



IMPROVING ECONOMIC PERFORMANCE

SUSTAINING A TOUGH  
MARKET

EFFICIENCY

Vs

\$\$\$\$ SAVING MONEY \$\$\$\$

TANKER OPERATOR SINGAPORE CONFERENCE 11<sup>TH</sup> OCT 2013

OPERATIONAL EXCELLENCE → PERFORMANCE

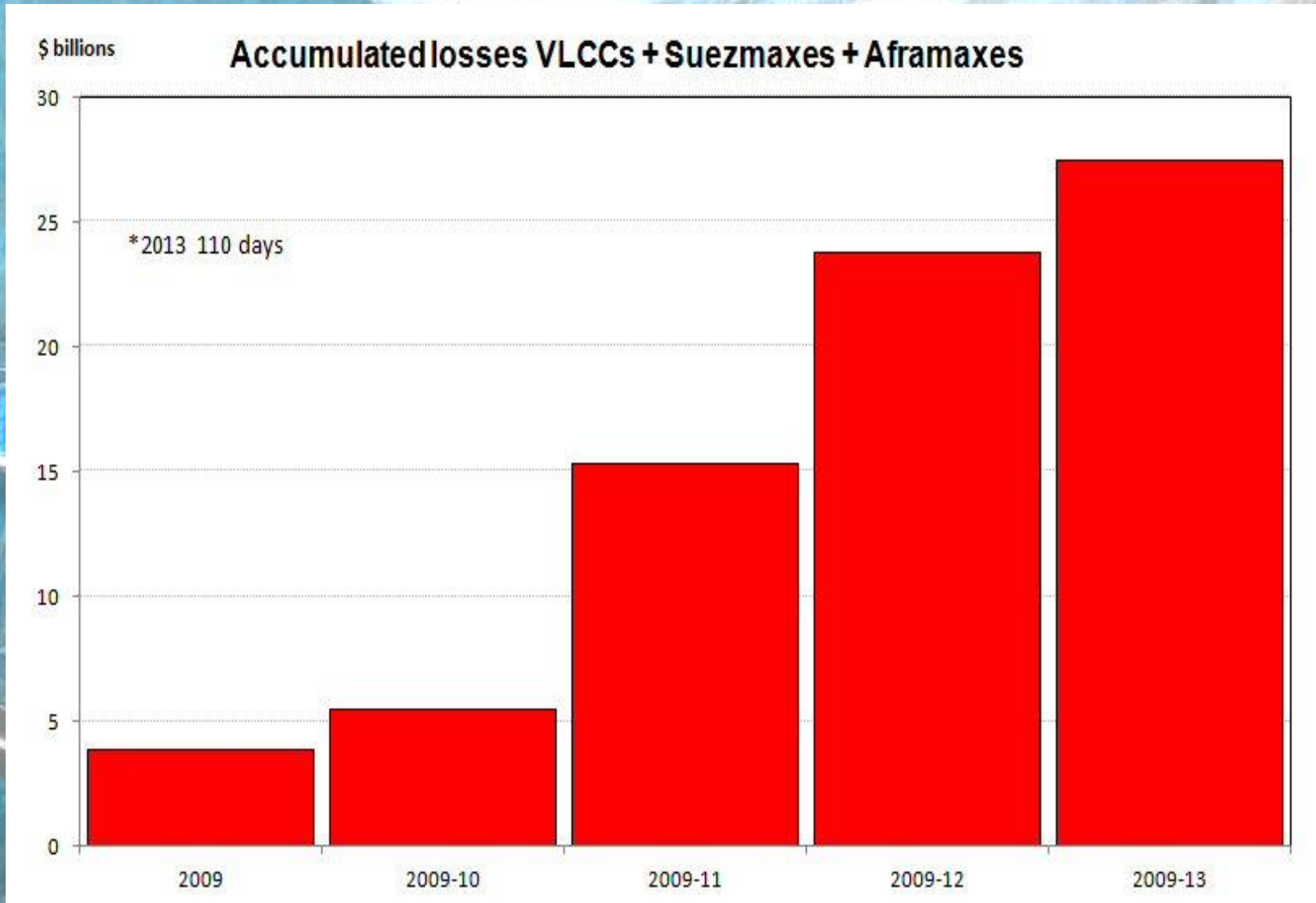
MARKET IMBALANCE

COMPETITION

OPERATIONAL  
EXCELLENCE

CHANGE MANAGEMENT

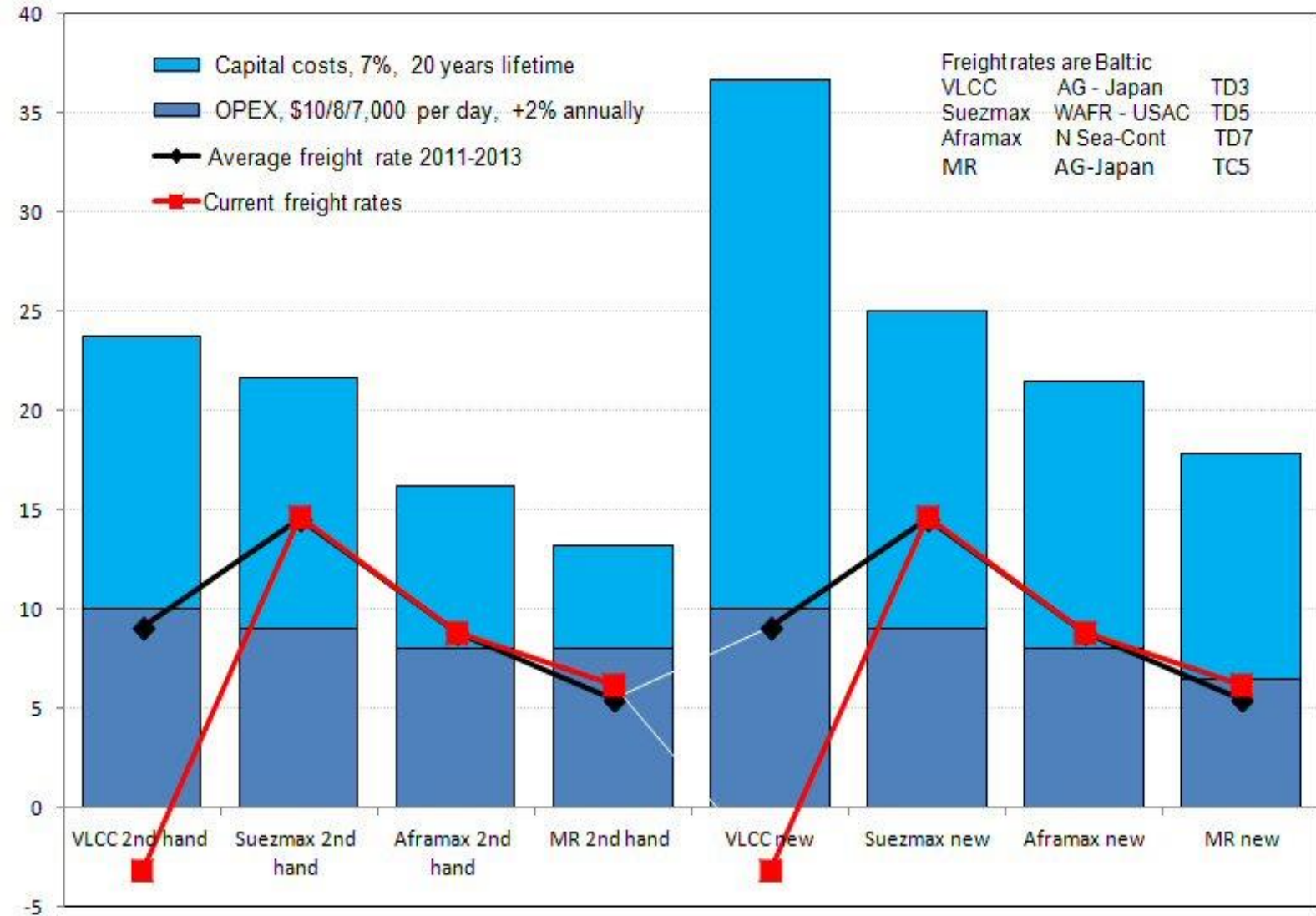
# MARKET IMBALANCE



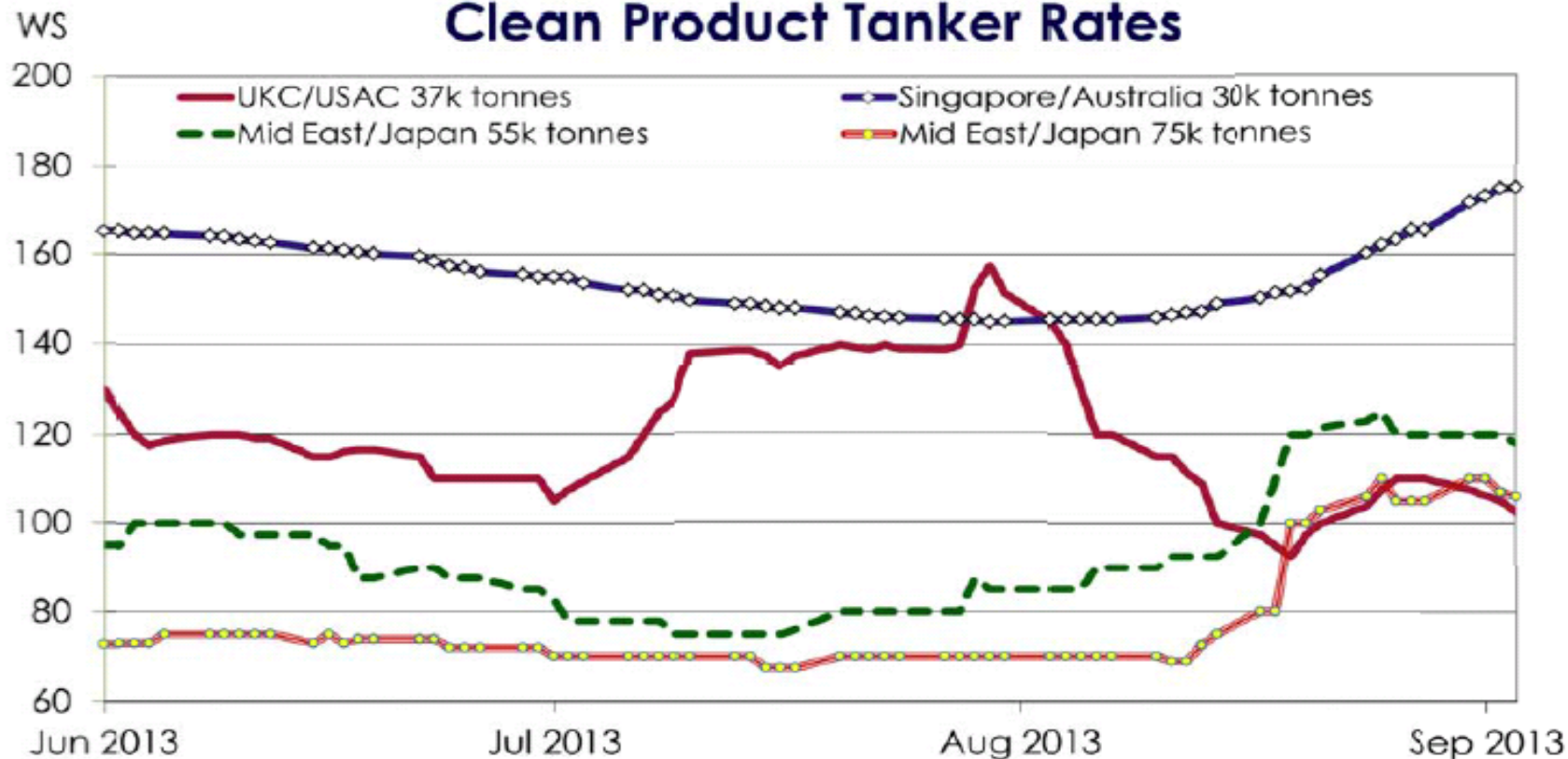
# MARKET IMBALANCE

'000 \$ per day

## Tanker break even and market rates



# Clean Product Tanker Rates



AV MR (30-40 K) EARNINGS IN THE LAST 5 MONTHS

EAST MARKET – C/B : USD 11500- 12500 AGAINST H/B OF 13500 USD

