



The RoRo Market

for

FONASBA Annual meeting Gothenburg 9 October 2014

Gothenburg Chartering AB

Established 1986

Chartering broker in;

Timber, dry cargo (10,000 dwt up to Panamax) and RoRo.

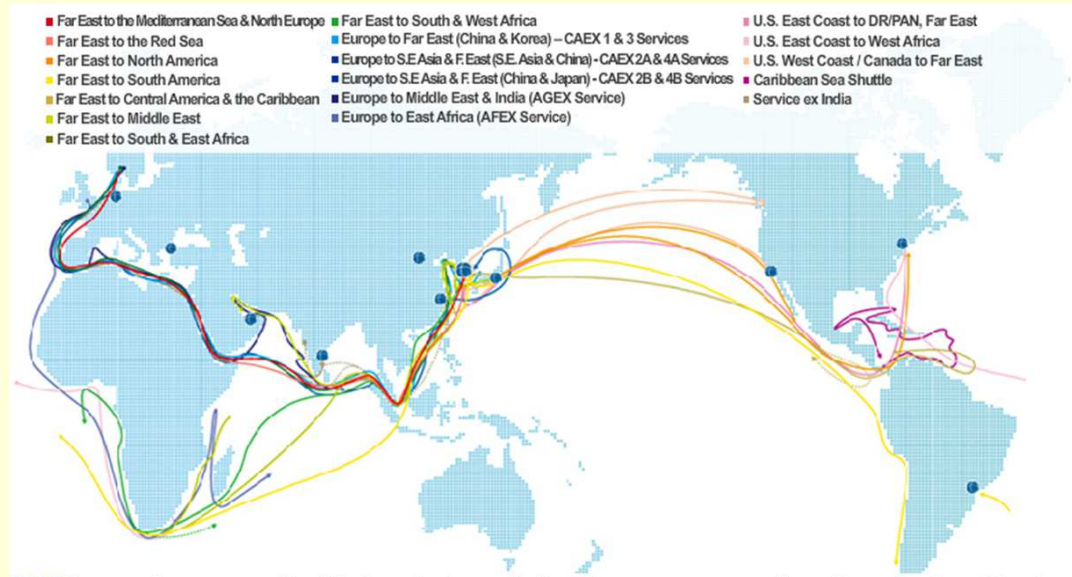
9 brokers

Approx 450 fixtures per year

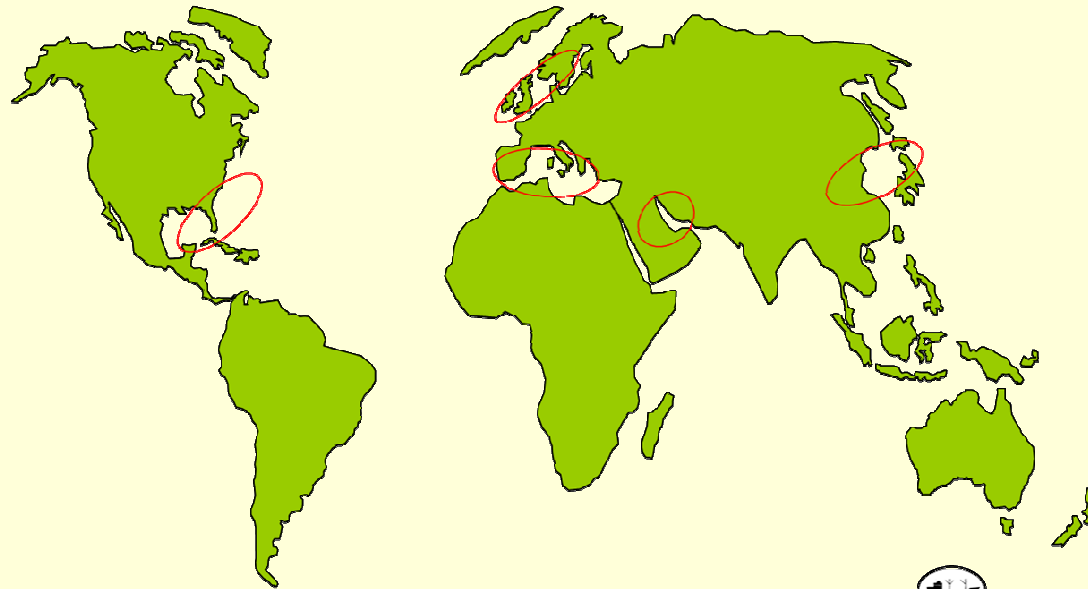


Different types of RoRo trade

Deep Sea – world wide
-PCTC



Short Sea – regional/local
-RoRo
-RoPax
-Ferry
-PCTC



**Deep Sea PCTC
Trading world wide**



**Short Sea RoRo
Max 12 passangers**



**Short Sea RoPax
More than 12 passengers**



Deep Sea RoRo a dying breed

Traditional Deep Sea RoRo
shrunk drastically.

Trade taken over by PCTC.
(picture attached show WW's
"Taiko" before and after
conversion)

Only remaining carriers left

- Grimaldi
- Messina
- Bahri



Deep Sea trades

Car is the backbone

High & Heavy is the gravy

Main trade out of Asia to USA & Europe



Biggest operators

