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Shipping Intelligence Quarterly Review

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FRAGMENTATION AT SEA

Freight, assets, legal risk, technology and cargo-flow intelligence for decisions that cannot wait.

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Contents and decision frame

This edition is structured as a decision dossier. It deliberately avoids decorative market commentary and links cargo flow, freight, asset values, yard capacity, insurance, crewing, legal exposure, port performance and technology implementation.

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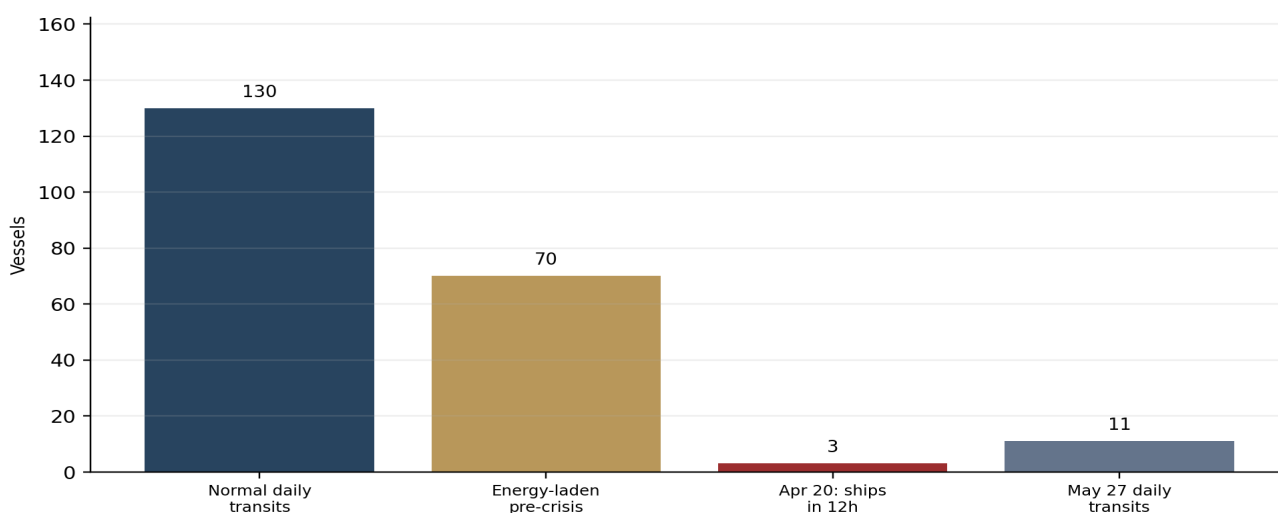
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	alternative-fuel capable; over 70% in container/vehicle capacity, around 10-15% in bulk/tanker capacity	fleet-wide
LNG bunkering	DNV figure reported: 781 LNG dual-fuel ships; orderbook suggests 1,417 by 2030	LNG is feasible now where bunker networks and charterer acceptance exist
Average haul	UNCTAD figure reported: average maritime journey rose from 4,831 miles in 2018 to 5,245 in 2024	Tonne-miles are the hidden supply-side variable
Shipyards	China captured 73% of global ship orders by tonnage in 2024 and 53% Jan-Aug 2025	Newbuilding decisions are policy and supply-chain decisions
Wind assistance	DNV reported around 50 commercial WAPS-fitted vessels in Jan 2025 and 97 newbuilds scheduled to use WAPS	Retrofit value depends on route wind profile, deck geometry and charterer credit
CII modelling	Recent stochastic tramp-shipping research reports a 5% optimality-gap heuristic and warns of a possible CII paradox	Compliance must be treated as dynamic fleet deployment, not spreadsheet accounting

Market dashboard

The dashboard separates three questions that often get confused: whether cargo exists, whether the route is open, and whether the vessel is acceptable to charterers, insurers, class, crew and port authorities.

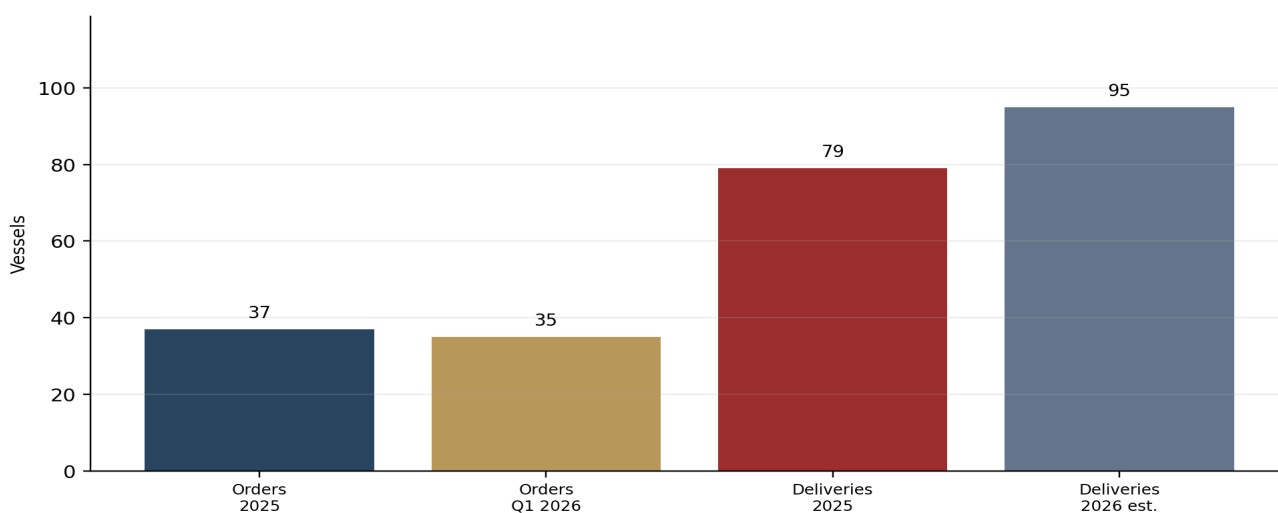
Hormuz shock: traffic collapsed from normal rhythm



Sources: Reuters reporting using LSEG/Kpler/SynMax/Gibson data, Apr-May 2026.

