# Tides of Change

## Global scenarios for the future of ports & shipping

International Shipping Week 2025 (15-19 Sept) #LISW25

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- Commercial, technical & ESG due diligence
- Market analysis & strategic advisory
- Economic & financial consulting
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- Business & infrastructure planning

We're offering a **complimentary workshop** to stress test your strategy and operations against the scenarios analysed in this deck.

Contact Alberto Preti to book your session:

**alberto.preti@steergroup.com**

# Navigating the future: The role of scenario analysis

## Framing the analysis

Global maritime trade is facing one of its most volatile periods in decades. A new wave of disruptions, driven by climate change and geopolitical tensions, has upended long-standing shipping routes, distances, and transit times, particularly across chokepoints like the Panama Canal, the Red Sea, and the Suez Canal. These changes are reshaping global logistics, challenging the reliability of critical trade arteries, and placing unprecedented pressure on the world's supply chains. While different shipping sectors (e.g. container, bulk, tanker) are differently impacted, they all subject to common strategic factors.

In light of this shifting landscape, it is essential to examine how the industry has evolved over the past decade and why forward-looking scenario analysis is now more important than ever.

## Why use scenarios

Scenarios offer a structured approach to exploring extreme and multidimensional uncertainties. Our scenarios are designed to examine both the current state ('what is') and plausible future developments ('what could be') to define the solution space for the port and maritime industry. They focus on a near-term time horizon, are non-target-driven and do not represent Steer forecasts. Instead, they are developed to support further analysis and to inform policy, strategy, and operational decision-making. We offer our insights to the port and maritime ecosystem to help navigating complexity, unlock value, and deliver long-term, sustainable solutions.

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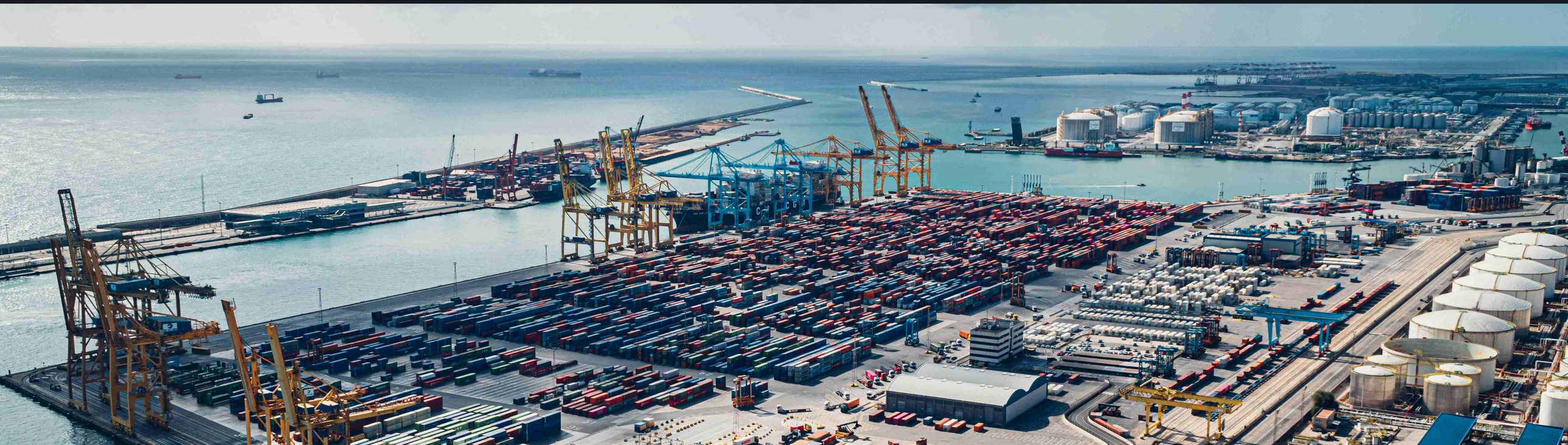
# Ports and maritime: A decade of changes



# A decade shaped by external shocks, complexity ahead

**Over the past 10 years, the maritime industry has undergone significant structural shifts:**

- Trade patterns have increasingly decoupled from GDP growth.
- Key maritime ‘bottlenecks’ face persistent, overlapping disruptions.
- These disruptions have increased shipping distances and transit times. Red Sea disruptions have forced many vessels to reroute via the Cape of Good Hope, adding roughly 3,500 nautical miles (6,500 km) and 10–12 days of sailing time to each trip from Asia to Europe (BBC, January 2024, Veson Nautical).
- Freight rates have also become increasingly volatile, with the Shanghai Containerized Freight Index more than doubling from late 2023 to mid-2024 on key trade routes (UNCTAD, 2024).
- Port congestion and handling delays are becoming the norm: Europe’s major ports such as Rotterdam, Antwerp, and Hamburg experienced 66–77 hours of barge wait times and vessels running 3–5 days behind schedule, partly due to tariff-driven disruptions (Financial Times,30 June 2025).

