AAPA Seminar 2016
Breakbulk – Bulk
Presentation
Grieg Star Shipping’s break bulk fleet consists of 31 specialized Open Hatch vessels tailor made for the carriage of wood pulp, rolled paper and other forestry cargoes.

In addition we carry a wide range of various steel products, other unitized cargoes, project cargoes and containers.
Gantry Cranes with rain protection and sill beam curtains secures an “all weather” operation.
Specialized Vessels

General Purpose Carrier

- Hatch opening
- Overhang
- Cargo hold
- Wing tanks with water

Open Hatch General Cargo Carrier

- Hatch opening
- Cargo hold
- Squared hold with double hull and skin
- Rail mount for gantry crane
2015 Cargo Composition – Open Hatch

- Pulp: 58%
- Steel/Project: 20%
- Lumber/Wood: 7%
- Paper: 3%
- Various: 3%
- Bulk/Fertilizer: 2%
- Petcoke: 7%
Wind Energy

Windmill towers

Windmill Blades
Grieg Star Bulk

Grieg Star Bulk is an owner and operator of modern dry bulk ships in the Handysize & Supramax segment.

We operate a fleet of around 22-27 ships ranging from 25-65,000 mt deadweight, all equipped with cranes and grabs. All eco design ships in terms of fuel efficiency and low emissions.

Transporting various bulk commodities grains, coal, ores, salt, concentrates, fertilizers, steels, limestone, bauxite, cement, pellets
Cargo Composition 2015 - Grieg Bulk

Salt: 32%
Wood pellets: 17%
Total 4.9 million tons
Challenges

Freight Future Agreements (FFA) Average of the 4 primary trade lanes for Coal (Brazil/Australia/China/Transatlantic – Pacific). Steam coal rates Brazil – China Usd 7.80/mt!!

Capesize Market

June - $ 5130
Q3 – $ 6203
Q4 – $ 8230
2017 - $ 7145
2018 - $ 8640

Panamax Market

(Transatlantic round trip/Transpacific/Europe-Brazil-Far East/Asia-Australia-Europe)

Q3 - $ 5100
Q4 - $ 5650
2017 - $ 5500
2018 - $ 6700
2019 - $ 7400
2020 - $ 7950
Challenges

Freight Future Agreements (FFA) Trading lanes U.S./Europe/Asia/West Africa/Nopac

**Supramax Market**

Q3 – $6203
2017 - $5560
2018 - $6770
2019 - $7335

**Handysize Market**

Q3 – $4611
Q4 - $4944
Q1 2017 - $4688
2017 - $4881
2018 - $5456
Challenges

Containers

containers

Containers

Containers
Challenges

Containers:

- Continue to build mega 18000+ TEU vessels
- Container freight rates fell to a record low on Shanghai-Rotterdam route on March 10, 2016.
- Recently concluded contract rates Usd 750/FEU Asia – Uswc and Usd 1500 Asia – Usec
- Rates Savannah – China and Savannah – Rotterdam = Usd 350/container !!
- Analysts predict Container Carriers will lose Usd 6-10 Billion in 2016
Opportunities
Forest Products – Pulp

- 6 million mt new eucalyptus woodpulp production already or coming on line in South America with further expansion confirmed.

- 2.3 million mt woodpulp ex Sumatra, Indonesia to commence 2016

- Sun Paper considering project in Arkansas with production at 700,000 mt/year

- 500,000 mt new fluff pulp projects in U.S.
Opportunities
Synthetic Resin
Opportunities
Synthetic Resin

- Essentially plastic pellets, they are used in the manufacture of irrigation pipes, bottles, medical equipment, synthetic turf, car parts, marine supplies, and toys.

- Divided into three main categories:
  1. Polyethylene (the main growth area)
  2. Polypropylene
  3. Polyvinyl Chloride

- North American manufacturers have an inexpensive source of ethane, the raw material. Thus companies are investing in excess of $100 billion in future production capacity.

- Total North American production is 34 million MT per year.

- An additional 14 million MT expected online by 2019.

- Very little increased North American consumption.
Conclusion

- Increased scrapping of vessels will improve all segments of Shipping to improve
- Delivery of new build vessels are expected to decline significantly over the next 3 years
- Improved balance of supply and demand will assist with rise in freight rates worldwide
- Container rates “Hopefully” have reached rock bottom
- Better rationalization moving forward when establishing rates short/long term
- Consolidation of Carriers expected to continue

To Be the Best You Must Be Able to Handle the Worst As Only The Strong Will Survive
Thank you