

Key Macro Trends and Drivers

The global energy and shipping landscape is rapidly evolving, with a few key macro trends taking centre stage in driving change in the industry and, with that, reshaping our business. We summarise a few of the most significant macro trends that will shape shipping in the years to come.

Macro Trends	Description	Implications
<div>Energy security reshaping global policies and economic landscape</div>	<div><ul style="list-style-type: none">Geopolitical conflicts such as the Russia-Ukraine crisis and Israel-Hamas war highlight the fragilities of today's energy system and will continue to infuse fear of supply disruptions triggering diversification effortsEscalating trade barriers and tit-for-tat tariffs may trigger a new era of global isolationism, further threatening energy securityWith countries prioritising self-reliance, oil remains essential to the economy this decade as demand for energy continues to grow and greener solutions gather paceGlobal oil demand will reach its peak this decade across all scenarios⁽¹⁾, but it will remain part of the energy mix through to 2050</div>	<div><ul style="list-style-type: none">Oil trade remains highly volatileOil and tanker demand is expected to remain strong, presenting opportunities for tanker owners capable of transporting oil in a sustainable manner</div>
<div>Energy transition is happening but at an uncertain pace</div>	<div><div><div><div>2024 was the hottest year on record⁽²⁾. There is hence even greater urgency to shift toward lower-carbon energy sources to reduce greenhouse gas (GHG) emissions. However, the pace of transition remains uncertain due to a multitude of factors including economic volatility, geopolitical tensions, technological shifts and unpredictable policy landscapes.</div><div>Offshore wind⁽³⁾ is forecast to be one of the potential solutions for delivering the large-scale, reliable, affordable and zero-carbon power needed to accelerate the global energy transition. Its capacity is expected to grow tenfold by 2040 as countries and companies strive to meet their net-zero targets.</div><div>Carbon capture⁽³⁾ is an essential part of the solution for lower-carbon future fuels and for the hard-to-abate sectors to meet net-zero goals</div><div>Increasing share of lower carbon hydrogen⁽³⁾ in the energy supply mix as technologies mature</div></div><div><div>Source: IEA World Economic Outlook 2024</div><div>Source: NASA</div><div>Source: S&P Global</div></div></div><div><div><div>Installed Capacity (CCUS) (MMtpa)</div><div>Hydrogen Generation (MMtoe)</div><div>Electric Generation Capacity of Offshore Wind (GW)</div></div></div></div>	<div><ul style="list-style-type: none">The rapid growth of renewable energy, especially offshore wind, presents opportunities for specialised vessels to support the lifecycle of wind farms during construction, operation and decommissioningThe growth of Carbon Capture, Utilisation and Storage (CCUS) projects will require reliable shipping solutions for the transport of carbon dioxide for use in other products, or for long-term storageProperties of ammonia make it more suitable for transoceanic trade than hydrogen. As more ships begin to carry ammonia, more will become candidates for using it as a fuel, increasing demand for dual-fuel ammonia carriers</div>

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Macro Trends

The shipping industry continues to be under regulatory pressure to decarbonise

Description

- Shipping is already the most energy-efficient form of transport, accounting for only 2.89% of global anthropogenic GHG emissions in 2018⁽¹⁾. However, to achieve the goal of net-zero emissions by 2050, more needs to be done.
- In April 2025, the 83rd session of the IMO's Marine Environment Protection Committee (MEPC 83) approved new requirements on greenhouse gas (GHG) fuel intensity that will take effect from 2028. The amendments are due for adoption in October 2025. The proposed measures include a goal-based marine fuel standard regulating the phased reduction of marine fuel's GHG intensity and economic costs and benefits based on vessel fuel emission intensity performance against the standard in a given year.



Implications

- As regulations⁽¹⁾ become more stringent and pricing of emissions expands to cover more of international shipping, demand for more energy-efficient ships will increase as they will cost less to operate. This provides incentives for the development of lower- to zero-emission fuels, propulsion systems and emissions abatement technologies
- The adoption of alternative fuels is increasing. Today, 19% of the total orderbook for crude tankers and LR2s are dual-fuel vessels, as compared to the existing fleet where only 3% of crude tankers and LR2s are dual-fuel

2018

IMO's Initial Strategy

Reduction of GHG emissions from ships

2023

IMO's Revised Strategy

Reduction of GHG emissions from ships

IMO's Short-Term Measures

Both Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) are IMO directives requiring significant energy efficiency improvements in the existing fleet. They took effect January 2023

2024

The European Union Emissions Trading System (EU ETS)

Shipping included in the EU ETS carbon trading system

Covers carbon dioxide emissions initially and will include methane and nitrous oxide from 2026

2025

IMO's Mid-Term Measures

Agreed to adopt regulation for global GHG fuel intensity in 2025 with enforcement expected in 2027

IMO Energy Efficiency Design Index (EEDI) Phase 3

Implementation for remaining ship types (including tankers)

FuelEU Maritime

The European Union regulation to limit the yearly average GHG intensity of energy used on board a ship sailing from and/or to EU ports

2030

IMO's Ambition

For 40% reduction in carbon intensity compared to 2008

For 5% uptake of zero or near-zero GHG emissions technologies, fuels and/or energy sources, striving for 10%

IMO's Indicative Checkpoint

For 20% reduction in total annual GHG emissions, striving for 30%, compared to 2008

EU's Climate Target

For 55% reduction in net GHG emissions compared to 1990

2040

IMO's Indicative Checkpoint

For 70% reduction in total annual GHG emissions, striving for 80%, compared to 2008

EU's Climate Target

For 90% reduction in net GHG emissions relative to 1990

2050

IMO's Ambition

For net-zero GHG emissions by or around 2050

EU's Climate Target

To achieve climate-neutrality, that is, net-zero GHG emissions

⁽¹⁾ Source: IMO, European Commission