

A Trade Perspective on Shipping Decarbonisation

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Seamind Blue Ocean

SECOND IMO SYMPOSIUM ON ALTERNATIVE LOW- AND ZERO CARBON FUELS FOR SHIPPING

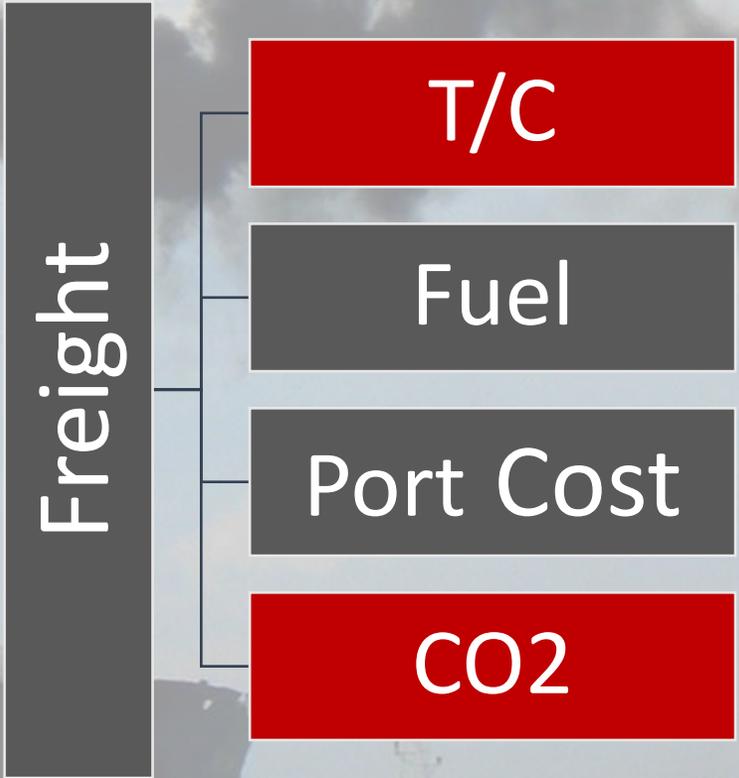
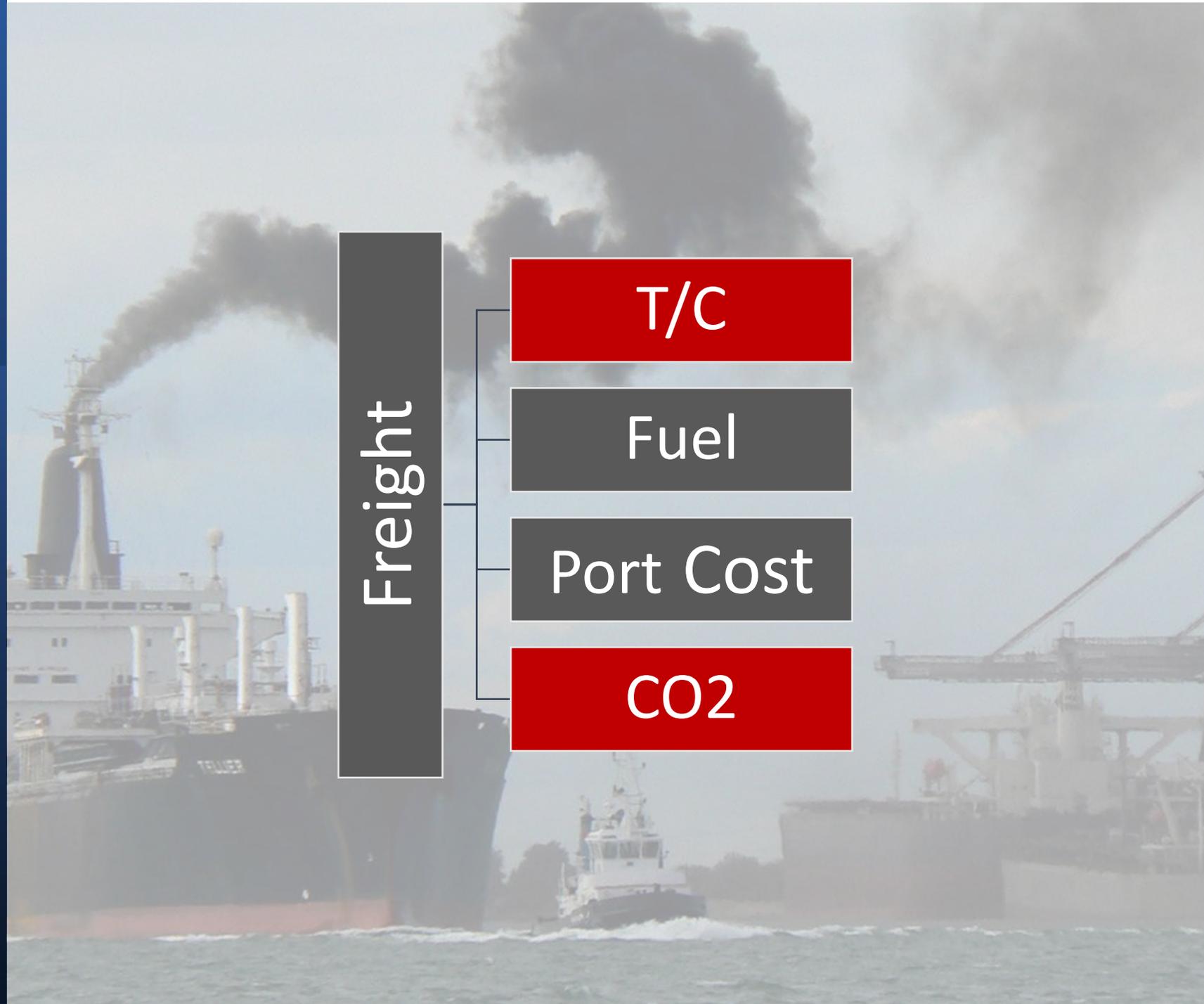
"ENSURING A JUST AND INCLUSIVE TRANSITION TOWARDS LOW-CARBON SHIPPING"