NYK	110 vessels
EUKOR	89 vessels
MOL	85 vessels
K-line	84 vessels
WWL	54 vessels
Hyundai Glovis	58 vessels
Hoegh Autoliners	42 vessels



Picture with compliments to WWL

PCTC Fleet development

	2004	2014
Existing Fleet	482 vsls	745 vsls
Total Car Capacity	2,086,011 units	3,913,710 units
Average Age	13,3 years	9,8 years

50% of the fleet is larger than 6000 ceu.
The standard ships is abt 6400 ceu with
2-4 hoistable decks and with a 150 tons
Quarter ramp.



PCTC Market

Market is balanced

Medium sized ships are hurting

Production shifting from East to West

Less ton/miles

More sophisticated ships



PCTC Market

60 ships on order

Abt 420,000 car capacity (abt 10% of sailing fleet)

Car production/sales increase

Ships able to load a wider range of cargoes.

New trades will be established

Steady growth (but slow)



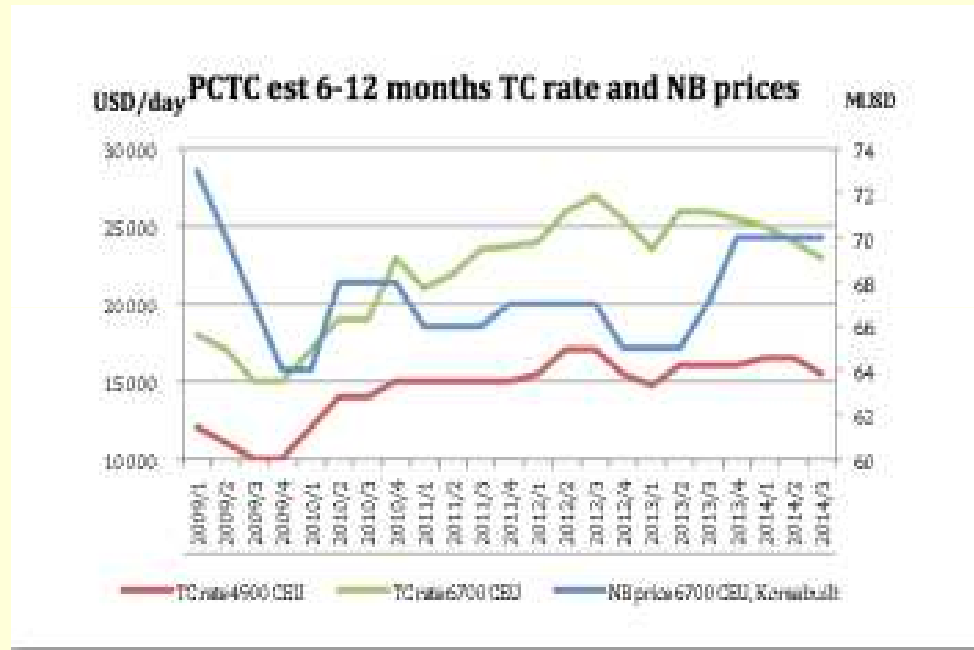
PCTC Rates

Q3 is the quietest quarter of the year.

