

# MARINE M O N E Y

## 14th Annual Marine Money London Ship Finance Forum

26 January 2023

JW Marriott Grosvenor House London, Park Lane

### EVENT REPORT

#### EFFICIENT – VERSATILE – ADAPTABLE

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**All the stuff on decarbonization is discussed and expected but at the end of the day investors are not rewarding green efforts over non-green efforts. What shipping investors want in 2023 is what they wanted in 2020 and what they will want in 2025 and that is to make money**

Our 2023 Marine Money London conference at the JW Marriott Grosvenor House on Park Lane, was a great event attracting over 360 speakers and delegates from some 23 countries. It really was an event which reminded us that the world is back, mixing and talking, smiling and delighted to be seeing friends and making new colleagues.

The conference theme was EFFICIENT – VERSATILE – ADAPTABLE. Shipping continues to be in a good space and is making good money but there are many moving pieces in the industry not least the decarbonization issue, rising interest costs and inflation, and the fuel price instability. Staying profitable requires owners to be able to move with the times and adapt to change, whether short term or longer term. Efficiency and versatility in terms of operations, finance, and strategic decision making is the name of the game.





## EVENT REPORT

The room stayed full throughout the entire conference and the debate in the conference room was matched by the buzz in the networking areas with the whole day being a success in terms of numbers, quality debate, networking opportunities and forward-thinking discussion about how indeed the environment is the key concern for the industry going forward.

For the best summary of the day please watch the videos at <https://www.marinemoney.com/events-2-0-2/2023-london-ship-finance-forum>

In the meantime, some of the takeaways from the conference include:

### China opening will create demand

- *At one point 600 million Chinese were locked up. Now they are coming out and they have pent up money to spend. That will increase demand for dry bulk.*
- *In 2023 iron ore growth is near flat, coal is up 2% and grain up 4%. But with no fleet growth even weak demand growth supports the dry bulk market.*
- *All factors are going in the right direction for a strong dry bulk market this year.*
- *Shipping is a play on China in the dry bulk sector. Only a slight shift in demand will give a good market since there is no supply growth. The price of vessels is reasonable and there is good upside, the same applies to shipping stocks of dry bulk companies.*
- *Decreasing US consumer demand and port contagion in China normalizing has caught the containership market off guard and with no clear improvements in sight.*
- *There was circa 11% of container ship capacity caught up in the congestion of Chinese and US west coast ports in 2020, this rising to 17% during 2021 and now back down to 3%. That means that over 15% of the containership capacity is now again trading and at a times that the order book is at some 30%.*

### Are there any secrets to shipping

- *The only thing we know in shipping is the order book and your debt level. Of the two only debt is under your control.*
- *Low leverage enables you to survive and prosper.*
- *If you are running a public company your starting point for strategic thinking is what would I do if I was running a private company, and then adapt for the public company.*
- *Car production and demand is sensitive to economic growth.*
- *But as the world came out of COVID and growth increased and cars not bought for two years were ordered in huge numbers, then the car carrier market found its own and made great rates.*
- *Long term returns in shipping are lousy but you must be ready and prepared for the opportunities when they arise to make money.*
- *You need a good operational structure and a good capital structure to be ready for a party when the good times come*





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### Shipping Finance in 2023

- *In shipping finance from the traditional banks 2023 may be a quieter year because fewer newbuilds ordered.*
- *Likely less volume than in 2022 but there may be scope to assist financing of retrofits of older vessels.*
- *There is increased competition when it comes to financing newbuilds with dual fuel engines.*
- *The ESG rating of all owners is now a large part of the credit process.*
- *Top owners building new propulsion vessels, even if somewhat pioneering, will get finance because the banks back the owners not the vessel.*
- *A way forward in shipping is for the banks to take the credit risk, the owners the operational risk, the yards the technology risk and the charterers the market risk.*
- *If you cant measure it you cant manage it, so the Poseidon Principles are essential.*
- *Increasing interest rates mean non-traditional lenders are becoming more competitive.*

### Investor Appetite

- *There is a lot of interest from investors in the capital markets.*
- *Many investors are telling the banks that they are underweight in energy investments and want to do more shipping deals.*
- *Shipping is a trading business for owners but also for investors. Its all about making money.*
- *All the stuff on decarbonization is discussed and expected but at the end of the day the investors are not rewarding green efforts over non-green efforts.*
- *Dry bulk vessels carrying coal is still a good investment during a strong dry bulk market.*
- *Investors want liquid stocks and corporate governance and companies giving money back when they can.*
- *What shipping investors want in 2023 is what they wanted in 2020 and what they will want in 2025,*
- *From a wall Street perspective, shipping investments is not solving the world's problems, it's about making money.*
- *Vessels are expensive and owners and investors need to wrestle with the new basis levels*

The conference ended with a room still packed and the discussion continued into the closing cocktail. Marine Money London is a popular first event of the year – and 2023 was no exception. The message from the speakers was of a “moderately positive” year in terms of market. Fewer newbuilds will keep most sectors well balanced and there is finance available from plenty sources. Geopolitics is out with the scope of the owners and we all must hope that the direction of the world will be positive.



