

Glossary of Shipping Terms



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Glossary

Aframax. All vessels designed for the carriage of liquid bulk cargoes 80,000 - 119,999 dwt, including oil and products, chemical and other specialised.

Anchor Handling Tug (AHT). Tug designed for offshore rig anchor-handling.

Bareboat charter. A bareboat charter involves the use of a vessel usually over longer periods of time ranging over several years. In this case, all voyage related costs, mainly vessel fuel and port dues, as well as all vessel-operating expenses, such as day-to-day operations, maintenance, crewing and insurance, are for the charterer's account. The owner of the vessel receives monthly charter hire payments on a U.S. dollar per day basis and is responsible only for the payment of capital costs related to the vessel. A bareboat charter is also known as a "demise charter" or a "time charter by demise."

Boxship. Containership.

Bulk cargo. Oil and products tanker, bulkcarrier combined ore/oil or bulk/oil carrier.

Bunkers. Fuel, consisting of fuel oil and diesel, burned in a vessel's engines.

Capesize. A drybulk carrier with a cargo-carrying capacity exceeding 100,000 dwt. These vessels generally operate along long-haul iron ore and coal trade routes.

Charter. The hire of a vessel for the transportation of a cargo. The contract for a charter is commonly called a "charterparty".

Charter-in. A lease of a vessel by which the owners of a vessel sublet or let the entire vessel, or some principal part of the vessel, to another party that uses the vessel for its own account under its charge.

Charter owner. Owners of containerships that charter vessels to shipping service operators, known as liner companies, rather than directly operating container shipping services for shippers.

Charterer. The party that hires a vessel under the charterparty.

Classification society. An independent society that certifies that a vessel has been built and maintained according to the society's rules for that type of vessel and complies with the applicable rules and regulations of the country of the vessel's registry and the international conventions of which that country is a signatory. A vessel that receives its certification is referred to as being "in-class." A vessel may be classified by more than one class at any one time.

Combined carrier. Combined carriers, also known as Combos, are vessel which can carry either a full load of dry or liquid bulk (usually oil). Some Combos have reinforced hulls so that they are able to carry extremely dense iron ore. Theoretically, this ability to carry both liquid and dry cargoes enables owners to switch between the dry and wet markets, optimising profits when one market is poor.

Compensated Gross Tonnage (CGT). This measures the level of shipbuilding output, taking account of the work content of the ship. Shipbuilding output was based solely on the carrying capacity a vessel, and therefore output was seen to be higher on a large tanker than a smaller passenger ferry. They had become unreliable, and so the Compensated Gross Tonnage unit was devised, a formula that was more accurate and reliable than the old, and takes into account the influence of both the ship type and size, as well as the ships' Gross Tonnage.

Cubic Feet (Cu. Ft). Cubic feet is the older version of cubic metres, and because of precedence, it is only really used in long established reefer market. The largest cargo for the reefer market is food, particularly fruit such as bananas. Such cargo has a light density, and therefore uses a measurement of size rather than weight in describing the carrying capacity of the vessel.

Cubic Meters (CBM, Cu.M). Cubic metres are another measure of the amount of cargo that a vessel can carry, but in terms of the cargo's volume rather than weight. CBM is mostly used for vessels carrying light density material including LPG and LNG, where size rather than carrying capacity will become the limiting factor on how much cargo can be carried.

Deadweight ton or "dwt." A unit of a vessel's carrying capacity, including cargo, fuel, oil, water, stores and crew; measured in metric tons of 1,000 kilograms.

Dredgers. A vessel equipped for the removal of sand or sediment from the seabed. The main types of specialised dredgers are backhoe/dipper/grab, cutter suction/bucket wheel and trailing suction hopper.

Drill Ship As semi-sub, but greater capacity and mobility makes drillships well suited to offshore drilling in remote areas (operates in depths up to 3,650 metres).

Drybulk. Non-liquid cargoes of commodities shipped in an unpackaged state, such as coal, iron ore and grain, etc. that is loaded in bulk and not in bags, packages or containers.

Drybulk carriers. Vessels designed and built to carry large volume bulk cargo.