Rates under pressure

Medium size taking a hit, some ships idle.

New Building prices stable



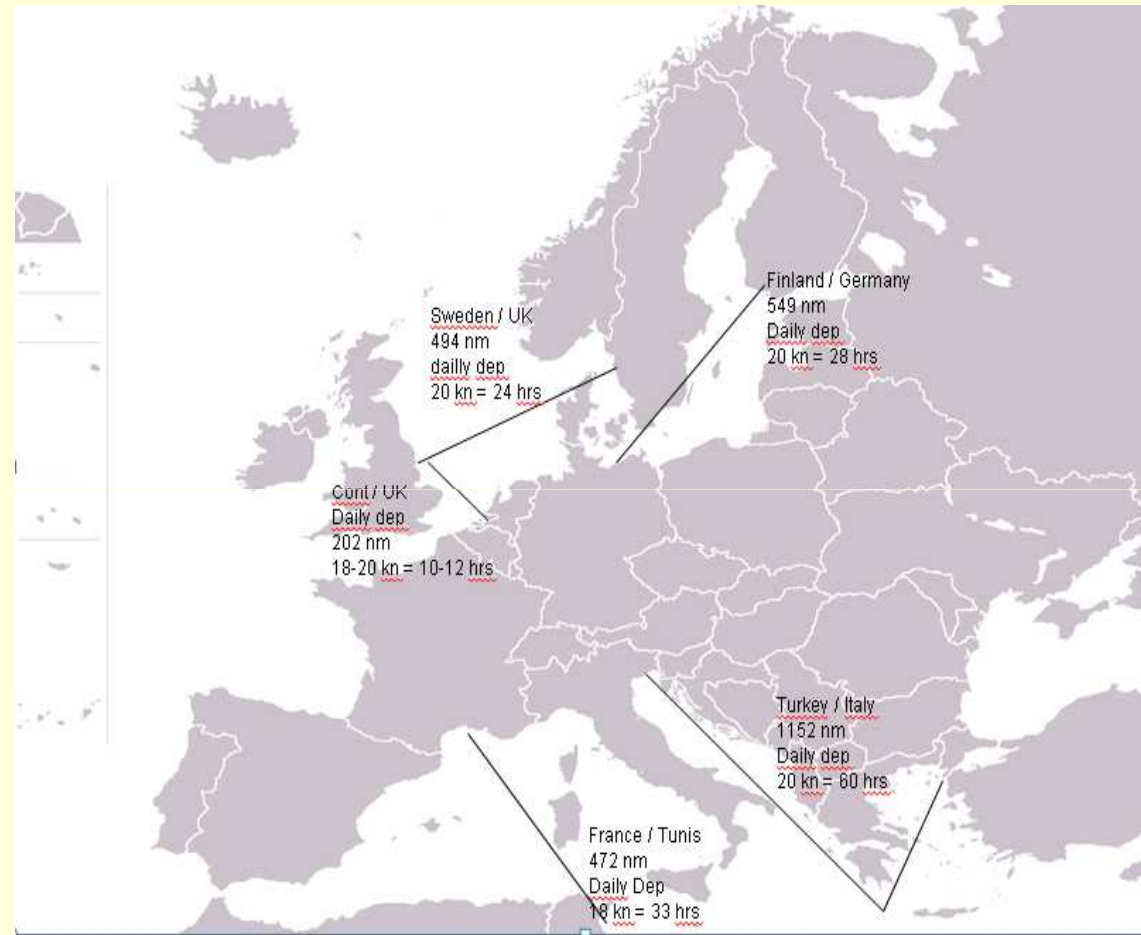
Short Sea Roro, Typical routes

The Concept

- Scandinavian concept
- Limited need for port infrastructure
- Speed
- Frequency / Schedules
- Floating bridges / reliable
- Consumer goods
- Industrial goods