Figure 1. Hormuz traffic shock. Sources: Reuters reporting using LSEG, Kpler, SynMax and Gibson data, April-May 2026.

LNGC ordering and delivery pressure



Sources: Reuters reporting of Drewry and Poten & Partners; 2026 delivery estimate midpoint of 90-100.

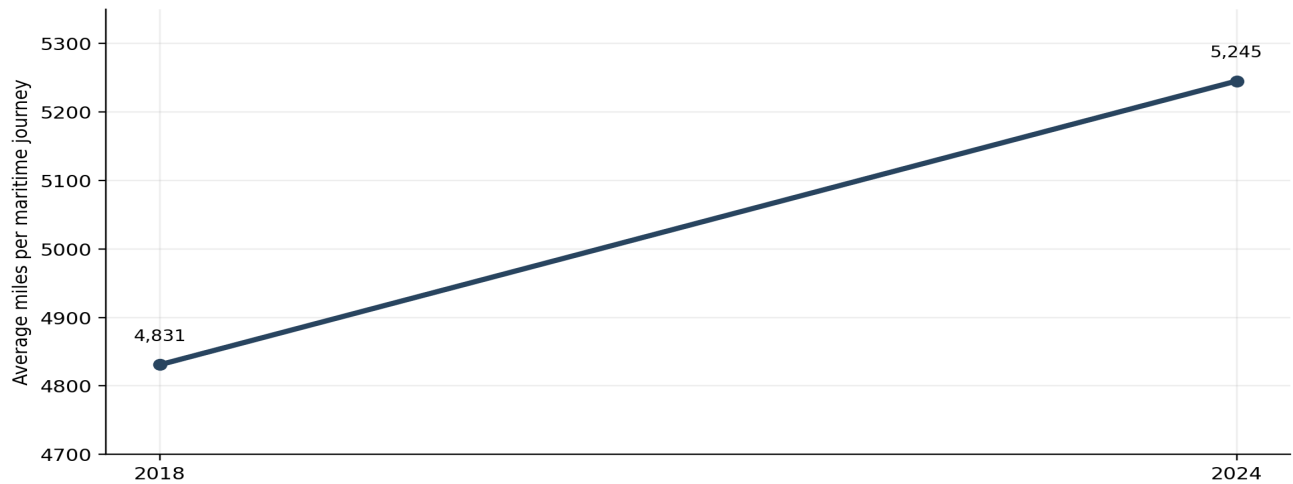
Figure 2. LNG carrier order and delivery pressure. Sources: Reuters reporting of Drewry and Poten & Partners, April 2026.

Chokepoints, basins and rerouting corridors



Figure 3. Chokepoints, basins and rerouting corridors. Real coastline basemap with simplified market overlays; not for navigation.

Average maritime haul distance: the tonne-mile grammar



Source: UNCTAD Review of Maritime Transport 2025, as reported by Reuters.

Figure 4. Longer maritime journeys increase tonne-mile exposure. Source: UNCTAD Review of Maritime Transport 2025 as reported by Reuters.

ARTICLE 1

The market is not waiting

Shipping decisions in 2026 must be made under imperfect clarity. The useful question is not whether the market is good or bad, but which constraint is doing the work: cargo flow, voyage distance, insurance, crew availability, port capacity, yard scarcity or charterer urgency.

KEY TAKEAWAY	Owners should not treat a freight spike as proof of a structural cycle until they know which cargoes are moving, which vessels are excluded and which round trips are lengthening.
KEY TAKEAWAY	Charterers should buy optionality: alternative origins, discharge flexibility, laycan resilience and vetted tonnage pools are now commercial instruments.
KEY TAKEAWAY	Brokers create value by explaining constraints before the quote sheet does.

In shipping, information overload usually produces the wrong instinct: waiting. The market rarely waits. It reprices before the perfect report appears, before insurance wording settles and before a committee gives a comfortable answer. The first five months of 2026 have made this clear. Hormuz has converted geopolitical risk into a physical interruption of energy cargo flows. The Red Sea continues to alter liner and tanker routing psychology. Panama has recovered from drought-related pressure, but remains a reminder that water, politics and cargo seasonality can move capacity as much as demand itself.

The first discipline is to read the market in tonne-miles, not in mood. UNCTAD’s reported average maritime haul rose from 4,831 miles in 2018 to 5,245 in 2024: that is the hidden supply-side grammar of the cycle. Yet 2026 shows the other half of the equation. Reuters reported Hormuz traffic falling from a usual 125-140 daily transits to around 11 daily transits on 27 May. Longer voyages tighten the market only when cargo continues to move; cargo interruption can remove volume faster than distance adds tonne-miles.

Tanker owners must separate crisis earnings from bankable earnings. Reuters/Gibson reporting during the Gulf disruption described Middle East-Asia crude earnings reaching levels above \$70,000 per day, but the commercial question is whether the voyage can be insured, crewed, cleared and repeated. A three-day earnings spike does not finance a five-year asset unless the employment is executable. Charterers must separate price from delivery risk: an apparently cheaper cargo from a fragile basin can become expensive if it misses a refinery run, power-generation schedule or strategic stockpile threshold.

For dry bulk, the same logic applies to grain, coal, ore, bauxite, steel products and minor bulks. A Capesize exposed to Brazil-China ore is not the same commercial instrument as a Kamsarmax grain unit trading through Panama or a Handysize performing short-haul regional work. Basin balance, port line-up, weather, draft and canal access remain as important as index direction.

