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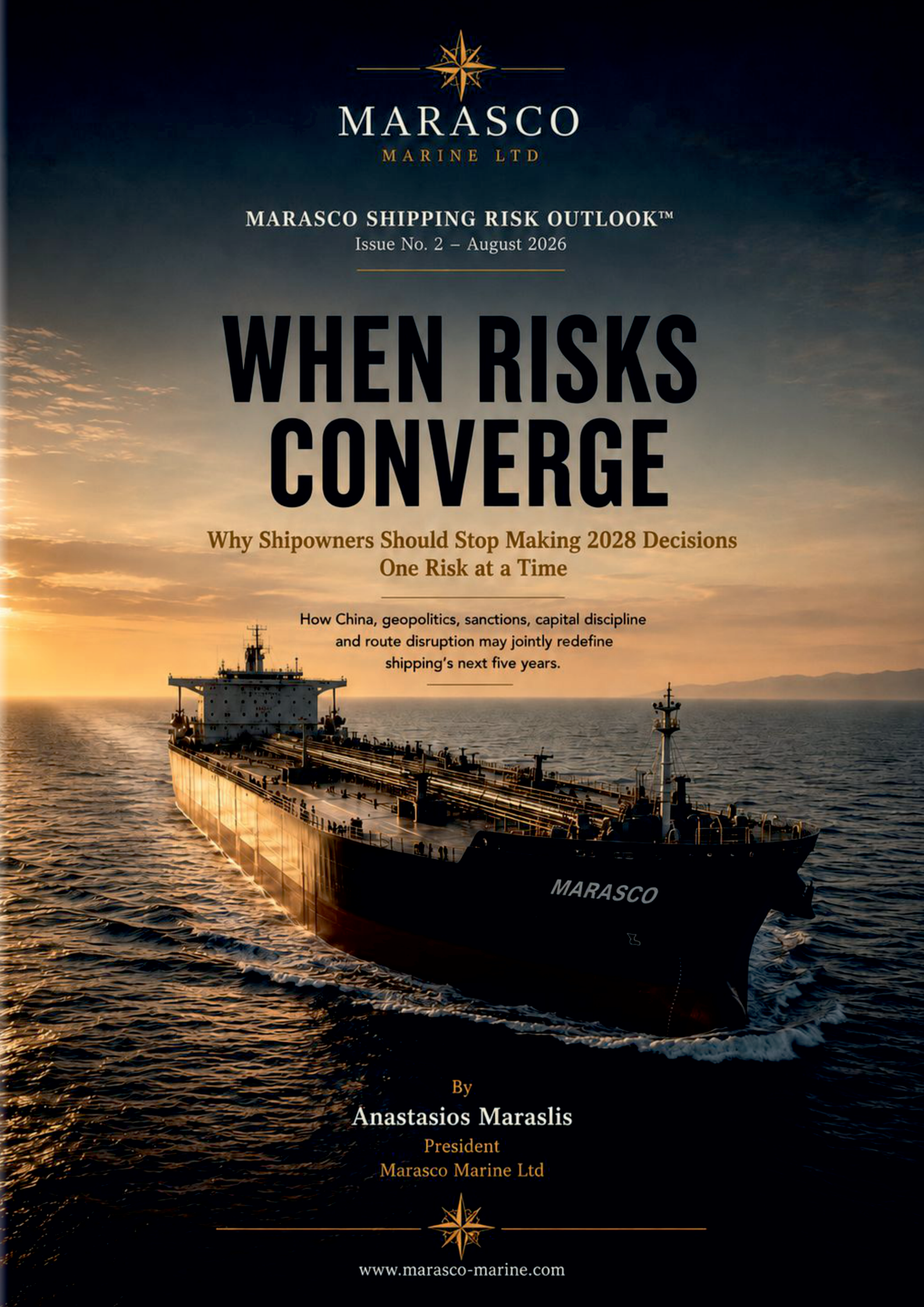
MARASCO SHIPPING RISK OUTLOOK™
Issue No. 2 – August 2026

WHEN RISKS CONVERGE

Why Shipowners Should Stop Making 2028 Decisions One Risk at a Time

How China, geopolitics, sanctions, capital discipline and route disruption may jointly redefine shipping's next five years.



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KEY THEMES

CHINA
From demand engine to strategic uncertainty.

GEOPOLITICS
Risks no longer remain regional.

CHOKEPOINTS
An open route may not be a normal route.

INSURANCE
Cover is becoming part of voyage selection.

CREW & CLAIMS
Human exposure is returning to the centre of risk.

CAPITAL ALLOCATION
The costliest mistake may be committing capital under old assumptions.

STRATEGIC QUESTIONS
Better questions lead to better decisions.

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A NOTE BEFORE READING

Shipping has always lived with uncertainty.

Freight rates change.
Asset values move.
Cargo flows shift.
Political risks appear and disappear.

But the present environment feels different. Not because risk is new. Shipping has never been without risk. What is different is that risks are increasingly connected.

A political decision can affect an energy route.
An energy route can affect inflation.
Inflation can affect interest rates.
Interest rates can affect vessel values.
Vessel values can affect capital allocation.
Capital allocation can affect fleet competitiveness.
Insurance availability can affect whether a voyage is commercially executable.
Crew exposure can affect whether a route remains acceptable at all.

The risk is no longer only the event.

The risk is the chain reaction.

For many years, owners could examine risks separately.

