

Tanker Chartering

Examiners' Report May, 2017

General Comments

The majority of papers showed that the student had made a serious effort to prepare for the examination, with approximately 67% achieving a pass. However it was apparent that some answers were not planned, with crossed out work, failure to answer the question, coupled with poor handwriting and layout. For example care should be taken to identify clearly the separate parts of multipart questions, particularly when the answer is presented in a different order to the question. It needs to be stated that answers shorter than two pages struggle to achieve sufficient marks to pass. Ship drawings were improved, majority drawn with a ruler but frequently did not show the dimensions. Map labelling was disappointing many answers just showing the route without labelling ports, straits, canals, oceans, weather patterns thereby failing to earn, what are essentially, easy marks.

Q1.

1. Explain the history and roles of **TWO** of the following tanker-specific organisations:

OCIMF

Intertanko

Oil Spill Response Ltd

This was a popular two part question reasonably well answered but some of the main roles of each organisation were omitted. Some answers failed to link the Oil Companies Maritime Forum with its consultative role in the ratification, implementation and enforcement of international conventions. This is achieved by facilities that give access to charterers and authorities to tanker data covering safety and avoidance of pollution through the Ship Inspection Report (SIRE) and the Offshore Vessel Inspection Database (OVID.) The development of published recommended standards has enabled fixtures to benefit from their guide covering STS operations which also was overlooked in many papers.

Q2.

Answer **ALL** parts of the question.

- a) Draw a profile and cross section of an Aframax tanker including the main details and dimensions of the vessel.
- b) Using the map provided, show **TWO** trade routes that they are regularly employed on.
- c) Selecting one geographical area, describe the possible routes and the weather that may be expected when loading in June.

A popular question but disappointing that a number of diagrams that had the wrong vessel dimensions, failed to include a cross section drawing or no drawing at all. Maps generally lacked detail with respect to geographical features and weather conditions. Better answers described an Aframax having a deadweight of between 80,000 and 120,000 dwt, beam of 44

metres with cargo routes NCSA/USG/USAC; USG/MED/Black Sea, MEG/Far East, Russia/NWE; Alaska/WCNA. Some routes given (e.g. WAF/US or MEG/FEAST are unlikely to be Aframax trades.

Q3.

Answer **ALL** parts of the question.

You are a broker who has fixed a VLCC on subjects for 12 months CHOPT further 12 months time charter for worldwide trading with usual exclusions.

- a) Draw up a full re-cap*
- b) Explain 'usual exclusions'*
- c) What 'subjects' need to be lifted before the vessel is fully fixed?*

The first part required a full re-cap which attracted some well-prepared answers. However some answers incorrectly provided details of a fixture on subjects for a voyage charter employment. Many students did not draw up a full recap but presented a 'firm offer'. The second part of the question was answered reasonably well with explanations of usual exclusions however the third section requiring subjects that needed to be lifted before the vessel was fully fixed attracted some very poor answers which failed to identify what was involved.

Q4.

A vessel has been fixed 'on subjects' for a CPP cargo, Cont/USAC. Explain what this means and what would be included in the 'on subs re-cap'.

This question was answered reasonably well however but surprisingly few answers covered the usual subjects, viz 'stem/shippers/receivers approval or that a time limit must be given. The second part of the question required an 'on-subs re-cap' which attracted some answers which failed to provide an expiry time for the subjects.

Q5.

*Explain each part of the following **TWO** cargo quotes. Discuss the possible problems an owner may face if offering per the quotes.*

*a) Min 120,000MT CHOPT up to full capacity of the vessel 1-2 grade(s) crude oil.
Owners confirm vessel able to load minimum quantity basis restrictions at load/discharge port(s)
Load: Jebel Dhanna (UAE)
Disport: 1-2 SP/SB Euromed NEOBIG excl F,F&R
Laycan: 3 June (12.00hrs)
SHELLVOY 5 5%*

*b) MIN 57 TMT – 2 grades of CPP (intn LSD & SKO) CHOPT up to full cargo of vessel. Confirm vessel able to load minimum quantity basis load port and discharge port draft restrictions.
Load: SB/SP/SA/STS Havre / Hamburg range*

*Disport: 2 SP USAC/USG range. Rotation in CHOPT
Laycan 27/29 May (TBN CHOPT 2 days)
ASBATANKVOY 3.75%*

This two part question was answered reasonably well. Part one of the answer covering a quotation for min 120,000 mt CHOPT up to full cargo 1-2 grades crude oil loading Jebel Dhanna (UAE) for discharge 1-2 safe ports, safe berths, European Mediterranean Sea, had very few answers which included an explanation of NEOBIG excl F, F & R and no answer mentioned the draft restriction at Jebel Dhanna of 13.8m salt water, making it impossible for some vessels to load the minimum quantity. Part two of the question was answered well with some well-formed answers covering the problems of providing confirmed tonnages for the ranges SP/SB/SA/ STS Havre/Hamburg and discharge at two safe ports United States Atlantic Coast and United States Gulf of Mexico range. However several answers failed to identify the discharge range correctly or the problems associated with the rotation of discharge ports in charterer's option.

Q6.

STS is popular for loading and discharging operations. What needs to be included in the charter party terms negotiated for this procedure?

Those students who were well versed in STS trades found very little difficulty in providing this answer. Others struggled with the laytime allowed, provision for all bad weather delays to be included in laytime and charterer's warranty covering approvals for the STS operation. Many did not mention OCIMF Guidelines for STS operations and that operation always to be to Master's satisfaction.

Q7.

A VLCC tanker is fixed AG/SKorea laycan 12-14 June. Describe the trade routes the tanker may select for the laden passage. Using the map provided show the routes the tanker may select for the laden passage, with the major ports and passages and particular attention to the weather and currents that would be encountered.

Use the world map provided to support your answer.

This answer required an understanding of the routes and passages taken by a VLCC tanker fixed AG/ South Korea laycan 12- 14 June. Many answers while establishing a route via the Malacca Strait failed to include, on the world map, alternative routes via the Sunda Strait and Lombok Strait and therefore lost valuable marks. Several answers failed to include major ports on these routes. Weather and current in June was often well documented but could have benefitted by being included on the world map which had been provided.

Q8.

*Explain **BOTH** parts of the question.*

a. The terms covered by 'Worldscale Hours Terms and Conditions'?

b. The differences between carrying out a voyage estimate for a 'Lumpsum' freight and a 'Worldscale' based freight.

This question was not answered well. The first part of the question required an understanding of the terms covered by Worldscale Hours terms and Conditions which are in Preamble B of Worldscale. Many answers however launched into an explanation of the method of calculating the flat rate found in Preamble A. Thus perhaps a lot was written but did not earn any marks.

The second part of the question was answered reasonably well identifying the need for ports or worst case approach for given ranges when calculating a Lumpsum rate in a voyage estimate. Conversely this problem does not exist where Worldscale rates are used as the flat rate for each voyage covers any port in a given range.

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