mn purchase option for the vessel during the charter term.

Looking ahead, LBV deliveries in 2026 are expected to remain modest, mirroring 2025, with just three vessels scheduled. By contrast, 2027 is set to be a record year, with 21 deliveries planned, reflecting the surge of orders placed in 2024 and 2025.

LNG Bunkering Vessel Orders by Year



LNG Bunkering Vessels Map



Region	Active	On Order
North Europe	22	1
South Europe	10	1
Asia	15	3
US / Caribbean	13	0
ME	0	1
Unknown	0	33

ARCTIC AURORA, LNG
tanker in the Baltic sea

Floating Storage Regasification Units

The Floating Storage and Regasification Unit (FSRU) market remained highly active in 2025, building on the strong momentum of the past three years and reflecting the ongoing expansion of global LNG infrastructure. Continued growth was supported by vessel deployments to new terminals, conversions, and repositioning, highlighting the FSRU's role as a flexible, rapid, and cost-effective solution for expanding import capacity amid rising LNG demand.

Egypt, which had phased out its FSRUs after becoming an LNG exporter, resumed its use of regasification units last year as domestic gas production began to decline from 2022 onward. In 2025, Egyptian Natural Gas Holding Co. (EGAS) emerged as the most active player in the global FSRU market, securing four additional units for Egypt and one for Jordan. This explains why Egypt recorded the largest absolute annual increase in LNG imports worldwide, adding 5.5 mn mt. Egas sub-chartered the 174,000 cbm FSRU Energos Power from the German government under an eight-year agreement, aligning with the remaining term of DET's 10-year charter that began in 2023. The vessel had previously operated at the Mukran LNG terminal before arriving at Alexandria at the end of May and later relocating to Ain Sokhna in July. Moreover, EGAS has signed a 10-year charter agreement with Höegh Evi for the deployment of a converted FSRU in Egypt. The 160,000 cbm FSRU Höegh Gandria arrived at Seatrium in January 2026, where its conversion works have now commenced. The unit is scheduled for delivery to the Port of Sumed in 4Q26. In parallel, the FSRU Energos Eskimo arrived in Ain Sokhna in June after completing its previous contract in Jordan. EGAS has taken the unit on a 10-year charter, further strengthening its long-term regasification capacity. Expansion continued in October, when EGAS began operations of the 138,000 cbm FSRU Energos Winter at its LNG import terminal in Damietta, following a five-year charter agreement with NFE signed in July 2025. Additionally, DET sub-chartered the Energos Power's sister ship, the 174,000 cbm FSRU Energos Force, to EGAS. The unit arrived at the port of Aqaba, Jordan, in early August after completing cooldown operations in Damietta, and has been chartered under a bilateral agreement signed in 2024 to supply gas to Jordan's power plants and to support Egypt during periods of peak demand. The vessel is connected to the Arab Gas Pipeline, which links Egypt, Jordan, Syria, and Lebanon.

2025 has also seen the finalisation of several FSRU deals and key developments shaping the future of the fleet. In April, the 170,000 cbm FSRU BW Singapore entered service, marking the readiness of Snam's LNG import terminal in Ravenna, Italy, for commercial operations. Later, Deutsche Energy Terminal (DET) launched its second FSRU terminal, Wilhelmshaven II. The 138,000 cbm FSRU Excelsior, stationed 1.5km offshore, was connected to shore via ECOnnect Energy's innovative jetty-less system. Together with the 170,000 cbm Höegh Esperanza, Wilhelmshaven now operates two FSRUs. Meanwhile, NFE signed a three-year charter with Energia 2000 for the 125,000 cbm FSRU Energos Freeze at Pepillo Salcedo, in the Dominican Republic. The vessel has arrived and was expected to begin operations before end-2025.

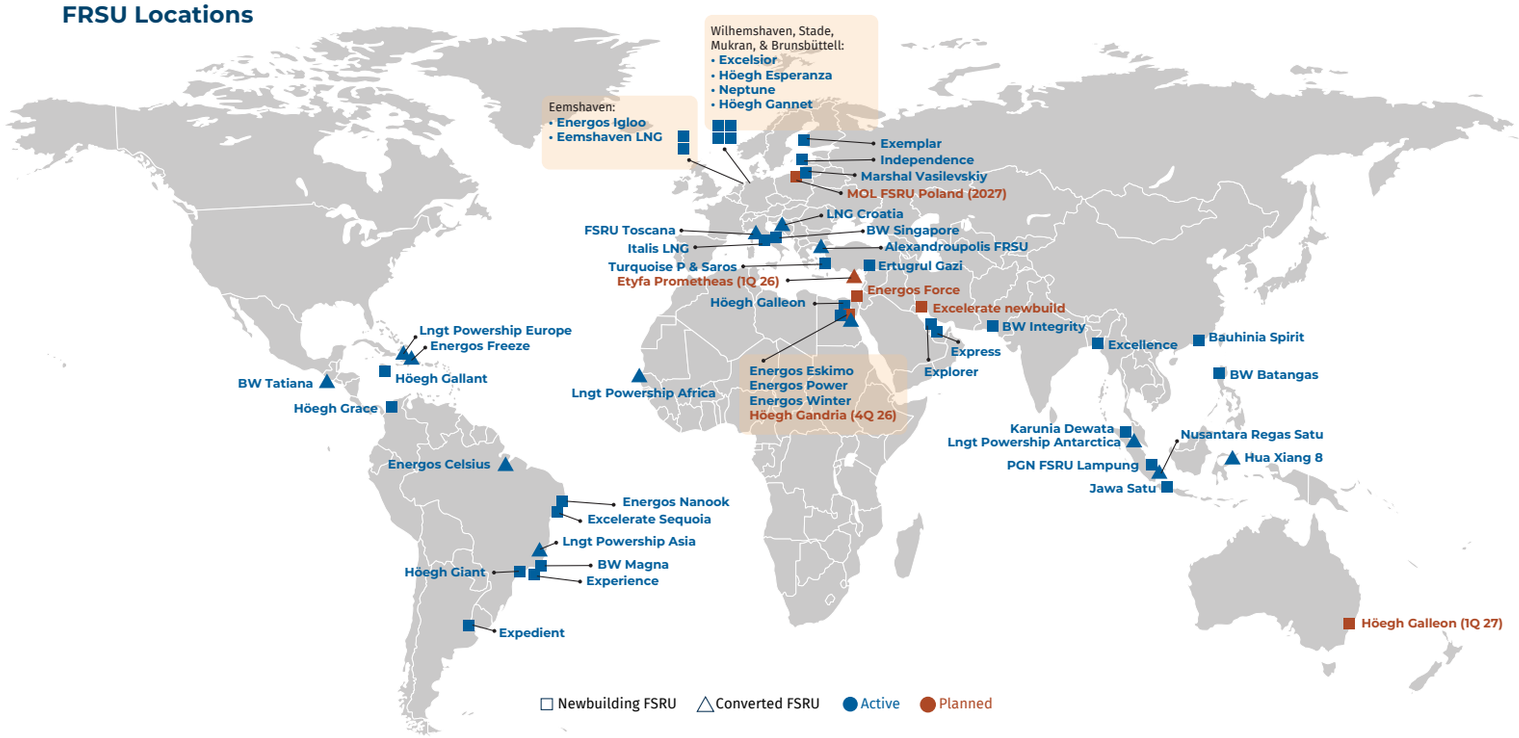
Karmol took delivery of a converted FSRU in 2025 and has two additional FSRUs "awaiting deployment". At the end of June 2025, the company received its fourth FSRU, the 125,452 cbm LNGT Antarctica, in Singapore. The 127,547 cbm LNGT Powership Europe (built 1994) was expected in the Dominican Republic by the end of 2025, awaiting contract signing. Karpowership has also confirmed the exercise of its option to convert a fourth LNG carrier into an FSRU. In April 2024, the company signed a contract with Seatrium to convert three LNG carriers into FSRUs, with an option for a fourth unit. This agreement followed Karpowership's acquisition of a fleet of four steam turbine LNG carriers from NWS LNG Carriers in August 2023: the Northwest Sanderling, Northwest Sandpiper, Northwest Snipe, and Northwest Stormpetrel. In addition, TotalEnergies has decided to demobilise the 145,000 cbm FSRU Cape Ann at Le Havre, three years after its installation in France. TotalEnergies is now evaluating options for its next deployment, with potential opportunities reportedly under consideration in Europe and South America.

Excelerate Energy has also signed a commercial agreement with Iraq's Ministry of Electricity to develop the country's first LNG import terminal, with a total expected investment of $450mn, including the cost of the FSRU. As part of the project, Excelerate Energy will deploy its newest FSRU to the port of Khor Al Zubair. This 170,000 cbm vessel is currently under construction at HHI and scheduled for delivery in June 2026. The vessel will have a regasification capacity of up to 1,000 MMscf/d. In addition, a joint venture between Vopak and Gasunie has entered into a strategic partnership with Exmar as part of preparations to extend operations at Eemshaven beyond September 2027. Under the agreement, Exmar will charter and operate two FSRUs for the EemsEnergy Terminal.

Exmar plans to convert an existing diesel-electric LNG carrier of 165,000–170,000 cbm into a modern FSRU, which will replace the 170,000 cbm Energos Igloo (built 2014) currently serving the Dutch facility when its five-year charter expires in 2027. Meanwhile, the 25,000 cbm FSRU Eemshaven LNG (built 2017), which currently operates alongside the Energos Igloo, will begin a new charter from 2027 and continue operations alongside the new unit. Together, the new FSRU and the smaller existing one will offer a combined storage capacity of around 190,000 cbm. However, the extension of operations remains subject to a positive FID. Vopak has also signed an agreement with Seapeak to secure an FSRU for its proposed Victoria Energy Terminal project (VVET) in Australia, with first imports targeted for 2029. As Seapeak does not currently operate any FSRUs, the company is expected to convert one of its existing steamers.

Further afield, Deutsche ReGas launched a tender to redeploy a second FSRU at its Mukran LNG terminal "as soon as possible". The Irish government has approved the development of an FSRU-based LNG import terminal to enhance energy security and address the risk of damage to one or both of Ireland's subsea gas interconnections. The FSRU is expected to have a capacity of 170,000 cbm when full and will be owned on behalf of the state by the system operator, Gas Networks Ireland. Meanwhile, PetroVietnam plans to deploy an FSRU at its Vung Tau port in Vietnam between 2026 and 2029. According to the company, the FSRU will have a storage capacity of 135,000 to 174,000 cbm. In September 2024, Excelerate Energy and PetroVietnam signed a strategic partnership agreement to jointly explore FSRU-based technical solutions for LNG imports into Vietnam.

FRSU Locations



Conclusion

In 2025, LNG exports rebounded (+2.35%), but oversupply kept spot rates under pressure. Fleet renewal continued, with a record 15 steamers scrapped and 40 new orders, modest compared with historical highs posted in previous years.

Looking into 2026, we expect LNG trade volumes to increase more strongly, supported by the start-up of major terminals totalling around 85 mtpa: North Field LNG Expansion Trains 1–4 (32 mtpa), Golden Pass LNG (18 mtpa), Corpus Christi Trains 4–10 (11.5 mtpa), NLNG Train 7 (7.6 mtpa), Plaquemines LNG Phase 2 (6.67 mtpa), Pluto LNG Train 2 (5 mtpa), Energia Costa Azul (3.3 mrpa), and Genting FLNG (1.2 mtpa).

Additionally, we anticipate several new projects reaching FID, primarily in the US, including Commonwealth LNG (9.5 mtpa), CP2 LNG Phase 2 (6.1 mtpa), and Delfin FLNG 1 (4.4 mtpa).

Meanwhile, the spot LNG market is expected to remain under pressure, as structural oversupply continues to weigh on freight rates, with a record 87 LNG carriers scheduled for delivery in 2026. Newbuilding activity should remain modest but might surpass 2025 levels supported by fresh orders linked to the restart of Mozambique LNG and the possible launch of Phase 3 of QatarEnergy's large-scale newbuilding programme toward year-end. In parallel, the high number of steamers being sold for demolition is expected to continue.

Offshore & Renewables

Offshore Wind

When excluding China, 2.9 GW of offshore wind capacity was brought online in 2025 compared with 3.4 GW in 2024. This reflected the postponement of several large projects until 2026. Despite a challenging environment of capital discipline, Final Investment Decisions (FIDs) reached $25bn in 2025 (excluding China), up from $13.5bn in 2024. Of this, 23% originated from Asia or the US (notably the Empire Wind project). As an illustration, 2025 saw 496 turbine generators being installed globally, as well as a record-breaking 827 foundations and 4,300km of power cable.

Europe remained a global leader in offshore wind, with a strong push to expand capacity led by the UK, Germany, the Netherlands, and Poland. However, the sector faced persistent challenges, including supply chain disruptions, regulatory hurdles, and grid infrastructure bottlenecks. Nonetheless, early 2026 brought positive news as the UK government announced its Allocation Round 7, awarding a record 8.4 GW capacity across 12 projects. Notably, RWE secured 6.9 GW of this capacity. Moreover, in late January 2026, nine North Sea countries signed the Joint Offshore Wind Investment Pact to facilitate the development of 100 GW of offshore wind capacity in the North Sea by 2050 through enhanced cross-border cooperation and shared infrastructure.

The US saw slower progress in 2025, with offshore wind development hampered by policy uncertainty, rising costs, and project delays. While the Biden administration maintained ambitious targets – 30 GW of offshore wind by 2030 – several high-profile projects faced stop-work orders or cancellations by the newly installed Trump administration. The first commercial-scale offshore wind farm, South Fork Wind, became operational in 2024, but further expansion was constrained by regulatory and economic headwinds.

China continued to dominate global offshore wind growth. Other Asian markets, including Taiwan, Province of China, Japan, South Korea, and the Philippines, have also been developing regulatory frameworks to accelerate offshore wind deployment.

Dixstone, a leading offshore and engineering contractor.
OBANA, Heavy-lift jack-up decommissioning vessel

Foundation and Wind Turbine Installation Vessels (WTIVs)

No new orders for the construction of foundation installation vessels (FIVs) or wind turbine installation vessels (WTIVs) were placed in 2025. This reflects the relative slowdown in the development of new offshore wind farms in Europe, as well as the halt to projects in the US.

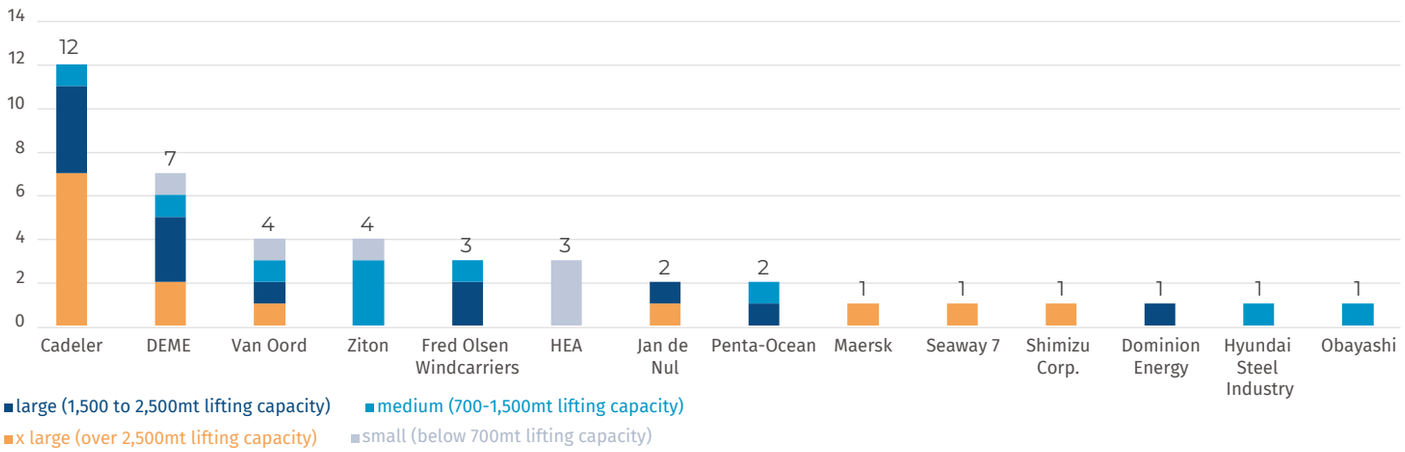
During the last 12 months, Cadeler further consolidated its position as the WTIV market leader by taking delivery of four assets with crane capacities ranging from 2,600 mt to 3,000 mt. DEME has joined the club of operators of extra-large WTIVs (Van Oord, Jan de Nul, Subsea 7, etc.) by acquiring Norwegian player Havfram and its two extra-large WTIVs (both with 3,250 mt lifting capacity), to be delivered in 2026 and 2027.

In APAC, Shinfox Far East Company took delivery of its SFE Developer (1,600 mt lifting capacity), which is operating in Taiwan, Province of China. Meanwhile, in the US, Dominion Energy took delivery of the first (and only) Jones-Act compliant WTIV, namely Charybdis (2,200 mt lifting capacity), scheduled to work on the Coastal Virginia Offshore Wind project for the next 18 months – unless US courts uphold the pause in construction imposed by the administration.

In another interesting development last year, two Danish operators acquired Chinese assets to work in Europe. In the operations and maintenance market, Ziton acquired the 1,000 mt lifting capacity Hui Hai Yi Hao (ex. Taillevent), which performed its first summer season under its new colours for RWE in the North Sea. Later in the year, Cadeler acquired the 2024-built, 2,200 mt lifting capacity Bo Qiang 3060 (renamed Wind Keeper), and fixed the unit to Vestas for a mix of construction and maintenance projects over the next three years.

Following a dispute with the yard, Maersk finally confirmed its intention to take delivery of its 1,900 mt lifting capacity newbuilding, Maersk Sturgeon, in early 2026. The vessel is due to start work on the US project Empire Wind in 2Q26, pending the outcome of an ongoing dispute between the project developers and the US federal government. The unit's performance will be scrutinised by the whole industry, as it will be the first large asset to operate using a feedering solution. Under this model, wind turbine components are transported from shore to asset by barge, rather than the existing practice whereby the WTIV sails back and forth between the project site and shore to load the components. If the feedering solution promoted by Maersk is a success, it could potentially impact the design (and price?) of future WTIVs.

Main operators for WTIV vessels (per asset)



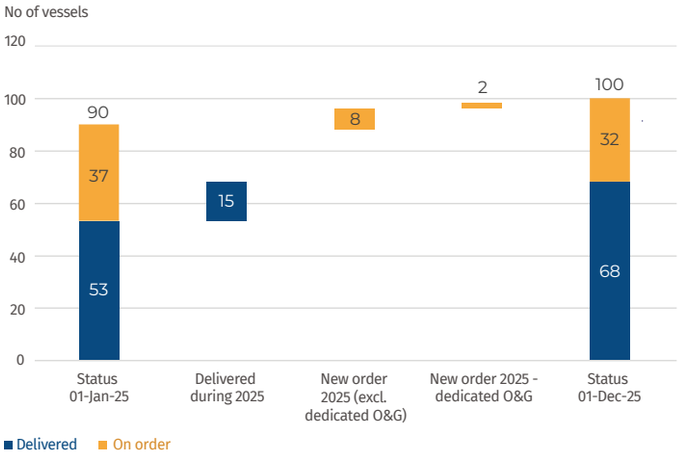
(Commissioning and) Service Operation Vessels (C/SOVs)

Last year, the service operation vessel market proved to be extremely dynamic, supported by a high day rate environment and sustained appetite for newbuildings.

Owners of available assets "in the water" managed to secure elevated rates due to a combination of factors:

1. Strong demand, as oil and gas players increasingly looked to secure SOVs as a more affordable alternative to subsea construction vessels. For example, the 2024-built Olympic Notos secured a five-year contract with Norwegian oil company AkerBP. Demand from offshore wind markets in Europe and Asia also remained firm. In addition, new regions such as Brazil entered the picture, securing vessels from their traditional basins (for example, Norwind Gale secured a two-year contract with Petrobras).
2. Constrained supply. Several vessels on order were not delivered in 2025 as initially planned due to delays and challenges during construction – notably concerning project equipment such as gangways and 3D cranes.

Purpose-built W2W Fleet — 2025 Expansion



At the beginning of 2025, the operating fleet of purpose-built SOVs totalled 53 assets and during the year this increased by 15 units. Meanwhile, ten vessels were ordered last year so that by year-end the orderbook represented 47% of the active fleet.

Several operators took delivery of their first newbuilding SOVs last year. These included Windcat Offshore, which received its first Damen Elevation series units, Windcat Rotterdam and Windcat Amsterdam, and Windward Offshore, which took delivery of VARD's Windward Athens, deployed in Europe. Elsewhere, Edison Chouest took delivery of its first Jones Act-compliant ECO Liberty vessel, while in Asia, Marco Polo Marine received the Wind Archer. Additional deliveries were made to established players such as Edda Wind, Esvagt, North Star Renewables, and IWS.

Most of last year's orders came from established players, including North Star Renewables, Louis Dreyfus Armateurs, and Dong Fang Offshore, and were made against long-term commitments, notably the joint venture formed by Purus and U-Ming Marine targeting the Taiwanese market. Indeed, speculative ordering remained very limited last year compared with previous years. The main exception was Windcat Offshore's order of a firm hybrid SOV/Subsea vessel with a heave-compensated gangway and 190 POB, with options for five more units.

In a market with a small and young fleet, sale and purchase activity tends to remain limited. The main active party this year was Edda Wind, which, to the surprise of many, sold three vessels (i.e. 25% of its fleet). In March, Edda Mistral was sold to Swedish CTV operator N-O-S, enabling N-O-S to enter the SOV market, and in December, two further Edda vessels, namely Breeze Enabler and Brint Enabler, were sold to rival Esvagt. Another notable transaction was the end-December sale of Norwind Offshore's Norwind Helm to the Danish Navy. In parallel, new entrant Windward Offshore agreed to sublet its first two CSOVs to established player North Star Renewables.

