

IUMI Meeting – Amsterdam 2005

Damage Claims and Shiprepair Cost Trends



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The Salvage Association

The world's foremost marine risk assessment company



BMT Salvage Limited

BACKGROUND AND PRESENT REPAIR PATTERNS



Repair costs and steel costs

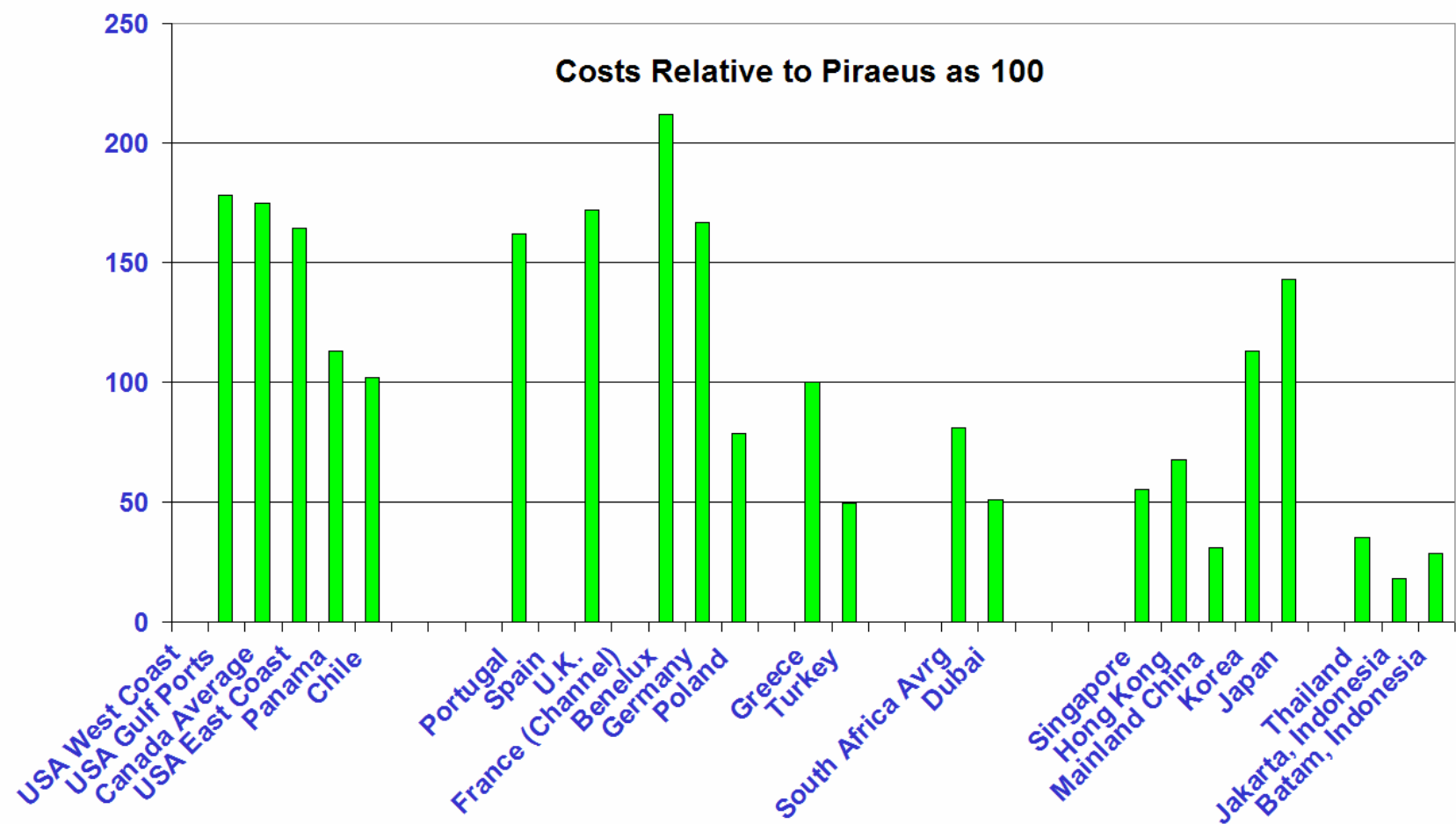


In 1975 steel plate cost approx \$180 per tonne and steel repairs cost \$7/kg

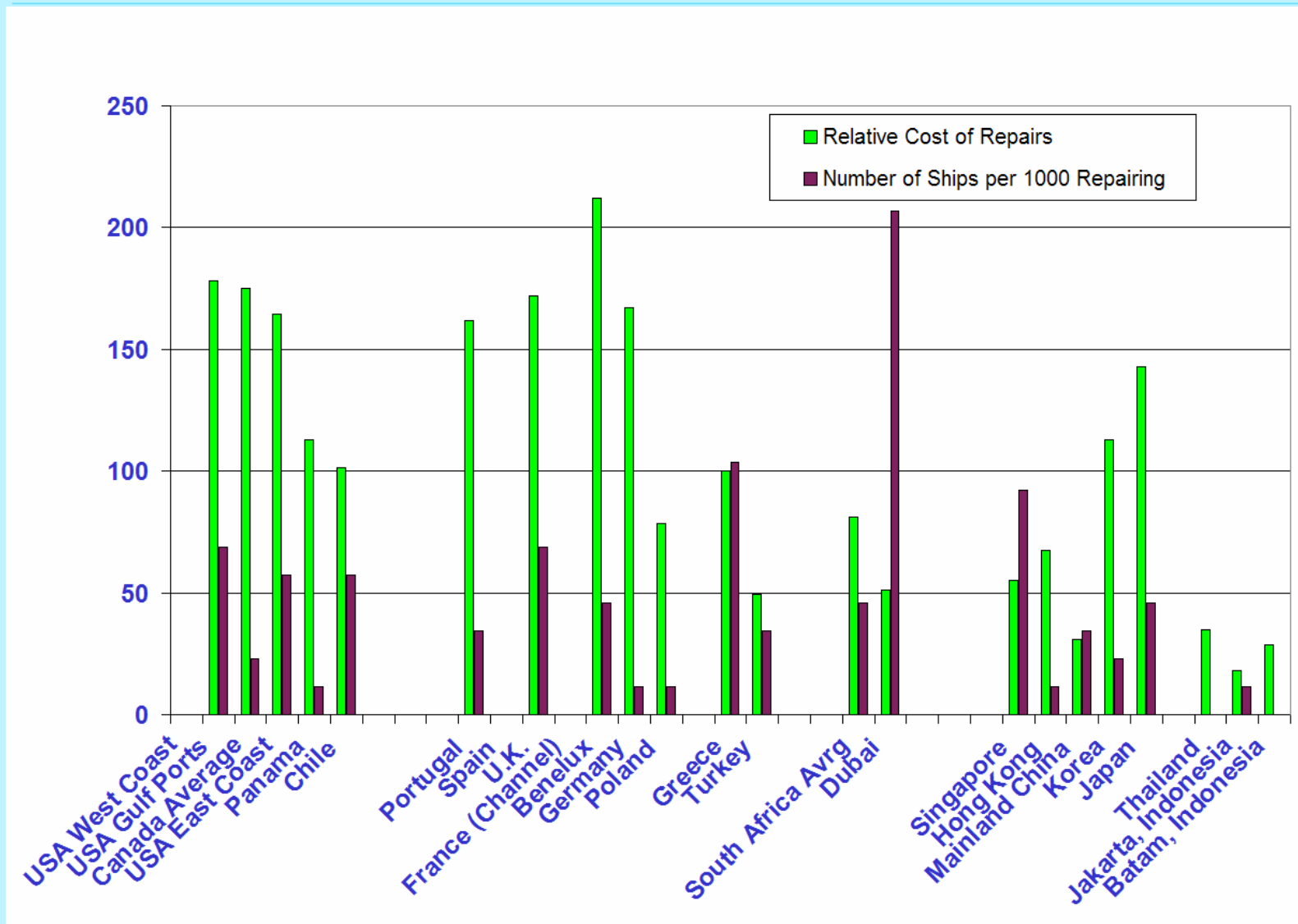
In 2005 steel plate cost approx \$400 per tonne and steel repairs cost \$4.5/kg