Feeder. A vessel which is part of a cargo network in which the larger, faster vessels only call at the major ports at both ends of the area being covered and the smaller ports are served by the smaller feeder vessels which transfer the cargo to and from the major port terminals. This process keeps the larger vessels filled closer to capacity and spares them the expense and loss of time loading and unloading cargo in the smaller ports.

Fixture. A shipping industry term used to denote the agreement of a new charter.

Flag state. The country where a vessel is registered.

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Freight. A sum of money paid to the shipowner by the charterer under a voyage charter, usually calculated either per ton loaded or as a lump-sum amount.

Fully cellular containership. A vessel specifically designed to carry ISO standard containers, with cell-guides under deck and necessary fittings and equipment on deck.

Gear. On-board equipment used to load and unload vessels, a vessel can be geared or gearless.

General cargo ship. This older type of cargo ship generally has tween decks for mixed general cargo, tanks for liquid cargo, and maybe some refrigerated capacity. Also has deep holds for bulk cargo. Usually the hatch openings are too small for below deck container stowage, but containers can be stacked on the deck. The general cargo ship often has its own cranes and derricks for loading and discharging cargo.

Gross ton. A unit of measurement of the volume of all ship's enclosed spaces measured to the outside of the hull framing. One gross ton is equal to 100 cubic feet or 2.831 cubic meters.

Handy. An "Intermediate" fully cellular containership with a TEU capacity between 1,000 TEU and 1,999 TEU.

Handymax. Handymax vessels are drybulk vessels that have a cargo carrying capacity of approximately 40,000 to 59,999 dwt. These vessels operate on a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. Vessels below 60,000 dwt are usually built with on-board cranes enabling them to load and discharge cargo in countries and ports with limited infrastructure.

Handysize. Handysize (drybulk) vessels have a cargo carrying capacity of approximately 10,000 to 39,999 dwt. These vessels carry generally minor bulk cargo. Handysize vessels are well suited for small ports with length and draft restrictions that may lack the infrastructure for cargo loading and unloading.

Handysize. (Tanker) All vessels designed for the carriage of liquid bulk cargoes 30,000 - 59,999 dwt, including oil and products, chemical and other specialised.

Hull. Shell or body of a ship.

IMO. International Maritime Organization, a U.N. agency that establishes international standards for shipping.

IMO (I,II or III) chemical tanker. Vessels designed to IMO Class I, II or III specifications respectively.

Intermediate. Containership category of vessels between 1,000 TEU and 2,999 TEU, generally serving intermediate, north-south and in some cases inter-regional trades.

Jack Up. A self-elevating drilling platform whose legs rest on the sea bed when drilling. These are limited to shallow waters (operates in depths up to 150 metres).

Lay up: Temporary cessation of trading of a ship by a shipowner, usually during a period when there is a surplus of ships in relation to the level of available cargoes.

Lightweight ton or "ldt." The actual weight of a vessel without cargo, fuel or stores. A vessel's lightweight is the physical weight of the vessel and represents the amount of steel recoverable in the vessel. The value of a vessel to a breaker is determined by multiplying the vessel's lightweight by the price of scrap steel.

Liner company. A company that operates ocean carriers that carry many different cargoes on the same voyage on regular schedules (generally in containers).

Liquefied Natural Gas (LNG). Methane cooled to -162°C , at which temperature it can then be stored and transported in cryogenic tanks.

Liquefied Petroleum Gas (LPG). The liquid form of the commercial gases propane and butane.

MARPOL. The International Convention for the Prevention of Pollution from Ships.

Multipurpose ship or MPP. A newer version of general cargo ship with holds designed for container stowage. The holds generally have tween decks and containers can be stacked and lashed onto the hatch covers. The MPP is still capable of carrying breakbulk cargoes, and bulk cargoes. Some are also equipped with tanks for liquid cargoes. It generally also has its own cranes and derricks, sometimes with heavy lift capability.

Newbuilding. A new vessel under construction or just completed.

Non-delivery. Non-deliveries are the vessels that were scheduled to be delivered according to the start of year orderbook, but due to delays, cancellation, re-negotiations of contracts and new market information have not yet entered the fleet.

Open Hatch Bulker. Bulklers > 10,000 dwt having a hatch width which is 75% or greater than the extreme breadth of the ship.

