

Making Waves

Posidonia Edition 2022

A collection of thoughts and insights inspired
by a community of freight enthusiasts.

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FOREWARD

My monthly LinkedIn newsletter "Making Waves" was born out of a desire to shine a line on some of the many fascinating examples of freight market economics in action. As an industry in the front line of international, examples abound of deceptively simple, yet critical market dynamics relevant to practically all sectors of our global economies

Since I started writing "Making Waves" the world has changed, and this newsletter now encompasses further the themes of a rapid digitalisation of the energy maritime industry as well as its concurrent awakening to the challenges and opportunities posed by the energy transition.

Add a colourful cast of characters from all corners of the globe that share a common passion for the high seas and there really is no shortage of interesting tales, tales which I hope to bring to my readers with this endeavour. Happy reading!



Arthur Richier

Lead Freight Analyst, Vortexa

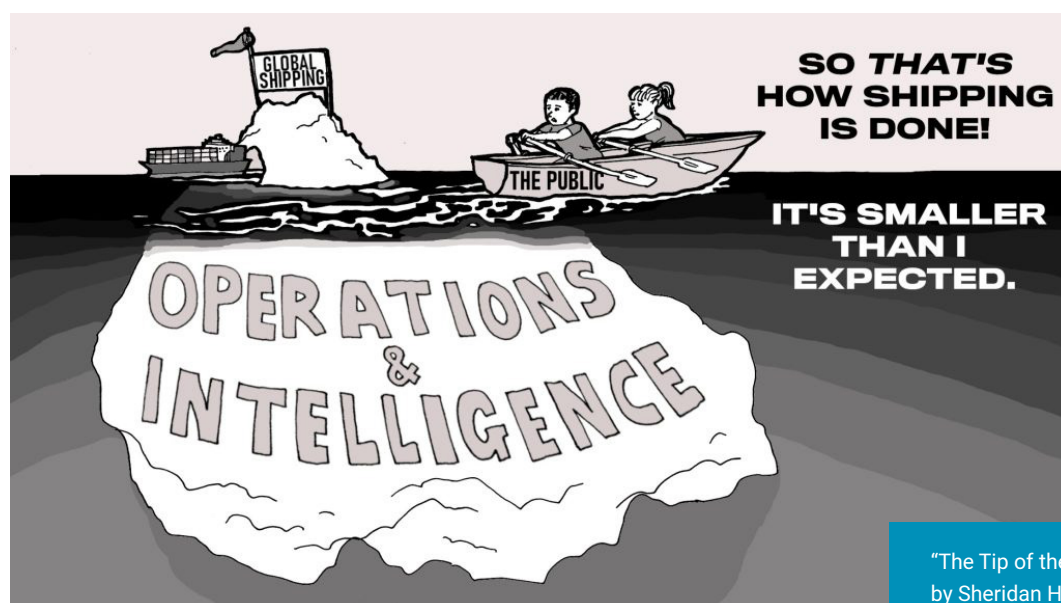
Data analytics in shipping: Learning how to sail in an ocean of data

How data is being used in novel ways, using cutting-edge technology, to give participants in the energy freight markets an edge.

That's cool!": a contender for understatement of the century. This was the reaction, after a grueling 80-hour week I had just put in, to the first time I had used data analytics and shipping in the same sentence. At the time, I was working as a consultant to the container shipping industry in Singapore. My team and I had decided to try and make sense of hundreds of thousands of Excel spreadsheet lines reflecting account payables, to better identify areas of risk for bad debts. "It looks really nice" emphasised the Group Controller, further adding to my sense of underappreciation. What he was talking about was mostly the "cool" (here I am using that word) visualisations we had created to better illustrate our insights. That's mostly what data analytics meant to most professionals at the time; a novel way to make otherwise boring datasets visually attractive.

Fast-forward 8 years and what turned out to be an early foray into a nascent field, has evolved into a full-blown revolution. Data is now gathered, processed and used in novel ways to support decision-making in the maritime industry. I work every day at Vortexa with a unique and exciting setup that consists of the very best data scientists, engineers and energy analysts in the industry.

With our technology and expertise we are truly able to harness the power of data. Our aim is to increase transparency and make sense of what is hidden from the view of not only the general public, but often also from insiders, in what still remains an opaque and complex industry. Understanding the way troves of data are being employed and how this impacts our industry is the subject of this month's newsletter.



"The Tip of the Iceberg"
by Sheridan Hart

Firstly, data needs to be accessed and or acquired. Usually that's not the difficult part as most companies will be able to source data the same way as everyone else, by using their own. Having access to multiple datasets is more challenging, especially when this involves data not easily accessible to the general public such as information on vessel bookings, also known as fixtures, or detailed cargo information, usually only accessible through port agent records. The difficult part – and the one most companies fail at – is integrating that data into their respective workflows.