Chartering teams looked at freight.
Finance teams looked at capital.
Technical teams looked at vessels.
Insurance teams looked at cover.
Compliance teams looked at sanctions.
Crewing teams looked at manning.
Boards looked at returns.

Today, these rooms are no longer separate. A decision made in one room may determine the exposure in all the others.

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This report does not attempt to predict the future.

It attempts to identify the questions that serious owners and managers should ask before the future becomes expensive.

That is the purpose of **Marasco Shipping Risk Outlook™**.

Not prediction.
Preparation.

Not noise.
Perspective.

Not certainty.
Better judgment.

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EXECUTIVE SUMMARY

The greatest risk facing shipping today may not be war.
It may not be interest rates.
It may not even be freight markets.
The greatest risk may be more subtle:
making long-term decisions based on assumptions that no longer belong to the world we are entering.
For much of modern shipping history, owners could rely on certain broad assumptions.

China would continue absorbing enormous volumes of raw materials and energy.
Global trade would keep expanding.
Routes would remain broadly available.
Capital would remain accessible in cycles.
Insurance would be available, even if expensive.
Sanctions would affect certain trades, not reshape entire trading systems.
Crew risk would remain manageable.
Geopolitics would disturb markets, but not permanently redefine them.

Those assumptions now deserve closer examination.

China is changing.
Globalisation is changing.
Trade routes are changing.
Sanctions are changing.
Insurance is changing.
Crew exposure is changing.
Capital is becoming more selective.

And perhaps most importantly, these changes are no longer separate.

A slowdown in China affects commodity demand. Commodity demand affects tonnage utilisation. Tonnage utilisation affects freight rates. Freight rates affect vessel values. Vessel values affect financing. Financing affects ordering. Ordering affects the next cycle.

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At the same time, geopolitical friction affects routes.
Routes affect insurance.
Insurance affects voyage economics.
Voyage economics affect charterparty disputes.
Charterparty disputes affect cash flow.
Cash flow affects capital decisions.

The next five years may not reward the owner who predicts one event correctly.

They may reward the owner who understands how several risks can move together.

The question for owners is no longer simply:

“What will rates be in 2028?”

The more important question may be:

“What assumptions am I relying on — and what happens if two or three of them fail at the same time?”

This report is written for that question.

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THE STRATEGIC QUESTION

Every shipping cycle begins with assumptions.

Some are spoken.
Most are not.
An owner orders a vessel because he assumes demand will be there.
A bank finances a vessel because it assumes the asset will hold value.
A charterer fixes a ship because it assumes the route is executable.
An insurer quotes a risk because it assumes the exposure can be understood.
A manager sends a vessel through a route because it assumes the crew risk is acceptable.
A board approves a strategy because it assumes the world behind the spreadsheet will remain broadly recognisable.
But shipping's largest mistakes rarely begin with bad arithmetic.
They begin with assumptions that were once reasonable and then became outdated.

The strategic question for 2028 is therefore not:

"Which market will be strongest?"

It is:

Are owners still making decisions one risk at a time in a world where risks are now connected?

A vessel is not exposed only to freight risk.
It is exposed to route risk.
The underlying Risk.
Crew risk.
Sanctions risk.
Regulatory risk.
Financing risk.
Counterparty risk.
Asset-value risk.
Reputational risk.

And increasingly, these risks do not arrive one by one.

They arrive together.

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The owner who sees only the headline may react late.

The owner who sees the system may prepare earlier.

That difference may define the next five years.

THEN: LESSONS FROM PREVIOUS CYCLES

Shipping has always been shaped by forces beyond shipping.

The oil shocks of the 1970s were not simply energy events.
They reshaped inflation, trade, fleet deployment and tanker markets.

The collapse of the Soviet Union was not simply a political event.
It altered cargo flows, regional trade patterns and strategic geography.

China's accession to the World Trade Organization was not simply a trade event.
It created one of the largest shipping booms in modern history.

The 2008 financial crisis was not simply a banking event.
It destroyed liquidity, froze confidence and punished owners who had mistaken easy money for permanent demand.

Covid was not simply a health crisis.
It disrupted ports, crews, supply chains, container markets, consumer behaviour and inventories.

The Red Sea crisis was not simply a local security event.
It showed how a narrow waterway could affect global schedules, insurance costs, fuel consumption, freight markets and military strategy.

The lesson is simple.

Shipping events are rarely only shipping events.

They are transmission mechanisms.

A shock starts somewhere.
Then it travels.

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Through cargo.
Through routes.
Through finance.
Through insurance.
Through regulation.
Through sentiment.
Through capital.

Owners who understood the transmission mechanism early often had choices.
Owners who waited until the shock appeared in freight rates often had fewer.
History suggests that the largest risk is not being surprised.
It is being overcommitted when surprise arrives.

NOW: WHY THIS CYCLE IS DIFFERENT

Every generation believes its risks are unique. Most are not.

But the current cycle contains a feature that deserves attention: the risks are converging.

China is no longer merely a demand story. It is also a shipbuilding story, a technology story, an energy-security story and a geopolitical story.

Chokepoints are no longer merely route issues. They are insurance issues, crew issues, sanctions issues, energy issues and charterparty issues.

Sanctions are no longer merely compliance issues. They are payment issues, cargo issues, vessel-history issues, insurance-recoverability issues and reputational issues.

Insurance is no longer merely a renewal issue. It is increasingly a voyage-selection issue.

Crew exposure is no longer merely a welfare issue. It is becoming a legal, operational and claims-defensibility issue.