As more vessels were delivered than ordered in 2025, the fleet saw a reduction in its net orderbook for the first time and, more noticeably, a decline in interest from speculative operators to invest in new SOVs.

Subsea Rock Installation (SRI)

Back in 2024, capacity in the niche subsea rock installation market saw an unprecedented increase as DEME took delivery of its 37,000 mt carrying capacity Yellowstone unit, while newcomer CSL OWL placed an order for 2 x 17,500 mt carrying capacity vessels.

Following DEME's fleet extension, all three other main players ordered new capacity in 2025: Boskalis is converting a subsea mining hull into a 45,500 mt carrying capacity rock installation vessel, to be named WindPiper, while Jan de Nul ordered a 37,000 mt unit from Haixin Heavy Industries, and Van Oord ordered 2 x 35,000 mt carrying capacity vessels at CIMC. These four units have a noticeably much higher capacity than those already on the water; combined, they represent more than 60% of the current active capacity.

This dramatic increase is mostly driven by high demand linked to the installation of subsea power cables in shallow waters off Europe and Asia. These cables support offshore wind farms and interconnect national grids, with a renewed focus on protection following the recent cable sabotage incidents in the North and Baltic seas.

Subsea rock installation — fleet evolution in 2025

Cable-Laying Vessels (CLVs)

The telecom cable segment continued to expand during 2025, supported by the steady growth of global fibre networks and rising requirements for system redundancy. The total length of installed submarine cables is expected to increase by roughly 50% by 2040, while annual repair volumes are projected to grow by more than one third, reflecting both network densification and the ageing of existing systems.

Fleet developments during the year were aligned with these trends. OMS Group placed an order for two telecom cable installation vessels of Ulstein design, adding modern capacity to a segment where suitable tonnage remains limited, ageing, and highly utilised. At the same time,

and highlighting the growing importance of repair activities as the global cable network matures, Orange Marine announced an order for two vessels primarily dedicated to maintenance.

The power cable segment remained driven by offshore wind developments, export cable projects, and interconnector programmes. While cable manufacturers have continued to invest and expand capacity across their main hubs, installation capability remains a bottleneck.

Interconnector projects, particularly in Europe, are becoming longer and more complex, further increasing demand for high-capacity power cables. This has translated into a shift toward fewer but more capable cable-laying vessels, designed to install multiple cables per campaign thanks to reduced offshore installation time.

Asso.subsea confirmed the construction of a power cable-laying vessel targeting large export cable projects, while DEME placed an order at PaxOcean for a trenching support and cable installation vessel to support its offshore energy activities. Meanwhile, JDN confirmed a series of similar trenching support vessels at China Merchant Haimen.

In Asia, Dong Fang Offshore (DFO) signed a construction contract with Westcon for a new cable-laying vessel dedicated to the Taiwanese offshore wind market. LS Marine Solution also announced the construction of a high-capacity cable-laying vessel scheduled for delivery in 2028, which will become Korea's only specialised HVDC installation unit.

All told, orders continue to reflect a trend for larger cable-carrying capacities compared with the existing fleet, enabling longer HVDC cable sections to be installed per campaign.

Heavy Transportation Vessels

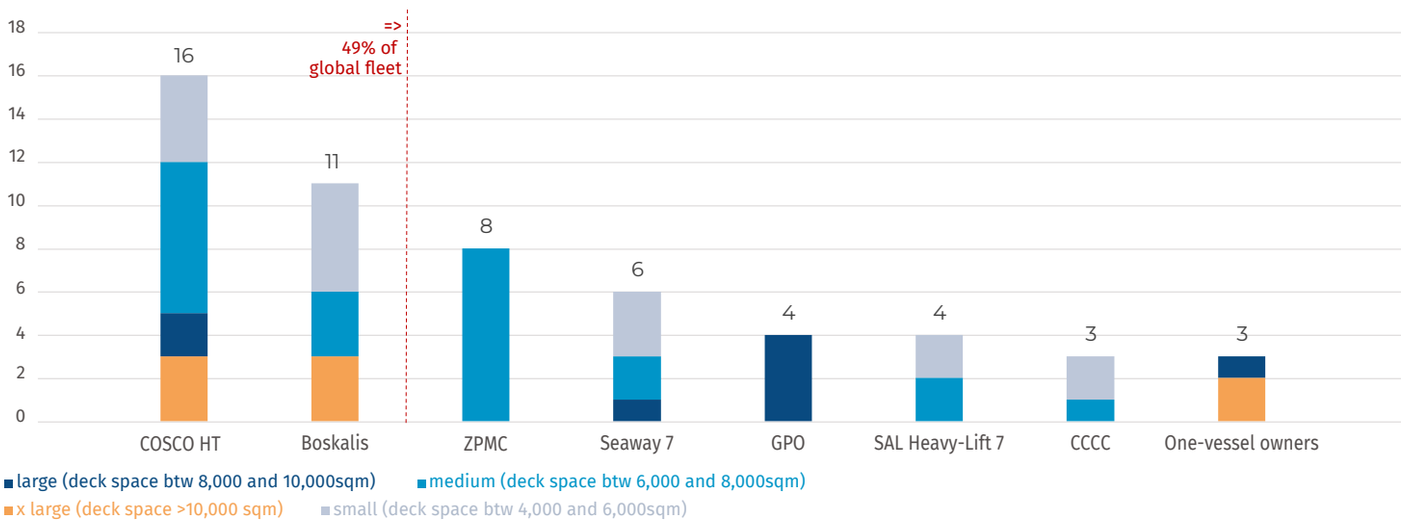
Demand for the transport of high and heavy cargo remained strong in 2025, supported by a robust offshore wind market in which wind turbine foundations and components are increasingly delivered from yards in Asia.

The niche semisubmersible transportation market saw leader COSCO Heavy Transport order a large 70,000 Dwt vessel with around 10,000m2 of deck space. Meanwhile, Allseas entered the segment by ordering an even larger 80,000 Dwt unit. It is understood that Allseas will use the vessel on its own projects and that it was specifically designed to operate in tandem with its Pioneering Spirit installation vessel. The unit's design, initially developed by Boskalis, was subsequently sold to Allseas.

SAL Heavy Lift participated in the market's consolidation by acquiring two vessels from Pan Ocean, which exited the sector following the sale.

The deck carrier fleet also saw some new orders, notably BigLift and its Korean partner CY Shipping ordering two additional in-house designed BC-class vessels of 25,000 Dwt, which came on top of the two ordered in 2024. NYK ordered 2 x 33,000 Dwt vessels to complement its existing fleet of two units. Late in the year, market leader ZPMC started the construction of 2 x 50,000 Dwt deck carriers. In terms of further consolidation, BigRoll and Korean operator KMC Bluewhale entered into a cooperation agreement under which BigRoll will take two KMC vessels on long-term charter: the now-renamed BigRoll KMC Beaumont and BigRoll KMC Busan.

Main operators of semi submersible transportation vessels (per assets)



Oil and Gas

A Year of Consolidation

After two exceptionally strong years for offshore services, 2025 felt, in many respects, like a year of digestion. Activity levels remained healthy across most offshore vessel classes, yet the rapid post-Covid recovery across 2022-24 began to normalise as operators reassessed capital discipline, project timing, and fleet deployment strategies.

The market continued to demonstrate strong underlying fundamentals, despite some persistent pressure on rates across regions and certain fleet segments, particularly when viewed against the limited newbuilding pipeline and the increasingly ageing global offshore fleet. However, utilisation and charter rates showed signs of stabilisation, with regional divergences becoming more visible throughout the year.

Offshore oil and gas investment remained broadly supportive, while offshore wind and energy transition projects continued to provide incremental demand, although some short-term volatility was linked to cost inflation and project delays. Overall, the offshore sector continues to transition into a more balanced and mature recovery phase, with increasing emphasis on vessel versatility, environmental performance, and financial resilience.

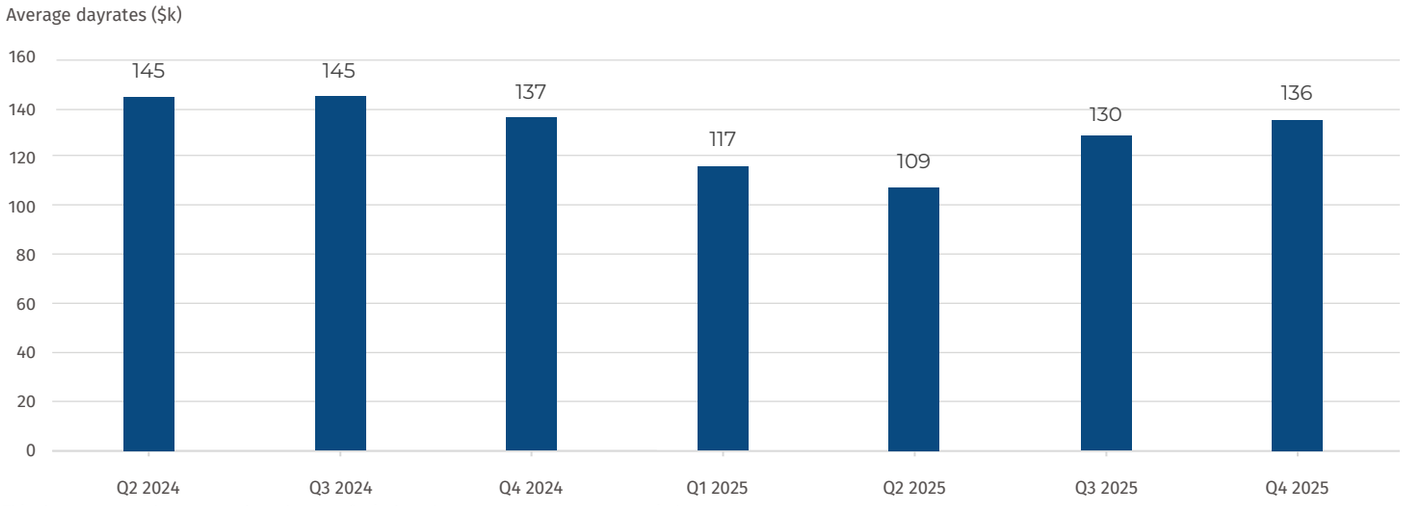
Offshore Drilling - Production

Oil and gas should still represent significantly more than 50% of the global energy mix over the next decade. Although 2025 saw a certain slowdown in term demand for drilling services in both shallow and deepwater segments, offshore drilling markets are nevertheless expected to grow by more than 3% per annum over the next five years. Shallow-water projects account for close to 55% of the demand, with this centred around projects in the Middle East and Asia. On the other hand, the South Atlantic basin, including Guyana, Brazil, Angola and Namibia, is set to remain the primary region for deepwater drillships, with multiple long-term campaigns awarded and planned. This region will probably account for close to 50% of deepwater rig demand in 2026.

The North Sea is exposed to decommissioning and new regulatory challenges, while the plans of some dynamic independent oil companies include drilling and joining new facilities, especially FPSO units, to their existing infrastructure. More generally, the additional layers of environmental compliance on both the UK and Norwegian sides have not completely deterred new investment.

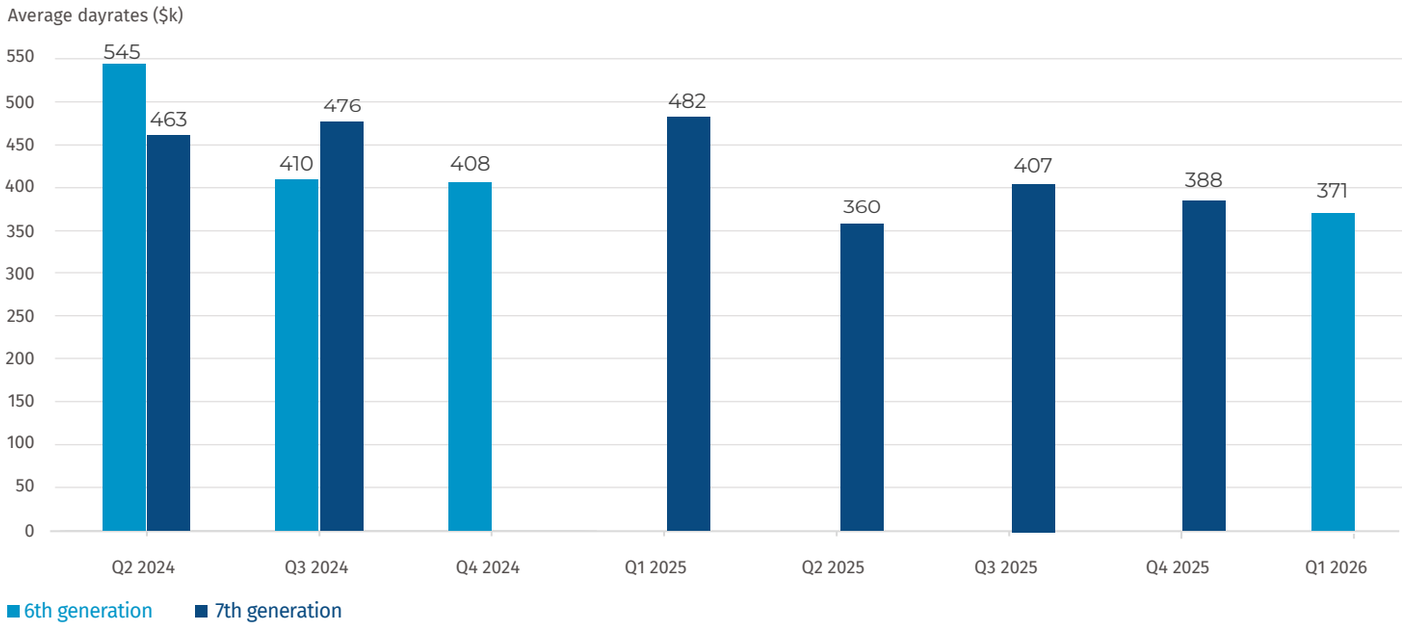
As of early 2026, the overall utilisation of the active fleet remains relatively healthy, nearing 80% versus 90% two years ago. High-spec floaters and more specialised drillships continue to command premiums, while rates for jackups have seen the most visible softening, particularly in the Middle East. The industry is braced for further consolidation following the acquisition of Shelf Drilling by ADES, and the announcement of the merger between two major players, Transocean and Valaris, which created the world's largest offshore drilling fleet.

Average dayrates | Jackup



This chart presents the average clean dayrates for jackups by quarter over a two-year period.
Source: Spinergie Rig Monthly, Jan 2026

Average dayrates | Drillship



This chart presents the average clean dayrates for drillships by quarter over a two-year period, broken down by generation type
Source: Spinergie Rig Monthly, Jan 2026

Offshore Service Vessels (OSVs)

Selective activity and renewed asset discipline

The OSV market entered 2025 following one of its strongest recoveries in over a decade. While demand remained broadly supportive, a gradual normalisation in utilisation was observed across several key regions.

The Middle East and Southeast Asia remained the most active areas for chartering activity, supported by drilling and production campaigns, with several operators continuing to secure medium-term employment for modern AHTS and PSV tonnage. In contrast, the North Sea experienced more fluctuating demand patterns, as project deferrals and seasonal factors led to more volatile spot employment.

The volume of sale and purchase transactions fell compared to the previous two years. Although there were still some movements, buyers became more selective, and thus interest focused primarily on modern, fuel-efficient tonnage capable of operating across multiple regions and supporting increasingly complex offshore operations. Asset prices remained firm, pushed by healthy charter rates and high replacement (newbuilding) costs.

On the PSV side, notable transactions included the sale of 4 x Damen design units from Aurora to Tamrose in Nigeria and CMM in Mexico in the mid-$20 million range, as well as the ICBC-auctioned Bourbon PX105 2012 vessels (Bourbon Rainbow and Bourbon Calm) in the low $20 million range.

One highlight of 2025 was the first owner order for a series of 65t BP AHT vessels since the end-2024 crisis. The order, placed by Britoil in China, illustrates both the lack of good available tonnage and the market's confidence in the years ahead.

In 2026, the OSV fleet will see new deliveries for the first time since 2015, as the first of a series of 12 PSVs from Capital Offshore in China, and the first SPP 40 PSV and SPP 90 AHTS speculative units from SPEC in China, will arrive.

Subsea, IRM and Diving Vessels

Sustained momentum and corporate reshaping

The subsea construction and Inspection, Repair and Maintenance (IRM) vessel segment remained one of the strongest performing offshore sectors throughout 2025. High-specification units, particularly those equipped with large AHC cranes and integrated subsea installation capabilities, continued to command premium day rates amid strong utilisation.

Demand was driven by a combination of brownfield subsea developments, tie-back projects and offshore wind infrastructure installation, reinforcing the strategic importance of versatile multi-purpose construction vessels. On the other hand, supply is becoming limited despite the ageing fleet and with the first newbuilding deliveries slated for early 2027.

Sale and purchase activity was moderate due to the limited number of available assets for sale. Notable sales included that of Siem Day (Vard-designed, 2013-built, 120m x 22m, 250T AHC crane) towards the end of the year to GeoNext at $112 million, thereby illustrating the high prices of such assets, just a shade less than the equivalent current newbuilding price. ICBC sold, via auction, the laid-up Bourbon Evolution 801 & 803 at $14 million and $17 million, respectively. Both were cold-stacked for a long time and thus required extensive and costly reactivation scopes. Shortly after the turn of the year, the fully operational 807 was sold to Astro Offshore at a reserve level of $35 million.

On the newbuilding front, activity was rather limited compared to 2025. Notable resales included two SALT 308 OCV design vessels from Seatanker to Allseas, and the exercise of the option for two additional SALT 101 MPSVs from Costamare at Paxocean. This brought the total number of firm vessels ordered since 2024 up to 10.

On the contractor front, one of the most significant structural developments during the year was the announced merger between Saipem and Subsea 7. The merger reflects the increasing importance of scale and integrated service capability within the offshore engineering and subsea installation market. From a fleet perspective, this consolidation is expected to enhance vessel utilisation through improved project scheduling and portfolio management.

Diving support vessels continued to benefit from stable IRM activity, although a shift in buyer preference towards units capable of multi-disciplinary subsea operations seems to be more and more observed, reducing long-term demand visibility for single-purpose diving units.

Heavy Construction, Installation and Decommissioning Vessels

Diversification supporting utilisation

Heavy lift and offshore construction vessels experienced another relatively stable year, supported by continued demand across oil and gas developments, offshore wind installation campaigns, and increasing decommissioning activity.

Operators with versatile heavy construction fleets demonstrated particular resilience, with vessels capable of performing both hydrocarbon and renewable energy installation work benefiting from greater employment flexibility.

Several transactions illustrated continued investor confidence in this segment. Heerema maintained its strategy of focusing on ultra-high-capacity installation assets while divesting smaller legacy units, while Allseas continued to invest in high-capacity subsea and heavy installation tonnage aligned with large offshore infrastructure developments.

On the decommissioning front, 2025 saw the delivery of Dixstone's ingenious OBANA, constituted from the assembly of two jackup rigs linked by a 70m pontoon offering 3800m² of available deck space, and fitted with a 2,000 mt-capacity Liebherr crane. The six-legged decommissioning asset already began work in 2025 and will remain very busy in the years to come.

Well Intervention Vessels

A quietly consistent performance

Riserless intervention services, in particular, remained in steady demand across West Africa, Brazil and the North Sea last year. Vessel utilisation stayed strong, supported by a relatively limited global fleet supply and high technical barriers to entry.

DOF Subsea and Helix Energy Solutions both continued to secure long-term contract extensions for their intervention fleets, while selective secondary market transactions reflected steady investor interest in specialised well service assets. The sale of the intervention vessel Siem Helix 1 represented one of the segment's notable transactions, demonstrating the continued appetite for proven, high-specification intervention tonnage.

Given the increasing industry focus on extending field life and improving production efficiency, intervention vessels should retain an important strategic role within offshore development portfolios, offering relatively stable utilisation compared with more cyclical drilling-linked vessel classes.

Conclusion

Last year, the EU-ETS extended to offshore vessels, introducing carbon costs for the offshore oil and gas fleets. The sector demonstrated resilience and a growing maturity following the sharp recovery of previous years.

Market participants, such as IOCs, increasingly prioritised asset quality, operational versatility and financial discipline. Meanwhile, consolidation and fleet modernisation, when technically feasible, have continued to reshape the competitive landscape.

Although certain regional markets experienced short-term volatility, structural supply limitations, ageing fleets, and expanding offshore energy investment continue to provide strong medium-term support for the sector.

As the offshore market progresses into 2026, we expect vessel owners with modern, technically advanced fleets and diversified operational capabilities to remain best positioned to capture emerging opportunities across both the traditional offshore oil and gas and the rapidly evolving renewable energy sectors.

Cruise

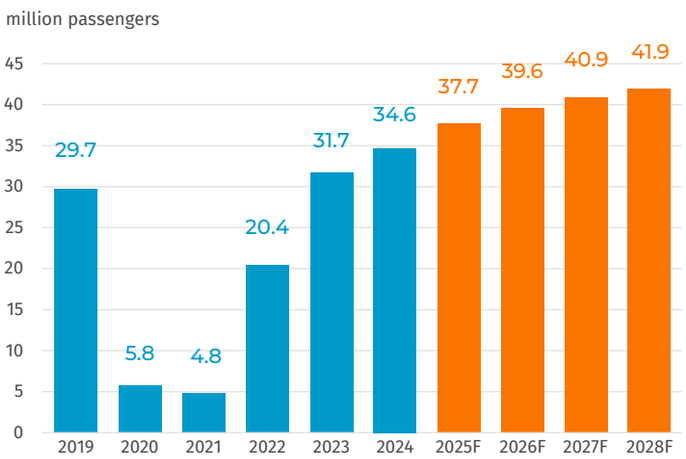
LE COMMANDANT CHARCOT, Cruise (Hybrid electric polar exploration vessel / Icebreaker PC2), 31,757 Gt, 150 m, built by VARD (Fincantieri), owned/operated by PONANT, delivered 2021. Photo: Julien Fabro

Characteristics of the Cruise Industry in 2025

The post-Covid cruise boom continued unabated in 2025, attracting nearly 37.7 million cruise passengers, compared to 34.6 million in 2024.

