

MARINE MONEY

17th Annual Marine Money Gulf Ship Finance Forum

Tuesday, 7 March 2023

EVENT REPORT

Making shipping investments in an ever changing world

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The world is more volatile than ever and we must all carefully control our risks

The way forward (in fuels) has to be imposed on the industry

Shipping is 90% of everything

We were delighted to be back in Dubai on 7th March 2023 for our 17th **Marine Money Gulf Ship Finance Forum** at the DIFC Waldorf Astoria. A first event for four years but there was a vibe and upbeat tone that we have not seen in Dubai for more than ten years. The event attracted over 140 speakers and delegates and of these 68 travelled from overseas which demonstrates how the Gulf Region is proving of interest to financiers and shipping executives. It was a great event which proved to us that the world is really back post COVID, wanting to meet face to face, keen to do business and looking forward to what the future will bring.

The conference theme was **MAKING SHIPPING INVESTMENTS IN AN EVER CHANGING WORLD**. 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. In the Gulf region the offshore space is also faring better than for a decade with certain sector utilization rates close to 90%. So the mood was good, there is gas in the tank and the region is in a good place for shipping, for business, for tourism and for investment.

The conference room remained full for the duration of the conference and the discussions in the conference room was matched by the activity in the networking areas with the whole day being a success in terms of numbers, quality debate, networking opportunities and positive discussion.



AGENDA

For the best summary of the day please hear the audio and see the presentations a <https://www.marinemoney.com/events-2-0-2/2023-gulf-ship-finance-forum>

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

The economic message

- *In 2023 the MENA anticipated growth is 3% whereas the world expected growth is 2.9%.*
- *The world will grow on the back of Chinese growth, the MENA region will grow because of higher oil production.*
- *There was a robust recovery in 2022 in the non-oil economy.*
- *In the UAE there was growth in "high value" immigration demonstrated by an increase in private school enrolments*
- *In terms of visitor arrivals to the UAE there was a 97% increase y-o-y increase in traffic. This is still 15% down on pre COVID and that is explained by the absence still of Chinese visitors.*
- *The higher oil price has been a welcome boost for the region.*
- *But there has also been a reduction in non-hydrocarbon deficits, these being tourism, VAT and other industries.*
- *2023 looks a bit cloudier than 2022 with oil not so robust and the non-oil economy dragging.*
- *But the reopening of China is expected to help.*
- *The main concern is inflation which is a global concern and is dampening demand.*
- *The problem is that inflation in hitting all segments – food, fuel, travel and so on – so there is no scope to change life patterns in order to save money.*
- *Inflation in most places is now 2 to 3 times higher than central bank targets.*
- *Also interest rates are trending higher and this raises borrowing costs of governments.*
- *However there is bullish sentiment for the oil price because of increased demand from China and the expectation is that oil will be close to \$100 per barrel at the end of 2023.*
- *For the GCC there are giant investment projects for the years ahead in oil but also non-oil industries and technologies. Over a trillion dollars in investments has already been announced. This should be enough to offset other headwinds which may dampen growth.*

The dry bulk message

- *Mid to vintage age vessels are the best investment currently.*
- *Vintage vessels means limited downside and the ability to retrofit which will extend life by five years, while enjoying what is anticipated to be a good market for the next three plus years.*
- *The weakness of western economies will be balanced by the opening up of China in 2023.*
- *By 2024 there will be a more broad based recovery in the global economy.*
- *Interest rate cuts through end 2023 and 2024 should help commodity demand.*
- *The order book in dry bulk is close to all time lows.*
- *In 2022 there was a tsunami of negative events – China lockdown, war, inflation – for 2023 it looks much better and market expectations are positive.*



