

Greek Shipping Co-operation Committee



Annual Report

2025 – 2026

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From the Chairman



Dear colleagues,

It gives me pleasure to present our 91st annual report.

The last twelve months have truly been a period of great volatility, especially with the advent of the Iranian conflict joining the list of the other areas such as the Black Sea and Red Sea, where trading has become extremely difficult.

The Persian Gulf conflict has created a situation where we have realized the important contribution that the three principal exports of that region have made to our daily lives i.e. oil, LNG and fertilizers.

However, several very volatile months later, we have witnessed how international shipping has risen to the challenge and seen to it that the disruption to our daily lives has been minimized. We have kept the lights on, cars still running, planes flying and, in the case of fertilizers, fields still being ready to grow all our agricultural products.

As to the effects of the above situation, we have seen the tanker market reach record highs this year, unseen before in its history.

The container market has also had a positive year with the various imbalances creating a lot of extra demand.

The LPG market has also had a very positive year with some very good results seen.

LNG has risen from the depths seen last year but the lack of Middle East cargo has seen some very good times and some less good.

The dry bulk market has improved since the beginning of the year, with the large ships in particular seeing some very positive returns.

Against these positive signs one must stress that the world newbuilding orderbook has risen to historic highs in the case of tankers, bulk carriers, container ships and gas carriers. This, on the one hand, may signal a strongly renewed fleet. However, on the other hand, the spectre of an overtonnaged fleet is getting ever closer.

In light of the above, the Greek merchant fleet has the world's second largest orderbook and the largest in terms of high technology, high specification ships at Japanese, Korean and Chinese yards.

The Greek fleet has been relentlessly selling older less fuel-efficient tonnage in all categories and buying newer more efficient ships, despite having the above mentioned orderbook.

As the Greek fleet is the dominant tramp shipping supplier of tonnage, its vessels have to be the most versatile and competitive ships in the world markets. As a result, it is not possible for such a large fleet not to be able to use very low sulphur fuel since no other fuels have as large availability at this point in time.

All of us want a green, non-polluting future but none of the available new fuels have global availability. One must not forget the dominance that the Greek fleet has within the EU, commanding more than 60 percent of total EU capacity.

When it comes to regulation, it is very important to support the most experienced global regulator, the IMO, who have the greatest experience and will try to pursue global solutions to all the existing issues and problems.

The IMO itself, however, must try and take a global position and not give in to the more vocal and less practical thinking organizations, and instead support the actual tonnage providers in the world.

The issue of future fuels and real solutions to net zero have not been solved in any meaningful way, and a lot more thought must be devoted to long-term solutions, as opposed to pushing forward solutions that have a shelf life of about ten years.

Another area where more thought and flexibility has to be applied is the scrapping of ships.

In the first instance the sanctioned fleet, which is older and less well maintained, should be allowed to be scrapped in an easier manner, which would make the existing fleet both safer, younger and more efficient.

Secondly, the combination of the Hong Kong Convention and the Basel Convention make ship scrapping both complicated and costly as not enough eastern recycling facilities are on the approved list.

This has to be rectified at the soonest opportunity.

With regards to the decarbonization debate, we are still too far away from a credible solution that is fit for purpose for the entire global fleet of ships, be they in the tramp or liner sectors.

From a logistical point of view, we do not have a fuel that would be available at the necessary bunkering ports in order to serve global trade. Few of the existing alternatives, on a well-to-wake basis, would truly satisfy the objective of reducing shipping's carbon footprint, especially when the newbuildings on order are themselves so significantly more carbon efficient than the existing fleet.

The shipping industry must be encouraged to continue this quest to make the fleet more efficient rather than accepting what is effectively a penalization such as that of the Net-Zero Framework.

Extra levies and taxes will not create a cleaner future and will only negatively affect the smaller weaker nations, who will have to absorb much higher freight costs in order to get their goods delivered.

There should be more emphasis on the technology providers in the industry such as shipbuilders, engine builders and fuel suppliers to provide the truly groundbreaking solutions that we need.

In all these issues that we have faced over the decades, the G.S.C.C. and the U.G.S. have played a very important role in creating not just the Greek fleet of today but the global fleet whose safety and efficiency has so improved over the decades.

The safe and robust ships of today are the result of many years of striving for improved standards in shipbuilding and ship operation, and of course for more qualitative ships' comforts themselves to look after our crews, who spend their time at sea away from their families and continue working in a most professional manner.

The Greek seafarers have been among the greatest strengths of Greek shipping. We must continue to train a new generation of Greek officers and crew to handle the ships of today and tomorrow in order to provide the quality of ship management that today's environment requires.

Greece itself plays an integral part in the strength and importance of its shipping industry.

However, it must do better to make the Greek flag more attractive. This will not happen unless the bureaucracy related to Greek flag ships is not substantially reduced.

At present, it is both time-consuming and unnecessarily cumbersome when flagging and de-flagging Greek ships. This has to improve as does the operational efficiency out of office hours.

Equally important is the area of maritime education. We need more well-trained Greek officers and crew to serve on the ever expanding and more sophisticated tonnage that is joining the Greek fleet.

We need more places in state and privately funded schools. We also need better paid and more teaching staff in order to turn out the high-calibre of seafarer that our fleet needs. The schools themselves must be upgraded.

Today's seafarers are tomorrow's owners and chief executives.

Greece should expand its position as a ship management centre. We should not delegate this responsibility to other parts of the world.

Posidonia 2026 attested to the enormous success of the Greek shipping industry and the record number of exhibitors and attendees proved how important Greece is in the global shipping leagues.

One of the greatest strengths of the Greek shipping industry over the last half-century has been the close relationship between the Greek Shipping industry and the Ministry of Maritime Affairs and Island Policy, the Hellenic Coast Guard, and, of course, the Government itself.

Not undermining the progress already made towards the digitalization and the reduction of bureaucracy, we urge the Greek Ministry of Maritime Affairs and Island Policy to drastically reduce the bureaucratic burden involved with vessels flying the Greek Flag or it will lose its significance for Greek managed shipping. Actions are needed and not just promises.

Without the appreciation of how strong this link is, the Greek maritime cluster would not be as prominent as it is, and shipping would not hold the position of Greece's second most important export industry. The link must be maintained going forward to guarantee a vibrant maritime sector.

Apart from its close and warm links with the Union of Greek Ship Owners in Greece, the G.S.C.C. prides itself on maintaining a close dialogue with all major international maritime organizations, such as the I.M.O., I.C.S., Intercargo, Intertanko, BIMCO, the EU, national governments, MEPs and the International Group of P&I Clubs. We have P&I Club Chairmen and Directors on our Council.

Our relationship with senior IACS members is also very close, not least due to our presence as individual members on the boards of many National and

International Committees of leading Classification Societies. We also work together with them to press for ever higher vessel standards in construction and operation.

Being based in London gives us the opportunity to keep close contact with the IMO, the Baltic Exchange (the world's leading shipping indices provider), the UK Chamber of Shipping, Maritime London, and other London-based organizations.

Finally, I would like to thank our Member Offices for their support, the Council, and the Secretariat for their hard work. Their efforts allow us to continue keeping our membership well-informed and lobby on a global basis in favour of positive practical legislation. When legislation is negative, we make our opinion very well-known, backing it up with well-reasoned arguments.

I am particularly grateful to our Vice-Chairmen, Constantinos I. Caroussis, John M. Lyras and Nikolas P. Tsakos, our Honorary Chairman Epaminondas G. Embiricos, our Treasurer Diamantis Lemos and Deputy Treasurer Dimitri - Frank Saracakis.

My special thanks go to John M. Hadjipateras, Alex J. Hadjipateras and Basil E. Mavroleon, without whom our monthly reports and other documents would not be as professionally prepared as they are.

Our technical subcommittee, headed by Dimitri Monioudis, has proven extremely popular and effective, with active participation by senior technical officers of member companies in the U.K. and Greece, as well as achieving wider input from our extensive contact network within the global maritime community (e.g., classification societies, consultants, shipbuilders and propulsion manufacturers).

Our Director, Konstantinos Amarantidis, assisted by Maria Syllignaki and Vasso Giadikiaroglou, continues to run the Committee smoothly and very professionally and I thank them for their sterling efforts.

This speech would be incomplete if we didn't acknowledge the huge role that our seafarers play in this great industry. The daily sacrifice that these men and women make in ensuring the safe manning of all the world's ships and the professionalism they possess in the way they do their job is second to none.

We owe them our gratitude.

G.S.C.C. Council Members 2024 - 2026	
Mr. Haralambos J. Fafalios	Chairman
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Mr. John M. Lyras	Vice Chairman
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Mr. Andreas A. Tsavliris	Member
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G.S.C.C. Secretariat	
Mr. Konstantinos Amarantidis	Director
Mrs Vasso Giadikiaroglou	Assistant Director
Ms Maria Syllignaki	Assistant Director

Fleet Statistics

The World Fleet

As of 3 March 2026, according to S&P Global Market Intelligence data, the world fleet of self-propelled, sea-going merchant ships, greater than 1,000 Gross Tons (GT), stood at 67,504 vessels of 1,759,435,507 GT, as well as 6,731 vessels of 343,253,080GT on order.



The Greek Controlled Fleet

According to the aforementioned S&P Global Market Intelligence data, Greek interests controlled 4,388 vessels of various categories of 360,564,729 total deadweight (DWT), and 211,204,583 total GT. Compared to the data in the past year, this represents an increase of 167 vessels, 6,472,263 DWT and 3,193,733 GT.

The figures do not include 422 vessels of various categories on order from shipyards, a total of 40,212,290 DWT and 25,258,008 GT.

With respect to vessel type, the Greek-owned fleet as a percentage of the world fleet recorded an increase in the categories of cargo ships, chemical and product tankers, ore & bulk carriers, container ships and other cargo ships, in relation to the corresponding world fleet type for the year 2025.



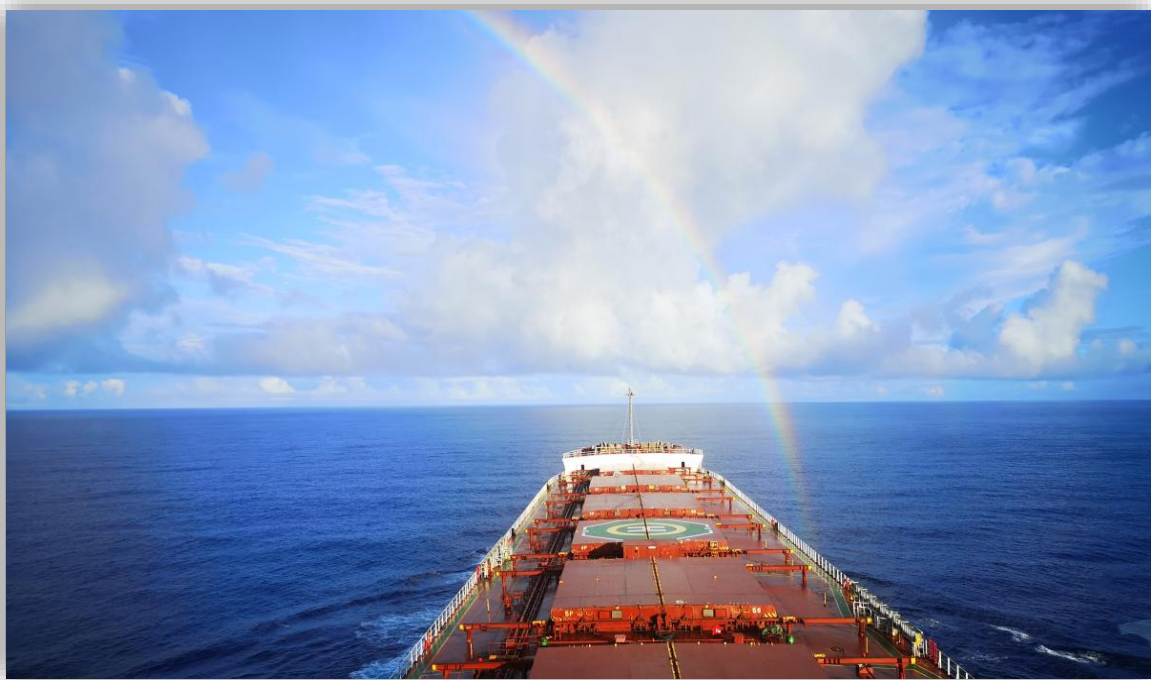
What is notable is that Greek parent companies represent 22% of the world tanker fleet, 16% of the world ore & bulk fleet and 8% of the liquified gas fleet.

Overall, the Greek-owned fleet stands at 6.5% of the world fleet in terms of ship numbers, 12% in terms of GT and 14.2% in terms of DWT.

According to the data, the past year saw an increase in the average age of the world fleet, from 18.5 in 2024/2025, to 18.8 in 2025/2026.

The average age of Greek-controlled vessels has slightly increased as well, now standing at 14.3 years of age. However, it remains 4.5 years younger than the industry average.

When calculated in terms of GT and DWT, the average age is reduced to just 12.8 and 12.7 years respectively, as against 13.8 and 13.7 of the world fleet.



(Source: S&P Global Market Intelligence)

Developments in Greece

Economic Outlook

According to the Bank of Greece, the Greek economy has strengthened its resilience and is in a much stronger position. In 2025, growth in Greece remained at 2.1%. Exports of goods reached a 3-year high. The investment-to-GDP ratio also reached a 16-year high during the past year. Foreign direct investment maintained its upward trend, reaching 12 billion EUR (about 5% of GDP). Private consumption also continued to grow.



In 2025, both headline and core inflation stood close to the 2024 levels, at 2.9% and 3.6% respectively. The labour market remained strong in 2025, with the unemployment rate falling to a 16-year low of 8.9%. The labour force participation rate further increased, especially among females and younger professionals.

The international competitiveness of the Greek economy presented a mixed picture. On the one hand, the appreciation of the euro has had a negative impact on price competitiveness, more than offsetting the benefit from the smaller increase in relative prices vis-à-vis trading partners. On the other hand, competitiveness in terms of unit labour costs improved, as unit labour cost growth

was below the euro area average, while productivity growth was comparatively stronger.

As regards structural competitiveness, Greece's position remained relatively weak. Progress has been made in areas such as the tax framework, the functioning of the justice system and new business formation. By contrast, weaknesses in critical areas such as innovation, the speed of administrative and judicial procedures, labour shortages and energy costs for businesses remain a drag on improving the country's ranking in international composite indicators.

The current account deficit narrowed markedly to 5.7% of GDP, but remains elevated. This was mainly the result of a lower oil deficit and continued strong tourism performance, with travel receipts reaching a new high.



As regards fiscal developments, the positive momentum of recent years continued into 2025. According to Bank of Greece estimates, the primary surplus for 2025 is expected to reach 4.4% of GDP, exceeding fiscal targets. At the same time, the overall fiscal balance is estimated to remain in surplus.

The public debt continues to decline rapidly, both as a percentage of GDP and in nominal terms. According to Bank of Greece estimates, it is expected to have fallen in 2025 by around eight percentage points of GDP against 2024, reaching 146% of GDP, its lowest level since 2010.

