

Ship operating costs: Current and future trends

International Maritime Statistics Forum

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Introduction



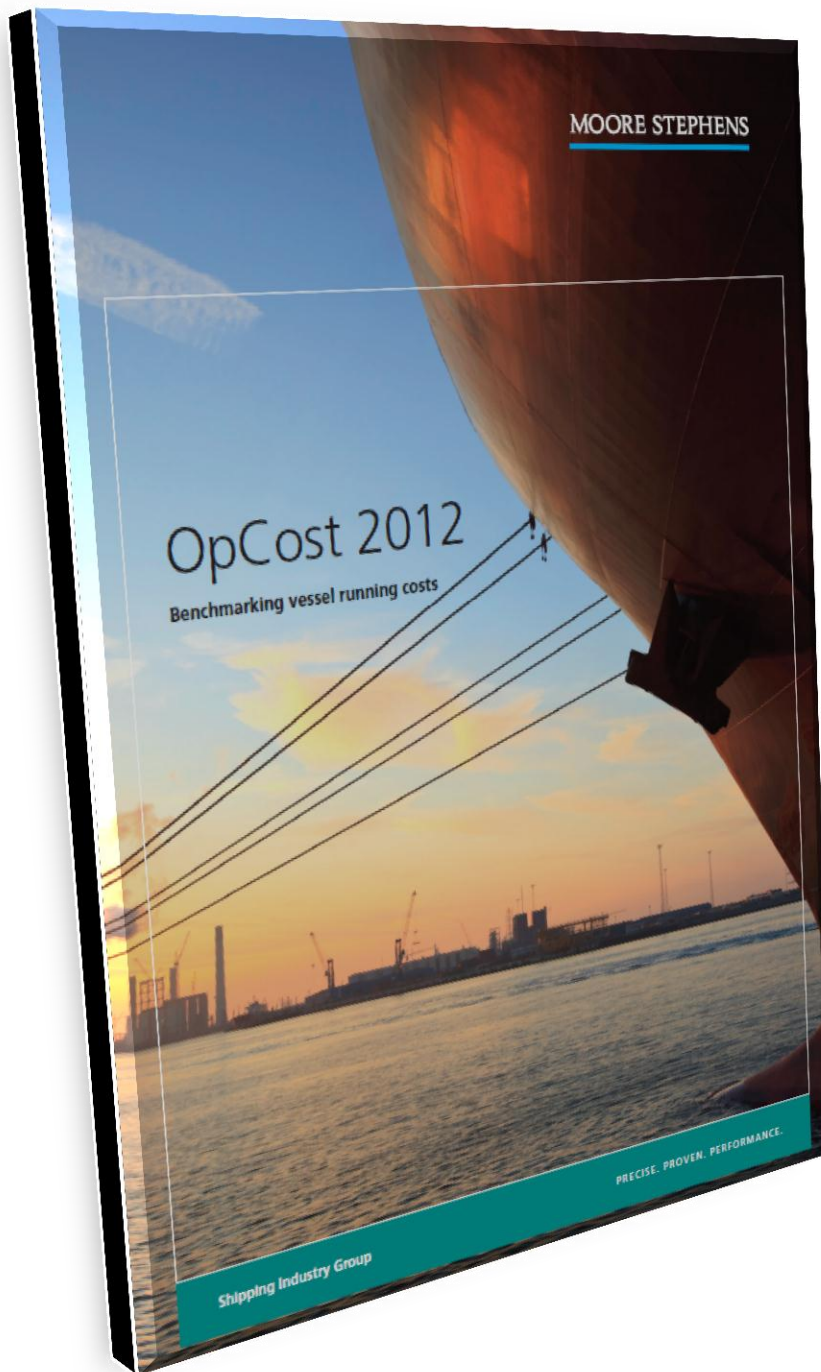
- Richard Greiner is a partner in the shipping industry group and has more than 30 years' experience in providing assurance and advisory services to the shipping industry.
- He is a regular speaker at shipping and ship finance conferences and seminars and has written articles and papers on shipping finance and accounts. Richard leads the Moore Stephens ship operating costs benchmarking report, OpCost.

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Overview



- Introduction to OpCost
- OpCost 2012 results
- Future cost trends



Crew costs	Crew wages
	Provisions
	Crew other
Stores	Lubricating oils
	Stores other
Repairs & maintenance	Spares
	Repairs & maintenance
Insurance	P&I insurance
	Marine insurance
Administration	Registration costs
	Management fees
	Sundry expenses
Drydocking	

OpCost features



- Vessel operating cost benchmarking tool
- 26 vessel types:
 - Including 5 Bulker, 12 Tanker and 3 Container ship types
- 12 cost categories:
 - Including crew costs, stores, repairs & maintenance and insurance as well as dry-docking
- Over 2,700 vessels in OpCost 2012 database
- Exclusive to Moore Stephens

Benefits



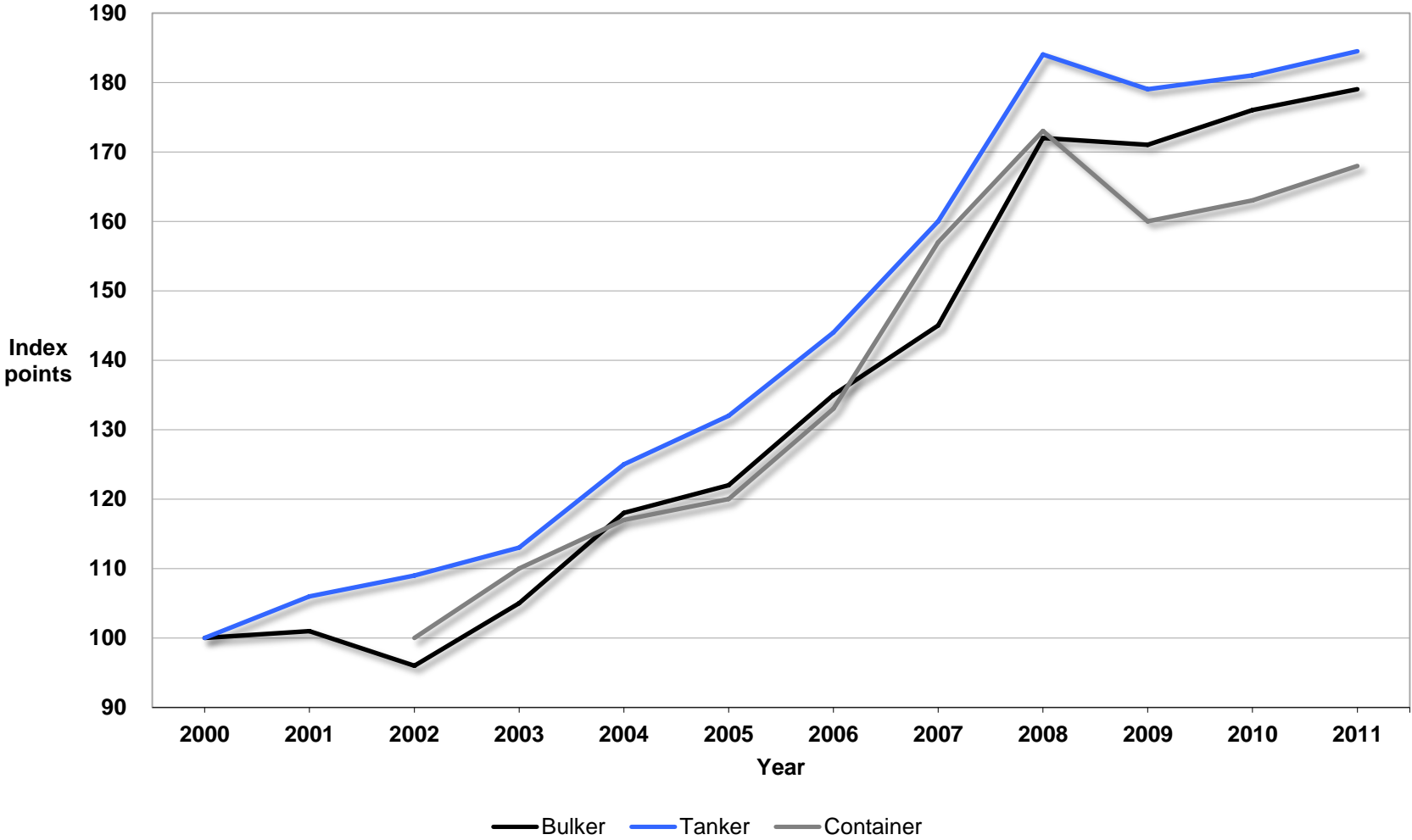
- Assistance in improving cost control
- Backup figures in business plans
- Analysis of costs in new sectors and other ship types
- Helps to manage (and reduce) vessel operating costs

