



News Release

Trump's tanker sanctions hit tanker rental prices

16 October 2019

By Al Jazeera English

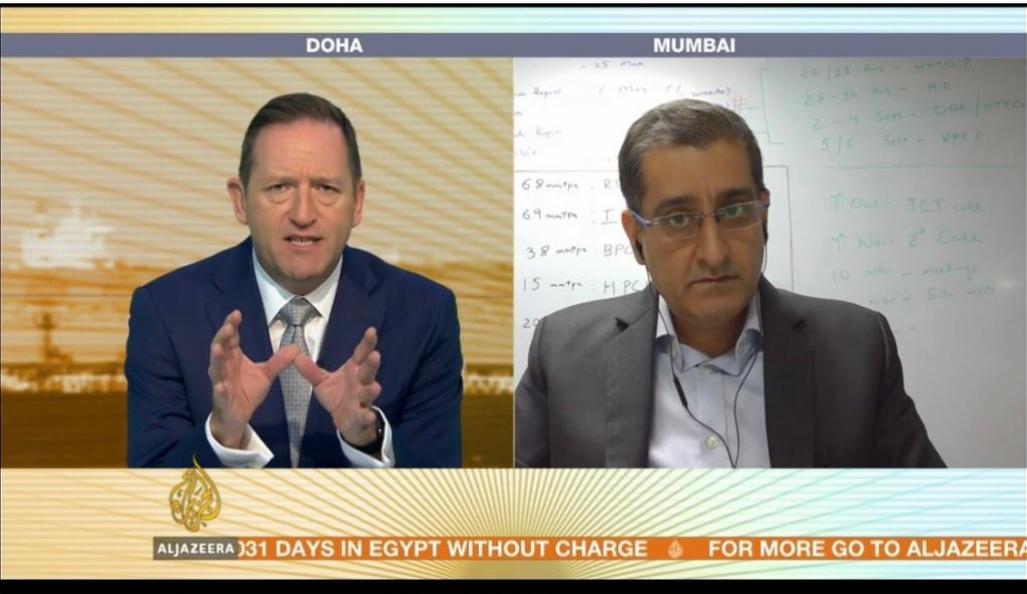
A few years back you could rent an oil tanker for less than the price of hiring a Ferrari. But now, the cost of shipping crude around the world has shot up to 11-year highs after the United States blacklisted Chinese ships.

More than 40 tankers (of which half are VLCC's), operated by China's Cosco Shipping Energy Transportation have been blacklisted for moving sanctioned Iranian oil. Cosco has a total of 1,100 ships. Iran's oil tankers - of which there are estimated to be about 54 - have also been sanctioned.

In total, nearly 300 tankers have been blacklisted, including Venezuelan ships. That represents about three percent of the world's oil tanker fleet, according to Refinitiv Eikon. This has sent the cost of hiring a ship from \$18,000 to almost \$300,000 a day.

Rajat Kapoor, managing director of oil and gas at AWR Lloyd, explains that a big effect of tanker prices and where they are today has got to do with the current sanctions the US administration has put on Iranian crude oil.

"The US as you know, last month, imposed sanctions on tanker subsidiaries of Cosco, which is China's shipping line and which is the largest shipping line in the world. Once you have the sanctions coming in from the US on these entities, on these tankers, they suddenly become hotcakes. Nobody wants to touch these tankers. These volumes are then taken off of international trade," Kapoor says.



For more information please contact Rajat Kapoor: kapoor@awrlloyd.com