21 October 2022



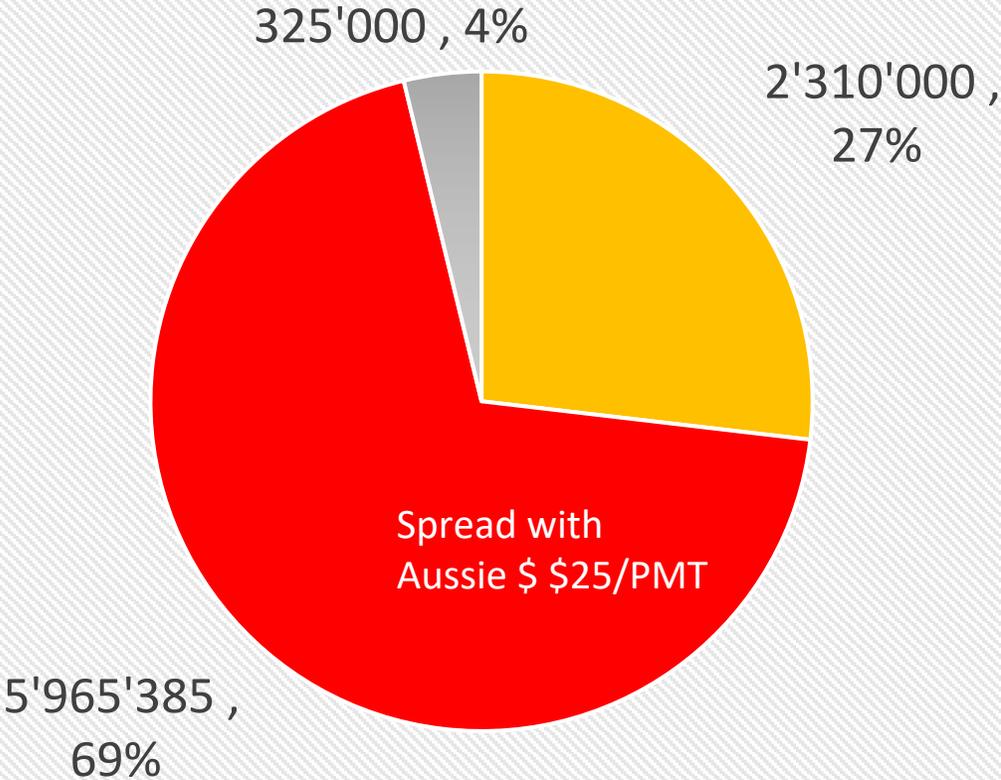


Future Voyage Economics

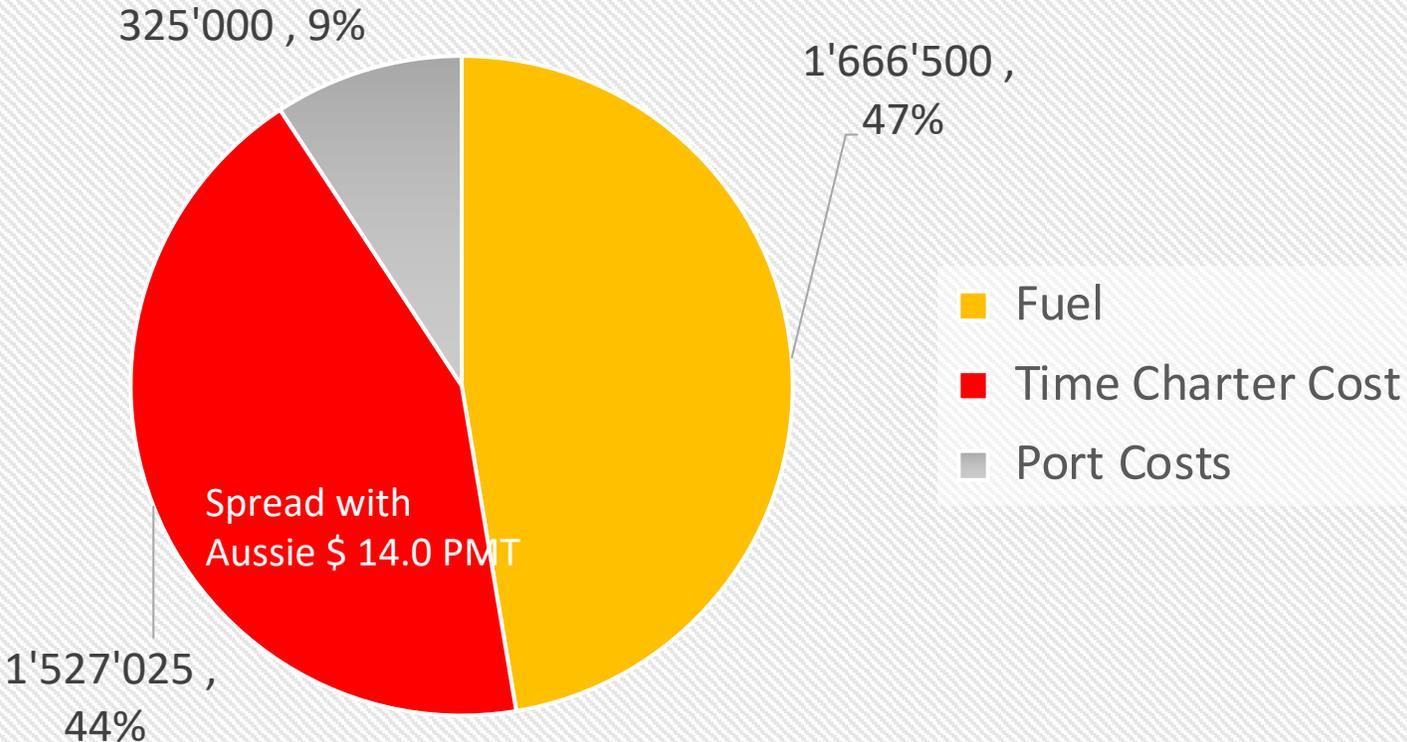


