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COUNCIL
WORKING PARTY ON SHIPBUILDING

TANKER SUPPLY UNTIL 2015

(Presentation by INTERTANKO)

This Powerpoint presentation by INTERTANKO was made under Session 1 of the Shipbuilding Workshop with non-OECD Economies and Industry held in Paris on 4-5 December 2008.

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Tanker supply until 2015

OECD working party on shipbuilding

Paris

by

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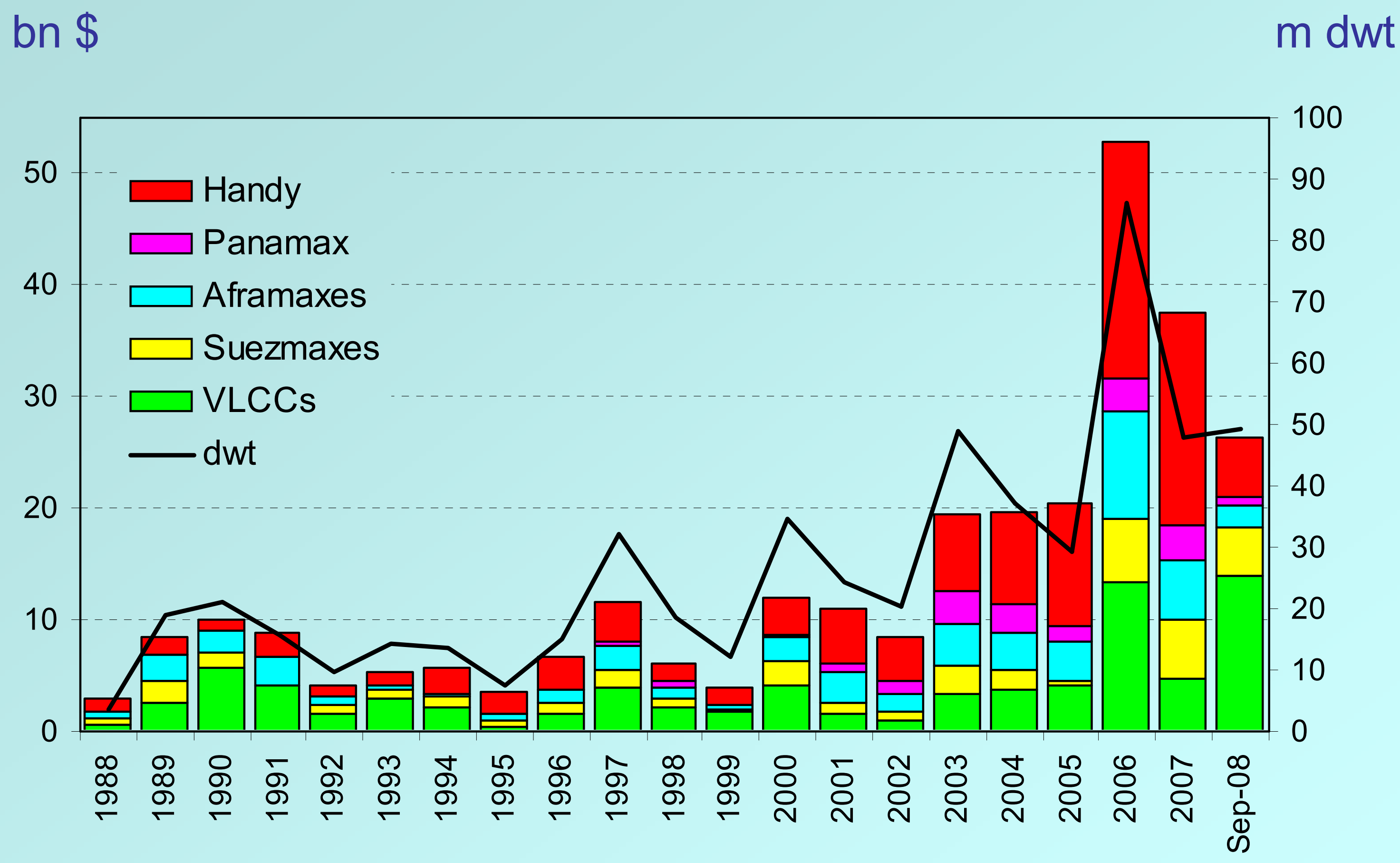
Paris 4-5 December 2008