OpCost 2012 results



- OpCost indices (by sector)
- Proportional distribution of costs
- Daily running cost rates (by vessel type)
- Analysis of:
 - Crew costs
 - Stores
 - Repairs and maintenance
 - Insurance
- Drydock

OpCost indices





Operating cost trends – Bulker

Year	OpCost index	Change (%)
2000	100	-
2001	101	1
2002	96	-5
2003	105	9
2004	118	12
2005	122	3
2006	135	11
2007	145	7
2008	172	19
2009	171	-1
2010	176	3
2011	179	2
11 year average		5.5%

Source: Moore Stephens OpCost 2012



Operating cost trends – Tanker

Year	OpCost index	Change (%)
2000	100	-
2001	106	6
2002	109	3
2003	113	4
2004	125	11
2005	132	6
2006	144	9
2007	160	11
2008	184	15
2009	179	-3
2010	181	1
2011	184	2
11 year average		5.9%

Operating cost trends – Container ship



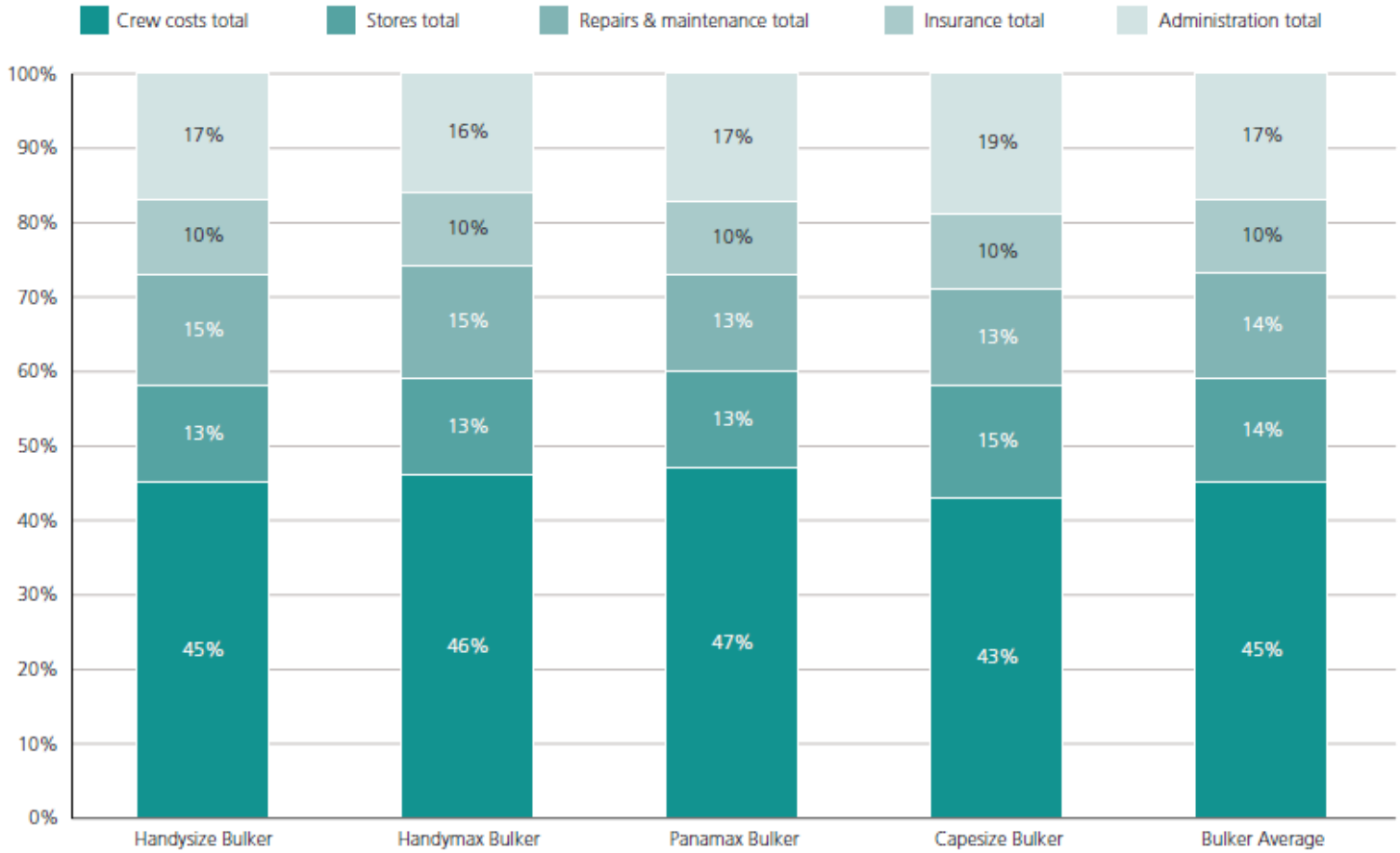
Year	OpCost index	Change (%)
2002	100	-
2003	110	10
2004	117	6
2005	120	3
2006	133	11
2007	157	18
2008	173	10
2009	160	-8
2010	163	2
2011	168	3
9 year average		6.1%