WEST MARKET – C/B : 11500- 16400 AGAINST H/B OF 13500- 14000 USD

# MARKET IMBALANCE



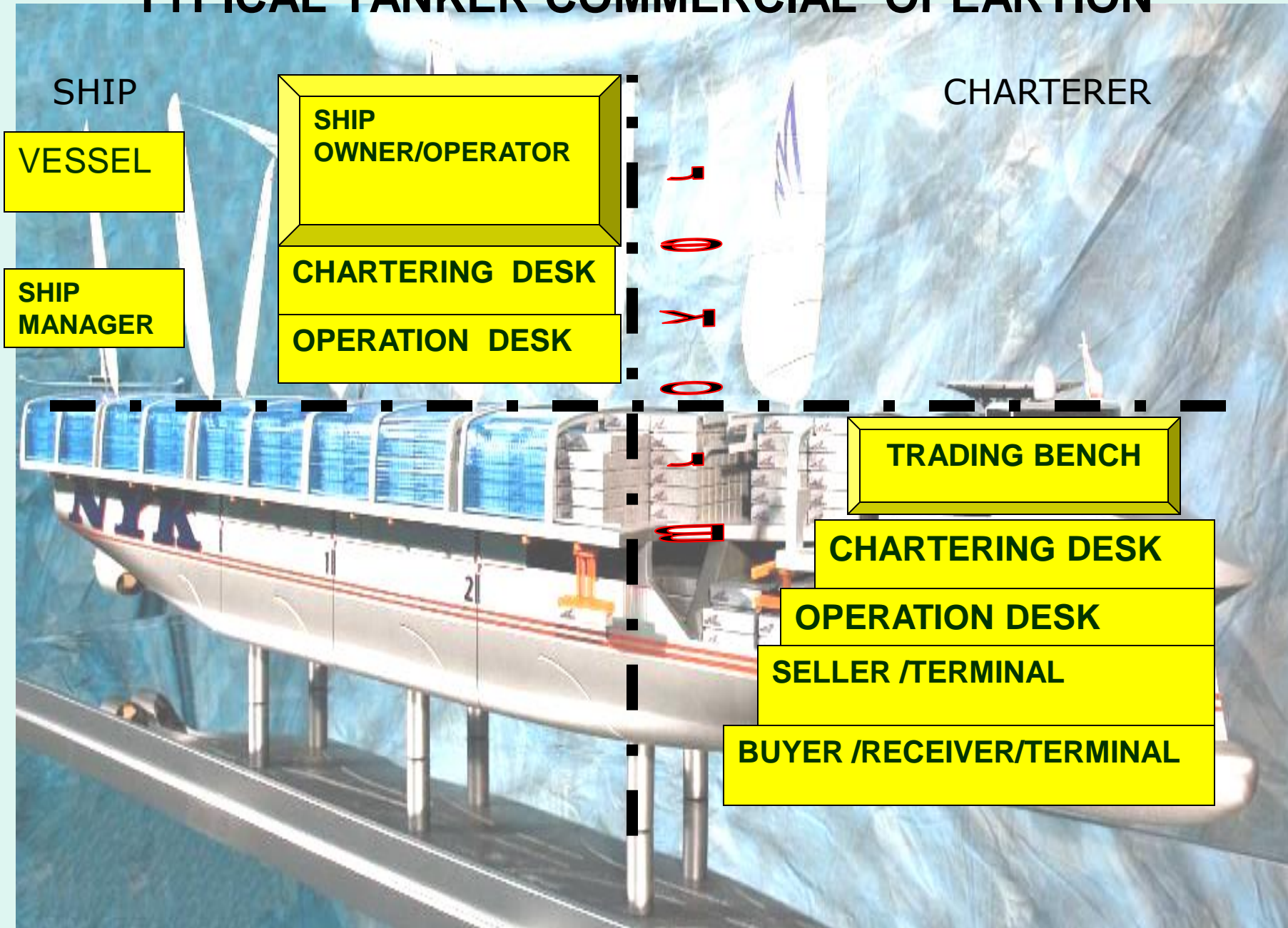
## Trading Tanker Fleet Profile

	Handy (27-39 k dwt)		MR (40-54 k dwt)		Panamax (55-79 k dwt)		Aframax (80-124 k dwt)		Suezmax (125-199 k dwt)		VLCC (200+ k dwt)		Total	
	no.	dwt	no.	dwt	no.	dwt	no.	dwt	no.	dwt	no.	dwt	no.	dwt
Over 25 yrs	37	1,027,157	10	456,673	10	627,006	8	680,430					65	2,791,266
21-25 yrs	39	1,266,409	48	2,084,184	7	458,535	31	3,054,533	9	1,349,977	2	573,238	136	8,786,876
16-20 yrs	42	899,296	82	3,687,028	12	804,864	76	7,609,889	36	5,254,459	54	16,011,626	302	34,267,162