Gas carriers face a measurable timing problem. Reuters reported 35 LNGC orders in Q1 2026 against 37 in all 2025, while 90-100 LNGCs may be delivered in 2026 against 79 in 2025. That is a classic mismatch risk: long-term LNG demand may be sound, but short-term spot shipping can weaken if liquefaction projects, terminal slots or export flows lag fleet delivery. LPG remains a Panama/US Gulf/Asia market as much as a gas market; canal access and petrochemical demand can matter more than generic energy sentiment.

Roro, ropax and PCTC decisions require a different language. Their market is shaped by schedule integrity, vehicle flows, passenger safety, terminal slots, emissions zones, shore power, crew rotations and hinterland connections. A car carrier delayed by terminal congestion is not merely losing time; it is disturbing an industrial supply chain.

Short sea, barges, inland ports and inland waterways are not secondary. They are the shock absorbers or bottlenecks of the deep-sea system. A port can receive a vessel and still fail the cargo if rail, river, barge or road onward movement is constrained. Owners and charterers should therefore price resilience across the full chain: ocean leg, feeder leg, terminal, warehouse, inland barge or rail capacity, and final receiver tolerance.

ARTICLE 2

Chokepoints and basin fragmentation

Hormuz, the Red Sea/Suez, Panama, the Black Sea, Malacca and the Cape are not merely map features. They are pricing mechanisms that lengthen voyages, exclude vessels, raise insurance costs and re-rank cargo sources.

KEY TAKEAWAY	Hormuz is a cargo-flow shock, not merely a route detour.
KEY TAKEAWAY	Red Sea/Suez disruption remains a structural liner and tanker scheduling problem even when headlines move elsewhere.
KEY TAKEAWAY	Panama proves that water, LPG, containers and grain can shape vessel demand as much as global GDP.

Hormuz is different from Suez. A Suez disruption can often be solved by sailing around the Cape, although at higher bunker cost and longer transit time. A Hormuz disruption blocks or restricts origin cargoes. The reported collapse from normal daily transits to a small fraction of that level therefore affects not only vessel deployment but also refinery supply, LNG import planning, bunker psychology and the willingness of insurers to stand behind voyages.

Reuters reported that only three ships moved through Hormuz in a 12-hour window on 20 April 2026, against a usual rhythm of about 125-140 vessels per day; later reporting still showed around 11 daily transits on 27 May. The case evidence is concrete: Reuters described MOL’s Fuwairit carrying LNG to Pakistan, QatarEnergy’s Al Rayyan sailing towards China, ADNOC’s Al Hamra reappearing near India and the VLCC Eagle Verona carrying 2 million barrels of Iraqi Basrah crude, chartered by Unipet, towards China. The commercial reading is not abstract: cargoes that escape the bottleneck become premium logistics events; cargoes trapped behind it remove market volume.

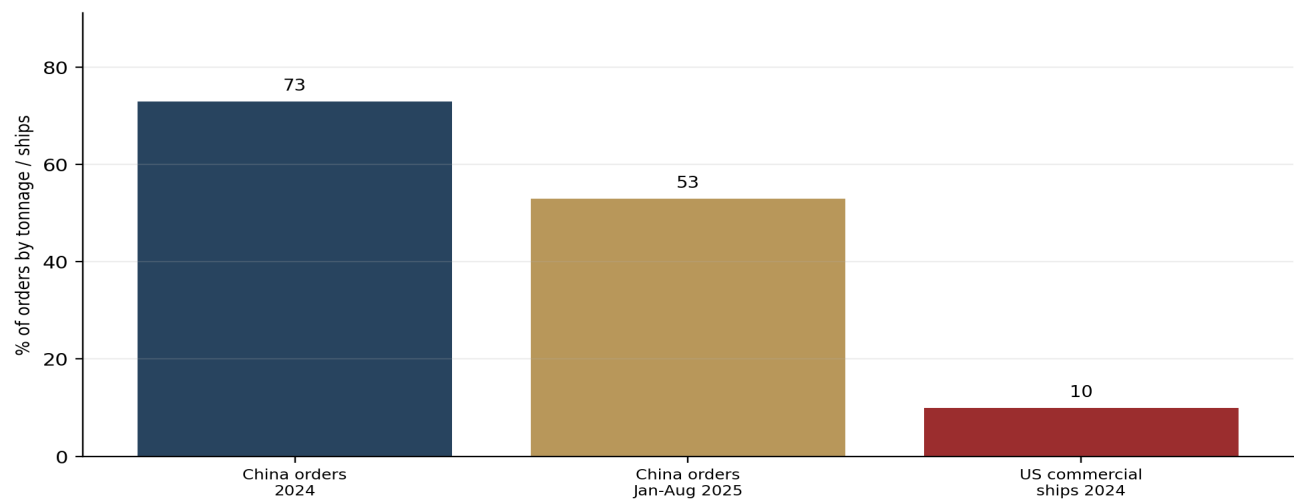
The Red Sea remains relevant because it has already trained the market to pay for route risk. Liner networks, product

tankers and some bulk routes have had to absorb Cape voyages, schedule disruption and equipment imbalance. For charterers, the cost is not only higher ocean freight; it is inventory, missed delivery windows and terminal congestion. For owners, the value lies in positioning ships that are acceptable to insurers, crew and cargo interests on routes where longer round voyages genuinely absorb capacity.

Panama is the other side of the same logic. Its FY2025 recovery, with revenue of \$5.7 billion and transits up 19.3% to 13,404, shows that canal performance can recover sharply. Yet recovery does not eliminate canal risk. LPG, container and agricultural cargoes remain sensitive to water availability, booking windows and competing route economics.

For charterers, basin fragmentation means supply optionality. Refiners must test alternative crude slates; utilities must model LNG and LPG replacement cargoes; retailers must balance ocean freight against inventory cost; miners must decide whether cargo programmes deserve index-linked or COA protection. For owners, fragmentation means that vessel positioning is not merely a geographical decision. It is a compliance, insurance and port-access decision.