The Tools

- Advanced Ships / high units price
- High focus on technical solutions
- Operating own ports/terminals
- Long TC / Contracts
- Entrace / Exit => Timing



Typical features on a short sea roro ship

Hoistable cardecks



Wide ramp – two way traffic



High free height



Typical cargo combinations

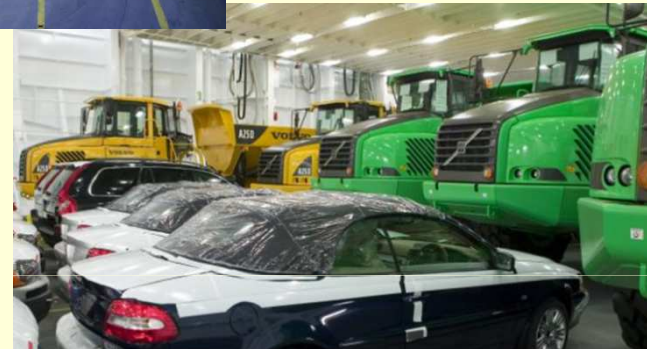
Trailers



New trucks

Aluminium ingots (industrial)

New Cars / Dumpers



Containers on mafi

Mafi with heavy load



Top Short Sea Operators in (Europe)

Finnlines and Grimaldi combined by far the biggest operator

Total RoRo fleet:

386 ships

725,000 lanemeters

Average age: 19,3 years

Average size increasing

TOP 17 RoRo & RoPax Operators						
01-07-2014	RoRo		RoPax		TOTAL	
	No.	Lanemeter	No.	Lanemeter	No.	Lanemeter
1 DFDS A/S	23	69.573	14	29.031	37	98.604
2 STENA	13	30.621	29	66.196	42	96.817
3 Grimaldi	17	60.051	10	22.688	27	82.739
4 Finnlines	13	36.318	11	36.546	24	72.864
5 Cobelfret	24	62.887	-	-	24	62.887
6 UN Roro	12	43.589	-	-	12	43.589
7 Transfennica	15	36.661	-	-	15	36.661
8 Acc Transmed	6	17.615	9	17.858	15	35.473
9 P & O	4	10.465	7	13.422	11	23.887
10 Seatruck	12	20.847	-	-	12	20.847
11 Totem	3	19.730	-	-	3	19.730
12 Ulusoy	4	13.708	-	-	4	13.708
13 Ekol	4	13.589	-	-	4	13.589
14 Cotunav	3	8.943	2	3.900	5	12.843
15 Nordana	5	11.368	-	-	5	11.368
16 Wagenborg	5	10.757	-	-	5	10.757
17 Trans Atlantic	4	10.523	-	-	4	10.523