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Capital allocation is no longer merely a question of price. It is a question of assumptions. The danger is not that one thing may go wrong. The danger is that several assumptions may weaken together.

An owner may assume that China will support demand.
That routes will remain available.
That insurance will be available at a manageable price.
That sanctions will remain navigable.
That crews will accept the route.
That financing will remain accessible.
That asset values will remain resilient.

Each assumption may appear reasonable when viewed alone. Viewed together, they form the risk profile of the next cycle. That is why the next five years require not only market knowledge.

They require system thinking.

THE CONNECTED RISK MAP

The modern shipping risk map is no longer flat.

It is layered. At the top sits geopolitics.

Geopolitics affects routes.
Routes affect voyage duration.
Voyage duration affects fuel consumption.
Fuel consumption affects costs.
Costs affect freight.
Freight affects asset values.
Asset values affect financing.
Financing affects ordering.
Ordering affects future supply.
Future supply affects the next cycle.

Another chain begins with China.

China affects commodity demand.
Commodity demand affects bulk trades.
Bulk trades affect tonnage utilisation.
Tonnage utilisation affects earnings.

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Earnings affect capital decisions.
Capital decisions affect fleet composition.
Fleet composition affects competitiveness.

Another chain begins with sanctions.

Sanctions affect counterparties.
Counterparties affect payments.
Payments affect claims recoverability.
Claims recoverability affects insurance value.
Insurance value affects whether a trade is worth accepting.

Another chain begins with crew safety.

Crew safety affects route acceptability.
Route acceptability affects voyage execution.
Voyage execution affects charterparty performance.
Charterparty performance affects disputes.
Disputes affect liquidity.

The owner may see separate files.

The market sees one balance sheet.

That is why the question for the next cycle is not simply:

“Which risk is largest?”

It is:

“Which risks reinforce each other?”

This is where strategy begins.

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RISK #1 — THE CHINA FACTOR

For nearly twenty-five years, shipping enjoyed a powerful tailwind.

China.

The world's second-largest economy became the largest consumer of iron ore, coal, steel, grains and numerous industrial commodities.

Entire fleet segments were built around one assumption: China would continue growing at the pace it had grown before. That assumption deserves closer examination.

China is not collapsing.

That is not the point.

China is changing.

And changing economies create different shipping markets. For decades, Chinese growth was driven primarily by three engines:

Infrastructure investment.
Property development.
Export manufacturing.

Together, they created extraordinary demand for raw materials.

Every new city required steel. Every new ship required iron ore. Every new apartment block required cement, copper and energy.

For shipping, the formula was simple.

China built.
Ships moved cargo.

The question now is whether the next phase of China's development will look the same.

Current indicators suggest otherwise.

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The Chinese property sector remains under pressure. Local government debt remains elevated. Domestic consumption remains uneven.

Industrial policy is moving aggressively into higher-value industries:

electric vehicles,
batteries,
robotics,
semiconductors,
artificial intelligence,
advanced manufacturing.

This transition matters.

An economy that builds apartments consumes commodities differently from an economy that manufactures robots.

The implication for shipping is subtle but important. The next decade may not necessarily involve less trade. It may involve different trade.

Different cargoes.
Different routes.
Different vessel demand profiles.

This raises a strategic question:

When owners order vessels today, are they positioning themselves for the China of 2005 — or the China of 2030?

Those may be two very different markets.

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THE OLD CHINA ASSUMPTION

For many years, owners could reasonably assume that Chinese steel production would continue absorbing massive volumes of imported ore.

They could assume that infrastructure growth would remain intense. They could assume that property construction would continue supporting bulk demand. They could assume that container exports would keep expanding as China supplied the world. These assumptions were not foolish. They were rewarded.

Many of shipping's greatest fortunes were created by owners who understood China early and acted before the majority of the market. But every successful assumption eventually becomes dangerous if it is never retested.

The question is not whether China remains important.

It does.

The question is whether the old China assumption still holds.

A slower but more technologically sophisticated China may consume differently. A China exporting electric vehicles and batteries is not the same as a China building residential towers at extraordinary speed. A China focused on energy security may reshape crude, LNG and coal flows. A China with dominant shipbuilding capacity may influence fleet supply as much as cargo demand. A China with greater geopolitical tension may affect sanctions, financing, insurance and trade routes. A China whose domestic demand weakens may export more aggressively, creating pressure in some markets while reducing demand in others.

For owners, this means China should not be treated as one single variable.

China is not simply "growth."

China is:

demand,
supply,
shipbuilding,
finance,
technology,
sanctions alignment,

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geopolitical influence,
and strategic competition.

The old question was:

“Will China grow?”

The more useful question now is:

“How will China grow — and which shipping sectors benefit from that growth?”

THE REPLACEMENT QUESTION

If China’s growth model changes, the next question is obvious.

Who replaces it?

India is often mentioned.

So is Africa.

So is Southeast Asia.

Each may create significant shipping opportunities. But replacement is not only a matter of population. It is a matter of scale, timing, infrastructure, energy demand, industrial depth, port capacity, financing and political stability.

India may grow rapidly, but its trade profile is not identical to China’s.

Africa may develop strongly, but infrastructure gaps remain material.

Southeast Asia may benefit from manufacturing relocation, but it is a region of many different economies, not one unified demand engine.

The mistake would be to assume that a slowdown in one giant market is automatically replaced by another. History rarely works so neatly. A new demand

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centre may emerge. But it may create different cargo flows, smaller parcel sizes, shorter routes, different ports, different vessel types and different financing needs. For shipping, this matters enormously. A tonne of demand is not the same as a tonne-mile of demand.