Shipbuilding concentration: yard choice is geopolitical



Sources: CSIS/S&P Global data reported by Reuters; US output described as fewer than 10 commercial ships.

Figure 5. Shipbuilding concentration is part of basin fragmentation. Sources: Reuters reporting using CSIS/S&P; Global data.

ARTICLE 3

Fleet and asset markets by vessel class

A vessel is not simply steel. In 2026 it is a bundle of earning capacity, emissions profile, vetting record, yard slot optionality, crew feasibility, insurance acceptability and recycling value.

KEY TAKEAWAY	Bulk and tanker decisions must be made by basin and cargo type, not by index alone.
KEY TAKEAWAY	Gas carriers require separate short-term and long-term readings: cargo demand may grow while near-term fleet supply rises.
KEY TAKEAWAY	S&P; value depends increasingly on tradability, charterer acceptance and retrofit cost, not only age and dwt.

Bulk carriers remain a tonne-mile market. Capesizes respond to iron ore, coal, bauxite and long-haul basin positioning; Panamax and Kamsarmax units respond to grain, coal, canal access and regional imbalances; Supramax and Handysize markets are more exposed to ports, minor bulks, steel products and local congestion. Owners should not interpret one index as the dry market. They should map commodity, route, port and cargo-owner profile.

Tankers are being pulled between crisis premia and compliance exclusion. Crude and product tankers can earn exceptional freight in disrupted basins, but the earnings must be discounted for war-risk cost, sanctions screening, crew tolerance, P&I; response, vetting and ballast repositioning. Older tankers can be profitable in opaque trades, but that does not make them bankable or acceptable to blue-chip charterers.

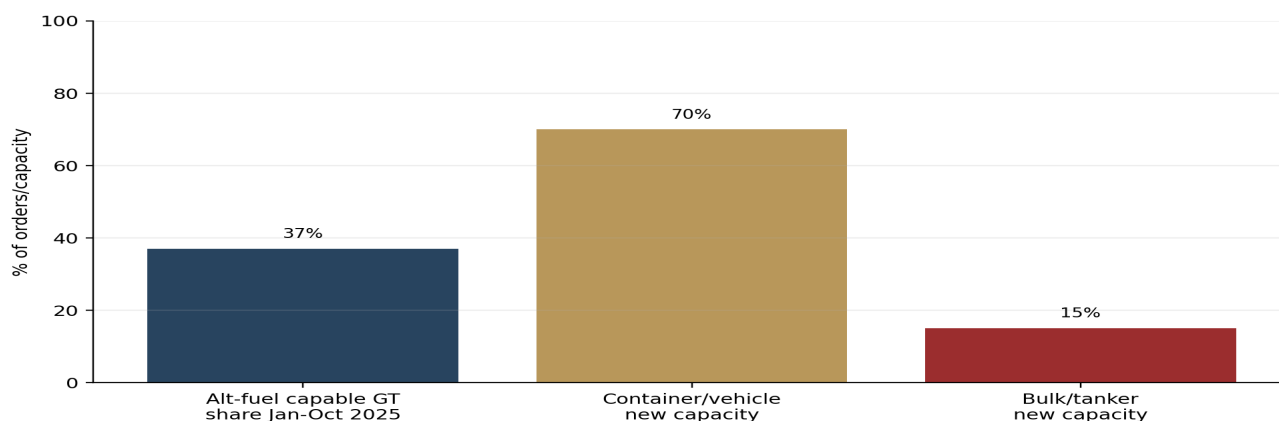
LNG and LPG have different risk structures. Reuters reported LNG carrier ordering of 35 vessels in Q1 2026, nearly matching the 37 ordered in all 2025, while 90-100 LNGCs may be delivered in 2026 versus 79 in 2025. That is not bearish by itself, but it warns against assuming that energy security automatically becomes spot shipping strength. LNG project

timing, terminal availability and charter coverage matter.

Roro, ropax and PCTC markets should be read through industrial logistics. Automotive cargo owners, ferry passengers and regional supply chains value schedule integrity. Emissions zones, shore power, passenger-safety scrutiny, port berths and crew patterns affect the fleet differently from bulk and tanker tonnage. A modern, reliable unit on the right route may have more strategic value than a larger but less acceptable vessel.

The S&P; market should be viewed through three filters: can the vessel trade with the desired charterer base, can it be upgraded within a rational capital budget, and can it survive insurance and sanctions scrutiny? Reuters reported Hapag-Lloyd's order for 24 LNG dual-fuel, ammonia-ready containerships at about \$4bn with deliveries in 2027-2029; that illustrates why secondhand value is increasingly judged against the next compliance generation. Recycling is also becoming a risk decision. FT reporting of Clarksons/GMS estimates put the shadow fleet around 1,800 ships, including about 1,500 oil/product tankers, many over 20 years old; end-buyer liquidity and sanctions clearance can determine whether ageing tonnage exits or remains as latent casualty risk.

Decarbonisation ordering is uneven by segment



Source: AXSMarine figures and segment shares reported by Reuters.

Figure 6. Alternative-fuel capable ordering is segment-specific. Source: AXSMarine data reported by Reuters.

ARTICLE 4

Legal, claims and insurance overview

The legal and insurance layer has moved from background protection to front-line market infrastructure. War-risk availability, P&I; response, cargo exposure, sanctions screening and FD&D; discipline now decide whether a vessel is commercially usable.

KEY TAKEAWAY	Treat P&I;, H&M;, war, cargo and FD&D; as part of fixture feasibility, not an afterthought.
KEY TAKEAWAY	War-risk availability is not binary: rate, exclusions, reinstatement wording and cargo/vessel eligibility decide whether the fixture is executable.
KEY TAKEAWAY	Claims prevention is now commercial protection: documentation, mate's receipts, LOIs, sanctions clauses, crew rights and cyber evidence must be managed before the voyage.