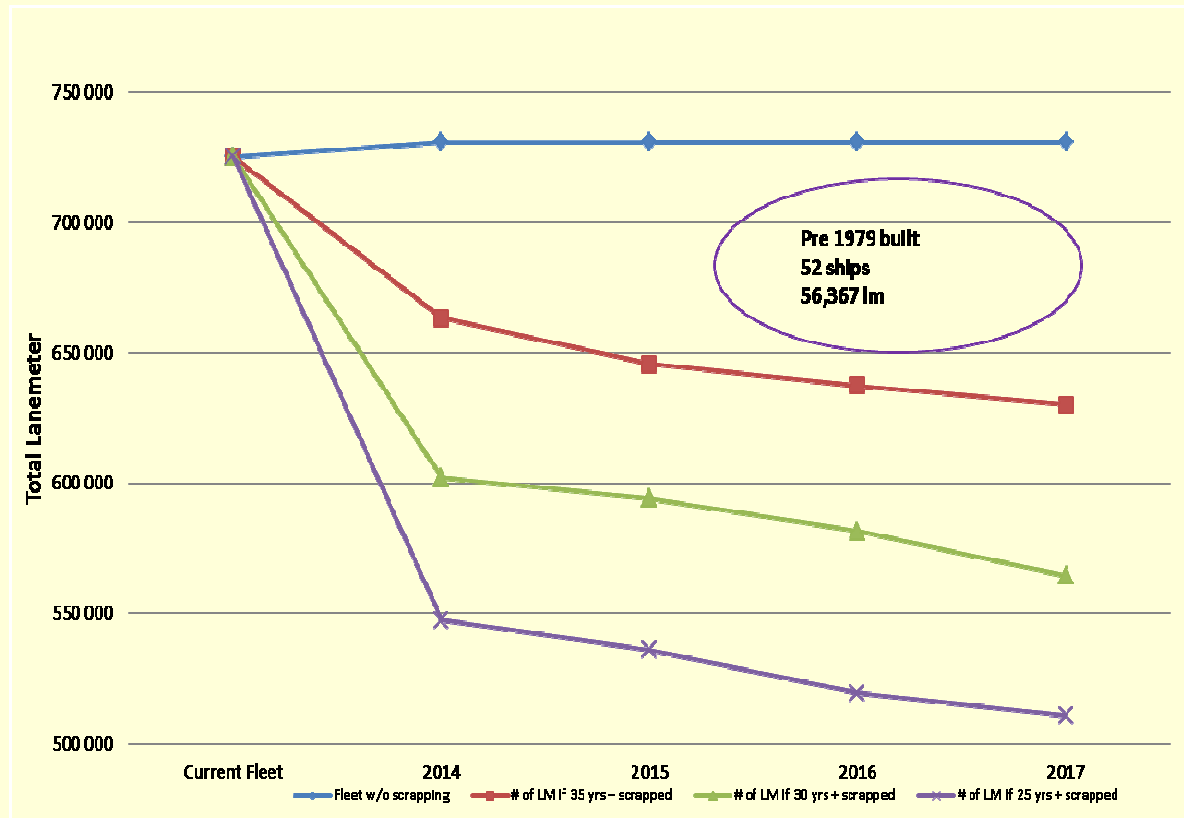
Short Sea RoRo Fleet projection

Fleet scanario base case.
Based on 100% deliveries of
orderbook. (Only 2 ships in
orderbook.)

Scarpping have been less than
anticipated.

Fleet will slowly decline

High average age!



Short Sea RoRo The Market - Today

Consolidation

Large S&P deals

Forest companies exiting "own shipping"

