

LPG Trades & Shipping: Global Prospects to 2018

The LPG sector has seen considerable development in recent years, leading to a current high level of market uncertainty over the real future prospects :

- LPG consumption has increased by an estimated 15% since 2000, with continued growth in demand world-wide, with particular expansion in the Chinese and Indian markets. At the same time, seaborne LPG trades have expanded by 29% since 2000.
- The LPG vessel fleet has expanded by over 19% during this time frame – this increase has been buoyed by the forecast growth in demand for LPG and rising freight rates.
- After large-scale rate escalation in 2004-05, freight rates increased further in 2006, to some of the highest levels recorded since the early 1990s.
- The expansion of the fleet is forecast to take on a new dimension in the near future, as a large number of vessels currently under construction are delivered. The current orderbook stands at 48% of fleet capacity.
- The future of LPG demand is still in the balance. US demand has slowed, as has Japanese and South Korean demand. This is in parallel with increasing LNG imports in these markets. Chinese and Indian LPG imports might also be affected in the future by increased imports of LNG.
- Large-scale fleet expansion will more than compensate for the obsolescence of a significant volume of old vessels. The impact of so many new vessels could have dramatic and significant implications on the LPG shipping market.

This detailed Report examines the outlook for all aspects of the LPG carrier market throughout the period to 2018, through in-depth analysis of recent/current developments and extensive future forecasts.

Included in the Report are detailed analyses and forecasts in the areas of:

- Trade volumes and patterns;
- Fleet development (incl. newbuilding and scrapping);
- Vessel operating costs;
- Vessel freight rates;
- Vessel demand and supply;
- Vessel profitability.

This major new Report provides invaluable independent analysis on the future development prospects for all aspects of the LPG sector. It represents the most up-to-date and comprehensive examination of the LPG shipping industry, and is essential reading for all parties with an interest in this sector.

CONTENTS

SECTION 1 EXECUTIVE SUMMARY

The Section offers a summary of the principal points emerging from the detailed and extensive analyses.

In addition, this Section includes a summary of the most significant points and conclusions emerging from the Report – these are presented in the order of the corresponding Sections for ease of reference.

SECTION 2 WORLD LPG FLEET DEVELOPMENT TO 2007

Provides an analysis of the overall LPG fleet development since 1997, with a detailed examination of the LPG fleet in 2007 by number, cubic metre, age and size sector. The top vessel owners and recent developments in pooling arrangements are investigated. The orderbook is examined by individual vessel, detailing scheduled year of delivery, owner, size and building yard/country.

SECTION 3 WORLD LPG PRODUCTION & CONSUMPTION

This Section highlights global, regional and country trends in LPG production, consumption, imports and exports, and highlights the sustained growth in LPG demand and supply.

The main LPG seaborne markets are investigated, with the consumption profiles of the principal importing countries examined for the past decade.

In addition, the ammonia and the four main petrochemical (ethylene, propylene, butadiene and VCM) seaborne trades are examined.

SECTION 4 LPG FREIGHT RATES, PRICES & COST

Recent developments are examined by vessel size and routes. In addition, newbuilding prices and secondhand prices by vessel size are examined, highlighting the recent developments in both markets.

LPG prices are examined; both contract prices (CP) and spot prices. Also ammonia and petrochemical prices highlight the overall rise in commodity prices over recent years.

Operating costs are examined in detail for manning, insurance, repair & maintenance, stores and administration.

SECTION 5 LPG PRODUCTION, CONSUMPTION & TRADE TO 2018

This Section examines three forward Cases – the most likely project detailed under the *Base Case*, with alternative Cases examining *Low* and *High* demand forecasts. Forward consumption is analysed by region and main consuming countries through to 2018. In addition, forecast seaborne LPG, ammonia and petrochemical trades are analysed.

SECTION 6 LPG FLEET DEVELOPMENT TO 2018

This Section examines the associated development of the LPG carrier fleet in terms of individual size sectors through to 2018.

