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ACE INSIGHTS

April 2025

ISSUE #10



REVIEW AND UPDATE

FOUNDER'S NOTE

As we close the books on the first quarter of 2025, it's evident that the maritime industry is undergoing a profound and multifaceted transformation. At ACE ShipBrokers, we've witnessed first-hand how volatile markets, regulatory pressure, and technological disruption are shaping the future of global shipping.

Q1 2025 has been defined by a recalibration of trade flows, driven largely by geopolitical rerouting and evolving energy dynamics. The ripple effects of continued Red Sea tensions and Panama Canal congestion have altered traditional shipping lanes, compelling operators to adapt swiftly to longer voyages, shifting schedules, and revised cost models.

On the commodities front, we've seen divergent trends—while iron ore and cement experienced slight contractions in demand due to cooling construction in Asia, coal saw renewed demand, especially from South Asia, highlighting the ongoing energy transition paradox. Price movements across these commodities reflected both logistical constraints and regional consumption shifts.

Equally significant is the rapid momentum toward sustainability. Investments in alternative fuels, vessel efficiency upgrades, and emissions-compliant fleets are no longer strategic options—they are now market expectations. Green technology, once a forward-looking concept, is being embedded into daily operational choices across the value chain.

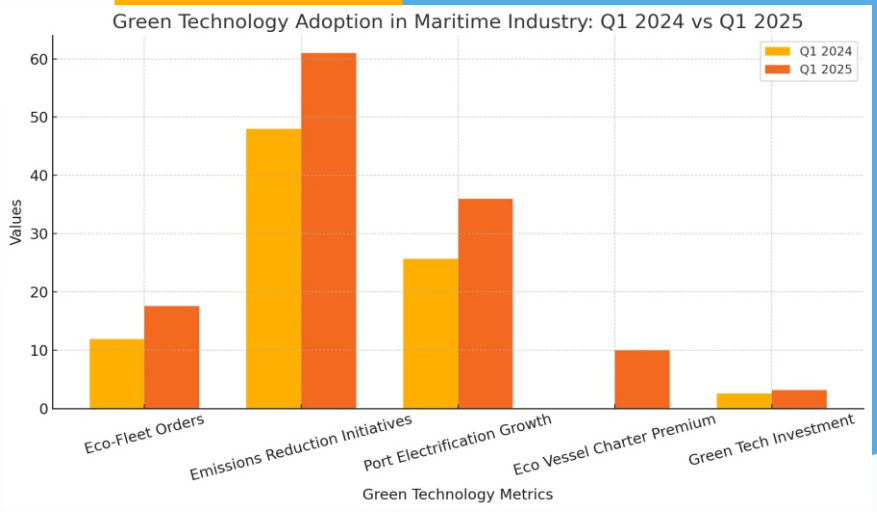
Despite ongoing challenges, Q1 has shown that this is a resilient and adaptive industry. We've seen clients shift strategies, ports modernize, and charters recalibrate. At ACE ShipBrokers, we've adapted alongside our partners—leveraging real-time intelligence, chartering insights, and market forecasts to help navigate uncertainty with confidence.

Looking ahead, we remain optimistic. The trends shaping Q1 are setting the tone for a leaner, smarter, and more sustainable maritime future.

Warm regards,

Ashish Chhawchharia
ACE ShipBrokers

Q1 - 2025
Green Technology Statistics in Maritime Sector



The push toward decarbonization has gathered momentum in Q1 2025. Regulatory pressure from IMO 2023's implementation of CII (Carbon Intensity Indicator) and EEXI (Energy Efficiency Existing Ship Index) has accelerated investment in green retrofits and dual-fuel vessels.

ECO-FLEET EXPANSION

- 17.6% of new vessel orders in Q1 2025 were fitted with dual-fuel (LNG/methanol) or hybrid-electric propulsion systems. This is a jump from 11.9% in Q1 2024.
- The bulk carrier segment led this trend with 26% of new orders integrating green propulsion.

EMISSIONS REDUCTION FOCUS

- Early adopters of Carbon Intensity Indicator (CII) optimization software reported up to 14% fuel savings.
- Approximately 61% of global shipping lines have launched emissions-reduction initiatives, primarily via speed optimization, retrofit scrubbers, and route planning AI.