A cargo moving through one route does not create the same market effect as a cargo moving through another.

A new factory in India does not automatically replace a construction site in China. A new port in Africa does not immediately replace decades of Chinese infrastructure absorption.

The replacement question is therefore not:

“Will India or Africa grow?”

They likely will.

The better question is:

“Will their growth create the same kind of shipping demand that China created?”

That answer is far less certain.

Owners should monitor not only GDP figures.

They should monitor:

cargo composition,
port investment,
industrial production,
energy imports,
steel consumption,
coal and LNG demand,
infrastructure spending,
fleet deployment,
regional trade corridors,
and financing capacity.

These indicators may reveal more than headline growth.

GDP tells you that something happened.

Cargo demand tells you what may happen next.

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WHAT OWNERS SHOULD WATCH IN CHINA

The most useful indicators may not always be the loudest ones.

GDP figures matter.

But for shipping, they are often too broad.

A country may grow while importing fewer raw materials.
A country may slow while exporting more manufactured goods.
A country may invest less in property but more in energy security.
A country may build fewer apartments but more ships, batteries, vehicles and industrial systems.

For owners, the relevant question is not simply whether China is expanding. It is what kind of expansion China is pursuing.

Owners should watch:

Chinese steel production.
Iron ore imports.
Coal imports.
LNG demand.
Crude import patterns.
Refinery utilisation.
Property-sector activity.
Infrastructure spending.
Industrial production.
Container export volumes.
Vehicle exports.
Shipbuilding orders.
Chinese leasing appetite.
Port activity.

Belt & Road investment.
China's relationship with Russia, Iran, Africa and the Middle East.

Each indicator tells only part of the story.

Together, they may reveal whether China is supporting the old shipping cycle or

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The danger is to read one number and build a strategy around it.

A rising export figure may be good for containers.
A weak property sector may be bad for certain bulk trades.
A strong shipbuilding sector may be bad for future supply discipline.
A larger role in financing may affect who owns the next generation of tonnage.
A stronger energy-security strategy may reshape tanker and gas flows.

China is not a single signal.

It is a system.

And because shipping is connected to that system, owners should not ask:

“Is China strong or weak?”

They should ask:

“Which China are we exposed to?”

The answer may differ by vessel type, cargo, route, charterer, financing source and timing.

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RISK #2- CHOKEPOINTS, ROUTE DISRUPTION & WAR RISK

For most of modern shipping, routes were treated as reliable.

Not risk-free.

But available.

The Suez Canal.
The Strait of Hormuz.
Bab el-Mandeb.
The Black Sea.
The Bosporus.
The Panama Canal.
The South China Sea.

Each route carried risk.

But the underlying assumption was that global trade could continue to move.

Today, that assumption is no longer automatic. A route may be physically open and still commercially unusable. It may be legally available and still unacceptable to crews. It may be navigable and still difficult to insure. It may be insurable and still uneconomic once war premiums, deviation, waiting time, bunkers and uncertainty are included.

This distinction matters.

Owners often ask:

“Is the route open?”

The better question may be:

“Is the route executable?”

Executable means more than passage.

It means:

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The vessel can enter.
The crew can safely serve.
The cargo can be loaded.
The charterparty can be performed.
Insurance can be placed.
Premium terms are known.
Sanctions exposure is manageable.
Delay consequences are allocated.
Claims evidence can be defended.
Exit remains possible.

In today's market, an open route may not be a normal route.

And a normal-looking route may contain abnormal legal, insurance and operational consequences.

WHEN AN OPEN ROUTE IS NOT A NORMAL ROUTE

The danger lies in language.

A canal is "open."
A strait is "open."
A corridor is "available."
A port is "operational."

But those words can hide the real question. Open for whom? Open under what conditions? Open with what insurance? Open with what naval guidance? Open for which flag, cargo, owner, manager, charterer or trading history? Open at what premium? Open with what crew risk? Open with what possibility of delay, inspection, detention or deviation?

Owners should be careful not to confuse physical movement with commercial normality. A small number of vessels passing through a route does not automatically prove that the route is acceptable for all vessels. A major liner company resuming a service does not automatically prove that the same route is reasonable for a tanker, bulker or tramp owner.

A naval escort does not automatically remove underwriter concern.

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A quoted additional premium does not automatically make a voyage commercially rational.
A route advisory does not automatically solve charterparty exposure.

The route is not only geography. It is a legal, operational, commercial and insurance decision. The most dangerous mistake is to ask the question too narrowly.

Not:

"Can the vessel pass?"

But:

"Can the vessel pass, perform, remain covered, protect the crew, preserve evidence and defend the decision afterwards?"

That is the real route question.

THE HORMUZ LESSON

Hormuz is not important only because of oil. It is important because it demonstrates how quickly a route can move from strategic passage to strategic uncertainty.

A disruption in Hormuz does not remain in Hormuz.

It travels through:

oil prices,
LNG flows,
bunker costs,
inflation,
interest rates,
insurance pricing,
crew confidence,
naval policy,
charterparty performance,
cargo delivery,

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refinery planning,
and political risk.

A tanker may be ordered to load.

But the cargo may not be available.
The route may not be acceptable.
The premium may not be fixed.
The crew may be concerned.
The underwriter may require fresh approval.
The charterparty may not clearly allocate delay.
The bank may question payment routes.
The owner may face a decision that is no longer simply commercial.