Tanker contracting bn $/ m dwt

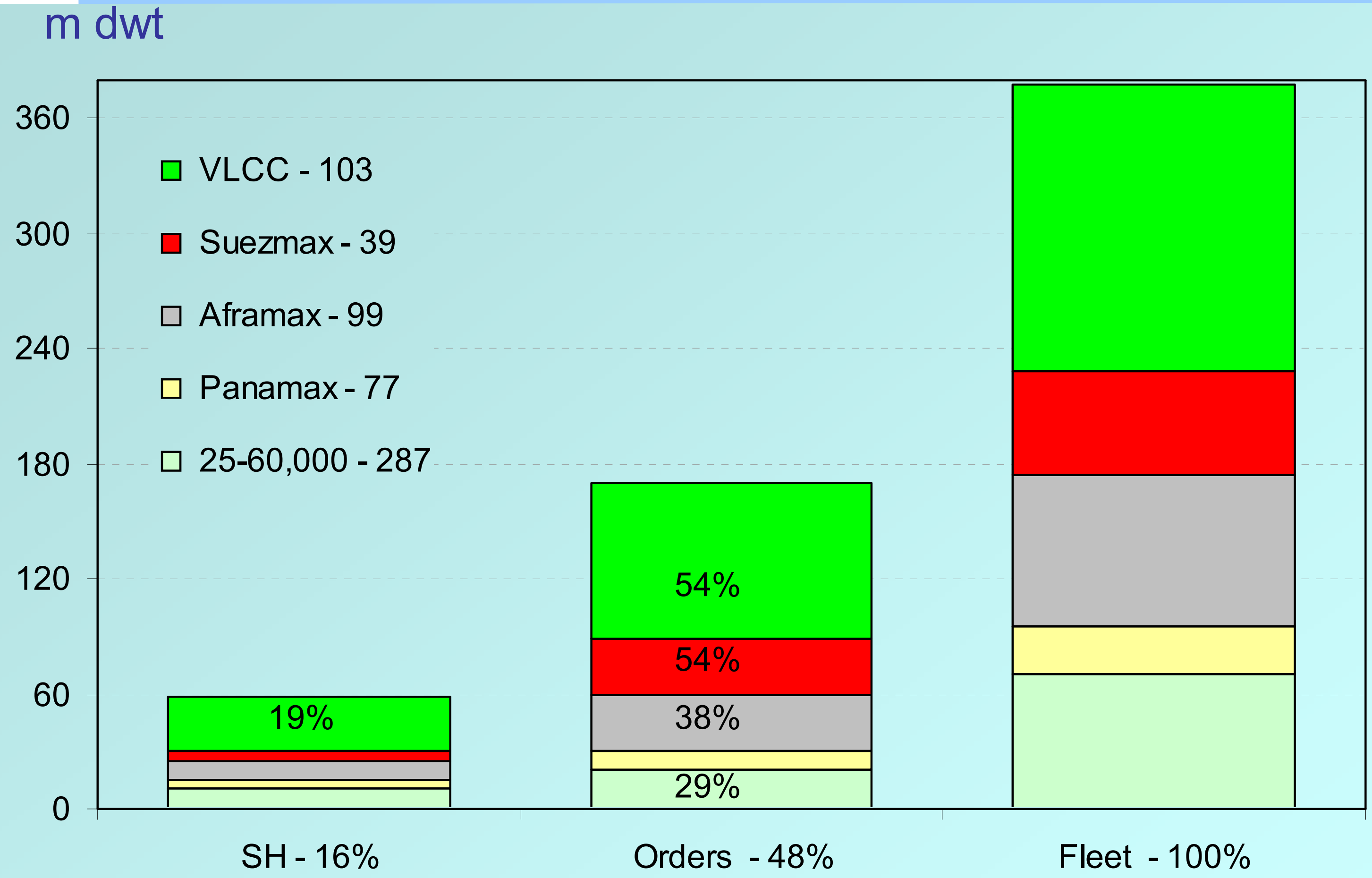


Av 7.3
17.5

19.9 38.9 $
38.4 61.1 dwt

Source. Clarkson Shipyard Monitor

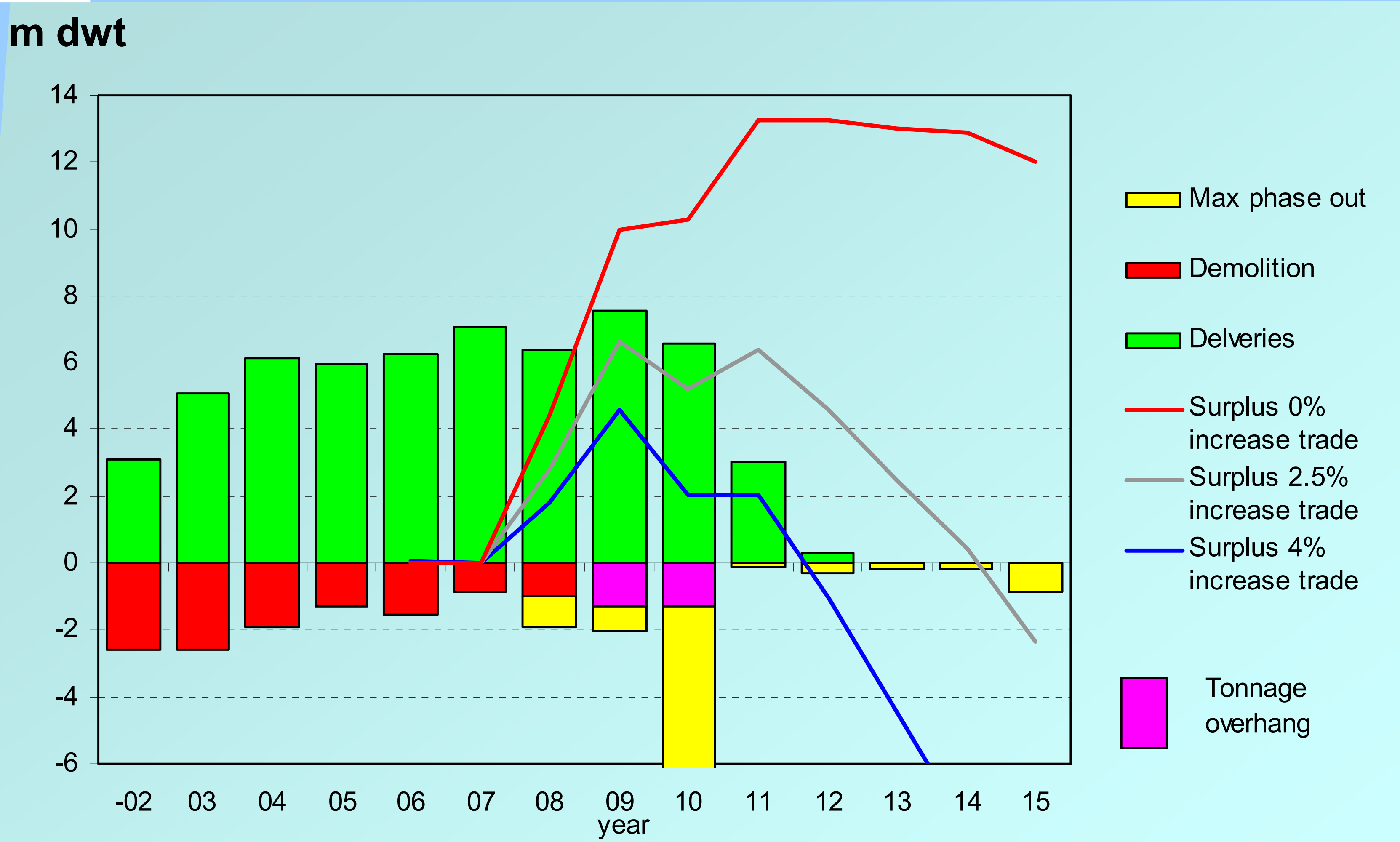
Tanker fleet, orderbook, SH tankers



58.7 169.8 377.7 m dwt

Average age 10.9 years
89% <20 years old
75% <15 years old
61% <10 years old