That means extracting its value and making it available to decision-makers in a fast way, and most importantly in a language that

is understood and easily digestible, which is easier said than done! The risk is that large amounts of data will be gathered and end up as what I call “data silos” within the organisation without any significant value extracted.



We all agreed that the digital landscape has changed for the industry.



Like a ship owner once said to me: “It’s no use hiring fifteen PhDs if you don’t have a vision for your data!”. So what would a vision for one’s data look like in the maritime space? Time to introduce Freight Analytics 101.



With data value lies in transformation, not creation

For analysts, traders and charterers within the oil and gas industry, gone are the days of relying purely on anecdotal or word of mouth oil market intelligence to base strategies. Last December, I sat down with one of the world’s leading shipbrokers as well as a Danish shipping company operating in both the dry bulk and tanker segments. The subject of our discussion was “Adopting freight analytics for a winning edge”. We all agreed that the digital landscape has changed for the industry. What was privileged and tradeable information owned by a handful of larger companies on refineries or big maritime fleets is now widely available. So how does that really make a difference.

Freight analytics 101

Before defining freight analytics, it's worth focusing on analytics. So how have analytics come about? Gil Press, senior technology contributor at Forbes, argues it emerges from the marriage of the very old field of statistics with the relatively new one of computer science. In turn, analytics are now understood to belong in four different fields, a classification we explored during our most recent event: The Rise of Freight Analytics (available on-demand if you click [here](#)). We are going to walk through each of them and use an example relevant to the freight industry:

Descriptive analytics

This type of analytics is a bit more subtle. Beyond descriptive capabilities it seeks to answer the question "why did this happen?". An example of its application can be seen through the business case of our data partners, Windward. By analysing vessel behaviours, Windward are able to assess why a vessel may have come under the threat of sanctions following suspect and/or potentially illicit activities. In turn this allows their clients to address sanctions risk and take the appropriate actions to protect themselves against it.

Predictive analytics

Predictive analytics is currently the name of the game. The introduction of technology such as machine learning, that allows us to predict possible outcomes, really starts to introduce a wide range of possibilities. Infinite really, only limited by one's imagination. Seeing what the future holds seems a lot more possible

with predictive analytics. Vortexa's freight analytics such as vessel availability, that allow to assess how many vessels will be able to be in one place at a given time in the future, allows to infer critical information as to the future of freight rates and/or one's own trading opportunities, for example.



This is the moment you hear the slot machine go bonkers in the casino.



Our use of our proprietary machine learning technology allows the extraction of more value from our data, to better meet our users' needs.

Prescriptive analytics

An enhanced version of predictive analytics, prescriptive analytics are the ultimate goal when it comes to harnessing the power of data. This is the moment you hear the slot machine go bonkers in the casino. Prescriptive analytics encompasses using analytics to not only show you what happened, what is happening and what could happen but also goes as far as recommending a certain course of action based on all the latter. Taking the example of a list of available vessels generated by an analytics dashboard, prescriptive analytics would let that same dashboard pick the best vessel for your needs based on a range of factors that could be tailored to each user, each company. This has the potential to turbocharge earnings whilst minimising costs by increasing the efficiency of the chartering process.

What's next?

The energy and shipping industries are worth a combined \$7 trillion, yet remain ripe for disruption as most trades occur behind closed doors and flows of product away from the public eye, far out at sea. This incredibly fragmented industry could benefit tremendously from complete analytics to change the way data is being collected, processed, transformed and consumed. The goal of this month's newsletter was to highlight how troves of data are being used in novel ways, using cutting-edge technology, to give participants in the energy freight markets an edge. I believe no company is better placed to help these participants than Vortexa.

Science of freight pricing: Why freight pricing used to be an art, not a science... until now

Discovering the significant factors that impact the ever-increasing freight pricing and how this has evolved from an art to a science.

Coffee in hand, perusing shipbroker reports is how I start most mornings. One day a weekly report from a distinguished Norwegian broker made its way to my inbox. As I read through, one sentence in particular caught my eye: "Markets thrive on loose tongues otherwise the benchmarking process of the underlying spot market is significantly compromised". How true this rang! As I shared it with my colleagues, with whom I had recently worked on bringing freight pricing to Vortexa Analytics, I took a step back and realised, this made no sense to the uninitiated. It was time to address that. newsletter.

Making Waves was conceived out of a desire to lift the curtain on the obscure jargon of a very private industry that is nonetheless vital

to our everyday lives in so many aspects. This month we'll be focusing on how freight prices come about, which market participants are involved and what this means for the industry. So how are freight prices derived? It's a simple question with a complex answer. Firstly, we'll set some ground rules. If we consider the major shipping trades to be the liner trade (i.e. container ships), the dry bulk trade and the tanker trade, this month's newsletter will focus on the latter. When it comes to tankers, you can charter a vessel for a prolonged period of time, and pay what is called a time-charter rate which is usually expressed in dollars per day or you can charter a vessel to take a cargo from a port of loading to a port of discharge and pay the prevalent rate on the day also referred to as the spot rate. It is the tanker spot rate we'll be exploring in more detail.