Today's forecasts are even more optimistic, predicting that the 40 million passenger mark could be surpassed as early as 2027. What a journey it has been since those dark days of 2020-21, when the cruise industry almost ground to a halt in the wake of Covid, and annual passenger numbers plummeted as low as 4.8 million. What a spectacular turnaround!

Historical and Forecast of Ocean-going Cruise Passengers



Source: CLIA State of the Cruise Industry Report, May 2025

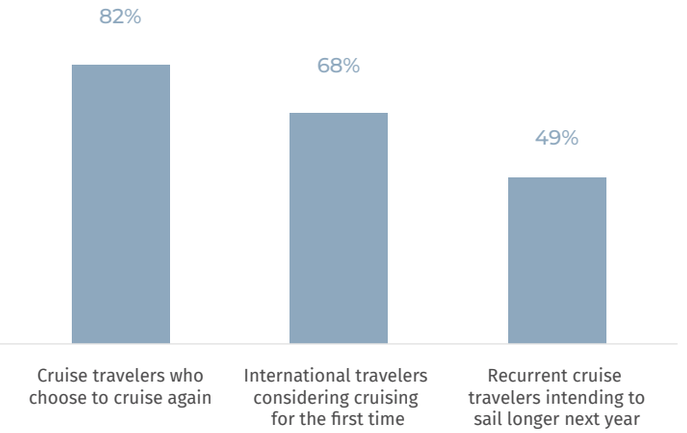
The bulk of this growth originates from North America, followed by South America and Europe. It appears that Asia and Oceania have not yet recovered their pre-Covid clientele.

Source Region (in millions)	2019	2023	2024	%Change (2019 to 2024)
Global	29.7	31.7	34.6	17%
North America	15.4	18.1	20.5	33%
Europe	7.7	8.2	8.4	9%
Asia & Oceania	5.1	3.7	4.0	-21%
South America	1.0	1.0	1.2	13%

Source: CLIA State of the Cruise Industry Report, May 2025

It is interesting to note the distribution between first-time cruise travellers and recurrent ones.

Cruise Passenger Outlook (2025)



Source: CLIA State of the Cruise Industry Report - May 2025

There was also a similarly continued recovery in the finances of cruise companies.

Operating income (million $)	CCL	NCLH	VIK	RCL
2025	4,482	1,561	1,502	4,910
2024	3,574	1,466	1,075	4,108
2023	1,956	931	816	2,878
2022	(4,378)	(1,552)	63	(766)
2021	(7,090)	(2,552)		(3,870)
2020	(8,865)	(3,484)		(4,602)
2019	3,277	1,178		2,083
2018	3,324	1,219		1,895

Normalized EBITDA (million $)	CCL	NCLH	VIK	RCL
2025	7,320	2,544	1,867	7,083
2024	6,306	2,494	1,140	6,133
2023	4,485	1,774	963	4,567
2022	(2,195)	(665)	365	615

Source: Macrotrends and Yahoo Finance

The decline in the share prices of the main publicly listed cruise companies observed in 4Q24 was short-lived, and they rebounded during 2025 to reach new peaks during summer before inching down again in 4Q25. But generally speaking, shares in 2025 traded at a significant premium to 2024.

RCL Stock Price

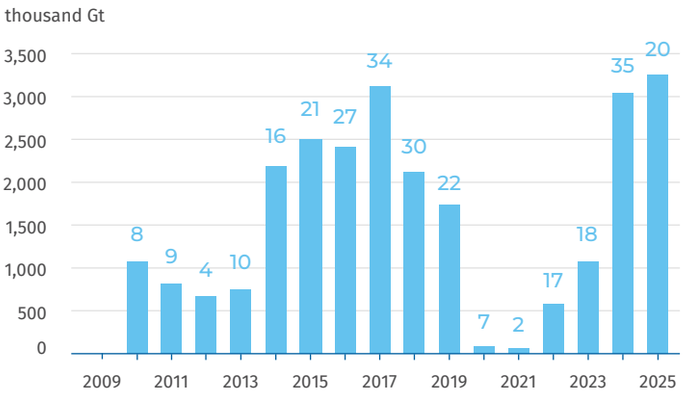
CCL Stock Price

VIK Stock Price

NCLH Stock Price

A record 35 orders were placed in 2024 as all major owners returned to the newbuilding market. In gross tonnage terms, the near-3 mn Gt ordered in 2024 was second only to the 3.1 mn Gt contracted in 2017 when 34 cruise ships were commissioned. Last year was equally dynamic as 20 newbuilding orders were placed. This saw fewer cruise ships but more gross tonnage overall, as a record 3.3 mn Gt was contracted. This confirmed the trend outlined in the *BRS Group 2025 Annual Review* concerning the race for ever-larger cruise vessels.

Cruise Ships New Orders



The Big Three cruise ship builders, Atlantique, Fincantieri and Meyer (AFM) – or as we should now say, the Big Four (AFM2), taking into account the spin-off between Meyer Turku and Meyer Werft in 2024 – managed to capture the largest stake of these newbuilding orders i.e. 19 out of 20 ships or 3.2 mn Gt, stretching their orderbooks further into the 2030s. AFM2's orderbook increased from a combined 58 ships in 2024 to 66 in 2025 (7.3 mn Gt in 2024 and 9.1 mn Gt in 2025), representing about 30% in Gt of the existing ocean cruise fleet at the end of 2025.

Shipyard	Orderbook by the end of 2023	Orderbook by the end of 2024	Orderbook by the end of 2025
Atlantique	11	10	10
Meyer	7	13	15
Fincantieri	26	35	41

The table below details the 20 cruise ships ordered in 2025:

Shipyard	Delivery date	Gt	Ordering company	Passengers	Ship fuels	Ship fuels ready
Atlantique	Jun-28	129,500	Celebrity Cruises	3,200	Methanol, oil	
Atlantique	Feb-30	205,700	MSC	6,761	LNG,oil	
Atlantique	Feb-31	205,700	MSC	6,761	LNG,oil	
Fincantieri Ancona	May-31	54,300	Viking Ocean Cruises	998	Batteries, hydrogen, oil	
Fincantieri Ancona	Nov-30	54,300	Viking Ocean Cruises	998	Batteries, hydrogen, oil	
Fincantieri Marghera	Feb-30	165,000	Carnival Corp	4,256	LNG, oil	
Fincantieri Marghera	Sep-31	165,000	Carnival Corp	4,256	LNG, oil	
Fincantieri Marghera	Feb-31	157,650	RCCL	4,032	LNG, oil	
Fincantieri Marghera	Dec-32	157,650	RCCL	4,032	LNG, oil	
Fincantieri Sestri	Apr-33	76,550	NCL Holdings	838	Methanol, oil	
Fincantieri Monfalcone	Aug-30	226,800	NCL Holdings	5,170	LNG	
Fincantieri Monfalcone	Aug-32	226,800	NCL Holdings	5,170	LNG	
Fincantieri Monfalcone	Aug-34	226,800	NCL Holdings	5,170	LNG	
Fincantieri Monfalcone	Aug-36	226,800	NCL Holdings	5,170	LNG	
CMHI Haimen	Nov-28	26,000	Mystic Cruises	400	Oil, sails	
Meyer Papenburg	May-30	180,000	MSC	5,400	LNG, oil	
Meyer Papenburg	May-31	180,000	MSC	5,400	LNG, oil	
Meyer Papenburg	May-32	180,000	MSC	5,400	LNG, oil	
Meyer Papenburg	May-33	180,000	MSC	5,400	LNG, oil	
Meyer Turku	May-28	248,663	RCCL	7,600	LNG, oil	Hydrogen

Note: the 2+4 Discovery cruise ships (193,000 Gt) contracts for RCG at Chantiers de l'Atlantique, signed on 16 December 2025 and announced on 28 January 2026, are not included in the above table.

MSC WORLD AMERICA, Cruise ship, 205,700 Gt (approx. 6,762 passengers), built by Chantiers de l'Atlantique, owned/operated by MSC Cruises, delivered 2025.

Meanwhile, 14 cruise ships were delivered in 2025, against 11 in 2024:

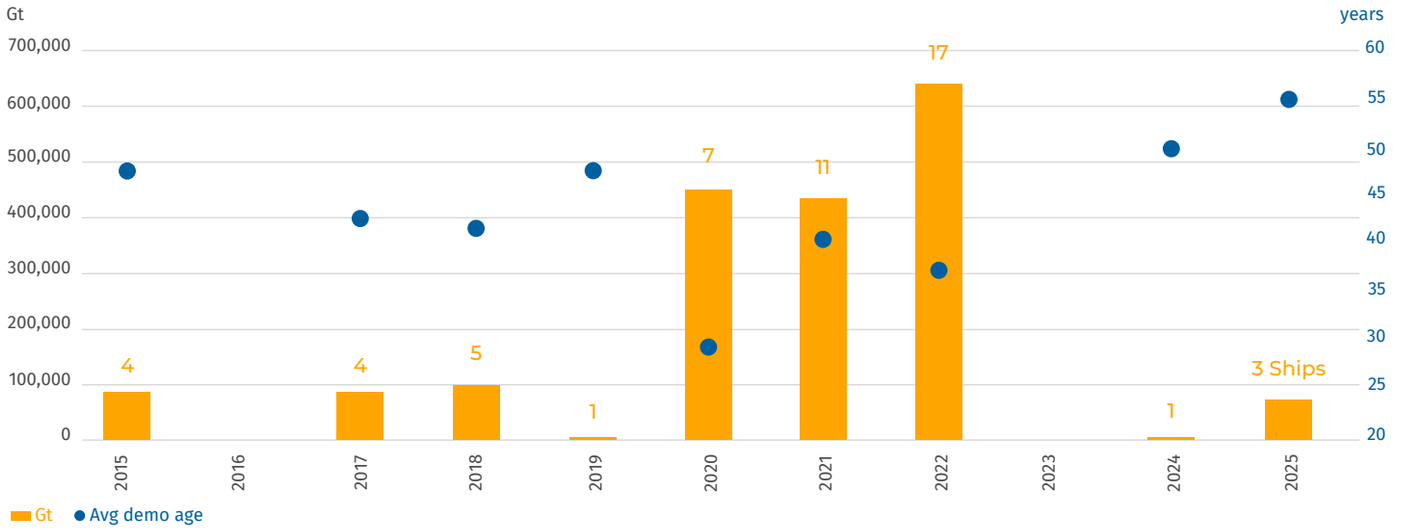
Name	Shipyard	Delivery date	Gt	Ordering company	Passengers	Ship fuels	Ship fuels ready
Luminara	Atlantique	Jun-25	46,570	Ritz-Carlton Hotel Co	456	LNG, oil	
Celebrity Xcel	Atlantique	Oct-25	141,262	Celebrity Cruises	3,200	Methanol, oil	
MSC World America	Atlantique	Mar-25	216,638	MSC	6,850	LNG, oil	
American Patriot	Chesapeake	Jul-25	3,344	American Cruise Lines	109	Oil	
American Pioneer	Chesapeake	Nov-25	3,344	American Cruise Lines	109	Oil	
Douglas Mawson	CMHI Jiangsu	Sep-25	8,181	Sunstone Ships	140	Oil	
Viking Vesta	Fincantieri Ancona	Jun-25	54,300	Viking River Cruises	998	Oil	
Norwegian Aqua	Fincantieri Marghera	Mar-25	154,140	NCL	3,638	Oil	
Allura	Fincantieri Sestri	Jul-25	67,700	NCL	1,248	Oil	
Mein Schiff Relax	Fincantieri Monfalcone	Feb-25	157,650	RCCL	4,032	LNG, oil	
Star Princess	Fincantieri Monfalcone	Sep-25	177,882	Carnival Corp	4,314	LNG, oil	
Asuka III	Meyer Papenburg	Apr-25	52,265	NYK Cruises	744	LNG, oil	
Disney Destiny	Meyer Papenburg	Oct-25	144,256	Disney	4,000	LNG, oil	
Star Of The Seas	Meyer Turku	Jul-25	248,663	RCCL	7,600	LNG, oil	Hydrogen

NORWEGIAN AQUA, Cruise ship, 156,300 Gt (approx. 3,571 passengers), built by Fincantieri (Marghera), owned/operated by Norwegian Cruise Line, delivered March 2025

Three demolitions were reported in 2025 compared with only one in 2024 and none in 2023, with the sales of Fortu, Right, and Astoria at the incredible average age of 55 years.

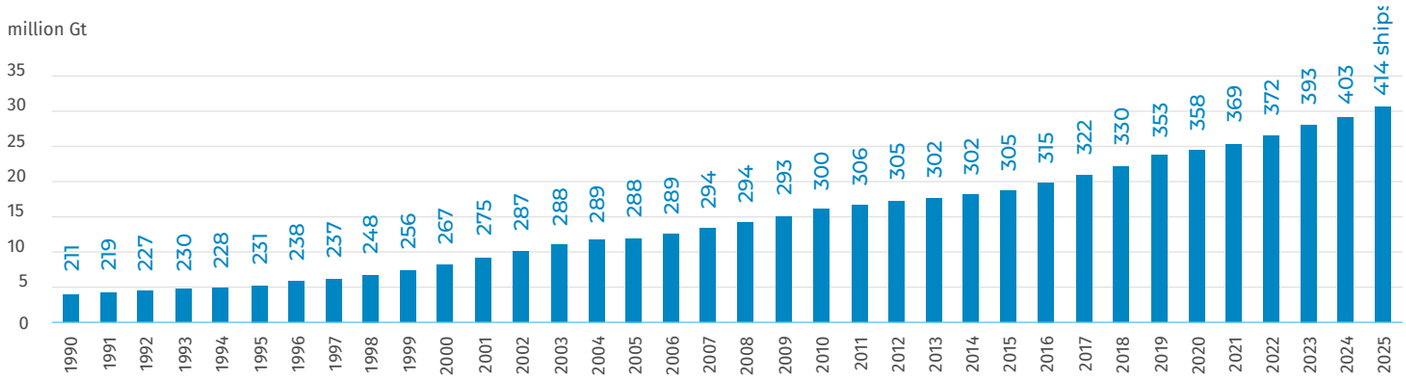
IMO	Ship Name	Demolition Yard	Demolition Date	Age	Gt	Builder	Registered Owner	Beneficial Owner	Delivery Date
5383304	Astoria	Gallo (Belgium)	Jul/25	77	16144	Gotaverken Arendal	Teamson LTDA	Teamson LDA	Feb/48
7827213	Right	Alang (India)	May/25	45	25611	Wartsila Turku	Prime Spot Ship Trading inc	Resurgence SM	Jun/80
7927984	Fortu	Alang (India)	Feb/25	43	37773	Wartsila Helsinki	Marine Line LTD	GR Shipping	Nov/82

Cruise Ship Demolitions over the Past 10 Years



At end-2025, the total cruise ship fleet consisted of 414 vessels.

Cruise Ship Fleet Evolution



Some aspects of the Cruise Ship Industry in 2025

China a game changer for expedition cruise ships?

With the latest orders and announcements made during Marintec in Shanghai in early December 2025, it appears that expedition cruise ship newbuildings are emerging as a new line of business for Chinese yards, which now threaten to draw this once-European expertise away from its traditional home.

CMHI Haimen signed for one firm, with two options, 26,000 Gt cruise ship with **Mystic Cruises**, a Portuguese-based company that would previously have ordered up to seven expedition cruise units with Portuguese shipbuilder Westsea.

CMHI Haimen also signed a framework agreement with **Ocean Advice**, a Swiss-based owner and operator of river cruise ships, which now wishes to expand and foray into expedition cruise vessels, for four firm 9,000 Gt cruise ships, with four options.

It is rumoured that CMHI Haimen is now in advanced talks with another major cruise company for a series of 50,000 Gt cruise ships.

The same paradigm shift has been observed across many other ship types over the last 30 years. For example, Ropaxes have become almost an exclusive product of Chinese yards, notably GSI and CMJL Weihai, from which major Western Ropax companies have been procuring their ships since 2015.

As usual, the main reason for these changes lies in the much more competitive pricing offered by Chinese shipbuilders compared to Western European yards. This, together with a dramatic improvement in the quality of the design and of the construction, and the ability to deliver in a timely manner, as well as attractive payment terms and post-delivery financing, has reinforced the credibility of Chinese shipbuilders.

This trend may rise as the cruise expedition model is, contrary to the larger cruise ships segment, under tremendous economic pressure; several companies are encountering difficulties in filling berths above their breakeven point, while newcomers are eroding their market share. As a matter of fact, only one expedition cruise ship was ordered in 2025. Notably, the past few years have seen several new entrants emerge from the hotel industry. This may contribute to a destabilising effect, considering that these cruise companies procuring their new ships from China will pay for them at a significant discount compared to the more established cruise companies that have remained faithful to European shipbuilders. On a side note, the Big Four are also giving priority to large cruise ships, large cruise companies and long-time customers, while interest from small and medium-sized European shipyards for cruise ships has subsided.

The trend for larger cruise ships is again confirmed in 2025

After RCCL, which had always been a forerunner, MSC and CCL, then NCLH decided in 2025 to join the exclusive club of cruise ship operators in the 200,000+ Gt segment.

Existing Cruise Ships over 200,000 Gt

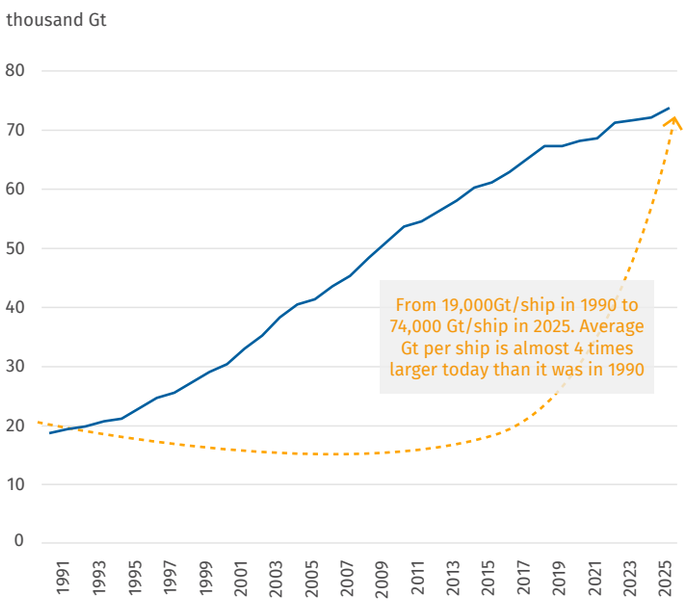
Name	Shipyard	Delivery date	Gt	Ordering company	Ship fuels	Ship fuels ready	Status
MSC World Europa	Atlantique	Oct-22	215,863	MSC	LNG,oil		Delivered
MSC World America	Atlantique	Mar-25	216,638	MSC	LNG,oil		Delivered
Oasis of the Seas	STX Finland Cruise Turku	Oct-09	225,282	RCCL	Oil		Delivered
Allure of the Seas	STX Finland Cruise Turku	Oct-10	225,282	RCCL	Oil		Delivered
Harmony of the Seas	STX O&SB France Cruise	May-16	226,963	RCCL	Oil		Delivered
Symphony of the Seas	STX O&SB France Cruise	Mar-18	228,081	RCCL	Oil		Delivered
Wonder of the Seas	Atlantique	Jan-22	225,282	RCCL	Oil		Delivered
Icon of the Seas	Meyer Turku	Nov-23	248,663	RCCL	LNG,oil	Hydrogen	Delivered
Utopia of the Seas	Atlantique	Jun-24	236,473	RCCL	Oil		Delivered
Star of the Seas	Meyer Turku	Jul-25	248,663	RCCL	LNG,oil	Hydrogen	Delivered

Cruise ships over 200,000 Gt on order

Name	Shipyard	Delivery date	Gt	Ordering company	Ship fuels	Ship fuels ready	Status
(TBN)	Fincantieri Monfalcone	Jul-29	228,500	Carnival Corp	LNG, oil		On order
(TBN)	Fincantieri Monfalcone	Jul-31	228,500	Carnival Corp	LNG, oil		On order
(TBN)	Fincantieri Monfalcone	Jun-33	228,500	Carnival Corp	LNG, oil		On order
MSC World Asia	Atlantique	Jun-26	205,700	MSC	LNG, oil		On order
MSC World Atlantic	Atlantique	Feb-27	205,700	MSC	LNG, oil		On order
(TBN)	Atlantique	May-29	216,638	MSC	LNG, oil		On order
(TBN)	Atlantique	Feb-30	205,700	MSC	LNG, oil		On order
(TBN)	Atlantique	Jun-30	216,638	MSC	LNG, oil		On order
(TBN)	Atlantique	Feb-31	205,700	MSC	LNG, oil		On order
(TBN)	Fincantieri Monfalcone	Aug-30	226,800	NCL Holdings	LNG		On order
(TBN)	Fincantieri Monfalcone	Aug-32	226,800	NCL Holdings	LNG		On order
(TBN)	Fincantieri Monfalcone	Aug-34	226,800	NCL Holdings	LNG		On order
(TBN)	Fincantieri Monfalcone	Aug-36	226,800	NCL Holdings	LNG		On order
Hero of the Seas	Meyer Turku	Nov-27	248,663	RCCL	LNG, oil	Hydrogen	On order
(TBN)	Meyer Turku	May-28	248,663	RCCL	LNG, oil	Hydrogen	On order
(TBN)	Atlantique	May-28	236,473	RCCL	LNG, oil		On order
Legend of the Seas	Meyer Turku	1H-26	248,663	RCCL	LNG, oil	Hydrogen	On order

This is reflected by the rise in average gross tonnage of newbuilding orders to 165,000 Gt in 2025, from 73,000 Gt in 2024, 65,000 Gt in 2017, and just 19,000 Gt in 1990.

