

Tanker Shipping Market Overview & Outlook

Market strengthens despite slowing oil demand growth



Supply/demand



The **supply/demand balance in the crude tanker market is expected to tighten during both 2024 and 2025** as the fleet grows slowly.

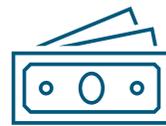


The **product tanker market supply/demand balance should tighten in 2024 but weaken in 2025** as the fleet outgrows demand.



A tightening supply/demand balance should result in **increases in rates and prices in both market in 2024 and for crude tankers in 2025.**

Demand



The IMF estimates that **the global economy will grow 3.1% in 2024 and 3.2% in 2025.** Growth is slowing in key countries such as the US, China and India.



Crude supply growth in 2024 is estimated to be 1.2 mbpd by IEA. Mainly US, Brazil and Guyana will increase supply.



The IEA expects an oil demand increase of 1.2 mbpd in 2024. Demand continues to grow mainly in Asia while demand in OECD countries has stagnated.



Sailing distances continue to increase as oil market imbalances widen. Current Red Sea attacks further increase sailing distances.

Supply



The **crude tanker fleet is estimated to grow 0.6% in 2024 and 1.1% in 2025** as the order book remains small.



Product tanker fleet growth is expected to be 1.8% in 2024 but increase to 4.3% in 2025 as deliveries of ships contracted in 2023 begin.



We expect sailing speed and congestion levels to remain static. The tightening supply/demand balances makes it unlikely that ships will slow down.