YOU WERE RIGHT PAUL, IT SAYS "PLAYERS CANNOT LOAD MORE OIL THAN THE NUMBER OF TANKERS IF THERE ARE MORE TANKERS THAN BARRELS IN PLAY."



"Freightopolis"
by Sheridan Hart

BLOG 2

Freight pricing 101

In my previous role working for a large price reporting agency, I discovered there were two types of methodologies when it came to pricing. Both were dependent on the type of commodity assessed (i.e. priced). On one hand you could be working in a highly liquid and transparent market, take benchmark crude oil grades for example (i.e. Brent or WTI), and though the work is complex, information is made available through a series of bids and offers from buyers and sellers or even better trades that prove the value of the commodity at that point in time and allow pricing of the commodity to be “fairly” straightforward. On the other hand you could be in charge of a highly opaque market, where bids and offers were difficult to get a hold on and actual trades rarely happen or are simply kept P&C. Guess in which category shipping fell? The lack of standardisation in the industry has also always been an issue. Whereas one can offer 2 million barrels of crude and agree on the specifications of that cargo, even tankers that fall within the same vessel class or category will have different lengths, dimensions and

characteristics. It is now time to introduce the price reporter (also known as an assessor) that makes sense of all of this.

In a previous edition, I wrote about The Baltic Exchange, with whom we partnered to bring together prices and analytics in one screen, as shown below. The Baltic Exchange price reporters, or assessors in their case, rely on the indications of shipbrokers that are in turn in close contact with charterers and shipowners across the routes they assess. Those indications are then used in order to derive the respective freight assessments. In the example below, we can see one of their benchmark routes called TD3C which refers to freight rates for VLCCs to carry a cargo of crude oil loading in the Middle East Gulf and discharging in China and corresponding rates in Worldscale (a standardised pricing system in tanker markets), \$/ton rates (preferred by traders and charterers) and lastly, Time Charter Equivalent or TCE, as measured in \$/day for shipowners to better assess their daily earnings on a route.



The price reporter will be involved deeply with the market. He will spend a lot of his day communicating with market participants, from shipbrokers to charterers and shipowners. He will have an idea of what is happening at a fundamental level, if for example there are more ships in a given region compared to yesterday and what that should mean for prices.

He will know what was the last offer from a shipowner for a given cargo and what counter-offer the charterer submitted. He will know what was the last done deal, and what price that deal, or fixture as it is known in tanker and dry bulk markets, was concluded at. And yet, even with troves of information there will be an element of experience, subjectiveness and deep knowledge that will allow the price reporter to produce the spot rate that will be used as a benchmark for the industry for the next done deal. Imagine days where

information is scarce and how the difficulty increases, especially when conducting that assessment (a different name for a price, hence assessor) across dozens of different trade routes and vessel classes. Which is why freight pricing involves a certain je-ne-sais-quoi, akin to making it an art in which industry experience and knowledge has always been vital. Though I believe that this will always remain the case I also believe transparency in freight pricing is undergoing a revolution, fuelled by data.

Fuel of the future: data

Why is freight pricing complex? Why does it require companies with a thorough understanding of the industry including relationships that take years if not decades to build? Because information is hard to come by and the markets are far from transparent. On the supply side we have come a long way from having to spot ships from afar with a pair of binoculars in a few hubs to now enjoying satellite tracking to locate ships across the globe. On the demand side, the exact details of cargo quotes in the daily market will still remain closely guarded secrets, only shared with shipbrokers, some of them exclusive to their principals. But all the information available remains fragmented, made worse by limited accessibility even from within the shipping industry. This is where data comes in and most importantly the analysis surrounding data. By harnessing the power of technology, it is now possible to aggregate billions of data points and identify the trends that matter. It is now possible to combine freight pricing, from

a historical as well as real-time perspective, with supply and demand metrics themselves real-time as well as forward-looking. The resulting screen in our case allows not only to provide the user an immediate view of the market, saving hours of reaching out by email or telephone, but also processing of that data in spreadsheets or notes in a notebook. These descriptive analytics for metrics such as pricing and utilisation are now combined with predictive analytics such as the ones revolving around future availability. If anyone watched the F1 Grand Prix of Brazil two weeks ago, you'll know that following an engine change, the Mercedes car of Lewis Hamilton charged ahead of all his rivals, earning him a first place finish, from last on the grid at the start of the sprint race. Harnessing technology and data when it comes to market dynamics such as pricing will have the same effect and leave anyone that still relies on outdated processes in the dust.

