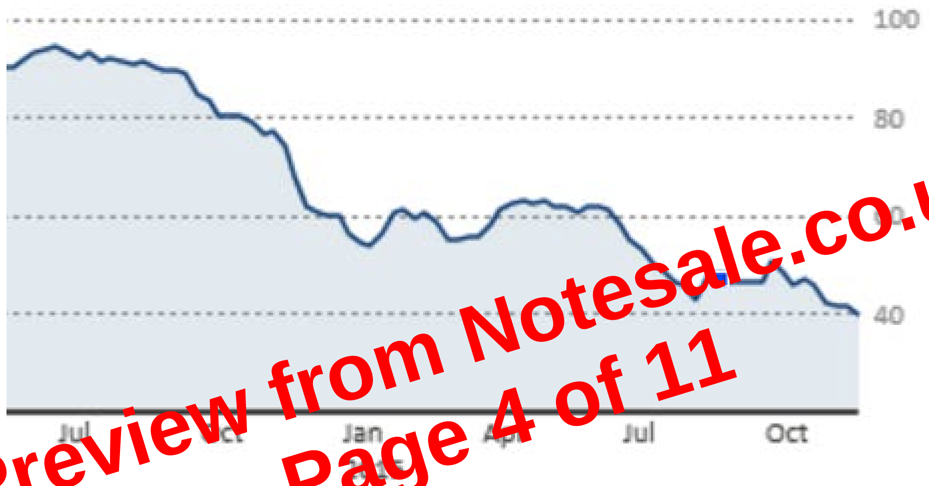
that suits the description above because the development of their infrastructure is largely based on the pillars of oil consumption (EIA, 2012).

So far into 2015, the factor that has had the most severe direct impact on the industry is the collapse of the crude-oil prices. In Stopford's (2009) shipping market model this can be interpreted as a random shock. As illustrated by the North-American benchmark of oil pricing, WTI (West Texas Intermediate), light crude oil has plummeted from value of well over a $100/barrel in late 2014 to a rather melancholic low of values under $40/barrel as of December 2015 (Bloomberg, 2015).

Tab. 1.0: West Texas Intermediate Spot Price pr. Barrel



Source: CNBC. 06.12.15

This is of importance because crude oil is the only commodity carried by the VLCC fleet. Regardless, the collapse in prices are good news for VLCC owners because their main cost consist of expenses in bunker fuel oils. Albeit not being directly correlated with crude oil pricing (Kavas, 2012), the cost of bunker fuel is significantly impacted by the drop in crude prices and the fact of the matter is that for the most part of 2015 ship-owners most significant cost has been sold at a discount. In addition, the low prices of crude oil increases the economic activity when it comes to buying and selling the commodity and the only way to transport 2 million barrels of oil between continents is by sea. The sellers are the ones that are have been suffering in this ongoing situation. An applicable example is the US that with crude oil prices below $40/barrel in some cases are finding it cheaper to import foreign oil than to transport it domestically by pipelines (Conca, 2013).