During the same 20 year period price inflation has been at least 500%

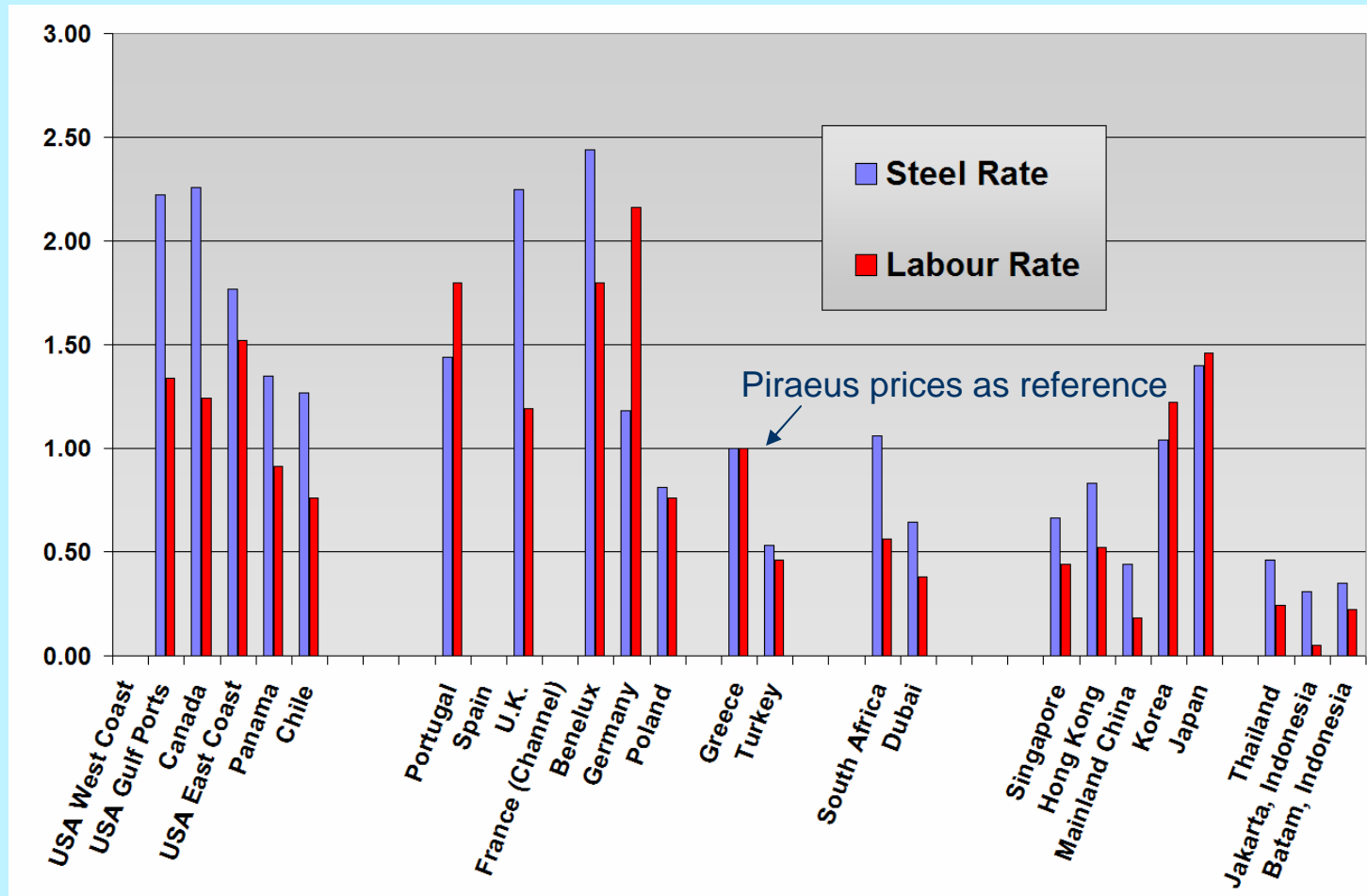
GENERAL COST INDICES (Feb 2005)