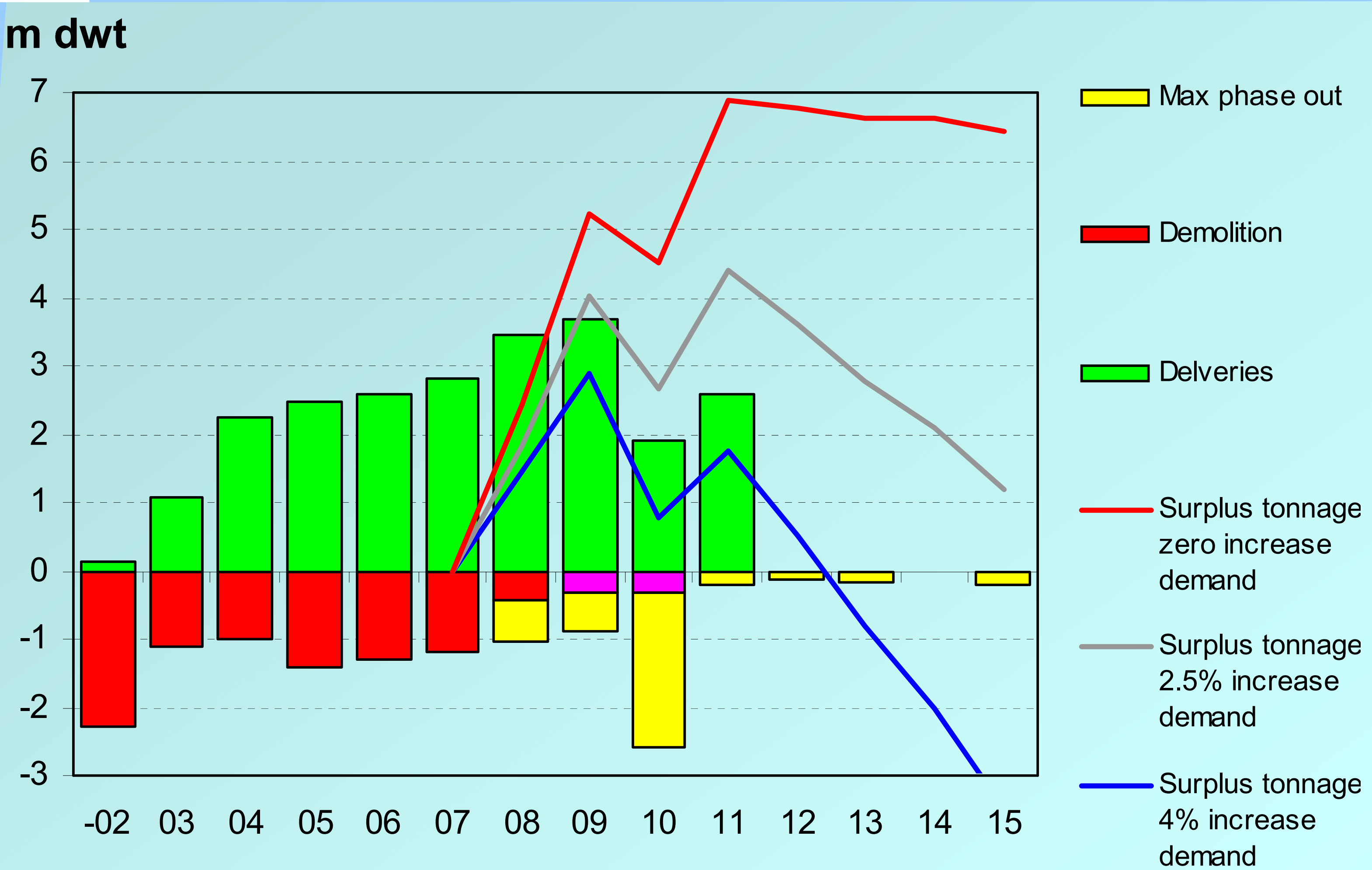
Tanker deliveries, removals, max phase-out 25,000 – 59,999 dwt



Assumed balanced market end 2007

Fleet	1,614	66	m dwt	
Orderb.	435	20	“	30%
Not DH	287	11	”	19%

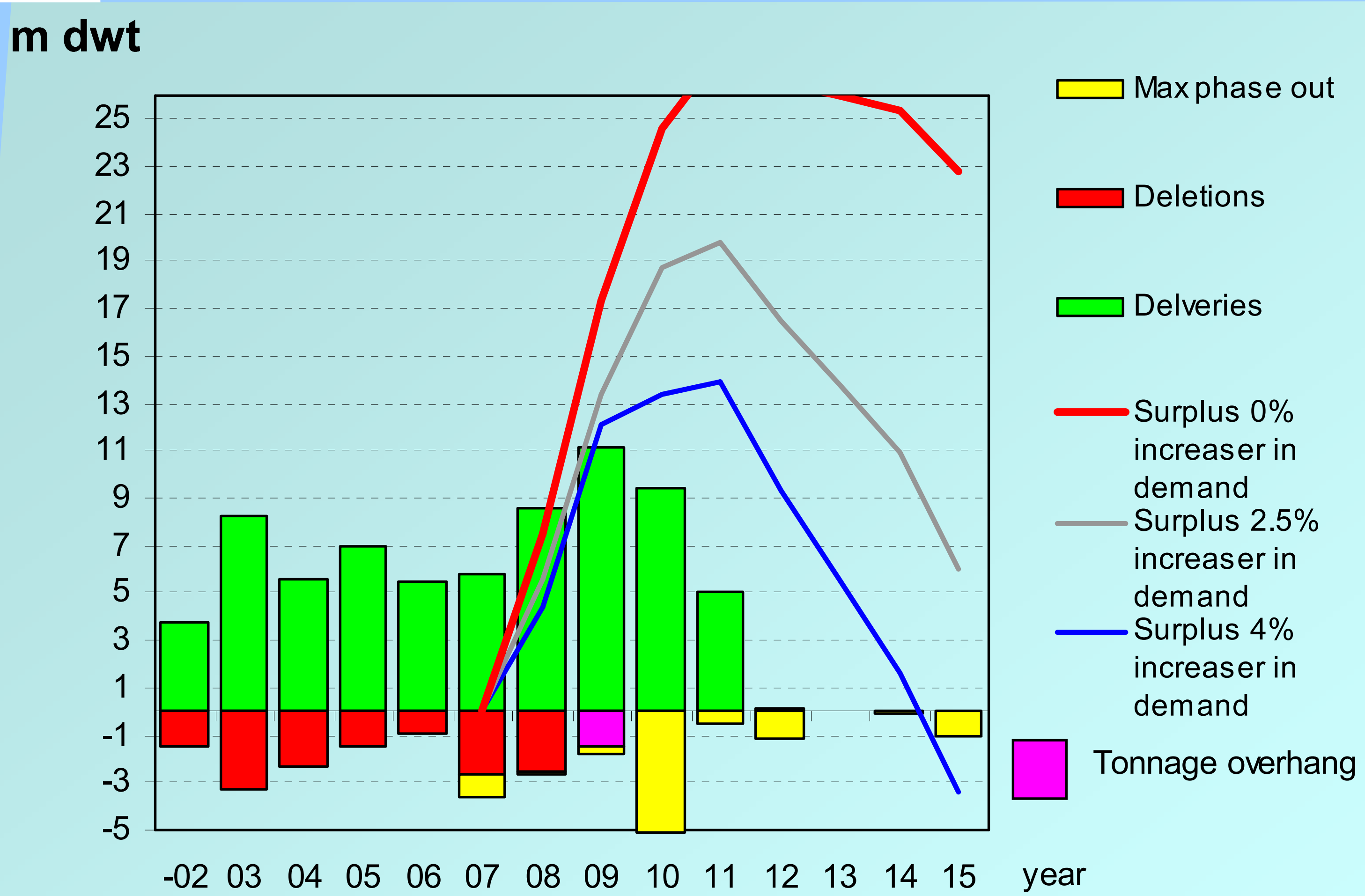
Tanker deliveries, removals, max phase-out
Panamaxes 60,000 – 79,000 dwt