These changes underscore a fundamental truth: the industry we knew in 2015 is not the industry we see today, and the pace of change is accelerating.

**Understanding what comes next requires exploring a range of plausible futures.**



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# Maritime trade: Key figures

| | 2015 | 2024 | Key trends |
|---|---|---|---|
| **Maritime trade** | | | |
| Trade volumes (billion tons) |  |  | Since 2015, global shipping has seen a steady increase. Despite growth reduction during the COVID-19 pandemic, the port and maritime sector proved resilient. To some extent, port congestion benefitted terminal operators' yard revenue streams. |
| Average distance travelled per ton of cargo (nautical miles) |  |  | The average distance travelled per ton of cargo has increased as disruptions have pushed some trade onto longer routes, increasing average transit distances and times, and freight rates. |
| **Freight rates** | | | |
| Composite Shanghai Containerized Freight Index (SCFI) | **~490-760** | **~1,730 – 3,730** | Spot freight rates for container transport have grown in the last decade but most importantly they have been very volatile in the last five years, reflecting supply chain disruptions, trade tensions, geo-political events, and energy prices. |

Sources: UNCTAD Review of Maritime Transport (2015, 2024), Shanghai Shipping Exchange, Clarksons Research



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# Maritime trade: The big picture

**Panama Canal**

- **2015:** Routine operations
- **2024**: Climate-related drought causing limits & alternative rail services tested

**Cape of Good Hope**

- **2015:** Dormant contingency route
- **2025:** Re-routing due to Houthis attacks but at higher cost and transit time

**Suez Canal / Bab el Mandeb**

- **2015:** Stable, occasional delays
- **2025:** Reduced traffics due to Houthis attacks

**Strait of Hormuz**

- **2015:** Low/moderate political tension
- **2025:** Escalating Israel-Iran tensions, raising concerns over a potential closure

