

Challenges in Measuring Supply & Demand

Example - Tankers

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Key Vessel Supply/Demand Factors

- Deadweight Deployed
 - Cargo Volume – tonnage moved
 - Utilisation
- Time Deployed
 - Distance carried
 - Speed
 - Stationary Time
 - Waiting Time, Port Congestion
 - Loading, Discharging, Manoeuvring, Bunkering
- Time Not Deployed
 - Inactivity, , Prolonged Waiting Time/Lack of Employment
 - Arrest, Detention
 - Lay-up
 - Repair, Drydocking, awaiting same
- Storage
 - Long term, Strategic, Short term, Market Related
 - EXCLUDES FSOs, FSUs, FPSOs vessels unable to trade as conventional tankers.



Cargo Volumes & Dwt

- Custom, Trade, Energy Data
 - Doesn't always show transportation mode
 - Doesn't define size, quantity, type of vessel deployed
 - Doesn't give match between Export and Import data
 - Doesn't cover coastal/domestic trade
 - Doesn't cover lightering, trans-shipment & multiporting
- Market Data – Fixtures
 - Good for calculating indicative cargo utilisation (cargo/dwt ratio)
 - Loading and Discharge Ports/Areas imprecise
 - Coverage poor
- Vessel Movements
 - Despite AIS still incomplete and to some extent inaccurate
 - Doesn't provide easy interpretation of voyage::
 - No indication of whether vessel laden or ballast
 - No indication of cargo type or quantity
 - No indication of purpose of port call



Tonne Miles – BIG & Meaningless?

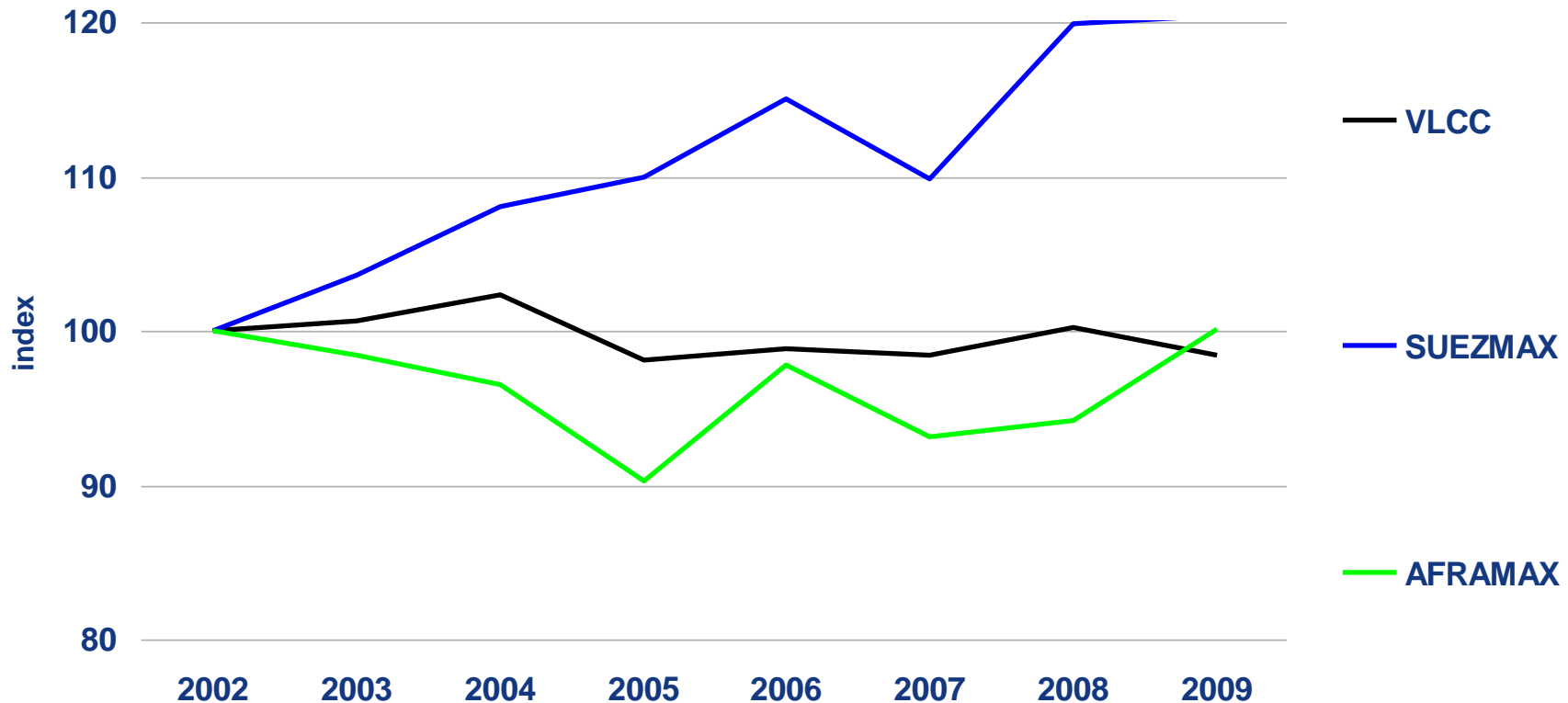
- At 14 knots a vessel will cover 336 miles a day
- A single VLCC of 300,871 dwt will perform the following tonne miles:
 - 101,092,512 tonne miles in a single day
 - 32,644,816,439 tonne miles per year
- The VLCC fleet will perform:
 - 17,399,687,162,109 tonne miles per annum
- The Total Tanker Fleet (25k dwt+) will perform:
 - 39,988,070,374,028 tonne miles per annum
- OR YOU CAN USE (dwt * days) tonne days
- OR BETTER STILL (dwt * voyage length as percent of year) dwt demand per annum



