

Drivers of success

Factors fuelling demand for the world's
most ambitious Maritime companies

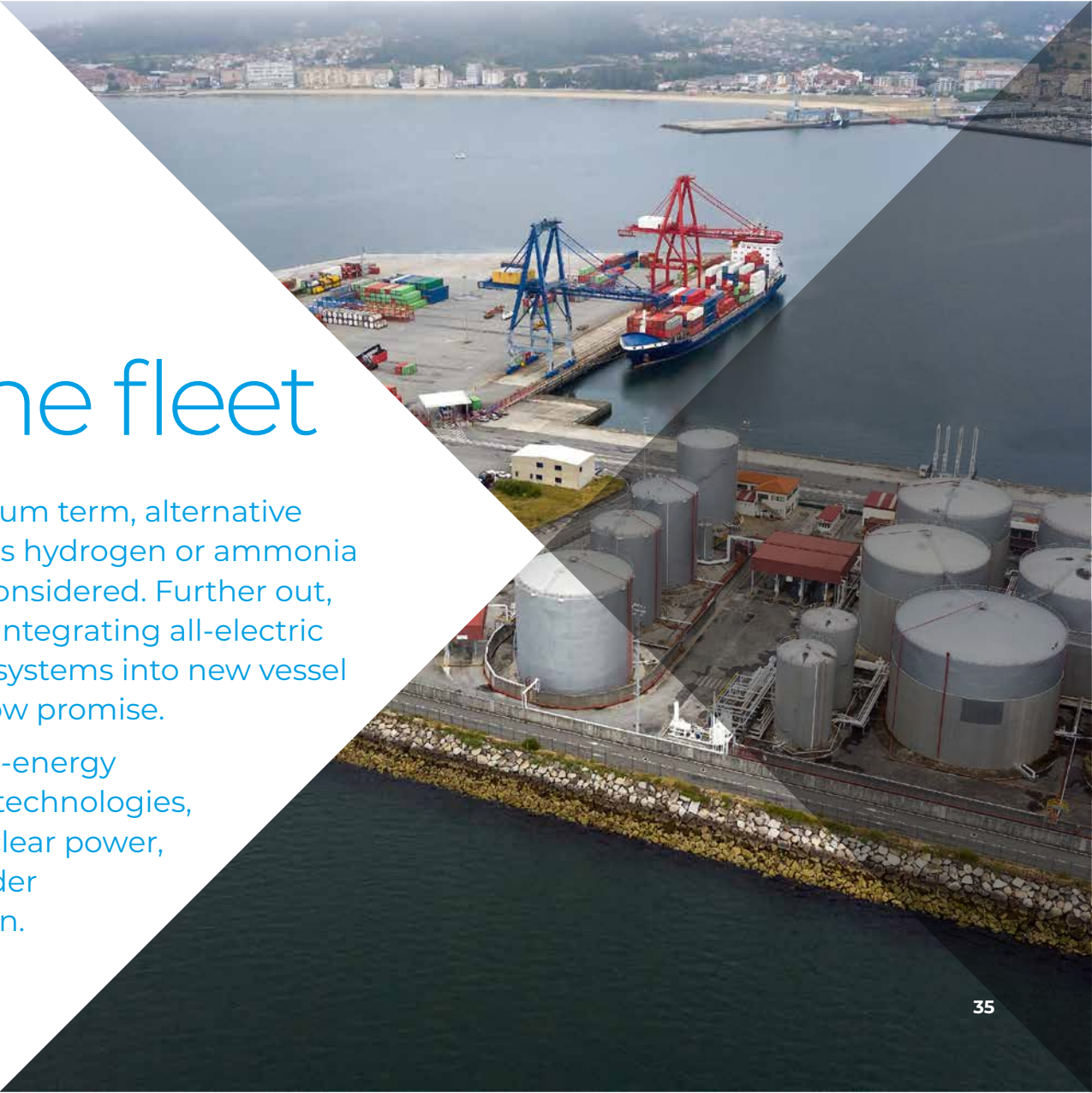
Decarbonising the fleet

The maritime industry is responsible for almost 3% of the world's carbon emissions and has set goals to reduce that significantly by 2050.

In the short term, shipping owners and operators can utilise slow steaming – throttling back the engines – and replacing traditional fuel oils with hydrogen to comply with the most pressing emissions targets.

In the medium term, alternative fuels such as hydrogen or ammonia are being considered. Further out, options for integrating all-electric propulsion systems into new vessel designs show promise.

Other clean-energy propulsion technologies, such as nuclear power, are also under investigation.



Green financing

Initiatives like the Poseidon Principles, aligning marine funding strategy with ship owners' decarbonisation progress, are leading to a change in thinking about long-term funding of the maritime sector.

Banks and other finance providers are increasingly required to justify investment choices based on sustainability and potential environmental risk.

Shipping companies must find ways of monitoring and improving their environmental impact, commitments to society and governance structure.

They must clearly communicate their strategies and performance or face the prospect of being dropped by investors, funders and customers.



Digital shipping

Shipping is going through a digital transformation that will require widespread overhaul of ships and port operations. The drivers are greater efficiency and improved profit margins.

It may ultimately lead to autonomous ships and port facilities. That could encourage a switch from road to sea cargo while lowering maintenance costs for vessel owners and improving safety.

However, the use of smart technologies to monitor ships and collect data 24/7 has highlighted cyber security risks. Automated container ships are an obvious target for cyber terrorists, while digitised port handling systems must protect proprietary data and have prevention measures in place to limit fraud.

Avoid choppy waters ahead

There is a growing focus on sustainability in shipping and it could become a key differentiator for companies competing with both maritime rivals and other forms of freight transport.

We have reached a point at which shipping companies need to find a lot of money to renew their fleets because of new regulations and pressure to improve their environmental footprint.

ESG is now very important to financiers, investors and charterers. Without a robust strategy and transparent sustainability reporting, shipping companies will find it more difficult to source the necessary funds required to renew their fleets.

This is not an issue in developed economies only – energy-efficiency and environmental frameworks are also being established in developing economies.



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