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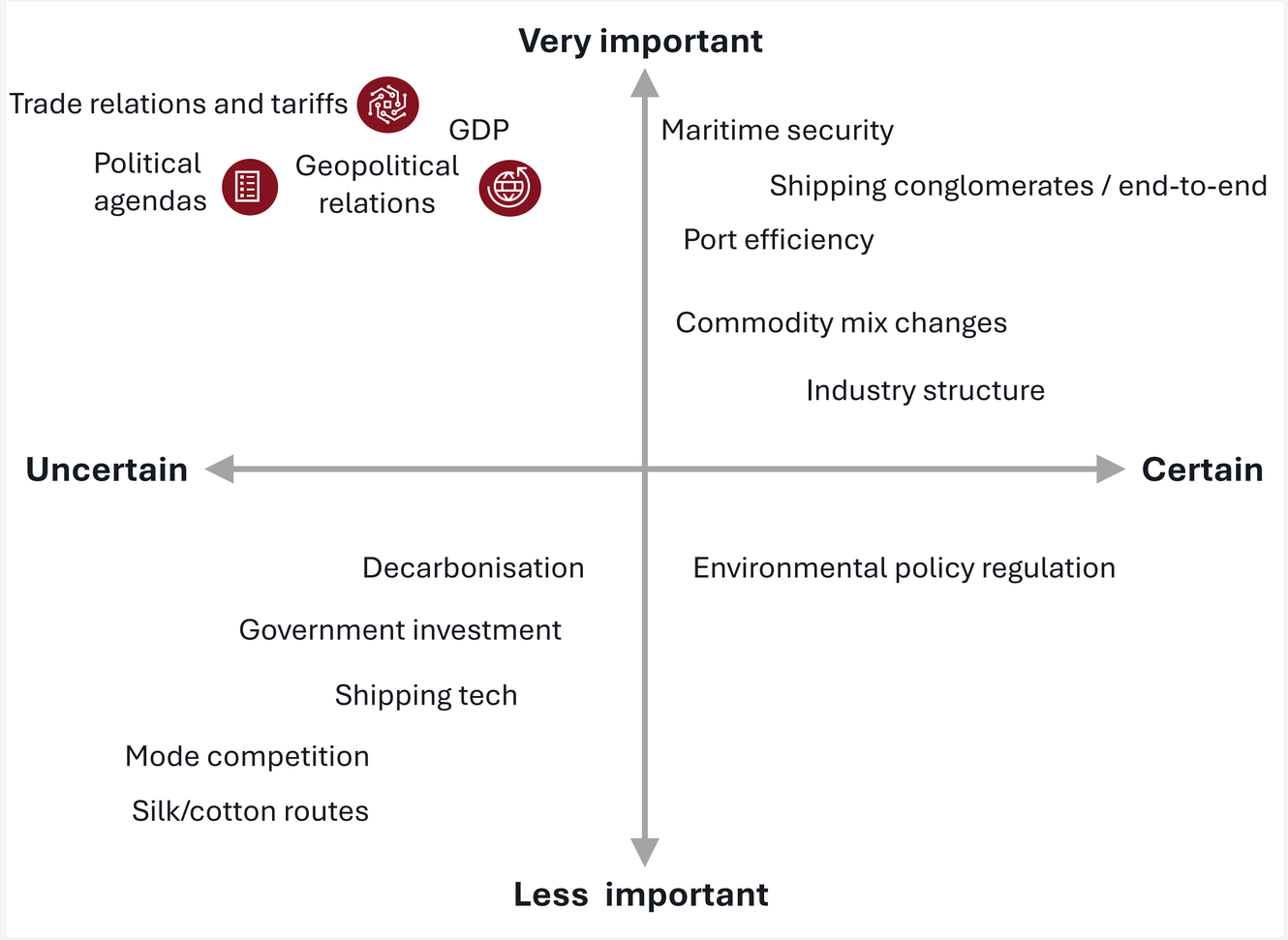
# Charting the course: Key drivers and future scenarios

# Port and maritime growth: Driver mapping




## Steer's approach to this analysis

1. Driver identification and mapping: we mapped 15 drivers of change of economic activity in the port and maritime industry. Three drivers were taken forward and categorised as most important.
2. Scenario development: changes in the three key drivers were waved into coherent narratives for 4 scenarios.

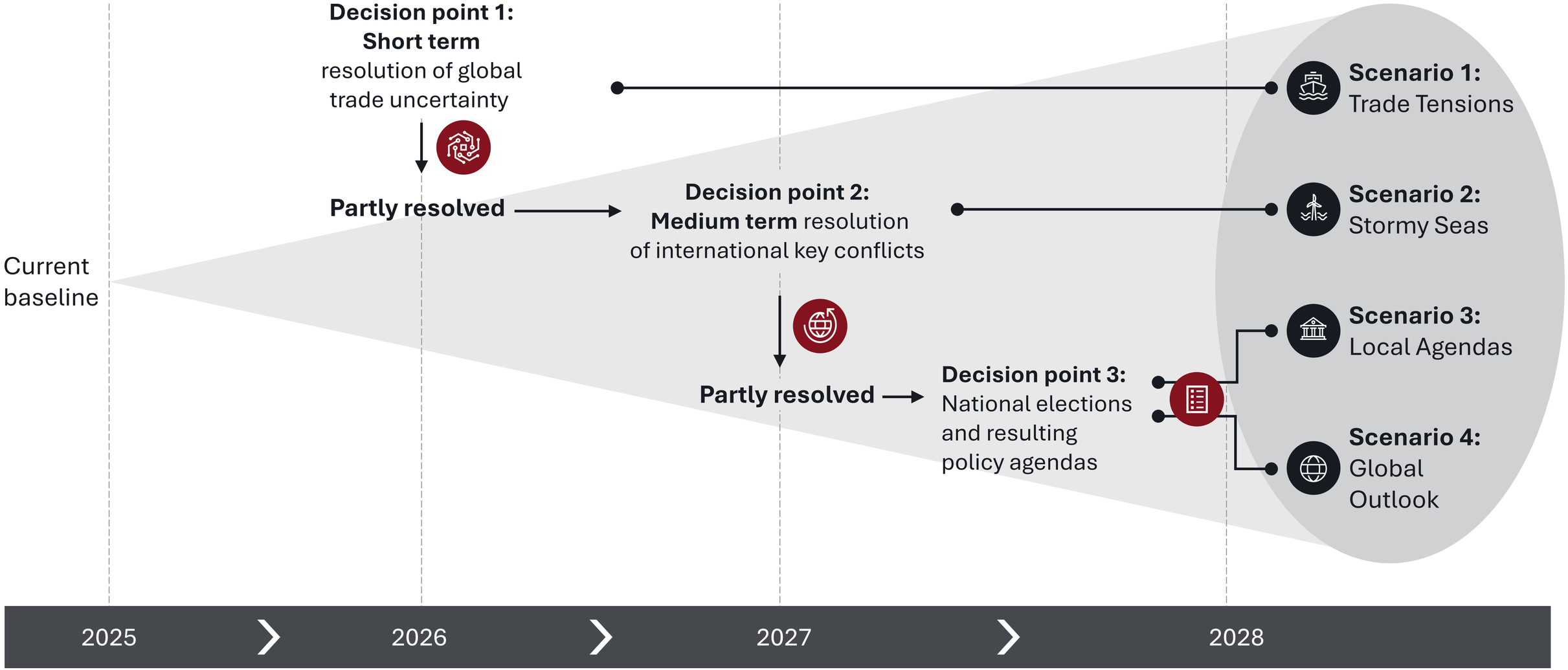
## Key drivers:

**Trade relations and tariffs:** More important than the goods actually being traded, they influence trade levels and drive trade patterns.

**Geopolitical relations:** They influence international supply chains, GDP growth, cargo security, and shipping costs.

**Political agendas:** Results of political elections determine policy focus, level and focus of spend, and international collaborations.

# Potential scenarios: Decision points




Note: Indicative timeline



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# Defining the scenarios

**These four scenarios assess alternative maritime trade evolution trajectories.**
They focus on current geopolitical tensions and global conflict, trade relations, and upcoming political elections.

- Current trade volatility is unresolved and the world's prevailing trade patterns change.
- Tariff policy/approaches remains uncertain and leads to instability in trade patterns.

**Trade Tensions**

- Geopolitical conflicts are unresolved.
- Global anxiety around security and conflicts increases.

**Stormy Seas**

**Local Agendas**

- Emphasis is on local political agenda and is inward looking, with less emphasis on international collaborations.
- Regionalisation of trade continues.

**Global Outlook**

- Political direction is more supportive to global collaborations for economic growth and sustainable development.
- Relative international political stability means greater visibility and prominence of previous policy ambitions, e.g. Net Zero, climate adaptation.



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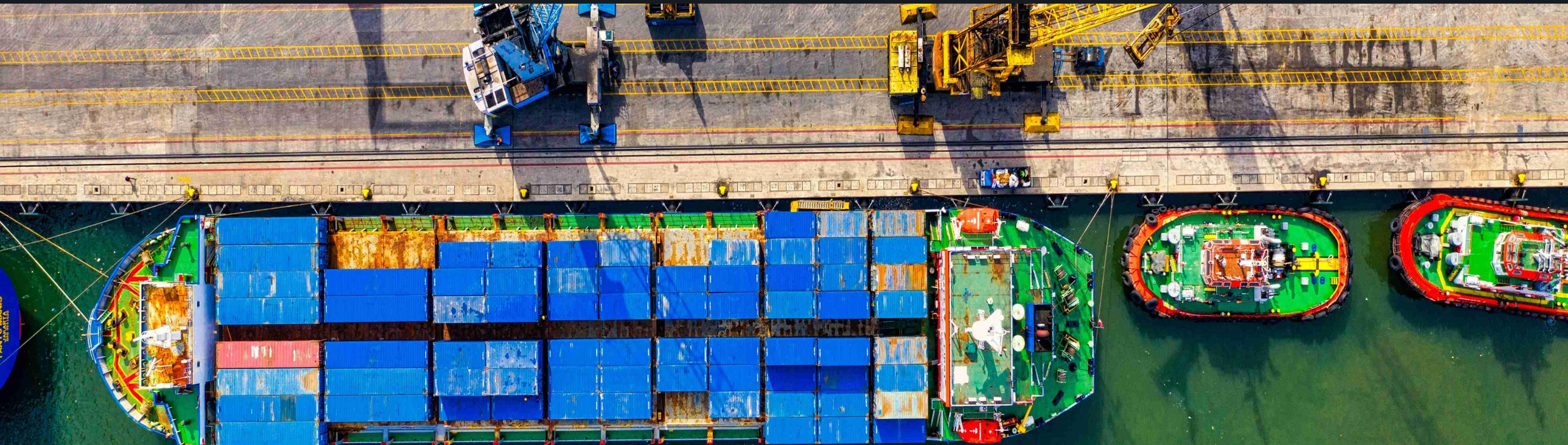
# Envisioning tomorrow: Scenario narratives