Source: Moore Stephens OpCost 2012

Proportional distribution – Bulker



Proportional distribution of operating costs for bulkers

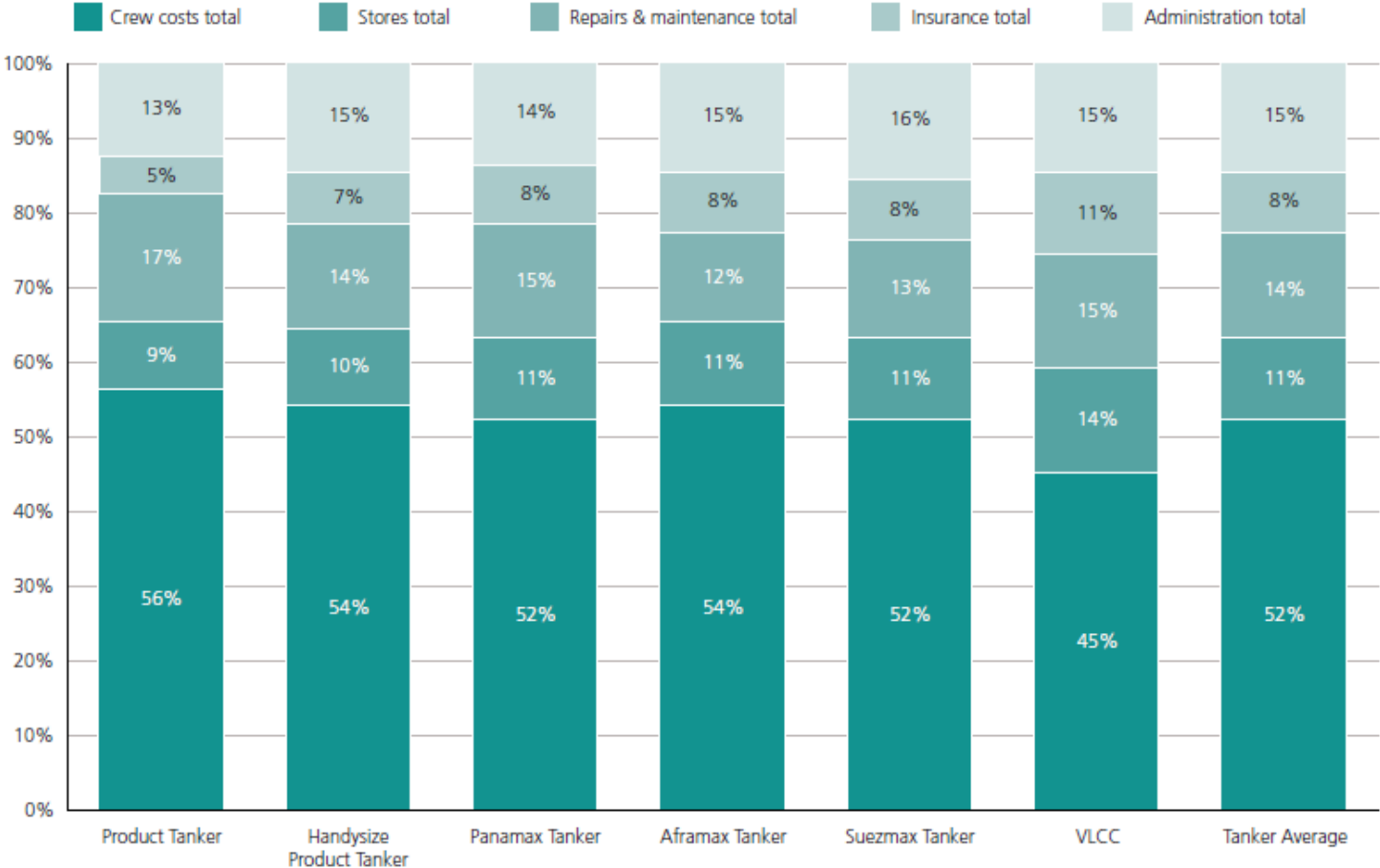


Source: Moore Stephens OpCost 2012

Proportional distribution – Tanker



Proportional distribution of operating costs for tankers

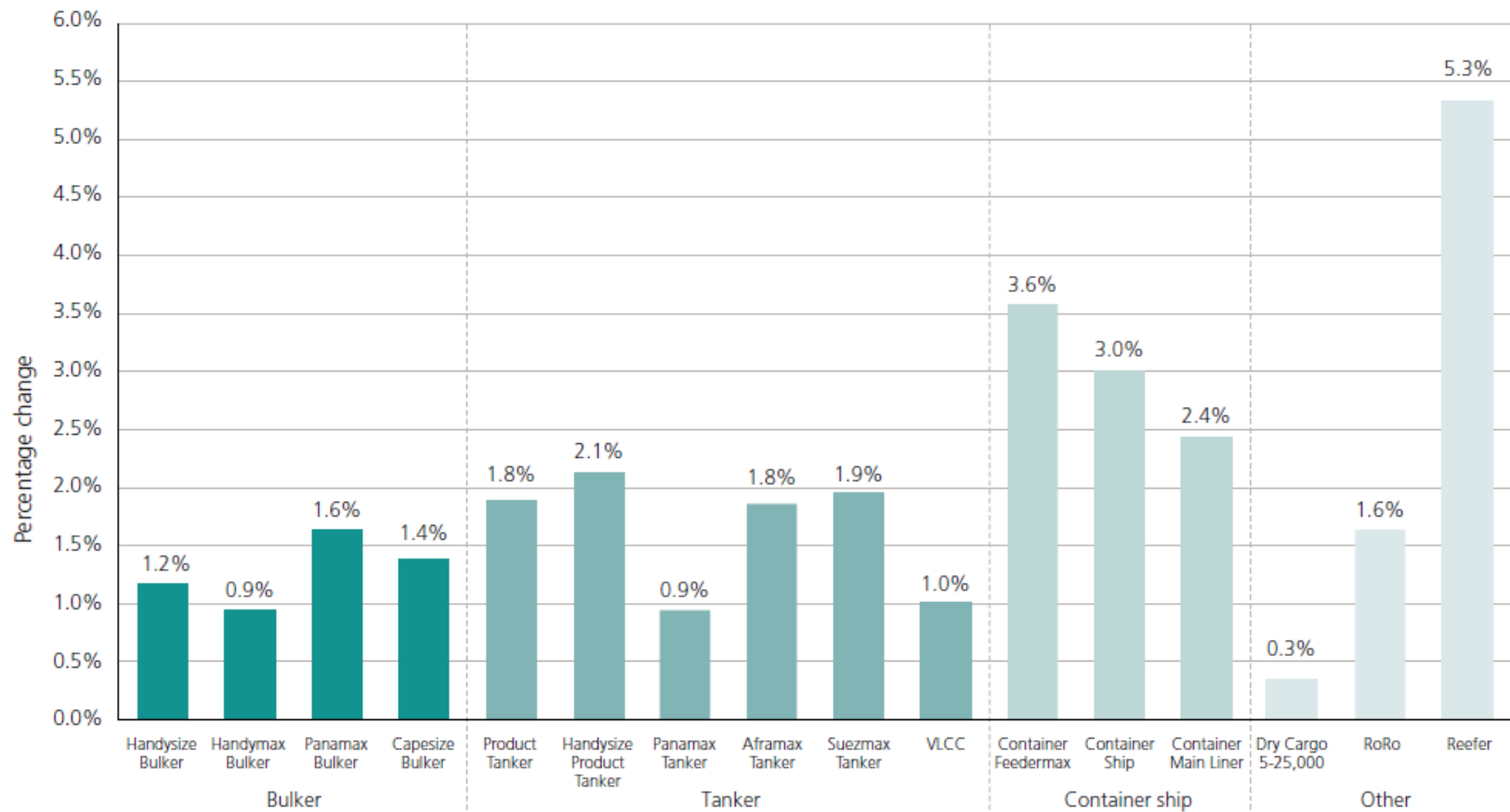


Source: Moore Stephens OpCost 2012

Total operating costs 2011:2010



Changes in total operating costs from 31 December 2010 to 31 December 2011



Operating costs – Bulker



	OpCost 2012 Daily Rate US\$	Year on year change (%)
Handysize	5,342	1.2
Handymax	6,017	0.9
Panamax*	6,606	1.6
Capesize*	7,758	1.4
	Weighted average	1.7%

* Daily rate for 2010, as previously reported, was adjusted to reflect this year's change in the Panamax and Capesize sizes.