Bank lending rates continued to decline across all loan categories, reflecting the key interest rate cuts and the gradual normalisation of financing conditions. The decline in borrowing costs was more pronounced in business loans, thereby supporting business financing and investment activity.

Other News

The Hellenic Coast Guard saw a number of changes in its leadership. In March 2026, Vice Admiral HCG Christos Kontorouchas was elected by the Government Council for Foreign Affairs and Defense (KYSEA) as the Commandant of the Hellenic Coast Guard. He succeeded Vice Admiral Tryfon Kontizas, whose tenure was described as successful.

In addition, in April 2026 Vice Admiral HCG Fotios Kiamos was elected as the First Deputy Commandant Hellenic Coast Guard, while Vice Admiral HCG Efstratios Drakoulis was elected as the Second Deputy Commandant of the Hellenic Coast Guard.



On 8 June PM Mitsotakis carried out a mini reshuffle as speculation grows over a possible snap election in the autumn, with Kikilias retaining his post as Shipping Minister.

A previous cabinet reshuffle took place in April 2026 amid widening scrutiny on the OPEKEPE scandal, with the Greek parliament lifting the immunity of 13 lawmakers. Farmers had even blockaded an airport in Crete, as subsidy delays and high input costs collided with the OPEKEPE issue.

The OPEKEPE scandal has dominated the news during the past twelve months in Greece. In June 2025, the European Public Prosecutor's Office referred information on former ministers to the Hellenic Parliament, with Makis Voridis resigning as migration minister.

With respect to labour policy, the October 2025 reform allowing private-sector workdays of up to 13 hours under specified conditions triggered nationwide strikes.

Additionally, on 28 February 2026, tens of thousands rallied across Greece over the Tempi disaster. The Tempi trial began in March 2026 and is expected to last for years.

Also, in February 2026 PM Mitsotakis presented the proposal for revisiting constitutional provisions on ministers' immunity and the permanency of civil-service posts.

In relation to migration, irregular crossings on the Eastern Mediterranean route fell overall in 2025 and were down 34% year on year in the first quarter of 2026, according to Frontex. However, crossings from eastern Libya to Crete have more than tripled in 2025, prompting naval deployment and harsher returns policy. The Greek parliament had initially suspended asylum processing for North Africa arrivals for at least three months and later adopted a law speeding returns and increasing penalties for rejected asylum seekers.

(Sources: Hellenic Coast Guard, Bank of Greece, Hellenic Statistical Authority, Frontex, Reuters, To Vima)

Developments in the UK

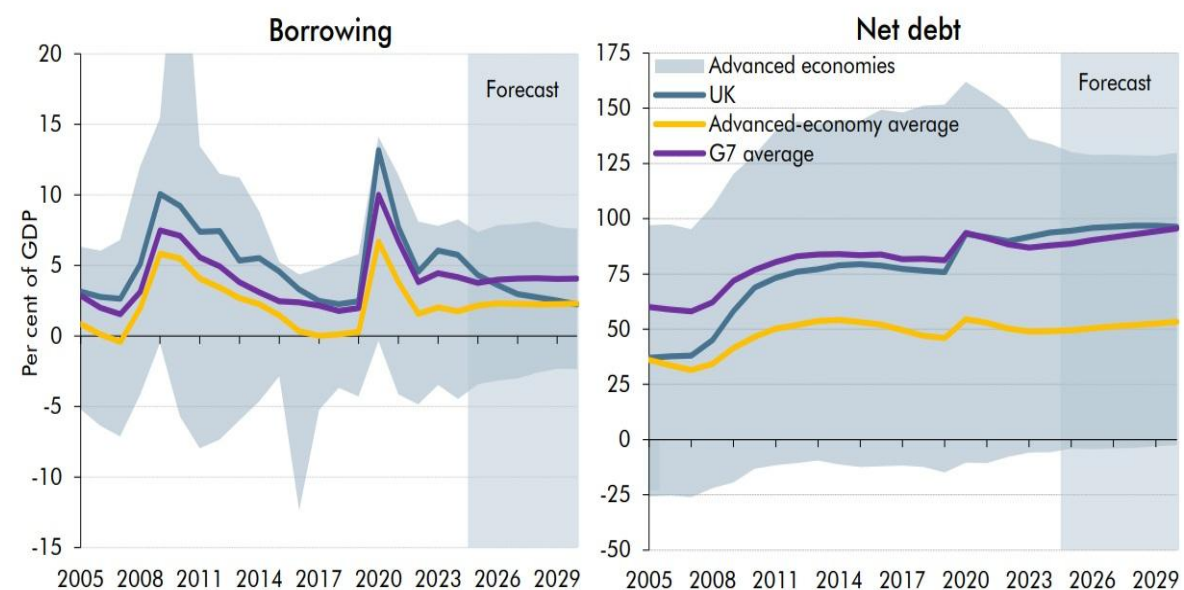


Economic Outlook

Since the initial recovery from the pandemic, real GDP growth in the UK has been persistently weak by historical standards. This reflects both subdued growth in potential output and the opening up of some spare capacity in the economy. The former is the result of historically weak productivity growth. The latter likely reflects the impact of elevated uncertainty and the ongoing effects of the latest round of monetary policy tightening in response to high and persistent inflation. The weakness over the past few years follows a decade of subdued growth in the aftermath of the global financial crisis, which has contributed to slow growth in living standards and a challenging fiscal position.

UK government borrowing and debt are currently at elevated levels compared to recent history and the average of advanced economies, but are in line with the G7 averages. Borrowing has followed a similar trend to other advanced economies over the past two decades, with sharp increases driven by major shocks such as the financial crisis and Covid, but at a consistently higher level. As a result, UK public sector debt as a share of GDP has nearly tripled over this period. The cost of servicing this debt has increased sharply, from £39 billion (1.7 per cent GDP) in 2019-20 to £106 billion (3.6 per cent GDP) in 2024-25, with UK government 10-year bond yields currently being the highest in the G7, and the fourth-highest among the advanced economies.

Chart 1.1: General government borrowing and net debt in advanced economies



Source: IMF, OBR

Source: UK Office for Budget Responsibility

In this context, the plans set out at the November 2025 Budget aimed to reduce borrowing to around 2 per cent of GDP by 2030-31, which would be consistent with debt stabilising.

The long-term fiscal outlook is also challenging. UK Office for Budget Responsibility's most recent 2024 long-term projections showed that, on the basis of unchanged government policy, debt could rise rapidly to reach around 275 per cent of GDP by the 2070s, driven mainly by a sharp rise in public spending as a result of the ageing population.

Other News

On the political front, in September 2025 PM Starmer's first major cabinet reshuffle was conducted, with a broad reorganization of senior government posts. Among this reorganization was the appointment of Keir Mather as a Parliamentary Under-Secretary of State in the Department for Transport on 7 September 2025.

Mather is the youngest MP in the House of Commons and succeeded Mike Kane, who had held the post for approximately one year.



More recently, the May 2026 electoral outcome exposed the erosion of authority of the Labour government. In England, Reform UK surged in local elections, with Labour and the Conservatives both on 17% and the Greens on 18%. In Scotland, the SNP remained the largest force with 58 seats, while Labour and Reform tied on 17 each and the pro-independence parties held 73 seats between them. In Wales, Plaid Cymru won the most seats, while Labour fell to third place. Overall, the elections highlighted that Labour's 2024 Westminster coalition has become unstable across very different political geographies.

The Labour government has been focusing on defence, with its Strategic Defence Review setting a "NATO first" posture and reiterating the ambition to raise defence spending to 2.5% of GDP by 2027. However, the announcement on how the government will fund these plans has been postponed multiple times, with Secretary of Defence John Healey, resigning on 11 June 2026.

Trade remained a focal point for the UK government with the conclusion of the Gulf Cooperation Council (GCC) trade deal on 20 May 2026.

Decarbonization has also been on the top of UK's maritime agenda, with the UK Emissions Trading Scheme (ETS) legislation being passed on 1 April 2026. UK ETS is the central economic pillar of the UK Maritime Decarbonization Strategy, which was published in March 2025.

UK ETS is part of the UK's package of emissions reduction, introduced in the closing days of Theresa May's stint as British Prime Minister. This package comes from the 2008 Climate Change Act, amended to achieve national net-zero by 2050, including key milestones of a 30% reduction by 2030 and an 80% reduction by 2040.



(Sources: UK Government, Scottish Parliament Information Centre, Senedd Research, Office for Budget Responsibility, Office for National Statistics, Lloyd's Register, UK Chamber of Shipping, Stephenson Harwood LLP)

Decarbonization



IMO Developments

The maritime industry is experiencing a historic transition as it moves toward decarbonization under growing environmental and regulatory pressure. At the centre of this transformation stands the IMO, whose Marine Environment Protection Committee (MEPC) has become the principal forum for negotiating the future environmental framework of global shipping.

In April-May 2026, MEPC 84 held extensive discussions on the Net-Zero Framework (NZF). This was the first opportunity to do so following the adjournment of the extraordinary session in October 2025. Although there were divergent positions on key elements such as establishing a fund, MEPC 84 agreed to continue discussions on a revised framework to ensure consensus. Agreement was not reached on the final adoption of Net-Zero Framework (NZF) however, it was demonstrated that global shipping remains firmly committed to the transition toward lower emissions.

Key outcomes of MEPC 84 included:

1. IMO Net-Zero Framework

- i. Further discussion took place on the mid-term GHG reduction measures. It was clear at this stage that finding a compromise position between those advocating for the draft Net Zero Framework to be adopted with minimal change and those in favour of a market readiness approach was not possible.
- ii. Discussions are set to continue on both the regulatory framework and on supporting guidelines at two intersessional working groups on GHG (ISWG-GHG) ahead of MEPC 85.
- iii. MEPC 85 is tentatively scheduled to be held between 30 November and 3 December, whilst MEPC ES.2 is planned to be resumed for 1 day on Friday 4th December, subject to any further discussion at MEPC 85.
- iv. Terms of reference for a 5th IMO GHG Study were completed. This will support the review of the IMO GHG Reduction Strategy in 2028.



2. Review of the GHG Reduction short-term measures

1. EEDI guidelines were updated to consider dual-fuel ships.
2. Discussion to strengthen the requirements of the ship energy efficiency management plan (SEEMP) to drive operational energy efficiency, which would introduce regular internal reviews, continuous improvement, changes to the auditing arrangements and an energy efficiency implementation log. This work will continue at a future session.



EU Developments

At the same time, regional regulations have intensified the pressure on the industry. January 2026 marked a turning point for the EU Emissions Trading System (ETS). Following the phase-in period (40% in 2024 and 70% in 2025), shipping companies must now surrender EU Allowances (EUAs) covering all verified emissions within scope. This includes:

- 100% of emissions from voyages between EU/EEA ports.
- 50% of emissions from voyages between an EU/EEA port and a non-EU/EEA port.
- 100% of emissions at berth in EU/EEA ports.

In addition, EU ETS now covers not only carbon dioxide (CO₂), but also methane (CH₄) and nitrous oxide (N₂O). The financial implications of full ETS coverage are already being felt.

January 2026 also saw the announcement by the European Commission of a climate package, with a proposal to update the EU ETS expected by July 2026.

Overall, the changes effective from January have marked the conclusion of the EU ETS transitional phase for maritime transport and the start of full compliance obligations for shipping companies trading to and from Europe. Although further regulatory developments can be expected, ETS compliance is now a core and continuing consideration for emissions, costs and contractual risk allocation.

Companies that embed robust emissions reporting, contractual clarity and operational efficiency into their risk-management approach will be better placed to navigate both current obligations and future regulatory change.

With regard to FuelEU Maritime, which has been fully applied since January 2025, its first reporting period was calendar year 2025, with the first FuelEU report requiring verification in January 2026.



In February 2026, the Commission Implementing Regulation (EU) 2026/394 laying down rules for the application of Regulation (EU) 2023/1805 of the European Parliament and of the Council, as regards access rights and the functional and technical specifications of the FuelEU database, entered into force.

In March, the accredited verifier had to record the verified FuelEU Report for each vessel in the FuelEU Database. During April, the company had to decide which FuelEU flexibility mechanism will choose for each vessel. By 30 April 2026, the chosen flexibility mechanism, either banking, borrowing, or pooling, had to be recorded in the FuelEU Database.

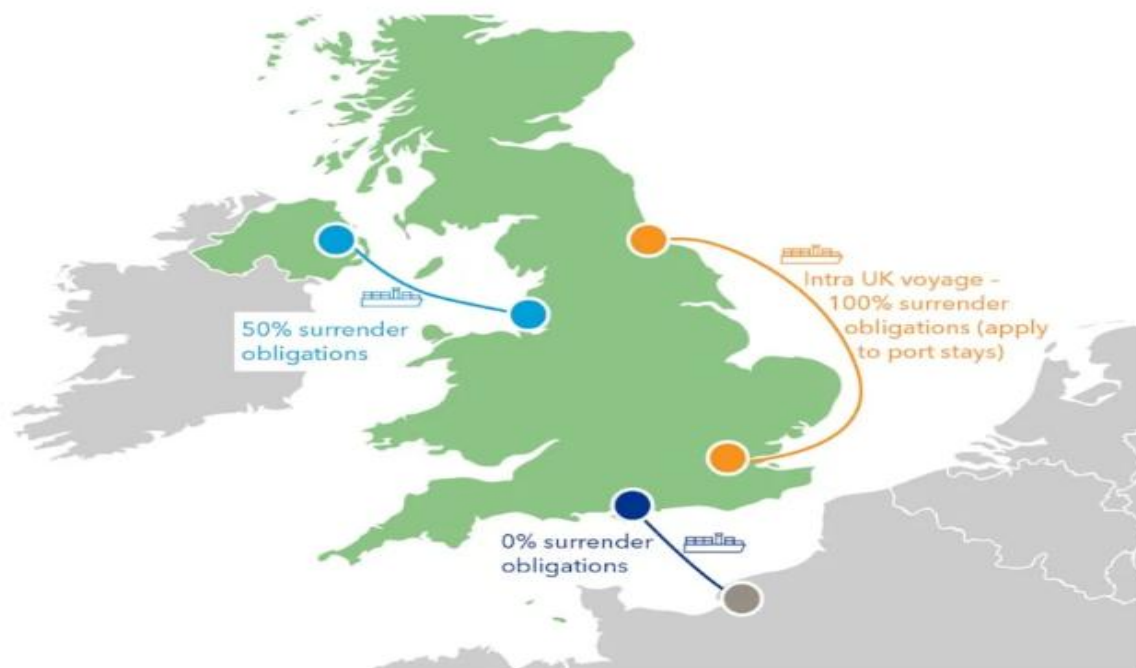
Earlier, the Commission had issued interim guidelines for reporting and verifying actual tank-to-wake methane-slip factors under FuelEU (October 2025). This was an important development for LNG-fuelled owners as default methane-slip

factors can materially worsen reported GHG intensity if not replaced by certified actual values where allowed.