# Scenario 1: Trade tensions

## Trade uncertainty continues with significant tariff changes and retaliation measures

- **Tariff uncertainty and increase negatively impacts on GDP growth and global trade** (US imposed tariffs have demonstrated the impact of exposure between different trade players)
- **Trade is more fragmented and regionalised**, and industrial sectors with international supply chains and higher exposure to tariffs are more impacted (e.g. equipment, textile, food, metal, machineries – more broadly manufactured goods are more exposed)
- **The geographic patterns of international trade change** and in the longer-term trade relations of Europe and LATAM with China and Asia strengthen (i.e. China / Asia centric trade), as companies look for new markets to balance tariff changes with trading partners
- Tariff increase results not only in rearrangements of trading geographies but also on **push to domestic production and near-shoring**
- Fragmented supply chains translate into inflationary pressures / **consumer price increase**
- **Maritime trade lane volumes with China and Asia** (as well as intra-Asia and trade corridors between emerging economies and economic blocks – e.g. BRICs) **surge**, while the Transpacific and Transatlantic lanes see reduction of volumes
- **Port throughput becomes more volatile**, with peaks and troughs reflecting supply chain reactions to new tariff waves. This 'peakiness' has operational implications for terminals, including labour scheduling and port utilisation, and also drives the need for enhanced onward logistics, customs clearance, and storage capacity, which in turn influences land use and demand around ports
- **AI is deployed to optimise** costs and shipping routes
- **Sea rates reflect shipping demand volatility** as shippers are required to pay a premium to ensure export/import of their goods is at destination before tariffs are in place
- **Over capacity on specific trade lanes** and associated lower sea rates push redeployment of fleets to reflect new geographies of trade
- **Port investments follow the geographies of new trades**, where perception of stability exists, to generate capacity and efficiency to accommodate traffics
- The shift in trade flows, potentially to economies with less stringent environmental regulations, and less economic surplus, can **deprioritise decarbonization emphasis**. Additionally, disruptions to global trade may influence energy prices, potentially increasing the value of local renewable energy assets owned by port operators



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# Scenario 2: Stormy seas

## Trade tensions reduce but global conflicts continue and impact trade

- **Geopolitical conflicts continue** (e.g. Ukraine, Middle East)
- These **impact on energy and food supplies**, with consequences on GDP growth
- **Shipping routes through Suez continue being impacted** by security issues and Asia – Europe trade lanes continue to be partly diverted via Cape of Good Hope
- **Tensions in the South China Sea** disrupt further Asia-Europe trade
- **Countries start to adapt to geopolitical conflicts** shaping their trade to secure diversification and resilience
- **Shipping costs increase** due to longer routes (higher fuel costs and wages), higher energy and shipping insurance costs. Longer routes also introduce greater risks, including weather-related disruptions, which reduce the reliability of berth scheduling and port operations
- **Sea rates from Asia to Europe raise** reflecting higher shipping costs and increases are passed on to consumer
- **Trade disruptions result in port congestion** and supply chain constraints
- **Supply chain constraints also affect technological products in the clean energy sector** (as well as technology transfer), with negative implications on the global decarbonisation journey
- **Public funds are diverted to military expenses and port infrastructure evolves to dual use** (civil-military). The strategic importance of ports grows, not only for defence but also for safeguarding economic activity
- **The importance of ports as energy hubs increases**. Continuing sanctions on certain energy-producing nations further shape flows
- **Governments exert increased influence over port and shipping strategic acquisitions**, via golden share or by 'facilitating' shareholding structures that enable access to critical products and commodities
- **Cybersecurity becomes prevalent to counter increasing threats.** Port and shipping players use **AI and technology to streamline operations and respond to lower margins**
- **The geography of bulk energy trade shapes to cater industry needs** (e.g. with stronger positioning of ports in North Europe, Africa, US / Mexican Gulf)
- **Valuations of LNG and energy carriers rise**, as strategic assets securing energy supply
- **The push to ports and maritime decarbonisation is slowed down** as international and domestic agenda is more dominated by security concerns



