



The Maritime Standard Tanker Conference, Dubai

October 2016



ABOUT MCQUILLING



McQuilling Services is the marine transportation consulting and advisory group of McQuilling Partners, Inc. The primary focus of McQuilling Services is to provide clients commercial consulting services related to global seaborne transportation and related disciplines in the supply chain. The approach of the Company is to develop products and services based on specific client requirements, data, and the systematic employment of quantitative methods, bringing individually crafted solutions to client's needs. The Company employs a collaborative business model combining experienced internal resources with exceptional industry partners to produce a team of directed experts. This model creates a targeted, content-rich knowledge and experience base to serve clients' needs cost effectively.

McQuilling Partners is a privately-owned marine services company, providing transportation services to clients in the shipping, commodity and financial services industries. McQuilling Partners is a respected tanker specialist globally and is one of a select few firms that sit on both the International and the Asian Baltic Exchange Tanker Route panels. McQuilling Partners facilitates the physical transportation of liquid and dry bulk commodities annually through the provision of brokerage services and provides coverage in the wet freight derivatives market for all the traded routes. The firm has assisted numerous clients in the sale or purchase of marine assets, and advised them on their directed research and consulting requirements. Today, McQuilling is a privately held firm numbering over 160 people, specializing in the marine transportation of commodities for a global client base. Representing broad commercial experience in the international shipping markets, McQuilling provides professional, reliable and personalized service to clients from offices located in **New York, Houston, Caracas, Lima, Mexico City, Rio de Janeiro, Athens, Dubai, Mumbai, New Delhi and Singapore.**





Regionalization of Ship Repair Facilities



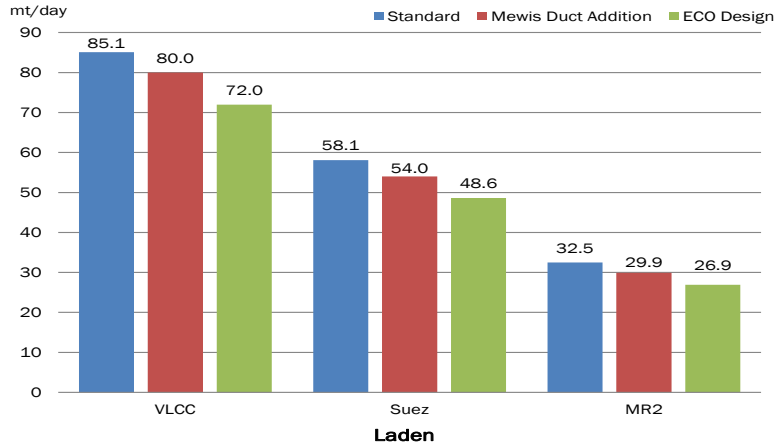
Source: McQuilling Services, Various Sources

- ▶ *Ship repair facilities have been developed across the world, offering owners efficient options to minimize positioning costs and deviation days. This has helped to improve utilization and lower emissions.*

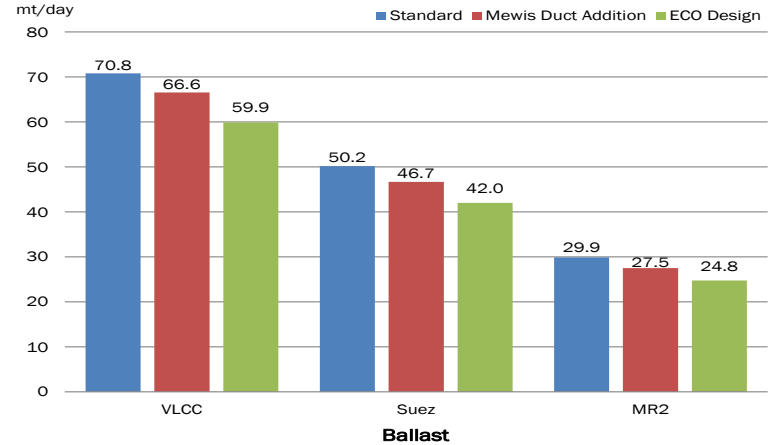




The Emergence of ECO Vessels



Source: McQuilling Services, Various Sources



- ▶ *Technological advancements being retrofitted at shipyards to reduce carbon emissions while shipyards are investing in eco-designs to improve efficiency*

CO2 Emissions Reduction				
Mt/day	Laden		Ballast	
	Mewis Duct	ECO Design	Mewis Duct	ECO Design
VLCC	16.8	43.2	14.0	36.0
Suexmax	13.4	31.3	11.6	27.0
MR2	8.6	18.4	7.9	17.0