The International Group of P&I; Clubs describes itself as a not-for-profit association of 12 Clubs providing marine liability cover for 87% of the world's ocean-going tonnage and operating as a mechanism for sharing large maritime claims. That matters commercially. When war, sanctions or pollution risk moves beyond ordinary underwriting appetite, the available pool of acceptable tonnage can shrink faster than headline fleet supply suggests.

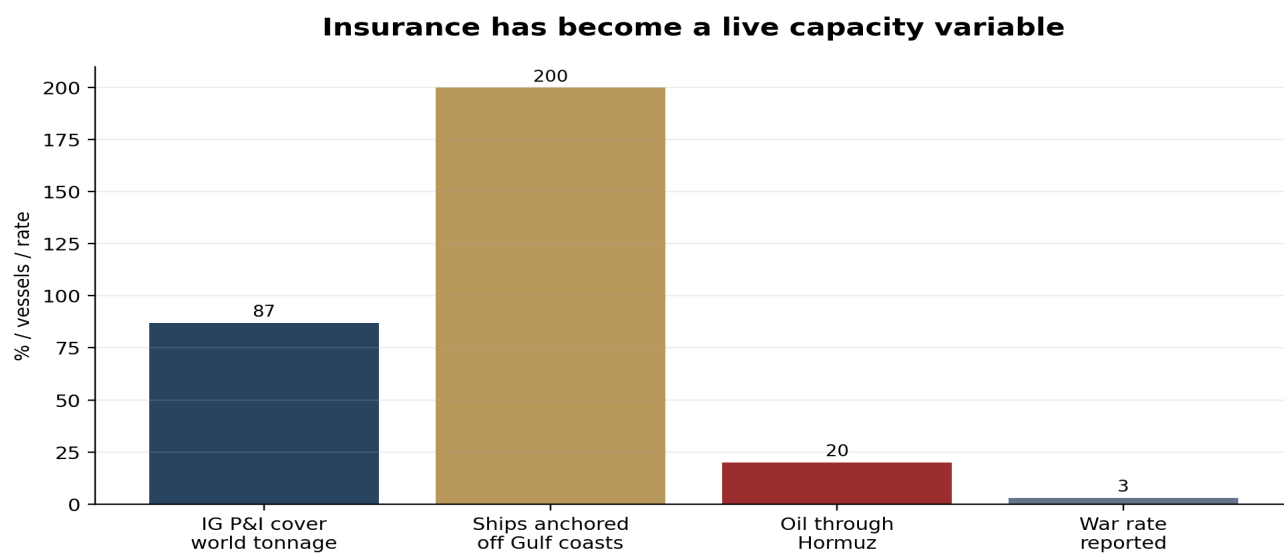
In the Gulf crisis, Reuters reported that London marine insurers continued offering Middle East cover while war-risk premiums rose depending on vessel type, cargo and routing. Reuters also reported that Chubb would support ships transiting Hormuz through war hull risk, war P&I; and war cargo insurance under a U.S. International Development Finance Corporation maritime reinsurance plan. The decision implication is not simply that cover exists. The real question is whether cover exists on terms that the owner, financier, charterer, cargo insurer and crew can accept.

War-risk premiums can become a freight-market variable. Reuters reported levels around 3% of vessel value after rising from around 2% in April 2026. A charterer looking only at Worldscale or time-charter equivalent may miss the point. The executable voyage cost includes insurance, waiting, deviation risk, crew bonuses, security measures, bunker exposure, port refusal risk and the chance of cancellation.

P&I; claims exposure also changes with fragmentation. Cargo claims may arise from delay, deviation, contamination, temperature failure, shortage, unsafe berth disputes, misdelivery or documentation errors. FD&D; disputes may follow charterparty performance, off-hire, frustration, sanctions clauses, force majeure, unsafe port arguments, demurrage and war-risk additional premiums. Hull and machinery exposure rises when vessels trade under stress, with hurried maintenance, degraded navigational signals, crew fatigue or poor spare-parts access.

The shadow-fleet problem is therefore not only geopolitical. It is a claims problem. Opaque ownership, uncertain insurance, flag instability, AIS irregularities and older tonnage increase the chance that coastal states, cargo interests and counterparties face a recovery gap after a casualty. A blue-chip charterer should not compare freight offers without looking at counterparty chain, beneficial ownership, P&I; evidence, sanctions history, class status and casualty response capacity.

The practical instruction is simple. Before fixing, establish who bears war additional premium, deviation, crew refusal, sanctions delay, cargo deterioration, off-hire, port closure and documentary failure. Before buying, test whether the vessel is acceptable to target charterers and insurers. Before operating, ensure that voyage orders, war-risk notices, bills of lading, LOIs, maintenance records and cyber/navigation logs will stand up after a claim.



Sources: International Group of P&I Clubs; Reuters/Gallagher; Reuters/Chubb; Reuters/ship-tracking reporting.

Figure 7. Insurance is now a capacity variable. Sources: International Group of P&I Clubs; Reuters reporting on Gallagher, Chubb and Hormuz disruption.

ARTICLE 5

Technology and implementation roadmap

Technology is not a fashion category. It must be attached to a vessel class, route, charterer, regulatory exposure, retrofit window, port infrastructure and financing model.

KEY TAKEAWAY	Do not buy “green technology”; buy a route-specific earning and compliance capability.
KEY TAKEAWAY	The strongest near-term options are operational: routing, hull performance, digital cargo visibility, biofuels where available, and selected WAPS/energy-saving retrofits.
KEY TAKEAWAY	Feasibility studies should be compulsory before retrofitting or ordering: route profile, cargo interface, class approval, crew competence, port infrastructure and charterer monetisation must be tested together.

Ship technology is now split into four layers: design, propulsion and fuels; operational intelligence; communications and cyber resilience; and compliance evidence. A shipowner who treats these separately will overspend. A charterer who ignores them will overpay for weak resilience. The company policy should therefore be portfolio-led: which vessels deserve long-life investment, which deserve minimum compliance, which should be sold, and which should be recycled before the retrofit bill destroys liquidity.