This is why chokepoint risk is not only a security topic.

It is a capital allocation topic.
If a route becomes unreliable, tonne-miles may increase.
But cargo demand may also weaken.
If vessels reroute, freight may rise.
But costs may rise too.
If insurance becomes expensive, voyages may become unattractive.
If crews are unwilling to sail, contractual theory meets human reality.
If governments intervene, sanctions and naval instructions may complicate what once looked like ordinary navigation.

The owner who treats Hormuz as an additional-premium question alone may miss the wider issue.

The question is not only:

“What is the AP?”

The question is:

“Is the voyage still commercially, legally and operationally executable?”

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THE RED SEA AND BLACK SEA LESSONS

The Red Sea has shown that route disruption can change the economics of time.

A diversion around the Cape does not only add distance.

It changes schedules.
It changes bunker consumption.
It changes port rotations.
It changes equipment availability.
It changes charterparty obligations.
It changes insurance exposure.
It changes freight behaviour.

For some sectors, rerouting may support rates.

For others, it may damage service reliability and increase cost faster than revenue.
The Black Sea has shown something different. It has shown that war risk is not limited to vessels at sea. It can extend to ports, berths, terminals, grain facilities, crew at anchorage, cargo operations and ships already alongside.

An owner may think:

“The vessel is not sailing through a dangerous passage.”

But the vessel may still be exposed while waiting, loading, discharging, shifting berth or remaining alongside during repeated attacks. The old distinction between route risk and port risk is becoming less clear.

The risk now follows the trading system.

From sea lane to anchorage.
From anchorage to berth.
From berth to terminal.
From terminal to cargo contract.
From cargo contract to insurance claim.
From insurance claim to legal dispute.

This is why the next cycle requires more than maps.
It requires route intelligence, contract discipline and claims discipline.
A vessel may be far from the front line and still inside the risk system.

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RISK #3 — INSURANCE IS NO LONGER ONLY A RENEWAL QUESTION

For many owners, insurance is still treated as an annual exercise.

Renew the Hull & Machinery.
Renew the P&I.
Renew War Risks.
Check deductibles.
Compare premiums.
Negotiate terms.

That discipline remains necessary. But it is no longer sufficient. The modern risk environment increasingly requires insurance thinking before the commercial decision is made.

Before the fixture.
Before the route.
Before the cargo.
Before the port call.
Before the charterparty wording is accepted.
Before the vessel enters the area.
Before the crew is exposed.

Insurance is moving from annual administration to strategic decision support. The reason is simple. Some risks are priced. Some are excluded. Some are cancellable. Some are available only by additional premium. Some are available only with warranties. Some are available only if the vessel follows a specific route. Some may be available in theory but commercially unrealistic. Some may be unavailable once sanctions, ownership, cargo, flag, prior calls or payment chains are examined. The owner who asks insurance questions after fixing may discover that the commercial decision has already created the risk. The better sequence is different.

Risk first. Cover second. Contract third. Fixture fourth. This does not slow the owner down.

It protects the decision.

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THE INSURANCE LENS

The value of insurance is not only the policy. It is the clarity created before the loss. A well-structured insurance programme does more than respond to damage.

It helps the owner understand:

which trades are acceptable,
which routes require approval,
which exclusions matter,
which warranties must be followed,
which claims may be difficult,
which documents must be preserved,
which counterparties require screening,
which delays may not be covered,
which crew exposures may create long-tail claims,
and which losses may fall between policies.

This is especially important in war-risk areas.

A vessel may have Hull & Machinery cover.
But does it have War Risks cover for the precise trading area and voyage?
A vessel may have P&I cover.
But what happens if sanctions prevent payment?
A vessel may have Loss of Hire.
But does it respond to delay without physical damage?
A vessel may have War P&I.
But are crew death, injury, trauma, repatriation and employment consequences fully understood?
A vessel may have additional premium terms.
But what if the quotation expires before transit starts?
A vessel may be covered.
But can the owner prove compliance after the casualty?
That final question is becoming more important.
Insurance is not only purchased.
It must be defensible.

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CLAIMS DEFENSIBILITY

A claim is not decided only by what happened.
It is often decided by what can be proved.
In a normal casualty, this is already important.
In a war-risk casualty, it is essential.

The owner may need to prove:

the route selected,
the advisories reviewed,
the underwriter approval obtained,
the crew briefing given,
the charterer instructions received,
the Master's risk assessment made,
the AIS and VHF conduct followed,
the sanctions screening completed,
the cargo chain understood,
the delay and deviation documented,
the emergency response activated.

Without evidence, even a legitimate decision may appear careless.

With evidence, even a difficult decision may become defensible.

This is why documentation is no longer clerical. It is strategic.

In connected risk environments, many claims will not be simple.

They may involve Hull & Machinery.
War Risks.
P&I.
Loss of Hire.
K&R.
Crew claims.
Sanctions.
Charterparty disputes.
Cargo delay.
Port closure.
General average.
Salvage.

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Mortgagee interest.
Banking restrictions.

The owner who prepares the evidence before the voyage strengthens his position after the loss.

The owner who waits until the dispute begins may already be late.

CREW, CLAIMS AND THE HUMAN RISK

Shipping often speaks about vessels, cargoes and markets.

But risk ultimately reaches people.