In Summary

Whether you are fresh to most of the subjects I write about or already a veteran, there is so much still to be done when it comes to transparency in shipping markets. The level of granularity when it comes to the factors that impact freight pricing is ever-increasing, and we are racing as a company to make that data available to the market in the most transparent way. When it comes to future applications of this technology, our imagination remains our only limitation, and freight pricing has evolved from an art, only mastered by those with the right knowledge and experience, to a science, one that can be excelled at with the right tools at one's disposal.

Shipping and climate change: Shipping and the choppy waves of climate change

Taking a deeper look into the how the shipping industry is responding to scientific research around climate change and humanity's involvement in global warming.

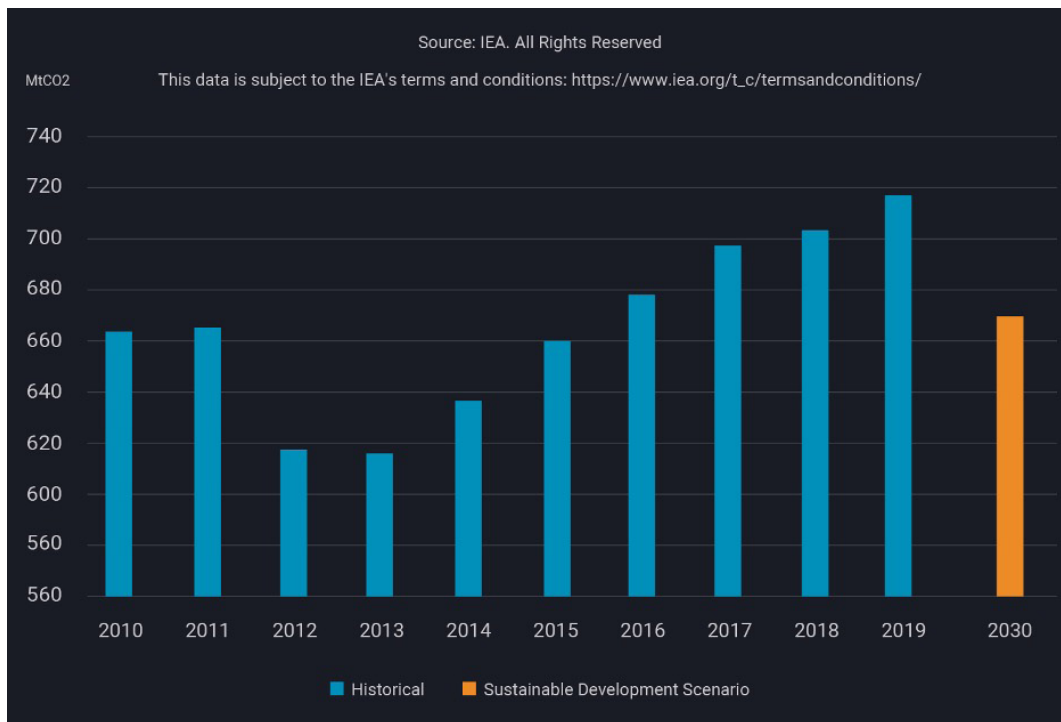
On Monday, August 9th, 2021, the Intergovernmental Panel on Climate Change ("IPCC"), a body of the United Nations focused on scientific research around climate change, released a landmark report on humanity's involvement in global warming. Key findings include dire warnings that within 20 years, temperatures are likely to rise by more than 1.5 degrees celsius, and even if net zero is reached by 2050 that may still be the outcome. Immediate action might only help us "achieve" this number, whilst anything less will contribute to irreversible damage.

Some impacts such as rising sea levels might take centuries to be overturned, whilst others will still take decades to be mitigated. As the global health pandemic of the past year brought to a screeching halt emissions on a global scale, and dolphins return to the now crystal clear waters of Venice (this was actually fake news, [click here](#)) where does shipping lie in this debate? Shipping's impact on the environment and what steps are (or should) be taken are the subject of this month's newsletter.

Shipping & sustainability

According to the IMO's 4th global greenhouse gases ("GHG") emissions study published in 2020, GHG emissions of total shipping have increased from 977 million tonnes in 2012 to 1,076 million tonnes in 2018 (9.6% increase) mostly due to a continuous increase of global maritime trade. The share of shipping emissions in global GHG emissions has increased from 2.76% in 2012 to 2.89% in 2018. If we take into account the fact that all types of transportation contribute 24% of CO2 emissions globally, shipping is but a small contributor especially in light of the incredible value it brings as the most efficient means of transport available today for goods and energy.

The IMO is behind an ambitious goal which plans to "reduce CO2 emissions per transport work (carbon intensity) by at least 40% by 2030 and reduce the total annual GHG emissions by at least 50% by 2050". However, all things remaining equal, emissions in 2050 are actually projected to increase to 90-130% of 2008 emissions by 2050. Thus, measures such as lowering a vessel's emissions through the use of energy-saving technologies or operational directives such as reducing speed are unlikely to be enough. This is where low-carbon alternative fuels can drastically help reduce emissions from the industry whilst allowing the vital needs addressed by shipping to continue being met unabated.