Implications of Time Charter Brazil China Cape Trade

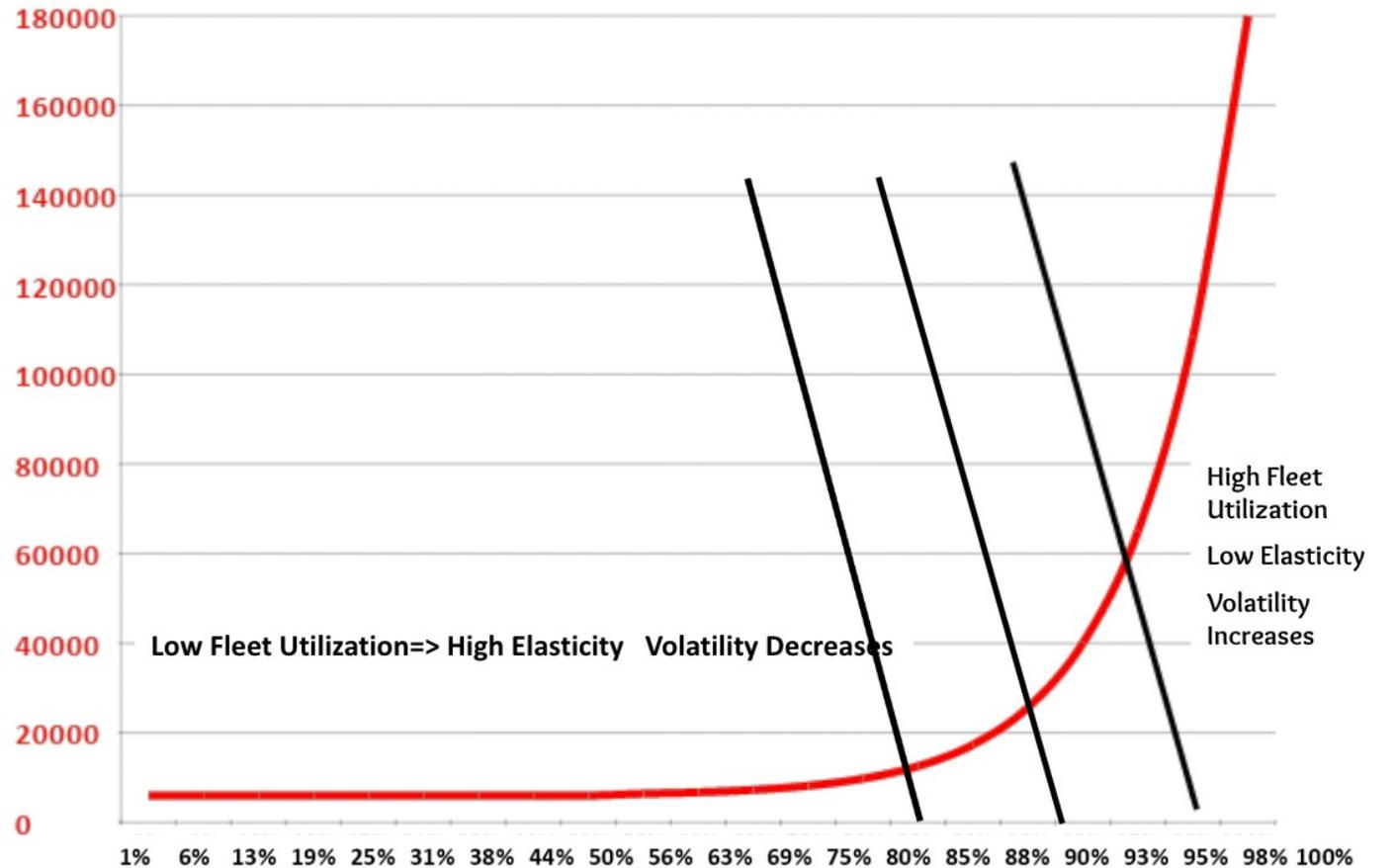
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Hockey Stick Economics



