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ACE INSIGHTS NEWSLETTER



FOUNDER'S NOTE

As we close out 2024, we reflect on the resilience and adaptability of the maritime industry amidst evolving global challenges. **ACE Shipbrokers** remains steadfast in its commitment to providing insightful market intelligence and fostering sustainable practices. This edition of **ACE Insights** will delve into the key highlights of 2024 and provide a comprehensive outlook for 2025.

KEY HIGHLIGHTS

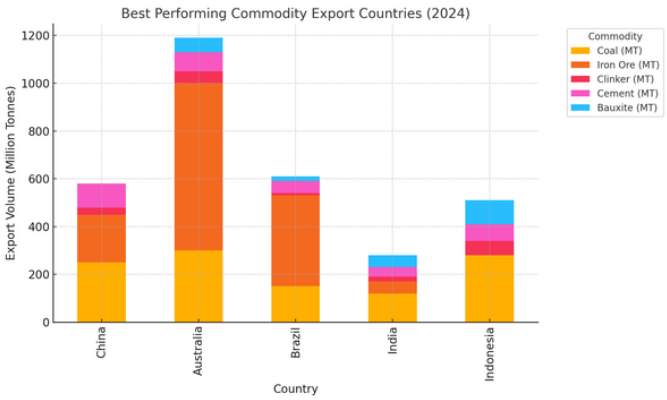
- Review 2024
- Outlook 2025
- Green Technology
- Conclusion

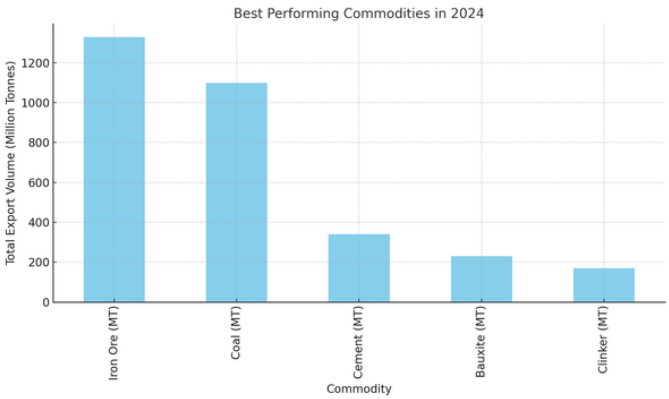


2024 IN REVIEW: THE MARITIME INDUSTRY

Key Highlights:

- Iron Ore Exports: Australia and Brazil dominated this segment, collectively contributing over 1,000 million tonnes. This underscores their essential role in global steel supply chains.
- Coal Exports: Indonesia and Australia led the way, meeting the high energy demands of Asian and European markets.
- Bauxite Growth: Indonesia emerged as a top exporter, capitalizing on increased aluminum production worldwide.
- Cement and Clinker: Exporting nations like India and China demonstrated resilience in construction material supplies, addressing global infrastructure needs.

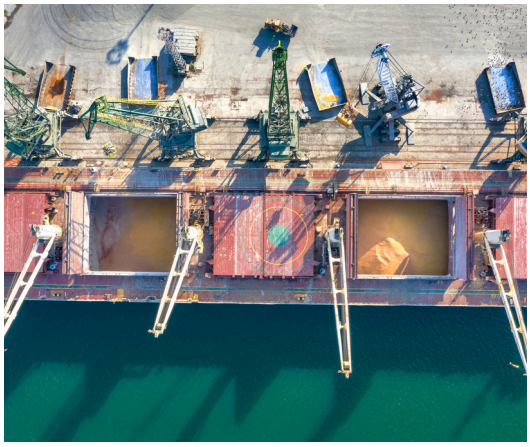




Summary of Best Performing Commodities and Export countries in 2024

Key Insights:

- Iron Ore: Led the exports with a total volume of 1,330 million tonnes, driven by strong demand for steel production, particularly from Asia and Europe.
- Coal: Ranked second with 1,100 million tonnes, fueled by consistent demand from energy production and industrial uses, despite global decarbonization pressures.
- Cement: Exported at 340 million tonnes, highlighting its role in infrastructure and construction projects globally.
- Bauxite: Total exports reached 230 million tonnes, supported by its necessity in aluminum production.
- Clinker: Accounted for 170 million tonnes, underscoring its importance in cement manufacturing and regional construction industries.



