PRODUCT TANKERS:
MARKET PROSPECTS TO 2015

The product tanker sector is facing a transitional time as new IMO regulations are enacted against a background of structural fleet change and continuing demand profile development, especially in Asia.

The IMO has brought forward the phasing out of single-hulled tankers from 2007 to April 2005, and includes the banning of such vessels from transporting heavy oil in international waters. This could cause a major change in vessel deployment patterns.

The current large newbuilding orderbook for product tankers is set to have a massive impact on the market over the next 5 years through extensive structural and volume fleet changes.

On the demand side, recent product demand growth has focused on Asia, particularly China, while the US, Europe and Japan have witnessed limited demand growth, partly due to increased product specifications.

This Report examines the outlook for all aspects of the product tanker market throughout the period to 2015, through detailed 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 for major individual products;
- Fleet development, including newbuilding and scrapping prospects;
- Vessel operating costs;
- Vessel freight rates;
- Vessel demand and supply;
- Vessel profitability;

This Report provides invaluable independent analyses on the future development prospects for all aspects of the oil products sector. It represents the most up-to-date and comprehensive examination of the product 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 also includes a discussion of the overall conclusions of the Study.

SECTION 2 WORLD PRODUCT TANKER FLEET DEVELOPMENT 1970-2004

Provides an analysis of overall tanker fleet developments since 1970, with a detailed examination of the product tanker fleet in 2004 by number, deadweight, age and size sector. The orderbook is examined by individual vessel, detailing scheduled year of delivery, owner, size and building yard.

SECTION 3 WORLD OIL PRODUCTION & CONSUMPTION

The development of oil significance in primary energy is analysed, highlighting the switch away from fuel oil use in power generation – compared to increased use of gas and coal – as well as the ongoing rise in transport fuel demand. Regional oil demand developments are examined since the early 1990s.
The development of regional oil consumption is examined in detail by major product – gasoline, middle distillate, fuel oil and others.
Recent developments in crude oil production are examined, as well as the impact of increasing crude oil prices.

SECTION 4 WORLD OIL REFINING CAPACITY – RECENT DEVELOPMENT

Recent developments are examined, by country and region, examining new and upgraded distillation capacity, as well as utilisation. Analysis focuses on developments impacting on product trade movements, highlighting near term investment plans and refining developments.

SECTION 5 PRODUCT TANKER FREIGHT RATES & COSTS – RECENT DEVELOPMENTS

Recent freight rate developments are examined, highlighting the shortage of modern "approved" tonnage in key Atlantic, Middle East and Asian markets. A year-by-year comparison between spot and time-charter earnings is detailed for recent years.
Newbuilding and secondhand price developments are analysed, together with exchanges rate developments.
Operating costs are examined in detail for manning, insurance, repair & maintenance, stores, administration & others. Similarly, capital cost levels are analysed for new and secondhand vessels.

SECTION 6 OIL PRODUCT CONSUMPTION & PRODUCTION TO 2015

This Section examines three forward Cases- the most likely projection detailed under the *Base Case*, with alternative Cases examining *Low* and *High* demand forecasts. Forward consumption is analysed on a country-by-country and regional basis through to 2015. Forecasts by product demand sector are included for each major region.

SECTION 7 OIL PRODUCT TRADE & VESSEL EMPLOYMENT TO 2015

This Section draws on the previous analysis examining projections of consumption and production to project oil product trade volumes and patterns to 2015.
By considering the potential development of pipeline and transhipment operations, oil trade forecasts are converted into detailed matrices of product tanker employment, thus facilitating detailed size sector demand analysis.

SECTION 8 PRODUCT TANKER FLEET DEVELOPMENT TO 2015

This Section examines the associated development of the product tanker fleet in terms of individual size sectors through to 2015.
The analysis includes in-depth forecasts on newbuilding levels for different size sectors of the fleet, together with detailed projections on vessel scrapping.

SECTION 9 PRODUCT TANKER FREIGHT RATES & COSTS TO 2015

This Section considers the implications of the demand and supply projections for costs and revenues in the period to 2015.
It includes detailed projections on forward freight rate levels, projected operating costs, and newbuilding prices, for different sizes of product tankers through to 2015.
The consideration of cost developments in conjunction with future freight rates, enables analysis and discussion of the implications for vessel profitability through to 2015.

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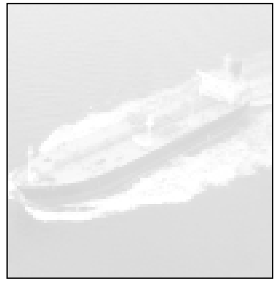

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MARKET PROSPECTS TO 2015

Detailed forecasts on:

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

The Report represents the most up-to-date analysis on the oil product 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.

"PRODUCT TANKERS: MARKET PROSPECTS TO 2015" is one of a large number of detailed reports researched and published by **Ocean Shipping Consultants**.

Other recent publications include: *Tick for details* ☑

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PRODUCT TANKERS:
MARKET PROSPECTS TO 2015

Includes detailed forecasts on :-

- ★ Trade Volumes
- ★ Shipping Demand
- ★ Freight Rates
- ★ Costs
- ★ Vessel Profitability

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