Introduction to maritime law

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with attorney Mats E. Sæther
Understanding the shipping industry

- Understanding shipping

"Reading this book won’t make you a shipping man, but it’s a good start." – John Fredriksen
How to obtain a ship

- Chartering a ship
- Buying a ship
- Building a ship
- Financing
- Flag state / ship registration
How to operate your ship

- Operate it yourself?
- Hire professional managers?
- Types of management
Who checks that your ship is in a satisfactory condition?

- Flag state control
- Class control
- Port state control
- Customer control ("vetting")
How to earn money from your ship

• Liner service
How to earn money from your ship

- Liner vessels

Then ...
How to earn money from your ship

• Liner vessels

... and now:
How to earn money from your ship

- «Tramp» trade / spot market
  - Types of vessels
  - Types of employment
How to earn money from your ship

• 1: Operate it

«Break even?»
(cost of owning + operating)
How to earn money from your ship

- 1: Operate it

Graph of the Week

VLCC Cash Flow: Going Up or Down the Khyber?

The graph shows approximate VLCC “free cash flow” calculated by deducting depreciation, interest payments and OPEX from average spot market earnings.

Source: Clarkson Research Services
How to earn money from your ship

- 2: Sell it for a profit

![chart](Dry Bulk Carrier Second-Hand Prices)

- Capesize 172,000 dwt
- Panamax 74,000 dwt
- SupraMax 52,000 dwt

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Your vessel in trouble

- Liability for pollution / damage
- Salvage
- Wreck removal
- Ship arrest / forced sale
Insuring your ship

- Damage to your vessel: H&M (Hull and machinery)
- Liability: P&I (Protection and indemnity)
- Loss of hire insurance
- Defence cover
End of the line

- Scrapping / recycling
  - «Cash buyers»
  - Scrapyards
  - Green recycling
Part 2 – The Ships
Tankers
Bulk carriers / dry cargo ships
Container vessels
Oil and gas industry service vessels
Tankers for crude oil
Specialized tankers for products and chemicals
Specialized tankers for gas (LNG)
DRY CARGO VESSELS
/ BULK CARRIERS
Coasters / general cargo ships
Bulkers – Handymax etc. 30 – 60.000 dwt
Bulkers – Capesize 150 – 200,000 dwt
CONTAINER VESSELS
Container vessels – Feeders

Measured in «TEU» – Twenty-foot Equivalent Unit
Large container vessels
Vessels for rolling cargo
Car carriers - PCC / PCTC
TUGS, OFFSHORE AND OIL SERVICES
Platform Supply Vessel (PSV)
Anchor handler (AHTS)
Subsea construction support / installation vessels / IMR
Drillships
Crane vessels (revolving crane)
Windmill installation vessels (jack-up)
Heavy lift vessels (semi sub)