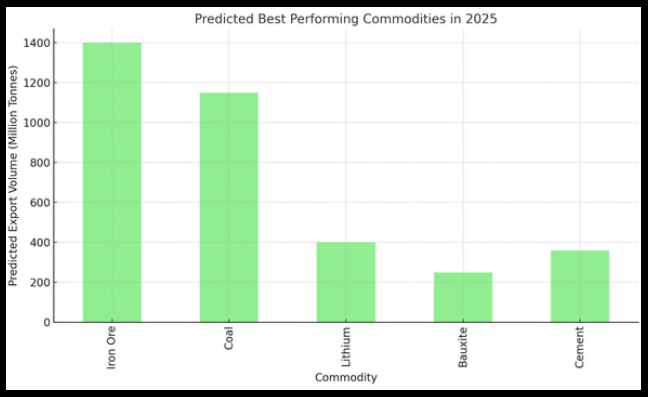
1. China:
   - As a global manufacturing hub, China maintained significant demand for raw materials like iron ore and coal, which are crucial for its industrial base. While it heavily imports raw materials, it also plays a key role in exporting cement and clinker due to its vast production capacity.

2. Australia:
   - Australia stood out as a leading exporter of iron ore and coal. With rich mineral reserves and strong ties to Asian markets, its mining sector has been instrumental in meeting the global demand for raw materials, especially in steel production.

3. Brazil:
   - Brazil was a dominant player in iron ore exports, supplying 380 million tonnes globally. Its vast mineral wealth and strategic investments in mining infrastructure allowed it to capitalize on increased demand from China and Europe.

4. India:
   - India made significant contributions in bauxite and cement exports. The country's growing production capacities and its strategic location allowed it to supply neighboring regions efficiently.

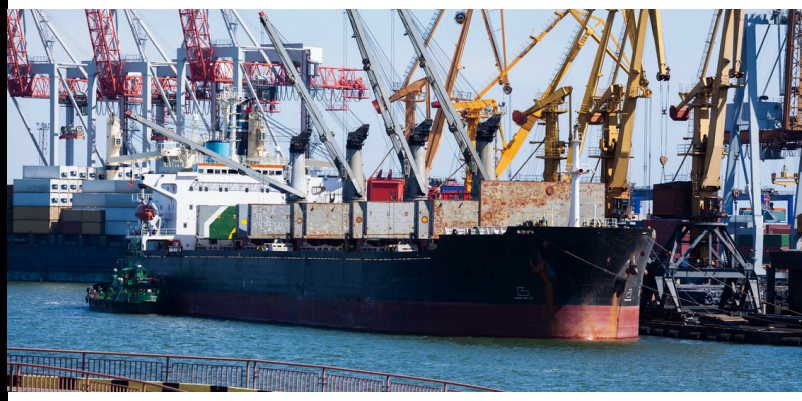
5. Indonesia:
   - A major coal and bauxite exporter, Indonesia leveraged its rich natural resources to cater to energy and industrial sectors globally. Its proactive policies in mining and exports supported its economic growth.



2025 Outlook: Insights on Commodities

Anticipated Best Performing Commodities

1. **Iron Ore** (Predicted Export Volume: 1,400 MT)
   - Drivers: Sustained demand from construction and manufacturing sectors, particularly in developing economies.
   - Challenges: Increased competition among exporters, logistical constraints, and carbon emission regulations impacting mining.
2. **Coal** (Predicted Export Volume: 1,150 MT)
   - Drivers: Continued reliance on coal for energy in emerging markets, despite global decarbonization initiatives.
   - Challenges: Stricter environmental policies, rising production costs, and a shift toward renewable energy sources.
3. **Lithium** (Predicted Export Volume: 400 MT)
   - Drivers: Escalating adoption of electric vehicles (EVs) and renewable energy storage solutions, with lithium being a core element.
   - Challenges: Limited reserves, geopolitical tensions around resource ownership, and environmental concerns related to mining.
4. **Cement** (Predicted Export Volume: 360 MT)
   - Drivers: Infrastructure development in Asia and Africa, especially for roads, housing, and industrial facilities.
   - Challenges: Rising raw material costs, carbon emissions from production, and competition from alternative materials.
5. **Bauxite** (Predicted Export Volume: 250 MT)
   - Drivers: Growth in global aluminum demand for lightweight construction, EVs, and packaging industries.
   - Challenges: Resource depletion in key regions and energy-intensive extraction processes.