11-15 yrs	87	2,918,409	119	5,423,743	38	2,655,344	154	16,241,573	96	14,546,102	144	43,354,295	638	85,139,466
6-10 yrs	177	6,407,592	377	17,675,338	187	13,467,565	297	32,296,760	127	20,048,004	144	44,024,424	1,309	133,919,683
0-5 yrs	83	2,853,349	518	25,122,562	158	11,633,580	353	38,972,381	207	32,512,319	278	85,749,133	1,597	196,843,324
<b>Total</b>	<b>465</b>	<b>15,372,212</b>	<b>1,154</b>	<b>54,449,528</b>	<b>412</b>	<b>29,646,894</b>	<b>919</b>	<b>98,855,566</b>	<b>475</b>	<b>73,710,861</b>	<b>622</b>	<b>189,712,716</b>	<b>4,047</b>	<b>461,747,777</b>
of which DH	414	13,689,851	1,131	53,462,536	405	29,213,686	908	97,825,315	474	73,558,181	622	189,712,716	3,954	457,462,285

## On Order

<b>Total</b>	<b>25</b>	<b>880,500</b>	<b>195</b>	<b>9,920,608</b>	<b>19</b>	<b>1,417,699</b>	<b>78</b>	<b>8,767,872</b>	<b>50</b>	<b>7,861,860</b>	<b>51</b>	<b>16,149,737</b>	<b>418</b>	<b>44,998,276</b>
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# TYPICAL TANKER COMMERCIAL OPEARTION

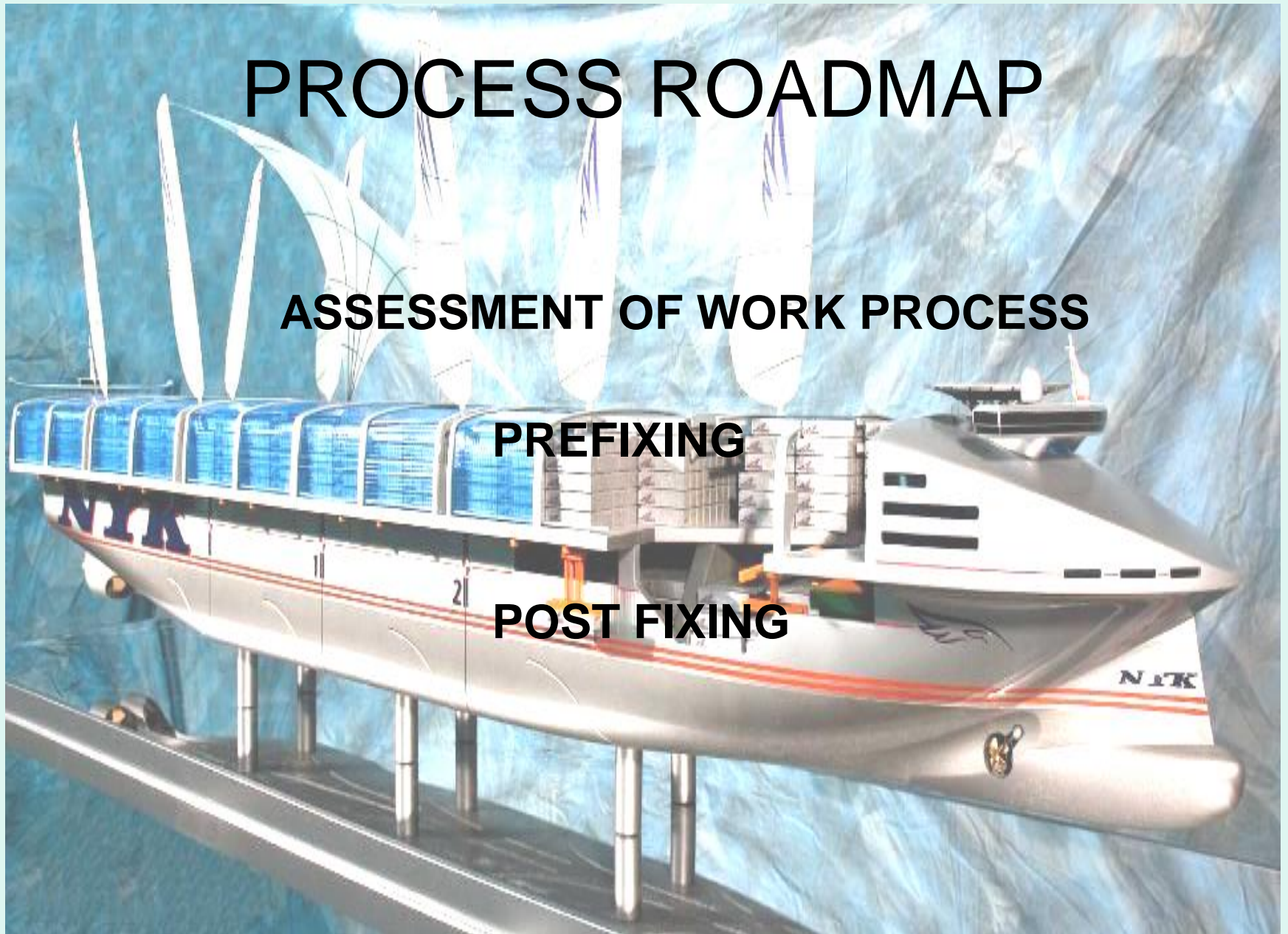


# PROCESS ROADMAP

## ASSESSMENT OF WORK PROCESS

**PREFIXING**

**POST FIXING**





# PROCESS ROADMAP

## PRE FIXING

- Q 88
- Oil Major Acceptance
- Terminal Questionnaire
- LoadPort / Acceptance Conditions
- Disport /Acceptance
- Charter Parties/ Contract