In her latest novel, “Reimagining Capitalism in a World on Fire”, Rebecca Henderson prones a three-way collaborative approach to tackling an industry’s reinvention in a sustainable manner. This involves an alignment between the industry itself, the private and the public sectors. It seems the shipping industry has taken that advice onboard (no pun intended). From a public sector point of view, the IMO of course but also the European Union are taking great strides to help solve this challenge, which we will explore in further detail in the next paragraph. The private sector is following suit, with initiatives such as the Poseidon Principles, which brings together a number of financial institutions to include climate risks at the forefront of any financing deal. Last but not least, never has there been a greater number of shipowners exploring different options when it comes to alternative fuels and putting their money on the table by committing to vessel orders fuelled by methanol or ammonia amongst possible candidates.

Regulations 101

The Marine Environment Protection Committee (“MEPC”), in charge of addressing environmental issues under the IMO’s remit, met for the 76th time in June of 2021. This session aimed to make significant progress on decarbonising the industry and laying the roadmap for that. Unfortunately, the outcome fell short of expectations of market participants. One issue relating to Black Carbon in Arctic waters was even dropped due to “lack of time”... talk about saving the planet,

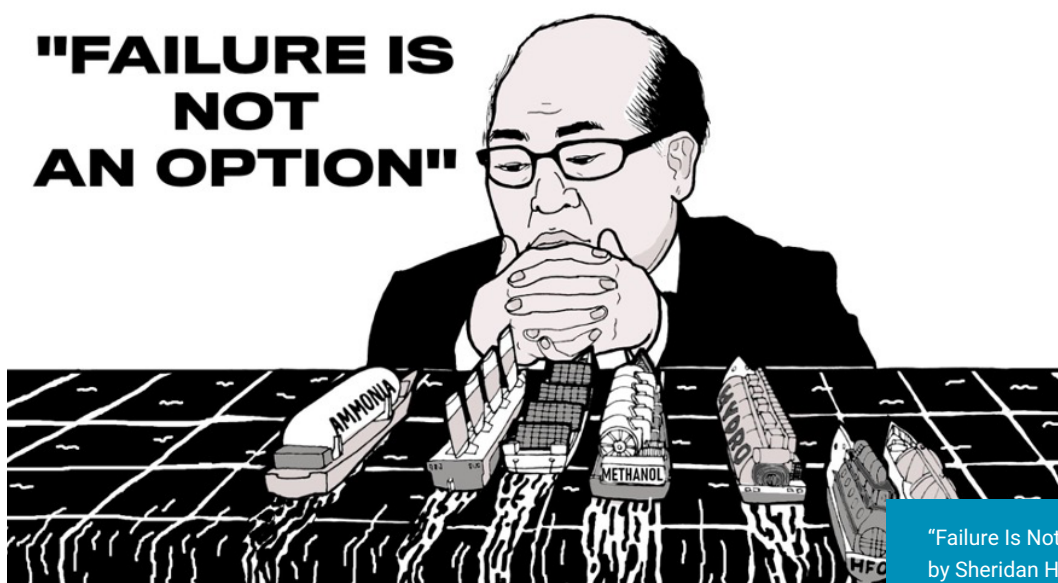
you’d think the session can go beyond the normal 9-5. The main newsworthy amendment is the introduction of the Energy Efficiency Existing Ship Index (“EEXI”), not to be confused with the Energy Efficiency Design Index or EEDI (I’m starting to suspect that adding more acronyms in shipping could be part of the problem but we’ll tackle that another day). The EEDI will now be calculated for each ship above 400 gross tonnage in order to provide them with the technical means to improve

their energy efficiency. In turn, the EEXI will allow the establishment of a ship's annual carbon intensity indicator or CII (see what I mean) in operation. Ships will obtain a rating from A (best in class) to E (should really not be allowed to sail). If a ship is rated D or less for 3 consecutive years the owner will have the responsibility to increase the ship's efficiency in order to get it back to a rating above D. Further action-inducing vocabulary includes "encouraging" ports or relevant authorities to provide "incentives" for ships with low ratings to find it difficult to do business on a global scale. Frankly, at this stage of the problem, I believe everyone in the industry was expecting, if not hoping, for more drastic measures.