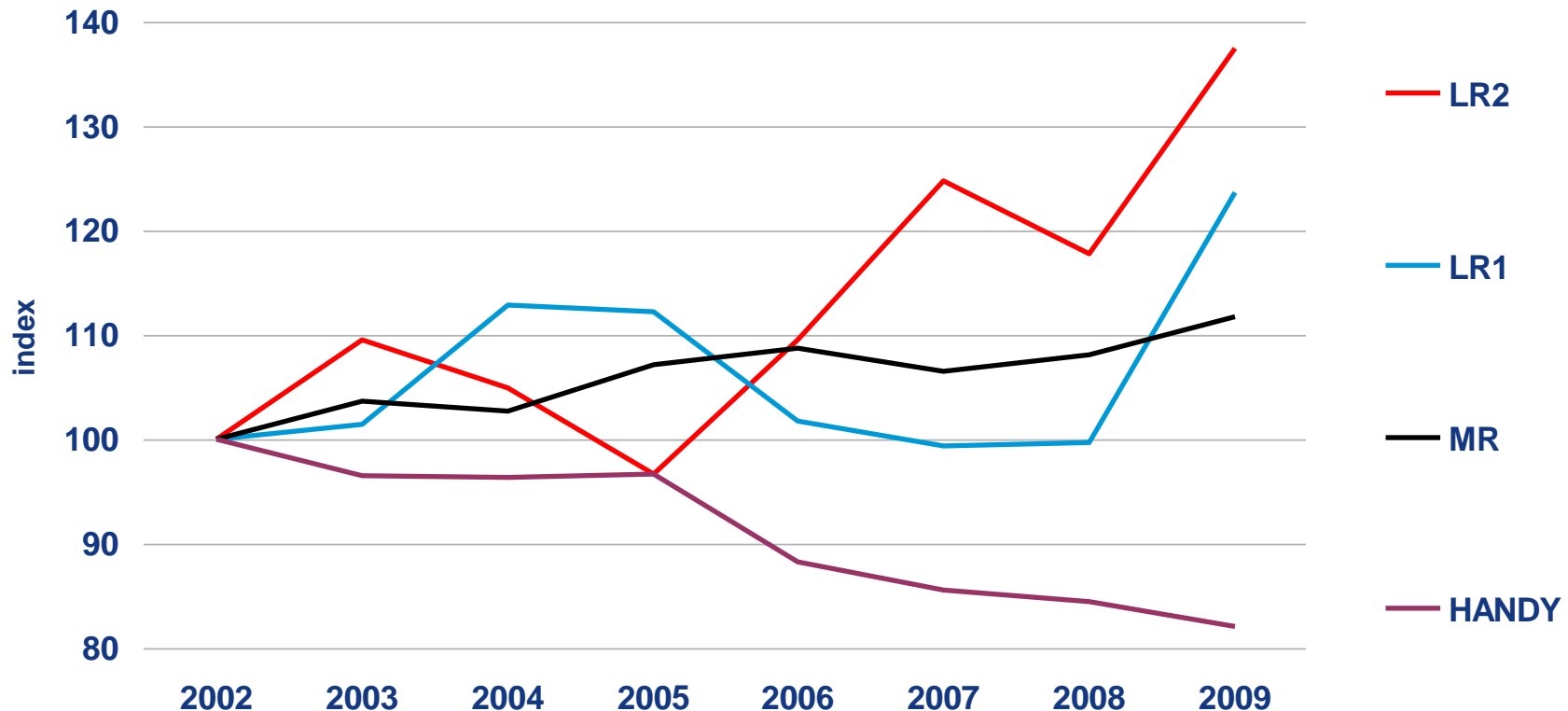
Fleet Efficiency Factors