Overall, FuelEU's flexibility architecture has now become clear, with banking and borrowing being ship-specific, with no central tradable unit registry, and pooling regarded as the main way to manage surplus/deficit across ships.

UK ETS

As of 1 July 2026, the UK ETS will expand to include the maritime sector, affecting vessels of at least 5,000 GT at berth or sailing between UK ports. The UK ETS will cover maritime emissions from voyages between two UK ports and within ports (crown dependencies and overseas territories are excluded).



Source: DNV

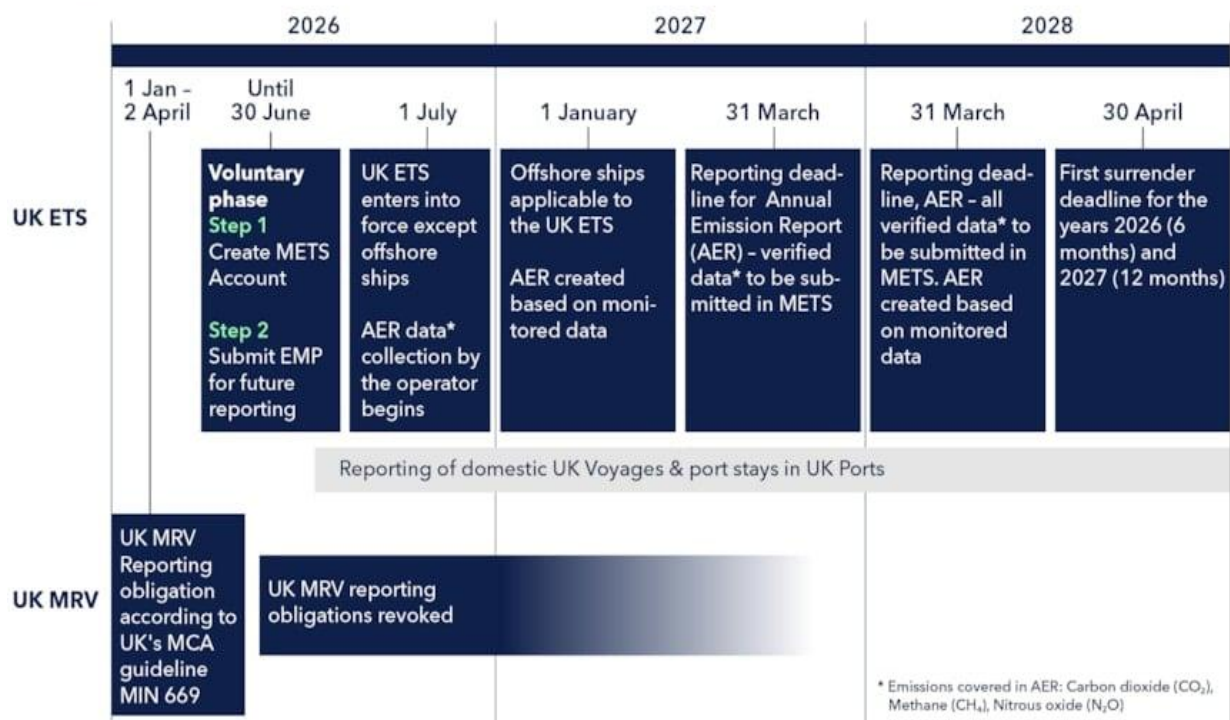
At first glance, the EU and UK regimes appear closely aligned, reflecting a shared regulatory heritage and broadly common policy objectives. However, a closer examination reveals important differences, and therefore it is important that the UK ETS is understood as separate and different from the EU ETS.

Unlike the EU ETS, the UK ETS does not require a Document of Compliance (DoC) on board. Instead, all compliance processes are managed digitally via the METS system. Each operator must prepare and submit for approval an EMP at the company level, in METS (like in the EU MRV scheme, but only one plan needs to be created per company) covering all ships under its responsibility. The

EMP describes the monitoring methodology, list of vessels, emission sources and calculation methods. The EMP is not assessed by a verifier before submission to the assigned UK regulator.

Operators must use an independent verifier accredited by UKAS, to verify their Annual Emissions Report (AER), a company-level report. Operators must submit their AER by 31 March each year and must surrender the number of emissions allowances by 30 April. The deadline to surrender allowances for the first scheme year (1 July to 31 December 2026) will be 30 April 2028. A standard reporting year runs from 1 January to 31 December, while in 2026, only half of the year is subject to reporting (from 1 July, 2026). A summary of the timeline is illustrated in the following figure:

UK ETS timeline



Source: DNV

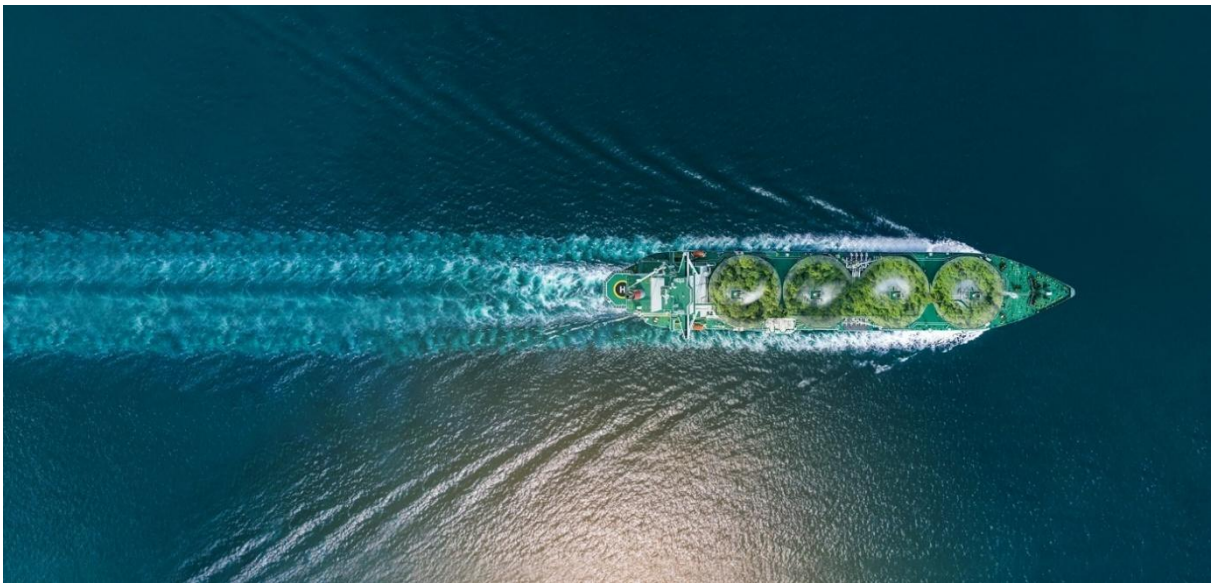
Fuel Transition Pathways

The practical implementation of alternative fuels across the fleet remains uneven. Current evidence suggests that the pace and form of fuel adoption are influenced by a combination of fuel availability, infrastructure development, trade patterns, and commercial frameworks. Rather than a single pathway, the transition appears to be developing slowly through multiple parallel approaches across different

vessel segments and operating profiles. Below is an assessment of the Fuel Transition Pathways and mid-term implications by ABS.

Segment-Specific Dynamics in Fuel Adoption

Differences in vessel operating patterns are playing a significant role in shaping fuel transition pathways. Segments such as containerships, ferries, and cruise ships typically operate on predictable routes with repeated port calls, enabling coordination between fuel suppliers, ports, and operators. These characteristics support the development of localized fuel supply chains and structured procurement arrangements.



In contrast, vessels operating in tramp trades, including bulk carriers and tankers, face more variable routing and commercial structures. This variability can limit access to alternative fuels that depend on concentrated bunkering infrastructure and predictable demand. Approximately 10% of global fleet tonnage is alternative-fuel capable, with an additional 6% categorized as fuel-ready. These figures indicate that widespread adoption remains at an early stage.

LNG: Established Infrastructure and Continued Expansion

LNG is currently the most established alternative fuel in shipping, supported by a relatively mature infrastructure network and operational experience. More than 220 ports have LNG bunkering capability, supported by over 50 dedicated bunker vessels, while by 2030, the LNG-capable fleet is projected to reach approximately 112 million gross tons (GT). This level of infrastructure has facilitated adoption, particularly in segments with regular trading patterns. At the same time, further expansion will be required to accommodate increasing demand, including the integration of lower-carbon variants such as bio-LNG and synthetic LNG.

Methanol: Emerging Pathway with Supply Constraints

Methanol is developing as a second major pathway in the transition, benefiting from existing production, storage and handling capabilities. Growth has been supported by vessel orders and infrastructure development at key ports. By 2030 projections support a methanol-capable fleet of approximately 16 million GT, while bunkering infrastructure will be available or under development in roughly 50 ports worldwide.

However, available supply remains a central consideration. While announced green methanol capacity is significant, realistically deliverable volumes are estimated at 6–13 million tonnes by 2030, representing about 13–29% of announced capacity. In energy terms, this corresponds to only a low single-digit percentage of global shipping demand, underscoring the importance of aligning fleet strategies with expected supply availability. Ethanol is also under consideration as a complementary fuel option, supported by existing global production of approximately 90 million tonnes annually, although its use in maritime applications remains limited.



Ammonia: Long-Term Potential with Near-Term Limitations

Ammonia is widely discussed as a potential zero-carbon fuel for shipping, particularly over longer time horizons. Its use could enable significant emissions reductions, particularly for long distance transport. Nonetheless, near-term deployment remains limited. Despite a large global project pipeline, shipping-related uptake is expected to remain modest with a projected fleet of around 2.5 million GT by 2030 and limited bunkering infrastructure available. In energy terms, ammonia is likely to account for a small fraction of global marine fuel demand by 2030, with larger-scale deployment anticipated in subsequent decades.

Alternative Compliance Approaches

Given the current constraints on fuel availability, a range of alternative approaches to emissions reduction is expected to be applied across the industry. These include drop-in biofuels, energy efficiency technologies, and operational measures, including speed optimization and voyage planning. In addition, emerging technologies such as carbon capture are being explored, although they remain at an early stage of deployment.

Overall Transition Outlook

Looking toward 2030 and beyond, the overall fuel mix is expected to remain diversified with alternative fuels projected to account for approximately 17% of the total fuel mix while conventional fuels, including oil and biofuel blends, are expected to remain dominant at around 83%. This distribution reflects both the scale of the existing fleet and the time required to develop, finance, and deploy new fuel supply chains at a global level.



Limitations of a Fuel-Only NZF Approach

The findings of the ABS assessment, based on comprehensive data analysis of fleet composition, fuel availability, and infrastructure readiness, corroborate the concerns expressed by IMO Member States regarding the NZF framework. In particular, a fuel-only compliance mechanism presents structural limitations that may constrain its effectiveness and global applicability:

- Distortions due to supply constraints: A compliance model driven exclusively by fuel switching is highly sensitive to the availability, geographic distribution, and price volatility of low- and zero-carbon fuels.

Given the limited and uneven development of supply chains, such an approach risks creating competitive distortions between trades, regions, and vessel segments.

- Restricted compliance pathways under a tightening GFI trajectory: The progressively stringent GFI curve is likely to narrow compliance options toward fuels that are not yet available at scale. This creates a misalignment between regulatory ambition and industrial readiness, increasing the risk of non-compliance.
- Risk of a “pay-to-pollute” outcome: In the absence of sufficient alternative fuel availability, the mechanism may default to financial compliance rather than actual emissions reductions, weakening its environmental integrity.

Collectively, these challenges underscore the need for a more balanced regulatory design that reflects real-world constraints while maintaining decarbonization ambition.

(Sources: IMO, EU, DNV, LR, ABS, North Standard P&I Club, UK P&I Club, SKULD P&I Club, Safety 4 Sea)

ECAs

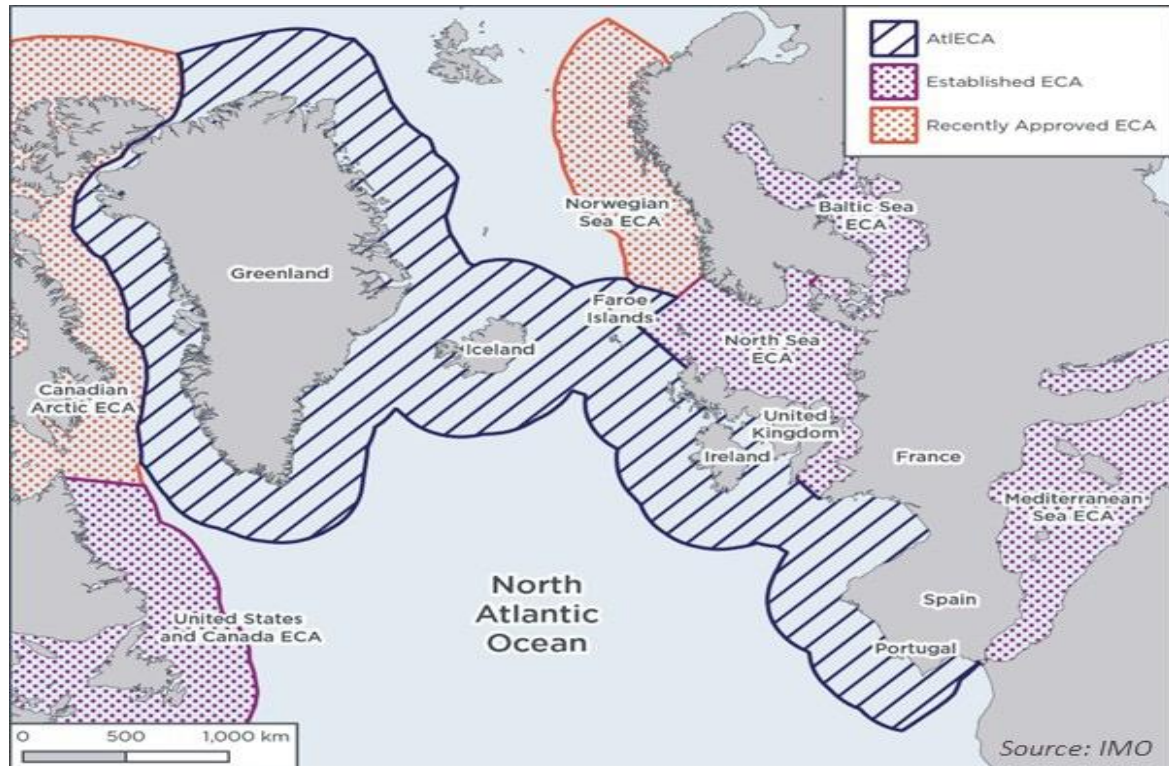
The implementation of Emission Control Areas (ECAs) has been successful in various parts of the world, including the Baltic Sea, the North Sea, the North American Area, and the US Caribbean Sea Area, where stricter emission standards are enforced.

Building on this success, the IMO extended the ECA designation to the Mediterranean Sea in May 2025, acknowledging the urgent need to address pollution in the area.