Whilst it is easy to understand why less carrot and more stick might work in most instances, what would that look like in shipping markets? A carbon levy on per metric tonne of CO₂ equivalent on shipping fuels seems like the best step forward. Trading house Trafigura proposed such a scheme, led by the IMO, in

order to decarbonise the industry faster and better in a white paper published last year. Having become one of the world's largest charterers in recent years, Trafigura detailed how only a system of levies and subsidies in favour of low and zero-carbon alternative fuels would spur the decarbonisation of the industry and help all market participants achieve their goals in order to make shipping a greener and more sustainable industry. Such a scheme would firstly help close the competitive gap by allowing the financing of infrastructure projects amongst others. Secondly, it would help fund research and development, channelling much needed investment. Oil major Shell has previously estimated the cost of decarbonising the entire industry at \$1.65 trillion. The money will have to come from somewhere. Last but not least, a portion of the money raised would be used to help address the impact of climate change on small island states and developing countries that stand to be disproportionately affected.

"FAILURE IS NOT AN OPTION"



"Failure Is Not An Option"
by Sheridan Hart

To Summarise

Whilst the increasingly alarming findings of the scientific community are not good news, they at least provide a rally cry for the world. Investments in making the shipping industry a greener place are increasing. A number of viable low to zero-carbon alternative fuels are being developed but we are still a long way from equipping the tens of thousands of commercial vessels currently at sea. The risk that too little is done too late still remains.

Oil price and tanker rates: Oil price fluctuations & tanker rates

A look into the change in oil price fluctuations and tanker rates, focusing on shipping market dynamics and industry relationships.

When I signed up for my first shipping exam, as part of the Institute of Chartered Shipbrokers' foundation course, I diligently purchased the relevant textbook: "Introduction to shipping". The first chapter starts as follows: 'Shipping is a derived demand. It is not the ships themselves that are in demand, but the goods they carry'. What a game-changer! Though intuitive, I had never read this fact expressed so simply. A lot of things started making a lot of sense after that! Those of you that have attended one of my presentations will have no doubt heard me start many of them with the same statement.



So what does it mean exactly? Derived demand is a demand based on a good or service's ability to acquire another good or service. Let's use the California Gold Rush as an example. After an initial discovery in the late 1840s, news of gold deposits in California brought close to half a million people westwards.

These people wanted gold. Yet, I am sure the guy that decided to not take a shot at finding gold, but instead manufacture picks and shovels ended up much richer than the huge majority of prospectors. You see, demand for picks and shovels was a derived demand that allowed the acquisition of gold nuggets. Similarly, shipping is a derived demand that allows for the efficient, safe and in most cases relative to the value of the cargo, cheap transportation of a good in demand.

In the first edition of Making Waves in 2022 we will explore the relationship between the price of a cargo, in this case crude oil (or black gold as it is sometimes referred to) and the cost of shipping, or tanker freight rates.

So if one goes up, so does the other?

One could easily argue no single commodity has ever had a greater influence on all aspects of one's life than oil. Every change in the price of oil is greatly analysed, with one question in all minds being where does it go from here? Fluctuations in the price of oil lead to an infinite possibility in terms of ramifications,

from the cost of energy to heat one's home, to the cost of transportation to drive to work, to the cost of the chair one is sitting in reading this, and so much more. Behind every barrel of oil there's most likely a tanker that carried this oil from its point of extraction to the refinery which would have processed it.

So, it should be safe to say that, based on all of the above, if the price of oil goes up, so do tanker rates? As the price of oil goes up because more people want it (i.e. higher demand) so that means more people need ships to carry that oil (i.e. higher derived demand). Let's assume supply remains constant for a minute and we have higher demand thus higher prices. It is, however, slightly more complex in reality.