# PROCESS ROADMAP

## POST FIXING

- Cargo Nomination**
- Stowage Plans**
- Tank Cleaning /Preparation**
- Conduct of Voyage-Speed/Cons**
- Agency – Disbursement**
- Stowage Carriage**
- Loading / Discharging**
- Documentation /BL**
- Post Voyage - Calculation /demurrage**
- Claims Recovery**
- Heating Management**
- Avoiding Claims – Loss Prevention**

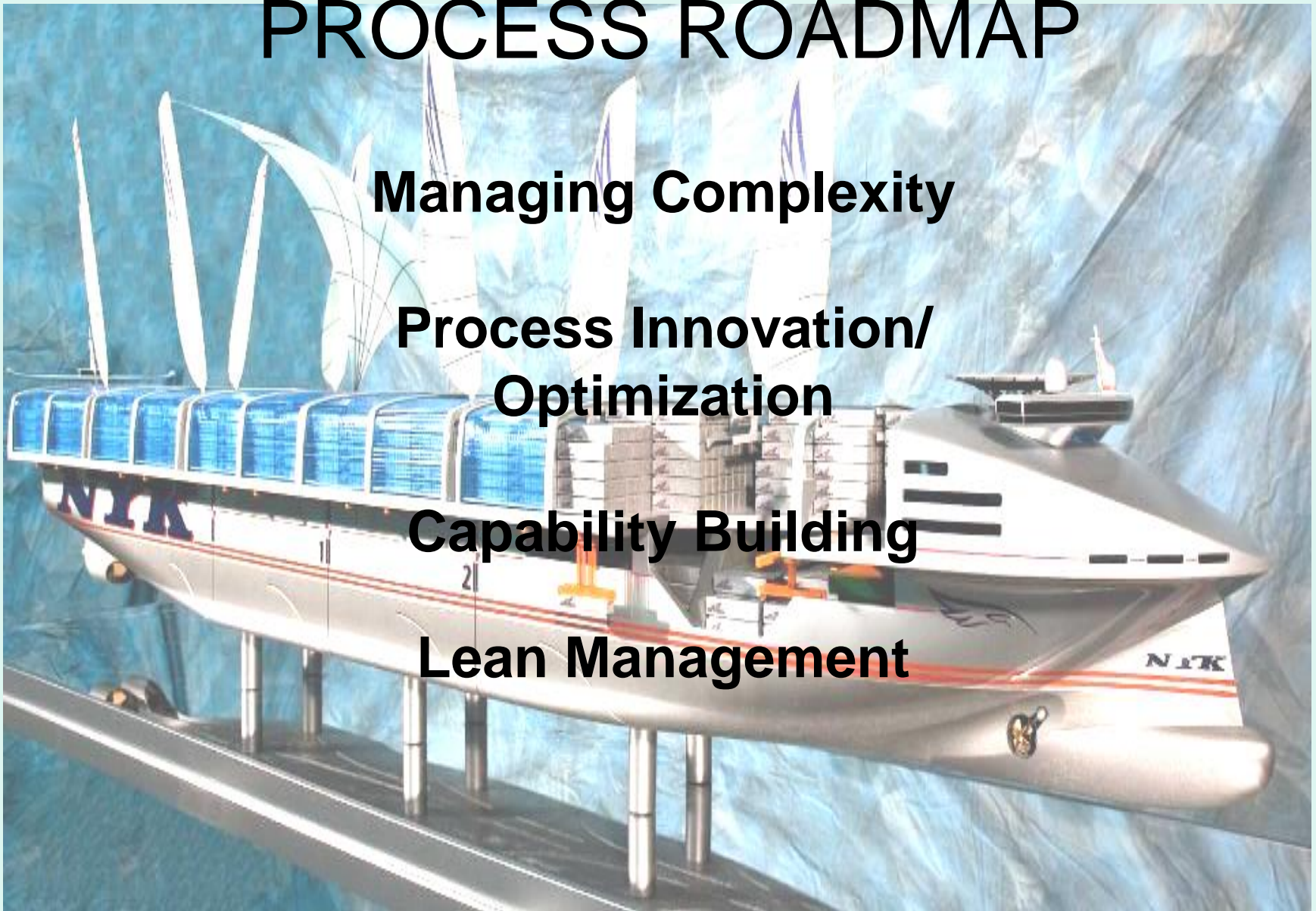
# PROCESS ROADMAP

**Managing Complexity**

**Process Innovation/  
Optimization**