LNG is the most mature alternative-fuel pathway for many ocean-going segments because the infrastructure is comparatively developed. Reuters reported DNV figures showing 781 LNG dual-fuel ships in service and 1,417 expected by 2030 on the basis of the orderbook. LNG is not a perfect decarbonisation answer, particularly because methane slip remains controversial, but it is an operationally available option where charterers, ports and bunkering networks support it.

Wind-assisted propulsion is moving from concept to selective adoption. Reuters reported Lloyd’s Register viewing WAPS as approaching a tipping point, while DNV figures showed around 50 commercial WAPS-equipped vessels as of January 2025 and 97 newbuilds scheduled to use the technology. The right conclusion is not that every vessel should install rotors or wings. The right conclusion is that route wind profile, deck constraints, stability, cargo operations, port access and charterer benefit-sharing must be modelled before the retrofit.

Digital operations are less visible but often more immediately bankable. Weather routing, hull-performance monitoring, cargo condition sensors, predictive maintenance, AIS analytics, cyber monitoring and emissions-data automation can reduce fuel, off-hire, claims and compliance friction. Scientific work on CII management in tramp shipping shows that routing, cargo allocation and speed must be optimised under uncertainty, not treated as separate decisions. A recent stochastic model reports reliable convergence within a 5% optimality gap and highlights a possible CII paradox in which supply-based intensity regulation can reduce profits and increase total emissions if badly managed.

Communications are now part of safety and market access. Maritime communication research identifies terrestrial, aerial and satellite networks, RF and optical bands, Internet of Ships and maritime IoT as emerging operational infrastructure. The practical question for owners is not whether the vessel has connectivity, but whether the company can secure, interpret and use the data: cyber policy, crew training, incident response, data ownership, charterer reporting and evidence preservation must be in place.

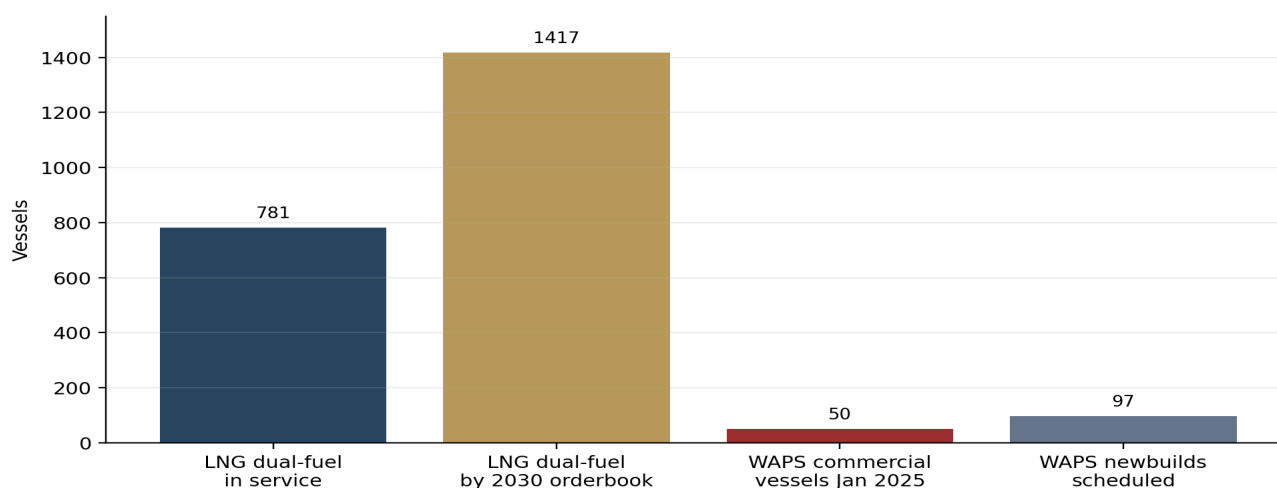
Implementation must follow a feasibility ladder. First, define the commercial target: lower fuel, charterer eligibility, EU compliance, port access, safety or resilience. Second, test the ship category and route. Third, obtain class and flag pathway. Fourth, model capex, off-hire, crew training, spares and insurance. Fifth, negotiate charterer recognition of the benefit. Sixth, monitor actual performance. Without that ladder, technology becomes decoration.

Table 3. Technology feasibility by vessel category

Segment	Technologies to test	Feasibility logic	Implementation route
Bulk carriers	WAPS, route optimisation, hull coatings, shaft generators, energy-saving devices	Best where route wind profile, deck geometry and cargo gear do not conflict; strongest for predictable long-haul legs	Policy: vessel-by-vessel retrofit feasibility; charter clause: share fuel/EU ETS benefit; verify port air-draft and cargo gear impact
Tankers	LNG dual-fuel newbuildings, digital voyage optimisation, methane/biofuel trials, inerting and cargo-system upgrades	Feasible when charterer base rewards emissions profile and vetting standards; war/sanctions trades may not monetise premium	Policy: separate blue-chip fleet from opportunistic fleet; require HAZID/HAZOP for fuel change and class-approved retrofit path

Segment	Technologies to test	Feasibility logic	Implementation route
LNG/LPG	Boil-off optimisation, reliquefaction, digital cargo monitoring, dual-fuel engines, terminal compatibility tools	High technical relevance; economics depend on project timing, cargo availability and terminal schedule integrity	Policy: integrate cargo-system data with chartering desk; negotiate performance warranties and terminal compatibility early
Roro/Ropax/PCTC	Battery-hybrid, shore power, alternative fuels, fire detection, vehicle-deck safety, schedule optimisation	High feasibility in short sea and fixed routes; payback linked to port infrastructure and passenger/cargo-service reliability	Policy: align investment with port electrification, safety-management and automotive charterer requirements
Short sea/barges	Electrification, hybrid propulsion, hydrogen pilots, digital fleet dispatch, inland-waterway sensors	Most feasible on fixed regional routes where charging/bunkering and maintenance can be controlled	Policy: build corridor feasibility studies with ports, cargo owners and local authorities before ordering equipment

Technology adoption: proven, optional and route-specific



Sources: DNV figures reported by Reuters; Lloyd's Register view on WAPS adoption as reported by Reuters.