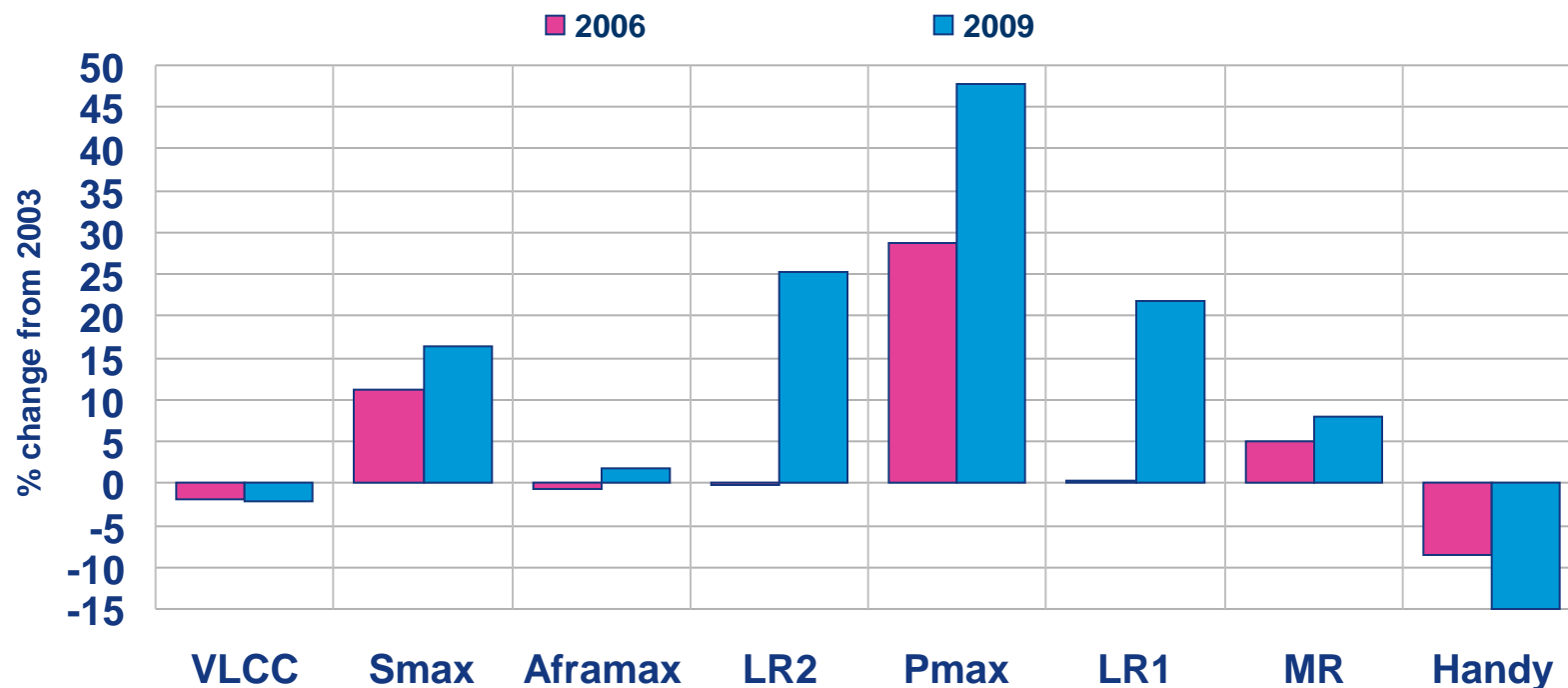
Crude Tanker Voyage Distance Index - Spot