Operating costs – Tanker

	OpCost 2012 Daily Rate US\$	Year on year change (%)
Product	8,370	1.8
Handysize Product	7,829	2.1
Panamax	8,419	0.9
Aframax	8,514	1.8
Suezmax	9,681	1.9
VLCC	10,780	1.0
	Weighted average	1.7%

Operating costs – Container ship



OpCost 2012
Daily Rate US\$

Year on year
change (%)

Feedermax (100-1,000 TEU)

4,531

3.6

Container Ship (1,000-2,000 TEU)

5,341

3.0

Main Liner (2,000-6,000 TEU)

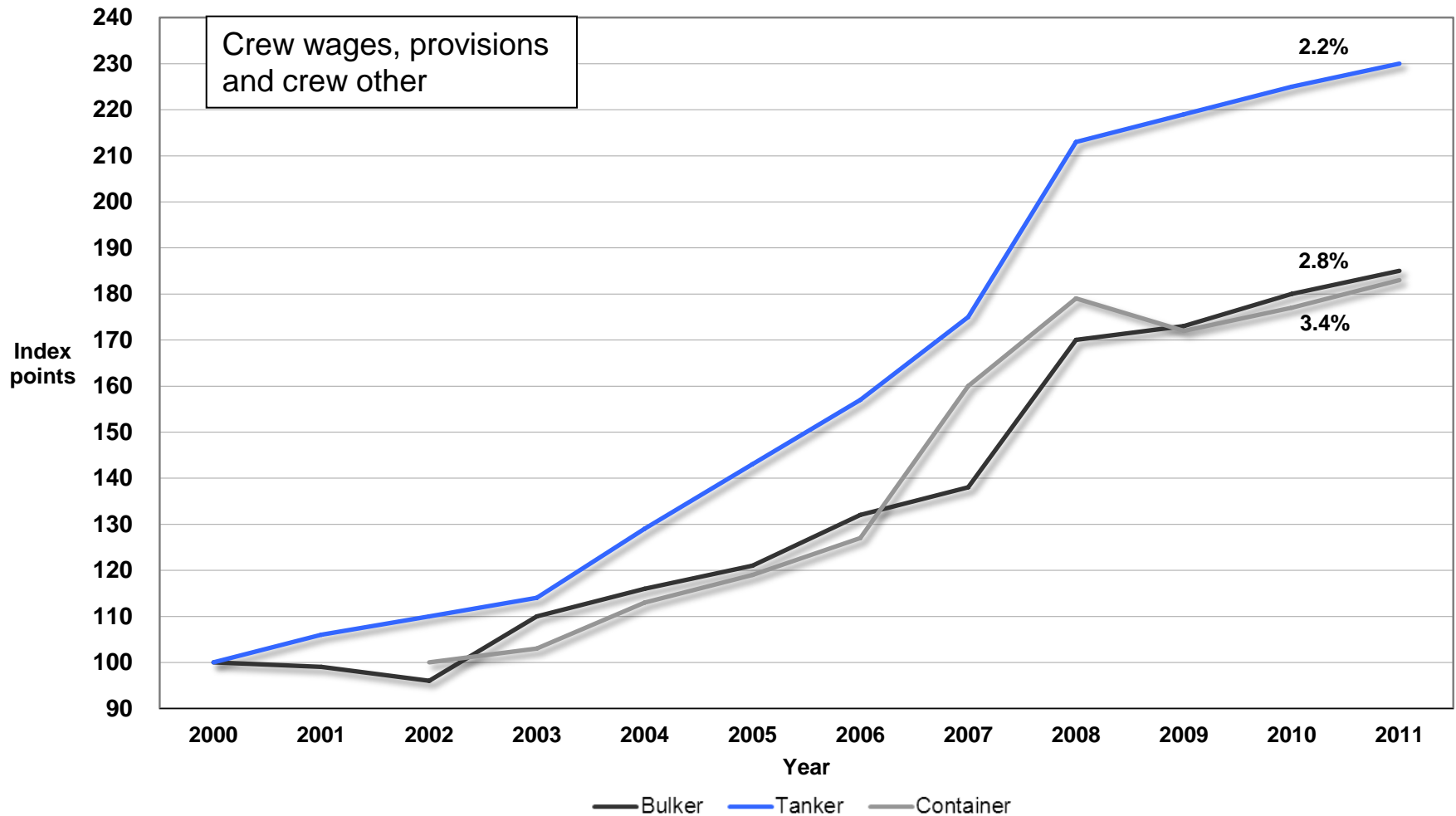
7,730

2.4

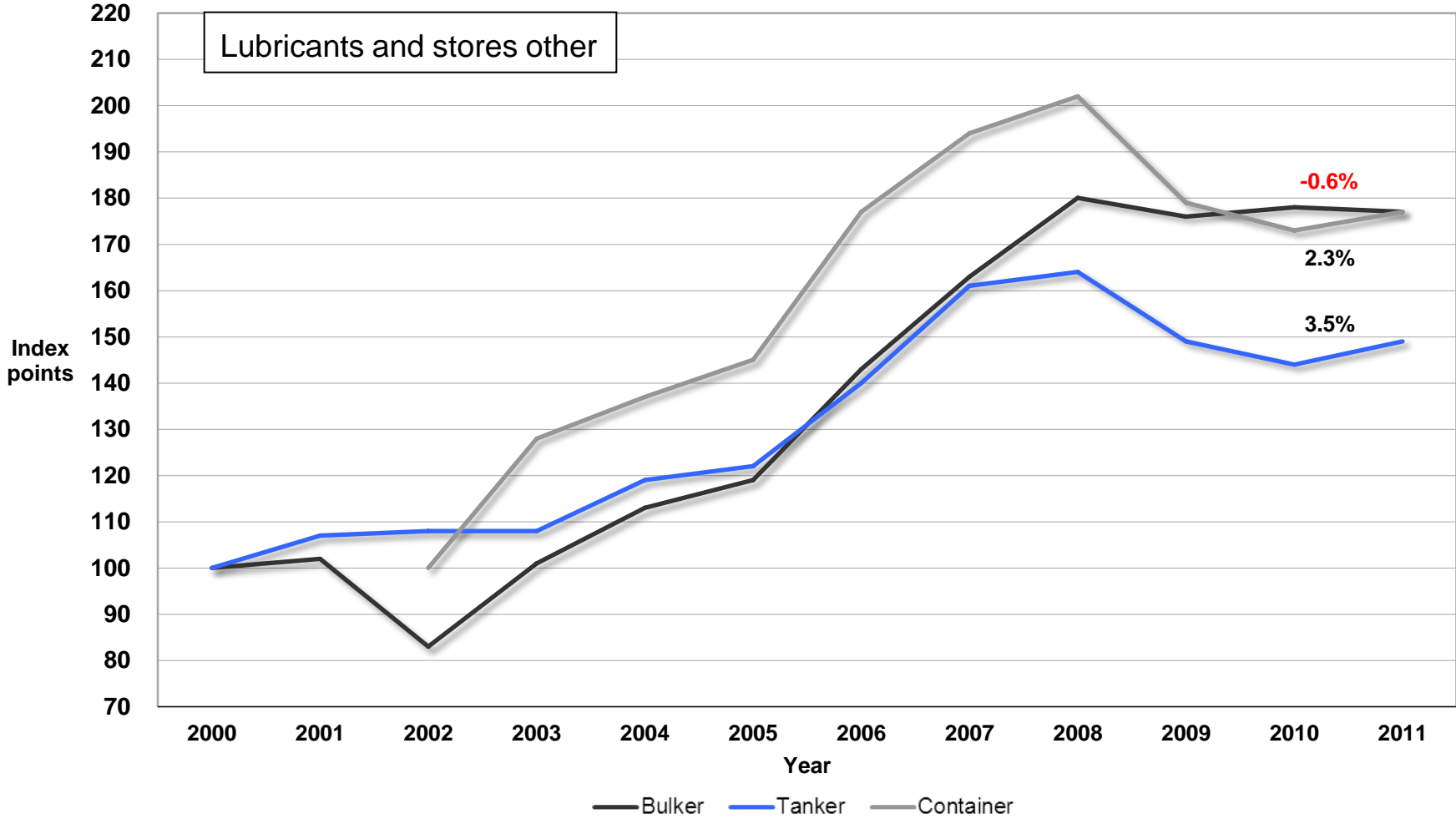
Weighted average

3.1%

OpCost crew costs indices

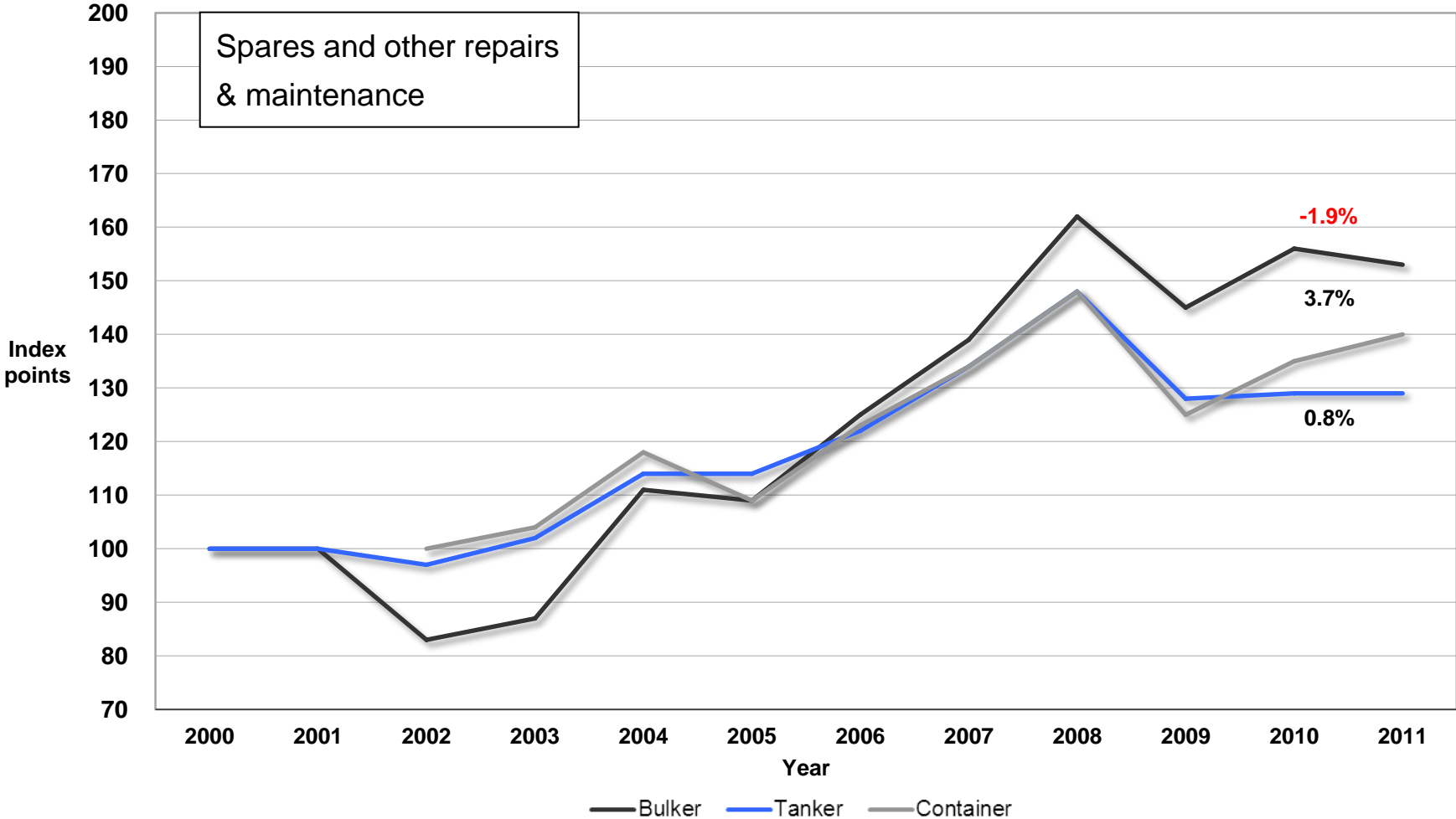


OpCost stores indices

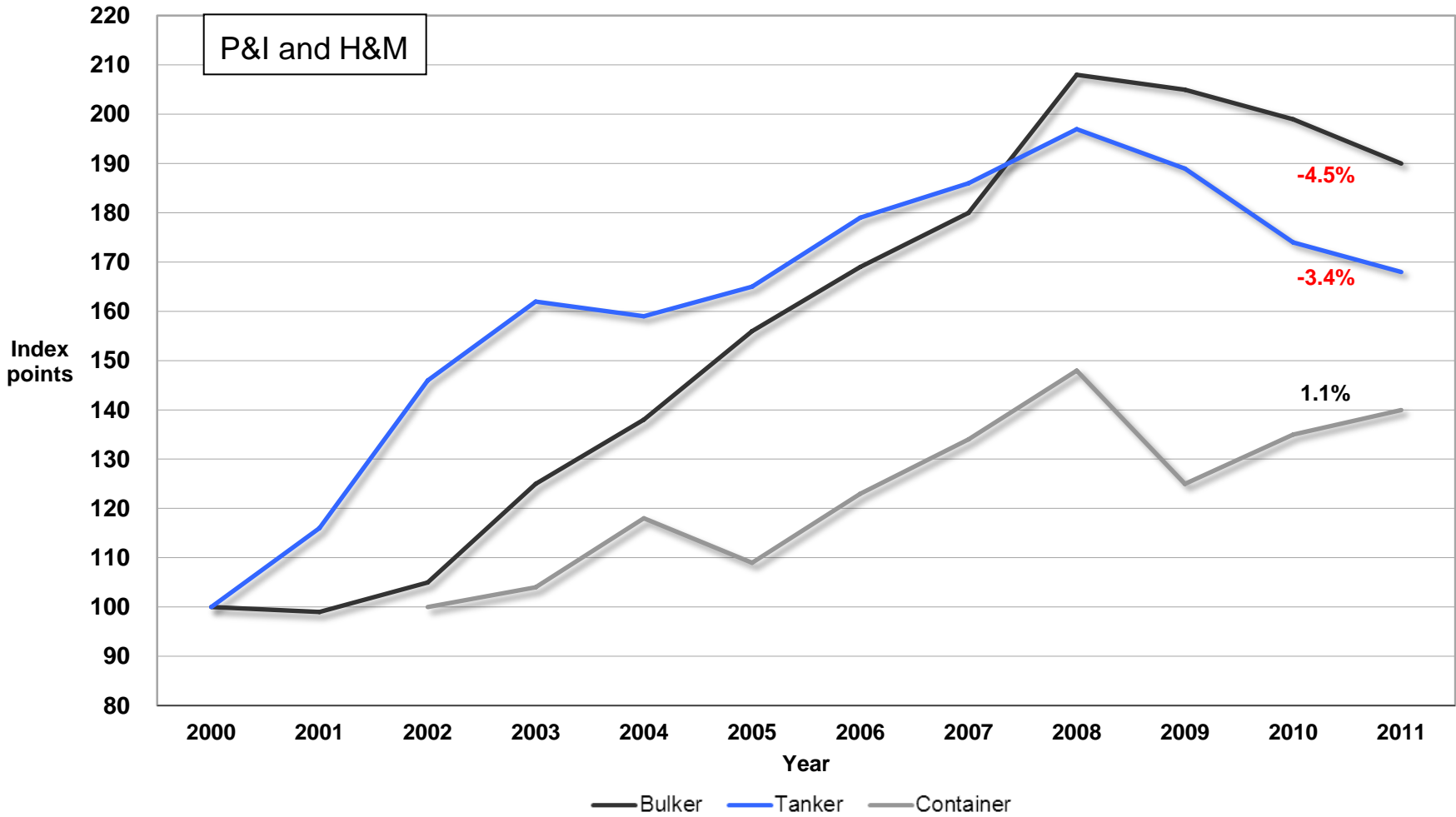




OpCost repairs & maintenance indices