Key challenges

Environmental Regulations:

- Tightening global policies on emissions will impact mining and transportation of bulk commodities.
- Green technology adaptation will require significant investments, raising operational costs.

Trade and Tariff Barriers:

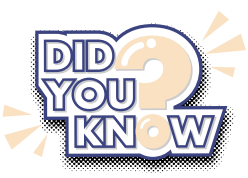
- Ongoing trade disputes among major economies could result in fluctuating demand and increased shipping costs.
- Export restrictions in resource-rich countries could affect supply consistency.

Geopolitical Risks:

- Regional instability in resource-producing countries may disrupt commodity supply chains.
- Shifts in global alliances could realign trade flows.

Technological Adaptation:

- Slow adoption of decarbonization technologies in mining and shipping might hinder progress toward sustainability goals.



Over 90% of global trade is carried by the maritime industry, making it the backbone of the world economy. Every year, merchant ships transport approximately 11 billion tonnes of goods, including food, energy, raw materials, and manufactured products!



Spotlight on Green Technology in the Maritime Industry (2025)

The maritime industry stands at the forefront of the global transition to greener practices. In 2025, the focus on sustainability will intensify as stakeholders align with international environmental goals and regulations. Here's a comprehensive look at the state of green technology adoption:

2025 Vision for Green Maritime

As the maritime industry embarks on this transformative journey, 2025 is expected to be a pivotal year for:

- Expanding the use of alternative fuels, with ammonia and hydrogen playing central roles.
- Increased implementation of energy-efficient technologies across global fleets.
- Setting the stage for long-term decarbonization while navigating operational and economic hurdles.

Challenges in Green Technology Adoption

1. **High Initial Costs:** Limited access to financing for smaller operators slows adoption.
2. **Infrastructure Gaps:** Insufficient global availability of refueling and recharging stations
3. **Technological Uncertainty:** Many emerging technologies are still in trial phases
4. **Regulatory Fragmentation:** Inconsistent enforcement of green policies across regions

Key Drivers for Green Technology in Maritime

1. **International Regulations:**
   - The IMO 2023 Guidelines continue to push for carbon intensity reduction, with the ultimate goal of halving emissions by 2050.
   - Stricter Emission Control Areas (ECAs) are being enforced in major trade routes, requiring vessels to meet low-sulfur fuel standards or adopt alternative technologies.
2. **Market Pressures:**
   - Major shippers and charterers are demanding greener supply chains, pressuring operators to reduce their carbon footprints.
   - Consumers are increasingly aware of sustainability, influencing global trade patterns and corporate strategies.
3. **Economic Incentives:**
   - Subsidies and tax breaks are being offered by governments for vessels that adopt cleaner technologies.
   - Long-term fuel savings from alternative energy sources, despite high initial investment costs, are appealing to operators.

Opportunities Ahead

1. **Collaborative Innovation:** Cross-industry collaboration is vital for scaling up production of green fuels.
2. **Public and Private Sector Synergy:** Governments offering incentives and private investments in R&D can bridge the gap in technology adoption.
3. **Carbon Credits and Trading:** Maritime companies adopting green practices can monetize their efforts through carbon trading schemes.



Conclusion: Reflecting on 2024 and Charting the Course for 2025

As we bid farewell to 2024, the maritime industry stands at a critical juncture. This year has underscored both the resilience and adaptability of the sector amidst shifting global dynamics. From the steady recovery in commodity trade to the growing emphasis on sustainability, each development has paved the way for a transformative future.

As we look to 2025, the maritime industry must continue to lead with foresight. Investments in green technology, diversification of trade routes, and commitment to sustainability will be essential in navigating the complexities of the coming year. Collaboration between governments, private entities, and international organizations will be paramount in overcoming barriers and unlocking growth.

ACE Shipbrokers remains dedicated to supporting our partners through this evolving landscape. With reliable insights, a deep understanding of market trends, and an unwavering focus on innovation, we stand ready to help navigate the challenges and seize the opportunities that lie ahead.

Let's embark on 2025 with a shared vision for a resilient, sustainable, and prosperous maritime future. Together, we can continue to chart a course that connects the world in meaningful ways.

Thank you for reading!

ACE Shipbrokers