



Offen Tankers

The Challenges of Tanker Operation today

by

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TankerOperator Hamburg 2012



Offen Tankers



Introduction of the Company

Reederei Claus Peter Offen was founded back in 1971 with the purchase of the first general cargo vessel at a public auction



The company is located in the heart of Hamburg, the German center of maritime industry



The fleet consist of container vessels ranking from 1.500 TEU up to 14.000 plus TEU



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**The fleet of more than 100 Containerships incl.
Mega Box Carriers of 14.000 plus TEU
are chartered to Major Container Lines**





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**From 2008 onwards, 8 ships of 52,000 dwt were built and 8
Chemical/Products Tankers joined the Fleet until
2009 and completed the fleet of 16 tankers end 2011**



**Claus-Peter Offen Tankschiffreederei
(GmbH & Co.) KG**

***Offen Tankers* was founded**



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4 x 180.000 dwt Cape size Bulk Carrier with deliveries in 2010 and 2011 were constructed at Daewoo Shipyards in Korea and Romania.



**Claus-Peter Offen Bulkschiffreederei
(GmbH & Co.) KG**

***Offen Bulk*ers was founded**



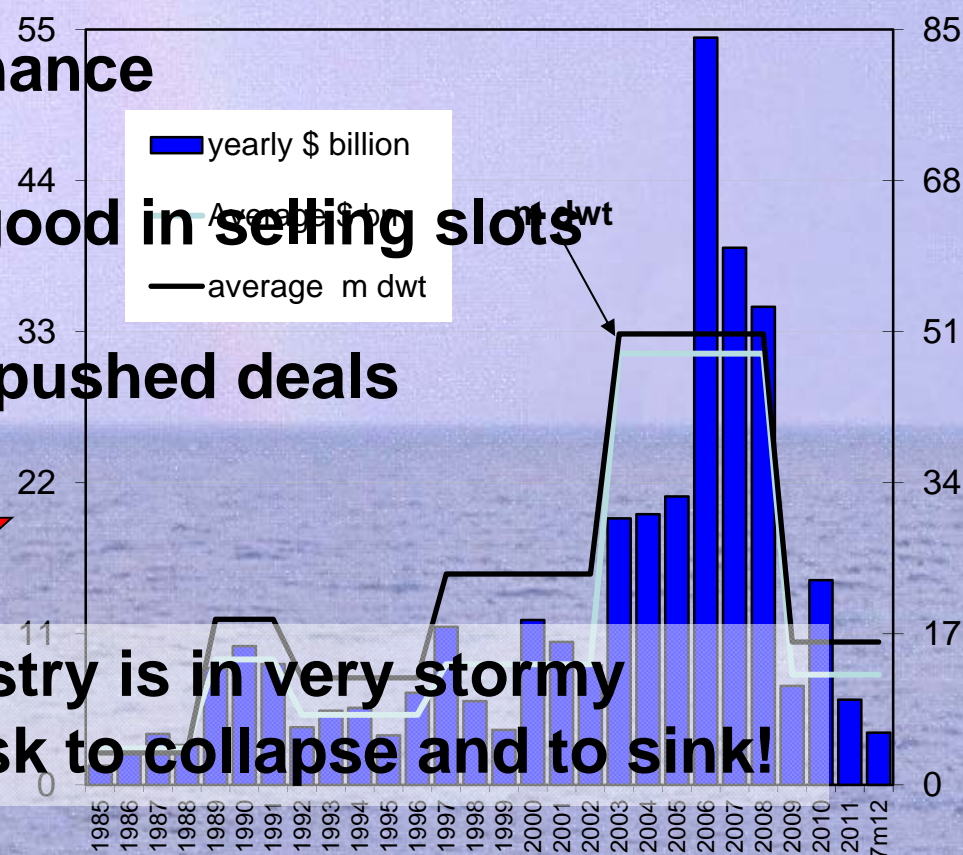
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The Tanker Market

- Owners ordered too many newbuildings
- Banks offered easy finance
- Shipyards were very good in selling slots
- Brokers aggressively pushed deals



- The entire Tanker Industry is in very stormy waters with the high risk to collapse and to sink!