Average Gt per Cruise Ship



ADORA FLORA CITY, Cruise ship, ~141,900 Gt (approx. 5,232 passengers), under construction at Shanghai Waigaoqiao Shipbuilding Co. (CSSC), owned/operated by Adora Cruises / China Cruises (CSSC group), expected delivery December 2026

CAPTAIN ARCTIC, Cruise-Expedition Vessel, 70 m, under construction at Chantier Naval de l'Océan Indien (CNOI). Featuring the world's first solar-powered wing rig, to be delivered in 2026.

Second-hand market overview

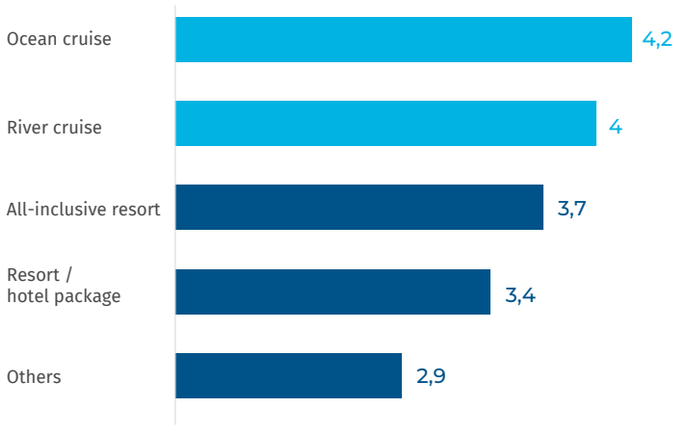
The second-hand cruise ship market has seen significant transactions and strategic shifts among major cruise lines, reflecting changing industry dynamics and fleet management strategies.

Sale year	Ship	Selling party	Buyer	Tonnage	Capacity	Built
2025	Celestial Crystal	Celestyal (Louis plc)	UAE Buyers (Operated by Core Marine)	25,600	950	1992
2025	Renaissance	Compagnia Française de Croisières - CFC	Ambassador Group	55,451	1,258	1993
2025	Seabourn Sojourn	Seabourn	Mitsui Ocean Cruises	32,346	450	2010
2025	Ocean Albatros	SunStone	Albatros Expeditions	8,000	186	2022
2025	Costa Fortuna	Costa Cruises	Margaritaville at Sea	103,000	2,720	2003
2025	Goddess of the Night	Seajets	Tianjin Orient Internation Cruiseline	103,000	2,720	2004
2025	Caledonian Sky	Australian Pacific Touring	Kalamata Shipping	4,200	114	1991
2025	Expedition	G Adventures	Vestland Classic	6,334	134	1972
2025	Dream Goddess	Dreamliner Cruises	Berlin Capital Group Malaysia	9,600	420	1980

River Cruises

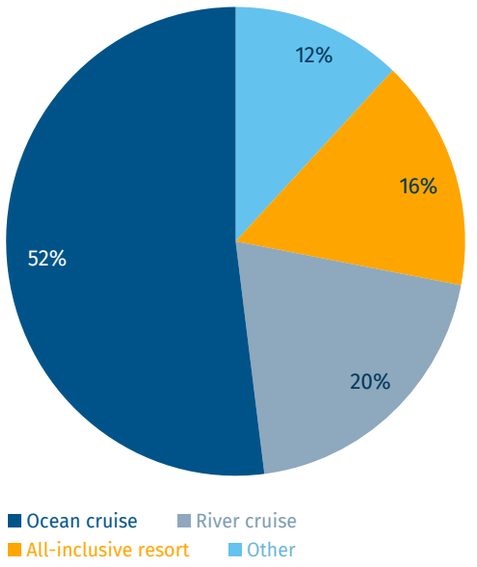
River cruises draw our attention this year, as they represent the second-most satisfactory vacation option after ocean cruises, as per CLIA statistics, and the second-fastest growing travel segment according to travel agents *(CLIA statistics).*

On a scale of 1 to 5, what vacation type leads to high satisfaction for your clients? (5=Highest, 1=Lowest)



Source: CLIA – State of the Cruise Industry Report 2025

In the view of travel agents, which travel segments are increasing the most?



Source: CLIA – State of the Cruise Industry Report 2025

Although not a traveller's first choice, river cruises remain a fast-growing option for holidaymakers around the world.

Among the Main River Cruise Operators, let's quote:

Largest River Brands on European Rivers

Company	Ships	Berths	Capacity	Market share
Viking River Cruises	73	13,328	434,448	23.4%
CroisiEurope	38	4,554	180,004	9.7%
A-ROSA	15	2,976	137,938	7.4%
AmaWaterways	23	3,464	137,311	7.4%
Phoenix Reisen	21	3,723	124,714	6.7%
Nicko Cruises	12	2,010	69,832	3.8%
Avalon Waterways	14	2,056	68,186	3.7%
Riviera River Cruises	15	2,266	63,361	3.4%
Uniworld River Cruises	13	1,813	58,489	3.1%
Scenic Cruises	12	1,882	55,041	3.0%

Note: The order of 10 river cruise ships by Celebrity Cruises in 2025, to be followed by another 10 river cruise ships in 2026, is not reported in the above table.
Source: CIN - European River Market Report 2025

Capacity Breakdown — European Rivers

Region	2025	2024	2023	2022	2021	2020
Rhine River	28.5%	29.3%	27.7%	26.4%	24.5%	25.3%
Danube River	28.4%	28.8%	30.1%	32.0%	34.3%	32.7%
Dutch Region	8.5%	7.3%	6.8%	8.3%	7.8%	6.6%
Douro River	7.0%	6.3%	5.7%	5.3%	5.2%	6.5%
Seine River	6.2%	6.0%	6.2%	5.9%	5.9%	5.7%
Danube/Rhine	5.3%	5.9%	5.5%	6.2%	5.9%	7.8%
Rhone River	4.7%	4.1%	3.3%	2.8%	3.1%	5.3%
Rhone/Saone	2.8%	2.7%	3.4%	3.9%	3.5%	1.7%
Moselle River	2.5%	2.7%	3.4%	1.7%	2.8%	0.2%
Garonne/Dordogne	1.7%	1.8%	1.7%	1.7%	1.6%	2.0%
Elbe River	1.2%	1.8%	1.9%	1.2%	1.3%	1.4%
Others	3.2%	3.3%	4.3%	4.6%	4.1%	4.8%

Source: CIN - European River Market Report 2025

But rivers like the Yangtze in China, the Mekong in Vietnam and Cambodia, and the Nile in Egypt also exercise a powerful attraction. There are today about 250 river cruisers of about 75m with 25-50 cabins that are sailing between Luxor and Aswan and stopping at antique temples and tombs.

Building a river cruiser is a specialty in itself that is shared between:

EUROPE

- Neptun Werft
- West Sea
- Team Co (ex De Hoop)
- Vahali
- Scylla AG
- Den Breejen
- Neopolia

US

- Chesapeake

CHINA

- Century River Cruises (Chongqing Gaund Holdings Ltd, Co.)

Shipyard	Country	Specialty/Notes	Notable ships	Typical ship specs	Orderbook info (according to preliminary industry sources)
Neptun Werft	Germany	Builds Longships for Viking since 2011.	Viking Egdir, Viking Kadlin, Viking Rolf, Viking Gefjon, A-ROSA SILVA and FLORA	Longship: 135 m LOA, 11.5 m beam, 3 decks, 190 pax in 95 cabins	8 longships ordered in 2025 to be delivered between 2027 and 2028 (a total of 18 river cruises on order - info date: July 2025)
West Sea	Portugal	12 ships in 10 years of activity; capable of delivering a ship in months.	Dourio Estrelas, Avalon Alegria, Sao Gabriel, Viking Helgrim, A Rosa Alva, Emerald Radiance	80 m LOA, 11 m beam, 2 m draft, 11 knots, 2x scania 440/552 kW, 100 pax + 40 crew	2 vessels under construction
De Hoop	Netherlands	Founded in 1889. Full-service shipyard (customer finance, design, turnkey, maintenance, repairs, conversions, etc.)	Amadeus Queen (15th river vessel for Luftner Cruises)	135 m LOA, 162 pax, 81 suites, Art-Line Interior by Frank Pieterse	
Vahali	Netherlands/ Serbia	In the shipbuilding sector more than 90 years. Group of specialised companies for design, supplies, steel work and cutting, outfitting, paint, logistics and transportation, etc.	AmaSiena, AmaKristina, AmaLea, AmaLucia, AmaMora, AmaStella, AmaViola, nickoSPIRIT	nickoSPIRIT: 110 m LOA, 11.9 m beam, 190 pax	2 vessels under construction for Saga Shipping (info date: July 2025)
Den Breejen	Netherlands	Specialists in design, engineering and construction of luxury river cruise ships since 2000. From the design phase onwards.	Thurgau Gold, Emerald Luna, TM Capella, Avalon Envision, Adora, Vistastar, Scenic Opal, Scenic Sapphire	Emerald Luna: 135 m LOA, 11.45 m breadth, 92 pax cabins+ 30 crew cabins	3 vessels under construction among which 2 are for Transcend Cruise (info date: July 2025)
Neopolia	France	Neopolia groups 85 companies and offers a wide range of services to bring projects into existence in the fields of shipbuilding and river ships.	Loire Princesse, Elbe Princesse I, Elbe Princesse II	Loire Princesse: 80 m LOA, 11 m beam, 96 pax Elbe Princesse II: 101.4 m, 10.6 m, 81 pax	
Chesapeake	USA	Chesapeake Shipbuilding designs and builds steel and aluminium commercial vessels primarily between 100 and 400 feet.	American Encore, American Serenade, American Symphony, American Melody, American Jazz	American Encore: 269 m LOA, 56 m beam, 180 pax+ 43 crew	American Anthem, American Grace, American Navigator, American Ranger, American Mariner, American Maverick, American Encore

ASUKA III, Cruise ship, 744 passengers, built by Meyer Werft, owned/operated by NYK Cruises, delivered April 2025.

Container

MSC ANSHIKA VI, container vessel, 5,443 teu, is owned and operated by MSC, the world's largest container shipping line.
Photo: C.H. Mercier

Container Market: Another Strong Year Despite Record Uncertainty

Despite an unprecedented level of disruptions and uncertainties at political, geopolitical and macroeconomic levels worldwide, the container shipping markets had another excellent year in 2025.

The return of protectionism in the US through tariffs on imported goods and port fees, ongoing Middle East instability, the war in Ukraine, falling freight rates, and uninterrupted newbuilding deliveries have all failed to derail the market's bullish trajectory.

Favourable tailwinds, including thriving cargo volumes, particularly on North-South and regional routes, and the continued Cape of Good Hope diversions, were instrumental in keeping the market in good shape and averting the return of overcapacity.

MSC CAMEROON, Container, 8,496 teu, LNG dual-fuel, owned/ operated by MSC, delivered April 2025. Bow wind deflectors are increasingly popular to optimise vessel performance and emission levels. Photo: C.H. Mercier

The container shipping industry enjoyed a strong but turbulent year in 2025, with uncertainty on all fronts.

In the US, the return of Donald Trump in January for a second presidential term sparked a trade war with China. The introduction of tariffs on Chinese goods shipped into the US, aimed at cutting the trade deficit between the two countries, and the later adoption of the US Trade Representative (USTR) Port Fees penalising Chinese-built, Chinese-controlled and Chinese-operated ships calling at US ports, threw a high level of uncertainty into the market.

Although charter rates largely shrugged off these new policies, container freight rates were more tangibly hit, with severe volatility observed, especially in May and June. Trade re-routing to avoid tariffs also picked up, with volumes of goods shipped between China and the US shrinking substantially, while US-bound shipments from Southeast Asia, especially Vietnam, Cambodia, and Thailand, gathered pace.

Whilst the tariffs are still in place at lower levels than initially announced, the USTR port fees introduced in October 2025 were eventually paused for one year, until November 2026, after China hit back with similar measures. This de-escalation in tensions between the US and China gave the market some breathing space and triggered a short-lived rally in freight rates in the final weeks of the year.

Container freight rates otherwise remained weak throughout 2025, creating a mismatch with charter rates, which held stable at very healthy levels. Falling freight rates have impacted carriers' bottom lines, with their profits and margins falling from the very high levels of 2024. Carriers' financials nevertheless remained healthy and historically strong for most of the year. However, the last quarter is understood to have been more challenging for some lines, which could post lower profits or even negative results, despite a rate rebound in December.

On a geopolitical level, 2025 saw another year of war in Ukraine, continued Taiwanese tension, a short war between Israel and Iran, and the signing of a ceasefire between Hamas and Israel over Gaza in October. Safety in the Red Sea subsequently improved, with the Houthis stopping their attacks on commercial shipping. A number of carriers, especially CMA CGM and Maersk, made plans to return to the Suez Canal, and tested the water in December with the trial transit of a few large ships.

However, the Cape of Good Hope diversions initiated in late 2023, when safety was no longer guaranteed in the Red Sea, proved to be a blessing in disguise for the market, with the much longer sailing distances on a typical trip from Asia to the Atlantic helping to absorb a larger quantity of ships. These diversions were again instrumental in preventing a likely return of overcapacity in 2025, particularly in light of the uninterrupted deliveries of new tonnage.

In addition, the healthy cargo volumes on most trades (except for the China-US route) heavily contributed to keeping the containership fleet fully occupied. Although not as brisk as the 6.5% rise recorded in 2024, volumes grew by close to 4.7% in 2025 to 192.9 mn teu, according to Container Trade Statistics (CTS). North-South and regional trade routes performed very strongly, with Africa, the Indian Sub-Continent (especially India), the Middle East, Latin America and Intra-Asia standing out. Despite the trade war with the US, China's exports also continued to grow, showing the country's ability to quickly reorient its cargo flows.

This helped absorb 2 mn teu of newbuilding capacities easily and keep demand for tonnage high in the charter market, which remained sold out most of the time, especially in the larger sizes.

Given the favourable tailwinds and despite the multiple uncertainties, liner shipping companies and non-operating owners ordered a whopping 4.8 mn teu of newbuilding capacity in 2025 versus 4.5 mn teu in 2024. Final figures could even be closer to 5 mn teu when including unconfirmed orders or projects at the Letter of Intent (LOI) stage. This compares with only 1.78 mn teu ordered in 2023. Continuing with the decarbonisation of the fleet, all ships ordered incorporated a 'green' element in their design, whether a scrubber, or LNG or methanol dual-fuel propulsion.

Demolition activity sank to its lowest level since 2005, with only 10,700 teu of cellular capacity sold for recycling versus 98,000 teu in 2024. The continuously strong market has understandably convinced ship owners to stay clear of the recycling scene, preferring instead to make the most of their ships, particularly the older ones.

Suez Canal return could challenge market in 2026

It is anticipated that 2026 will see the wide-scale return of container shipping traffic through the Suez Canal*. While the disruptions that such a move will cause in the short term have the potential to boost demand for tonnage, the longer term appears more challenging for owners and carriers, with the shorter sailing distances expected to release a substantial number of vessels.

On top of this, 1.4 mn teu of newbuilding capacity will hit the water. Whilst this is, relatively speaking, not much considering the alarming 3 mn teu and 4 mn teu of newbuilds expected to hit the trade in 2027 and 2028, it will contribute to a fleet that is already likely to be oversupplied in the case of a wide-scale and rapid return to Suez.

This mix could be toxic and bring both freight and charter rates under significant pressure, unless cargo volumes continue to post strong volume growth, demolition significantly picks up, and carriers manage their capacities smartly.

Highlights of 2025

Tariffs and USTR port fees: not as bad as feared

When US President Donald Trump announced his 'liberation day' on 2 April, by launching an unprecedented package of import duties (aka 'tariffs') aimed at reducing the trade deficits the US maintains with many countries, especially China, the shipping world wondered how this would impact its activities.

The worry was fully justified, considering that certain countries trading with the US would face very high fees: China faced a 54% tariff, Cambodia 49%, Vietnam 46%, Thailand 36%, India 26%, and the EU 20%. Tariffs against China even briefly shot up to 145%, which saw the Asian country hit back with a 125% duty against US exports to China.

The markets were swift to react, with shipping demand out of China to the US collapsing and freight rates in the Pacific taking a battering. Carriers started to close services and cancel new ones, moving ships away from the region.

The announcement of a subsequent 90-day tariff suspension by the US administration had the effect of relaunching demand nearly overnight, with freight rates rallying strongly from mid-May. Meanwhile, a reduction in tariffs from 145% to 30% against China and from 125% to 10% against the US, combined with a further tariff truce until November, reduced the volatility in freight rates across the Pacific. Whilst tariffs are still in place today at lower levels than originally announced, the US Court of International Trade has challenged the legality of these measures.

MARIT MAERSK, Container, 19,076 teu, EEE Class, operated by Maersk (Within the Gemini Cooperation with Hapag-Lloyd), delivered in 2015. Transits between Europe and Asia
Photo: C.H. Mercier

Another cause for concern for the container market was the USTR's plans to introduce punitive fees against Chinese-built, Chinese-owned or Chinese-operated container vessels calling at US ports from mid-October. China hit back a few days before the implementation of this new law with fairly similar measures against US-owned or US-operated assets. American carrier Matson was hit with hefty fees at Chinese ports, while other shipping lines operating US-flagged ships opted to skip calls to China. Eventually, the US and China agreed to a one-year postponement until November 2026. Whether these measures will reappear in 2026 remains to be seen, but for now, the matter is temporarily closed.

New alliances come into being

The beginning of 2025 saw a major re-composition of the alliance landscape.

In February, Maersk and Hapag-Lloyd launched their 'Gemini Cooperation', creating a large-scale East-West network deploying more than 300 container vessels with 3.5 mn teu of capacity.

Meanwhile, Maersk's former East-West partner within the '2M' agreement, MSC, launched its global standalone network, offering a total of 34 loops from Asia to North Europe, Asia-Mediterranean, Asia-North America and Europe-USEC.

Finally, 'THE Alliance', operated by Hapag-Lloyd, ONE, HMM and Yang Ming, was renamed 'Premier Alliance' after Hapag-Lloyd joined Maersk within the Gemini Grouping. The 'Premier Alliance' continues to offer a comprehensive East-West network and has agreed to cooperate with MSC on the Asia-Europe trade.

The Cape of Good Hope diversions continue

Initially thought to be short-term when introduced in late 2023, the diversion of container shipping services via the Cape of Good Hope, reflecting multiple attacks on merchant vessels in the Red Sea by Yemen's Houthis rebels, continued throughout 2025. Ironically, this was good for the market, as it avoided the likely return of overcapacity, with an estimated 1.7 mn teu of extra capacity needed for South Africa-routed Asia-Europe services.

CMA CGM occasionally continued to use the shorter passage via Suez and the Red Sea, but it was the only large container line to do so. Otherwise, a few smaller Chinese container operators serving the Russian Black Sea and Baltic trades out of Asia continued to use the Suez Canal/Red Sea route on a regular basis.

Nevertheless, containership traffic through the Red Sea and the Suez Canal remained a shadow of its former self in 2025, resulting in huge losses of income for the Suez Canal and Egypt. But with safety in the Red Sea improving in the last weeks of the year after the Houthis pledged to stop attacks against commercial shipping, prospects of a wider-scale return of container shipping to the area, as well as the Suez, became more realistic, and could materialise in 2026*.

The rising attractiveness of India

India gained increasing attention from the top container shipping companies in 2025, with MSC, Maersk and CMA CGM announcing further significant investments in the country.

Besides investing heavily in port infrastructure, MSC said it planned to register 12 container vessels under the Indian flag. The world's number one carrier is also exploring possibilities in terms of shipbuilding and ship repair, and is considering an investment in a greenfield shipyard.

Maersk, meanwhile, announced an investment of $2 billion in port infrastructure, and like MSC is in talks with local shipyards to collaborate on vessel repair, maintenance and construction. The Danish company has also registered two vessels of 1,700-1,800 teu under the Indian flag, the Maersk Vigo and Maersk Vilnius.

Finally, CMA CGM has pledged to significantly boost its investments in the coming years across the whole spectrum of the maritime sector, including shipping, maritime services, logistics and terminal operations. On the shipping side, the French line ordered six LNG-powered container vessels of 1,700 teu from Cochin Shipyard, the very first containership order placed by a top container carrier at an Indian yard. The Marseilles-based group has also placed four vessels of 2,500 teu under the Indian flag and plans to employ up to 1,500 local seafarers by the end of 2026.

India has been growing at a fast pace in the last few years and is playing an increasingly important role in the world economy. In order to support its booming growth and reduce dependence on foreign shipping lines, in October the Indian government announced the launch of a new container operator, Bharat Container Shipping Line (BCSL), with a starting fleet of 50 vessels. Meanwhile, the country's existing carrier, the Shipping Corporation of India (SCI), which occupies only a modest position in the container business, could become an equity holder in the new shipping line.

First direct China-North Europe commercial trip via the Arctic

In September, Chinese container operator Sea Legend Shipping initiated the very first China-North Europe commercial trip via the Arctic's Northern Sea Route (NSR), using the 4,890 teu Istanbul Bridge. The vessel called at Qingdao, Dalian, Shanghai and Ningbo and eventually reached Felixstowe, Hamburg, Gdansk and Rotterdam after the Arctic transit.

Although the Istanbul Bridge was the first containership to connect China to North European ports via the NSR with commercial cargo on board, two other Chinese carriers, Safetrans and Hainan Yangpu NewNew Shipping, already sent several container vessels through the

YM TOGETHER, Container, 11,714 teu, built by Imabari Group, operated by Yang Ming (within the Premier Alliance), delivered 2021. Photo: C.H. Mercier

Arctic in 2023 and 2024. However, these transits were connecting China with the Russian Baltic only.

The very first containership to use the NSR was the ice-classed 3,596 teu Venta Maersk in 2018. The vessel, built in China but deployed in the Baltic, used the NSR for its positioning trip to Europe, saving 2,800 nautical miles compared to the normal 10,600 miles routing via the Suez Canal.

Despite its huge distance advantage compared to a typical China-North Europe trip via Suez, the NSR remains seasonal, with navigation only possible during the ice-free summer months. However, with climate change and improving technologies such as a new generation of powerful nuclear-propelled icebreakers, Russia is aiming to make this route permanent.