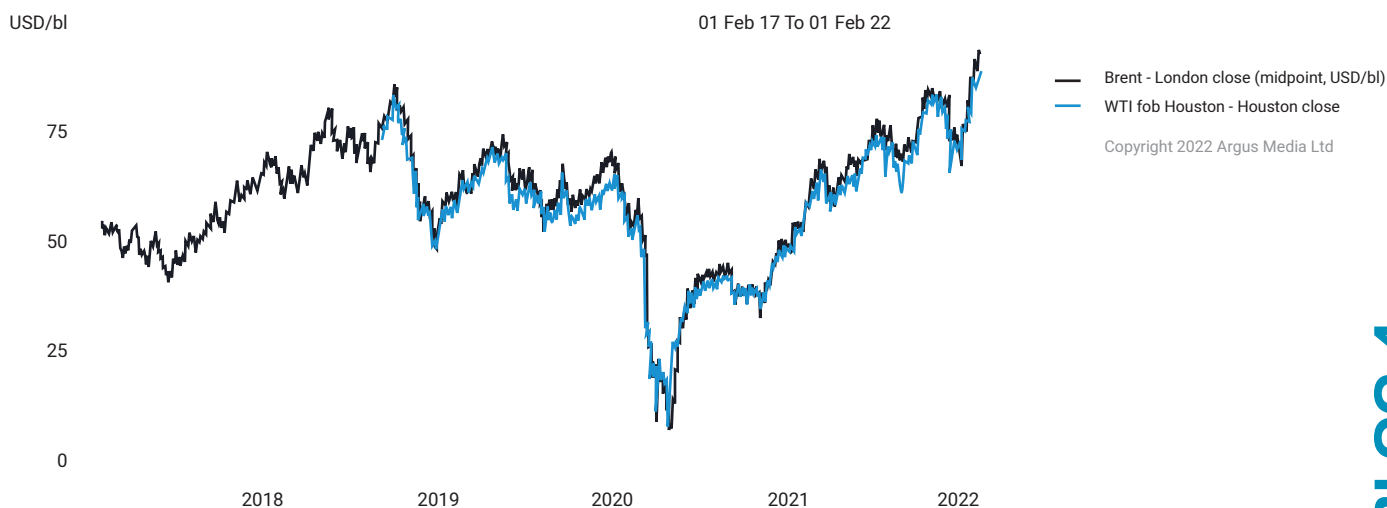
Oil prices and tanker rates 101

Before we dive into the effects of oil price fluctuations on tanker rates, it is important to understand there is an extra layer of complexity in our case. A fluctuation in the price of oil will have not one but two consequences for tankers. Firstly, it will impact the price of the cargo on-board, fairly straightforward but unique to tanker markets (as opposed to the dry bulk market for example). But it will also impact the cost of bunker fuel used to power the ship, which is a common trait across shipping markets, when the price of oil fluctuates.

What moves oil prices?

Oil prices in general, are a function of supply and demand. In the case of crude oil, supply pertains to barrels extracted from the ground, in large producing countries such as Saudi Arabia, or Russia. Both are members of the OPEC+ alliance, a group of 23 countries with a stated mission "coordinate and unify the petroleum policies of its member countries and ensure the stabilization of oil markets, in order to secure an efficient, economic and

regular supply of petroleum to consumers, a steady income to producers, and a fair return on capital for those investing in the petroleum industry." Slightly long winded, I'll give you that, but the idea is one of coordinated increase or decrease in supply in line with market conditions at the time. Demand on the other hand, in the case of crude oil again, comes from refineries, which utilise crude oil as a feedstock, or raw material, to refine petroleum products more familiar to us such as jet fuel, gasoline or diesel. In that sense, crude oil is itself a derived demand! Thus, the price of crude oil is dependent on the balance between supply and demand at any given time. On top of that, countries will have their own oil inventories, known as strategic reserves, whilst companies may have also built up stocks in case of significant disruption to their supply. The price of aforementioned refined products will also have an impact on the demand for crude oil and in turn lead most likely to a market impact on decisions or trades around the supply of oil.



What moves tanker rates?

In previous issues of Making Waves, we took a closer look at freight pricing. We left out however, how fluctuations in the price of oil could impact freight rates, and tanker rates in particular. To answer that question, I have both good and bad news for you. The good news is that this topic has been extensively researched in past academic journals. From maritime economics heavyweights such as Martin Stopford (recently retired after an illustrious career spanning half a century), to international organizations such as the UNCTAD, I am not the first, nor will I be the last, to ask the question: how do oil price changes affect freight prices? The bad news is that everyone seems to have a subtly different view. Whilst an excess of crude oil in the market can negatively affect prices, it will translate to higher available cargoes for charter and, if supply of vessels remains constant, be positive for tanker rates. So whilst demand for shipping is a result of oil demand, tanker rates are then affected by the supply of ships in a given region, for a given period of loading, which is far easier to measure.

“ **The price of bunker fuel is highly dependent on the price of the latter.** ”

Simply put, shipping demand is not as clearly correlated with oil demand as one might expect but a function of the supply and demand of oil as well the logistical constraints at the time (taking into account onshore and

offshore inventories, pipeline flows, etc.). Whilst the supply of ships can be assessed more accurately, a number of subtle market dynamics can blur the picture.

The impact of bunker fuel prices

As a reminder, bunker fuel is technically any type of fuel oil used aboard a ship. It is derived from crude oil. The introduction of IMO 2020 brought bunker fuel and the different types of bunker fuels based on sulfur content into the limelight. Pitch black and thick, clearly seen when vessels are steaming, bunker fuels are a strong visual representation of the industry's “dirty little secret” as some politicians have called it. For the purposes of this edition of Making Waves we won't dive into the controversies and challenges facing the industry but focus on the fact that as a refined product derived from crude, the price of bunker fuel is highly dependent on the price of the latter. For a shipowner, the cost of bunker fuels has always represented its largest expenditure with estimates varying between 50 to 75% of operating expenses for a given vessel. What does this mean for freight rates?

When the price of bunker fuel goes up, so does the operating cost of owners. However, that does not always translate into higher freight rates, even though owners will usually try and push for them. On the flipside, only too often do we see how a fall in crude oil prices and thus bunker prices will lead to overall freight rates in the market declining.