**Capability Building**

**Lean Management**

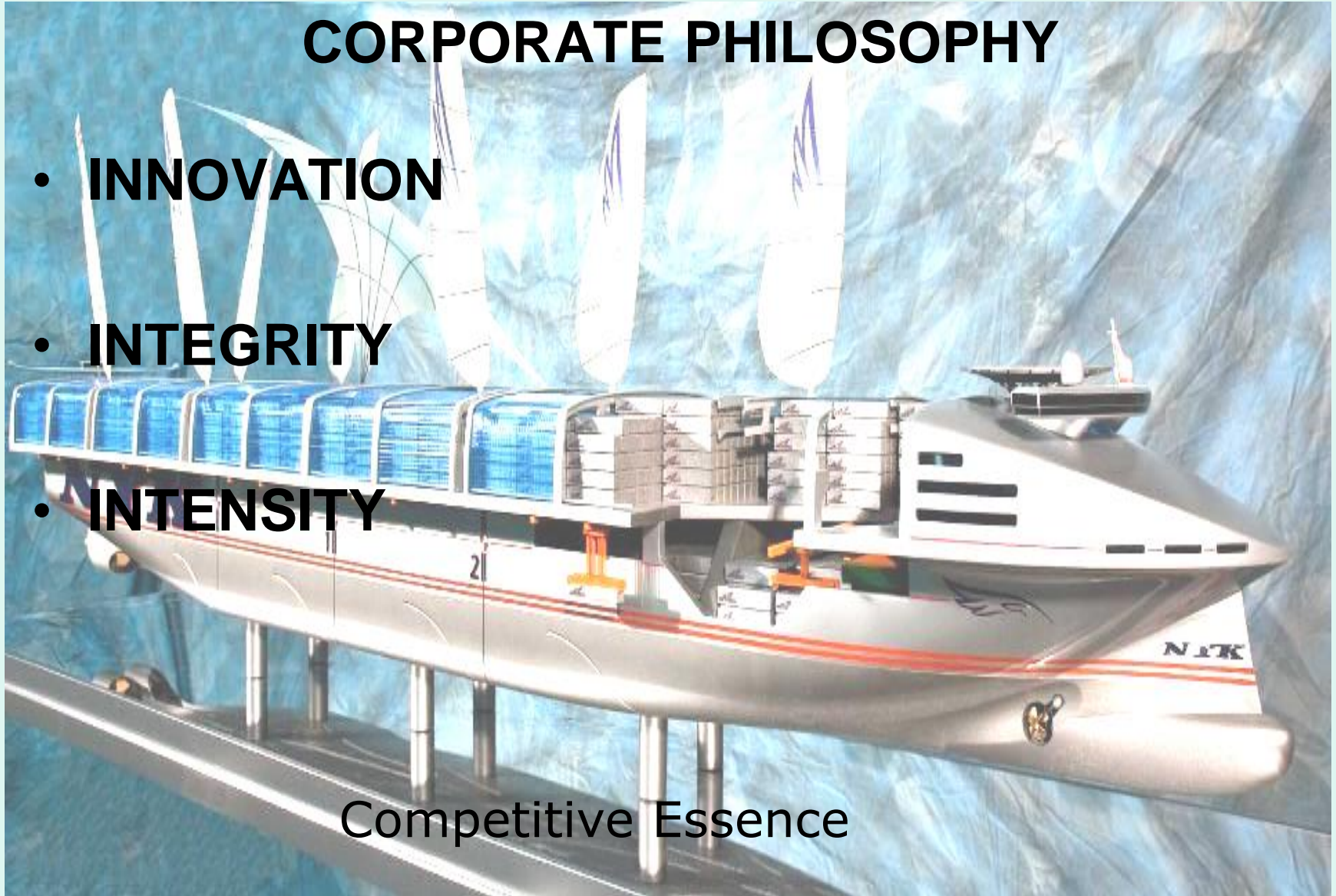


# TRANSPORTING VALUES

## CORPORATE PHILOSOPHY

- **INNOVATION**
- **INTEGRITY**
- **INTENSITY**

Competitive Essence

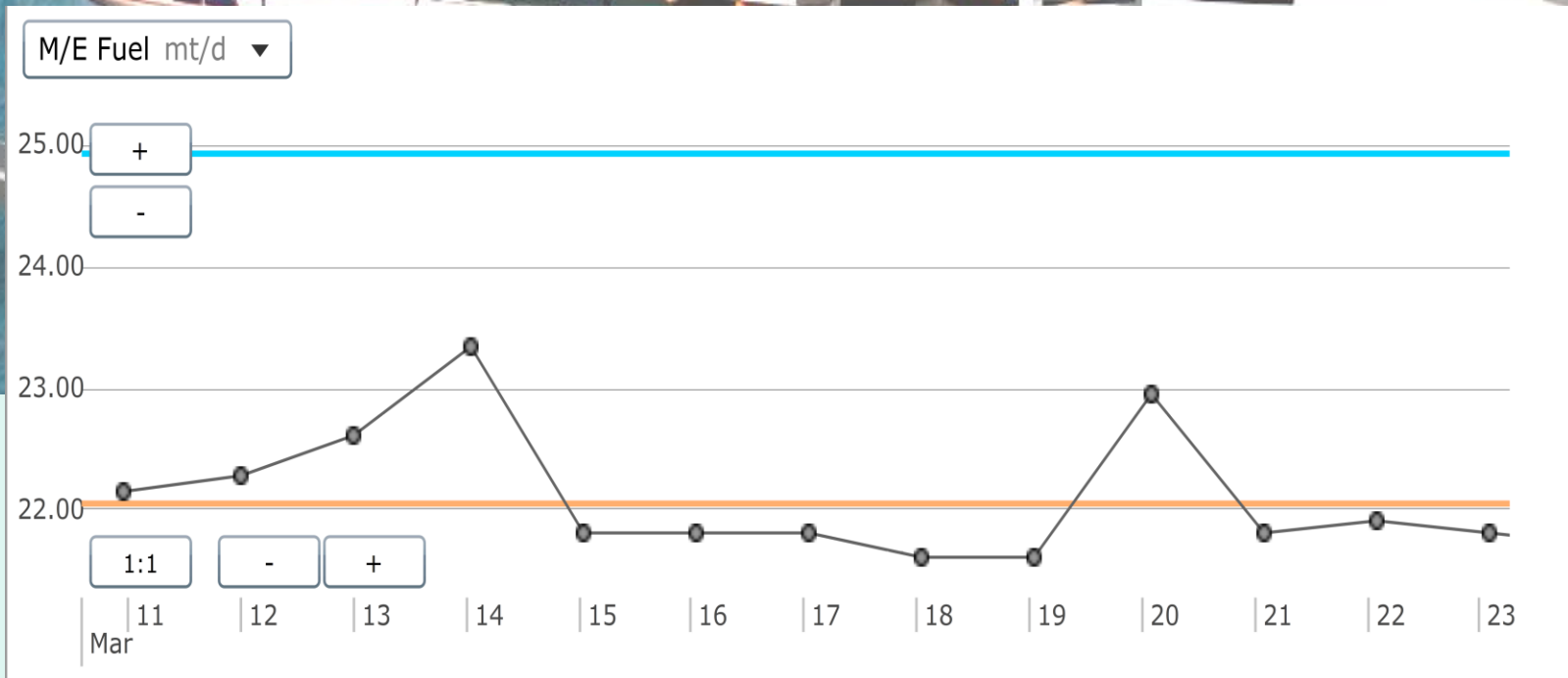


# SUSTAINABILITY

Economic , Environmental & Social Responsibility

Slow Steaming  
Performance Analysis & Monitoring  
Weather Routing/Optimisation

FUEL BASE LINE