Reduced paper volume **STRONG**
impact on roro

Ships less interchangeable



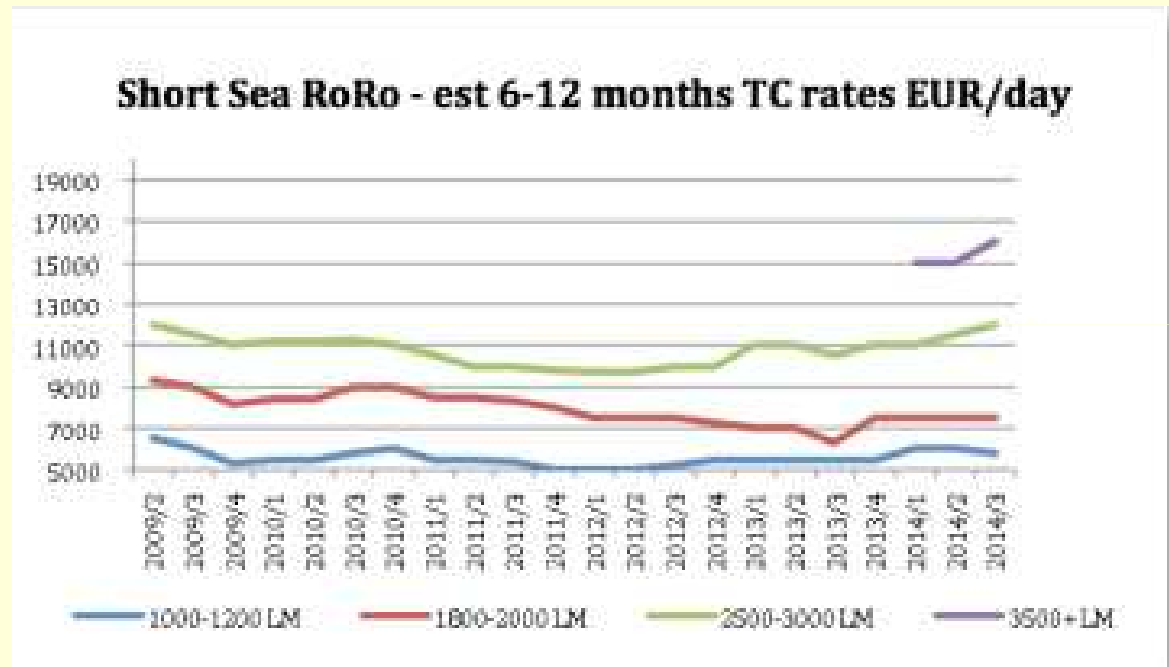
Short Sea RoRo market/rates

Summer lull

Lack of large ships +3000 Im

Medium size in overflow

Small size not economical, except in special trades.