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The Tanker Market

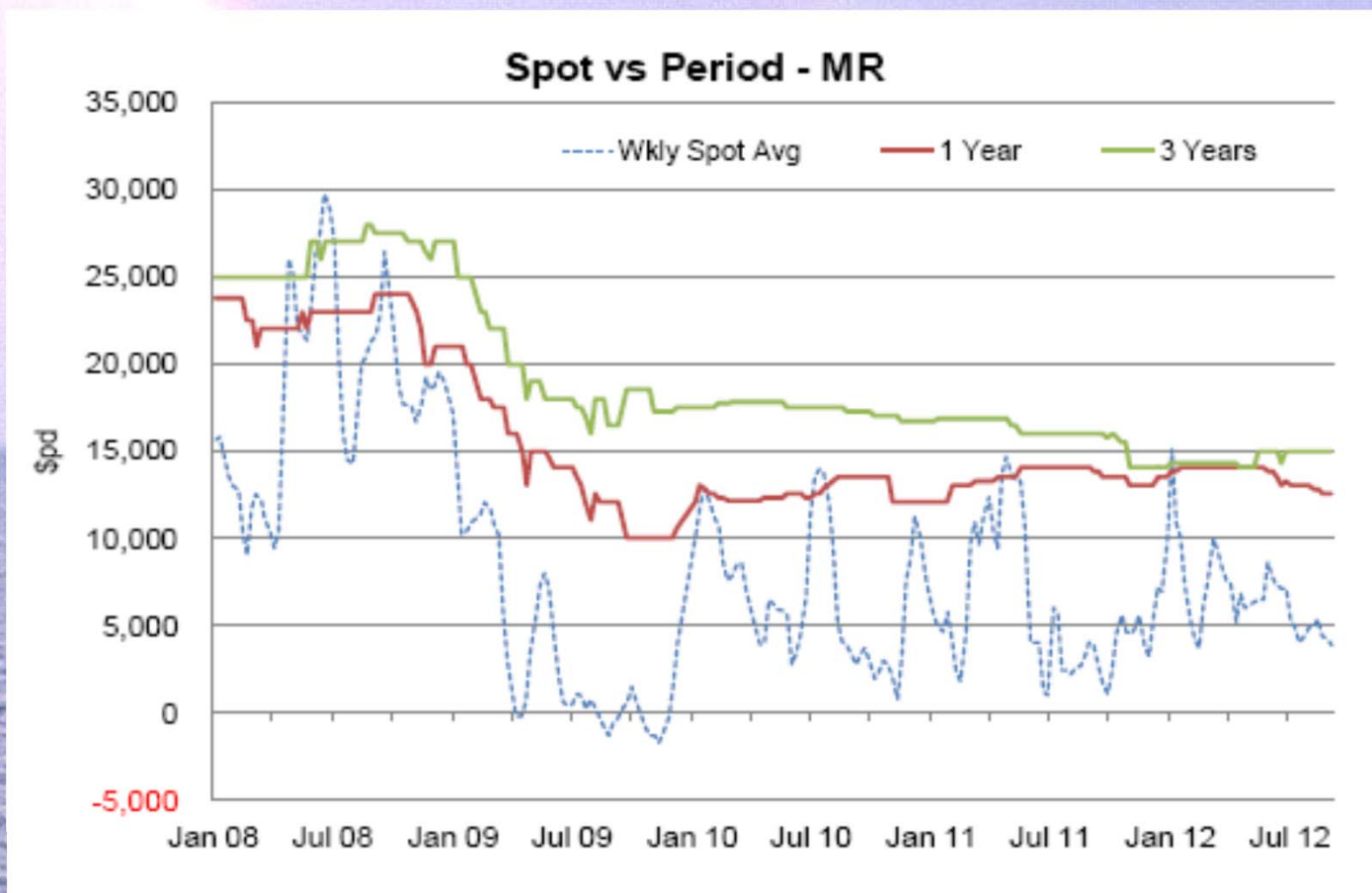




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Present Situation

With Lehmann all Tanker Markets collapsed





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Present Situation

2012 Fortune Top 500 List

Company	Revenues \$m	Profits \$m
Royal Dutch Shell	484,489	30,918
Exxon Mobil	452,926	41,060
Wal-Mart Stores	446,950	15,699
BP	386,463	25,700
Sinopec Group	375,214	9,453
China National Petroleum	352,338	16,317
State Grid	259,142	5,678
Chevron	245,621	26,895
ConocoPhillips	237,272	12,436
Toyota Motor	235,364	3,591
Total	231,580	17,069
Volkswagen	221,551	21,426
Japan Post Holdings	211,019	5,939
Glencore International	186,152	4,048
Gazprom	157,831	44,460
E.ON	157,057	-3,085
ENI	153,676	9,539
ING Group	150,571	6,591
General Motors	150,276	9,190
Sam sung Electronics	148,944	12,059

**10 Oil Majors Profit
is 70 % of all Top
20 together (\$237bn)**

**Traders (Glencore,
Vitol, Trafigura,
Morgan Stanley,
etc.) are catching up**



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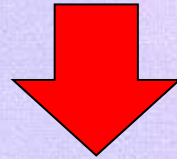
Market Distortion

