

Shipping Facts (1)



(Definition of Terms listed alphabetically from A - F)

ARA – *Antwerp/Rotterdam/Amsterdam*. Major coal importing ports in northwest Europe.

Ballast – (a) the material (usually water in ballast tanks) used to stabilise a vessel when partially loaded or empty, (b) In Ballast – term to describe vessel sailing empty to next loading port.

BENDS – Abbreviation for 'both ends'. Used when any loading and discharging term for a vessel is the same for both loading and discharging operations.

BFI – *Baltic Freight Index* – an index reflecting a composite number of routes, issued on a daily basis.

BIFFEX – *Baltic International Freight Futures Exchange* – exchange on which freight future contracts are traded and the BFI (*qv*) is published.

Bill of Lading (B/L) – Document serving three functions: (1) receipt for cargo prepared by the shipper and signed by the carrier; (2) 'document of title' to the cargo ie proof of ownership; and (3) provides evidence of terms and conditions of the contract of carriage of cargo by sea.

Brokerage – the remuneration for brokers' time and effort in negotiating the Charter Party (*qv*); expressed as a % of freight or hire payment received by shipowner.

Bunkers – term for fuel used by a vessel.

Bunker Clause – Time Charters (*qv* – see *Shipping Facts 2*) stipulate that charterer accepts and pays for all fuel on the vessel at port of delivery; on redelivery owner shall pay for any fuel remaining on board.

Bunker Escalation/De-escalation Clause – in a COA (*qv*) it is sometimes usual to link freight rate to market price of bunkers at time of fixing, in order to adjust freight rate in line with bunker price movements at time of each shipment.

C & F/CFR – *Cost and Freight* – method of selling cargo where seller pays for loading costs and ocean freight.

Capesize – a ship of about 80,000+ DWT. (A vessel which is too large to transit the Panama Canal and thus has to sail via Cape of Good Hope from Pacific to Atlantic and vice versa.)

Charter Party – document containing details of the fixture of the chartered vessel. Standard form charter parties for various trades are normally used, but some charterers use private forms.

CIF – *Cost, Insurance and Freight* – method of selling cargo where seller pays for loading costs, ocean freight and insurance.

COA – *Contract of Affreightment* – a Charter Party (*qv*) covering more than one voyage.

Deadfreight – freight payable on cargo space booked but not actually used.

Demurrage – financial compensation paid by charterer to the vessel for delays after the laytime (*qv* – see *Shipping Facts 2*) has expired at the load/discharge port.

Despatch – financial reward paid by the owner to the charterer if the load/discharge operations are completed in advance of expiry of laytime (*qv* – see *Shipping Facts 2*). Usually paid at half the demurrage rate (*qv*).

Draught – vertical distance between the waterline and the keel. Figures quoted refer to a fully-laden vessel.

Draught Survey – survey undertaken at the load/discharge port to determine by means of draught measurement how much cargo is on board.

DWT – *Deadweight Tonnes* – deadweight capacity of vessel comprising cargo, bunker fuel, fresh water, stores etc.

DWCC – *Deadweight Cargo Capacity* – the portion of the deadweight available for the carriage of the cargo.

ETA – *Estimated Time of Arrival (of vessel)*.

ETD – *Estimated Time of Departure (of vessel)*.

ETR – *Estimated Time of Readiness*.

FIO – *Free In and Out* – confers the responsibility to the charterers (shippers/receivers) to arrange the stevedores and to load/discharge the cargo on their own account ie free of expense to vessel owners, who are still accountable for port charges (*qv* – see *Shipping Facts 2*).

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