Short Sea RoRo Market Future

New sulphur emission rules

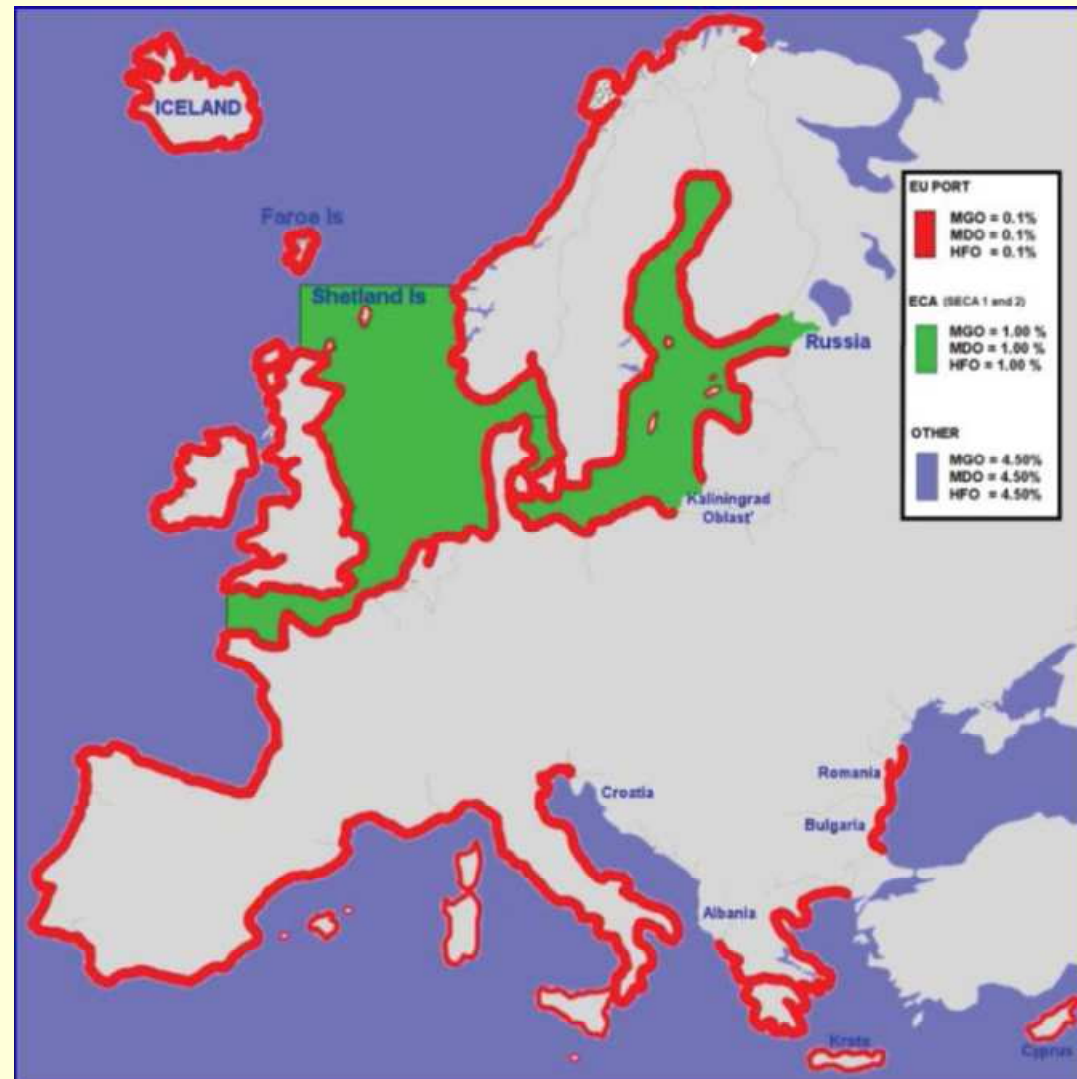
Look at RoRo and RoPax as one market

Slow steaming (MGO) VS Scrubber

Cost increase -> modal shift?

Routes closure / Operators forced out

Slow steaming -> lack of ships ?



Short Sea RoRo The Market – Future

Cargo will not increase but will find its way

Cargo will move longer distance on roads => shorter Seapassage

More accompanied trucks on short routes

Less accompanied on long routes

Route specific ships i.e. less interchangeable

Two tier market "Jones Act" decrease

Salaries, road tax, legislation



Short Sea RoRo The Market – Future

Historically low orderbook- time for change?

Economy of scale

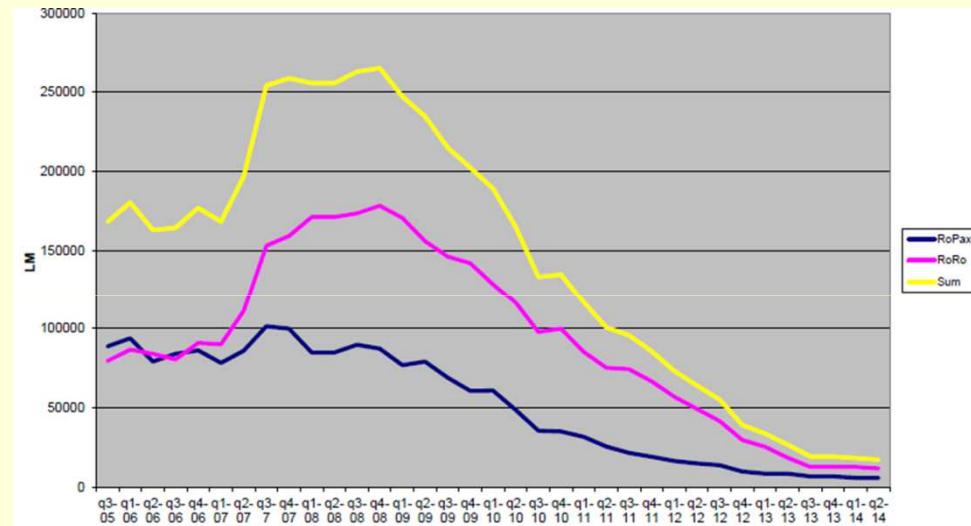
Bigger ships +400 trailers

Small ships ousted by mid size

Fewer routes

Fewer operators

New buildings to be ordered



Short Sea RoRo Summery

Consolidation

Less ports

Bigger ships / less interchangeable

Optimized speed

Increased costs (in N.Europe)

Two tier market





Shipowner

Charterer



We tie the knot!

Shipbroker



Shipowner

Charterer