PORTSIDE ELECTRIFICATION

- 36 major ports globally initiated or expanded shore-power infrastructure projects in Q1 2025.
- This translates to a 40% YoY increase in shore connection capacity, targeting cruise and Ro-Ro terminals first.

CHARTER PREMIUMS FOR GREEN VESSELS

- Ships rated "eco" under IMO 2023 standards fetched 8%–12% higher charter rates compared to conventional vessels on the same route.
- Intra-Asia and transatlantic routes showed the highest eco-premium sensitivity.

GREEN TECH INVESTMENT SURGE

Green tech investment by shipowners rose 22% YoY in Q1, totaling over $3.1 billion globally, per Baltic Exchange and Clarkson Research.

Commodity Movements

Trade Trends & Price Signals in Q1 2025

The first quarter of 2025 has revealed a mixed bag of momentum across key dry bulk commodities, with market forces diverging sharply based on region and end-use demand. While energy-linked cargoes like thermal coal experienced upward pricing pressure due to rising power consumption in Asia, construction materials such as iron ore and cement faced headwinds from a softer infrastructure pipeline and macroeconomic caution. Clinker, however, stood out with a surge in both price and demand, driven by construction booms in the Middle East and West Africa. We explore the nuances in pricing and export volumes shaping each segment this quarter.

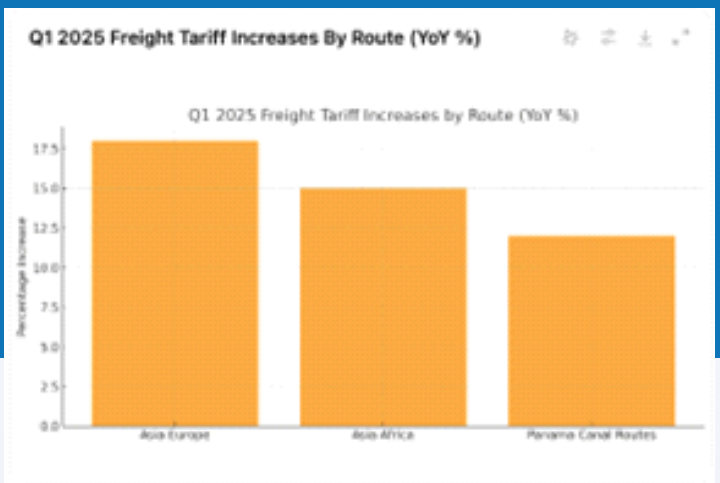
Freight Tariffs

Q1 2025 (QoQ) Changes by Route

Route	Q1 2025 QoQ Tariff Change	Drivers
Asia–Europe (via Cape)	+11%	Rerouting around Red Sea, longer voyage times
Asia–Africa (East)	+8.5%	Increased demand from clinker/cement exports, Red Sea spillover
Panama Canal–US East	+6.7%	Slot auction pricing & water shortage limiting transits
Intra-Asia	+3.2%	Port congestion recovery; moderate trade growth

Note : This update reflects average spot rate movement in dry bulk and general cargo for the quarter (Jan–Mar 2025), not containerized trade.





Based on the most recent commodity market reports from Reuters, Nasdaq, Trading Economics, and sector-specific forecasts, here's an elaborated Q1 2025 commodity movement analysis for Iron Ore, Coal, Cement, and Clinker:

1 Iron Ore

- Export Volume: Despite sluggish steel demand, China's iron ore imports hit a new high in Q1 2025 as traders took advantage of lower prices to stockpile.
- Top Exporters: Australia (Rio Tinto, BHP), Brazil (Vale).
- Price Trend: Averaged $108/ton FOB, down 3.5% QoQ.
- Reason: Weak construction activity and reduced steel output in China amid an ongoing real estate slump.
- Outlook: Prices are forecast to stay soft, with mid-2025 projections around $100–$105/ton depending on restocking cycles.

Key Insight : Supply remains strong; demand is the constraining factor.

2 Coal (Thermal)

- Export Volume: Indonesia and Australia continued to lead thermal coal exports. Indian imports surged due to peak power demand and lower hydro generation.
- Price Trend: Spot prices climbed to $138/ton, up 6.8% QoQ.
- Reason: Weather disruptions in Indonesia (floods), domestic production gaps in India, and temporary rail disruptions in South Africa.
- Outlook: Prices may ease slightly in Q2 if logistical bottlenecks clear and inventory buffers normalize.

Key Insight : Coal remains resilient due to energy insecurity and erratic renewables.