The analysis includes in-depth forecasts on newbuilding levels for different size sectors of the fleet, together with detailed projections on vessel scrapping for *Base*, *Low* and *High Case* scenarios.

SECTION 7 LPG CARRIER FREIGHT RATES & COSTS TO 2018

This Section considers the implications of the demand and supply projections for the costs and revenues in the period to 2018.

It includes detailed projections on forward freight rate levels and projected operating costs for different sizes of LPG carriers through to 2018.

The consideration of cost developments in conjunction with future freight rates, enables analysis and discussion of the implications for vessel profitability through to 2018.

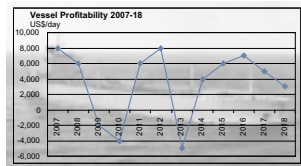
SECTION 8 SUMMARY & CONCLUSIONS

This section presents a concise summary of the main implications and conclusions of this Report for the future LPG trade and shipping markets.

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LPG Trades & Shipping: Global Prospects to 2018

LPG Trades & Shipping: Global Prospects to 2018

Detailed forecasts on:

- Vessel Demand
- Fleet Development
- Freight Rates
- Costs
- Operating Profitability

The Report represents the most up-to-date analysis on the LPG carrier industry prospects. With forecasts of individual sector demand and supply, based on a distinct set of alternative forward scenarios, the Report offers a comprehensive evaluation of future prospects. It is therefore essential reading for all parties associated with the industry.

"LPG TRADES & SHIPPING: GLOBAL PROSPECTS TO 2018" is one of a large number of detailed shipping industry reports researched and published by **Ocean Shipping Consultants Ltd.**

Other recent publications include:- *Tick for details* ✓

"Chemical Carriers & Product Tankers to 2015"

"Global Cement Trade & Shipping - Future Outlook to 2015"

"Shipping Profitability to 2015"

"World LNG to 2020"

"Refrigerated Trades & Outlook to 2015"

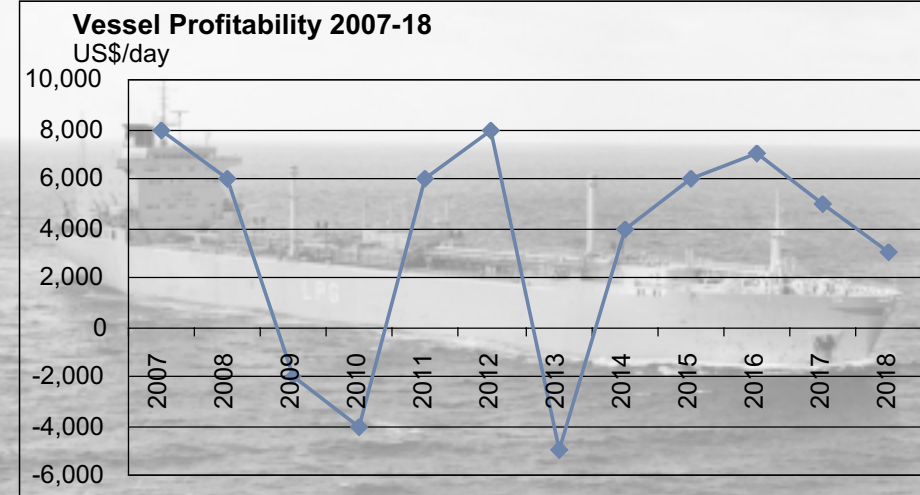
"Self-Unloading Hybrid & Geared Bulk Carriers"

"The World Ship Repair Market to 2015"

"World Shipbuilding: Prospects for Prices & Demand to 2015"

OSC also undertakes confidential consultancy projects for individual clients worldwide. Further details are available on request.

LPG Trades & Shipping: Global Prospects to 2018



Includes detailed forecasts on:-

- Trade Volumes
- Shipping Demand
- Fleet Development
- Freight Rates
- Costs
- Vessel Profitability

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