Figure 8. Technology adoption must be read by maturity and route fit. Sources: DNV and Lloyd's Register figures/views as reported by Reuters.

ARTICLE 6

Regulation, SQE and crewing as market variables

The operational frontier in 2026 is no longer between commercial and technical. A vessel's earning capacity is mediated by SQE performance, vetting, crew availability, emissions data, sanctions compliance and insurance acceptance.

KEY TAKEAWAY	EU ETS, FuelEU Maritime, CII and IMO uncertainty create regional fragmentation rather than a single compliance answer.
KEY TAKEAWAY	Crew welfare and refusal rights are market capacity factors where war, missiles, piracy or prolonged waiting exist.
KEY TAKEAWAY	SQE departments should enter commercial decisions before fixing, buying or retrofitting, not after.

Decarbonisation has created real asset differentiation. Reuters reported that dual-fuel vessels accounted for 74% of container and vehicle-carrier orders, with more than \$150 billion invested by end-2025. AXSMarine data reported by Reuters showed alternative-fuel capable capacity above 70% in container and vehicle-carrier orders but only 10-15% in bulkers and tankers. This is not moral uniformity. It is segment-specific economics.

CII should be treated carefully. Recent tramp-shipping research on dynamic CII management identifies a potential CII paradox, where supply-based carbon-intensity regulation can reduce profit and even increase emissions under certain routing and speed decisions. For owners and charterers this means compliance cannot be delegated to a spreadsheet. Voyage choice, speed, cargo allocation, ballast leg and waiting time must be optimised together.

Crewing has become a direct market constraint. Reports during the Gulf conflict described thousands of seafarers trapped or

exposed to danger around Hormuz. The commercial impact is not sentimental. Crew-change feasibility, fatigue, danger pay, refusal rights, mental health, communications and repatriation affect whether the vessel can lawfully and safely execute the voyage.

Port State Control and terminal vetting complete the picture. A ship with poor documentation, questionable flag status, cyber weaknesses, crew fatigue or emissions-data gaps may be delayed or rejected. The immediate commercial implication is that quality tonnage deserves premium pricing. The charterer who chooses only the lowest freight may buy delay, reputational risk and cargo uncertainty.

The SQE department should be included before commercial commitments are made, not after the fixture is concluded. War-risk clauses, crew-change feasibility, sanctions screening, cyber precautions, emissions-data treatment and evidence retention can all change whether a voyage should be accepted.

ARTICLE 7

Ports, inland logistics and short-sea resilience

The market does not end at the discharge port. In 2026, deep-sea decisions must be connected to terminals, inland ports, waterways, barges, rail, road and storage.

KEY TAKEAWAY	A cheaper ocean leg can be destroyed by inland congestion, terminal waiting or missed factory/energy windows.
KEY TAKEAWAY	Inland waterways and barges are market infrastructure for resilience, not local afterthoughts.
KEY TAKEAWAY	Short-sea and ro-ro/ropax networks gain strategic value when deep-sea schedules lose reliability.

Port congestion is often described as operational inconvenience. That is too weak. Congestion is commercial arithmetic. It changes demurrage, vessel availability, cargo timing, terminal storage, receiver behaviour and future fixture psychology. A route decision that saves bunker may create terminal delay. A cheaper ocean leg may miss an inland window. A cargo that arrives during berth congestion may destroy value created by freight negotiation.

The Red Sea experience showed this clearly. Diversion away from Suez caused cascading network effects, congestion, delays and equipment shortages across Asian and European ports. Hapag-Lloyd warned that any return to Suez would require 60 to 90 days of transition to avoid sudden congestion. Such statements matter because liner networks cannot be switched like lights.

For bulk and tanker trades, port constraints are less visible but equally decisive. Draft, berth availability, storage capacity, blending constraints, shore-side inspection and pilotage affect

the effective cargo programme. In LNG and LPG, terminal slots and canal timing determine whether a theoretically available ship is commercially useful.

Inland ports and waterways should therefore be treated as part of the maritime market. In Europe, barges and inland terminals can relieve congested seaports or become bottlenecks if water levels, labour or infrastructure are constrained. In the US Gulf and Panama-related trades, pipeline, storage and terminal interfaces determine whether LPG, crude, grain or petrochemicals can move efficiently.

Short-sea shipping, ferries, ro-ro and ropax networks can gain strategic importance when deep-sea schedules lose reliability. They provide frequency, regional distribution and cargo continuity. Their value proposition is not cheapness. It is continuity, especially for island economies, Eastern Mediterranean trades and time-sensitive industrial supply chains.

ARTICLE 8

The charterer sets the cargo clock

Shipping is derived demand. The relevant question is not whether charterers are “right” or “wrong”, but how cargo-owner sourcing, inventory, risk appetite and disclosure requirements alter executable vessel demand.

KEY TAKEAWAY	Energy majors, miners, traders, automotive groups and retailers shape vessel demand through sourcing, inventory policy and risk tolerance.
KEY TAKEAWAY	Charterers increasingly buy compliance, transparency, schedule certainty and optionality rather than only transport.
KEY TAKEAWAY	Owners and brokers should read cargo-owner reports, tender language and sustainability requirements as closely as freight indices.

Cargo owners make the market before vessels price it. Reuters reported a concrete example in May 2026: a cargo from the US Strategic Petroleum Reserve was heading to the Philippines on the Greek-flagged Arosa, with 616,000 barrels of sour crude from Bryan Mound and around 700,000 barrels of Thunder Horse crude, chartered by Shell, as Asian buyers diversified away from Middle East disruption. That is derived demand in practice: a security decision creates a voyage, a tonne-mile pattern and a chartering requirement before any freight index explains it.