To summarise

With rising oil prices and the shipping industry increasingly in focus for its use of ‘dirty fuels’, the link between oil prices and tanker rates is a crucial one to understand. Like many elements of shipping market dynamics, the answer is not a clear cut one and more elements need to be considered for the relationship to be fully understood. From the above we can infer that the price of oil and freight rates can at best only be partly correlated as only one leg of the voyage is related to oil market fundamentals whilst oil prices are not dependent on the level of supply of ships, and thus the needs of the shipping market. What remains certain is the dependency today of the industry on crude oil as its main cargo as well as bunker oil as its main fuel. A future without both brings into question the very reason for being of the industry. Will oil price fluctuations still matter in three decades time?

Industry Networking: Fist bumps, business cards and an industry comeback

A behind-the-scenes look at the much-anticipated LISW21 event, returning to face-to-face interaction a look at how the industry has changed post-pandemic.

London's alleyways are filled with history. A lesser known one concerns Mr Tawell and Ms Hart, and how in 1845, the former poisoned the latter, his alleged mistress, for fear of their affair becoming known. With what I imagine to be a light and springy step, Mr Tawell set off to work the next day, at the Jerusalem Coffee House, down Cowper's Court alleyway where traders of the East India and South Sea Companies would discuss the day's shipping markets.



The Baltic Exchange is nothing short of the world's most recognised maritime industry membership organisation



He was arrested that very afternoon and hanged after unsuccessfully defending

himself by saying Ms Hart had accidentally eaten a poisonous apple. Whilst his story is probably one of many, what truly deserves our reader's attention today is the mention of the Jerusalem Coffee house. A gathering place of traders and merchants, it has unfortunately disappeared today, but only because it was bought out by what was the London Shipping Exchange, before the latter merged with the Baltic Committee to become what is known today simply as the Baltic Exchange.

The Baltic Exchange is nothing short of the world's most recognised maritime industry membership organisation. The topic of this month's newsletter concerns the latter, how the shipping industry is defined by a sense of membership akin to no other and how we've missed each other more than we realised in the last 18 months apart.



The Baltic Exchange
in 1969

The Baltic Exchange in 1969 (this historical building was unfortunately bombed in 1992, a site which is since occupied by the famous Gherkin landmark)



...a distanced nod, far away wave, fist bump, elbow bump, bump to palm of hand when miscommunicated, and of course the good old handshake.



Countdown to London International Shipping Week

On March 16th, give or take a couple of days, I celebrated 1 year of working from home due to the global pandemic we all have become sadly too accustomed to. Yet, that morning my heart skipped a beat. An email had just come in and read as follows: "We will be issuing a press release later today confirming that LISW21 will be an in-person and virtual event in the week of September 13-17. This follows the Prime Minister's recent roadmap and will be the first opportunity the shipping industry will have to get together face-to-face since the pandemic started last Spring. I am delighted to include the press release below ahead of it being dispatched to the media." It was happening! In 6 months time, our beloved industry that relied heavily on personal contact and face-

to-face interactions would finally be physically meeting again. I started creating a mental to-do list. It didn't matter that I didn't fit into any of my suit trousers anymore, I would go in jeans (or tracksuit bottoms) if I had to.

I would have to check if business cards were still a thing before ordering a stack from the local print shop. I would have to observe how others greeted each other, before deciding on how to do so myself, from the large arsenal we now have at our disposal: distanced nod, far away wave, fist bump, elbow bump, bump to palm of hand when miscommunicated, and of course the good old handshake. It couldn't come soon enough!

THE NETWORK

BACK TOGETHER



"The Network Back Together"
by Sheridan Hart

London International Shipping Week 2021 (LISW21) took place from September 13th to 17th. After almost two years of virtual panels and conferences, the event gathered stakeholders in person from all around the sector: charterers, shipowners, brokers, classification societies, UN delegates and lawyers to name a few.

“**A distinct buzz was felt around every room, at every event..**”

The headline conference took place at the headquarters of the International Maritime Organisation (IMO), as a reminder, a specialised agency of the United Nations responsible for regulating shipping. Arguably, it took a couple of hours and awkward

introductions before the ball got rolling. Once warmed-up, however, relief was evident on the face of all attendees.

A distinct buzz was felt around every room, at every event, from the Lloyd's Register panel taking place on the HMS Wellington to our very own SPNL Gala at the Museum of London. Arguably, there was a topic that took the spotlight: the path towards decarbonisation. However grave the assessments and realisation of the scale of the efforts required in order to achieve this goal, crowds were giddy with excitement of being able to tackle things together, in person.

In summary

The organisers of LISW21 did a fantastic job taking into consideration the current restrictions to deliver an event awaited by many. By blending face-to-face as well as virtual events, the week of events exceeded expectations and achieved its main goal of bringing a fragmented industry together in the same room (figuratively and literally). The challenges ahead for the industry still remain, but the heart has grown fonder with distance and we are as motivated as ever now that we are back together.



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