A crew sent through a high-risk route is not an abstract exposure. It is a human decision. The industry is beginning to rediscover this. War-risk areas raise questions that cannot be answered only by freight or premium:

Was the crew informed?
Was the route assessed?
Were contractual rights explained?
Were war-zone benefits clear?
Was refusal handled properly?
Was repatriation possible?
Was medical evacuation realistic?
Was psychological injury considered?
Was the Master supported?
Was the owner's duty of care documented?

A casualty may begin as a Hull or War Risk event. It may become a P&I claim. Then an employment claim. Then a reputational issue. Then a boardroom question. The modern owner must recognise that crew risk is no longer peripheral. It can determine whether a voyage is acceptable. It can determine whether a decision is defensible. It can determine whether a claim becomes larger than the physical damage. An additional premium may compensate an underwriter for risk. It does not, by itself, prove that the owner has discharged his duty to the crew. This distinction matters.

The owner who understands it will prepare differently.

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RISK #4 — CAPITAL ALLOCATION IN A CONNECTED RISK CYCLE

Every shipping cycle produces one recurring question.

Should we commit?

Should we order?
Should we buy?
Should we sell?
Should we refinance?
Should we wait?
Should we expand?
Should we preserve liquidity?
Should we enter a new trade?
Should we accept more operational complexity?

The difficulty is that capital decisions are made today for a world that may exist three, five or ten years from now. This is always true. But in a connected risk cycle, the difficulty increases.

A newbuilding order is not only a bet on future freight.

It is a bet on:

demand,
fuel,
regulation,
technology,
finance,
shipyard delivery,
asset values,
crew availability,
route reliability,
insurance cost,
and geopolitical stability.

A second-hand purchase is not only a bet on current earnings.

It is a bet on how long today's dislocation will last.

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A decision to wait is not passive.

It is a bet that optionality will be worth more than immediate exposure.

Owners often ask:

"What is the right asset?"

But the better question may be:

"What assumptions must remain true for this asset to be the right asset?"

That question is rarely asked with enough discipline.

In the next cycle, it may matter more than the purchase price.

THE NEWBUILDING QUESTION

Newbuilding decisions are always difficult.

They require courage.
They require capital.
They require conviction.
They require time.

But they also require humility.

A vessel ordered today may enter the market in a world that does not resemble the world in which the order was placed.

This is not a new problem. But today the number of moving assumptions is larger.

Fuel technology remains uncertain.
Regulation continues to evolve.
Yard slots remain strategic.
Chinese shipbuilding dominance affects future supply.
Financing costs are higher than in the previous era of cheap money.

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Charterers are becoming more selective.
Insurance costs may become more route-sensitive.
Geopolitics may reshape where the vessel can trade.
Crew availability and safety may affect operational flexibility.

A newbuilding is not only a ship.
It is a strategic position.

The owner is not simply asking:

“Will this vessel earn?”

He is asking:
“Will this vessel remain relevant, financeable, insurable, tradable and employable in the world that is forming?”
A newbuilding may be the correct decision.
But it should not be justified only by today’s freight or today’s optimism.
It should be tested against several scenarios:
What if China’s commodity demand weakens?
What if India grows but creates different trades?
What if regulation penalises today’s fuel assumptions?
What if financing remains expensive?
What if shipyard deliveries create excess supply?
What if key routes remain unstable?
What if insurance costs become part of voyage selection?
What if charterers prefer fewer but better-documented counterparties?

The question is not whether owners should order. Some should.
The question is whether the order is based on a resilient thesis or on an old assumption dressed as confidence.

The market rarely punishes courage. It punishes untested certainty.

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THE SECOND-HAND QUESTION

Second-hand vessels offer speed. They can be employed immediately.
They can capture today's market. They avoid long delivery delays. They preserve optionality in a way newbuildings often cannot.

But second-hand purchases also carry a different risk.

The buyer may be paying for today's dislocation while assuming it will last tomorrow. If freight is elevated because of war risk, rerouting, congestion or temporary scarcity, the buyer must ask whether the earnings are structural or transitional. A high market may justify paying more. But only if the earnings are likely to remain. If route disruption increases tonne-miles, older tonnage may benefit. But if the disruption reduces cargo availability, raises insurance costs, increases crew risk or creates sanctions friction, the result may be less attractive than the headline freight suggests.

The second-hand question is therefore not only: "Can we buy and trade today?"

It is: "Are we buying durable earnings, or are we buying temporary anxiety?"

This matters especially when older vessels are involved.
Older tonnage may face:
higher maintenance,
higher emissions exposure,
weaker charterer acceptance,
limited financing appetite,
greater insurance scrutiny,
restricted trading flexibility,
and a shorter strategic life.
That does not make older tonnage unattractive.
In some markets, it may be exactly the right tool. But the owner must know what he is buying:
cash flow,
optionality,
speculation,
or exposure.

Those are not the same thing.

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THE THIRD OPTION: STRATEGIC OPTIONALITY

Shipping often presents decisions as opposites.
Order or do not order.
Buy or do not buy.
Sell or hold.
Fix long or trade spot.
Enter the route or avoid it.
Accept the cargo or reject it.

But some of the best decisions in uncertain cycles are not extreme decisions.
They are optionality decisions.

Optionality means preserving the ability to act later from a position of strength.
A strong balance sheet is optionality.

A flexible fleet is optionality. Uncommitted borrowing capacity is optionality.
A diversified customer base is optionality. Clean sanctions records are optionality.
Well-drafted charterparties are optionality. Insurance relationships built before crisis are optionality. Crew trust is optionality. Good information is optionality.

In a connected risk cycle, optionality may be worth more than speed.