GENERAL COST INDICES AND DISTRIBUTION OF SHIPS REPAIRING WORLDWIDE



REPAIR COSTS WORLDWIDE (Feb 2005)



Piraeus Steel Rate* = \$5.52 per kg
Piraeus Labour Rate* = \$31.53 per man hour
 (* Fair and reasonable “average”)



Steel Repair cost make up /kg

Steel plate cost -	approx \$0.4/kg
Labour cost –	from \$0.2 to \$4/kg
Steel preparation & services -	from \$1 to \$4/kg
Shipyard overhead -	from \$1 to \$5/kg
Shipyard profit -	from \$0 to \$2/kg

Prices range from less than \$2 to \$15

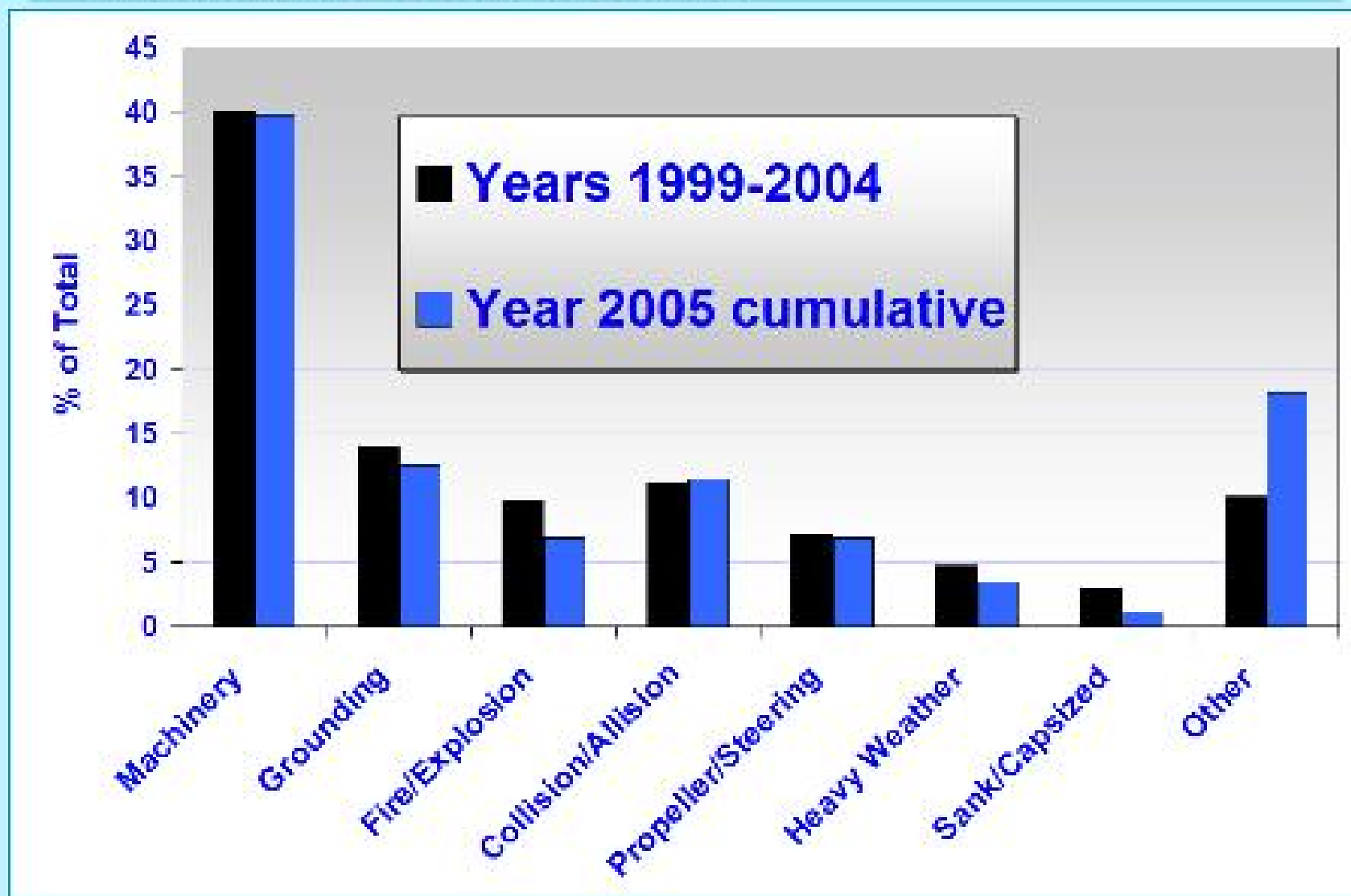
World average in region of \$4.5/kg

PRESENT LEVEL OF CLAIMS



CASE REPORTS