Panama Canal green-lights Indio River project to address future droughts

In February, the Panama Canal Authority (ACP) approved the funding for the construction of a giant water reservoir on the Indio River that will serve to address future droughts and avoid traffic disruptions at the Panama Canal. Construction of the new project, worth $1.6 billion, is expected to start in 2027, with works slated for completion in 2032.

The reservoir will strengthen water supply to lakes Gatun and Alajuela, which feed the Panama Canal, compensating for any water shortage during severe droughts.

In 2023 and 2024, Panama experienced its worst drought on record, forcing the ACP to drastically cut daily vessel transits and slash allowed drafts through the waterway. Traffic fell from 36 to only 24 ships per day at its lowest point in November 2023, before rising again after the eventual return of rainfall refilled the Canal lakes. The Indio River infrastructure should prevent such a situation from reoccurring in future, allowing the Canal to maintain a daily transit of 36 vessels per day in all circumstances.

Unusual mismatch between freight rates and charter rates

In a break from historical norms, last year saw freight and charter rates evolving in different directions. Whilst freight rates were on a descending trend across most of the year, charter rates remained stable at healthy levels, without ever showing any significant sign of weakness. In contrast, charter rates have historically followed the evolution of freight rates with a lag.

From late 2024, the Alphaliner Charter Index (ACI) experienced a rally which continued throughout 2025, followed by a marginal weakening in the last quarter. On average, the ACI was 35% higher in 2025 than in 2024.

Despite occasional and sometimes sharp pickups, freight rates, meanwhile, were mostly on a falling trend during the same period, with the Shanghai Containerized Freight Index (SCFI) starting 2025 at 2,500 points and ending the year at 1,600 points. On average, the SCFI was 37% lower in 2025 than in 2024.

In spite of strong cargo volumes worldwide and continued Cape of Good Hope diversions, the weakening of freight rates was partly a consequence of the US policies, with tariffs denting volumes on the China-US route and triggering severe volatility and cargo flow shifts. The continued influx of newbuilding tonnage was another challenge, forcing carriers to manage capacities with uneven success.

Fleet decarbonisation in search of new momentum

Despite the IMO's Net Zero Framework (NZF) suffering a one-year delay, the decarbonisation of the containership fleet continued in 2025, albeit with some momentum lost.

Although 62% of the newbuilding orders in gross tonnage terms incorporated an alternative fuel element, this percentage was lower than in 2024 (80%) and 2023 (84%), highlighting owners' struggle to secure green fuels, and fears over regulatory uncertainties.

While the proportion of vessel orders incorporating LNG propulsion fell only slightly, the number of newbuilding orders for methanol dual-fuel ships dropped sharply over concerns of fuel availability. A surge in orders for smaller and medium-sized tonnage, which has so far been less inclined to opt for alternative fuels, has meanwhile contributed to a substantial rise in the proportion of newbuilding contracts for conventionally-powered, scrubber-fitted vessels, compared to 2024.

Meantime, after the order by CMB.TECH of Belgium of a 1,400 teu ammonia-powered vessel in 2024, there were no ammonia-powered vessels ordered in 2025, but this could change in 2026, with Japan Engine Corp (J-ENG) having introduced the world's first full-scale ammonia-fuelled engine in September. This will permit a 90% cut in greenhouse gas emissions. Additionally, in December, the classification society DNV awarded an Approval in Principle (AiP) to a consortium including ocean carrier MSC, Zhoushan Changhong International Shipyard, and the naval engineers of CIMC ORIC for a new 21,700 teu containership type propelled with ammonia dual fuel power.

Otherwise, HD Korea Shipbuilding & Offshore Engineering pushed a project to build a 15,000 teu nuclear-powered container vessel, which could become a reality in 2030. In France, Windcoop ordered a sail-powered container vessel of 210 teu that the company plans to operate between France and Madagascar. Meanwhile, in China, local owner Seacon ordered the world's first electric-powered container-training vessel, which will be able to carry 406 teu.

Charter Market: 2025 the Strongest Year Outside of COVID

Last year, the container charter market registered its strongest performance outside of the post-Covid demand boom years, adding a fifth year of bonanza to an industry super-cycle that started in late 2020.

The market's strength was all the more remarkable as it faced a multitude of political, geopolitical and macro-economic disruptions that could have easily compromised its bullish course. Among them were the US tariffs, USTR port fees, unprecedented geopolitical instability, falling freight rates, and an avalanche of newbuildings.

But stronger than expected cargo volumes across the globe and continued traffic diversions via the Cape of Good Hope, which considerably boosted teu-mile demand, largely outweighed the setbacks.

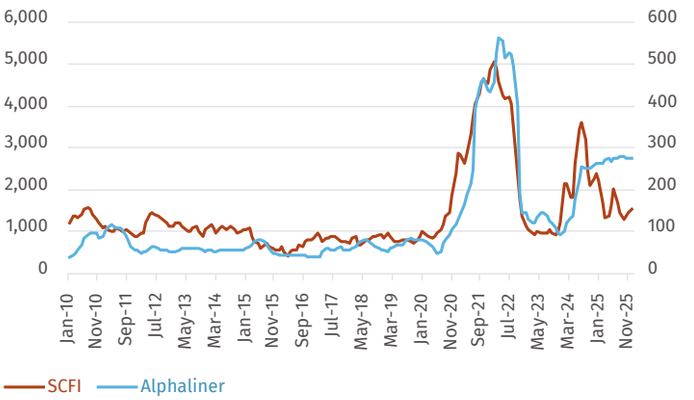
As a result, the demand for container tonnage remained strong throughout 2025, with all sizes of ships benefiting from the bonanza. The consequence was an increasing shortage of vessels, especially above 3,000 teu, which forced carriers to fix a growing proportion of tonnage for multi-year employments on a forward basis, with deliveries sometimes far off in 2026 and 2027.

Even below 3,000 teu, where liquidity was greater, finding modern, energy-efficient tonnage was often a challenge and forced carriers to fix ships well in advance at strong rates and for multi-year contracts, or agree to back up newbuilding projects with unusually long charters.

The market's increasing lack of liquidity worsened by the continued exodus of Non-Operating Owners' (NOOs) vessels, with more than 170 charter market ships sold to end users in 2025, adding to the 3.7 mn teu of NOO capacity removed from the market between 2020 and early 2025 in favour of shipping lines. This development remains a major concern for the future of the charter market.

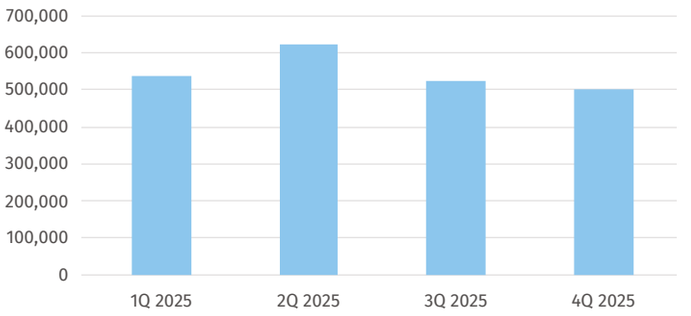
Meanwhile, as far as charter rates were concerned, all sizes posted healthy levels throughout 2025. In September, the Alphaliner Charter Index (ACI) hit its highest ever point outside of the post-Covid boom years of 2021-2022 and varied only slightly between the beginning and the end of the year. Whilst the larger tonnage maintained robust rates at fairly stable levels, the sizes below 3,000 teu registered the biggest gains, especially units of 2,500 teu, 1,700- 1,800 teu and 1,000 teu, which saw a very dynamic demand pattern throughout the year.

SCFI vs Alphaliner Charter Index 2010-2025



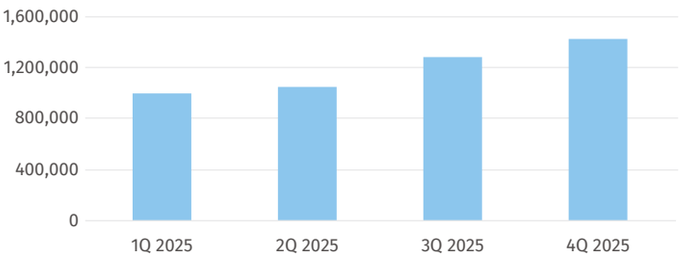
Source: SCFI/Alphaliner

Deliveries (teu)



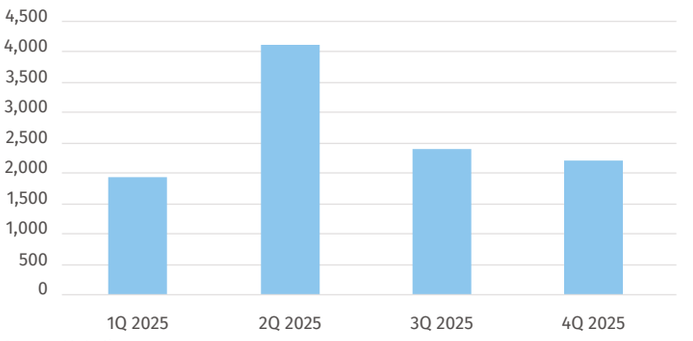
Source: Alphaliner

Orders (teu)



Source: Alphaliner

Scrappings (teu)



Source: Alphaliner

What to expect in 2026?

One of the key challenges for the charter market in 2026 will be the expected large-scale return of container shipping traffic through the Suez Canal*. Its impact will, however, depend on how quickly this return happens.

Based on the latest announcement from a number of major shipping lines in the early weeks of 2026, it looks like the return to the Suez and the Red Sea route could be a gradual process, to avoid a sudden glut of ships destabilising the market.

The shorter sailing distances between Asia and the Atlantic Basin, and the resulting lower teu-mile demand, are indeed expected to release a substantial number of vessels deployed on East-West routes.

For example, the Gemini Cooperation between Maersk and Hapag-Lloyd announced in early 2025 that it would need 340 container vessels to run its East–West network via South Africa, but only 300 ships to maintain the same services, should it go via Suez.

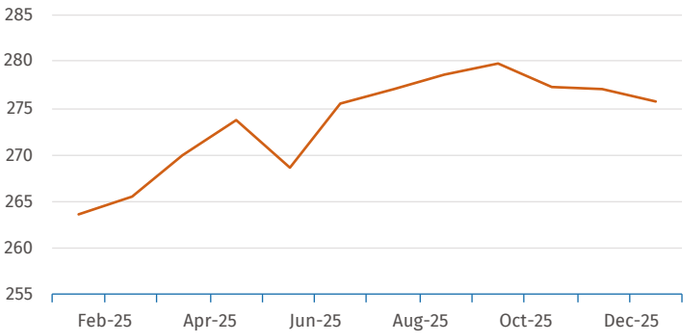
Needless to say, the extra tonnage deployed by Maersk, Hapag-Lloyd and their competitors on the East-West corridor will need to be moved to other trading areas, which could be easier said than done, since most vessels are large and not automatically transferable to other routes. As is often the case, these fleet movements will create substantial cascading that could be detrimental to older, smaller, or chartered ships.

On top of that, 1.4 mn teu of newbuilding capacity will hit the water in 2026, which will do little to help, even if only part of this new tonnage will be deployed on Suez-routed East–West trade lanes.

Therefore, 2026 could be a challenging year for both freight and charter rates, unless cargo volumes maintain their current strong trajectory, demolition finally picks up, and the reroutings to Suez take place only gradually.

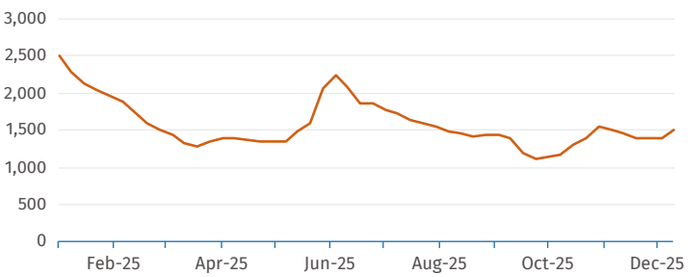
For the charter market, the expected continued shortage of ships in many size segments will, in any case, help cushion any possible downturn, at least in the short term.

Alphaliner Charter Index



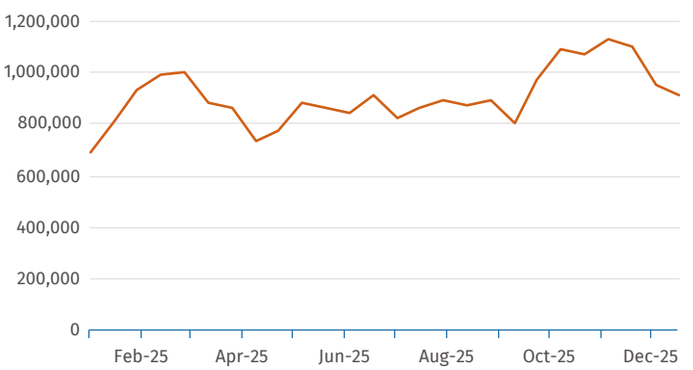
Source: Alphaliner

SCFI

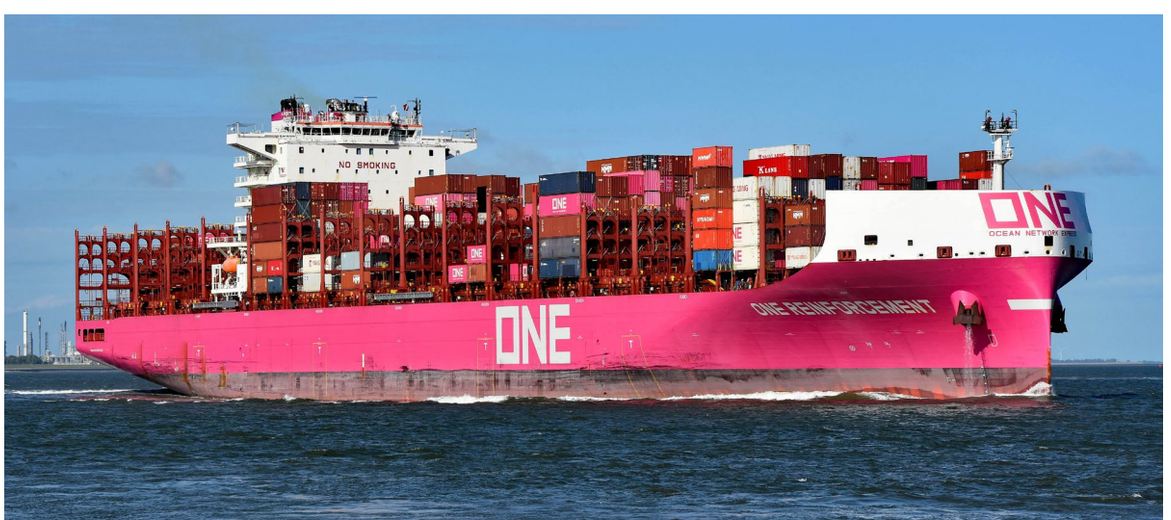


Source: SCFI

Inactive Containership Fleet (teu)



Source: Alphaliner



ONE REINFORCEMENT, Container, 7,164 teu, SDARI Sealion 7000, built for Seaspan, chartered/operated by Ocean Network Express (ONE), delivered 2024. Conventionally powered and scrubber-fitted
Photo: C.H. Mercier

HMM COPENHAGEN, Container, 23,964 teu, built for HMM, delivered 2020. Is among the largest container vessels afloat. Photo: C.H. Mercier

VLCS 7,500-13,500 teu

2025 REVIEW

The Very Large Container Ship segment (VLCS) had a very strong year in 2025, with high demand which, despite a constant shortage of prompt ships, resulted in a total of 114 fixtures, including 50 for newbuild tonnage, significantly above the 80 recorded in 2024.

The majority of existing vessels fixed were taken for forward deliveries in 2026 and 2027 and for period employment of generally 24 to 36 months. Depending on the vessel size and delivery dates, charter rates oscillated around $35,000-45,000/day, with units of 8,500 to 9,500 teu accounting for the majority of deals agreed. Very few ships were chartered for short periods apart from the 8,030 teu Manzanillo Bridge, fixed in January for 2-3 months at $100,000/day, and fixed again in April for 12 months at $70,000/day.

Newbuildings, meanwhile, concerned mostly units of 8,800-9,000 teu (30 fixtures) and 11,000-11,500 teu (20 fixtures), which were generally fixed for longer-term charters of 60 to 180 months at healthy rates.

2026 OUTLOOK

Supply remained very tight throughout the whole of 2025 and will be even tighter in 2026, with very little NOO tonnage left to fix. The 49 vessels on order and due for delivery will not be an option for charterers since all of them, whether ordered by NOOs or carriers themselves, already have employment in place. As a result, the owners of the few ships still available in 2026 will be able to obtain continuously strong rates, at least in the first half of the year, while carriers will have to keep considering forward positions in 2027 and beyond to cover their requirements.

LCS 5,300–7,499 teu

2025 REVIEW

Like the VLCS sizes, Large Container Ship (LCS) tonnage remained in high demand throughout 2025 and, despite a dearth of prompt vessels, recorded a total of 90 fixtures, of which 20 were for newbuildings. Most of the existing ships chartered, mainly units of 5,500-6,700 teu, were taken with forward deliveries in 2026 and 2027. Terms agreed were generally for 24 to 36 months' employment at rates ranging from $35,000/day for ships of 5,500 teu to $40,000/day for units of 6,500 teu.

The 20 fixtures of newbuildings were generally concluded for longer periods of at least 60 months, and principally involved two sizes of ships, 6,000 teu and 7,000 teu, of 'compact' design. Rates agreed were healthy, with several units of 7,000 teu fixed at $38,000/day for employments of 60 months and deliveries in late 2027/early 2028 only.

2026 OUTLOOK

The shortage of vessels is expected to continue in 2026, with very few NOO ships still available for charter. Newbuildings will not help to boost supply, with only nine vessels slated for delivery, all of which already have employment lined up.

Accordingly, strong conditions are expected to continue for NOOs as long as demand maintains its current momentum. Charterers, meanwhile, will have to keep fixing vessels on a forward basis if they want to secure this tonnage, which is increasingly popular on high-volume North-South and regional routes.

Classic Panamax 4,000–5,299 teu

2025 REVIEW

Classic Panamaxes had a stellar year, with high demand for tonnage amid a continuously shrinking pool of prompt ships. As a result, charter rates maintained a robust, albeit stable course, while charterers were forced to increasingly fix vessels on a forward basis, with deliveries in 2026 and sometimes 2027.

The majority of fixtures concerned ships of 4,250-4,500 teu and were typically concluded for periods of 36 months at rates in the low-to-mid-$30,000s/day, depending on delivery date. Occasionally, special deals saw vessels being fixed for longer periods of five years. Fixtures for

Alphaliner Top 25 Operators as of 01 January 2026

		Total existing		Orderbook				Total existing		Orderbook	
#	Operator	teu	Ships	teu	Ships	#	Operator	teu	Ships	teu	Ships
1	Mediterranean Shg Co	7,137,183	971	2,052,792	114	14	SITC	185,139	119	45,000	20
2	APM-Maersk	4,612,078	727	1,050,770	80	15	UniFeeder	164,348	94	60,456	12
3	CMA CGM Group	4,139,719	710	1,883,590	148	16	KMTC	151,929	64	43,400	4
4	COSCO Group	3,586,489	550	1,380,420	102	17	IRISL Group	144,470	32		
5	Hapag-Lloyd	2,389,597	288	476,856	58	18	Sinokor	138,457	73	52,000	4
6	ONE (Ocean Network Express)	2,077,458	270	597,860	49	19	Global Feeder Shipping LLC	138,215	56		
7	Evergreen Line	1,957,729	239	834,184	53	20	Emirates Shipping Line	113,376	26	60,310	5
8	HMM Co Ltd	1,027,486	97	184,988	15	21	TS Lines	109,582	41	79,708	11
9	Yang Ming Marine Transport Corp.	716,007	97	236,660	18	22	RCL (Regional Container L.)	98,703	34	143,964	20
10	Zim	705,465	117	163,128	18	23	Sea Lead Shipping	92,475	22		
11	Wan Hai Lines	582,420	118	390,800	38	24	Ningbo Ocean Shg Co	91,379	89	29,484	10
12	PIL (Pacific Int. Line)	442,201	100	223,864	23	25	Tangshan Port Hede Shipping	88,830	57	1,056	1
13	X-Press Feeders Group	205,577	108	41,100	7						

shorter periods were rare, but the few ships chartered for employments of 6-12 months obtained much higher rates of $50-52,000/day.

2026 OUTLOOK

The market will see continued tight availability of tonnage in 2026, which in some cases will force charterers to keep fixing vessels far into the future to cover their requirements. Assuming demand does not weaken, charter rates are expected to remain elevated, at least in the first half of the year. On the newbuilding front, 'classic Panamaxes' are no longer built, but 15 'wide beam' units of 4,000-4,600 teu are due to hit the water in 2026. This tonnage, which is mainly controlled by Chinese owners, is expected to be partly traded in the charter market. Considering the low number of ships, this is not considered to be a threat to this segment, especially if demand continues to sustain its current pace.

3,000-3,500 teu

2025 REVIEW

Container vessels of 3,000-3,500 teu were in high demand in 2025, and despite the low availability of tonnage throughout the year, around 60 fixtures were concluded, including 14 for newbuilding units. Most of the existing vessels were fixed for periods of 24 or 36 months, at rates ranging from $30-35,000/day. Newbuildings involved tonnage of 3,100 and 3,700 teu ordered by the NOOs Costamare and MPC Container Ships, which were fixed for longer periods of 8 to 10 years, with deliveries in 2027 and 2028.

2026 OUTLOOK

Supply of NOO tonnage will remain very limited in 2026, which will force charterers to keep fixing tonnage well in advance if they want to successfully cover their requirements. On the newbuilding front, only 21 vessels are slated for delivery in 2026. Of these, a dozen, mainly Chinese-controlled units, could potentially hit the charter market. This amount of capacity is reasonable and should not negatively impact the current bullish trajectory of this segment if demand maintains its buoyant trend.