Assumed balanced market end 2007

Fleet	377	25	m dwt	
Orderb.	132	10	“	38%
Not DH	72	5	”	19%

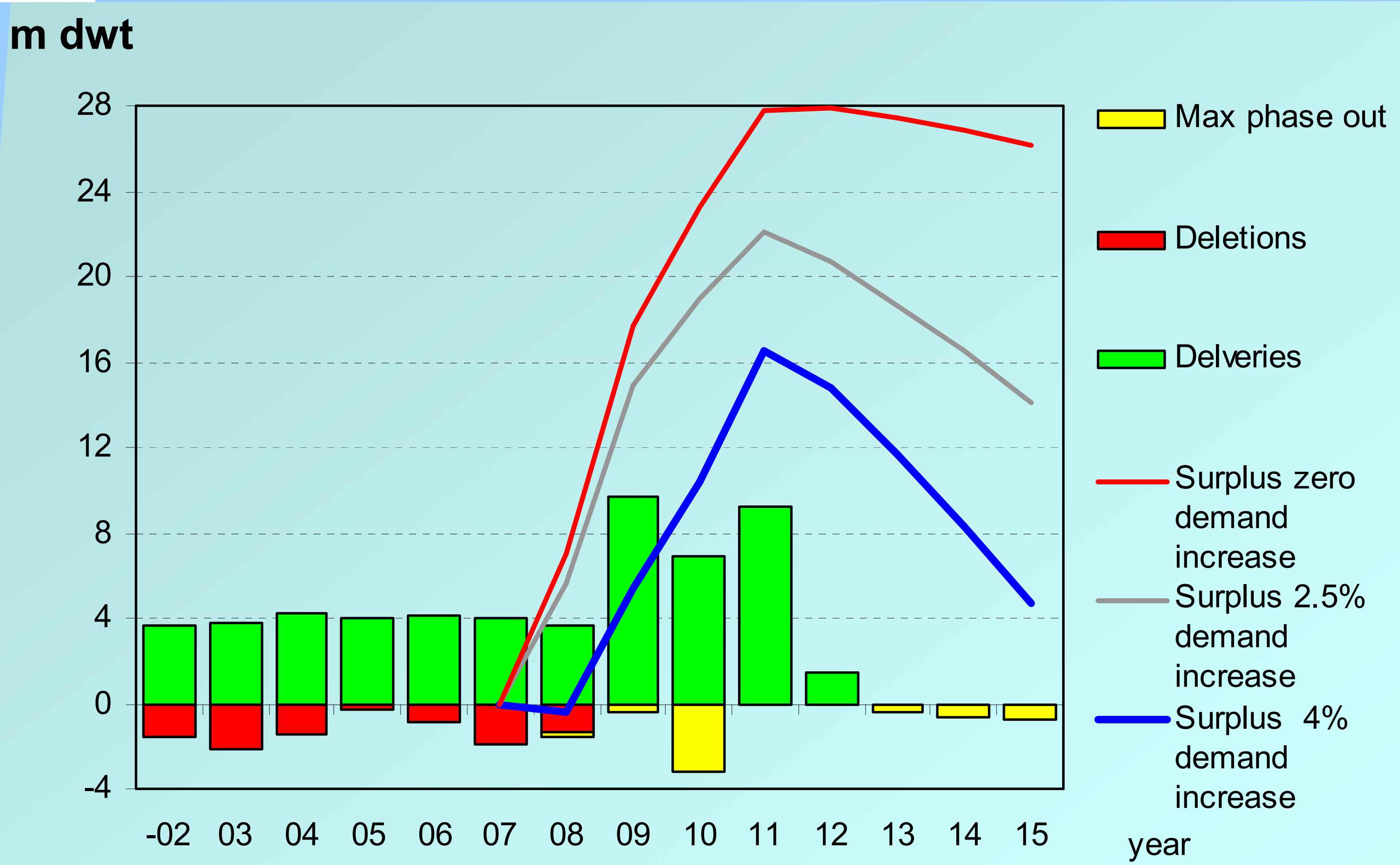
Tanker deliveries, removals, max phase-out
Aframaxes 80,000 – 119,999 dwt



Assumed balanced market end 2007

Fleet	762	79	m dwt	
Orderb.	271	30	"	38%
Not DH	99	9	"	12%

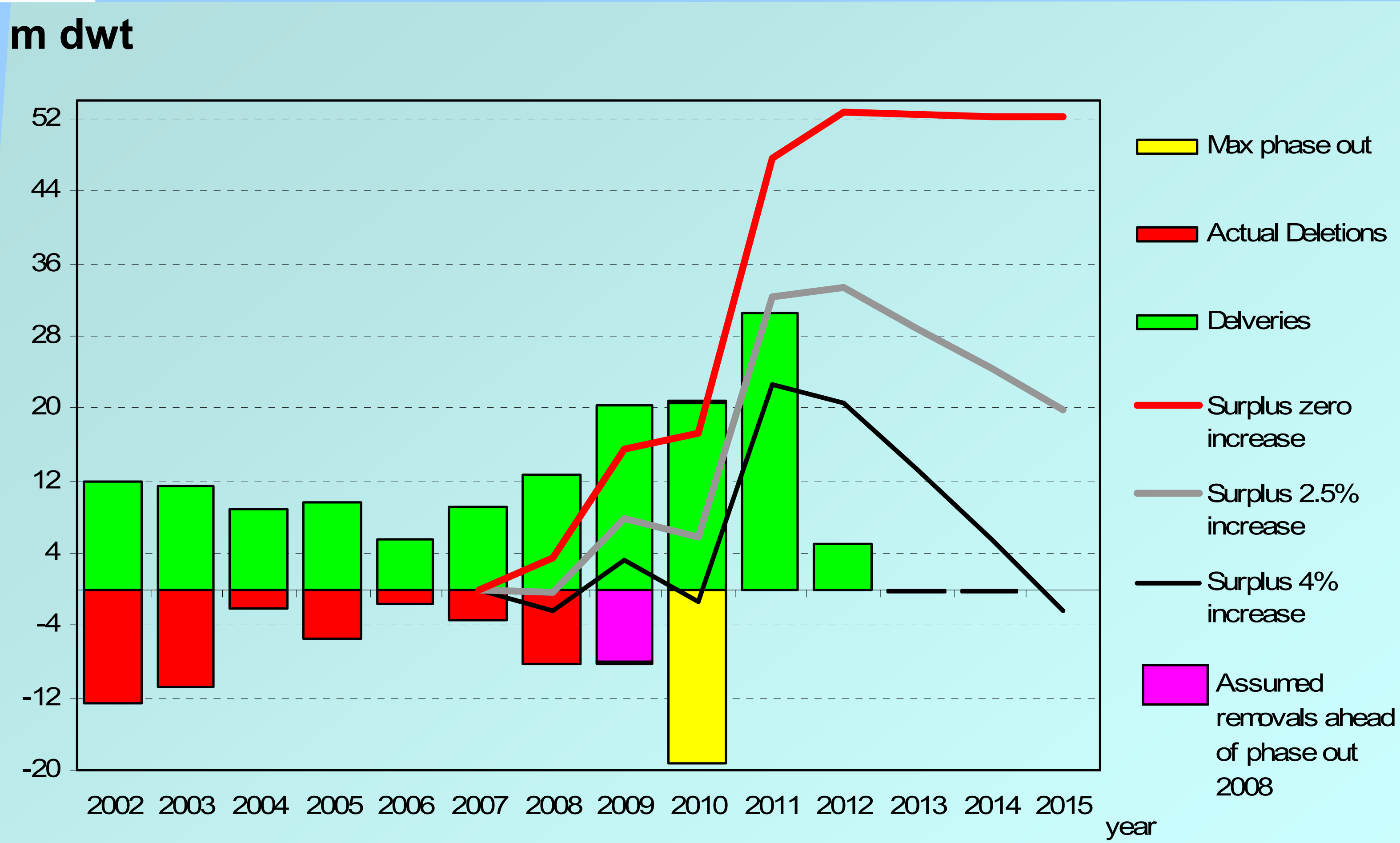
Tanker deliveries, removals, max phase-out Suezmaxes 120,000 – 199,999 dwt