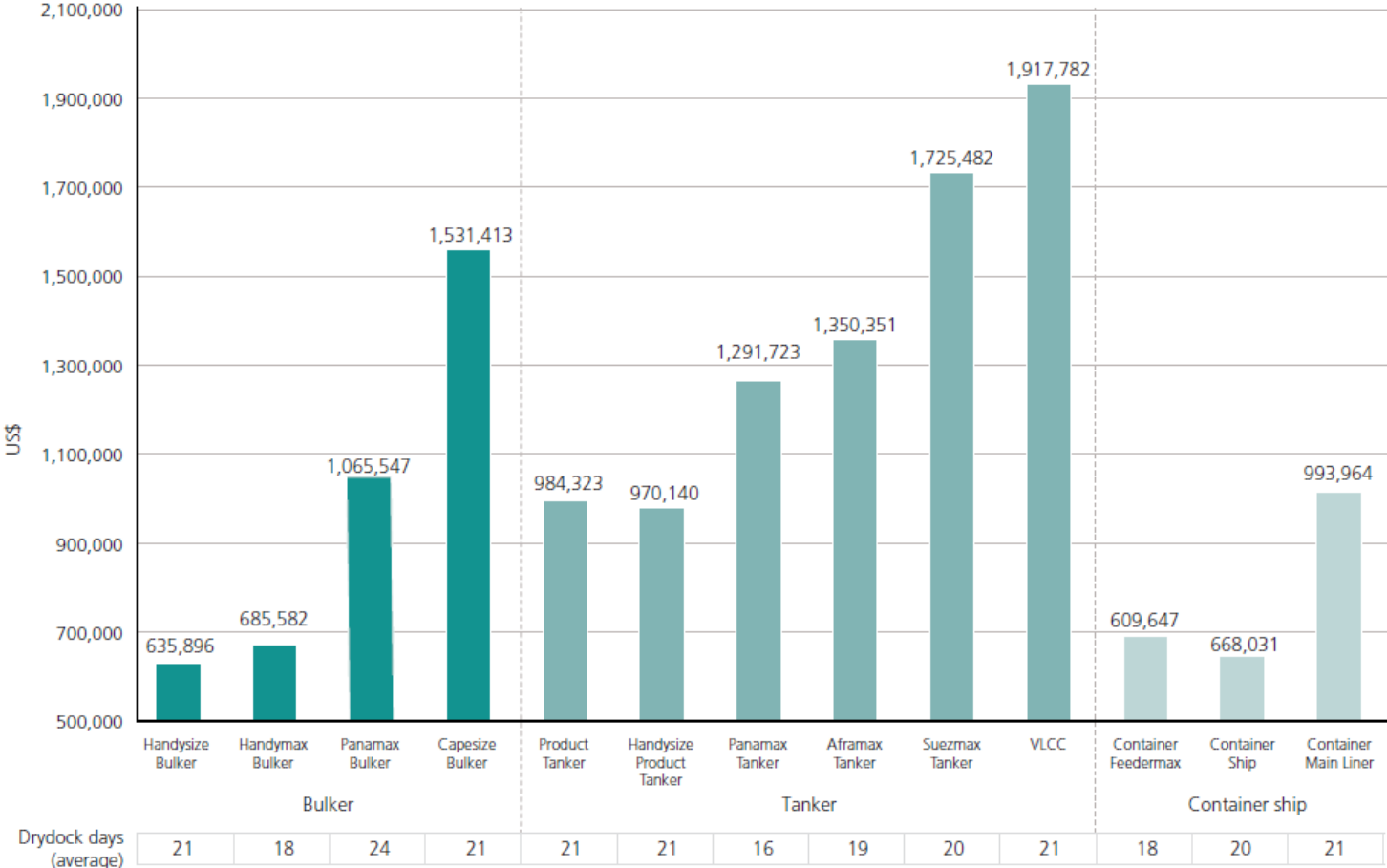
OpCost insurance indices



Drydock costs and duration



Average drydock costs for year ended 31 December 2011



Source: Moore Stephens OpCost 2012



OpCost 2012: A summary

- OpCost 2012 annual change (%):
 - Bulker 1.7
 - Tanker 1.7
 - Container ship 3.1
- Annual average change (%):
 - Bulker 5.5
 - Tanker 5.9
 - Container ship 6.1