In energy, the tension is between security and transition. Shell, BP, Trafigura and other majors/traders must manage physical supply, price exposure, vetting, sanctions, emissions reporting and cargo insurance at once. For owners, the implication is practical: a tanker or gas carrier must be sold not only as capacity, but as a compliant risk package with evidence of class status, P&I, H&M, war cover, emissions data, crew readiness and operational communication.

In mining, Vale and other bulk cargo owners care about delivered ore, fleet availability, port productivity, emissions intensity and supply reliability. A Capesize decision cannot be

read separately from Brazilian port performance, Chinese steel demand, bunker price, ballast positioning and charterer tolerance for emissions exposure.

In containers, retailers and manufacturers increasingly force schedule reliability and carbon disclosure into the freight discussion. The Hapag-Lloyd \$4bn dual-fuel/ammonia-ready order shows how cargo-owner and regulatory expectations are pulled into fleet renewal years before the vessel is delivered. In roro and PCTC, automotive supply chains care less about abstract freight levels than about factory continuity, vehicle delivery windows, fire safety, shore-power compatibility and terminal throughput.

The owner action is therefore direct: map top charterer exposure, understand cargo-owner reporting requirements, identify which vessels are sale candidates and which deserve upgrade or period cover. The charterer action is equally immediate: map critical cargoes, test substitute origins, pre-clear compliant tonnage, calculate terminal and inland constraints, and decide which cargoes deserve optionality premia before the next shock.

Decision matrices

These matrices are designed for rapid internal discussion. They do not replace live market advice, but they force the right questions before a fixture, S&P; negotiation, newbuilding slot, retrofit or recycling decision.

Table 4. Owner/operator action matrix by vessel class

Class	Freight/TC focus	Technical/SQE trigger	Immediate action
Bulk carriers	Separate Capesize, PMX/KMX, SMX/Handy by cargo and basin	Port/draft/canal access; CII exposure; hull condition	Position by basin; avoid generic dry-bulk calls
Tankers	Crude/product/chemical split; war-risk and sanctions exposure	Insurance, vetting, crew rights and cargo availability	Do not annualise crisis rates; price insurability
LNG/LPG	Project-linked demand versus 2026 delivery wave; Panama and Asian demand	Terminal compatibility; cargo-system performance	Prefer employment visibility and terminal compatibility
Roro/Ropax/PCTC	Schedule, vehicle flows, passenger safety, shore power	Port interface, fire safety, emissions zones	Sell reliability, not only lane capacity
Short sea/barges	Regional resilience; feeder and inland-waterway interface	Water levels, terminal access and crew scheduling	Package ocean, port and inland solution together

Table 5. Charterer action matrix

Cargo owner profile	Risk	Best contract instrument	Decision now
Refiner/energy utility	Supply interruption; route closure; price shock	COA, optional discharge, period cover	Secure alternative origins before freight spikes
Miner/steel chain	Port delay; commodity cycle; emissions exposure	COA or index-linked voyage programme	Align cargo programme with basin tonnage
Automotive/ro-ro user	Factory continuity; vehicle delivery windows	Schedule-backed contracts with reliability KPIs	Value predictability over cheapest freight
Retail/container shipper	Equipment imbalance; Red Sea/Cape routing	Balanced contract/spot mix	Avoid overbuying at panic peaks; preserve options
Public/strategic cargo	Security of supply and reputational exposure	Pre-qualified compliant tonnage pools	Screen ownership, flag, insurance and cyber profile

Final takeaways

The purpose of this review is speed of judgement, not information accumulation. The following takeaways should be read as boardroom prompts.

Table 6. Ten boardroom takeaways

No.	Takeaway
1	Read freight through tonne-miles, not mood. Longer routes tighten effective supply only if cargo still moves.
2	A vessel without acceptable war-risk, P&I, H&M; and cargo insurance is not market capacity.
3	Do not compare ships only by age and dwt. Compare tradability, emissions data, charterer acceptance, crew feasibility and retrofit burden.
4	LNG, LPG, tanker, dry bulk, roro, ropax, short sea and barges are different markets with different constraints.
5	Technology must be route-specific. Every retrofit needs a feasibility study before capital is committed.
6	Charterers should buy optionality before shocks: origin substitution, discharge flexibility and pre-cleared tonnage.
7	Shipowners should decide now which vessels to upgrade, cover, sell, hold or recycle. Waiting is also a position.
8	Brokers add value by translating constraints into executable decisions, not by repeating indices.
9	Ports and inland logistics can create or destroy the value of a freight decision.
10	Legal, claims and insurance review must be part of pre-fixture and pre-S&P; due diligence.

Source basis and good-faith statement

This review uses secondary data as reported by recognised public, commercial, regulatory and market sources. No proprietary fixture, S&P; or recycling data have been invented. Where licensed figures are referred to through press reporting, the underlying reporting channel is identified in the source basis.

Sources consulted or relied upon include Reuters reporting drawing on LSEG, Kpler, SynMax, Gibson, Drewry, Poten & Partners, AXSMarine, S&P; Global/CSIS and Panama Canal Authority figures, including reported Hormuz vessel movements, Shell-chartered SPR cargo movements and LNGC order/delivery data; UNCTAD Review of Maritime Transport reporting; Financial Times and other reporting of Clarksons and GMS Partnership shadow-fleet and recycling estimates; the International Group of P&I; Clubs public materials on Group structure, war-cover updates and reinsurance; Gallagher, Chubb, Marsh and London-market insurance reporting as publicly reported; EU, IMO and ILO regulatory and labour context as publicly available; DNV and Lloyd's Register technology and alternative-fuel reporting as publicly reported; and relevant 2025-2026 maritime research on CII, AIS, routing, maritime communications and energy-resilience modelling.

KEY TAKEAWAY

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