

# MACRO TRENDS AND DRIVERS

## MEGATRENDS



### Climate Change and Resource Scarcity

Companies to rethink how they design and deliver products, services and projects to increase focus on abatement of carbon emissions and waste reduction.

Over 90% of world GDP is now covered by net-zero commitments.<sup>1</sup>



### Technological Advancement

Automation and AI adoption will bring occupational and skill shifts.

~ 50% of current work activities are technically automatable by adapting currently demonstrated technologies.<sup>2</sup>



### Demographic Change

The global population is growing, ageing and urbanising.

By 2030, over a billion people (or 12% of global population) will be aged 65 and above, up from 8.5% in 2015.<sup>3</sup>



### Urbanisation

According to the UN, urban dwellers will constitute 68% of the world population by 2050, up from the current 56%.



### Changing Dynamics of Globalisation

COVID-19 and the Russia-Ukraine war will prompt companies and governments worldwide to re-evaluate their dependencies and re-analyse their manufacturing and assembly footprints.

## CATALYST

Shift in Customer Priorities Post COVID-19

ESG Lens

## IMPLICATION TO SHIPPING INDUSTRY



### Emission Reduction

- IMO's ambition is to reduce shipping carbon intensity by 40% by 2030 and 70% by 2050.<sup>4</sup>
- LNG, ammonia, hydrogen and methanol are flagged as green shipping fuels of the future. In 2021, more than 740 out of approximately 86,000 ships run on LNG and this could increase to more than 1,000 vessels globally by 2030, driven by the shipping industry's desire to cut emissions.<sup>5</sup>



### Financing

- Shipping is a capital-intensive industry, and access to financing will be increasingly linked to environmental sustainability. According to Bloomberg and Nordea, in 2021, Transport and Logistics were among the top five sectors raising debt through Sustainability-Linked Loans.<sup>6</sup>



### Consolidation and Alliances

- As the global fleet ages, tighter access to replacement capital and environmental regulations will accelerate industry consolidation.
- Consolidation could also take the form of more owners putting their ships into commercial alliance such as pool operations, to strengthen their bargaining position with charterers.



### Smart Technologies

- Rapid advances in technology and innovation are reshaping the shipping sector, with the development of new lower emission propulsion technologies and the ongoing digital transformation.
- 10% of the ships built in this decade will be smart ships with sophisticated sensor hubs and data generators. Connectivity via satellite communications will be massively improved, allowing ships to transfer higher volumes of data at lower cost.<sup>7</sup>
- Digitalisation and automation will create huge opportunities to make shipping and ports more resilient and efficient.



### Talent

- Rapid technological advances will reduce the size of vessel crews and the type of skills sought for the maritime sector workforce will be significantly different from today.

Sources:

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 3 Macrotrends and Disruptions shaping 2020-2030 | Vision 2050 Issue Brief. [https://docs.wbcsd.org/2020/05/WBCSD\\_V2050IB\\_Macrotrends\\_Disruptions\\_20202030.pdf](https://docs.wbcsd.org/2020/05/WBCSD_V2050IB_Macrotrends_Disruptions_20202030.pdf)

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