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# Scenario 3: National agendas

**Geopolitical conflicts are partly resolved or at least de-escalated, tariff tensions are broadly resolved, and political direction focuses on local agendas**

- National elections (e.g. US mid term, Brazil, France, Spain) set **political priority on national agendas**
- Focus is on **domestic growth, security and self-sufficiency**
- **Trade tends to be shaped based on bilateral trade agreements and trading blocks**, reflecting political orientation of winning parties and opportunities to strengthen national economies (e.g. energy sourcing and supplies to regional industrial specialisations)
- **Supply chains diversify their geographic footprint**, including in-shoring and near-shoring
- **Regionalisation of trade continues** but trade and shipping volumes overall grow; Transpacific and Transatlantic volumes partly rebound driven by the consolidation of tariff agreements and reshuffled global supply chains

- **Countries rich in natural resources register growth of trade and GDP** (e.g. Russia, US, China and countries in the Middle East and Africa) as they exploit their comparative advantage to secure domestic growth and weight in the international arena
- **Port and more broadly transport infrastructure investment increase**, with new investments in Africa and LATAM to support export of natural resources; port throughput in these geographies grows, in particular in bulk transport and in containerised transport as domestic demand grows, driven by growing middle classes with higher purchasing power

- **The push to port and maritime decarbonisation to some extent continues**, as far as practicable and with varying levels in different regions
- More broadly the energy sector develops to cater industrial needs, and **green energy is not necessarily the opportunity for economic development**

# Scenario 4: Global outlook

**Geopolitical conflicts are partly resolved or at least de-escalated, tariff tensions are broadly resolved, and political direction focuses global economic and sustainable development**

- National elections (e.g. US mid term, Brazil, France, Spain) set **more outward looking political priorities**
- **Focus is on international growth and economic alliances**, though some regionalisation of trade still occurs
- More broadly **some of the events occurred in the last five years** (e.g. pandemic, energy crises, trade uncertainty, geopolitical disruptions) **leave their mark** / local agendas still play a role (e.g. securing energy supply)
- **Supply chains remain international** and aimed at exploiting cost comparative advantages; **supply chain risk management is a priority** to secure production inputs and presence on final markets
- **Some near-shoring / in-shoring trends still occur**
- **GDP and international trade growth is more stable**, and shipping is an enabler of global economic development
- The resolution or de-escalation of conflicts in the Middle East put the **Mediterranean in a central position in Asia-Europe trade**
- **Port throughput grows and new investments in port infrastructure are delivered**
- **The journey to ports and shipping decarbonisation continues**, with investments in new fleets and in port fuel infrastructure (green shipping corridors further develop)
- **The role of ports as energy hubs consolidates**
- **Sea freight rates are less volatile** / follow more stable patterns
- **Volumes return**, as the perceived risk is more stable in this environment
- In this more stable and competitive environment, **technology adoption, including automation and decarbonization, is more likely**, as differentiation becomes a valuable edge in a more stable scenario
- **Technology and AI become pivotal**, with significantly optimised supply chains



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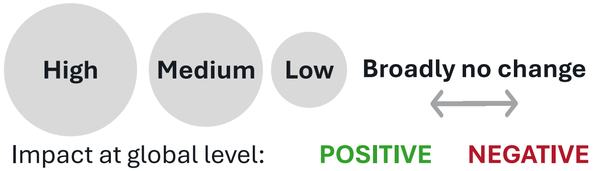
# Potential scenarios: Implications on key variables




| Drivers | Rate of GDP growth | Trade fragmentation | Vol. of trade | Freight rates (incl. insurance costs) | Carbon emissions | Port and infra investment | Energy costs |
|---|---|---|---|---|---|---|---|
| **Scenario 1** Trade Tensions | ● | ● | ● | ● | ● | ● | ● |
| **Scenario 2** Stormy Seas | ● | ● | ⟷ | ● | ● | ● | ● |
| **Scenario 3** National Agendas | ⟷ | ● | ● | ⟷ | ⟷ | ● | ⟷ |
| **Scenario 4** Global Outlook | ● | ● | ● | ● | ● | ● | ● |



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