3 Cement

- Export Volume: Moderately down in Q1, especially from Vietnam and Pakistan, as construction activity in Asia dipped seasonally.
- Price Trend: Slight decline to $85/ton, down 2.1% QoQ.
- Reason: Weak demand from Bangladesh and the Philippines; higher inventories led to export push at lower margins.
- Outlook: Demand is expected to rebound in Q2 as infrastructure projects reaccelerate.

Key Insight : Cement volumes are cyclical and sensitive to regional weather.

4 Clinker

- Export Volume: Surged in Q1, particularly from Vietnam, Indonesia, and Turkey to West Africa and the Middle East.
- Price Trend: Rose to $60–65/ton, up 4.5% QoQ.
- Reason: Strong construction demand recovery in Nigeria, Ghana, and Saudi Arabia, and favorable trade terms under regional development programs.
- Outlook: Stable-to-positive price outlook for Q2 with expanded demand in Sub-Saharan Africa.

Key Insight : Clinker exports are growing due to localization of cement grinding in importing regions.

Route Dynamics & Tariff Implications

Navigating a New Map in Q1 2025

The first quarter of 2025 has continued to reshape traditional maritime corridors, driven by prolonged geopolitical unrest and climate-induced logistical disruptions. Red Sea security concerns have rerouted a significant share of container and dry bulk traffic away from the Suez Canal, while persistent drought conditions at the Panama Canal forced carriers to reroute or bid aggressively for limited transits. These route recalibrations have sent ripples through freight markets, driving up tariffs and altering voyage durations, particularly on Asia–Europe, intra-Asia, and Americas-linked routes. The implications have been both operational and financial, with shippers adjusting to new cost realities and planning cycles.

Q1 2025 Route & Tariff Data Snapshot

Route	Disruption Impact	Avg Voyage Increase	QoQ Tariff Change	Notes
Asia–Europe (via Cape)	Red Sea bypassing	+9–12 days	+11.2%	Most Capesize bulkers diverted via Cape of Good Hope
Asia–Med (East Africa)	Red Sea risk spillover	+6–8 days	+8.5%	Some Gulf shipments shifted westward
Panama Canal–US East	Low water level (drought)	30–40% fewer slots	+6.7%	Auction slots hit $500K+ for some carriers
Intra-Asia (SE Asia Focus)	Port congestion easing	N/A	+3.2%	Stable trade, minor uplift due to holiday cycles
US Gulf–Europe (via Atlantic)	Shifted traffic from Panama	+4–5 days	+5.4%	Backhaul lanes affected more mildly

MARITIME INDUSTRY EVOLUTION

What's New in Q1 2025?

The maritime industry in Q1 2025 has continued its rapid transformation, driven by digitalization, decarbonization, and new operating models that reflect both regulatory shifts and commercial demands. Several key evolutions stood out this quarter:

SURGE IN DIGITAL SHIPPING PLATFORMS

Cloud-based chartering and voyage optimization tools have gained wide adoption among mid-sized operators. Platforms like FreightOS and SeaRoutes AI are now standard in spot market negotiations, reducing fixture time by up to 35% and enabling real-time emissions tracking.

AI-DRIVEN PREDICTIVE MAINTENANCE

Fleet owners are increasingly integrating AI and sensor-based diagnostics across vessels. This shift has led to a reported 20–25% reduction in unscheduled downtime, especially in larger fleets operating Capesize and Panamax vessels.

ACCELERATION OF GREEN RETROFITTING

Following CII and EEXI regulatory enforcement, many older vessels underwent eco-retrofits during Q1:

- Scrubbers, propeller upgrades, and hull coatings saw higher uptake.
- Over 18% of vessels above 20,000 DWT entering Q1 drydock were refitted for energy efficiency.

MODULAR SHIP DESIGN & AUTONOMOUS PILOTING TRIALS

Shipbuilders in South Korea and Norway advanced trials of modular vessel hulls and level-2 autonomous navigation systems in controlled sea lanes. These designs aim to reduce building lead times and operational crewing costs.

ESG REPORTING BECOMING STANDARD

Maritime ESG compliance is maturing quickly. Over 60% of major shipping firms now include real-time emissions and safety metrics in quarterly disclosures. This move is in response to pressure from green investors and cargo owners demanding carbon transparency.