Additionally, MEPC 82 and MEPC 83 approved new ECAs to further reduce air pollution. These include the Canadian Arctic, the Norwegian Sea, and the North-East Atlantic Ocean, each with specific compliance timelines and requirements.

In March 2026, the Canadian Arctic and the Norwegian Sea officially became Emission Control Areas (ECAs) under MARPOL Annex VI. In these two new areas, ships must comply with stricter emission limits for nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

The Canadian Arctic area extends the existing North American ECA to include all Canadian Arctic waters. The Norwegian Sea area extends the existing North Sea ECA and covers the Norwegian Exclusive Economic Zone (EEZ), as well as fjords and coastal waters, reaching the Russian border.

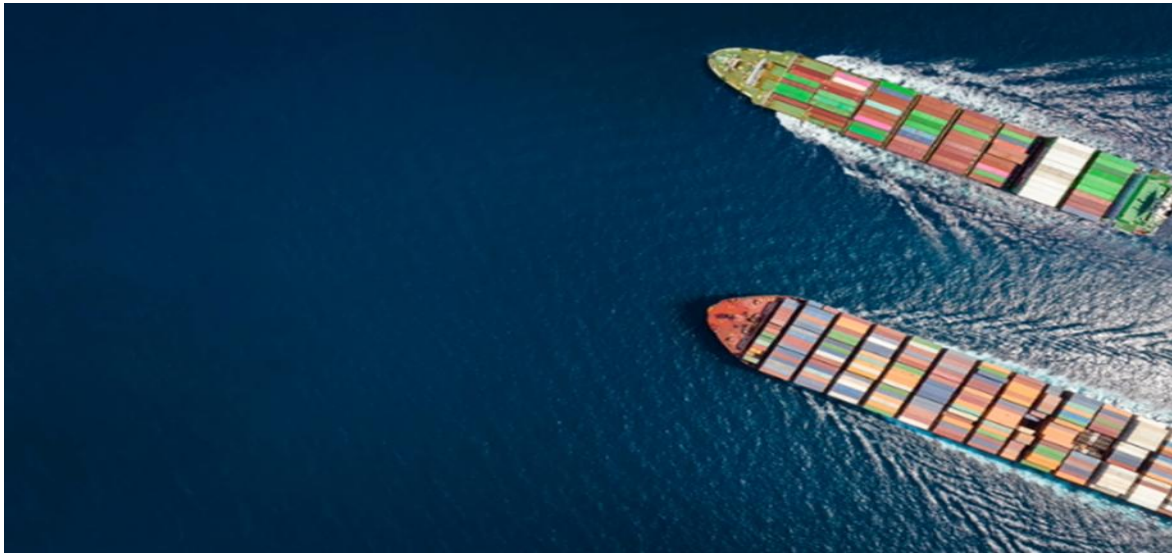


More recently, MEPC 84 adopted amendments to MARPOL Annex VI, designating the North-East Atlantic as an ECA for SO_x, PM and NO_x. This ECA covers the Exclusive Economic Zones and territorial seas of Greenland, Iceland, the Faroe Islands, Ireland, the UK, France, Spain and Portugal.

The amendments will enter into force on 1 September 2027, with the 0.10% sulphur limit taking effect 12 months later. The requirement for NO_x Tier III engine certification will apply to ships contracted on or after 1 January 2027, or, in the absence of a building contract, constructed (keel-laid) on or after 1 July 2027, or delivered on or after 1 January 2031.

(Sources: IMO, ABS, DNV)

US - China Port Fees



The maritime industry is entering a new phase of complexity, feeling the effects of the geopolitical tensions between the US and China. The U.S. tariff regime on Chinese goods has already altered ocean import demand and cargo timing. Between May and November 2025, Chinese goods faced a new baseline of 30% additional U.S. duty, while from 10 November 2025, that new baseline fell to 20%.

Additionally, new U.S. and Chinese port-fee measures were brought into force in October 2025, but both were suspended in November 2025 for approximately one year. These measures are prompting companies to reassess their exposure and operational strategies.

Understanding the new port fees

The US has introduced port fees targeting vessels with Chinese affiliations, whether through ownership, operation or construction. China has responded with similar charges for US-linked vessels. Both sets of fees are structured to increase annually through 2028, and they apply differently depending on vessel type and ownership profile.

US Port Fees:

- Chinese-owned (i.e., more than 25% or more of the entity's voting interests, board seats, or equity is held, directly or indirectly, by the government or citizens of China, Hong Kong or Macau) or operated vessels: Starting at \$50 per net tonne, rising to \$140 by April 2028.

- Chinese-built vessels: Charged at \$18 per net tonne or \$120 per container, increasing to \$33 or \$250, respectively.
- Foreign-built vehicle carriers: Subject to a \$46 per net tonne fee, capped at five port calls per year.

China Port Fees:

- Starting at 400 yuan (\$56) per net tonne, increasing to 1,120 yuan (\$157) by 2028.
- Fees are capped at five port calls per vessel per year.
- Applied to vessels with 25% or more US ownership, voting rights, or board representation, a definition that could encompass a wide range of publicly listed companies.



Financial Implications

The financial impact is significant, particularly for container vessels and vehicle carriers. For example:

- A Chinese-owned 10,000 TEU containership (60,000 net tonnes) could incur \$1.08 million per US port call.
- A modern vehicle carrier (9,000 CEU, 35,000 net tonnes) might face \$1.6 million per visit to the US.

- For a 180,000 dwt (70,000 net tonne) US-owned bulk carrier, the estimated cost of unloading in China would be around \$4m per voyage, rising to \$10.9m per voyage by 2028.
- A US-affiliated 300,000 dwt VLCC (approximate tonnage: 100,000 net tonnes) would be looking at fees of around \$5.6m per voyage to China under the current rules.

These costs are prompting companies to reevaluate their ownership structures, vessel flagging, and port call strategies. Shipping companies are taking proactive steps to mitigate exposure, with some reportedly relocating their headquarters, others introducing preferred stock mechanisms to limit US shareholder control, and adjusting their board composition.

The port fees have changed the bargaining power between owners and charterers, prompting BIMCO to publish dedicated clauses in July and November 2025. BIMCO released the USTR Clause for Time Charter Parties 2025 and the Chinese Special Port Fee Clause for Time Charter Parties 2025. These clauses provide a standardized framework for allocating financial liability, risk, and responsibility for port tariffs between shipowners and charterers.



Looking ahead, ongoing uncertainty remains as the agreed suspensions come to an end in November 2026. As global shipping adapts to these new dynamics, informed decision-making will be key to maintaining resilience and competitiveness.

(Sources: Office of the United States Trade Representative, Steamship Mutual P&I Club, Lloyd's List Intelligence, BIMCO)

Hormuz Crisis

Recent developments in and around the Strait of Hormuz continue to present navigational and security risks for vessels transiting one of the world's most strategically significant maritime trade route.

On 28 February 2026, Israel and the United States began a series of strikes against Iran. Their goal was to induce regime change in the country and target its nuclear and ballistic missile programmes. Iran's Supreme Leader, Ali Khamenei, was killed in the strikes.

Iran appointed Khamenei's son as his successor and launched a series of counterstrikes against Israel, US military bases in the region, and military and civilian locations in Arab states. Among Iran's counter-actions was the closure of the Strait of Hormuz.



Iran blocked passage through the strait of Hormuz on 2 March 2026. Ship transits in early March fell from a February average of around 141 per day to as low as 3 to 6 per day. Oil and gas prices, tanker freight rates, marine fuel costs, and war-risk insurance premiums rose sharply.

The disruption left approximately 20,000 seafarers unable to leave the Arabian Gulf. Seafarers faced sustained security threats, fatigue, and severe psychological stress while remaining unable to rotate off ships due to the lack of replacement crews.

Merchant vessels in the Strait of Hormuz have been attacked, resulting in tragic fatalities and injuries to seafarers, as well as damage to vessels and cargo. The crisis has resulted in 38 confirmed attacks on ships and 11 seafarer deaths as of May 11, according to IMO figures.

There are also growing concerns surrounding the two vessels that were officially seized by Iran since the escalation began. The Panama-flagged MSC Francesca and the Liberia-flagged Epaminondas were reportedly taken to an undisclosed Iranian port after being detained.

A temporary ceasefire between the US and Iran was first announced on 16 April. The US President later agreed to extend the ceasefire until Iran submitted a proposal for talks.

However, the downing of a U.S. military helicopter on 8 June in the Strait of Hormuz reignited hostilities between the two countries. On 10 June, the US launched new attacks on Iran, with Tehran retaliating against American targets across the Middle East.

Three Indian seafarers lost their lives on 10 June following a U.S. airstrike on a Palau-flagged oil tanker off the coast of Oman. The attack was strongly condemned by the IMO and India.

Ultimately, on 14 June, it was announced that the US and Iran reached a tentative deal to end the conflict. Both sides declared "the immediate and permanent termination of military operations on all fronts, including in Lebanon". The deal will extend a ceasefire for another 60 days, during which the sides will negotiate details of a final agreement.



President Trump stated he had ordered the immediate removal of a US naval blockade of Iranian ports and added that the Strait of Hormuz would be opened when the initial agreement is signed.

Iran's foreign ministry stated that the country would charge maritime service fees on ships transiting the Strait of Hormuz, rather than imposing tolls. The move marks a new regulatory step affecting vessels passing through the strategic waterway.

The shipping industry welcomed the news however, major operational and security questions remain unresolved before commercial traffic can safely return to normal.

(Sources: House of Commons Library, UN Trade and Development (UNCTAD), IMO, Steamship mutual P&I Club, London P&I Club, BIMCO, Marine Insight, Seatrade Maritime, NBC News, Gulf News, MAERSK)

Piracy

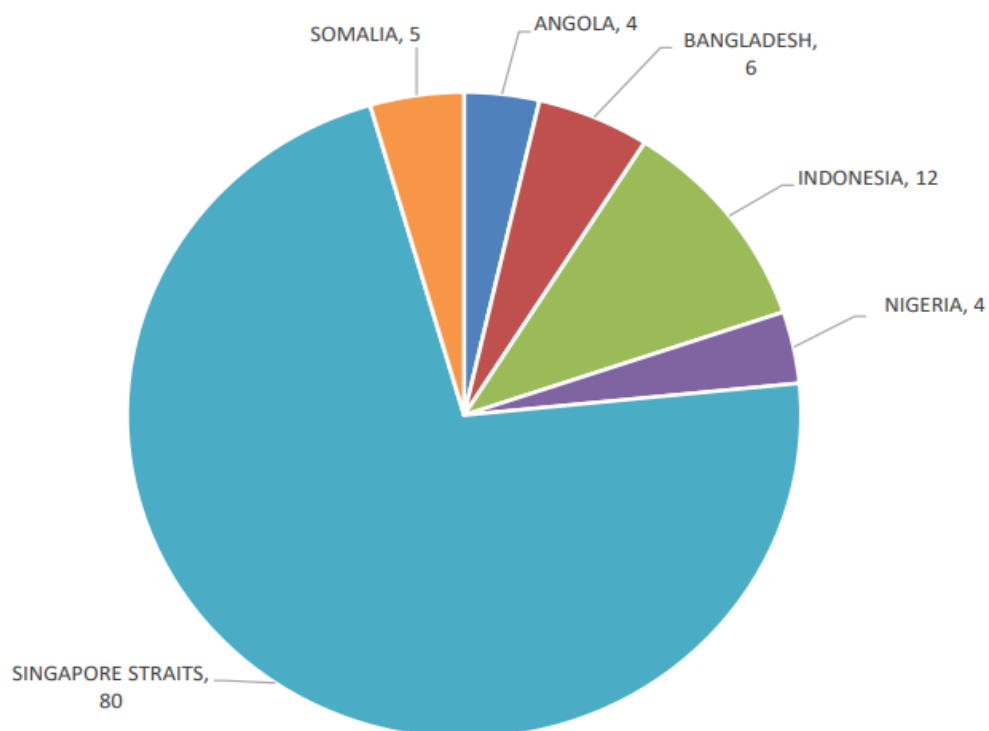


The first quarter of 2026 commenced on a positive note, with a sharp fall in global maritime piracy and armed robbery incidents. A total of sixteen incidents were recorded worldwide in Q1 2026, according to the International Chamber of Commerce's International Maritime Bureau (IMB), down from 45 in Q1 2025 and 33 in Q1 2024. This was the lowest Q1 figure recorded since 1991.

The incidents included fourteen vessels boarded, one hijacking, and one attempted attack. Two crew members were taken hostage, and one was injured. Weapons were reported in several incidents, with knives identified in seven cases and guns in two incidents during the reporting period. In most cases, perpetrators were able to access the vessel, with successful boardings recorded in 94% of incidents.

In contrast, the previous year saw an increase in global maritime incidents and piracy, although most cases were considered low-level. According to the IMB, 137 incidents against ships were recorded in 2025, compared to 116 in 2024, and 120 in 2023. A total of 121 vessels were boarded, four vessels were hijacked, and two fired upon during the previous year. Ten attempted attacks were also reported. While most recorded incidents in 2025 were categorised as low-level, violence against crew members continues, with 46 crew members taken hostage in 2025, compared to 126 in 2024 and 73 in 2023. Twenty-five crew members were reported kidnapped, compared to twelve in 2024 and fourteen in 2023. A further ten crew members were threatened, four injured, and three assaulted in 2025. The reported use of guns continues to rise. In 2025, guns were reported in 42 incidents, compared to 26 in 2024. Knives were reported in 33 incidents in 2025, compared to 39 incidents in 2024.

CHART A: The following six locations contributed 81% of the total 137 incidents reported in the period January – December 2025



Source: IMB

The highest number of reported incidents in 2025 was recorded in the Singapore Straits. Piracy off the Somali coast is still being contained by naval presence. The Gulf of Guinea also saw another year of restricted piracy activity.

West Africa

There was welcome relief in the Gulf of Guinea, with only one low-level theft reported at Takoradi anchorage in Ghana during Q1 2026. While the reduction in incidents is encouraging, IMB stresses the importance of continued vigilance and sustained cooperation to protect seafarers and safeguard trade.

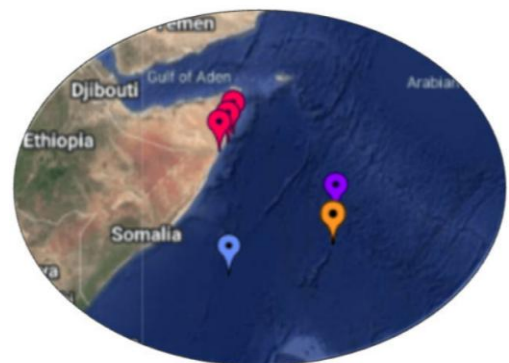
Piracy activity remained relatively restricted throughout 2025, thanks to the efforts of the Gulf of Guinea authorities. Twenty-one incidents were reported in 2025, compared with eighteen in 2024, and twenty-two in 2023. However, the region accounted for the kidnapping of twenty-three crew members in four separate incidents in 2025, along with three hostages and one injured crew member.