OpCost 2013



- To be published September 2013
- Aiming for increased participation and more vessel types
- Ideas for new features welcome

Future operating cost survey

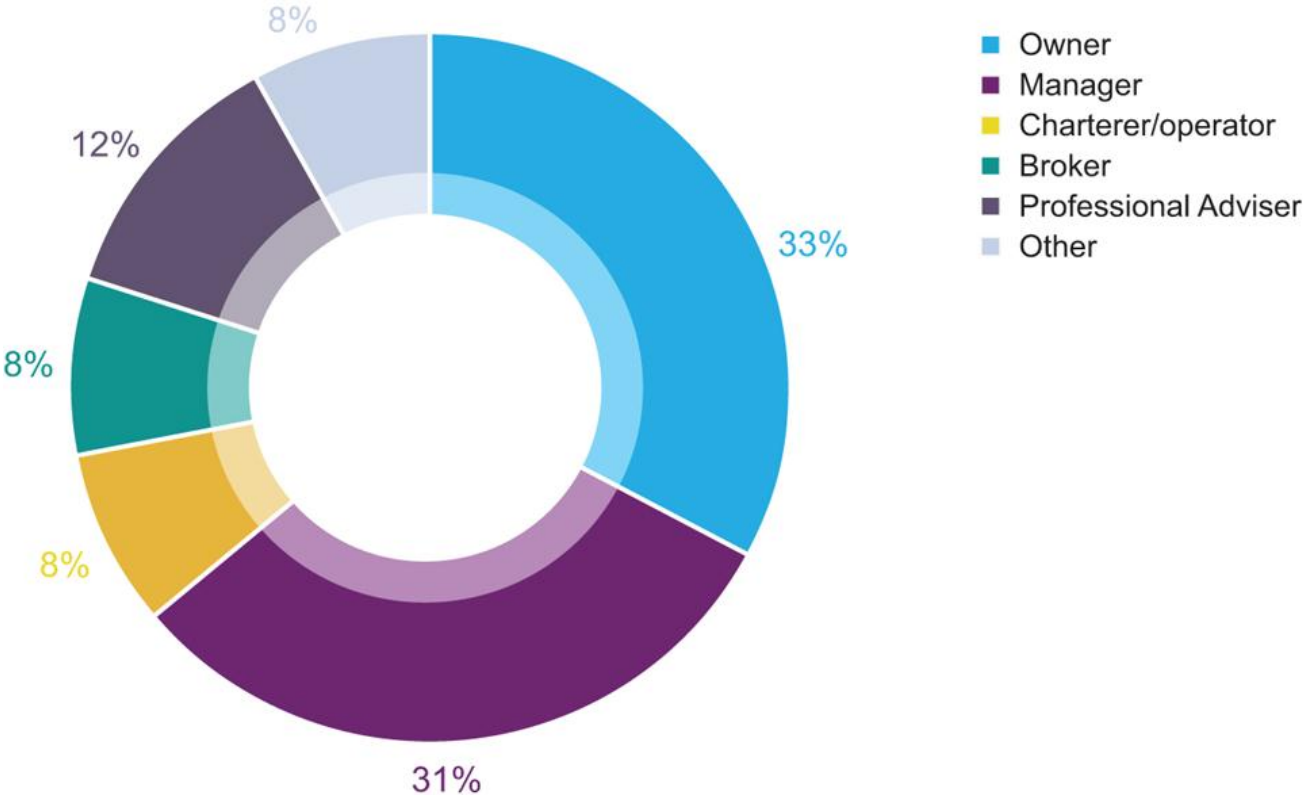


- Respondents
- Expected cost increases
- Influencing factors

Respondents by type



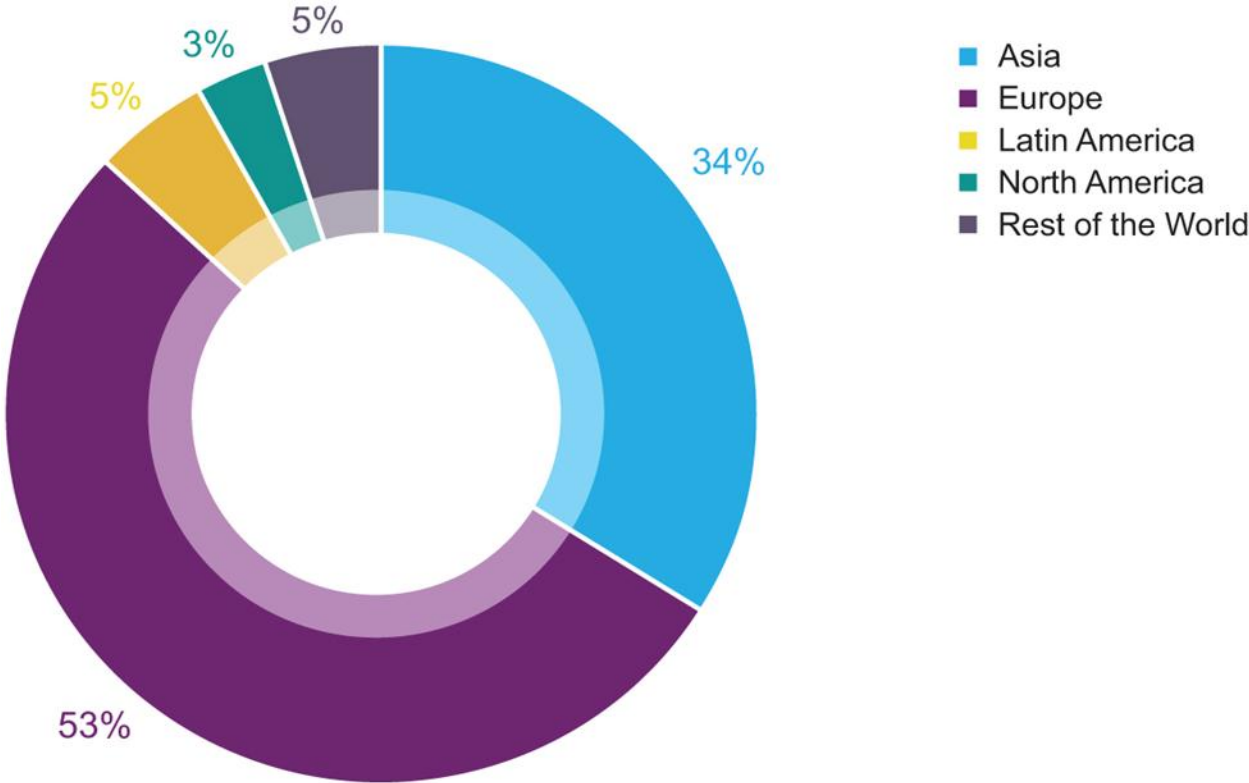
Breakdown of respondents by type of business