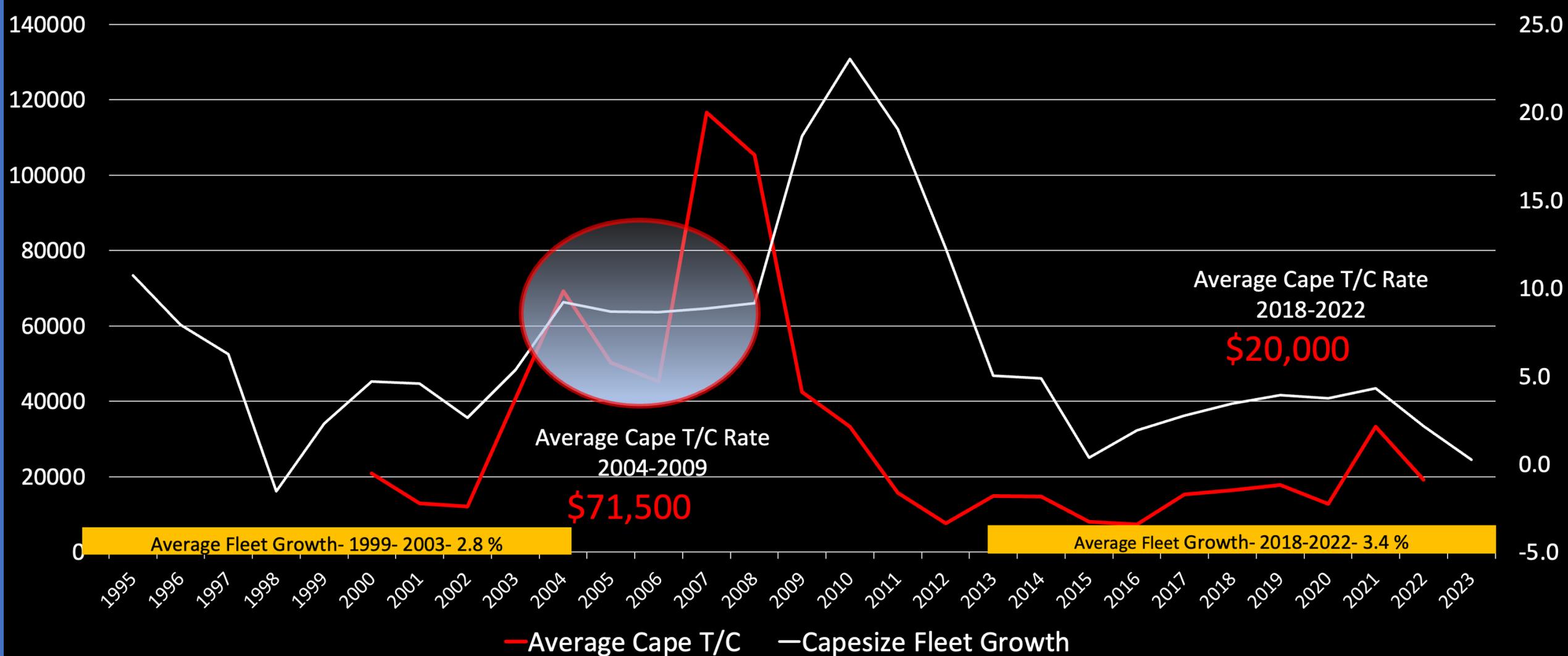
Iron Ore Trade Patterns and Freight

	Brazil (mts)	Australia (mts)	Total(mts)	Brazil (%)	Freight Difference	Freight Change
2014	344'384'840	755'293'512	1'099'678'352	69%	\$12.42	
2015	360'194'451	809'673'959	1'169'868'410	69%	\$6.28	-49.4%
2016	373'962'967	853'162'491	1'227'125'458	70%	\$4.55	-27.6%
2017	383'537'172	873'274'081	1'256'811'253	69%	\$8.39	84.6%
2018	398'807'188	881'215'292	1'280'022'480	69%	\$11.00	31.1%
2019	353'573'413	899'852'506	1'253'425'919	72%	\$10.86	-1.3%
2020	344'222'552	917'215'291	1'261'437'844	73%	\$8.16	-24.9%
2021	359'180'742	929'739'038	1'288'919'780	72%	\$14.67	79.8%
2022	359'200'000	937'739'000	1'296'939'000	72%	\$15.42	5.1%

Source: Clarksons Research/ Baltic Exchange

Continued Uncertainty = Low Fleet Growth = Future Volatility

Supply Growth and Cape Time Charter Rates



Time Charter & Carbon Tax

Circa \$ 40 Bilion

Volume (mts)	360'000'000
Cargo Size (mts)	180'000
Ships	2'000
Fuel Disadvantage (per voyage)	2'150
Fuel Disadvantage Annually (metric tons)	4'300'000
CO2 Disadvantage Emitted (metric tons)	12'900'000
Carbon Tax @ 100	\$1'290'000'000
Duration Disadvantage (days)	53
Total Ship Days	106'000
Carbon Tax Equivalent T/C change	\$12'170

Around
3- 4%