Assumed balanced market end 2007

Fleet	359	55	m dwt	
Orderb.	186	29	“	53%
Not DH	38	6	”	10%

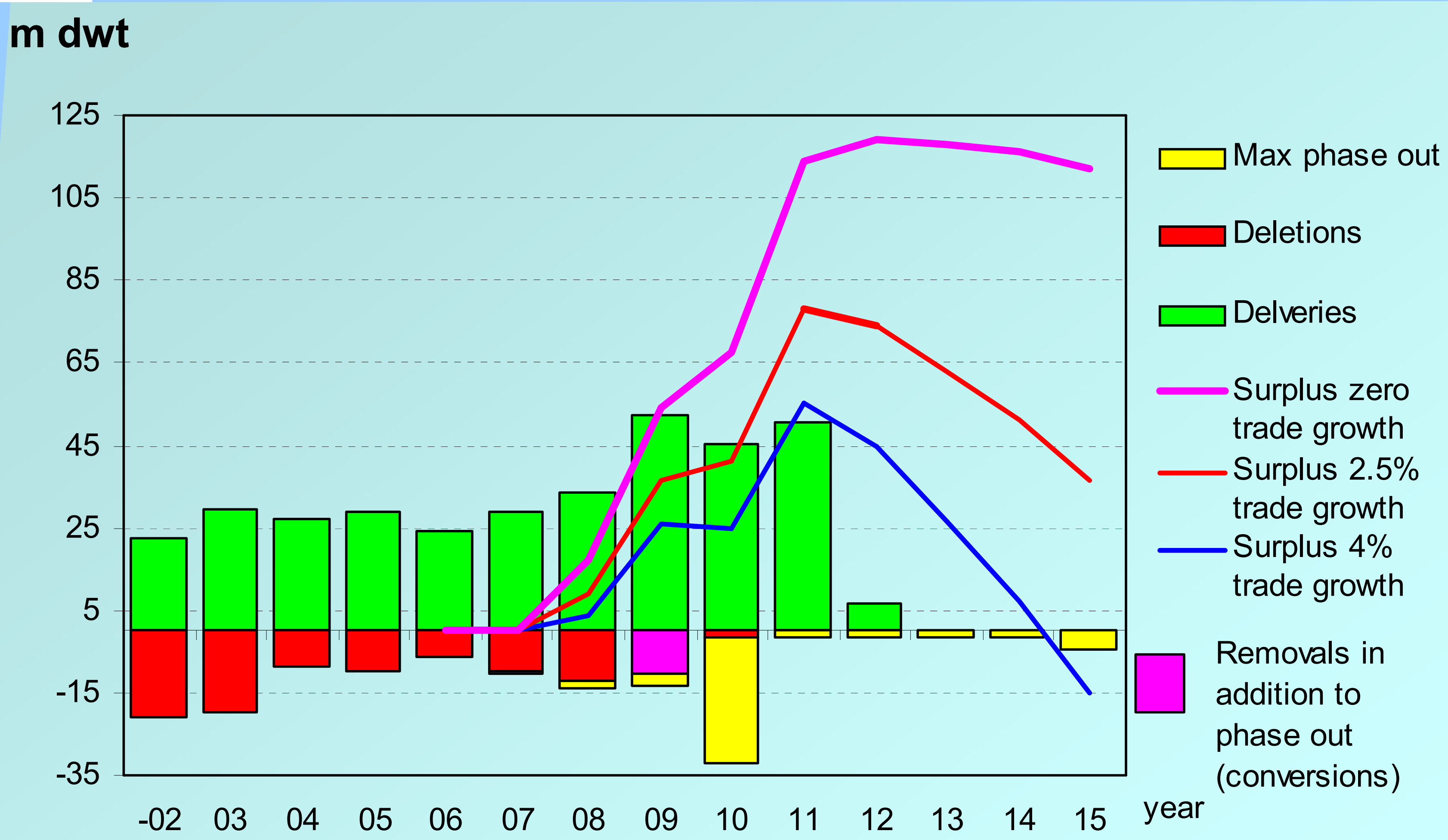
Tanker deliveries, removals, max phase-out
VLCCs 200,000 dwt +



