

## Houthi situation is most dramatic shift for shipping since the 1960s

The Red Sea crisis as at a scale unlike anything Macquarie's Morten Arntzen has seen in his 45-year career in shipping.

[Gary Howard](#), Middle East correspondent

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Image: US Centcom

Macquarie Bank's Senior Shipping Industry Advisor Morten Arntzen spoke to *Seatrade Maritime News* ahead of his appearance as [a speaker at CMA Shipping](#) in Connecticut, [USA](#), next month, and reflected on the current geopolitical situation, environmental regulations, and what's in store for 2025 CMA Commodore Todd Clough.

Speaking on March 18, in a fast-moving time for geopolitics and US foreign policy in particular, Arntzen saw the bright side of the unpredictable changes coming out of Trump's White House over the past two months.

Arntzen divides the impact of US tariffs on trading partners between the North American and International shipping markets. "Let's say [Trump] actually does impose tariffs on [Canada](#), they last, and they put tariffs on oil. All of a sudden, Canada could theoretically be exporting three to four million barrels of oil around the globe rather than selling it to the US. That's great for shipping. Will it happen? It's hard to say."

"That's just one example; take that across all of commodity shipping, and I think there's so little clarity and so much uncertainty that all we're really doing is speculating. But one thing we all know is that volatility generally helps shipping. Routes change, ships get laid up in the wrong ports, wrong places, and usually we have short term improvements."

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For the US-flag fleet, Arntzen is torn between the fog and lack of clarity, and the potential for significant action in a sector that has been quiet for some time. Senator Mark Kelly proposed

the [SHIPS for America Act](#) in late 2024, pitched as a move to strengthen the US-flagged fleet by adding 250 American-built ships over 10 years.

Arntzen sees little hope of the US competing with the major Asian shipbuilding nations on price, or even European shipbuilders, but sees opportunity in novel technologies like nuclear-powered ships, and the development of a larger strategic fleet ready to provide logistics support for a conflict in the Pacific.

“You've already seen the tanker security programme, which very quickly filled up with 10 ships, and I think you'll see a lot more opportunities like that. I do see US shipping companies either buying or aligning with foreign companies to meet the expanded needs of the Department of Defence for lift—particularly in the Pacific—of all kinds, from fuel to spare parts to cargo to provisions. I think that will create a very big opportunity for US companies; I think you'll see the stipends increase, and I think you'll see the number of vessels and types increase.”

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Another area where Arntzen sees the effect of the change in US administration is international decarbonisation regulations for shipping. As the [International Maritime Organization's \(IMO\)](#) Marine Environment Protection Committee meeting 83 ([MEPC 83](#)) approaches, Arntzen's expectations for the critical meeting have shifted in recent months.

“If you'd asked me six or nine months ago, I would have told you that at MEPC 83, there's going to be a big improvement in [CII](#), even the possibility of a carbon tax, and I think there'll be regulations with teeth.”

Fast forwarding to today, Arntzen noted Trump's suspension of new offshore wind development in the US, and pulling out of the Paris Agreement again. More importantly, he said, Trump has enabled politicians in places like Germany and the [UK](#) who previously supported green policies, including at the IMO, to ask whether they can afford to commit to environmental regulations when so many green jobs benefit [China](#) rather than their own constituents.

With China, India, and Brazil opposed to global carbon tax, and so much of the dual-fuel newbuilding fleet capable of running LNG—a conventional fuel in Arntzen's book rather than one that will push the industry to a net zero 2050—his expectations for the IMO meeting in April have fallen.

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“My expectation at MEPC is that we're going to get muddled. I don't think you'll see us backing down, I think CII will be changed, but I don't think you're going to get a global carbon tax. I don't think we're going to get rules with real enforcement and penalties. I think owners, the industry and their customers will remain committed to decarbonisation, but it's going to be a slower level than you thought,” he said.

Looking back over his 45-year career in shipping, Arntzen said he struggled to think of a situation in the maritime industry on a similar scale to what is being experienced today with the Houthi situation in the Red Sea. “I remember when we had piracy coming out of Somalia 15 years back, that certainly had an impact on traffic, but it really was more a matter of owners taking precautions and ultimately hiring armed guards and such.

“The closing of the Suez Canal, way back in the sixties led to the biggest tanker boom that we've seen,” said Arntzen, but the current Red Sea crisis cuts across all of shipping.

“If the Houthi situation ends, the container fleet all of a sudden gets an effective 8% increase in its fleet overnight. I think with product tankers the number is something like 3%, for gas it's around 4%, and I can't think of anything that dramatic over the last 40 years. It's a big event for the container industry, they're staring at a real cliff.”

As 2007 Commodore of the Connecticut Maritime Association, Arntzen knows the drill when it comes to the CMA Shipping event, including the traditional Commodores' Debate, the final session of the conference where the incoming Commodore joins those of previous years to discuss the topics of the moment.

Arntzen hopes the panel gets stuck into the decarbonisation debate through the lens of current events, as he feels that previously those who spoke against the idea that decarbonisation would happen quickly were almost considered criminals. Trump's policies and speculation on their impacts will also be on the agenda.

“To me, the most interesting issue is that we've gone through the best tanker boom we've had since the 2006/7 period. Is it coming to an end? And what does it mean for all these high flying and public companies that have had great stock prices and great dividend payouts, when that seems to be changing? What does that future mean for all of them?”

“I think that's a very interesting question - would you rather short the market now, or be long on it? I hope we'll get into some of that. I'm on the short side, by the way.”

Morten Arntzen will take part in the panel discussion “Follow the money: Investment and ship finance” on day one of CMA Shipping 2025, alongside fellow speakers **James Lightbourn**, founder, Cavalier Shipping; **Kevin Kennedy**, principal, Good Ground Advisors; **Peter Shaerf**, managing director, AMA Capital Partners LLC; and **Jean-Noel Poirier**, venture partner, Meliorate Partners.

On day three, 2007 Commodore Arntzen will join fellow Commodores past and present for the Commodores' Debate, including **Todd M. Clough**, president & CEO, Fairfield Chemical Carriers Inc and CMA Commodore 2025; **Michael D. Tusiani**, chairman emeritus, Poten & Partners, Inc. and CMA Commodore 2024; **Lois K. Zabrocky**, president & CEO, International Seaways, Inc. and CMA Commodore 2020 & 2021; **John C. Hadjipateras**, chairman, president & CEO, Dorian LPG Ltd. and CMA Commodore 2019, **Peter Evensen**, past president and CEO (ret), Teekay Shipping Corporation and CMA Commodore 2013, all moderated by **Matt McCleery**, president, Marine Money.

An anchor event in the US and international maritime calendar, the 40th edition of CMA Shipping takes place from April 1 - 3, 2025 at the Hilton Stamford, Connecticut, USA, with a packed three-day conference agenda and bustling exhibition. [Visit the CMA Shipping website](#) to explore the full conference agenda and secure your place at the celebration of the show's 40th edition.