Our next event in London will be in January 2024 and we look forward to seeing you again there.

### Marine Money London 2023 - Event Highlights

**Videos, Presentations & Audio Recordings** <https://www.marinemoney.com/events-2-0-2/2023-london-ship-finance-forum>

**Photo Album** <https://www.flickr.com/photos/marinemoney/albums/72177720305674159>

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# 14<sup>th</sup> Marine Money London Ship Finance Forum 2023

## EVENT REPORT

### PRESS COVERAGE to-date

#### China to rescue dry bulk market by 2023's second half

<https://lloydslist.maritimeintelligence.informa.com/LL1143767/China-to-rescue-dry-bulk-market-by-2023s-second-half>  
26 Jan 2023 NEWS

#### Maersk's new business strategy 'won't work', says Drewry

<https://lloydslist.maritimeintelligence.informa.com/LL1143760/Maersks-new-business-strategy-wont-work-says-Drewry>  
26 Jan 2023 NEWS

#### Star Bulk not ready to commit to alternative fuels

<https://lloydslist.maritimeintelligence.informa.com/LL1143770/Star-Bulk-not-ready-to-commit-to-alternative-fuels>  
26 Jan 2023 NEWS

#### Asset-light Maersk Tankers prepares for product tanker spike

<https://lloydslist.maritimeintelligence.informa.com/LL1143785/Asset-light-Maersk-Tankers-prepares-for-product-tanker-spike>  
27 Jan 2023

#### Five reasons why there are not enough women speaking at international shipping conferences

<https://michellewiesebockmann.wordpress.com/2023/01/28/five-reasons-why-there-are-not-enough-women-speaking-at-international-shipping-conferences/>  
Posted on January 28, 2023 by Michelle Wiese Bockmann

#### Container rates are 'like a fighter aircraft that has been shot down'

<https://www.tradewindsnews.com/finance/container-rates-are-like-a-fighter-aircraft-that-has-been-shot-down-/2-1-1393959>  
26 January 2023 10:51 GMT

#### Hungry Star Bulk on the hunt for fleets and finance, CFO says

<https://www.tradewindsnews.com/bulkers/hungry-star-bulk-on-the-hunt-for-fleets-and-finance-cfo-says/2-1-1394211>  
Published 26 January 2023 14:51 GMT

#### Dry bulk 'the best trade of 2023', says Clarksons Securities

<https://www.tradewindsnews.com/bulkers/dry-bulk-the-best-trade-of-2023-says-clarksons-securities/2-1-1394176>  
Published 26 January 2023 14:54 GMT

#### Star Bulk protected from downside by scrubber premium of up to \$7,000 a day

<https://www.tradewindsnews.com/bulkers/star-bulk-protected-from-downside-by-scrubber-premium-of-up-to-7-000-a-day/2-1-1394261>  
Published 26 January 2023 15:37 GMT

#### Banks scrutinise owners' green credentials before newbuild investments

<https://www.tradewindsnews.com/finance/banks-scrutinise-owners-green-credentials-before-newbuild-investments/2-1-1394294>  
Published 26 January 2023 16:08 GMT

#### Eco shock: green fuels will not beat fossil fuels on price until 2040, MSI warns

<https://www.tradewindsnews.com/esg/eco-shock-green-fuels-will-not-beat-fossil-fuels-on-price-until-2040-msi-warns/2-1-1394270>  
Published 26 January 2023 16:18 GMT

#### 'Alternative' ship finance matures, but is cut-rate pricing a risk?

<https://www.tradewindsnews.com/finance/-alternative-ship-finance-matures-but-is-cut-rate-pricing-a-risk-/2-1-1394314>  
Published 26 January 2023 16:53 GMT

#### Investors bet on long-term shift out of Russian oil trades

<https://www.tradewindsnews.com/tankers/investors-bet-on-long-term-shift-out-of-russian-oil-trades/2-1-1394334>  
Published 26 January 2023 18:56 GMT

#### Lowest CII rating to hit ship values and charter options, warns MPC Capital's Rychly

<https://www.tradewindsnews.com/esg/lowest-cii-rating-to-hit-ship-values-and-charter-options-warns-mpc-capital-s-rychly/2-1-1394669>  
Published 27 January 2023 15:35 GMT

#### 'Restless' Sophocles Zoullas says the best is yet to come

<https://www.tradewindsnews.com/tankers/-restless-sophocles-zoullas-says-the-best-is-yet-to-come/2-1-1395259>  
30 January 2023 11:38 GMT UPDATED 30 January 2023 12:06 GMT

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