Assumed balanced market end 2007

Fleet	503	149 m dwt	
Orderb	261	81 “	54%
Not DH	103	28 ”	19%

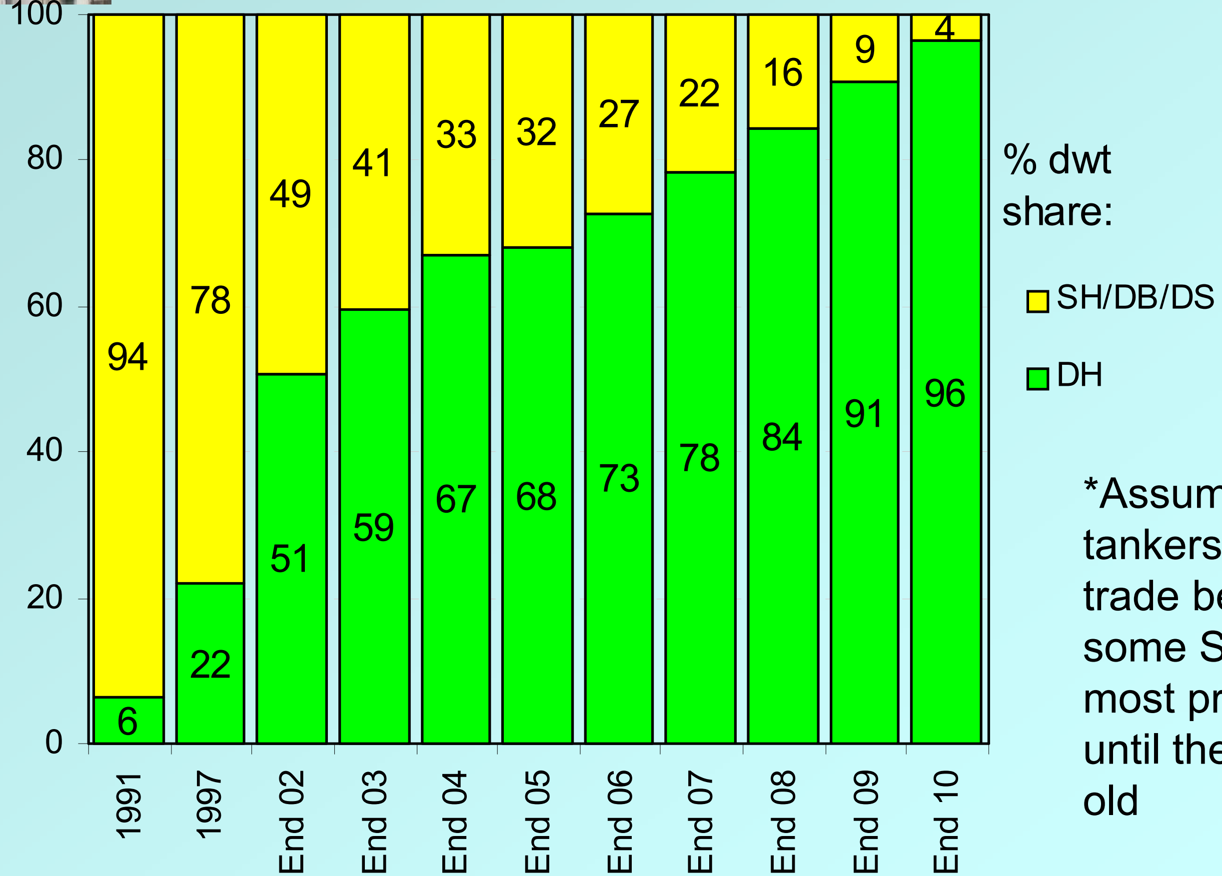
Tanker deliveries, removals, max phase-out
All tankers > 25,000 dwt



Assumed balanced market end 2007

Investment in new tankers

- **Some $ 327 billion invested since 2000 with the result that 96% of tanker fleet double hulled in 2010***



*Assuming only DB/DS tankers continue to trade beyond 2010, some SH tanker will most probably continue until the age of 25 years old