Tanker Voyage Distance Index - Spot

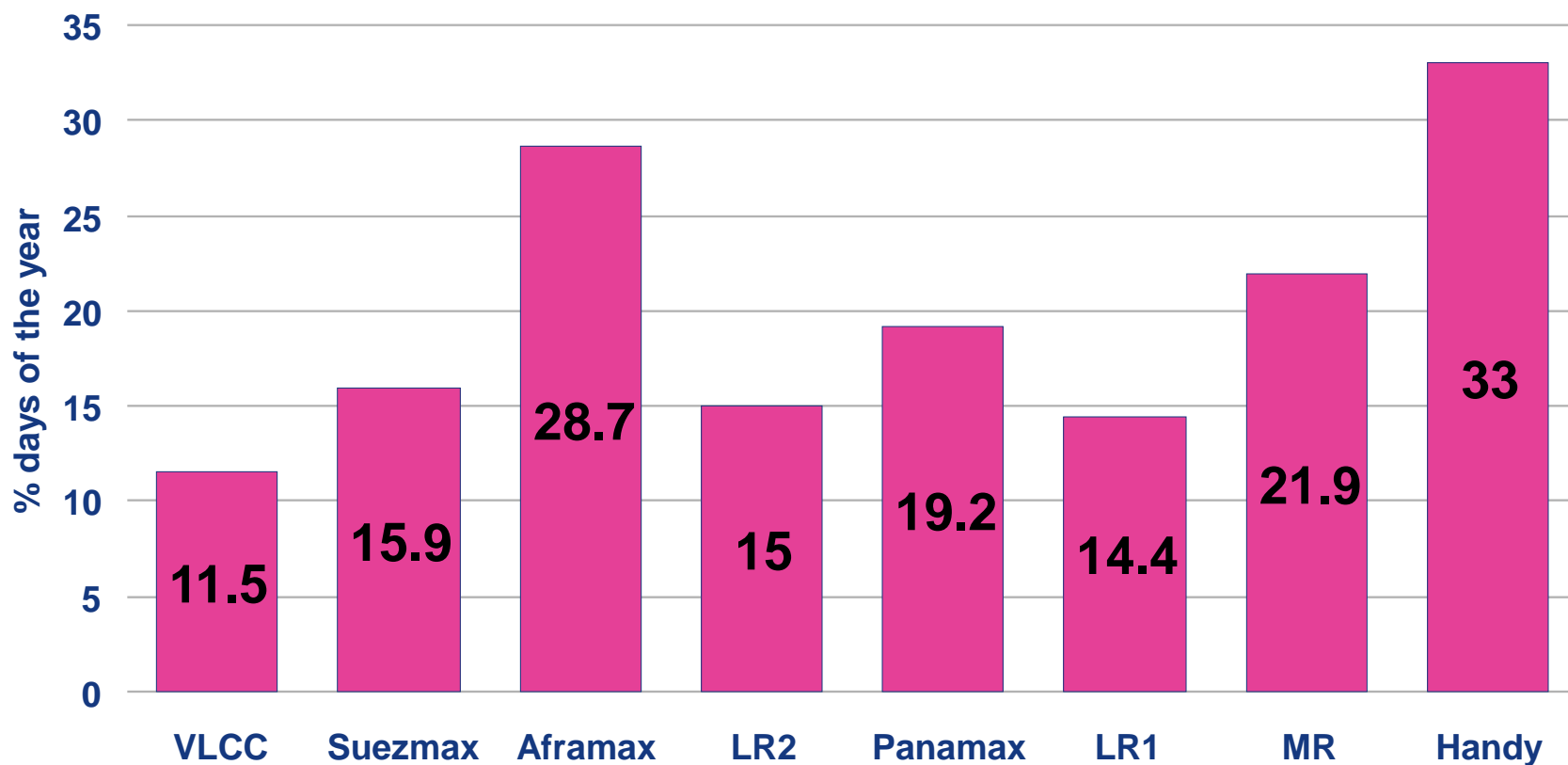


Spot Voyage Distances (vs. 2003)