Orderbook. A reference to outstanding orders for the construction of vessels.

Panamax (Containership). A vessel 3,000 TEU and above, capable of transiting the Panama Canal.

Panamax (Drybulk). Panamax vessels have a cargo carrying capacity of approximately 60,000 to 99,999 dwt, and do not exceed the maximum length, depth and draft capable of passing fully loaded through the Panama Canal. Panamax drybulk carriers carry coal, grains, and, to a lesser extent, minor bulks, including steel products, forest products and fertilizers.

Panamax (Tankers). All vessels designed for the carriage of liquid bulk cargoes 60,000 - 79,999 dwt, including oil and products, chemical and other specialised cargoes.

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Platform Supply Vessel or PSV. Offshore supply vessel and/or pipe carrier generally of North Sea design.

Post-Panamax. A vessel with a beam of more than 32.3 meters that cannot transit the Panama Canal.

Products Tanker. Pure Car Carrier or Tankers suitable for products trades 60,000 - 199,999 dwt, including designated chemical tankers with highest IMO Grade 3 and coated product tankers.

Pure Car Carrier or PCC. A vessel specifically designed for the transportation of vehicles.

Ro-Ro (Roll-On Roll-Off vessels). These vessels are designed for wheeled or tracked cargo that can load itself onboard. Cargo generally drives onto the vessel through decks via ramps, rather than being lifted through hatches.

Scrapping. The sale of a vessel as scrap metal.

Shuttle Tankers. Specialised ships designed to transport crude oil and condensates from offshore oil field installations to onshore terminals and refineries. They are equipped with sophisticated loading systems and dynamic positioning systems.

Spot charter. Generally refers to a voyage charter or a trip charter (see separate definitions), which generally last from 10 days to three months. Under both types of spot charters, the shipowner would pay for vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs, and for commissions on gross revenues. The shipowner would also be responsible for each vessel's intermediate and special survey costs.

Spot market. The market for a vessel for single voyages.

Sub-Panamax. An "Intermediate" fully cellular containership with a TEU capacity between 2,000 TEU and 2,999 TEU.

Suemax. All vessels designed for the carriage of liquid bulk cargoes 120,000 - 199,999 dwt, including oil and products, chemical and other specialised.

TEU. Twenty-foot equivalent unit, the international standard measure for containers and containership capacity.

Time charter equivalent rate ("TCE"). A shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts. TCE is expressed as per ship per day rate and is calculated as voyage and time charter revenues less voyage expenses during a period divided by the number of our operating days during the period, which is consistent with industry standards

Time charter. A charter under which the vessel owner is paid charter hire on a per-day basis for a specified period of time. Typically, the shipowner receives semi-monthly charter hire payments on a U.S. dollar per day basis and is responsible for providing the crew and paying vessel operating expenses while the charterer is responsible for paying the voyage expenses and additional voyage insurance. Under time charters, including trip time charters, the charterer pays voyage expenses such as port, canal and fuel costs and bunkers.

Trip charter or short time charter. A time charter for a trip to carry a specific cargo from a delivery point via load and discharge ports to a redelivery point at a set daily rate.

VLCC (Very Large Crude Carrier). All vessels designed for the carriage of liquid bulk cargoes >200,000 dwt, including oil and products, chemical and other specialised cargoes.

VLGC (Very Large Gas Carrier). LPG Carriers of 60,000cbm and above. A significant number of LPG carriers are also able to transport ammonia and petrochemical gas cargoes, such as ethylene, propylene and butadiene.

VLOC (Very Large Ore Carrier). Bulkcarriers with a capacity of > 220,000dwt, specifically designed to carry very dense iron ore on the long haul voyages of Brazil and Australia to China.

Voyage charter. A voyage charter involves the carriage of a specific amount and type of cargo on a load port-to-discharge port basis, subject to various cargo handling terms. Most of these charters are of a single voyage nature, as trading patterns do not encourage round voyage trading. The owner of the vessel receives one payment derived by multiplying the tonnage of cargo loaded on board by the agreed upon freight rate expressed on a U.S. dollar per ton basis. The owner is responsible for the payment of all voyage and operating expenses, as well as the capital costs of the vessel.