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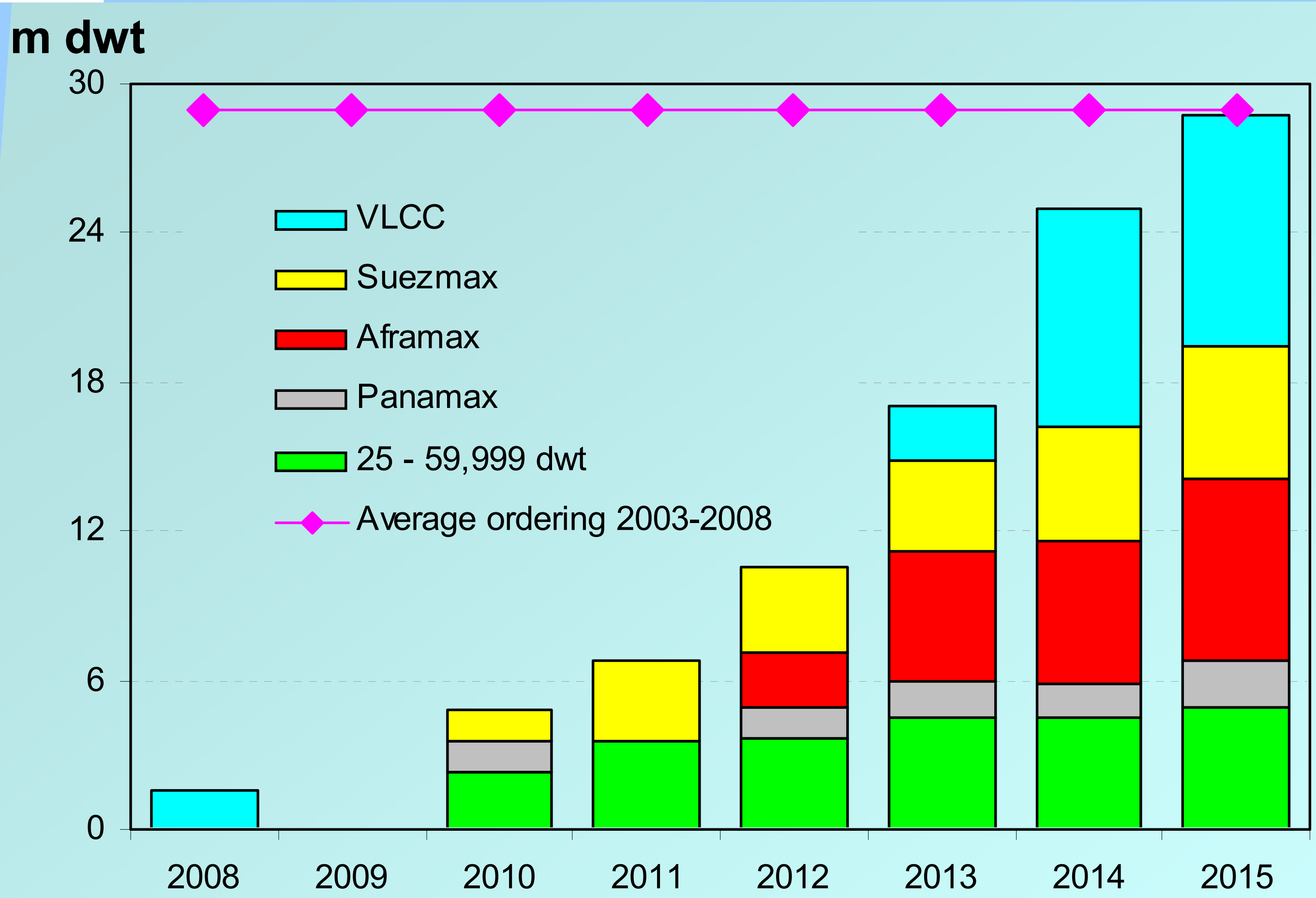
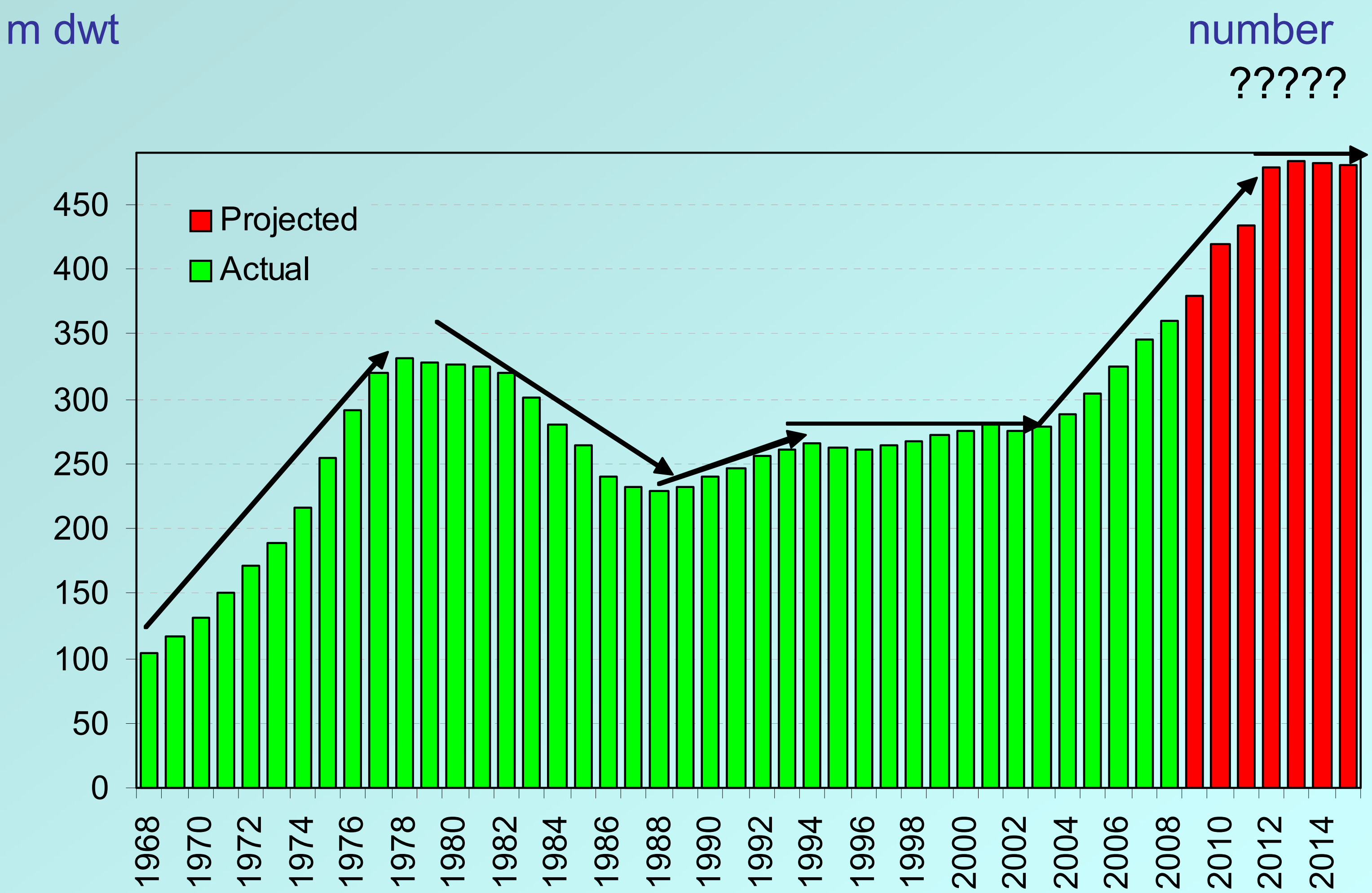
Need for new contracts

assuming 4% increase in demand



Assumptions:
All SH out by 2010 (questionable)
Balanced market end 2007 (some slack existed)
Current orderbook
24 years life time DH tankers as from 2016

Tanker fleet development



Tanker fleet increase 2003-2010: 61%

Conclusion

Conclusion

- A tanker surplus is building up unless demand is strong
- Crises probably means abating demand
- No need for additional tanker orders over the next couple of years

Appendix

The tanker market facing

- Financial and economic turmoil
- Abating demand
- Demand firstly powered by China
- Probably cancellation of contracts,
- Increasing fleet 2009-2011
- Scrapping up, as
- Conversions to dry bulk halted

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SH trading beyond 2010?