- **Total Separation of Customer and Service Provider**
- **Lack of Transparency**
- **Brokers used as proxy Chartering arms**
- **Asymmetric market – Power Customer/ Broker**
- **Lack of quoted ‘Market’ Cargoes**
- **Creation of ‘All in’ Prices**



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Market Distortion



**Financial Difficulties for Vessels & Owners
Bankruptcies, Fire Sales**



**Safety Risks, Potential Accidents
Pollutions, Environmental Damages**



**Tanker Shipping Sustainability gone !
Industry Stakeholders lose Trust and Credibility**



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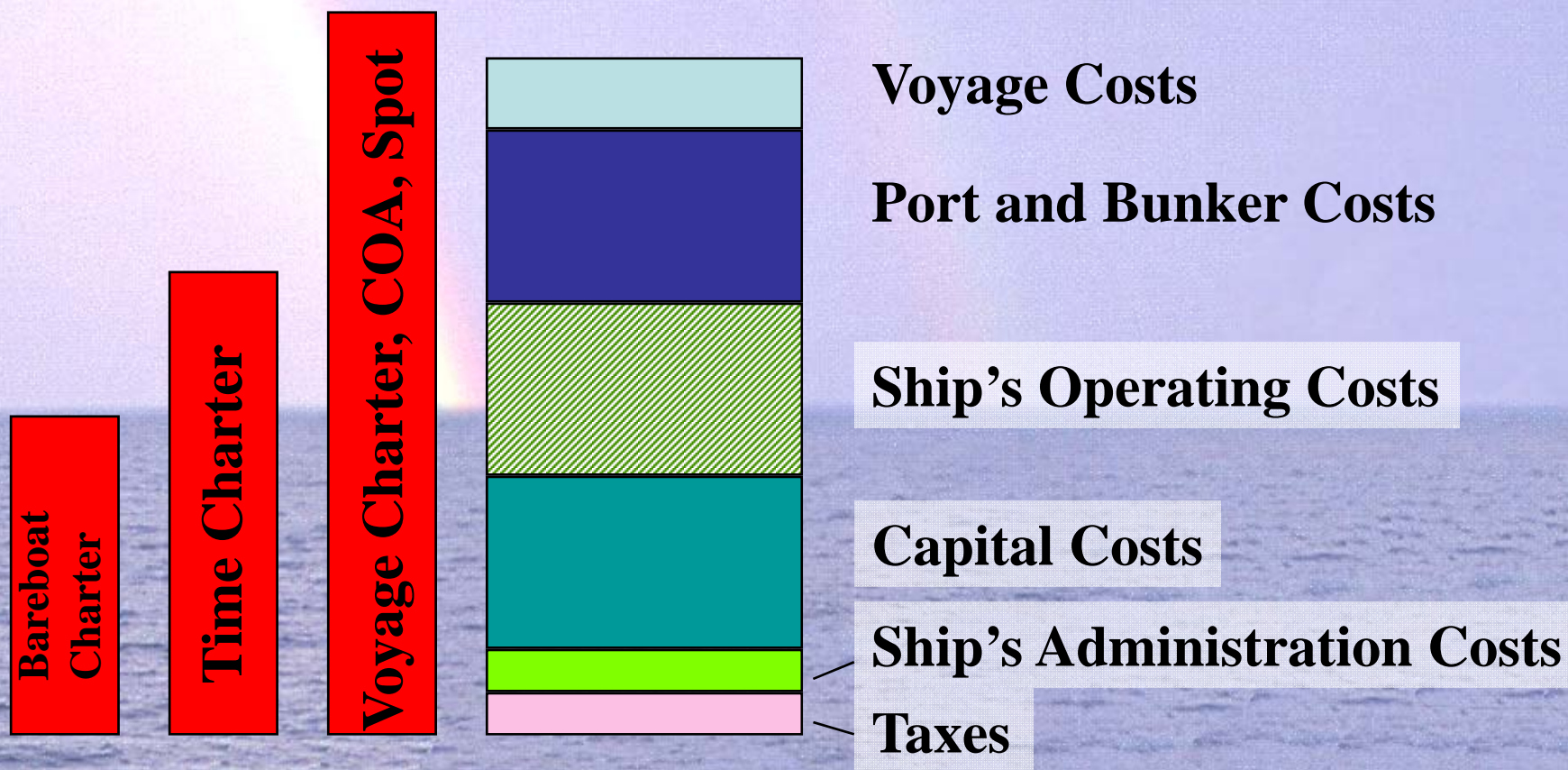
Questions to be asked