The owner who commits early may capture opportunity. But he may also lose flexibility. The owner who waits may miss a market. But he may preserve capital for a better entry point. There is no universal answer. But there is a universal discipline:
Do not confuse inactivity with weakness.
Sometimes waiting is not hesitation. Sometimes it is strategy.
The question is not:
“Are we doing enough?”
The question is:
“Are we preserving the ability to make the right decision when the picture becomes clearer?”
In volatile cycles, the owner with options often has power.
The owner without options often has hope.

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RISK #5 — REGULATION, ENERGY AND THE COST OF COMPLIANCE

Regulation is not separate from market risk.
It changes cost.
It changes asset value.
It changes charterer behaviour.
It changes financing appetite.
It changes technical decisions.
It changes insurance questions.

For years, decarbonisation was discussed mainly as a future pressure.

That future is arriving in stages.
EU ETS.
FuelEU Maritime.
CII.
EEXI.
Methane and nitrous oxide.
Alternative fuels.
Carbon pricing.
Efficiency pressure.
Port-state scrutiny.
Charterer reporting requirements.
Banking and sustainability-linked finance.
Each regulation may appear manageable alone.
Together, they can alter the economics of a vessel.

The regulatory question is not only:
“Are we compliant today?”
It is:
“What will this vessel cost to operate, finance, insure and charter in three to five years?”

This is where regulation connects with capital allocation.

A vessel may be profitable today but less attractive tomorrow.
A technically efficient vessel may still be wrong if fuel availability disappoints.
A fuel-ready vessel may still be risky if infrastructure develops slowly.

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A lower-emission ship may command better employment, but only if charterers pay for the difference. A regulatory cost may be recoverable under the charterparty. Or it may remain with the owner because the contract failed to allocate it properly. Compliance is therefore not an administrative matter.
It is a commercial discipline.

Owners should not treat regulation as a separate department. It belongs in every capital decision.

HIDDEN OPPORTUNITIES

A connected risk cycle is not only dangerous. It is also selective.
It separates owners who react from owners who prepare.
It rewards clarity.
It rewards discipline.
It rewards those who know which risks they can accept and which risks they should avoid.

Hidden opportunities may appear in several places.

Owners with clean compliance may become preferred counterparties. As sanctions become more complex, charterers, banks and insurers may prefer owners whose structures, records and trading histories are transparent. Owners with strong insurance relationships may move faster. When additional premiums, warranties and route approvals become urgent, trusted relationships matter. Owners with flexible tonnage may capture dislocation. Rerouting, port disruption and shifting cargo flows may create opportunities for vessels that can trade safely and efficiently. Owners with strong balance sheets may buy when others are forced to sell. Higher rates may reward patience if weaker competitors become overexposed. Owners with better data may avoid expensive mistakes. The advantage may not be predicting the future. It may be seeing earlier which assumptions are weakening. Owners with disciplined documentation may defend claims better. In a connected risk environment, evidence can become as valuable as insurance itself. Owners who understand India, Africa and regional trade early may identify the next demand pockets before they become consensus.
But the opportunity is not automatic. New growth centres will not simply recreate China. They must be studied on their own terms.

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The owner who asks better questions earlier may not avoid every risk. But he may choose his risks more intelligently.

That is a competitive advantage.

THE INFORMATION ADVANTAGE

Information has never been more abundant. But useful judgment has not become more common. Owners receive daily news. Market reports. Broker circulars. Underwriter notices. Port updates. Sanctions alerts. Regulatory summaries. Freight commentary. Macroeconomic forecasts.

The problem is not lack of information.

The problem is deciding which information changes a decision.

A headline may be dramatic but irrelevant. A small regulatory adjustment may be commercially important. A quiet sanctions notice may matter more than a public military statement. A change in underwriting appetite may affect a voyage before freight markets notice. A port restriction may create a claim before the vessel suffers damage. A crew advisory may affect whether an owner can defend his decision later.

Information becomes valuable only when it is connected to decisions.

Should we fix?
Should we wait?
Should we route differently?
Should we seek underwriter confirmation?
Should we amend the charterparty?
Should we avoid this counterparty?
Should we preserve evidence?
Should we review our fleet strategy?
Should we protect liquidity?

The owners who outperform may not be those with the most information. They may be those with the clearest filtering system.
The future will not reward noise. It will reward interpretation.

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WHAT OWNERS SHOULD CONSIDER NOW

Before committing capital, owners may wish to ask:

Which assumptions behind our 2028 strategy depend on China?
Not China as a headline.
China as cargo demand, energy demand, shipbuilding capacity, finance, technology and geopolitical influence.
Which of our trades depend on routes that may be physically open but commercially unreliable?

A route is not normal merely because some vessels pass through it.
Which risks are covered, excluded, cancellable or negotiable only by additional premium?

This question should be asked before the fixture, not after.

Can we prove that our crew-risk decision was reasonable?

A war-risk premium does not by itself answer the human question.

Do our charterparties allocate delay without physical damage?

Many of the next disputes may arise from waiting, interruption, port closure, inspection, detention or route denial.

Are we exposed to sanctions through parties we do not fully control? Cargo interests, banks, agents, STS chains, vessel history and beneficial ownership may matter as much as the named counterparty. Are we buying optionality or locking ourselves into exposure? Expansion is not always strength.
Waiting is not always weakness. If two major assumptions fail together, what happens to our position?
For example:
China slows and financing remains expensive.
Hormuz disrupts and insurance hardens.
Sanctions expand and cargo flows reroute.
Regulation increases cost and freight weakens.
Crew risk rises and charterers insist on performance.

