

Examiner's Report

NOVEMBER 2015

Tanker Chartering

General comment

It is pleasing to report that the total number of students that have passed the Tanker Chartering November 2015 examination is over 75 percent. These results clearly display greater effort, preparation and determination to achieve a pass in this subject.

There were however a number of papers with answers that were poorly planned, lacking content and failing to answer the question.

Some essays were very short, having little content, making assumptions that were not correct.

The maps were used with trade routes often displayed correctly however marks were lost by failing to show such features as main ports, capes, straits, weather patterns, and oceans.

Ship diagrams were generally acceptable but some again were drawn too small leaving little room for content.

Question 1

This was a popular three part question requiring a drawing of a selected ship type along with relevant dimensions and features. This part of the question was generally answered well.

Three appropriate trade routes were to be selected and drawn on the world map provided with weather conditions identified for two of these routes geographical features.

Only a few students opted for an LNG carrier or deep sea chemical tanker however those who did venture into these designs of tanker provided good answers. Some maps lacked adequate annotation with geographical accuracy.

Question 2

This question covering a VLCC market report was popular but sometimes answered with lack of structure, content and little of market trends.

This answer required details covering the reasons for the scarcity of VLCC tonnage, the freight market and why the freight levels are high, why VLCC newbuildings are popular, why the demolition market is unattractive and views about the second hand market. Few students mentioned that the almost complete shutdown of Libya has not had an effect on the market, the influence of supply and demand factors, the lack of effectiveness of OPEC and increased production that has followed the low oil price.

Question 3

This two part question firstly covering a firm offer for a voyage charter produced some good answers. The second part of the question focused upon the differences between a voyage and a time charter firm offer. Some answers were well organised displaying key differences whereas others missed key criteria including the charter party form.

Question 4

This three part question required an understanding of the reasons for delay discharging cargo, evidence that was needed to report the circumstances relating to slow pumping and the provisions made in the pumping clause. Some answers failed to identify a delay caused by a slowdown in discharging rate requested by the shore /terminal is for charterer's account. Others incorrectly identified a statement of facts as documentary evidence rather than a pumping log.

Many answers showed that they were familiar with a pumping clause requiring a discharge within 24 hours or maintaining a minimum backpressure of 100 PSI / 7 bar at the ship manifolds.

Good answers made reference to the importance of monitoring an average backpressure during discharge.

Question 5

This was one of the most popular questions though some answers displayed a lack of preparation.

Those students who were able to provide a range of reasons why a time charter vessel may be off-hire gained marks. Some students still confused exceptions from voyage charter laytime for deballasting with time charter off-hire.

Question 6

This four part question was not answered well in all cases with a general lack of understanding of the difference between port time calculated with Worldscale 100 rates and Worldscale hours terms and conditions.

WS 100 rates cover 4 days for loading and discharging with an additional 12 hours allowance for each additional port and 3 days allowed in Worldscale hours terms and conditions.

There were some good answers covering excluded periods from tanker laytime. While many students were able to define demurrage they were unable to describe the differences between demurrage and damages for detention.

Question 7

This was a less popular three part question requiring firstly a round voyage estimate loading at Ras Tanura and discharging at Le Havre. This part of the question achieved some good well laid out answers. However part two of the question achieved some poor answers. Some answers failed to identify that there is a draft restriction at Suez preventing the vessel from proceeding via this route fully laden.

Better answers identified increased earnings with a saving in fuel and time routing the vessel in ballast via the Suez Canal to Ras Tanura rather than a round voyage via the Cape of Good Hope.

Part three of the question required a description of a break even rate which resulted in some ill prepared answers.

Question 8

This was a popular question which in general attracted some well-informed answers covering the range of services, expertise and ethics offered by a broker. Some answers focused too deeply upon service rather than including ethical practice which lost valuable marks. Some students failed to mention the Baltic code or the high standard of ethics maintained by Baltic panellists.