SMART PORT COLLABORATION

Ports in Rotterdam, Singapore, and Jebel Ali began cross-sharing vessel scheduling and emissions data to reduce idle time at anchorage. These “digital corridor” collaborations are expected to cut port waiting times by 10–15%.

Together, these shifts point to a maritime sector that is becoming more technologically sophisticated, environmentally accountable, and operationally agile. The innovations of Q1 are not just transitional—they're setting new industry baselines for cost, compliance, and competitiveness.

Looking Ahead

Q2 2025 Outlook & Projections

As we step into the second quarter of 2025, the global maritime sector finds itself at a crossroads of cautious optimism and ongoing volatility. While Q1 was shaped by rerouted trade, shifting demand curves, and regulatory pressures, Q2 is expected to bring a more balanced but still complex landscape. Below are the key projections across commodity flows, freight markets, regulatory developments, and technological trends:

1 TRADE VOLUME RECOVERY EXPECTED

- Iron Ore & Clinker shipments are anticipated to rise modestly as Chinese and Indian infrastructure projects resume momentum post-Lunar holidays.
- Southeast Asia's construction sector, which slowed in Q1, is projected to bounce back, lifting cement exports from Vietnam and Indonesia.
- Coal demand may stabilize or soften slightly, depending on weather normalization in India and inventory levels.

2 FREIGHT MARKET OUTLOOK

- Dry bulk rates are forecast to remain steady-to-firm for Supramax and Handysize segments on intra-Asia and Africa-bound routes, while Capesize may remain soft due to limited long-haul demand.
- Freight tariffs may start to ease marginally on some lanes if Red Sea tensions de-escalate and Panama Canal drought conditions improve by May.
- However, port congestion and rerouting inefficiencies may persist in parts of West Africa and the Middle East.

3 REGULATORY LANDSCAPE

- The industry is bracing for further guidance from the IMO on carbon pricing mechanisms and MRV updates, expected mid-Q2.
- EU ETS (Emissions Trading System) adjustments for maritime emissions will begin affecting charter pricing models for intra-Europe voyages.

4 TECHNOLOGICAL INTEGRATION

- Q2 will likely see wider rollout of smart fuel management systems, particularly among mid-sized shipowners aiming to improve CII ratings before year-end audits.
- Autonomous navigation pilot programs are slated to expand to selected short-sea routes in Northern Europe.