- **Do Oil Mayors, Customer know the problem?**
- **Do Brokers understand the consequence?**
- **Why freight is only paid after the voyage?**
- **Why Owner have to pay a commission on bunkers?**



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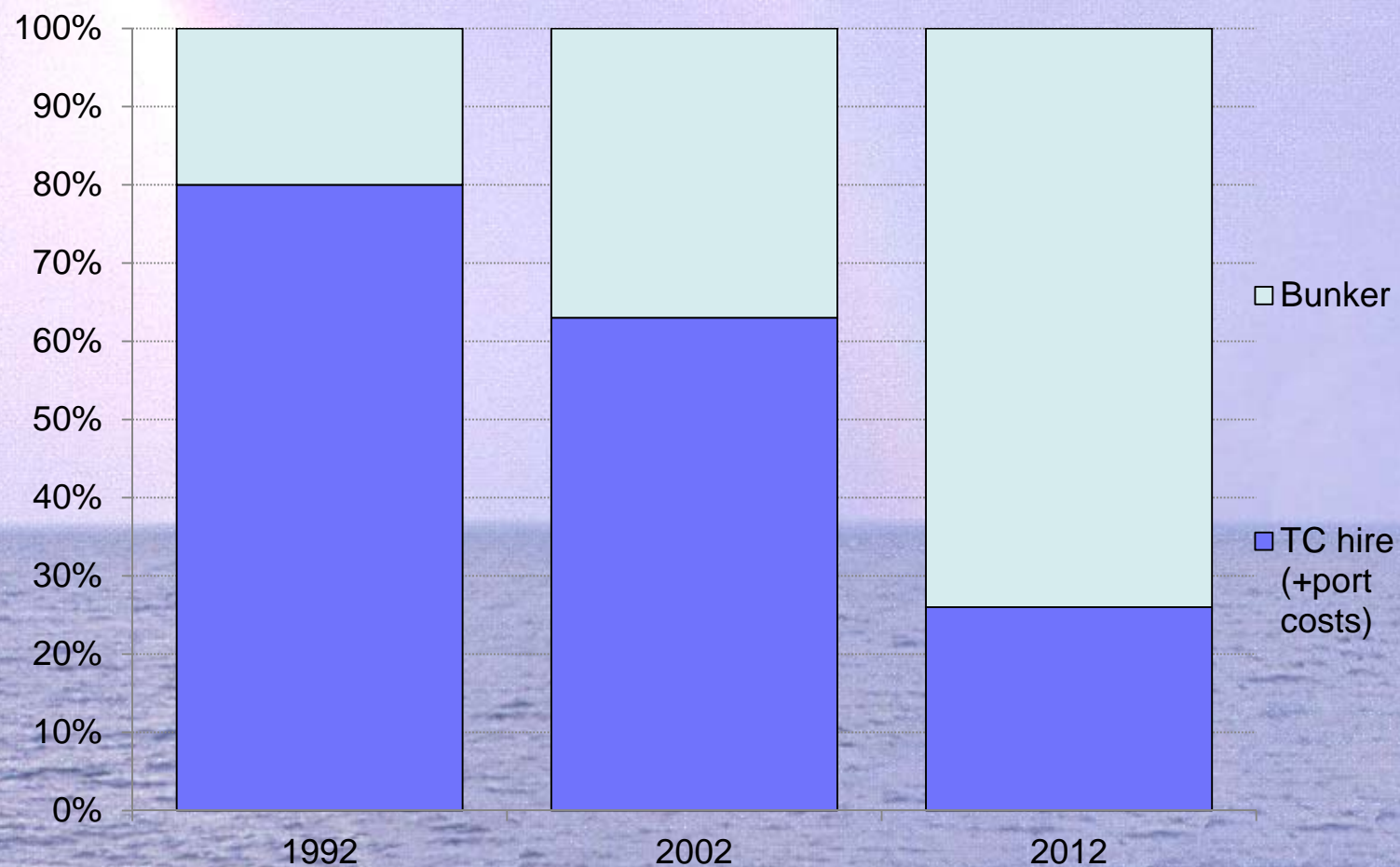
Revenues and Cost





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Freight/ Costs





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Questions to be asked

- Do Oil Mayors, Customer know the problem?
- Do Broker understand the consequence?
- Why freight is only paid after the voyage?
- Why Owner have to pay a commission on bunkers?
- Why are so many broker involved
- Why do Bunker Sure Charge, CSC, etc. not work?



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Aim

- **Ensure the safe transportation of cargoes**
- **Reliable service to customer**
- **Reinstall Tanker Industry Sustainability**
- **Rebalance the Market**
- **Cooperation between all Stakeholders**
- **Survive for future Challenges**



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Aim

Not to see this again !





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