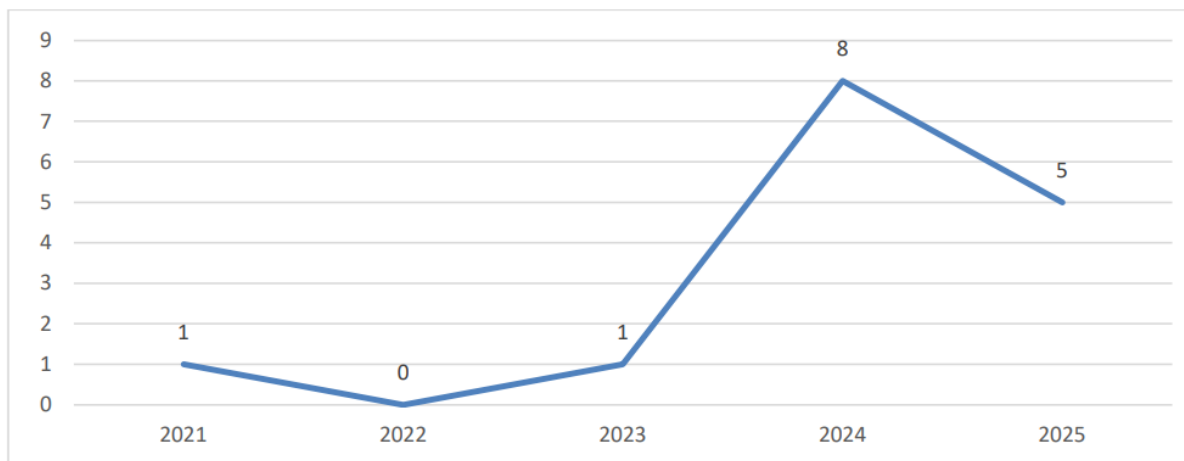
Source: IMB

East Africa

Although only five incidents were reported off the Somali coast in 2025, two incidents in November took place far from shore, showing that Somali pirate groups still have the ability to operate at range. In both cases, well-prepared crews, together with the swift response of naval forces, ensured the safety of the vessels and their crews.



Source: IMB

CHART M: East Africa – Waters off Somalia / Gulf of Aden – Total number of reported incidents

Source: IMB

In Q1 2026, two incidents were reported off Somalia: one attempted attack and one successful hijacking. The incidents highlight the ongoing importance of a sustained naval presence in these trade-critical waters.

The IMB continues to warn vessel owners and masters against complacency and urges strict adherence to the latest Best Management Practices (BMP) when transiting the area.

Asia

The Singapore Straits continued to account for the largest share of reported incidents globally, with eight incidents recorded in Q1 2026. While this remains the highest concentration worldwide, it marks a substantial drop from thirty-one incidents in the same period last year.

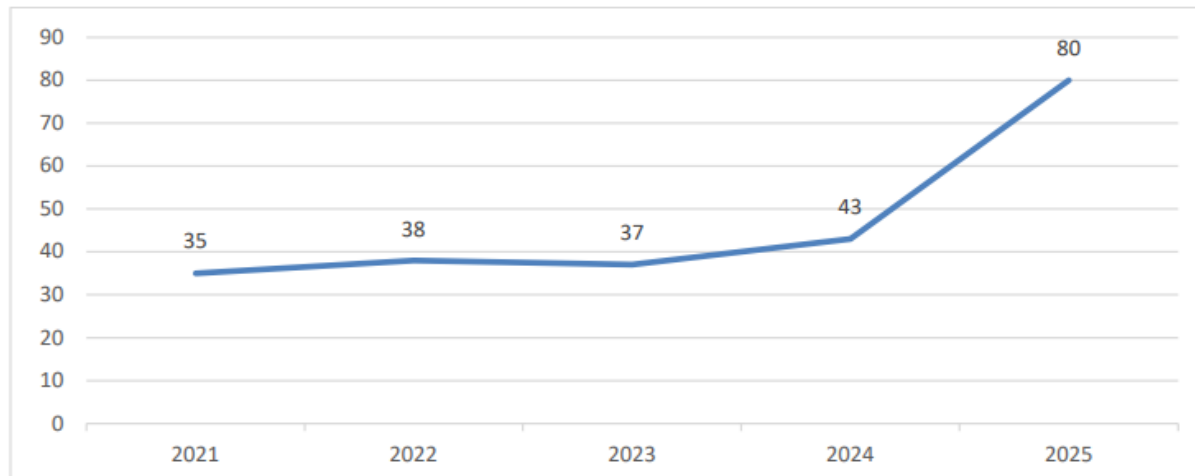
Most incidents in the Singapore Straits were considered low-level and opportunistic, though weapons were reported in six cases. In two separate incidents, one crew member was taken hostage and another was injured. All targeted vessels were successfully boarded, including two bulk carriers over 150,000 DWT.

In the Philippines, four incidents were reported in Q1 2026. Two occurred at Manila anchorage and two at Bauan anchorage in Batangas Bay. This marks an increase compared with no incidents reported during the same period in 2025. In these incidents, one crew member was taken hostage. The IMB continues to encourage close cooperation between regional authorities and the shipping industry to improve crew safety in these waters.

During the previous year, the Singapore Straits had recorded 80 incidents, compared to 43 in 2024. These incidents accounted for more than half (58%) of the globally reported incidents of 2025.

Trends within areas of continued concern

CHART K: SE Asia – Singapore Straits – Total number of reported incidents



Source: IMB

The incidents noted a disproportionate increase in the carriage of guns, with 27 reports in 2025, compared to eight in 2024. Additionally, fourteen crew members were taken hostage, eight threatened, three injured and one assaulted.



Source: IMB

The IMB reports a significant decline in the number of incidents in these waters in the second half of 2025, after the Indonesian Marine Police apprehended two gangs in July 2025.

Timely reporting is key to preventing further incidents and protecting other vessels in the area. The IMB urges all ships to report incidents promptly so that risks can be better understood, and effective measures taken to protect crews and vessels.

(Sources: International Chamber of Commerce - International Maritime Bureau).

Cyber Security



During the past year, maritime cyber security shifted from a largely guidance-led topic into an area of concrete compliance and inspection activity, especially in the United States.

The US Coast Guard's (USCG) cyber rule for the Marine Transportation System became effective in July 2025, requiring cyber-incident reporting to the US National Response Center. Additionally, the USCG stated its intention to intensify Port State Control scrutiny on cyber indicators affecting ISM Code compliance on foreign-flagged vessels which could lead to deficiencies, detention, denial of entry, or Captain of the Port action. In January 2026 cyber-training verification was embedded into the Coast Guard's routine inspections. A full cybersecurity plan submission will be required from July 2027.

At the IMO, the cyber security agenda was also advanced. MSC 110 in June 2025 called for a new non-mandatory cyber code.

Moreover, The IMO's Facilitation Committee (FAL) during FAL 50 in March 2026, approved draft amendments that would make cybersecurity mandatory for

maritime single windows, with adoption targeted for 2027 and expected entry into force on 1st January 2029. Therefore, IMO Member States will be required to use a single, centralized digital platform or "Maritime Single Window" to collect and exchange information with ships when they call at ports.

Additionally, in May 2026, IMO's Maritime Safety Committee (MSC) during MSC 111, introduced VHF Data Exchange Systems (VDES) into the regulatory framework as a more secure alternative to the current AIS tracking system, noting that authentication can reduce spoofing risk. The new regulations are expected to enter into force on 1st January 2028.

Recently, the threat picture has sharpened, including ransomware as well as persistent cyber-electromagnetic disruption to navigation, with frequent AIS interference in and around the Strait of Hormuz.



In December 2025, a malware was found aboard the Grandi Navi Veloci “*Fantastic*” passenger ferry in France. Investigations showed that the malicious software could have enabled remote access to onboard systems, and a crew member was detained on suspicion of acting on behalf of a foreign power.

Maritime cyber security company Cydome disclosed “Broadside” in December last year, an active Mirai-derived botnet exploiting devices used in the maritime logistics sector. Its analysis found not only Distributed Denial of Service (DDoS) capability, but also efforts to harvest credential files, suggesting that low-cost, poorly secured devices are now being used as footholds for lateral movement rather than merely as disposable bots.

Cyber vulnerabilities remain in the areas of remote access, poor Information Technology (IT) and Operational Technology (OT) segmentation, weak

credentials, limited logging, fragile third-party maintenance channels, and increasing dependence on connected systems.

As the cyber threat picture is growing, it is important to take proactive steps to ensure maritime companies are cyber resilient. Key steps towards achieving cyber resilience and compliance with the new US requirements include the designation of a cyber lead within a company, the completion and documentation of cyber training, testing incident-reporting routes to US National Reporting Centre where relevant and tightening remote-access governance.

(Sources: IMO, USCG, Cydome, US News)

Ship Recycling

A new era for ship recycling begun on 26th June 2025, with the entry into force of IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC).

The Hong Kong Convention requires all ships over 500 gross tons to maintain an Inventory of Hazardous Materials (IHM) and to be recycled only at authorised facilities meeting strict environmental and safety standards. Before a ship is dismantled, it must undergo a final survey and receive an International 'Ready for Recycling' Certificate. Without it, recycling cannot proceed.

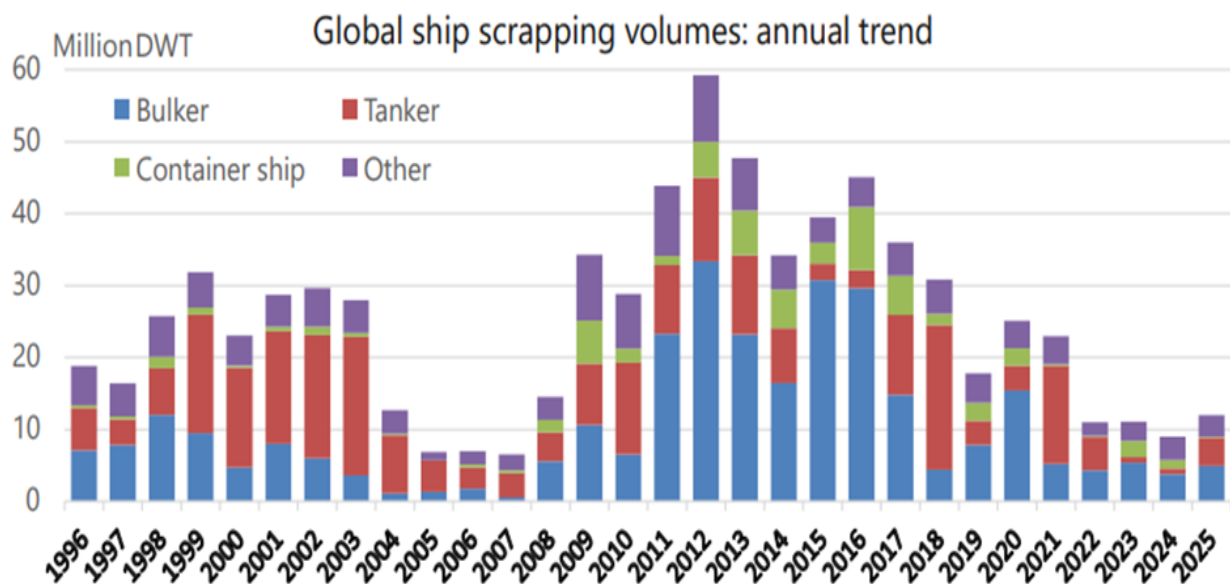


As the industry adjusts to this new framework, preparation is crucial. Shipowners should ensure IHMs are properly maintained, that ships are certified well before recycling and that sale contracts clearly allocate responsibility for compliance with the Hong Kong Convention. The cost of compliance is tangible, but the cost of non-compliance could be far greater including detentions, uninsured exposures and reputational damage in an increasingly sustainability-driven market.

With the Republic of Cyprus having ratified the HKC, with entry into force in February 2026, compliance with the convention is now a defined obligation for vessels flying the Cypriot flag.

The HKC has contributed to the improvement of global ship recycling standards by introducing inspection certification and enforcement as well as safer handling of hazardous materials and the regulation of ship recycling facilities.

Significant improvements were noted across South Asian shipyards, with a large number of yards obtaining HKC approval. Pakistan reached an important milestone securing its first HKC approval in January 2026, with Prime Green Recycling becoming the first certified yard in the country. March saw the second HKC approval granted to another Pakistani yard. Bangladesh was home to approximately 23 HKC compliant yards by the end of 2025. India remains the leader of South Asian ship recycling, with 115 approved recycling yards.



Source: NYK Research Group & Clarksons

Globally, ship recycling activity remained at low levels during the past few years, with market conditions constraining recycling volumes. In 2025, a total of 321 vessels were dismantled, with 214 of them recycled in the main three Asian recycling countries. Indian yards have largely completed compliance with the Hong Kong Convention, while Pakistan and Bangladesh are making progress at

a slower pace. How far the two countries can advance in certification over the coming years will be critical, with potential bottlenecks emerging around 2027 if they fail to make sufficient progress.

Ship recycling is now governed by IMO's comprehensive legislation, institutional oversight and continuous monitoring. However, there is an overlap with other frameworks such as the EU Ship Recycling Regulation (EU SSR) and the Basel Convention on Hazardous Waste, making the recycling landscape more legally and operationally complex.

Shipowners must navigate these overlapping regimes carefully or risk entanglement in multiple jurisdictions. To help navigate these issues, IMO's HKSRC.2/Circ.1 "*Provisional guidance on the implementation of the Hong Kong and Basel Conventions with respect to the transboundary movement of ships intended for recycling*" sets out further details.



With regard to the EU SRR, the regime moved towards a smoother coexistence with the HKC. In January 2026 the European Commission adopted two revised certificate formats so that the same form can be used for compliance with both the HKC and the EU SSR, reducing the administrative burden. The updated formats include the EU 'Ready for Recycling' certificate and IHM certificate.

EU SSR requires all large seagoing vessels sailing under an EU Member State flag to use approved recycling facilities from the European List.

February 2026 saw the publication of the European Commission's 15th edition of the European List of Ship Recycling Facilities. The updated list includes the first shipyard approved in Germany, located in Emden. Additionally, the list renews

the inclusion of four EU shipyards in Denmark, Estonia, Lithuania, Spain and another shipyard in Türkiye.

Three shipyards have been removed from the list. The Commission also found that one shipyard in Türkiye did not comply with the EU Ship Recycling Regulation, specifically regarding shoreline protection.

The updated European List contains 41 ship recycling facilities: 30 in Europe (EU, Norway and the UK), 10 in Türkiye and 1 in the United States. Several of these shipyards can recycle large vessels.

Overall, the EU-approved list remains overwhelmingly concentrated in OECD states. Its aggregate capacity is negligible relative to global end-of-life shipping volumes, and its cost structure is fundamentally misaligned with the industry. Labor costs in OECD recycling facilities are commonly twenty to one hundred times higher than in India and Bangladesh, indicating a significant efficiency gap. Currently, no high-income country can realistically compete with South Asia on either cost or capacity.



