

17 October 2021

Contents

Troubled waters: LNG shipowners adapt to age of low profits
Publication date: 30 June 2020

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Troubled waters: LNG shipowners adapt to age of low profits

The LNG shipping industry is facing a potentially prolonged low-level profitability environment. The persistent LNG glut, coupled with global disruption and low energy demand caused by the Covid-19 pandemic, has driven spot LNG charter rates lower. This poses a seemingly insurmountable challenge for shipowners already faced with a reduction in charter agreement lengths from long-term 20-year deals to medium-term charters covering 5-7 years.

On the flipside, orders for new ships continue to be placed, including Qatar Petroleum's USD 19 billion mega-order of 100 vessels on 1 June, as shipowners respond to a need for more efficient, environmentally friendly vessels, which could prove pivotal in the LNG industry's decarbonisation drive. Although market fundamentals are set to stay very challenging for owners in the next few years, this prompts some cautious optimism for the future of LNG shipping, industry sources tell LNG Business Review.

**Consulting**

+44 (0) 20 7332 9900
consult@gasstrategies.com

**Alphatania Training**

+44 (0) 20 7332 9910
training@gasstrategies.com

**Information Services**

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com