Respondents by location



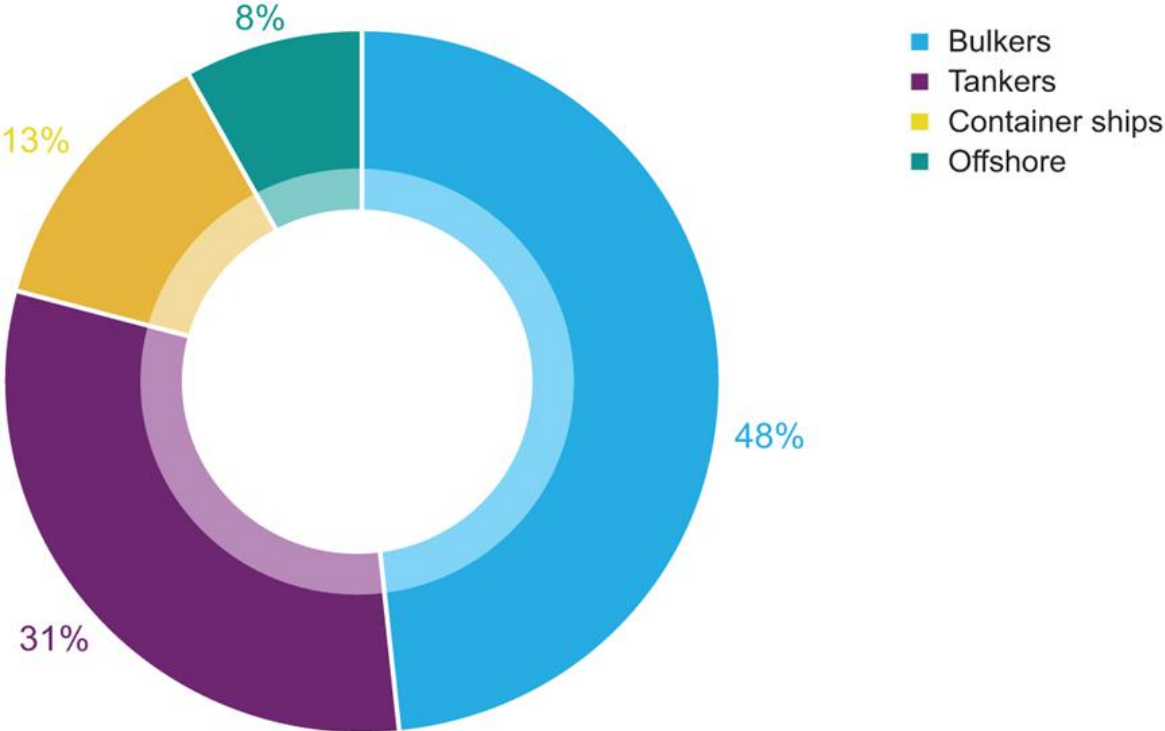
Breakdown of respondents by location



Respondents by sector



Breakdown of respondents by sector



Expected cost increases



	2012	2013
Overall – mean	3.0%	3.0%

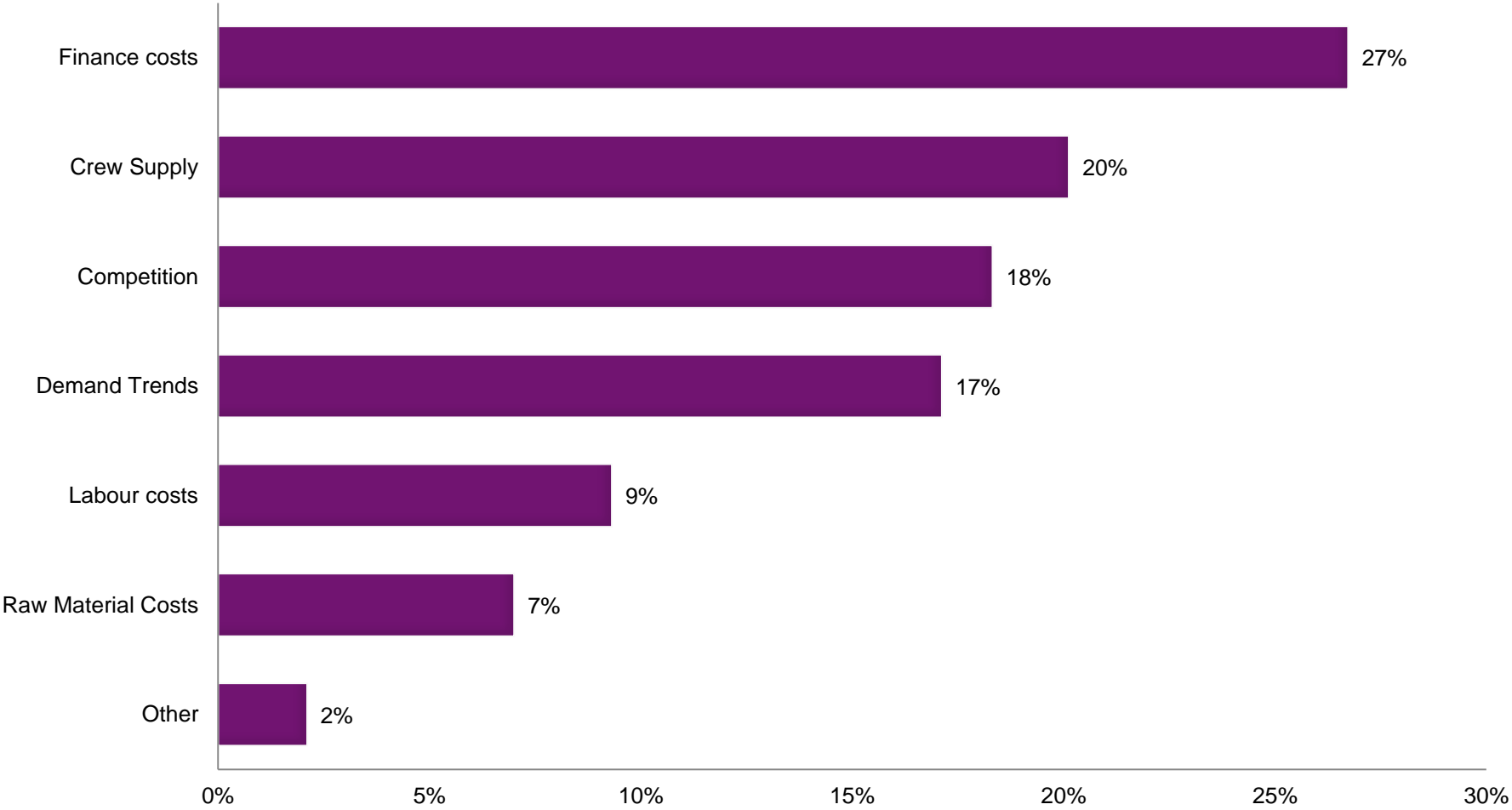


Expected increases by cost type

Cost type – mean	2012	2013
Crew wages	2.3%	2.4%
Other crew	2.1%	2.1%
Lubricants	2.9%	2.8%
Stores	2.1%	2.1%
Spares	2.2%	2.2%
R&M	2.1%	2.2%
H&M	1.9%	2.0%
P&I	2.1%	2.2%
Management fees	1.3%	1.4%
Drydock	1.9%	2.0%

Source: Moore Stephens,
2012 Future operating costs survey

Factors influencing operating costs



Source: Moore Stephens, 2012 Future operating costs survey

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