(Sources: IMO, EU, Government of India, ClassNK, UK P&I Club, Clarksons, NYK Research Group, TradeWinds, Maritime-Executive, Hellenic Shipping News)

Ship Building

Activity

The global orderbook continues to expand, reaching 7,208 vessels of 197.0m CGT at the start of May 2026, up 14% year on year to its highest level in tonnage terms in 17 years, according to Clarksons. Recent upward price movement was noted (+1% month-on-month), placing Clarksons newbuild price index 22% above the 10-year average.

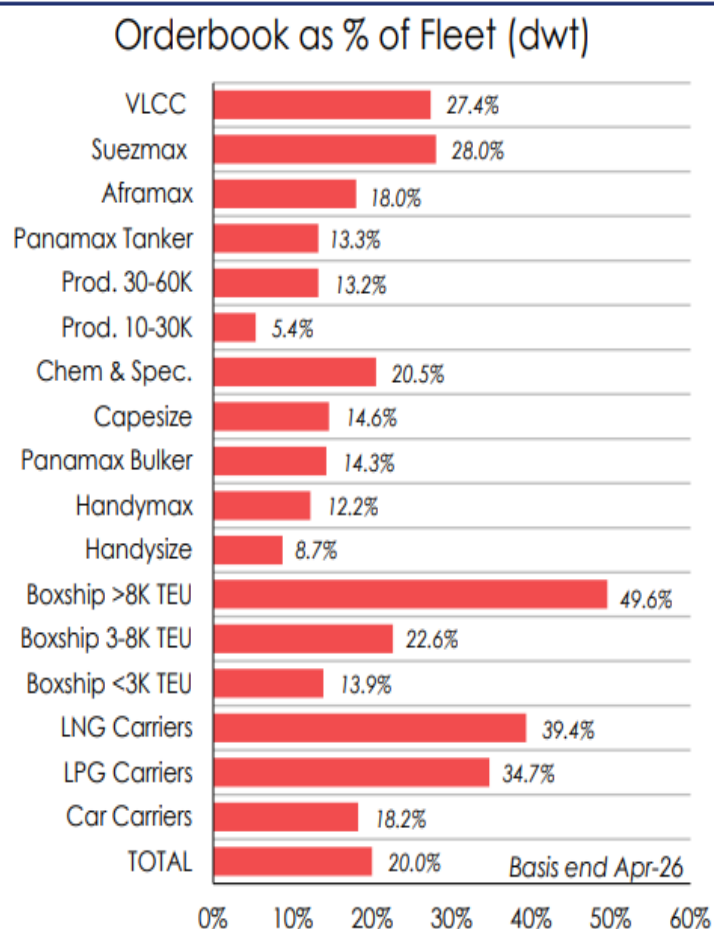
Newbuild activity has been strong in 2026, with 839 ships of 26.1m CGT and 81.4m Dwt ordered in the period January-April, according to Clarksons.

Crude tanker newbuild demand has supported overall order volumes this year, accounting for a significant 23% of orders in CGT terms. In the period January-April, 156 crude tankers of 39.2m Dwt were ordered as well as a record 98 VLCC units and 56 Suezmax vessels.

LNG carrier volumes were also firm in the period January-April 2026, with 39 units of 6.7m cbm ordered. Containership contracting remained robust, with 243 units of 1.4m TEU ordered.

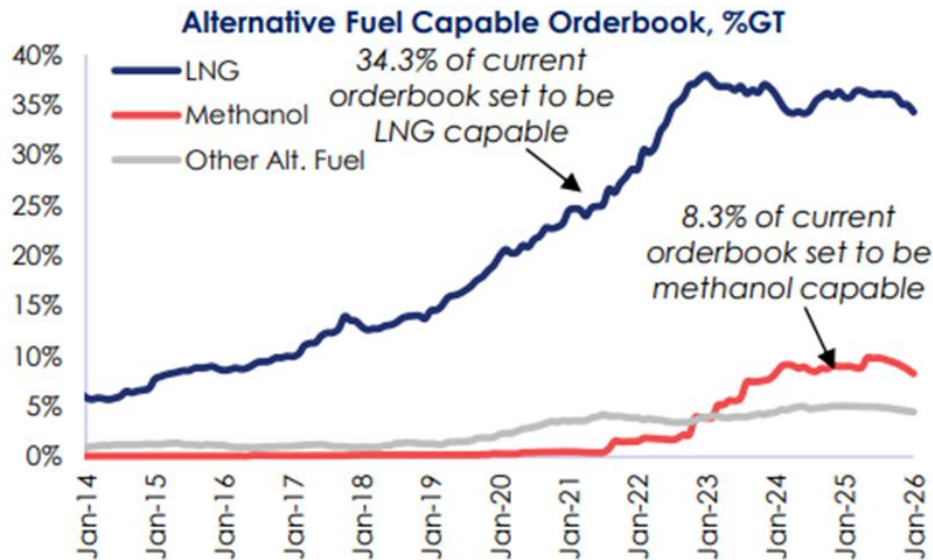
Alternative fuel-capable vessel orders slowed down in the first four months of 2026, compared to the previous year. Nevertheless, 44% of GT on order is set to be alternative fuel-capable, with 74% of the alternative fuel orderbook being LNG Dual Fuel.

Orderbook by Vessel Type



Source: Clarksons

Looking at the previous year, the orderbook reached its highest level in 2025 since 2010. A total of 2,402 ships of 110.6m GT were ordered in 2025, 43% above the 10-year average according to Clarksons. This included 499 orders for vessels capable of using alternative fuels.



Source: Clarkson's Research

The alternative fuel-capable orderbook stood at 156.5m GT in January 2026, accounting for 47% of GT on order.

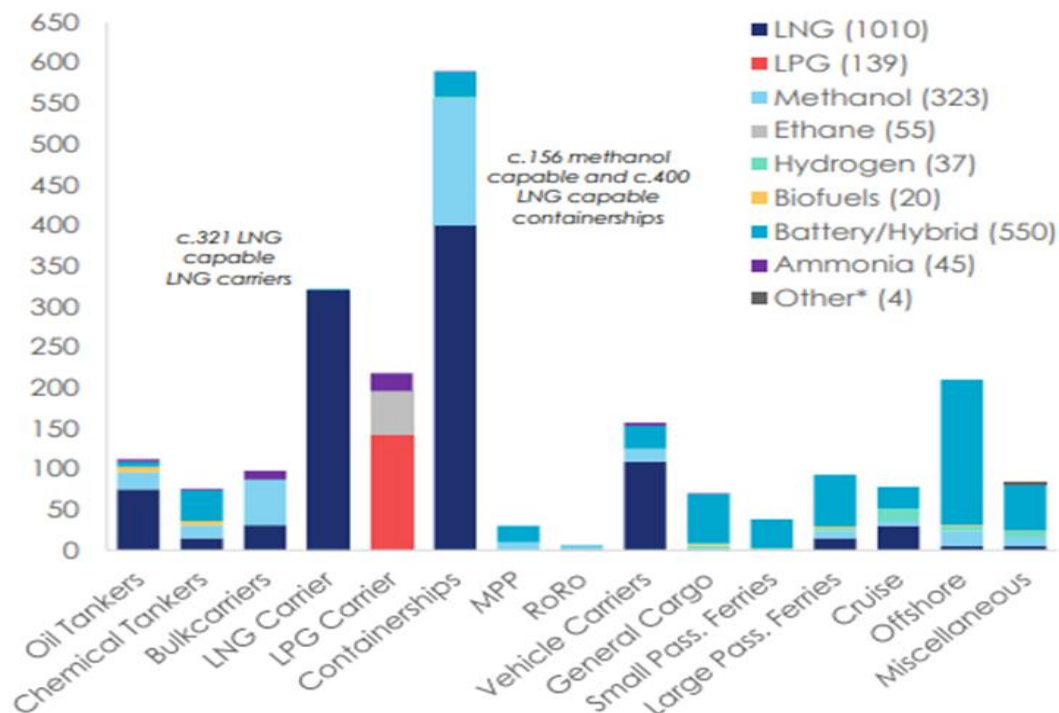
Containerships, which dominated ordering in 2025, continued to lead alternative fuel contracting, with 62% of containership capacity alternative fuel capable.

LNG is the alternative fuel of choice, accounting for 80% of alternative fuel tonnage ordered, amidst ongoing concerns around the availability and bunkering infrastructure of fuels such as green methanol and ammonia. Overall, Clarksons reported orders for vessels capable of using either LNG (256 orders, 195 excluding LNG carriers), methanol (66), ammonia (5), LPG (21) or hydrogen (9), with 171 battery-fitted vessels.

Amidst continued uncertainty around fuelling choices, some owners pursued 'fuel optionality'. About 20% of tonnage ordered across the year was alternative fuel-ready, accounting for 41% of the capacity contracted in bulkers, 32% in tankers and 13% in containerships.

Alternative Fuels Uptake by Sector as of 1 Jan. 2026

Orderbook (100+ GT) Set To Use Alt. Fuels (47% Of GT), No.



Source: Clarkson's Research

Clarksons forecasts that over 20% of fleet capacity will be alternative fuel-capable by 2030.

Investments in port infrastructure and the availability of “green” fuels continue to lag. LNG bunkering is available at 222 ports (62 planned) and shore power connections are available at 285 ports (79 planned). However, only 48 ports have methanol bunkering available or planned.

Yards

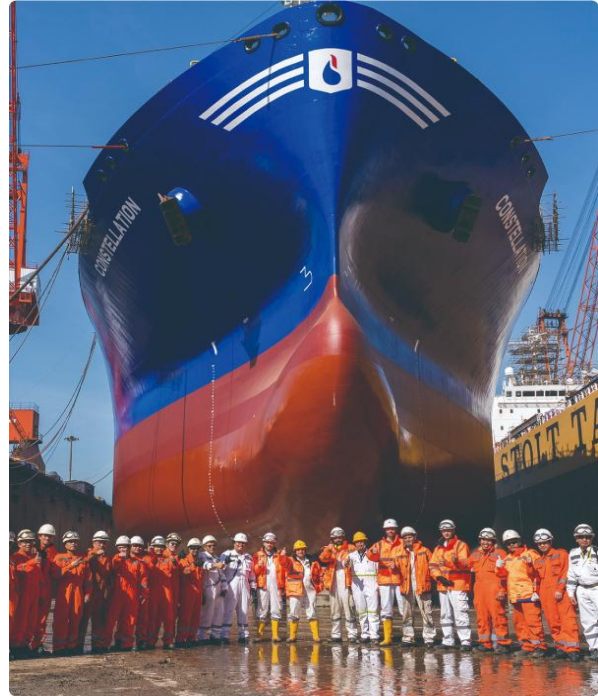
In 2025, Chinese yards held the majority share of the global orderbook accounting for 62% of total CGT, including majorities for boxships, bulkers and tankers. Korean yards held the second largest orderbook (20%) and a majority position in gas carriers. Japanese yards accounted for 7%.

More recently, China's orderbook reached a record 126.5m CGT at the beginning of May (64% of CGT on order), while Korean yards have 37.2m CGT on order (19%), with the majority position in the LNG carrier sector.

Global shipyard output is currently in an expansionary phase against the backdrop of a large delivery schedule and the ongoing build-out of shipbuilding capacity,

notably in China. Deliveries at Chinese yards totalled 8.5m CGT in the period January to April (56% of global output), while Korean yards delivered 4.0m CGT (26% of total) and Japanese yards 1.9m CGT (12%).

Korean yards, rather than competing directly with China on total output, concentrated on LNG carriers, LPG/ammonia carriers and VLGCs. These higher-margin segments drove strong financial performance. Korea's Shipbuilding-Shipping Strategy was released in April 2026, amid intensifying competition from Chinese yards and a greater strategic focus globally on the sectors. The strategy includes the formation of a 'Co-Prosperity Strategic Council' formed of yards, shipping companies, the government and academia, to action the government's 'WAVE Strategy', targeting technological development, deeper industry alliances, an expanded national fleet and domestic work streams as well as the development of an innovation 'ecosystem' within Korea.



In Japan, the yards have focused more on consolidation and decarbonization during the past twelve months. Imabari Shipbuilding increased its stake in Japan Marine United (JMU) to gain management control, creating one of the world's largest shipbuilding groups by tonnage. Japanese yards were particularly active in collaborative projects involving ammonia-fuelled ships, liquefied CO₂ carriers and alternative-fuel vessel designs. Major shipping companies and builders formed industry partnerships to standardize next-generation vessel designs. While Japan no longer competes with China on volume, its yards continue to maintain strong positions in selected commercial sectors through quality, engineering expertise, and long-standing owner relationships.

As regards China, major shipping companies continued placing orders despite growing US scrutiny. In 2025 China continued to dominate the container ship construction sector, while expanding its production of dual-fuel and LNG-capable vessels. A number of Chinese yards also support naval expansion programs. China has continued its rapid naval modernization during the previous year, including trials of advanced amphibious assault ships and the expansion of large warship programs, reinforcing concerns about the country's maritime-industrial capacity.



Looking at Europe, March 2026 saw the adoption of the EU Industrial Maritime Strategy (EIMS) and Ports Strategy to drive competitiveness, sustainability, decarbonisation, security and resilience within the EU's wider waterborne sector.

Specifically, the EU Industrial Maritime Strategy aims to strengthen Europe's maritime leadership by a number of actions including launching an EU Industrial Maritime Value Chains Alliance, focusing at advancing high-tech shipbuilding, offshore wind support vessels, underwater drones, and cutting-edge port equipment. A “*Shipyards of the Future*” R&I flagship call, under Horizon Europe, will also support the testing of innovative solutions in real-world shipyard environments, with the goal of scaling successful technologies across Europe. The EU approved conclusions on the strategy on 8th June, underlining its importance.

(Sources: EU, Clarksons, TradeWinds, Reuters, Hellenic Shipping News, Cyprus Shipping News, Marine Link, AP News, Mitsubishi Heavy Industries, NYK Line)

Panama Canal

The Panama Canal is an artificial waterway in Panama that connects the Atlantic Ocean with the Pacific Ocean. It cuts across the Isthmus of Panama and is a key conduit for international maritime trade.

The Panama Canal entered the 2025–2026 period at a critical juncture, shaped by climate variability, global trade realignments, and strategic investments aimed at safeguarding its long-term competitiveness. Following the severe drought conditions of 2023–2024, water availability continues to be the defining operational constraint shaping transit slots, draft limits, and scheduling reliability.



In August 2025, the Panama Canal marked 111 years of operations, renewing its commitment to a sustainable future through a water strategy focused on public well-being and an operational vision that enhances the country’s logistical competitiveness.

The Panama Canal Authority (ACP) advised that daily transits of commercial vessels through the Panama Canal would remain below its capacity in 2026 due to the tariff-linked frontloading of US imports and the softer demand the duties will cause on the East and Gulf coasts.

The Panama Canal has the capacity to handle 36 daily transits, but AC Administrator told in a media briefing that the daily average is projected to land at only 33 in 2026, still below levels seen before Panama's 2023–24 drought.