- Cumulative Total for 2005



BURSTING THE BUBBLE



SHIPYARD AVAILABILITY



Shanghai shipyards



Yangtse river shipyards



Guangdong shipyards



CHANGING FLEET PROFILE



LNG SHIP TYPES - MEMBRANE/MOSS

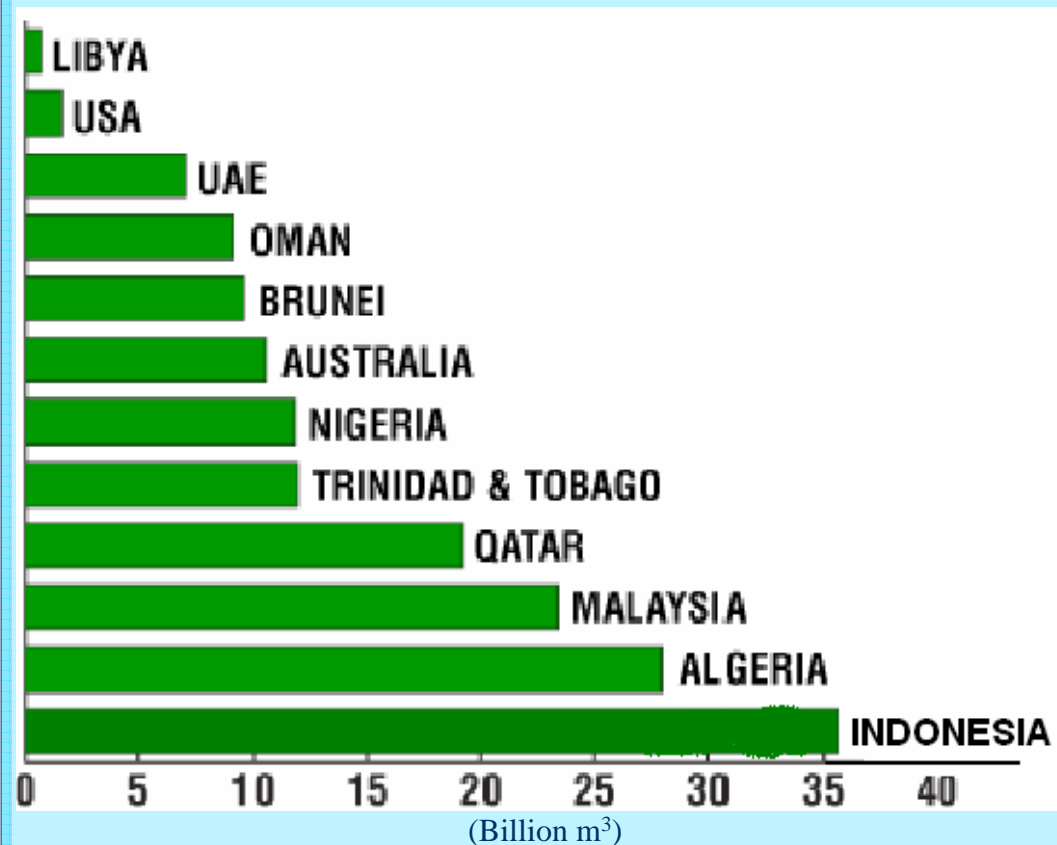


Moss type LNG Carrier

Membrane LNG Carrier

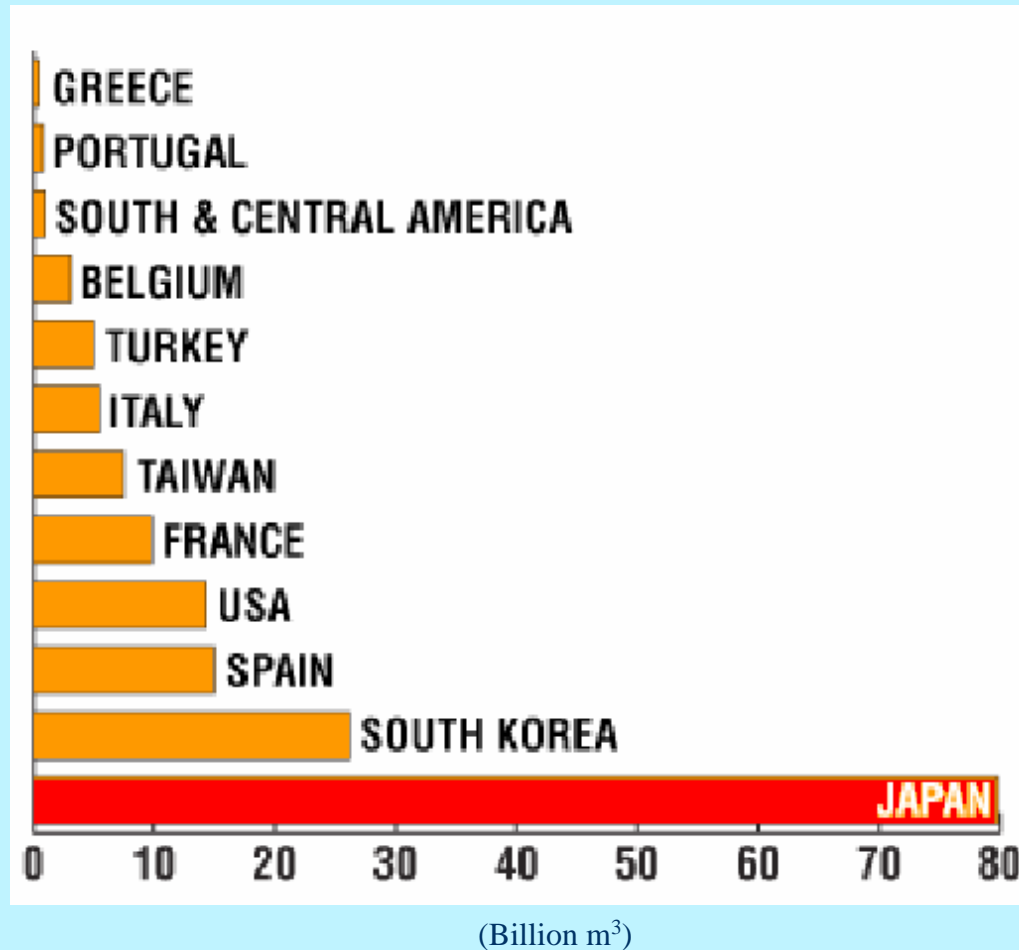


LNG Exporters By Country



- LNG export is an extremely lucrative business for places with gas reserves
- LNG export is faster and more flexible than pipeline gas-multiple consumers can be targeted.

LNG IMPORTERS



- Majority of LNG consumers in Asia-lack of natural energy reserves.
- As oil reserves deplete, Europe/US will consume more LNG.
- LNG is favored in Japan due to cleanliness.

CREW TRAINING AND ITS EFFECT ON DAMAGE CLAIMS



CONCLUSION



Bulker - Collision



Bulker - Collision



Bulker - Collision



Bulker - Collision



Tanker - Collision



Tanker - Collision



Product tanker - Explosion



Product tanker - Explosion



Product tanker - Explosion



Product tanker - Collision



Product tanker - Collision



LNG tanker - Grounding



LNG tanker - Grounding



Chemical tanker – Explosion/Fire



Bulker - Collision



Product tanker - Explosion



BMT Salvage Ltd. offices