Flag/Port States positions MARPOL 20
Trading until the age of 25 years

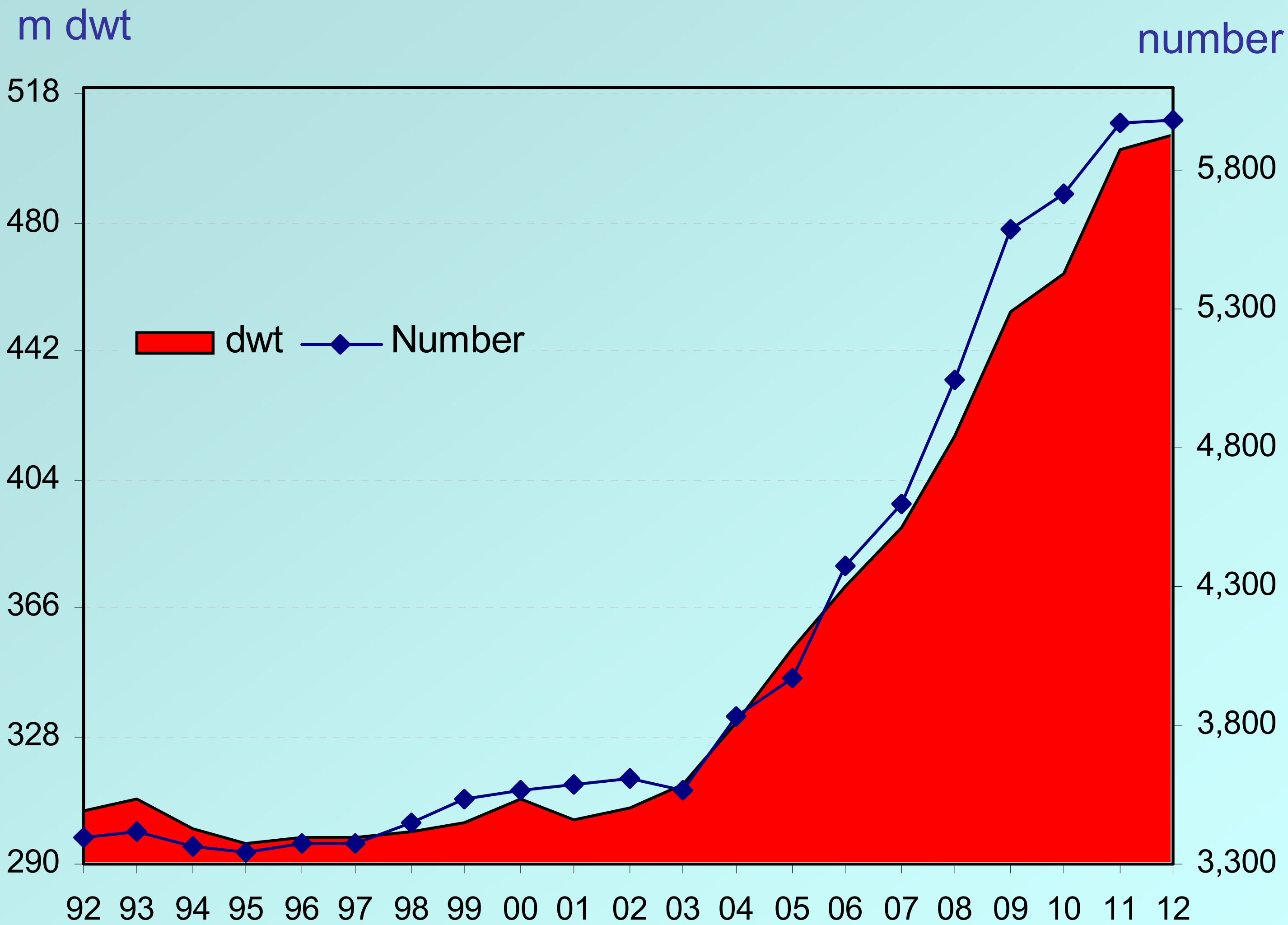
– Australia	No	– Bahamas	Yes
– China	No	– Barbados	Yes
– EU	No	– Liberia	Yes
– Mexico	No	– Marshall Isl.	Yes
– Romania	No	– Panama Flag	Yes
– S Korea	No	– Japan	Yes
– Philippines	No	– Singapore	Yes
– UAE	No	– India	Yes
		– Hong Kong *	Yes

no official note to IMO on

***20 years**

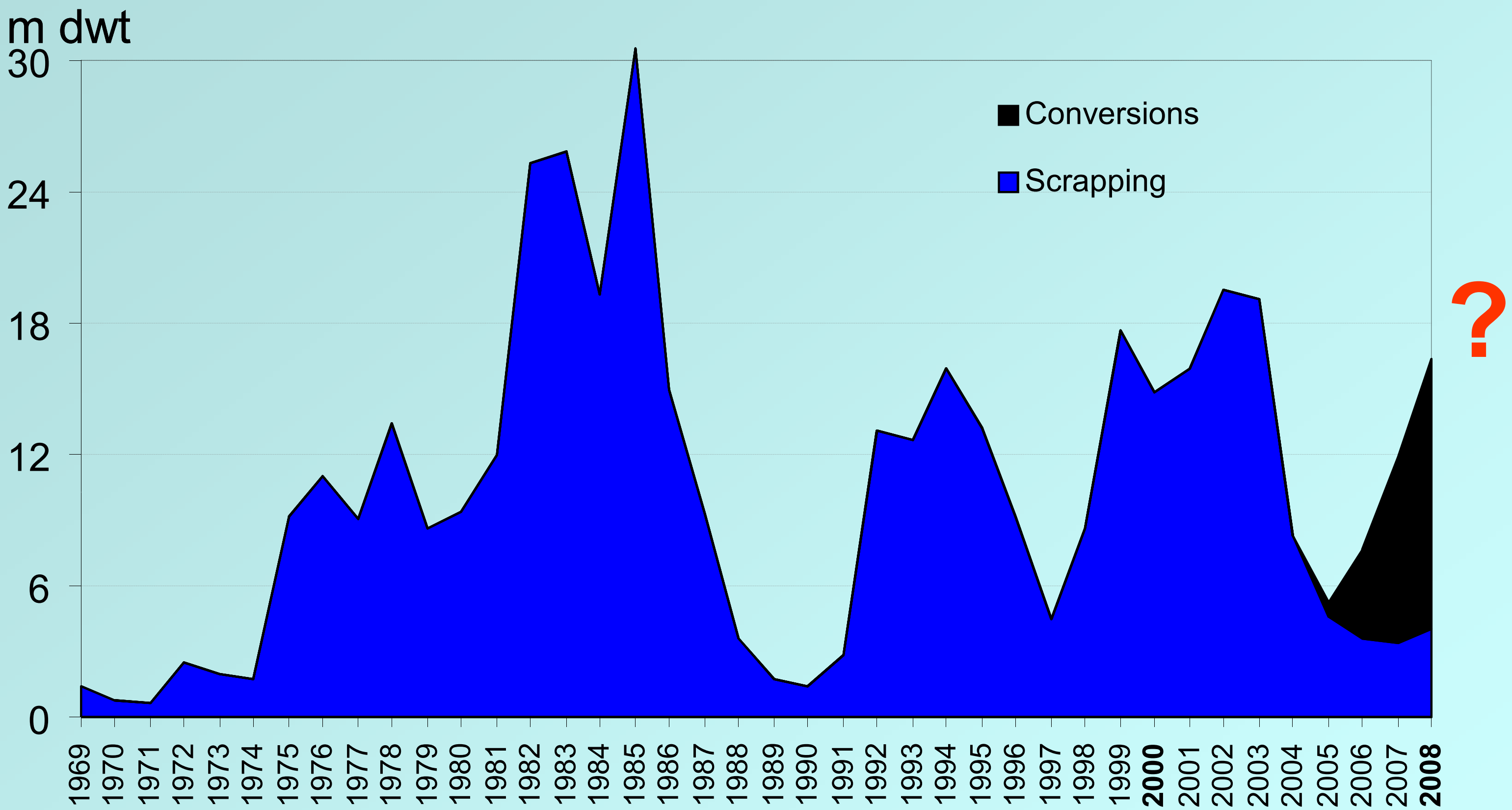
– **United States N/A OPA90**

Tanker fleet development



Tanker fleet increase 2003-2010: 61%

Global Financial Crisis
Tanker Fleet Removals



Conversions

	2005	2006	2007	2008	2009
Small	2	0	13	23	
Aframax	0	4	19	14	?
Suezmax	0	6	13	9	
VLCC	2	9	15	30	

Source: INTERTANKO

Single-hull phase-out regulation