
GLOSSARY OF TECHNICAL TERMS

“back-haul cargoes”	cargoes transported against the standard flow of traffic, i.e. loading in a port situated in what is usually a discharge area, and discharging in a port situated in what is usually a loading area
“ballast day(s)”	day(s) on which a ship performs a voyage without cargo on board
“beam”	the greatest width of a vessel
“bunkers”	fuel, consisting of fuel oil and diesel, burned in the vessel’s engines
“Capesize”	dry bulk carrier with a capacity of 80,000 dwt or more which due to its size must transit, when loaded, the Atlantic to the Pacific basin via Cape Horn or the Cape of Good Hope and is typically used for long voyages in the coal and iron ore trades
“charter”	a contract for the commercial leasing of a vessel or space on a vessel
“charter-hire”	the revenue earned by a vessel pursuant to a Time Charter or Voyage Charter
“charterer”	a person, firm or company hiring a vessel for the carriage of goods or other purposes
“Classification Societies”	independent societies which certify that a vessel has been built and maintained in accordance with the rules of such society and complies with the applicable rules and regulations of the flag state of such vessel and the international conventions of which that country is a member
“commercial management”	management of those aspects of ship owning and operation that relate to obtaining economic value from the vessel which includes ship financing, sale and purchase, chartering or vessel employment, voyage execution, insurance and claims handling, accounting and corporate administration
“Contracts of Affreightment” or “COA”	are the same as Voyage Charters but are for two or more shipments over an agreed period of time. This could be over a number of months or years
“demurrage”	the penalty for exceeding the time allowed for loading or unloading cargo under the terms of a charter
“Document of Compliance”	a document issued to a company which complies with the requirements of the ISM Code

GLOSSARY OF TECHNICAL TERMS

“draft”	vertical distance between the waterline and the bottom of the vessel’s keel
“drydocking”	the removal of a vessel from the water for inspection, maintenance and/or repair of submerged parts
“dwt”	dead weight tonnes, the unit of measurement of weight capacity of vessels, which is the total weight the ship can carry, including cargo, bunkers, water, stores, spares, crew, etc. at a specified draft
“flag state”	the country where the vessel is registered
“freight”	the revenue earned by a vessel pursuant to a Voyage Charter or Contract of Affreightment
“front-haul”	the typical flow of the transportation of cargoes from the main loading areas to the main discharging areas
“Handymax”	dry bulk carrier of 40,000 to 59,999 dwt which carries a wide variety of cargoes including major and minor bulk cargoes
“Handysize”	dry bulk carrier of 10,000 to 39,999 dwt which is commonly equipped with cargo gear such as cranes. This type of vessel carries principally minor bulk cargoes and limited quantities of major bulk cargoes. It is well-suited for transporting cargoes to ports that may have draft restrictions or are not equipped with gear for loading or discharging cargo
“IMO”	International Maritime Organisation
“ISM Code”	the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organization
“major bulk”	dry bulk cargoes consisting of iron ore, coal and grain
“minor bulk”	dry bulk cargoes such as forest products, iron and steel products, fertilisers, agricultural products, minerals and petcoke, bauxite and alumina, cement, other construction materials and salt
“newbuilding”	a vessel under construction or on order
“off-hire”	period during which a vessel is temporarily unable to operate under the terms of its charter, resulting in loss of income under the charter

GLOSSARY OF TECHNICAL TERMS

“operating costs”	the costs of technical operations of vessels including the costs of lubricants, spare parts, repairs and maintenance, crewing costs and insurance costs (but excluding capital costs, drydocking costs and voyage costs)
“P&I”	protection and indemnity. This denotes the insurance coverage taken by a ship owner or charterer against third party liabilities such as oil pollution, cargo damage, crew injury or loss of life, etc.
“P&I Association”	a mutual insurance association providing P&I insurance coverage
“Panamax”	dry bulk carrier of 60,000 to 79,999 dwt with beam not exceeding 32.2 metres which permits it to transit when fully loaded the Panama Canal. Panamax vessels are primarily used to transport major bulks, although they can be used to transport certain minor bulks such as fertilisers, ores, petcoke and salt
“special survey”	the inspection of a vessel by a Classification Society surveyor that takes place every five years
“spot market”	the market for immediate chartering of a vessel, usually for a single cargo or short-term trading
“technical management”	management of those aspects of ship owning and operation that relate to the physical operation of a vessel, including the provision of crew, routine maintenance, repairs, drydocking, supplies of stores and spares, compliance with all applicable international regulations, safety and quality management, environmental protection, newbuilding plan approval and newbuilding supervision, and related technical and financial reporting
“Time Charter”	charter for an agreed period of time where the ship owner is paid on a per day basis and is responsible for operating the vessel and paying the operating costs while the charterer is responsible for paying the voyage costs and bears the risk of any delays at port or during the voyage except where caused by a defect of the ship
“Tonnage procurement”	the introduction of additional vessels into our Fleet by means of purchasing secondhand vessels, taking delivery of newbuildings or by chartering in vessels

GLOSSARY OF TECHNICAL TERMS

“Voyage Charter”	charter under which a ship owner is paid freight on the basis of moving cargo from a load port to a discharge port and is responsible for paying both operating costs and voyage costs
“vessel operating expenses”	these consist of crew expenses, insurances, spare parts, stores and lubricating oils, vessel repairs and surveys (including drydock costs) and other costs
“voyage costs”	bunker costs, port charges and canal dues (or tolls) incurred during the course of a voyage