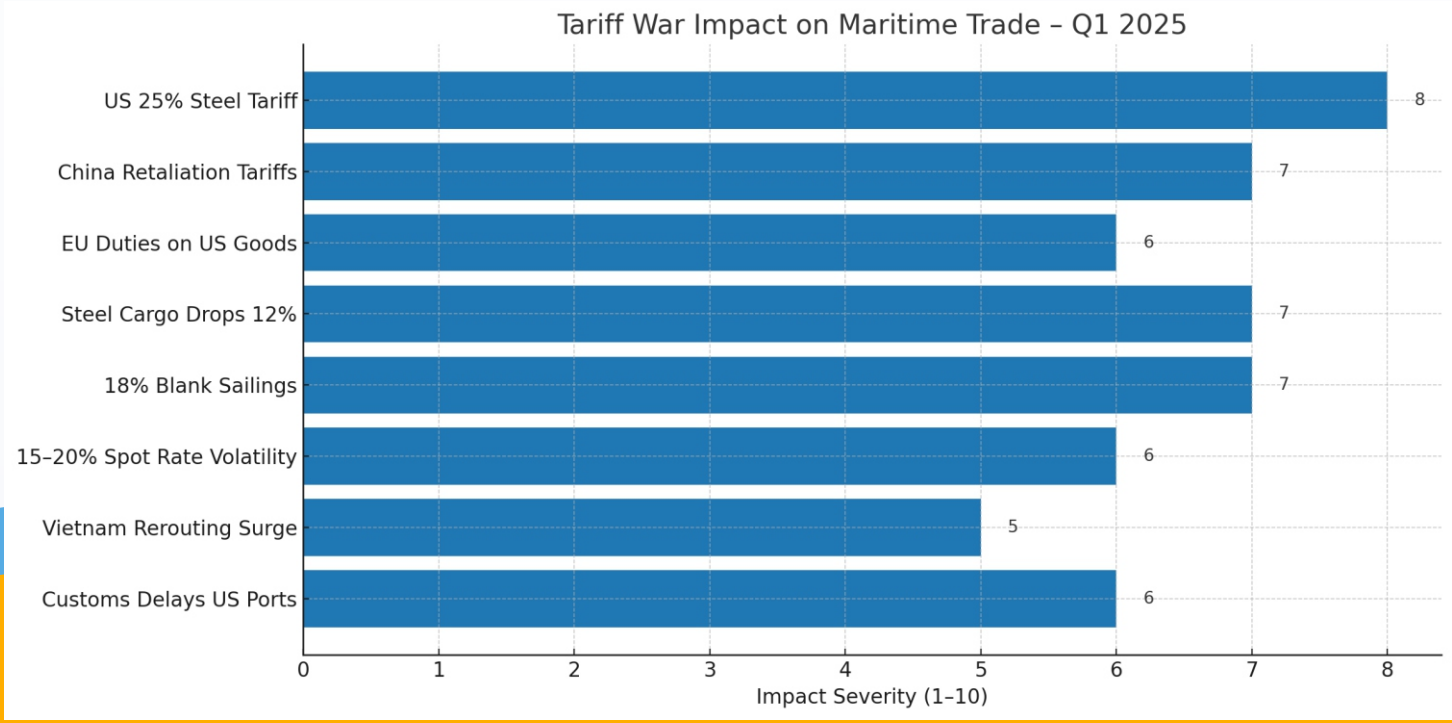
5 INVESTOR SENTIMENT & ESG MOMENTUM

- nstitutional interest in green maritime funds and sustainable shipping ETFs continues to grow, placing added pressure on shipowners to digitize, decarbonize, and disclose.
- Freight buyers (cargo owners) are starting to demand emissions-adjusted charter rate transparency as part of Q2 contract renewals.

Tariff Tensions

How the Global Trade War Disrupted Q1 2025 Shipping

The reopening of tariff disputes in early 2025 between key trading blocs—most notably the United States, China, and the European Union—has reignited uncertainty across maritime logistics and commodity supply chains. The renewed tariff war had tangible effects on freight flows, vessel deployment, and market sentiment during the first quarter.



Tariff War Impact on Maritime Trade Q1 2025

Event / Policy	Effect on Maritime Sector
US imposes 25% steel & aluminum tariff	Reduced steel & metal cargo imports to US; rerouting of shipments
China retaliates with tariffs on US LNG & agricultural goods	LNG volumes redirected; bulk carriers adjusted their deployment strategies
EU adds duties on US machinery & vehicles	Ro-Ro and breakbulk cargo rerouted to avoid EU tariffs
Steel/aluminum cargo drops 12% YoY (Trans-Pacific)	Dry bulk demand decreased; charter volumes compressed
Blank sailings from Asia to US increase by 18%	Capacity and spot rate volatility across major Asia–US routes

Event / Policy	Effect on Maritime Sector
Spot rate volatility for metal cargoes hits 15–20%	Forward Freight Agreements (FFAs) became unstable; hesitancy in chartering
Vietnam sees rerouting surge to avoid US tariffs	Southeast Asia gains volume from tariff-avoidance strategies
Customs delays rise at US Gulf/West Coast ports	Increased port dwell times, disrupted transit schedules

FINAL WORD FROM ACE SHIPBROKERS

As Q1 2025 draws to a close, it's evident that the global maritime industry is navigating through a complex interplay of market recovery, geopolitical disruptions, and technological evolution. While commodity flows experienced mixed momentum—iron ore and cement lagging, coal and clinker strengthening—route realignments and tariff turbulence have reshaped both voyage economics and strategic planning.

What stands out most this quarter is the resilience and adaptability of our industry. From rerouted Cape voyages to AI-enabled maintenance, from ESG-led chartering practices to digital port coordination, the sector is not just adjusting—it's evolving.

Looking ahead to Q2, we anticipate a period of measured stabilization. Construction-driven cargoes like clinker and cement are expected to pick up, while iron ore may find renewed demand. Freight rates may see modest corrections if Red Sea tensions and Panama Canal conditions improve, though volatility will remain a factor. Regulatory developments and carbon disclosures will continue influencing fleet strategies, and digitalization will deepen across chartering and operations.

At ACE ShipBrokers, we thank our partners and clients for their trust and collaboration, and we look forward to helping you navigate Q2 with confidence, clarity, and competitive edge.

ACE ShipBrokers –
Navigating Markets,
Connecting Opportunities.