2,700-2,900 teu

2025 REVIEW

The 2,700-2,999 teu sizes once again had a very good year, with demand showing no sign of fading and rates remaining at robust levels. As usual, modern, energy-efficient 'Chittagongmax' units remained highly coveted by charterers who were ready to fix them for periods of 36 months at rates of up to $32,000/day. In contrast, more conventional and older units, such as the 'Mipo 2800' type of 2,824 teu, only obtained contracts of 24 months at rates ranging from $25-27,000/day. In the second half of the year, the rate differential between the two types of ships tended to narrow, as carriers were left with very few NOO ships to choose from. Consequently, 'Chittagongmaxes' and more classic 'Mipo 2800s' could both get fixed at $30,000/day late in 2025, although the latter would struggle to obtain any employment longer than 24 months.

2026 OUTLOOK

Prospects for NOOs remain strong for 2026, since the quantity of tonnage open for charter is limited, and the most modern units will be hard to find. On the newbuilding front, only one vessel of 2,700 teu is expected to join the fleet, which is insignificant. Demand, meanwhile, is expected to remain strong, especially for Intra-Asian trades where this tonnage is highly popular. The likely reopening of the Suez route should have no negative impact since these ships are mostly deployed on regional trade routes.

2,000-2,699 teu

2025 REVIEW

Like the 2,700-2,999 teu sizes, vessels of 2,000-2,699 teu had a very strong year, with strong demand for both modern fuel-efficient units and older designs. Charter rates reflected the upbeat environment and strengthened steadily throughout the year. Illustrating this, standard units of 2,500 teu fixable at $30,000/day for employments of 12 months in January could fetch close to $35,000/day in September. However, the majority of fixtures were concluded for periods of 24 months at rates of $25-26,000/day. Meanwhile, higher specification 'Chittagongmax' high-reefer, or 'wide beam' units were fixed for up to 36 months, at rates ranging around $25-30,000/day, depending on their characteristics.

2026 OUTLOOK

The outlook is positive for these sizes despite an expected higher availability of tonnage than in the larger segments. Charterers will continue to prefer modern, energy-efficient vessels, but the pool of such ships available for charter will be limited. Meanwhile, the more conventional and older units will still be of use on certain trades but are expected to be increasingly phased out and purchased by carriers, especially those with the best specifications (high reefer intake, for example). Only eight newbuildings are due to hit the water, all of which are Chinese-controlled, confirming a growing presence of Chinese owners in this size segment.

1,500-1,900 teu

2025 REVIEW

The 1,500-1,900 teu segment was among the busiest in 2025, with over 300 fixtures concluded. Demand remained high throughout the year and could easily absorb the tonnage on offer. Charter rates reflected the bonanza and steadily rose as the year progressed, both for 'Bangkokmax' and 'standard' tonnage.

Although modern 'Bangkokmax' vessels of 1,800-1,900 teu continued to be the most coveted by charterers, older designs such as 'Wenchong 1700s', 'CSBC 1700s', 'Aker CS 1700s' or 'Kouan 1800s' remained popular and found employment at lucrative terms. At the peak, these ships were fixed in the region of $26-27,000/day for employments of 12 months, while modern 'Bangkokmaxes' fetched a substantially higher $30-32,000/day for a similar duration, or $25,000/day for charters of 24 months.

- **The cellular fleet counts 6,669 ships for 33.26 mn teu — of which 37.2% 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 7,496 ships active on liner trades for 33.69 mn teu and 399.7 mn Dwt
- **The orderbook counts 1,192 ships for 11.34 mn teu, representing 34.1% of the existing fleet (firm orders only)**
- **The orderbook includes 498 ships for 2.86 mn teu with charter status representing 25.2% of the total orderbook**

	01 January 2026 — Existing					01 January 2026 — 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	207	4,498,947	61	1,277,011	28.4%	195	4,019,908	14	263,400	6.6%	89.4%
15,200–17,999	241	3,850,229	81	1,256,216	32.6%	118	1,914,860	20	328,000	17.1%	49.7%
12,500–15,199	343	4,714,392	123	1,694,123	35.9%	126	1,728,504	16	216,160	12.5%	36.7%
10,000–12,499	231	2,546,441	120	1,303,827	51.2%	71	796,160	28	320,000	40.2%	31.3%
7,500–9,999	541	4,762,884	205	1,801,669	37.8%	161	1,404,446	88	771,322	54.9%	29.5%
5,100–7,499	542	3,409,137	227	1,407,899	41.3%	58	356,578	37	224,804	63.0%	10.5%
4,000–5,099	646	2,929,943	211	944,649	32.2%	83	369,736	46	206,600	55.9%	12.6%
3,000–3,999	343	1,166,970	128	441,971	37.9%	86	277,314	74	236,976	85.5%	23.8%
2,000–2,999	907	2,309,952	350	891,568	38.6%	65	172,208	33	85,500	49.6%	7.5%
1,500–1,999	826	1,446,043	351	619,332	42.8%	106	193,411	80	146,065	75.5%	13.4%
1,000–1,499	845	978,935	381	454,521	46.4%	70	80,616	44	50,966	63.2%	8.2%
500–999	780	577,269	350	268,146	46.5%	29	20,146	10	6,898	34.2%	3.5%
100–499	217	66,814	94	27,389	41.0%	24	7,802	8	2,550	32.7%	11.7%
TOTAL	**6,669**	**33,257,956**	**2,682**	**12,388,321**	**37.2%**	**1,192**	**11,341,689**	**498**	**2,859,241**	**25.2%**	**34.1%**

Source: Alphaliner

Note: the existing chartered fleet takes into account ships chartered out by non-operating owners to operators, thus it does not take into account 330 ships for 817,884 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.

Several NOOs, including Capital, Danaos and Eastern Pacific Shipping (EPS), placed orders for new ships of 1,800 teu, which secured long-term charters of up to 10 years with carriers such as CMA CGM and Hapag-Lloyd. These long employments are very unusual for such small ships and highlight carriers' willingness to secure quality tonnage on a long-term basis and reduce their exposure to the charter market, where the most modern and energy-efficient ships are not always easy to find.

2026 OUTLOOK

With regional trades growing strongly in many parts of the globe and traditional feeders of 700-1,000 teu often becoming too small, prospects for this segment appear favourable for 2026, although demand will need to remain strong to absorb the ships coming off charter. Modern 'Bangkokmaxes' should have no difficulty finding a new home even if the market weakens, but it could be a different story for older designs, which could increasingly exit the fleet or be sold to liner operators. Meanwhile, only a dozen newbuildings are expected to hit the water, which will have a negligible impact on supply.

1,250-1,499 teu

2025 REVIEW

Ships of 1,250-1,499 teu had another strong year amid the continued high demand for tonnage and a limited pool of available ships keeping charter rates at healthy levels. The best vessels of 1,300-1,400 teu were usually fixed for periods of 24 months with rates in excess of $20,000/day in the Atlantic. Later in the year, though, a slight weakening of the bullish trend saw periods shortening whilst charter rates remained around $20,000/day.

2026 OUTLOOK

Prospects for this segment remain generally good, especially as regards high-reefer, ice class and geared units, which will continue to be much sought-after for certain trades. More standard gearless units will still be in demand, especially to upgrade feeder services currently using smaller ships, but are more exposed in case of a market downturn. A dozen newbuildings will hit the water, most of which already have an employment lined up. Of note, this segment is witnessing a rising presence of Chinese-controlled tonnage traded on the international charter market in lieu of Chinese domestic routes.

1,000-1,249 teu

2025 REVIEW

Last year was good for vessels of 1,000-1,249 teu, with demand strong enough to absorb tonnage on offer. Against this backdrop, charter rates steadily improved in the first half of the year, rising from $14,000/day in January for a 1,100 teu 'CV 1100' type or equivalent, to a peak of around $17,000/day in September, for a 12-month employment. However, the last quarter saw a slight softening, with rates drifting gently, ending the year in the region of $15,500-16,000/day for standard units.

Meanwhile, fuel-efficient vessels such as 'Dae Sun 1000' or 'Kouan 1100' types continued to outperform and generally obtained longer periods and higher rates. A number of new designs, such as the 'Kyokuyo 1100', 'Tsuneishi 1100', 'Huanghai 1100' and 'SMB Enviro 1200', also secured time charter employments at healthy terms. This demonstrated carriers' keen interest in newer ships, in a market still dominated by the ageing 'CV 1100'.

2026 OUTLOOK

The outlook for this segment remains globally good, with demand for units of 1,000 teu still strong in Intra Asia, the Mediterranean, North Europe and the Americas. The regular introduction of new energy-efficient designs to replace the ageing 'CV 1100' type is a step in the right direction, but more of these vessels will be needed to supersede the existing fleet. The current orderbook counts around 50 ships, half of which are slated for delivery in 2026. Among them, around half have already secured employment. Of note is the rising presence of Chinese owners, who control around 50% of the current orderbook.

Sub-1,000 teu

2025 REVIEW

The sub-1,000 teu sizes had a great year once again, with consistent demand, aside from a brief weaker episode in August. Charter rates reflected this and remained healthy across the year. Illustrating this, the 868 teu 'Sietas Typ 168' could be fixed in the region of $15,500/day for periods of up to 18 months. Meanwhile, the slightly smaller, 698 teu 'Mawei 437' type could obtain up to $11,000/day for employments of 12 months. As usual, the Atlantic, Mediterranean and Americas markets were the main drivers of demand, with close to 75% of fixtures concluded in those areas.

2026 OUTLOOK

Although there have been doubts for some time already on the future of these sizes, given the lack of investment in newbuildings by NOOs and a general upsizing of feeder routes, sub-1,000 teu vessels continue to be in high demand, especially West of Suez.

However, with only around 40 ships on order, most of which are for shipping lines, the replacement of the ageing NOO fleet remains a burning issue. In the absence of a significant rise in orders, charterers will find it increasingly hard to find quality tonnage in the future, which might encourage them to order their own ships or drop these sizes altogether and replace them with larger vessels of 1,000 teu and above.

Alphaliner 2025–2024 Cellular Ships — Essential Figures

	Ships	teu	% Change y-o-y
Fleet as at 31 Dec 2025	6,669	33,260,000	7.20%
Orderbook as at 31 Dec 2025	1,192	11,340,000	32.0%
Orderbook as % of fleet		34.1%	
2025 — Containerships Activity			
Ordered 2025	626	4,806,638	7.0%
Value of new orders (Est.)			
Delivered 2025	255	2,189,597	-25.4%
Scrapped 2025	14	10,705	-89.0%
Average inactive fleet 2025		907,383	25.0%
Inactive fleet at end Dec		908,635	24.5%
Average SCFI 2025		1,581	-37.4%
SCFI end Dec		1,656	-32.7%
Av. Alphaliner charter index 2025		273.5	35.4%
Index at end Dec		276.0	5.0%
Average FO $/mt 2025 (Rtm/Sin)		434	-10.0%
FO $/ton end Dec		440	-5.6%
Average VLSFO $/mt 2025 (Rtm/Sin)		510	-16.0%
VLSFO $/ton end Dec		441	-19.5%

	Ships	teu
Fleet as at 31 Dec 2024	6,398	31,030,000
Orderbook as at 31 Dec 2024	780	8,583,000
Orderbook as % of fleet		27.7%
2024 — Containerships Activity		
Ordered 2024	366	4,491,404
Value of new orders (Est.)		
Delivered 2024	463	2,934,395
Scrapped 2024	61	98,319
Average inactive fleet 2024		725,905
Inactive fleet at end Dec		730,000
Average SCFI 2024		2,525
SCFI end Dec		2,460
Av. Alphaliner charter index 2024		202.0
Index at end Dec		263.0
Average FO $/ton 2024 (Rtm/Sin)		483
FO $/ton end Dec		466
Average VLSFO $/ton 2024 (Rtm/Sin)		607
VLSFO $/ton end Dec		548

EVER ECO, Container, 16,556 teu, built for Evergreen Marine, delivered October 2025. First methanol dual-fuel container vessel built for the Taiwanese carrier. Photo: Jan Tiedemann

Fleet and Orderbook

As of 1 January 2026, the world cellular containership fleet stood at 6,669 units, totalling 33.2 mn teu.

The fleet grew by nearly 2.2 mn teu or +7% compared with 1 January 2025, through the delivery of 255 new vessels. By comparison, the fleet as of 1 January 2024 had grown by 2.9 mn teu with the addition of 463 new units.

Among the significant new vessels hitting the water in 2025 were the 16,556 teu Ever Eco, the 13,136 teu CMA CGM Iron and the 8,548 teu HMM Green, which were respectively Evergreen's, CMA CGM's and HMM's very first methanol dual-fuel-powered containerships.

Non-operating owner MPC Container Ships also received the 1,279 teu NCL Vestland, the first ship in a series of two methanol-powered container vessels fixed on long-term charter to Norwegian operator North Sea Container Line (NCL). Meanwhile, CMA CGM took delivery of the 5,598 teu CMA CGM Tiga, the very last containership fitted with a conventional propulsion joining the owned fleet of the French line. All the carrier's other owned newbuildings will now incorporate alternative propulsion such as LNG or methanol.

On the demolition front, 2025 saw only 14 cellular container vessels, recycled for a capacity of 10,700 teu. That was well below the already weak 98,000 teu disposed of for recycling in 2024, and was also the lowest recycling figure in 20 years.

The very firm cargo and charter markets gave owners very little incentive to scrap their older tonnage, despite continuously attractive demolition prices throughout the year, which ranged from $400 to $450/ldt in the Indian Sub-Continent and $280-300/ldt in Türkiye.

Meanwhile, newbuilding orders totalled 4.8 mn teu for 626 vessels, a record high that was slightly above the 4.5 mn teu ordered in 2024, and massively up from the 202 vessels for 1.8 mn teu ordered in 2023.

In 2025, the orderbook hit 10 mn teu for the first time, and peaked at a record 11.3 mn teu on 31 December. Vessels on order now represent a staggering 34% of the active fleet.

Contrary to 2024, when newbuilding orders were dominated by large tonnage with only 56 units below 5,000 teu, 320 of the 605 cellular vessels ordered in 2025 were for units under 5,000 teu. Ships of 4,500 teu, 3,100 teu, 2,800 teu and 1,800 teu were particularly popular, attracting a record number of orders from both container carriers and NOOs, with activity intensifying in the second half of the year.

Most orders again incorporated a 'green' element, such as an LNG or methanol propulsion system, or exhaust-gas scrubbers. LNG is still dominating as the most popular alternative fuel, while methanol is receding.

2026 should see the cellular fleet grow by a further 1.5 mn teu of newbuilding capacity, down from the 2.2 mn teu delivered in 2025. However, a massive 3 mn teu is expected to hit the water in 2027, followed by a whopping 4.4 mn teu in 2028. In a context where overcapacity is likely to make a comeback, scrapping is expected to accelerate, with at least 250,000 teu of tonnage expected to be recycled in 2026, rising to an anticipated 400,000 teu in 2027.

CMA CGM TIGA, Container, 5,598 teu, built by Qingdao Beihai Shipyard, owned/ operated by CMA CGM, delivered April 2025. Last conventionally powered container vessel built for CMA CGM's own fleet
Photo: C.H. Mercier

Sale and Purchase Shrugs Off Uncertainties and Risks of Overcapacity

Despite the multiple uncertainties faced by the container shipping industry in 2025 and the risk of overcapacity in the coming years, the second-hand container sale and purchase market remained vibrant throughout the year. Strong demand was seen for tonnage across most segments, against the backdrop of a limited pool of charter-free ships offered for sale, which led to firm prices.

Overall, 332 cellular container vessels for a capacity of 859,000 teu were reported sold for further trading, compared with 333 units for 1.1 mn teu changing hands in 2024. Although globally a good year, 2025 remained far below the record of 2021, when 598 container vessels for a total of 2 mn teu changed ownership.

The most transacted ships were medium-sized units, with 162 vessels of 900 to 1,999 teu changing hands, significantly up from the 101 ships sold in 2024. Vessels in the 2,000-5,100 teu sizes were also popular, with 92 ships sold for a total of 308,000 teu.

In the larger sizes, most of the activity took place between 5,100 and 10,000 teu, with 32 ships sold for a total of 245,000 teu, fewer than the 52 sold in 2024. Of note, vessels of 8,000-8,900 teu proved particularly popular, with 21 switching ownership. Above 10,000 teu, activity was low, with only four ships of 13-14,500 teu changing hands versus 10 units in 2024.

Meanwhile, prices remained on a bullish course over most of the year, with some notable transactions. Among them, the 13,312 teu Manzanillo Express, built in 2022, was sold for a reported $120 million; the 8,540 teu sisters, 2010-2011-built OOCL Brazil and OOCL Durban, were sold en bloc for $155 million; the 6,350 teu Marcos V, built in 2005, changed hands for $50 million; and the 1,930 teu, 2023-built Panay was sold for $36 million.

MSC still by far the main buyer

Once again, the world's largest container operator, MSC, was the most active buyer, adding a further 63 vessels to its own fleet. Although that was a little less than the 70 units it purchased in 2024, MSC continued its impressive raid in the market, having now bought a staggering 475 container vessels since embarking on an unprecedented ship-buying campaign in August 2020, in the aftermath of the Covid pandemic.

CMA CGM remained the second most active buyer, with 26 vessels purchased, up from 15 in 2024. The French line continued to target modern, energy-efficient tonnage, including units it already had on charter.

The third busiest buyer was Greece-based Erasmus Corp, a fast-expanding NOO which snapped up 10 second-hand vessels.

As far as sellers were concerned, the most active were Oslo-based MPC Container Ships, which disposed of 15 units as the company is investing in newer tonnage, followed by Greece-headquartered Contships Management, which shed 14 vessels as part of a fleet replacement programme. Peter Doehle, SFL Corp, V Ships Hamburg and Sinokor were also among the busiest sellers.

In terms of age profile, the ships sold in 2025 were on average 16 years old.

NOO tonnage exodus continues

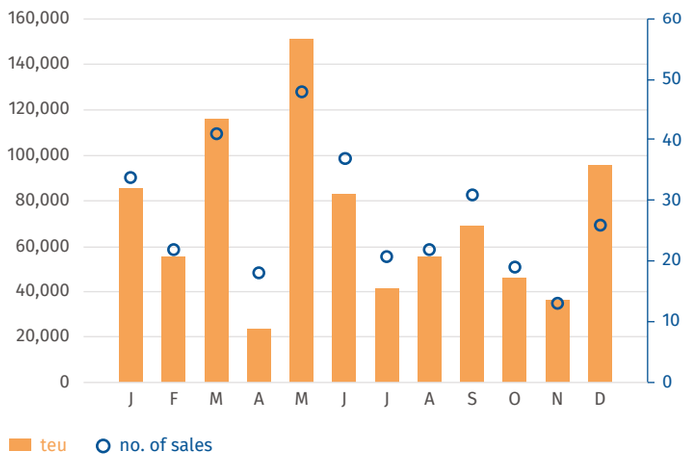
The bloodbath continued for the NOO fleet, with another 170 vessels for a capacity of half a million teu sold to end-users in 2025. The uninterrupted exit of NOO tonnage from the charter market since 2020, with insufficient replacement, especially in the smaller and medium sizes, is not just a major threat to the future of chartering activity. It will also impact sale and purchase business volumes, since vessels bought by end users often stay with their owner until the end of their commercial lives and thus generate reduced second-hand activity.

Market holding its breath with expected return of shipping to Suez

As with the charter market, the bullish trajectory of the sale and purchase market could be challenged in case of a large-scale and rapid return of container shipping through the Red Sea-Suez route*. The release of tonnage and resulting excess supply, which may arise when carriers once again start taking the 'shortcut', compounded by a continued flow of large newbuilding deliveries, could hit second-hand asset values, especially for the bigger vessels. Smaller and medium-sized units, especially modern, energy-efficient ships, could be less affected, since most are deployed on regional services only lightly impacted by developments on the main East-West routes.

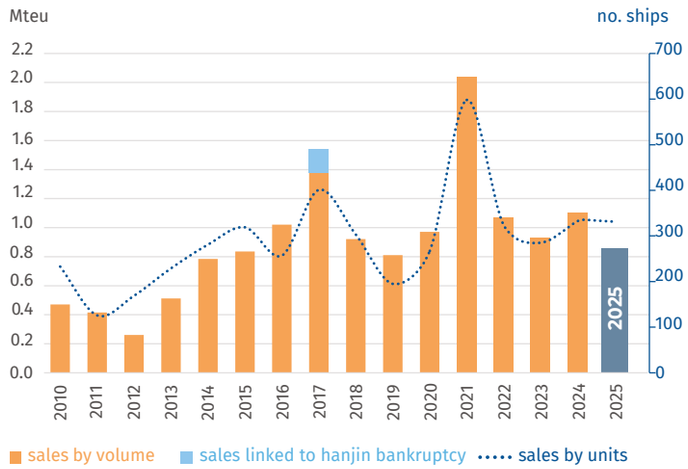
This being said, in the case of an overcapacity-led market downturn, a growing number of owners could finally be prompted to turn to the recycling market for their older and less efficient ships.