The canal saw an average of 32.5 daily transits in August 2025, up from an average of 30.9 in 2024. It last hit its capacity of 36 daily transits on average in 2022. In both 2023 and 2024, low water levels drove the PCA to limit daily passages through the canal, including a low of 25 in November 2023.

During fiscal year 2025 (FY2025), the Panama Canal registered a total of 13,404 transits, reflecting a 19.3% increase compared to the same period in 2024 when 11,240 transits were recorded. Of this total, 3,342 transits were NeoPanamax vessels, while 10,062 were Panamax vessels.

The effective closure of the Strait of Hormuz is placing an increasing strain on the Panama Canal. Crude cargoes do not typically flow from the Atlantic basin to Asia via the Panamax locks, nor do refined products on medium-range product tankers. They now do so, as the Hormuz crisis forces Asian buyers to find replacements for their traditional Middle East Gulf supply.

The Hormuz crisis is also fuelling demand for propane and butane exports out of the US Gulf transported by very large gas carriers to Asia via the NeoPanamax locks. Business is booming at the Panama Canal courtesy of the Hormuz crisis.

Operational performance has been particularly strong in recent months, the Panama Canal Authority (ACP) said in a statement to Lloyd's List. Daily transits averaged 37 in March, with peak days exceeding 40.



In terms of tonnage, the canal handled a total of 489.1 million tons which represents a 15.6% increase compared to Fiscal Year (FY)2024, when 423.1

million tons were registered. Of that volume, 253.6 million tons corresponded to NeoPanamax vessels, while 235.5 million tons corresponded to Panamax vessels which reaffirms the importance of both routes in the global connectivity that Panama provides.

Among the main drivers of growth were the container and liquefied petroleum gas (LPG) segments, which showed favourable performance throughout the year. Meanwhile, the bulk carrier segment continued its recovery process. The liquefied natural gas (LNG) segment posted results below expectations, mainly due to international freight market costs.

Total cargo weight in the latest fiscal year was essentially flat — up just 1% — versus where it was eight years ago and was 17% below the peak seen in FY22 during the pandemic boom.



The Panama Canal's fiscal year 2026 budget, approved in August, forecasted a 400-million-ton reduction in transits compared with the 2025 fiscal year.

The President of the Republic, accompanied by the Minister for Canal Affairs and the Administrator of the Panama Canal, announced the launch of the development process for a gas pipeline that would form part of a new energy corridor along the interoceanic route. The planned infrastructure includes a 76-km pipeline with a transfer capacity of up to 2.5m barrels per day, supported by terminals on the Atlantic and Pacific sides.

The pipeline is part of the Panama Canal Authority's (ACP) revenue diversification strategy, which seeks to expand its range of services, increase

cargo movement capacity without additional water consumption, and reinforce Panama's role as a strategic hub for global trade.



As part of this strategy, the ACP also plans to develop an intermodal logistics hub that will include container transshipment terminals, storage facilities, and a roadway connecting the Centennial Bridge to the Atlantic Bridge along the western bank of the Canal.

The ACP has announced plans to invest approximately US\$2.6 billion by 2029 in the development of two new port terminals to expand capacity and maintain competitiveness amid the uncertainty surrounding the future of Hong Kong-based Hutchison Holdings' port operations in Panama.

The first projects under this initiative are the construction of two container transshipment ports—one in Corozal and another in Telfers—both located on the eastern bank of the Canal.

The two new terminals, Corozal on the Pacific side and Telfers on the Atlantic, will increase Panama's container-handling capacity from 9.5 million TEUs to 15 million TEUs annually.

The ACP plans to award construction and concession contracts before the end of 2026, with both ports scheduled to begin operations in 2029.



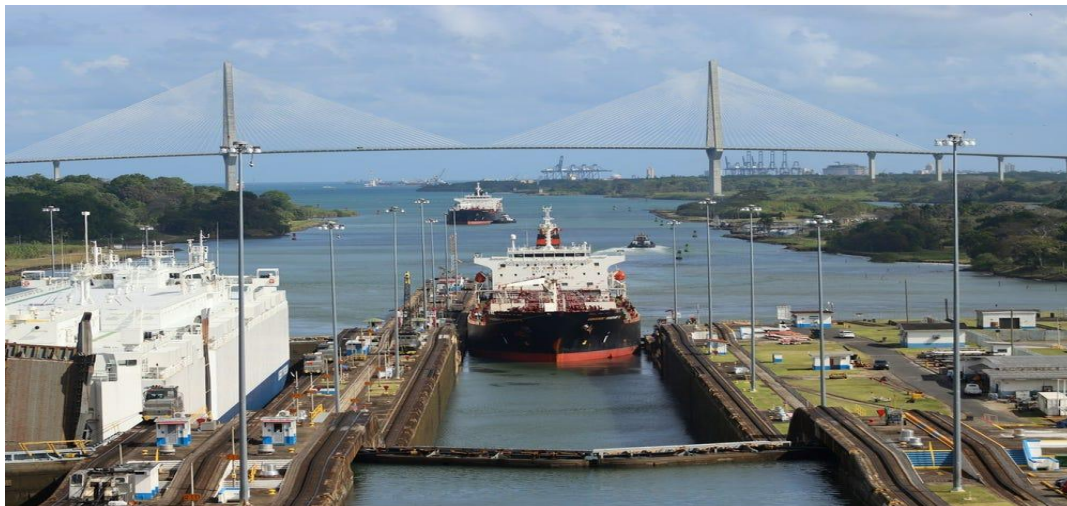
Moreover, the Panama Canal Authority implemented a new category within its transit reservation system, the NetZero Slot, designed to propel maritime decarbonization and support the canal's commitment to achieving net-zero

emissions by 2050. In this initial phase, vessels must be registered as ‘dual fuel’ to enter.

The Panama Canal is also planning to build new container ship terminals at either end of the vital waterway.

The ACP said it has launched a consultation process with shipping industry representatives to find potential partners for the project. The final phase of the selection is expected to conclude during the fourth quarter of 2026. With this development, the Panama Canal wants to boost container transshipment capacity by 5 million TEU per year.

The Panama Canal Authority modifies its toll structure every few years. The existing tariff structure is expected to remain in place until at least September 2026, when the next regular consultation on toll rates will begin.



Other significant 2026 budget items include investments in the Río Indio Lake project, which aims to address low water concerns through the damming of a Panamanian river.

That project, which is expected to cost up to \$1.6 billion, will take about four years to complete and is set to begin in 2027. In the meantime, the Panama Canal Administrator said the canal is better positioned to handle low water levels than it was in the past.

In light of the potential threat of an El Niño event in the second half of 2026, the Panama Canal began implementing water-saving measures at the locks in late 2025 and took advantage of the relatively dry season in 2026, which was among the wettest on record since 1950, to strengthen water reserves in the Gatún and Alhajuela Lakes.



The Panama Canal updates lake-level projections every week, evaluating possible water-deficit scenarios for May and June 2026, while also maintaining 38 daily transits. Current data does not forecast the need for transit restrictions until 31st December 2026.

(Sources: Panama Canal Authority, Lloyd's List, Reuters, SP Global, Marine Link, OffShore Energy)

Suez Canal



The Suez Canal is an artificial sea-level waterway in Egypt, connecting the Mediterranean Sea to the Red Sea through the Isthmus of Suez and dividing Africa and Asia (and by extension, the Sinai Peninsula from the rest of Egypt).

The 193.30 km long (120.11 mi) canal is a key trade route between Europe and Asia. It has the capacity to accommodate some of the largest vessels in the world.

The Suez Canal experienced severe disruption in 2024 and early 2025 due to attacks on commercial shipping in the Red Sea and the Bab al-Mandeb Strait, primarily by Yemen's Houthi militia. This led many major shipping companies to reroute around the Cape of Good Hope.

Although the threat level has declined, the return to normal is still ongoing. Shipping companies remain cautious due to lingering regional tensions and operational risk premiums.

Recent figures from the Suez Canal Authority (SCA) show improvements: 5.8% more vessels, 16% higher tonnage, and an 18.5% increase in revenue in the first half of the 2025/2026 fiscal year compared to the year before.

In early October 2025, Admiral Ossama Rabiee, Chairman of the SCA, and the Chairman of the South Red Sea Shipyard, attended the launch of two new tugboats. The vessels were built by the Misr Tugboats Factory in Safaga as part of its main production line, which includes the construction of ten additional tugboats for the Suez Canal Authority.

This came after less than three months since the delivery of the tugboats AZM 1 and AZM 2 that were launched in April 2025 and were delivered on the ceremony celebrating the anniversary of the Canal's nationalization late in July 2025.

The two new tugboats are of identical dimensions: 32m. in length, with a beam of 13.5m. and a draft of 6m. Their maximum speed reaches 12 knots, and they are of 90 tons bollard-pull capacity each.

In December 2025, Lloyd's List announced naming Adm. Ossama Rabiee, Chairman and Managing Director of the Suez Canal Authority, amongst the list of the one hundred most influential figures in the global maritime transport sector.



The choice of the SCA's Chairman for the seventy-fifth place amongst the list for the maritime transport sector comes as an acknowledgement of His Excellency's efforts in launching an extensive marketing campaign to attract shipping lines to return to navigating through the Red Sea once more, and working to regain the confidence in one of the world's most important global trade arteries.

A new hazardous waste service has been unveiled by the Suez Canal Authority as part of the Green Canal 2030 scheme. The project has formally received the green light from Egypt President Abdel Fattah El-Sisi and operations were scheduled to begin on 15th April.



Last year, a Greek/Egyptian joint venture launched waste collection services for vessels transiting the canal. Services to manage ship-generated hazardous waste streams will be in full compliance with the MARPOL convention for preventing ship pollution.

Moreover, Egypt will deliver end-to-end services including collection, transport, treatment and final disposal of hazardous ship waste. The move is seen as heralding one of the first fully integrated hazardous waste management solutions implemented at scale in a key international shipping corridor.

The Managing Director of the Suez Canal Authority, announced in March, that traffic through the Canal is flowing normally in both directions, transiting 56 vessels in both directions at a total gross tonnage of 2.6 million tons.

Furthermore, Adm. Ossama Rabiee, announced the commencement of the maiden voyage of the integrated petroleum supply and services of one vessel in preparation for joining the Authority's fleet of maritime units.

The vessel successfully completed both sea trials and quay trials at the Chinese shipyard, in the presence of representatives of the Shipbuilding Company and the American Bureau of Shipping (ABS) and is now underway for delivery and commissioning, upon its arrival in early June.



Admiral Osama Rabiee, in a meeting with Mr Thomas A. Kazakos, Secretary General of the International Chamber of Shipping (ICS), discussed ways to enhance mutual cooperation in light of current geopolitical challenges and their adverse impact on the sustainability of global supply chains.

Furthermore, Admiral Rabiee stressed that despite various challenges and consecutive crises, the Suez Canal continues to provide its navigational and maritime services around the clock without interruption. The Canal Authority has also worked on developing and introducing new maritime services, such as maritime ambulance and salvage services, as well as crew change operations and waste disposal for transiting vessels.

The Secretary General of ICS affirmed that the Suez Canal remains the prime maritime route for trade between the East and West compared to other shipping routes. He expressed confidence in the full return of major shipping lines to the Suez Canal once regional stability is restored, given that the Canal is the fastest, shortest, safest, and most sustainable waterway.

On the sidelines of the meeting, Admiral Osama Rabiee witnessed the signing of a Memorandum of Understanding (MoU) to sustain joint cooperation between the Suez Canal Authority and the International Chamber of Shipping.



The terms of the cooperation include activating communication between the two parties, facilitating the exchange of information and expertise, marketing the maritime and logistical services provided by SCA to its clients, monitoring updates related to waterway development projects, reviewing the marketing and pricing policies adopted by SCA, in addition to enhancing maritime security and adhering to international environmental standards to reduce carbon emissions.

Traffic through the Suez Canal has shown signs of recovery recently. Data released early June indicated that vessel transits in April 2026 were up about 14% year-over-year, continuing a gradual rebound after disruptions caused by Red Sea security concerns.

Despite the recovery, shipping remains vulnerable to regional tensions. Houthi leaders in Yemen have recently renewed threats against shipping routes in and around the Red Sea and the Bab el-Mandeb Strait, a key gateway to the canal. Canal officials report more vessels returning compared with the lows seen during the height of the Red Sea crisis.

(Sources: Suez Canal Authority, Lloyd's List, Egypt Today, Reuters)

Sanctions Against Russia



In July 2025, the EU Council adopted the 18th package of economic and individual restrictive measures hitting hard on Russia's energy, banking and military sectors, as well as trade with the EU, and ensuring accountability for Russia's continued war of aggression against Ukraine. Furthermore, the Council complemented the package by agreeing further measures in Belarus.

The 18th package includes economic and individual measures with a view to increasing pressure on Russia, and to achieving a fair and lasting peace for Ukraine.

Furthermore, in October 2025, the European Commission welcomed the adoption by EU Member States of the 19th package of sanctions against Russia. The new package of sanctions substantially increased the pressure on the Russian war economy, targeting key sectors such as energy, finance, the military industrial base, special economic zones, as well as enablers and profiteers of its war of aggression.

A total ban on Russian liquefied natural gas (LNG) and a further clamp-down on the shadow fleet, represent the strongest sanctions yet on Russia's crucial energy sector. Strong measures also target financial services and infrastructure (including crypto for the first time), as well as trade. The measures also target the services sector and strengthen anti-circumvention tools. With this package, the number of listed vessels in Russia's shadow fleet reached a total of 557.

As highlighted by the President of the European Commission, as important peace talks took place in Abu Dhabi, it was clear that Russia will engage genuinely only under pressure. For this reason, on 6th February the Commission put forward a new package of sanctions, the 20th since the start of Russia's war of aggression against Ukraine, focusing again on energy, financial services, and trade.

The 20th package was finally adopted on 23rd April 2026 after Slovakia and Hungary withdrew their opposition following the repair of the Druzhba pipeline being completed by Ukraine, thereby clearing the way for the adoption of the decision.

On energy, a full maritime services ban for Russian crude oil is being introduced. This measure will further slash Russia's energy revenues and make it more difficult to find buyers for its oil. As shipping is a global business, the full ban is proposed to be enacted in co-ordination with like-minded partners following a decision by the G7 nations.

The 20th package also introduces mandatory due diligence checks for the sale of tankers, thereby making it more difficult for Russia to expand its shadow fleet, and bans the provision of maintenance and other services for Russian liquefied natural gas (LNG) tankers and icebreakers. Furthermore, as of January 2027, it will be illegal to provide LNG terminal services to Russian entities or entities owned or controlled by Russian nationals or operators.

Targeting the Russian shadow fleet has been identified as a crucial chokepoint to further limit any revenues which Russia generates from seaborne oil exports, and to impede its ability to finance the war of aggression against Ukraine. An additional forty-six vessels are being listed as part of the shadow fleet, bringing the total to 632.