Source: McQuilling Services Calculations, EIA, IMO

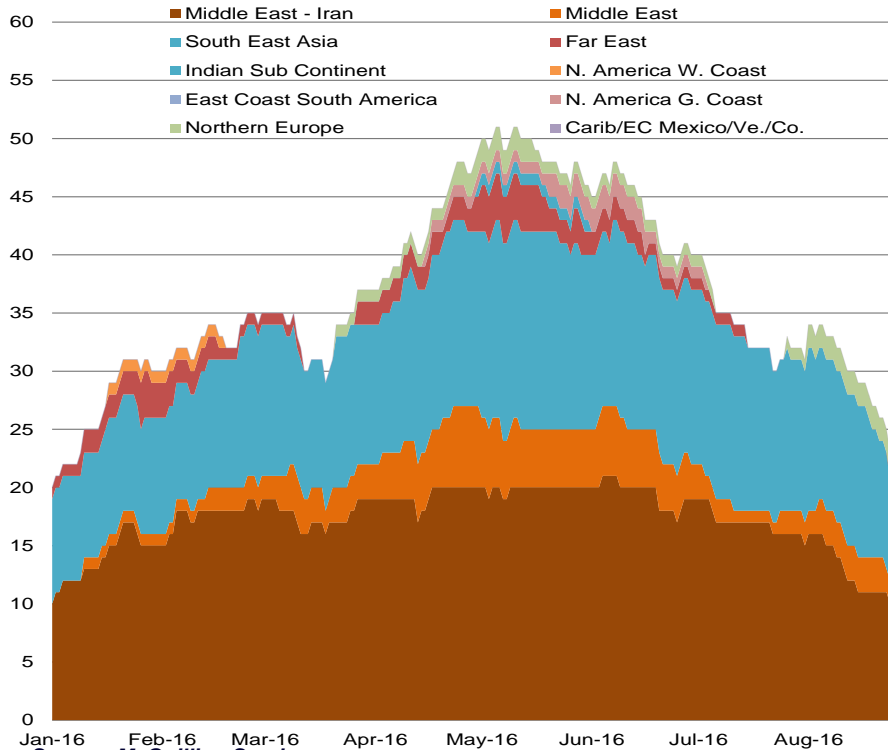


Evolving Ship Agency Services

- ▶ *Innovation and technology have become a primary support of the tanker industry, improving efficiency and safety where it is needed.*
- ▶ *The Environhull developed an automated hull cleaning technology known as the HullWiper which eliminates the use of divers, preserves anti-fouling paint and cleans nearly five times faster than traditional methods.*
- ▶ *The availability of data has allowed ship agency services to develop software to calculate operational expenses allowing owners to make more informed investment decisions.*



Floating Storage – Remotely Sensed Position Data



- ▶ Utilizing our remotely sensed position data, we track the number of ships being used for floating storage
- ▶ Iranian VLCC conducting storage have decline significantly since the Iran sanctions were removed (down from 21 to 10)
- ▶ From a peak of 51 VLCCs engaged in storage operations in May, we count 23 at the moment; a supply factor that put further pressure on rates this year.
- ▶ Contango/ percentage of the fleet (approx 5 %). In May/June, there were a couple of VLCCs in the US Gulf used for storage due to a widening curve. Southeast Asia represents 39% of floating storage at present.

Source: McQuilling Services





Strategic Initiatives

- ▶ *Working towards establishment of emission control areas in the region (Vessels berthed at the Port of Schenzhen are now required to burn fuel with a sulphur content no greater than 0.5% as part of a government directive to establish emission control areas (ECAs) at China's main commercial shipping centers) .*
- ▶ *Establishment of a Merchant Marine Fund(Brazil's Merchant Marine Fund was created to provide resources for the development of the Merchant Marine and shipbuilding industry and has supported numerous projects including the Acu Shipbuilding Unit).*
- ▶ *Development of slop reception facilities in the region- environmentally friendly/cost effective.*
- ▶ *Common agreement in the region for acceptance of older/sub standard tonnage- safety/ environmental risk/ better for the tanker market-more ship building/services.*
- ▶ *Establishment of Network of Maritime clusters(The European Network of Maritime Clusters is a network designed to support the European maritime sector as a whole through a platform from which joint activities can be started and developed).*





MCQUILLING SHIPPING SERVICES, DMCC.

- ▶ *Management consulting*
- ▶ *Business development*
- ▶ *Ship finance advisory*
- ▶ *Marine logistics analysis*
- ▶ *Market research*
- ▶ *Information technology applications*
- ▶ *Ship construction & repair advisory*
- ▶ *Personnel training*



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Thank You!