

THE MARIPORT GROUP LTD.

REPRESENTATIVE PROJECTS IN VESSEL COSTS AND OPERATIONS

Tug/Barge System Costs

Developed a conceptual tug/barge system for grain lighterage and trans-shipment in South Australia that included detailed manning and operation costs under Australian regulations. For an evaluation of marine options for an Australian cement producer, analysed tug/barge and conventional vessel costs for coastal operation.

Icebreaker Costs

For the Canadian Coast Guard, provided preliminary cost outlines for construction and manning of commercial icebreakers.

Self-Unloader Models

For a major Great Lakes shipper, prepared a spreadsheet model that enabled the company to calculate the freight rates for different routes, and analyze expectations versus contract levels sought by carriers.

For a major international self-unloader operator, prepared a spreadsheet model, as part of a broader market study that enabled the company to analyze opportunities. The model permitted calculation of the rate at given time charter equivalents or vice versa.

European Collier Costs

For a U.K. power utility, compared delivery costs for European coal trades for straight deck bulk carriers and self-unloaders under different cargo handling systems and throughput levels.

Tug/Barge and Tanker Costs

For an intensive shipping operation hauling fresh water between two islands in the Caribbean, provided a calculation methodology geared to the trade needs that enabled water delivery costs to be estimated for tug/barges or tankers proposed.

Coal, Ore and Steel Shipment Costs

For a major North American steel maker, reconstructed a 20 year rate history for Australian coal and ore exports and a 30-year reconstruction for transatlantic steel shipment costs.

Container Ship Costs

Developed a detailed model of container ship costs for a range of vessel sizes operating on both Atlantic and Pacific routes. The model was designed to permit incremental costs to be calculated depending on the number of port calls and boxes handled at each port.

Steel Shipment Costs

For a Scandinavian steel company, analyzed operations and costs of highly specialized steel slab and combination carriers. Recommended an alternative system using conventional Ro-Ro vessels and self-unloaders. This reduced costs and minimized risk, as the vessels were non-specialized.

Ferry Operations and Costs

- For a proposed new ferry operation in Atlantic Canada, determined the most appropriate route, vessel type, service characteristics, operating costs and tariffs.
- For several proposed Great Lakes ferry operations, determined service parameters, operation costs, and manning. These have covered conventional and high-speed services over short and long haul routes. Types have ranged from high-speed passenger-only service to drop trailer operations.

- For an evaluation of high speed passenger/vehicle ferries in Canada, developed a financial model to predict feasibility. The was fully interactive, and contained valid default values for all manning and operating costs.

Cruise Ship Operations & Costs

- For a speculative medium size cruise ship (300 passengers), developed a comprehensive operational and disbursement cost model for evaluation of special area operations viability (e.g. Great Lakes). Integrated itinerary cost impacts within the overall analysis.

Tanker Operations and Costs

Developed a spreadsheet model of tanker operations in the Eastern Canadian Arctic that permitted a comprehensive scheduling and cost exercise to be undertaken of different delivery requirements. The model incorporated voyage and tanker characteristics, additional insurance, relevant charter rates and premia, and voyage disbursements.

EXPERTISE IN VESSEL COSTS AND OPERATIONS

The key to any successful maritime venture is in understanding the true costs of viable alternative transportation systems that may meet the logistics needs of the route. Such costing exercises are essential whether the operation is to move steel, unit loads, bulk materials, or ferry passengers with their automobiles between two points.

Mariport's long experience – 40 years – in commercial analysis of wide-ranging shipping ventures enables us to determine what these costs may be, both now and in the future. While some costings may be market-based using available data, most of our work requires the compilation, from first principles, of vessel operating costs. These may then be inserted, usually by way of an analytical model, into realistic operating scenarios to generate conservative costs over both the short and long term,.

Our knowledge of marine system costs and operating parameters covers an extensive range of ships, from VLCC's to high-speed craft, and includes unusual specialized operations such as self-unloaders, tug/barge units, inland river tows and unit load vessels of all types and sizes. Operating parameters taken into account include weather and sea conditions, seasonality, port congestion and customs of the trade and regulatory and crew certification issues where these may be appropriate.

For historic reconstruction of costs, we have an extensive library of material on shipping costs and can just as readily prepare costs based in 1976 as we can in 1996. Costings going back beyond 1963 become somewhat selective because of changes in shipping technology and cargo containment. However, long involvement in the industry enables us to extend calculations on shipping cost backwards 50–60 years by selecting the appropriate type and size of vessel, method of cargo carriage, and cargo route.

Such costing exercises should not be confused with pricing exercises, which we reconstruct on the basis of time or trip charter rates for selected vessel types. These estimates, which include typical voyage disbursements as well as ballast in/out, track the shipping market's rise and fall relative to supply and demand factors.

While some of our estimates are commissioned as pure comparative exercises in reconstructed rate histories (see Representative Projects in Commodity and Freight Rate Analyses), most are integral components of wider ranging reports that address broad strategic issues on behalf of clients.