Lastly, the package bans transactions with two Russian ports – Murmansk and Tuapse – and with the oil terminal at the port of Karimun in Indonesia, all of which are being used to circumvent the oil price cap.

With this decision, the EU shows its commitment to adopting new measures to step up pressure on Russia, in particular during the ongoing negotiation process of a peace agreement.

Furthermore, EU diplomats are preparing a 21st sanctions package which is expected to be announced in late June or early July 2026.

Separately, the UK government has targeted 175 companies that are linked to the 2Rivers oil network — one of the largest shadow fleet operators globally and a major trader of Russian crude oil.



The sanctions, announced in February 2026 to coincide with the four-year anniversary of Russia's full-scale invasion of Ukraine, form the largest raft of UK measures since the early months of the invasion.

In total, nearly 300 new sanctions were announced as part of the package which targets critical Russian energy revenues by hitting companies including Transneft PJSC, a major pipeline operator responsible for transporting over 80% of Russian oil exports. The list also includes new designations for 48 oil tankers.

In addition, the UK has also targeted Russia's liquefied natural gas industry. The designations, which included two ships and several traders, added Gazprom and Novatek's medium-tonnage LNG projects in the Baltic Sea.

Furthermore, the US has issued a temporary sanctions waiver on Russian seaborne crude and petroleum products in an effort to limit the economic fallout from the ongoing US-Israel conflict with Iran.

The US Treasury Department issued a licence in March, to give authorisation for the transaction of crude oil and petroleum products of Russian origin that were loaded on to vessels on or before the day of announcement. The waiver was valid for 30 days through to 11th April 2026.

The sale, delivery or offloading of those cargoes will now no longer be part of sanctions put in place after Russia started its war with Ukraine.

Later that month, US President Donald Trump signalled that the United States would ease certain oil-related sanctions on some oil-producing countries, including temporary relief affecting some Russian oil shipments, with the stated aim of increasing global supply and stabilising energy prices.



In April, the US Treasury's Office of Foreign Assets Control (OFAC) issued General License 134B (GL 134B) on Russian oil products. This licence authorises certain limited transactions involving crude oil and petroleum products of Russian Federation origin.

OFAC stated that authorised transactions include a range of ancillary activities ordinarily incident and necessary to the completion of authorised voyages. These include safe docking and anchoring, preservation of crew health and safety, emergency repairs or environmental mitigation, as well as vessel management, crewing, bunkering, piloting, registration, flagging, insurance, classification, and salvage services.

Furthermore, OFAC describes GL 134B as a temporary measure intended to allow for the orderly completion of existing shipments that were already loaded prior to the specified cut-off date. It does not create a general authorisation for new Russian oil exports.

On 18th May, OFAC issued General License 134C, replacing the previous General License 134B, which expired on 16th May.

Under the updated waiver, transactions ordinarily incident and necessary to the delivery, sale or offloading of Russian crude oil and petroleum products loaded onto vessels on or before 17th April are authorized until 17th June 2026.

The authorization also applies to vessels blocked under existing Russia-related sanctions programs and includes services tied to vessel operations and cargo handling, including docking, anchoring, bunkering, insurance, classification, salvage and emergency repairs.

Importantly, the licence does not constitute a general relaxation of sanctions on Russian oil. Instead, it provides a limited, time-bound exemption for cargoes loaded before the specified cut-off date, allowing their delivery, sale, or offloading to proceed without contravening existing sanctions restrictions.

The move comes as global oil markets continue facing supply pressures tied to Middle East conflict, disruptions involving the Strait of Hormuz and broader volatility across global shipping and crude export flows.

(Sources: Office of Foreign Assets Control (OFAC), Reuters, Times, Politico, European Commission, Lloyd's List, Economist Intelligence, Offshore Energy, UK Parliament, World Oil)

US Sanctions Against Venezuela



The United States has been the most active imposer of sanctions on Venezuela, using a series of Executive Orders, Treasury designations, and other measures — especially since the mid-2010s — aimed at pressuring the government of Nicolás Maduro over alleged human rights abuses, corruption, undermining democracy, and ties to criminal networks.

On 24th November 2025, the US designated the Venezuelan network known as the Cartel de los Soles as a Foreign Terrorist Organization, characterising the loosely structured group of senior military, intelligence and political figures as engaged in terrorism and narcotics trafficking activities that threaten US national security.

The designation triggered an asset freeze over any US-linked property, prohibits entry into the United States, bars US persons from dealings with the group, and exposes any actor providing material support to potential criminal liability.

The move followed long-standing US allegations that Nicolás Maduro and senior officials had used narcotics trafficking to consolidate power and destabilise the region, while Venezuela rejected the network's existence and calls the designation politically motivated.

The US Office of Foreign Assets Control (OFAC) selectively authorised limited activity, primarily in the oil sector, through multiple general licenses for eligible US entities and individual licenses for others.

General License 46A (GL46A) was issued last February, setting out a range of strict conditions, reporting requirements and payment controls.

Transactions authorised by GL46A include the provision of shipping and logistics services, chartering vessels, obtaining marine insurance and P&I cover, arranging port and terminal services, and commercially reasonable payments in the form of swaps of crude oil, diluents/dilutants, or refined petroleum products.



European Union sanctions were also in force but were more limited in scope. These measures ban travel and freeze the assets of 18 individuals closely connected with the Maduro regime and set down an embargo on arms and equipment for internal repression.

Canada and the UK maintain similar sanctions enforcing restrictive measures on individuals, assets and travel. The European Union extended its sanctions by one year (until 10th January 2026) and broadened listing criteria to include additional senior government officials.

On 3rd January 2026, a US military operation captured former President Nicolás Maduro, leading to intensified sanctions enforcement, including preventing Venezuela from using state funds to pay his legal defence amid drug-trafficking charges. He was transferred to the United States to face narco-terrorism and drug-trafficking charges in Federal court.

After his capture, US sanctions remained in force, including controls over Venezuelan state assets (many of which were already frozen under the Venezuela sanctions regime).

Delcy Rodríguez became interim president after Venezuela's Supreme Tribunal recognized her as acting head of state. The military leadership reportedly backed her government.

Relations with the United States shifted dramatically. Diplomatic ties resumed, sanctions were partially eased, and US companies began re-entering Venezuela's oil and mining sectors. Oil exports reportedly increased sharply in early 2026.



In February, the United States of America eased sanctions on Venezuela's energy sector, issuing two general licenses that allow global energy companies to operate oil and gas projects in the OPEC member, and for other companies to negotiate contracts to bring in fresh investments.

The move was the most significant relaxation of sanctions on Venezuela since US forces captured and removed President Nicolas Maduro.

New US licenses issued in 2026 authorize broader activity involving Venezuelan oil, petrochemicals, minerals, and some banking transactions.

Venezuela's oil exports reached about 1.25 million barrels per day in May, the third consecutive monthly increase. Shipments to the US, India, and Europe rose substantially, reflecting the effects of sanctions relief and renewed foreign participation in the energy sector.

The EU did not fully endorse the US intervention and EU leaders emphasized that democracy in Venezuela must be restored through a Venezuelan-led process and in accordance with international law.



Furthermore, the EU's foreign policy chief announced plans to propose lifting sanctions on Delcy Rodríguez, if conditions are met, indicating potential adjustments in the EU sanctions regime. The European Union had extended broader sanctions until at least January 2027.

The EU's approach differs from the United States in one major way, it generally prefers gradual diplomatic and targeted economic pressure rather than broad economic isolation or direct military involvement.

Despite the sanctions relief and business friendly reforms, many international investors remain cautious due to concerns about legal protections, infrastructure, corruption risks, and unresolved expropriation disputes.

(Sources: US Congress, Lloyd's List, UK P&I Club, Reuters, Business Today, Politico)

US Sanctions and War against Iran



In early February 2026, the US State Department announced fresh sanctions on Iran just hours after talks between Washington and Tehran, which were held in Oman.

The sanctions were placed on vessels involved in oil and Liquefied Petroleum Gas (LPG) trades in January 2026, designating four LPG carriers and five tankers along with their affiliated registered owners or management firms.

US President Donald Trump threatened military action against the Iranian regime amid the violent repression, but later scaled back his initial threats, saying he was assured a planned mass execution of jailed protesters was cancelled.

Nevertheless, the United States was reinforcing its military presence in the Middle East, with Trump telling reporters that a large naval force was being deployed toward Iran. He added that although he hoped conflict could be avoided, numerous American warships were being sent to the region as a precaution.

In addition, the US sanctioned fifteen entities that had traded in Iranian-origin crude oil, petroleum products, or petrochemical products, as well as two associated individuals.

On 28th February, the United States and Israel attacked Iran, killing the country's Supreme Leader, Ayatollah Ali Khamenei, in an astonishing joint military operation.

President Donald Trump green-lit the strikes after the Islamist regime in Tehran failed to meet his expectations in nuclear negotiations. Iran quickly retaliated, firing missiles across the region, where the US had numerous troops in an array of military bases.

Even while Iran was being bombed, it tried to strengthen its negotiating position by attacking nearby countries' oil, gas, and economic facilities, hoping this would pressure other governments to push for diplomacy and a ceasefire.

The Strait of Hormuz, between Iran and Oman, is the most important energy shipping chokepoint in the world, with shipments from Iran, Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates (UAE) passing through it.



About 20% of the world's oil supply and LNG supply pass through the Strait. There is limited capacity to circumvent the Strait; Saudi Arabia and the UAE have excess pipeline capacity of about 2.6 million barrels per day (mbd) that they can use divert oil around the Strait in a disruption, compared to around 20 mbd that normally flows through it. LNG has no circumvention option.

Blocking the Strait proved to be very difficult for Iran militarily, but tanker operators and their insurers curtailed operations there out of concern, having a significant effect on markets.

In March, International Maritime Organization Secretary General Arsenio Dominguez hosted an extraordinary session of the UN agency to discuss the deteriorating maritime security situation in the Middle East.

Since the beginning of the conflict on 28th February, the IMO has confirmed 21 attacks on commercial shipping, resulting in the deaths of 10 seafarers with several more severely injured. Around 20,000 civilian seafarers remain aboard vessels in the Persian Gulf, facing dwindling supplies, fatigue and severe psychological stress.

In the week 16th to 22nd March, 97% of all transits were made by Iran-linked vessels. That week was the busiest through the Strait since the US and Israel first attacked Iran, with an estimated 48 cargo-carrying vessels above 48,000 dwt making the voyage.

Over 20% of ships reportedly had little visible connection to Iran, yet they still used the unusual Larak Island detour. Larak Island sits near the eastern entrance to the Strait of Hormuz. The claim was that ships were intentionally routing close to Larak Island because the Islamic Revolutionary Guard Corps (IRGC) may be operating an informal checkpoint system there.

As a result, many of those bulk carriers faced long waits outside the Strait before receiving clearance to proceed; some shadow fleet tankers reassessed their Iran calls and sought employment elsewhere.



On 15th April, the US Treasury Department announced further sanctions action by the Office of Foreign Assets Control (OFAC), targeting networks involved in the transportation, sale, and financial facilitation of Iranian-origin oil.

OFAC designated more than two dozen individuals, companies, and vessels identified as operating within an international oil shipping and trading network linked to Iranian regime-connected commercial interests.

The US Treasury Department stated that the action targets entities and vessels alleged to be active at multiple stages of the oil supply chain, including vessel ownership and management, shipping operations, and trading arrangements.



The announcement placed the action within the framework of National Security Presidential Memorandum-2 (NSPM-2), which directs US authorities to apply sustained economic pressure on Iran by limiting access to international markets and revenue streams derived from oil exports.

The US Treasury Department stated that OFAC continues to prioritise sanctions enforcement against maritime shipping networks, vessels, intermediaries, and non-Iranian counterparties assessed to be supporting Iran's oil trade.

In May, hopes for a peace deal on Iran faded after President Donald Trump said a ceasefire with Iran was 'on life-support', following Tehran's rejection of a US proposal to end the conflict, whilst sticking to a list of demands which the US President described as 'garbage'.

Iran has called for an end to the war on all fronts, including Lebanon, where US-ally Israel is fighting Iran-backed Hezbollah militants. Tehran also emphasised its sovereignty over the Strait of Hormuz, demanded compensation for war damages, and an end to the US naval blockade, amongst other conditions.

Ahead of President Donald Trump's high-stakes summit in China, the Treasury Department announced new sanctions targeting Chinese purchases of Iranian oil.

To increase pressure on Iran, the Trump Administration issued a blitz of new sanctions as part of its Operation Economic Fury campaign. The measures targeted twelve individuals and entities in Iran, Hong Kong, the United Arab Emirates and Oman, focusing on the Islamic Revolutionary Guard Corps' use of front companies to disguise oil sales to China.

The situation in Hormuz remained highly volatile, following a fresh round of military exchanges during May, with US forces striking targets in Bandar Abbas and Islamic Revolutionary Guard Corps retaliating against an American air base.

At the same time, diplomatic efforts appeared to be continuing in parallel with the military escalation. Multiple reports indicated that Washington and Tehran were discussing a possible temporary arrangement involving maritime access through Hormuz and renewed nuclear negotiations, though no final agreement has been confirmed.

Furthermore, the US Office of Foreign Assets Control (OFAC) has added sixteen entities and eight vessels to its Specially Designated Nationals list for facilitating Iranian crude oil shipments, as Washington intensifies pressure on Tehran's economy.



On 28th May, the United States and Iran reached a preliminary Memorandum of Understanding (MoU) to extend the ceasefire between the two countries for 60 days and start negotiations for permanently ending the war. It is reported that the MoU calls for talks on Iran's nuclear programme and rules out tolls on the Strait of Hormuz.

The US has sanctioned Iran's Persian Gulf Strait Authority (PGSA) after reportedly carrying out new strikes on an Iranian ground control station near the Strait of Hormuz, shaking the fragile peace talks between Washington and Tehran.

The new sanction came after US forces shot down four Iranian attack drones and struck a ground control station in Bandar Abbas

The US Treasury has added the PGSA, a new Iranian agency tasked with regulating Hormuz transits, to its foreign assets control list, warning that anyone co-operating with it may ultimately be exposed to sanctions risk.

At the same time, the UK's Maritime Trade Operations (UKMTO) organisation has reduced its threat assessment of the Gulf of Oman from 'critical' to 'severe', noting that naval presence and enforcement activity remain elevated.

The threat level in the Strait of Hormuz remains ‘critical’, the UKMTO reported in its latest advisory note. Ship traffic in the Strait of Hormuz remains significantly reduced, although there have been no security-related incidents reported in the last 48 hours, the advisory note added at the time.

In early June tensions rose again as attacks continued, despite an ongoing ceasefire between the US and Iran. Shipping eagerly awaits a resolution to the ongoing choke on Middle East Gulf exports.

The situation in the Strait of Hormuz is extremely tense and remains one of the biggest geopolitical and energy-security crises in the world right now.

(Sources: Office of Foreign Assets Control (OFAC), Lloyd’s List, Safety4Sea, Politico, Baltic Exchange, IMO, Reuters, Al-Monitor, Tradewinds, Al Jazeera)