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Concerns raised as ageing fleet becomes the new norm



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The remainder of the 2020s will be marked by a global merchant fleet that will get older and older, something charterers, operators and owners will have to accept as the new normal, especially if demolition volumes remain as muted as they have been in the past few years.

A substantial portion of today's vessels will be over two decades old in the coming years, according to a new report from Greece's Xclusiv Shipbrokers.

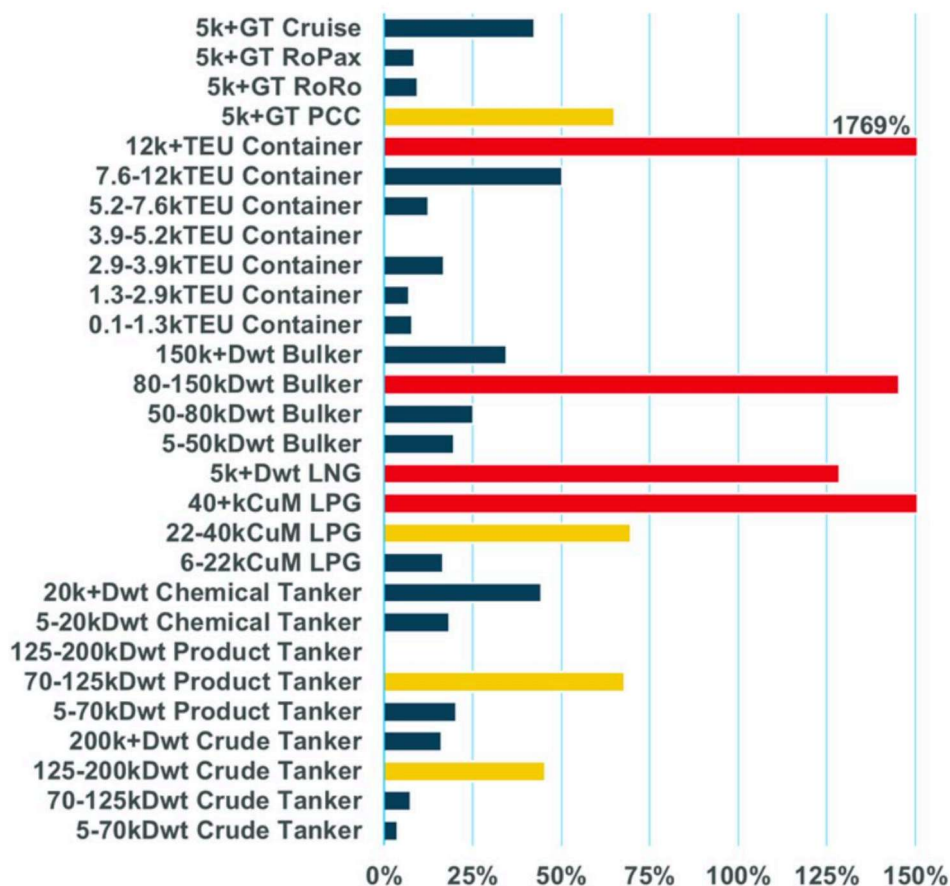
"This ageing fleet presents a multitude of concerns, from operational efficiency to environmental sustainability," Xclusiv researchers wrote in their latest weekly report, questioning how much of the global merchant fleet will be able to meet green targets set for 2030 laid out by the International Maritime Organization.

In the bulker segment, nearly 30% of the current fleet, both in terms of vessels and deadweight tonnage, will be over 20 years old by 2030, Xclusiv data shows with larger ships showing the greatest ageing.

The tanker fleet is also experiencing a similar ageing process.

Approximately 48% of today's tanker fleet in dwt terms will be over 21 years old in 2030.

Orderbook as a % of +15Yr Old Fleet



The container and gas fleets are not immune to this ageing trend either despite tremendous ordering in both sectors this decade.

In the gas carrier segment, approximately 42% of the fleet will be over 21 years old in 2030.

In 2030, 49% of today's container fleet, in terms of vessels and teu, will be over 21 years old, according to Xclusiv.

Container analysts at Alphaliner note that today, the top 10 containerlines still operate 683 vessels aged 20 years or older, representing a capacity of more than 2.6m teu.

Assuming 25 years as the normal commercial lifespan of a sea-going cargo vessel, these numbers suggest that the top 10 operators could, between them, use 44% of their combined orderbook just to replace the oldest ships in service, rather than for growth.

Yesterday risk management platform RightShip announced a change in its vessel inspection age trigger for the ageing dry bulk and general cargo sectors.

Citing "evolving market conditions and continuing safety risks", RightShip announced the age trigger for the inspection of dry bulk and general cargo vessels will change from 14 to 10 years.

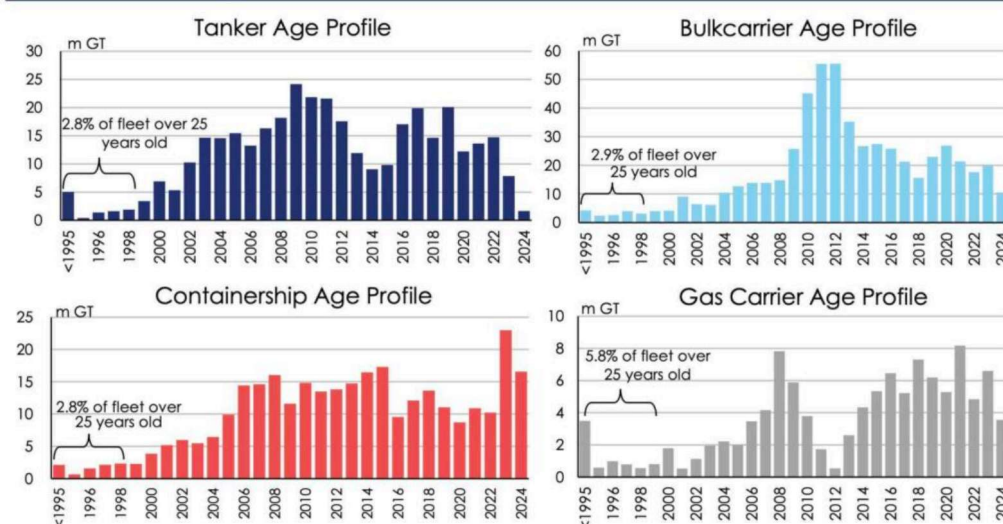
"As we navigate the challenges associated with an ageing fleet, we must collectively strive for safety and transparency across the shipping industry," said Steen Lund, CEO of RightShip.

Longevity proved to be the overarching theme at last month's Maritime CEO Forum held at the Fullerton Hotel in Singapore with many panellists agreeing that charterers will have to relax their restrictions on chartering older units.

As the 2020s progress, there is a clear bottleneck emerging for certain ageing shipping sectors that need to renew their fleets but are faced with busy Asian shipyards full of container and gas carrier orders.

World Fleet by Year of Build

Source: Clarksons Research



#Greece

Comments



John

October 16, 2024 at 5:39 am

It's the corporate greed. Steal the money that was earmarked for replacement vehicles. Show a mn expected profit margin and hide the rest in off shore accounts. It's the new normal