Breakdown of 2025 Sales by Month (teu)



Source: Alphaliner

Containerships Sales by Year Since 2010 (m teu/n° of ships)



Source: Alphaliner

Top Buyers Second-hand

Operator	Units	Total Size / Average Age
MSC	63	225,629 teu/20 yrs
CMA CGM	26	75,102 teu/12 yrs
Erasmus	10	18,278 teu/14 yrs
Medkon Lines	7	7,327 teu/18 yrs
Tailwind Shipping	5	42,000 teu/Resales
Contships MNGT	5	7,782 teu/16 yrs

Top Sellers by Units

Seller	Units	Total Size/Age
MPC Group	15	30,498 teu/17 yrs
Contships Management	14	15,665 teu/18 yrs
Peter Doehle	8	46,448 teu/5 yrs
SFL Corp	8	30,524 teu/23 yrs
V.Ships (Hamburg)	7	40,428 teu/17 yrs
SINOKOR	7	24,372 teu/19 yrs

Analysis of 2025 transactions by size

Size	N° of Transactions 2025 vs 2024	Variation
>10,000 teu	4 vs 10	-60%
Over Panamax	35 vs 52	-39%
3,000–5,100 teu	50 vs 66	-24%
2,000–3,000 teu	42 vs 55	-23%
900–2,000 teu	162 vs 101	+60%
<900 teu	42 vs 49	-14%

CMA CGM AFRICA ONE, 3,718 teu, built in 2010, was bought by CMA CGM in 2025. The French line was the second most active buyer of second-hand container tonnage in 2025. Photo: C.H. Mercier

Number of sales of units over 10,000 teu:

4 sales (10 in 2024)
Average age 5 years
Total teu 54,454
Units breakdown per quarter: Q1: 1 I Q2: 0 I Q3: 1 Q4: 2

LARGEST BUYERS:	LARGEST SELLERS:
Foroohari: **2**	Capital Clean Energy: **1**
Cma Cgm: **1**	Capital Ship Mangt Corp: **1**
MSC: **1**	Bocomm Leasing Co Ltd: **1**
	BAL Container Line: **1**

Number of sales of units between 2,000–3,000 teu:

42 sales (55 In 2024)
Average age 18 years
Total teu 104,060
Units breakdown per quarter: Q1: 15 I Q13: 13 I Q3: 6 I Q4: 8

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **12**	Cape Shipping: **4**
CMA CGM Group: **5**	A.P. Moller-Maersk: **3**
	Global Shiplease: **3**

Number of sales of Overpanamax:

32 sales (52 In 2024)
Average age 12 years
Total teu 245,239
Units breakdown per quarter : Q1: 8 I Q2: 11 I Q3: 6 I Q4: 7

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **11**	Peter Doele: **5**
Tailwind: **5**	Nissen Kaiun: **4**
Global Ship Lease: **3**	Shoei Kisen: **4**
Yang Ming Marine Transp: **3**	Oceonix Services: **3**

Number of sales of units between 900–2,000 teu:

162 sales (101 In 2024)
Average age 16 years
Total teu 222,697
Unit breakdown per quarter: Q1: 44 I Q2: 51 I Q3: 45 I Q4: 23

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **19**	Contships Management: **14**
CMA CGM: **12**	MPC: **11**
Erasmus: **8**	Briese Schiffarht: **6**
	Delphis: **4**

Number of sales of units between 3,000–5,100 teu:

50 sales (66 In 2024)
Average age 18 years
Total teu 203,936
Units breakdown per quarter: Q1: 15 I Q2: 12 I Q3: 9 I Q4: 14

LARGEST BUYERS:	LARGEST SELLERS:
MSC: **22**	SFL Corp: **7**
CMA CGM : **8**	Chartworld: **4**
	Sinokor: **3**
	Borealis: **3**

Number of sales of units below 900 teu:

42 sales (49 In 2024)
Average age 19 years
Total teu 28,600
Unit breakdown per quarter: Q1: 13 I Q2: 14 I Q3: 7 I Q4: 7

LARGEST BUYERS:	LARGEST SELLERS:
HS Schiffahrts: **4**	SITC: **2**
	Jebsen Shipping Partners: **2**
	Samskip: **2**

*In a last-minute development preceding the publication of this report, container shipping is entering a period of major instability after the US and Israel launched large-scale air strikes on Iran on Saturday, 28 February 2026. The compromised security in the region has forced shipping lines to pause transit through the Strait of Hormuz. Fears of renewed Houthis attacks on commercial shipping in the Red Sea have also prompted the few carriers that recently rerouted services via the Red Sea and Suez Canal to revert their decisions and continue directing ships trading between Asia and Europe via the Cape of Good Hope, until further notice. Given these events, a large-scale return of container shipping to the Suez Canal now appears unlikely in the short term.

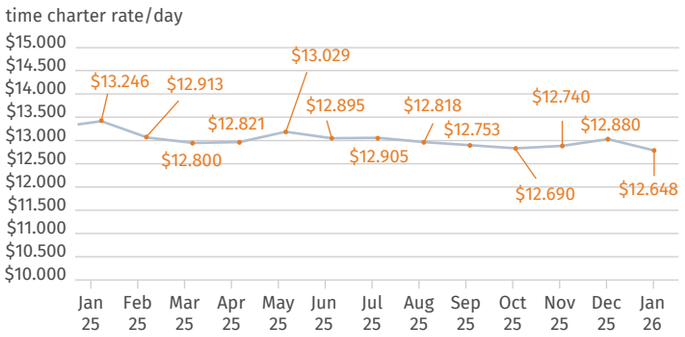
MPP

CHARLIE, MPP, F500 design, built by Taizhou Sanfu Ship Engineering, owned/operated by dship carriers GmbH & Co. KG
Photo: dship Carriers GmbH & Co. KG

Firm and Steady – The MPP Market Review & Outlook

Once again, 2025 was a year that brought positive results to both shipowners and charterers/operators. This was certainly a surprise for many, given that the outlook and forecasts had been complex and partly negative. Geopolitical conflicts, wars, new sanctions and additional restrictions should have undermined commercial results. But as so often happens, it was precisely these problems that helped sustain demand in the niche multipurpose vessel (MPP) market, keeping time charter and freight rates stable to positive. Due to the armed conflict in the Red Sea and the resulting rerouting via the Cape of Good Hope, tonnage remained scarce and time charter rates stayed broadly flat. This was well illustrated by the monthly TMI (Toepfer's Multipurpose Index), which showed only a slight weakening over the last 12 months, meaning rates remained strong for the 12,000 Dwat (deadweight all told) MPP tonnage segment.

TMI - Toepfer's multipurpose index



This index (TMI) represents the monthly average timecharter rate assessment established by a panel of Operators, Owners and Brokers for a 6-12 months timecharter for a 12,500 tons deadweight MPP/HL "F-Type" vessel.

Source: TOEPFER TRANSPORT GmbH
research@toeofer-transport.com

Disclaimer: This index is statement of opinion only and no guarantee can be given that the index value will be achieved a market transaction. Neither Toepfer Transport GmbH, nor its Directors or employees will be responsible for the consequence of reliance on or any transactions upon this index. A detailed definition and methodology of the index is available upon request.

The persistent strength in the MPP market helped support newbuilding orders last year. This was partly driven by the need to renew the fleet, as a large portion of MPP tonnage will soon be over 15 years old or approaching the 20-year mark. However, fleet age is not the only factor behind renewal. Long-term demand is also evident from the cargo side. While in the past, considerations such as good cargo gear and long hatch openings were key, today portside gear, the largest possible deck area, and a shift of the bridge/superstructure to the front of the ship are also crucial for meeting market demand. The wind and energy sector is seen as the main driver, spurring tramp owners and liner companies, and attracting millions of dollars in investor commitments to new MPP vessels. The newbuilding portfolio ranges from approximately 7,500 to 14,000 Dwat.

SOPHIE, MPP, F500 design, built by Taizhou Sanfu Ship Engineering, owned by Auerbach Schiffahrt, operated by SAL, delivered December 2025. Photo: Auerbach Schiffahrt

It is interesting to note that several well-known shipping companies cooperated in ordering newbuildings, such as shipowners Auerbach and Krey, followed later by Messrs MACS. Other European activities included HS Schiffahrt's newbuilding projects, with up to 10 x 12,500 Dwat MPPs with delivery between 2027 and 2029 at Jiangsu Soho Marine Heavy Industry, and the expansion of Briese/BBC's Lakermax order to a total of 21 units.

BBC SINGAPORE, MPP / Heavy-lift, BBC-13K-500A design, built by Taizhou Sanfu Ship Engineering, owned by Briese Schiffahrt and operated by BBC Chartering GmbH & Co. KG, delivered April 2025. Copyright: BBC Chartering GmbH & Co. KG

Also worth mentioning is the expansion of newbuilding activities by European owners into the Indian market. Shipping company Carsten Rehder and other shipowners have placed several newbuilding orders in India in the 7,500 Dwat range. Interestingly, traditional European charterers/operators did not need to conclude long-term charters. This suggests that investors/shipowners have confidence in this sector, despite the limited number and variety of charterers. However, when comparing the European and Asian markets, a significant difference becomes apparent: European tramp shipping companies continue to focus on traditional MPP sizes, while the Far Eastern market is completely geared towards megacarriers. From our perspective, this divergence is driven by both the aforementioned industrial demand for MPP newbuildings and by state-funded support of shipping companies, shipyards and financial institutions. Examples include Cosco Shipping Specialized Carriers' order for 6 x 60,000 Dwat units, built at a state-owned shipyard and financed via BoComm Leasing based on a block deal for approximately 16 years. Furthermore, Cosco added 4 x 40,000 Dwat multipurpose heavy-lift vessels at CSSC Chengxi, with deliveries scheduled between summer 2028 and early 2029. In May 2025, Cosco Shipping Bulk, a subsidiary of Cosco Shipping Specialized, placed an order for 30 newbuildings from Fujian Mawei, including 15 MPPs of 80,000 Dwat each. Chipolbrok, which already had 60,000 Dwat newbuildings in its portfolio, also signed a contract last year for 6 x 60,800 Dwat bow bridge multipurpose heavy-lift vessels.

The main difference between these orders and the existing fleet lies in the relocation of the bridge and accommodation. In our view, this is due to several factors. It gives the operator significantly more flexibility for important deck cargo, including ever-lengthening wind blades, and eliminates line-of-sight restrictions. Furthermore, these newbuildings feature reinforced decks to handle heavy-lift projects and comply with the new regulations for transporting large quantities of energy storage containers and lithium batteries. However, the decisive factor is certainly demand driven by renewable energy products, primarily those exported from China, Southeast Asia and India. Bridge relocation increases cargo intake, a benefit already evident in existing and upcoming newbuildings from AAL/Schöller and HMM. Chinese shipping companies will aim to transport lucrative MPP project cargoes to the Atlantic on these mega-ships while finding bulk cargoes for the return journey. It is highly unlikely that these ships will reposition themselves with miscellaneous parcels, as traditional compact 12,000-17,000 Dwat MPP units do now. Thus, we currently see a division into three markets: already existing and new 7,500-17,000 Dwat MPP ships, older vessels in the 18,000-30,000 Dwat range (a segment without newbuilding orders at present), and younger units, including upcoming newbuildings in the 32,000-80,000 Dwat range from liner shipping companies. This leads to the following questions: how will 60,000-80,000 Dwat MPPs influence the compact MPP sector, and is there still a role for MPPs in the 20,000-30,000 Dwat range? Currently, the number of 60,000 Dwat units on the water is manageable, and these have not yet had any visible impact on the broader MPP market. Nevertheless, in our view, the long-term cards in the Far East/Southeast Asia market will be partially reshuffled by the influx of these very large vessels.

Certainly, much also depends on those markets that flank the MPP sector: the container and bulk trades. Since the Covid-19 pandemic in 2020, it was expected that the MPP market would collapse, especially when the container market normalises amid a heavy orderbook. So, towards the end of almost every year since 2020, one heard: 'Where is the crisis?' Results have held strong, in some cases reaching record revenues, and the mood is positive. Newbuilding orders are fixed, the second-hand sector remains very firm, and this resilience has persisted despite geopolitical crises, trade restrictions, and sanctions. Undoubtedly, there will come a point when the markets change again, but for now, container market demand remains encouraging, with rates high and firm, sometimes secured through long-term contracts. Even though MPP ships are only accepted on a limited number of container trades, the few open positions in the tramp market provide a niche that allows operators to secure good charter rates over the medium to long term, compared with the traditional MPP trade. This rate difference amounts to approximately $3,000-5,000/day.

If we analyse the current 20,000-30,000 Dwat MPP range, we still see a shrinking pool of so-called tramp tonnage. After part of this capacity was sold to companies that were 'indirectly' controlled by Russian interests, container lines bought or chartered such vessels for liner trades. Some went to newly established in-house liner businesses, while others were sold to various Chinese-based companies, and are now directly operated by their owners. As a result, these units are no longer available as tramp tonnage in the MPP market. Due to the scarcity of these MPPs, their time charter rates have remained broadly unchanged and highly profitable for owners. Rates for period employment were in the mid-to-high teens for MPP trades, with bonus rates paid for high-risk areas and container trades. Currently, there are no newbuilding orders in this size segment. This reflects the high cost, delivery windows that extend beyond 2028, and long-term charter commitments from the operator side.

Another possible factor influencing the present reluctance to order medium-sized MPPs is the bulk market and evolving cargo stems. Whereas previously two or even three suitable bulk parcels were available to fill a 20,000-30,000 Dwat MPP, today bulk-suitable tonnage with an intake of 29,000-31,000 Dwat is often required, which older designs cannot technically handle. It remains to be seen whether the MPP market will consolidate into only two categories: a compact class of up to approximately 17,000 Dwat, and larger MPPs controlled exclusively by liner companies.

Despite numerous uncertainties and crises, such as the Red Sea/Houthis issue, the Ukraine-Russia conflict, Venezuela, Gaza, and other political developments that are impacting shipping markets daily, we are optimistic about the coming year. The MPP sector will maintain its

niche position because both the newbuilding segment and anticipated deliveries are manageable; in other words, the market will not be flooded by a large number of new ships. Furthermore, the majority of newbuildings have already signed employment contracts, limiting any noticeable change in open positions. Continued positive demand from the traditionally important Asian market is also a good sign.

A critical issue remains the persistent imbalance between the Atlantic and Far Eastern markets. Exports from the Atlantic to the Middle East and Far East are insufficient, while demand in the Far East and Southeast Asia is high. We do not foresee any improvement in the short term unless the bulk market allows the MPP segment to benefit.

The main pillars supporting current market stability are the project business, heavy industrial parts, the renewable energy sector, and power infrastructure. Together, these suggest a generally stable and positive outlook for 2026.

AAL DUBAI, MPP / Heavy-lift, SUPER B-Class design, built by Guangzhou Wenchong Shipyard, owned/operated by AAL, delivered March 2025. Photo: AAL Head Office (Singapore)

Ro-Ro

CHAUMINE, Ro-Ro with 8,354 LM capacity. Delivered in March 2025 by HD Hyundai Mipo in South Korea to and operated by CLdN.

Equilibrium

Chartering

The Ro-Ro sector charter market in 2025 was underpinned by a delicate supply and demand balance. Weakening cargo volumes across key European markets were countered by the acute structural shortage of modern tonnage, keeping time charter rates stable. Tonnage providers and those with vessels to charter out secured steady returns on their assets. Ro-Ro operators were forced to accept lower earnings and reckon with the downsides of highly consolidated liner services functioning with high-capacity vessels in Europe's sluggish economy.

Chartering activity in the first quarter was limited and no fixtures over 12 months were concluded. The year's first salvo of consolidation was fired by Wallenius SOL as it announced the acquisition of Mann Lines. AD Ports Group (ADP) boldly launched a new joint venture between group company Noatum Maritime and Erkport under the United Global RO-RO (UGR) brand, commencing with 11 vessels (Ro-Ro and PCTC) deployed on five services. In doing so ADP structured its Ro-Ro activities formally for the first time and asserted its ambitions, giving a clear signal to the wider market that had been left guessing by the company's tonnage acquisition strategy of 2023-2024.

CLdN increased frequency and capacity on its Zeebrugge to Teesport route while P&O Ferries upped capacity by about 60% on its London to Rotterdam route, both via a mixture of (larger) vessel deployment and additional sailings. However, this was not an indication of firming freight volumes. Rather, chartering activity remained restrained throughout Q2 with only 3-4 time charter fixtures per month reported. DFDS launched a new weekly service between Vilagarcia and Rotterdam in May underpinned by a specific contract. The United States (US) government's aggressive tariff policies did not have a direct impact on Ro-Ro trading patterns but certainly compounded the general economic malaise in Europe, snuffing out any prospect of greater volumes and charter market dynamism.

By June it was clear there would be no radical shift in rates or patterns for the year and operators decided to hold onto their chartered units. Out of 25 reported time charter fixtures concluded between June and September, 19 were extensions. The only operator to relieve themselves of tonnage in this period was DFDS, releasing two large Odense types as a result of its continuing struggles in the Mediterranean. In swift succession one of these was chartered in by CMA CGM and the other by UGR. As a result, market equilibrium for large, (relatively) modern units was restored.

In a prime example of jostling for business between major European Ro-Ro players, P&O Ferries closed its Teesport to Zebrugge route (active since 1988) in mid-August and the operating vessel – freight ferry Norbay (1,987 lane meters LM) – was laid up for the remainder of the year. CLdN's own Zeebrugge to Teesport service mopped up the leftover cargo.

SOUTH ENABLER, Ro-Ro with 3,006 LM capacity. Delivered in May 2025 by Cantiere Navale Visentini in Italy to Visemar di Navigazione and operated by Wallenius SOL.
Photo: Christoffer Björklund

The final quarter saw an average of five reported time charter fixtures per month of which 40% were extensions. Company results being reported by some operators confirmed the already established sentiment around soft cargo volumes, particularly for DFDS' Mediterranean activities where the company initiated a workforce reduction, implemented senior management change and divested the Cappadocia Seaways (3,214 LM).

In November Grendi performed an opportunistic move by fixing out Grendi Futura (2,550 LM) to LD Seaplane, thereafter acting swiftly and decisively in December to plug the gap via charter of Cantiere Navale Visentini (CNV) shipyard's hull C235, still under construction.

In another sign of the charter market's trajectory, Stena Line did not renew the charters of three vessels totaling 9,507 LM (two out of choice, one out of necessity), instead fixing/extending two vessels totaling 4,399 LM to cover their 2026 fleet requirements. Counterintuitively, UGR went into direct competition with the Grimaldi Group and DFDS by launching a new service calling at Haydarpasa, Marseille and Tarragona featuring two round trips per week utilizing two vessels (one owned, the other chartered) with combined LM capacity of 7,670 LM.

As the year closed, CLdN and DFDS agreed to extend their space charter agreement on the Zeebrugge to Gothenburg route for an additional five years, whilst increasing freight capacity at the same time. DP World launched a 36-hour service between Dubai and Iraq using freight ferry DP World Express (ex Norbank, 1,987) that previously operated in Europe with subsidiary P&O Ferries, illustrating the advantage and geographical options held by emerging multinational corporate owners.

The fleet

Exposed to the same fundamentals as the charter market, Ro-Ro sale and purchase activity was subdued throughout the year. There was less market discussion and fewer transactions compared to the previous year – 20 versus 26 in 2024 which was itself a decline from 36 sales registered in 2023. Vessels sold were on average 20 years old, totaled 33,572 LM, averaged 2,098 LM in capacity and all had straight stern ramps. The absence of large Con-Ro or Ro-Ro over 4,000 LM meant that although the number of transactions decreased by only 23%, there was a 46% decrease in LM capacity sold.

There were no blockbuster transactions, however AD Ports via UGR continued its buying spree that began in 2023 by boldly adding Fionia Sea and Jutlandia Sea (3,322 LM each) to its fleet, with the general intention of trading both vessels in the Mediterranean. All other purchases were made against buyers' specific, well defined trading requirements.

A few Ro-Ros were included in wider consolidation activity. Visentini newbuild South Enabler (3,006 LM) originally destined for charter by Mann Lines was in fact delivered to Wallenius SOL after the latter's acquisition of the former in February. In June Eckero Group of Finland acquired local company Rederi Ab Fjardvagen including vintage Ro-Ro Fjardvagen (802 LM built 1972). Balearia's acquisition of Armas Trasmediterranea's business in the Canary Islands, Alboran Sea and part of the Strait of Gibraltar included several RoPax and Ro-Ro Villa de Tazacorte (3,625 LM).

Seven vessels over 1,000 LM were scrapped during the course of the year representing 18,166 LM, a welcome increase on 3,420 LM demolished in 2024. Three Grimaldi Con-Ros with a relatively young average age of 27 years accounted for 63% of 2025 LM capacity recycled. In the Ro-Ro sector, only operators with the deepest pockets can afford to renew and recycle their fleets at a tempo familiar to the majority of bulk, tanker and container operators. At the end of the year, the fleet of straight stern ramp Ro-Ro as well as Con-Ro tonnage in excess of 1,000 LM stood at 420 vessels with a combined capacity of approximately 1.28 million LM and an average age of 19.5 years.

For the first time in at least 35 years no Ro-Ro newbuilding orders were placed in what could be seen as a quiet but unanimous acknowledgement of the delicate equilibrium reached in the Ro-Ro market. Putting weak cargo volumes to one side, the plain reality is that a large chunk of the fleet needs to be renewed, especially the 132 units over 1,000 LM aged 25 years or more (19% of fleet LM capacity). In this regard Stena RoRo came to the rescue in October, signing a letter of intent (LOI) for 2+2+2 C-Flexer Ro-Ros of 3,000 LM up to 4,700 LM with CMI Weihai shipyard in China with initial deliveries in 2029. While Stena RoRo can always place tonnage with Stena Line, to all intents this LOI was speculative and a very welcome development for the market.

All vessels delivered in 2025 were for their buyers' own operations with three mammoths (1 x 7,800 LM for Grimaldi and 2 x 8,354 LM for CLdN) accounting for 71% of the total 34,308 LM entering the fleet.

As the year closed, the non-specialised Ro-Ro orderbook stood at four conventional units of 3,000 – 3,700 LM equivalent to 13,322 LM i.e. about 1.56% of Ro-Ro or 1% of Ro-Ro & Con-Ro current fleet capacity all for delivery in 2026 to buyers who will operate them or for pre-determined charter. In addition to Stena RoRo, there is undoubtedly space for others to step into the speculative newbuilding ring and begin the much-needed process of fleet renewal. Timing is crucial, especially in a sector where only a handful of operators have truly deep pockets and many require ships under 3,000 LM with dimensions not currently of interest to major Far Eastern yard groups. A bearish perspective on newbuilding prices and means of linking small Ro-Ro operators with newbuilding finance could reap dividends – the only question is when.

NEOLINER ORIGIN, Ro-Ro with 1,200 LM capacity. Delivered in September 2025 by RMK Marine in Türkiye to and operated by Neoline Armateur. Photo: Arthur Jacobs

ECO NAPOLI, Ro-Ro with 7,800 LM capacity. Delivered in February 2025 by Jingling Shipyard in China to and operated by Grimaldi.