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The purpose of these questions is not to create fear. It is to improve decision quality.

A good owner does not need certainty. He needs a disciplined way to act without it.

FROM RISK TO DECISION

Risk has no value unless it changes behaviour.

A report that identifies risk but does not improve decisions is only commentary.

The real test is different.
Does the owner route differently?
Does he negotiate differently?
Does he insure earlier?
Does he preserve evidence?
Does he reject a weak counterparty?
Does he protect the crew more carefully?
Does he wait before ordering?
Does he preserve liquidity?
Does he diversify exposure?
Does he ask what assumption must remain true?

This is the bridge between information and strategy. In stable periods, shipping can reward speed. In unstable periods, it often rewards discipline. The disciplined owner may still take risk. But he takes known risk. He prices it. He documents it. He allocates it. He insures it where possible. He avoids it where necessary. He explains it to the board. He defends it after the event. This is not caution for its own sake. It is intelligent aggression.

The owner who understands the risk system can act where others hesitate. The owner who ignores the risk system may hesitate only after it is too late.

The difference is preparation.

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THE MARASCO PERSPECTIVE

At Marasco Marine Ltd, we believe that marine insurance should not be treated as an isolated annual purchase.

It should be part of strategic risk management.

The modern owner operates in a world where war risks, sanctions, crew exposure, regulation, capital allocation and cargo demand are increasingly connected. No insurance policy can remove that complexity. But the right insurance thinking can help owners understand it earlier. It can help identify which voyages are insurable.
Which are merely expensive.
Which are commercially questionable.
Which are contractually dangerous.
Which may create crew or sanctions exposure.
Which require stronger documentation.
Which should be avoided.

The role of the broker is therefore changing.

It is no longer enough to obtain terms.

The higher-value role is to help the owner ask the right questions before the risk is accepted.

Before the vessel moves.
Before the charterparty is signed.
Before the crew is exposed.
Before the capital is committed.
Before the claim becomes difficult.

This is the spirit behind Marasco Shipping Risk Outlook™.

We do not publish these reports to add to the noise.
We publish them because owners and managers need time to think.
And in shipping, time to think is often the difference between opportunity and exposure.

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POWERFUL CONCLUSION

The next shipping cycle may not be defined by one great event. It may be defined by convergence.

China changing direction.
Routes becoming uncertain.
Sanctions spreading through trade chains.
Insurance becoming more selective.
Crew risk returning to the boardroom.
Regulation increasing cost.
Energy influencing inflation.
Interest rates shaping capital decisions.
Technology changing fleet expectations.
Geopolitics touching cargo, finance and law.

None of these forces exists alone. That is the central point.

The owner who studies each risk separately may understand each file.
But he may still miss the system.

The system is where the real exposure lives. The system is also where opportunity begins. A changing China may create risk, but also new trade patterns. Route disruption may create danger, but also opportunity for flexible tonnage. Sanctions may restrict business, but reward clean counterparties. Insurance hardening may raise costs, but favour owners who prepare early. Regulation may burden weak owners, but strengthen disciplined fleets. Volatility may punish overcommitment, but reward balance-sheet strength.

The next five years will not require perfect prediction. They will require better questions. The future rarely tells owners what will happen. But it often shows them which assumptions are becoming fragile. Those who notice early may preserve options. Those who preserve options may act from strength.
Those who act from strength may turn risk into advantage. The conclusion is simple. **Do not ask only where the market is going. Ask what your strategy depends on. Then ask what happens if the world changes before your vessel delivers, your cargo loads, your route opens, your cover responds or your claim is paid.** Because in a connected risk cycle, the most dangerous exposure may not be the risk you see. It may be the assumption you never questioned.

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CLOSING THOUGHT

The future rarely punishes owners for asking too many questions.

It punishes them for committing capital before asking the right ones.

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Marine Insurance. Risk Prevention. Strategic Perspective.

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From Risk to Resilience:

The Marasco Marine Story

For more than three decades, Anastasios Maraslis has stood at the forefront of marine insurance-guiding shipowners through the complexities of risk management, safeguarding vessels against collisions, groundings, fires, machinery breakdowns, General Average, CTL/TL, Loss of Hire, cargo claims, the release of arrested vessels, and crew injury and illness cases, while also protecting fleets against war, sanctions, piracy, and crises both at sea and ashore.

With vision, discipline, resilience, and deep market insight, Marasco Marine Ltd has become a steadfast ally to shipowners facing a volatile and unpredictable global environment.

This book gathers a curated selection of thought-leadership articles published between 2017 and 2025-insights, case studies, risk analyses, technical commentary, and reflections that have served shipowners, P&I Clubs, banks, underwriters, and decision-makers across the maritime sector.

Inside, readers will discover:

- Real claim case studies-demonstrating how complex crises were navigated, negotiated, and resolved.
- Strategic insights forged through decades of hands-on experience in insurance broking, claims handling, risk mitigation, and the evolution of Marasco Marine's risk prevention culture.
- Perspectives on global instability, market cycles, technological advancement, and the future of maritime resilience.

More than a publication-this is a manual for crisis navigation, operational judgment, and sustainable risk management, drawn from real experience at sea, not theory.

"This book is dedicated to all shipowners-past and present-who entrusted Marasco Marine with their risks, their vessels, and above all, their trust."

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RISK ADVISORS • BROKERS • STRATEGISTS

Navigating Uncertainty - Since 1991