AGENDA

The offshore message

- Despite the mission towards no carbon assets the fact is there is not enough time and too much energy demand to give up on oil and gas.
- And with China opening up and the demand for oil growing there is robust demand such that utilization rates for offshore assets is at 85% in the Gulf region.
- Poseidon Principle banks generally do not finance offshore because of the association with oil and gas, so most.
- finance comes from non-bank alternative sources. That means it is more expensive.
- A question for the sector is if utilization goes beyond 85% where will other vessels come from. In the past Gulf operators brought in vessels from SE Asia. This is no longer feasible. Most vessels not operating are either too old or are obsolete.
- It is likely age restrictions will be moderated to allow older vessels to come back to operation but this will still not fill the demand gap.
- Eventually newbuilds will come but there will be a lag until the market can balance.
- Ship recycling does not enjoy a good reputation, on the contrary it is actually quite a clean industry, well regulated and certified by class societies.
- Climate litigation used to be a footnote in legal docs, now it is a major part of those documents.
- The driver of tomorrow's fuels has to be the regulators. Owners and their clients cannot be asked to experiment with the various options without knowing if it is the right or wrong choice.
- The way forward has to be imposed on the industry.
- The world is more volatile than ever and we must all carefully control our risks.

The conference ended with a room still packed and the discussion continued into the closing cocktail.

We were happy to be back in Dubai and we look forward to our 2024 conference at the same venue on 6th March.



Audio recordings and presentations are at www.marinemoney.com/events-2-0-2/2023-gulf-ship-finance-forum

Photo Album is at www.flickr.com/photos/marinemoney/albums/72177720306688824

Selected Press Coverage to date

Who will finance shipping's multi-trillion-dollar decarbonisation bill?

Peter Shaw-Smith | Mar 09, 2023

<https://www.seatrade-maritime.com/finance-insurance/who-will-finance-shippings-multi-trillion-dollar-decarbonisation-bill>

Middle East OSVs on cusp of next 'super cycle', renewables roll-out pending

Peter Shaw-Smith | Mar 13, 2023

<https://www.seatrade-maritime.com/offshore/middle-east-osvs-cusp-next-super-cycle-renewables-roll-out-pending>

Video recap of the Marine Money Gulf Forum 2023

Marasi News,

https://www.linkedin.com/posts/marasi-news_gulfshipfinanceforum-marinemoneyconference-activity-7039577372966199296-NVLI/?utm_source=share&utm_medium=member_ios

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AGENDA

2023 FORUM CALENDAR

To view all details about upcoming and previous forums please visit www.marinemoney.com

EVENT	DATE	CITY / TYPE OF EVENT
14th Hong Kong Ship Finance Forum	Mar 28, 2023	Hong Kong – In-person
Marine Money Offshore Energy Finance Forum	Apr 25, 2023	Singapore – In-person
5th Marine Money Cyprus Forum	Apr 25, 2023	Limassol – In-person
23rd Norway Ship & Offshore Finance Forum	Jun 8, 2023	Oslo – In-person
35th Marine Money Week	Jun 20-22, 2023	New York City – In-person
Copenhagen Members Only Private Event	Sep 7, 2023	Copenhagen – In-person
Marine Money – Climate Week	Sep 2023 TBA	New York City – Virtual
16th Monaco Superyacht Finance Forum	Sep 26, 2023	Monaco – In-person
22nd Marine Money Week Asia	Sep 26-27, 2023	Singapore – In-person
25th Greek Ship Finance Forum	Oct 17, 2023	Athens – In-person
17th Korea Ship Finance Forum	Nov 1-2, 2023	Busan – In-person
13th China Ship Finance Forum	Nov 2023 TBA	Shanghai – In-person
24th Ship Finance Forum NYC	Nov 16, 2023	New York City – In-person
2nd Marine Finance Forum – New Orleans	Nov 30, 2023	New Orleans, USA – In-person
15th London Ship Finance Forum	Jan 2024 TBA	London – In-person
2nd Palm Beach Superyacht Finance Forum	Mar 2024 TBA	Palm Beach, FL, USA – In-person
22nd Marine Money Hamburg	Feb 2024 TBA	Hamburg – In-person
18th Gulf Ship Finance Forum	Mar 6, 2024	Dubai – In-person