LEONINE, Ro-Ro with 8,354 LM capacity. Delivered in June 2025 by HD Hyundai Mipo in South Korea to and operated by CLdN. Photo: Philippe Holthof

Car Carrier

NOCC Pacific, car carrier with post-Panamax beam and with approximately 59,000 square meters on 12 decks equivalent to approximately 7,000 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in November 2025 by Yantai CIMC Raffles shipyard in China to Norwegian Car Carriers (NOCC) and operated by Wallenius Wilhelmsen.

Resilience Despite Headwinds

The car carrier sector demonstrated remarkable resilience in 2025, effectively navigating material headwinds triggered by the new tariff measures of the United States (US) government. A third consecutive year of record-breaking Chinese vehicle exports [+30% year-on-year (y-o-y)], with approximately 8.32 million vehicles, fuelled a tight tonnage market that not only resorbed a historic influx of new tonnage, but also maintained charter rate levels above expectations. By the end of the year, the time charter rate for a mid-size ship of 4,900 car equivalent units (CEU) stood at high USD 20,000/day range for 12 months' time charter, whereas that of a Panamax beam ship of 6,500 CEU was in the low USD 40,000/day range for 12 months' time charter.

Looking ahead, supply-side factors may amplify rising demand volatility. Downside risks remain high, driven by continued geoeconomic fragmentation and accentuating protectionist policies impacting trade and supply chains. As the sector is supposedly declining from its peak, it's uncertain if the orderbook will resorb or add further pressure. The Chinese government's export growth policy directive may disrupt the sector's natural course adjustment that has been at play over the past two years and lead us into unchartered waters. Regardless, clear policy decisions will be needed to manage demand-side volatility and support a gradual adjustment to new – and lower ? – market dynamics.

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 10 December between the class representative and last two remaining defendant groups left, namely Mitsui OSK Lines and Nippon Yusen Kabushiki Kaisha (NYK), following a nine-week trial that began in January 2025. The CAT has scheduled a settlement approval hearing in January 2026, and we wonder whether it will bring closure to this unfortunate chapter.

AICC Kunpeng and AICC Fenghuang, car carriers with post-Panamax beam and with approximately 59,000 square meters on 12 decks equivalent to approximately 7,000 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in June and September 2025 respectively by Wuhu Shipyard Co. Ltd. in China to Anhui Port & Shipping Group and operated by Anhui Hangrui International Car Carriers Ltd. (AICC).

The Fleet

Based on vessels of 1,000 CEU and above, the global car carrier fleet stood at 841 units at year-end, representing just under 5.0 million CEU, with an average age of slightly below 16 years. This marked the third consecutive year in which the 4.0 million CEU threshold was exceeded and the first time in history that the 5.0 million CEU level came within reach. Compared with 2024, fleet numbers and capacity expanded by 9.5% and 13% y-o-y, respectively, while the average fleet age increased by 6.3% y-o-y. Annual fleet growth surged by approximately 58% y-o-y, driven by the exceptional delivery of 75 vessels.

Total deliveries during the year amounted to approximately 582,000 CEU, with an average vessel size of around 7,800 CEU. This represented the peak of the post-Covid expansion cycle and exceeded the previous delivery record set in 2008, when 65 units were delivered, by 15%. Deliveries are expected to remain elevated in the near term, with 51 vessels scheduled for 2026 and 49 for 2027, before easing from 2028 up to and including 2031. Notably, no vessels experienced delivery delays during the year, and several shipyards delivered ahead of schedule.

The global orderbook stood at 142 vessels at year-end, equivalent to approximately 17% of the existing fleet and extending through to 2031. In capacity terms, the orderbook represented roughly 1.1 million CEU, or approximately 23% of the current fleet. The orderbook-to-fleet ratio declined for the second consecutive year, falling by 39% y-o-y, although this marked the fourth consecutive year of double-digit orderbook growth.

Orderbook composition remained largely unchanged. Post-Panamax beam vessels accounted for 134 units, or approximately 94% of the orderbook, representing around 98% of total capacity on order.

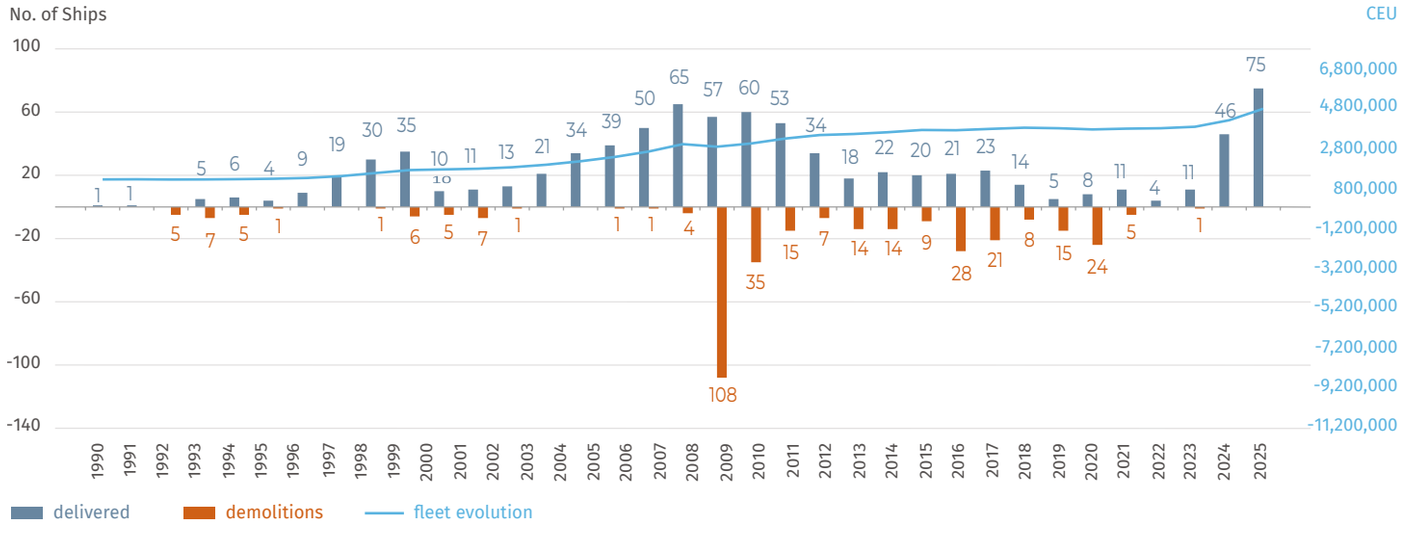
Hera Highway, car carrier with post-Panamax beam and with approximately 62,000 square meters on 12 decks equivalent to approximately 7,500 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in March 2025 by HD Hyundai Samho shipyard in South Korea for Ray Car Carriers and operated by Kawasaki Kisen Kaisha (K-Line).

Dual-fuel liquefied natural gas (LNG) propulsion featured prominently, with 102 vessels — around 72% of the orderbook — equipped accordingly. Unlike other shipping sectors, car carriers have embraced LNG as the preferred transitional fuel for decarbonization, with LNG-powered vessels accounting for half of new orders placed during the year.

Although no more mid-size tonnage (4,200 – 5,500 CEU) was ordered, five small size (<4,200 CEU) units were ordered in Japan, representing 3.5% of new orders. Two units are 1,500 CEU and are nominally uncommitted, although most likely earmarked for one or more Japanese operators. The remaining three units, each of 2,300 CEU and equipped with methanol dual-fuel propulsion, are committed to Toyofuji Shipping.

Approximately 43 vessels, representing around 30% of the orderbook and an estimated 300,000 CEU of capacity, remain without committed employment at delivery. This figure declined by approximately 25%

Fleet evolution



y-o-y, reflecting a more cautious investment approach amid increased market uncertainty.

Only 10 new orders were placed during 2025, totaling approximately 46,000 CEU with an average intake of around 4,600 CEU. This represented an 83% y-o-y decline, confirming a pronounced slowdown in newbuilding demand following three years of elevated ordering activity.

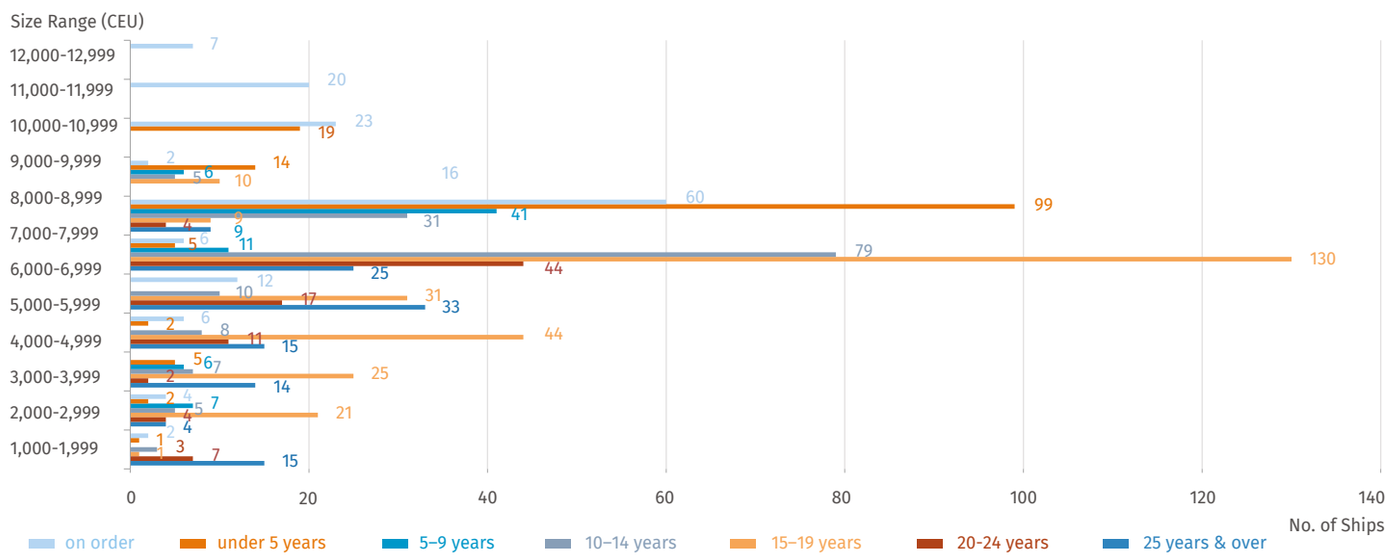
Despite a softening market, no vessels were sold for recycling during the year. The sector did, however, record one casualty: the Morning Midas, which sank off Alaska in June following an onboard fire, fortunately without loss of life.

Looking ahead, 32 ships, or approximately 137,000 CEU, representing approximately 4% of the current fleet, will be 28 years old and above in 2026. In 2027, 51 ships, or approximately 235,000 CEU, representing 6% of the current fleet, will be 28 years old and above. Two-thirds of these potential demolition candidates are small and medium size capacity, whose retirement remains uncertain given limited replacement capacity.

Sale and purchase activity declined modestly, falling by 16% y-o-y to 27 transactions. The average vessel age was just under 14 years, with an average capacity of slightly below 6,000 CEU, totaling approximately 162,000 CEU. Transactions comprised a mix of financial sales (12) and arms'-length deals (15), including purchase options (8). A notable development was the emergence of Abu Dhabi Ports (ADP) Group as a new industry participant through its joint venture with Erkport, United Global Ro-Ro (UGR), which controls a fleet of six vessels. With asset values continuing to soften, sale and purchase activity is expected to recover in the coming year.

We would like to recognize and salute the bravery of the 25 crew members of the Galaxy Leader whose hijacking ordeal came to an end in January when they were released by their Houthi captors.

Existing fleet and orderbook by age class and capacity ranges



UGR Al Samha, car carrier with post-Panamax beam and with approximately 59,000 square meters on 12 decks equivalent to approximately 7,100 CEU with 4 hoistable decks endowed with dual-fuel LNG propulsion. Delivered in March 2025 by Yantai CIMC Raffles shipyard in China to AD Ports Group and operated by United Global Ro-Ro (UGR).

Mercy Ships

AFRICA MERCY, Hospital ship, 16,572 Gt, built by Helsingørs Værft AS (Elsinore, Denmark), owned/operated by Mercy Ships, delivered 1980 (converted to hospital ship in 2007). Originally built as the rail ferry Dronning Ingrid (Queen Ingrid) and later converted into a hospital ship, featuring five operating theatres, 82 hospital beds and 450 volunteers onboard.

2025: Hope Beyond Borders, Healing Beyond Measure

Why hospital ships?

Every year, 17 million people die due to lack of access to healthcare; 90% of those are in Sub-Saharan Africa.

Fortunately, nearly 45% of the world's population lives within 100 miles of a coast, which is why Mercy Ships uses modern hospital ships to bring world-class volunteer medical professionals directly to the places they're needed most.

Two hospital ships dedicated to the African continent

In 2025, over 5,000 specialised surgeries were performed and medical capacity building programmes were run in eight African nations: Madagascar, Sierra Leone, Benin, Togo, Guinea, Guinea-Bissau, Burkina Faso, and South Africa.

Currently, Mercy Ships operates two hospital ships, the Africa Mercy® and the Global Mercy™.

The Global Mercy is the world's largest charity-run hospital ship. The 174m, 37,000 mt ship has six operating rooms and houses over 600 volunteers from around the globe, representing many disciplines including surgeons, maritime crew, cooks, teachers, electricians, the host staff, and more. The ship also features a 682-seat auditorium, student academy, café, shop and library – all of which have been designed to accommodate up to 950 crew onboard when docked in port.

The 16,572 Gt Africa Mercy contains five operating rooms, a four-bed recovery area, intensive care for up to five patients, and 80 ward beds. It houses about 400 volunteer crew members from up to 40 nations. Acquired in 1999 through a donation from the Balcraig Foundation, the former Danish rail ferry Dronning Ingrid was refurbished specifically for our mission and renamed the Africa Mercy in April 2000.

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 healthy and thrive. And that being able to access the medical care you need should never depend on where you are born.

Mercy Ships's work in 2025, at a glance:

- → more than **5,000 surgical procedures**
- → more than **31,000 dental procedures**
- → more than **305,000 hours of training** to African healthcare professionals both on and off the vessels

GLOBAL MERCY, Hospital ship, 37,000 Gt, built by Stena RoRo (Gothenburg, Sweden), owned/ operated by Mercy Ships, delivered 2021.

The world's largest civilian hospital ship and the first purpose-built floating hospital for Mercy Ships, featuring six operating theatres, 199 hospital beds and 641 volunteers onboard.

Cargo Day 2025 Results

Since its inception in 2016, Mercy Ships Cargo Day has united the **Shipping and Trading community** in an extraordinary fundraising effort, generating **$20 million for Mercy Ships' vital work.**

The initiative operates through a unique model in which 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.

Last year was a golden year, **raising a record $2.5 million. Over 90 companies** from the maritime shipping and trading community, including **31 charterers, 29 brokers, 25 ship owners and 8 other companies,** participated in the fundraising campaign.

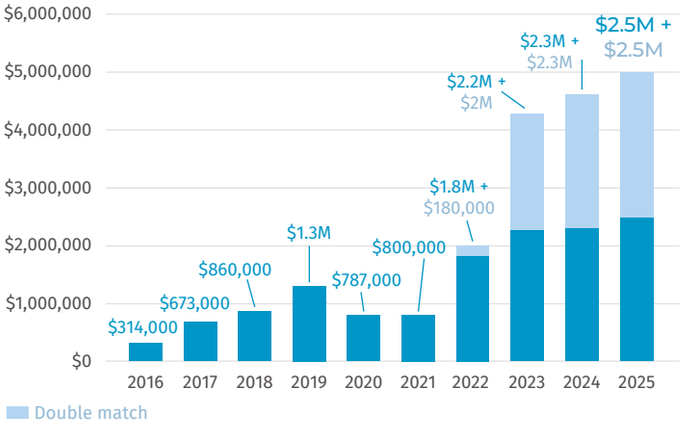
As in previous years, **Mercy Ships partners matched $2 million** out of the $2.5 million raised.

These funds serve a crucial purpose, covering 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 2026 Mercy Ships Cargo Day campaign is scheduled to launch on November 4, 2026.

MercyShips® CargoDay

Mercy Ships Cargo Day 2016-2025: 20 million in 10 years



The lighter colours on top the stacked bars (from 2022 to 2025) represent the additional funds raised through the double match campaigns ran by Mercy Ships.

Year	Result ($)
2016	314,000
2017	673,000
2018	860,000
2019	1,300,000
2020	787,000
2021	800,000
2022	1,800,000
2023	2,285,000
2024	2,300,000
2025	**2,500,000**

An Upcoming Expansion

The steel cutting ceremony of the Africa Mercy II was celebrated on 29 October 2025 at Guangzhou Shipyard International (China), marking the official start of construction for Mercy Ships' newest purpose-built hospital ship, designed to expand access to free surgical care and medical training across Africa. The Africa Mercy II is based on the same design and will therefore, in effect, be a sister ship to the Global Mercy, despite the two ships being built at different shipyards.

Testimonial

Mercy Ships - Story of Armella

Armella was born with a mass close to her ear that made her parents very worried. The doctor assured them that the mass was fixable through surgery, but Armella's family couldn't afford it.

Two years later, the mass grew larger and became too heavy for little Armella to bear.

Then, the arrival of the Africa Mercy in Madagascar sparked hope in Armella's home.

Dr. Manjit Dhillon, the volunteer maxillofacial surgeon from Scotland who operated on Armella said: "When we removed the tumour, it was 280 grams, about the weight of a large grapefruit. That's over a quarter of a kilogram for a 2-year-old, which is quite a lot of weight to carry."

Armella's parents, Caessah and Justin, were overwhelmed with gratitude as they returned to their village.

Now that Armella has received her free surgery on the hospital ship , her parents are planning to enrol her in school with her older brother.

"May she experience a better life than our lives. She will have a good life!" Caessah proclaimed, now full of hope.

"Joining together in partnerships is a powerful course of action to infuse a lasting impact on the healthcare challenges in Africa.
We are so encouraged and grateful for all we have accomplished together with Mercy ships and the shipping industry worldwide. We have done well and there is still so much to do. Together we will continue to spark mercy to bring hope and healing in the lives of those in need."

BRYCE WAGNER, Mercy Ships International

Mercy Ships Cargo Day
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One purpose.
Massive impact.

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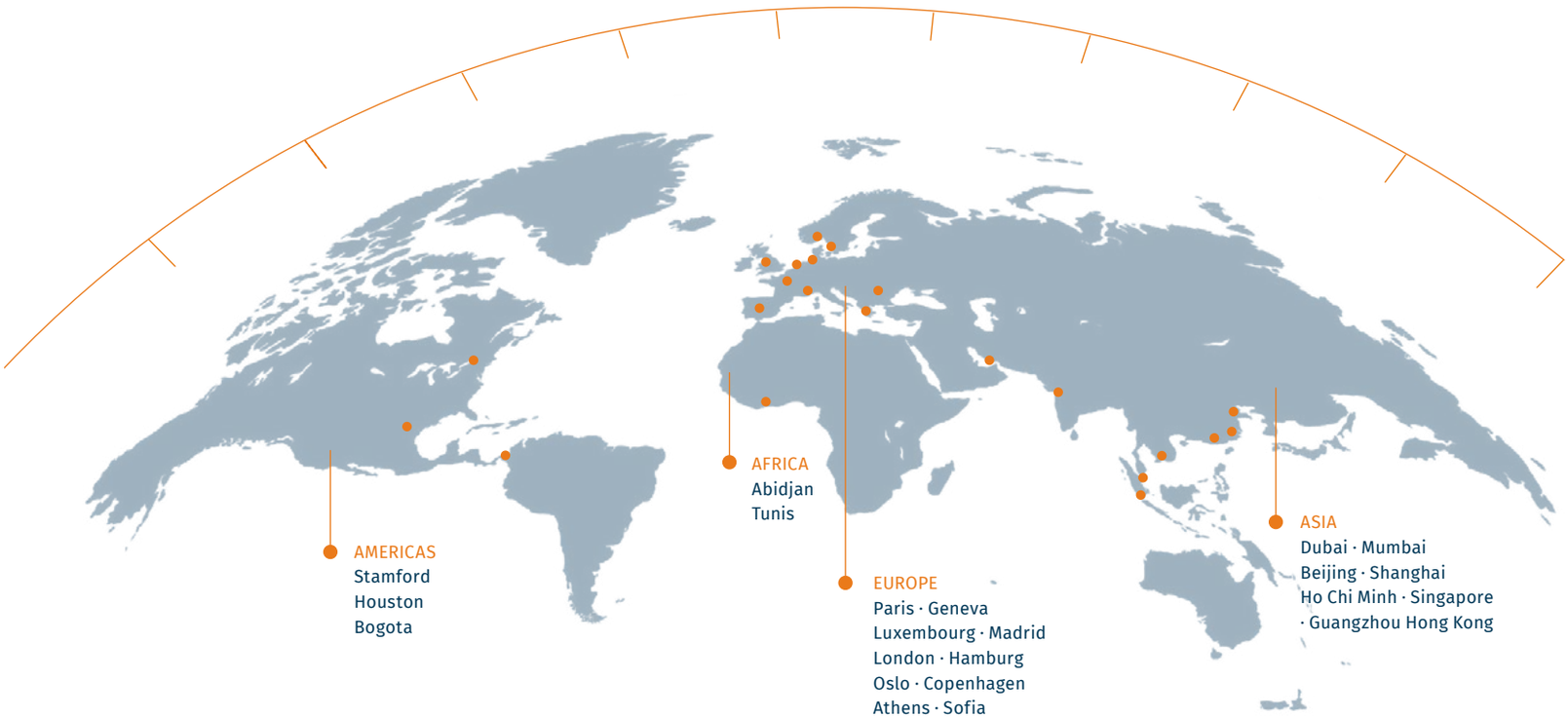

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