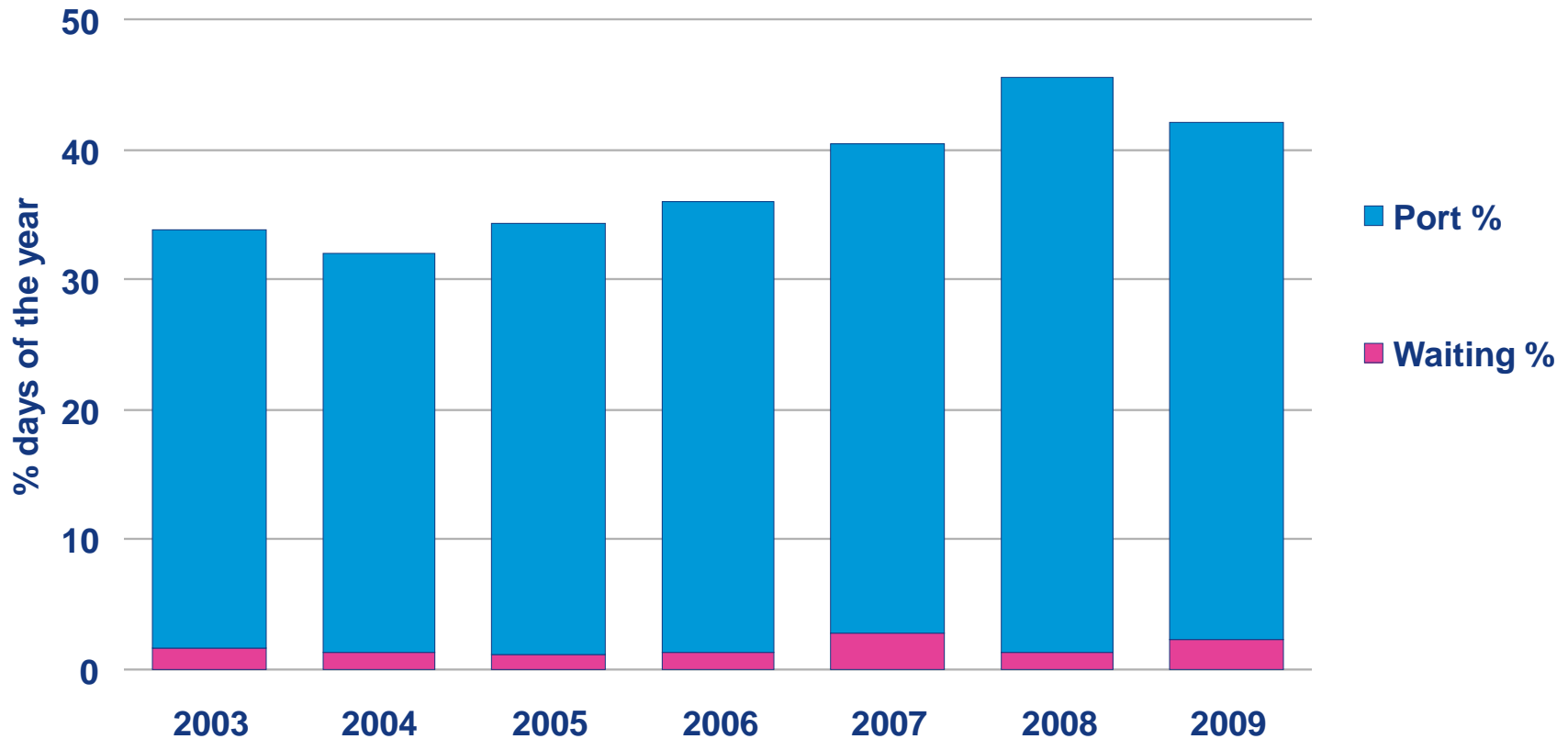


Implied Port & Waiting Time – Spot



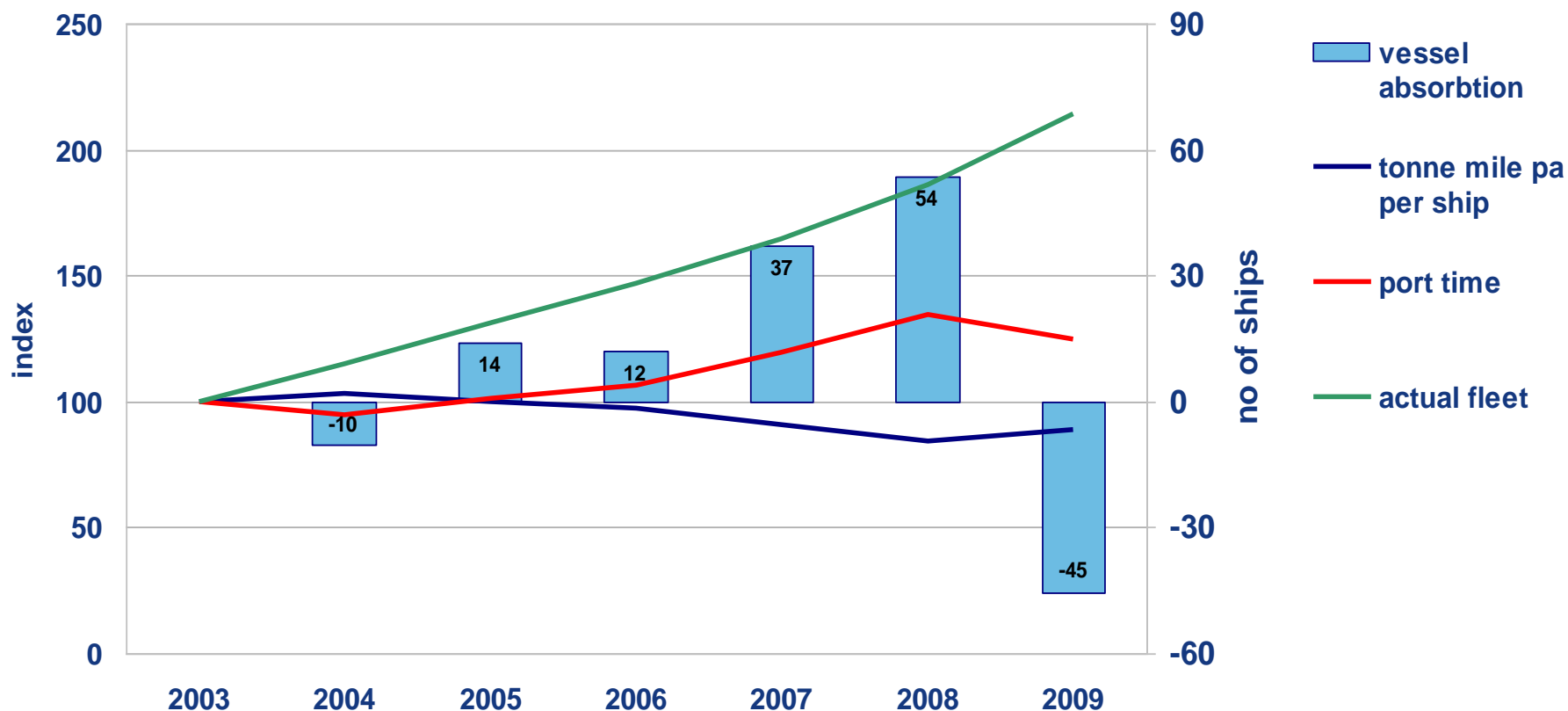


Actual MR Port Times



Source : TORM

MR – Port & Distance Implications



Effects of Speed Reduction from 14k to 12k