# SUSTAINABILITY

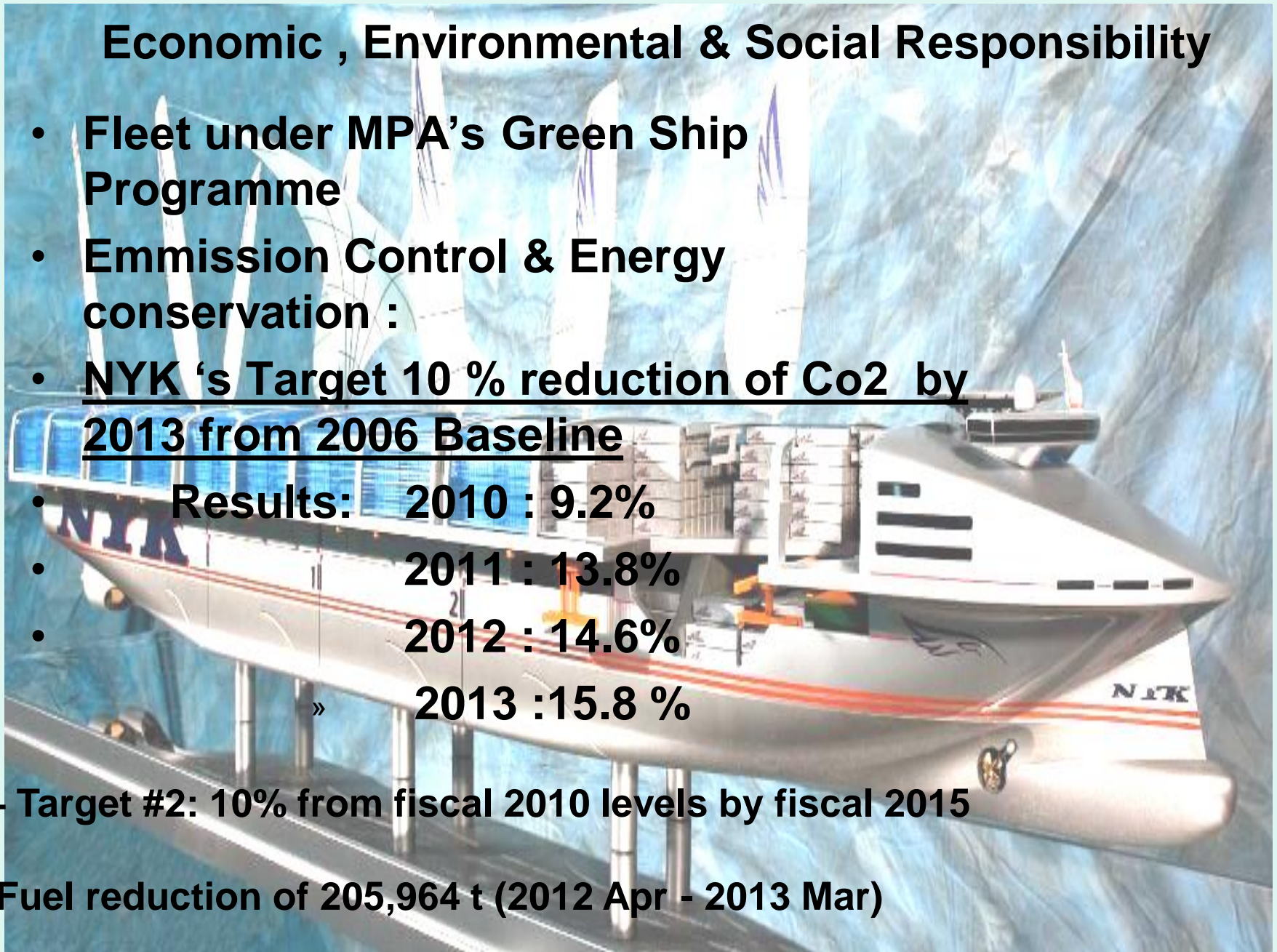
## Economic , Environmental & Social Responsibility

- Fleet under MPA's Green Ship Programme
- Emission Control & Energy conservation :
- NYK 's Target 10 % reduction of Co2 by 2013 from 2006 Baseline

- Results: 2010 : 9.2%
- 2011 : 13.8%
- 2012 : 14.6%
- » 2013 : 15.8 %

- Target #2: 10% from fiscal 2010 levels by fiscal 2015

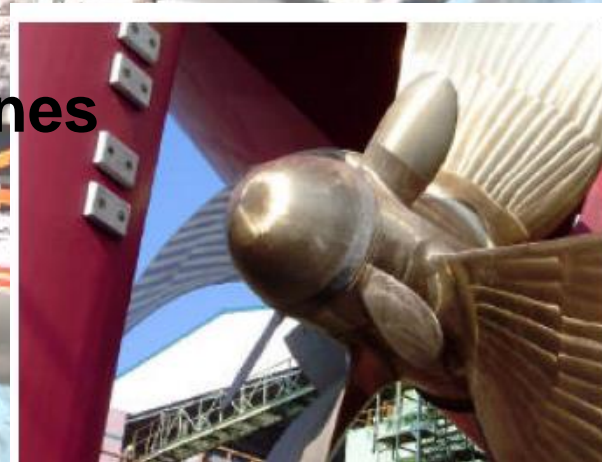
Fuel reduction of 205,964 t (2012 Apr - 2013 Mar)



# SUSTAINIBILITY

## Economic , Environmental & Social Responsibility

- Super Slow Steaming, Propeller Polish, Under Water Cleaning
- Air lubrication
- Solar panels
- SCR NOx removal system
- Electronically controlled engines
- Electronic Lubrication
- Ballast water management
- Turbo Ring
- Cold Ironing system



**NYK expands cold-ironing ship capacity**

27th April 2007 17:41 GMT

# SUSTAINABILITY

## Economic , Environmental & Social Responsibility

**Compliance of Voluntary speed reduction  
for Port of Los Angles -100 % ( 20 miles)  
& Long Beach 99.07 % (40 miles)**

**-ESI (Environmental Ship Index )**

**- Vessel recycling policy : NYK has its own  
vessel recycling policy, which aims to  
"secure stable space for vessel recycling"  
and "ensure Green Demolition"**

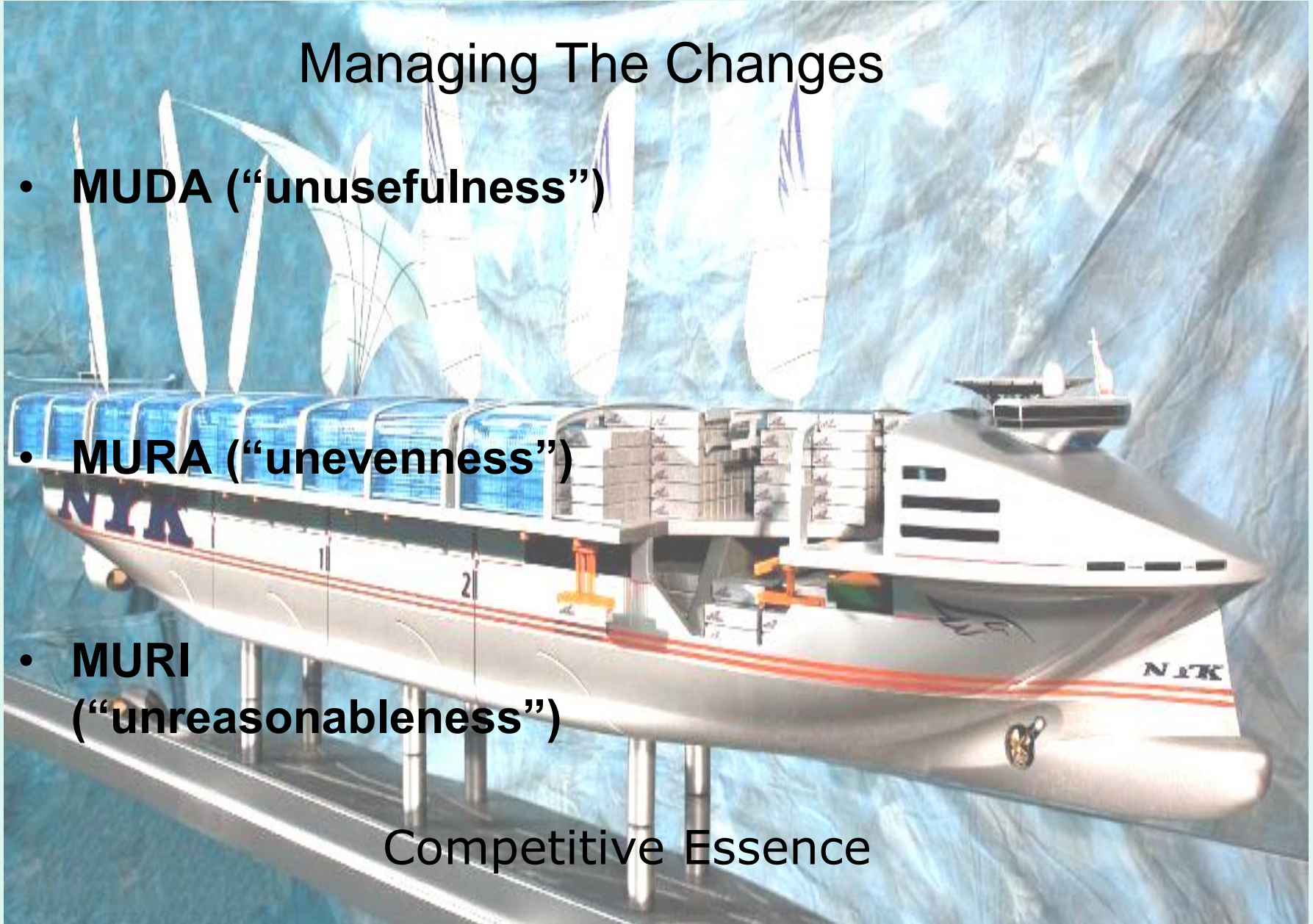


# SUSTAINIBILITY

## Managing The Changes

- **MUDA (“unusefulness”)**
- **MURA (“unevenness”)**
- **MURI (“unreasonableness”)**

Competitive Essence



# Wish List

- Better co-ordination - Professional Outlook
- Even standards of Terminal /Oil Majors/ Charterers
- Clarity in Charter Party
- Mechanism of Freight Rates – matching market economy
- SOP for Traders/ Brokers/ Charterers –Settling Claims & Payments to Owners
- Serious & Committed Owners
- Soft Landing of Regulations

**BUILDING HUMAN CAPITAL**

**THANK YOU**

