

TIME CHARTER

PROJECT

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1. Ways you can work a ship ?

- Voyage charter: where you take a ship for a specific voyage and you paid a lumpsum (ex. 100.000 usd for the voyage) or a sum per metric ton (ex 23,50 usd pmt as the sand), this is what Caribbean/Heavy have been doing all the time.
- Time charter: is defined by their duration, not by specific voyages. The payment received by the vessel`s owners is called “hire” and is paid usually in advance for given periods – usually 15 days. The charterers pay for the bunkers separately. Hire starts to count from the vessel`s “delivery” and stops when the vessel is “redelivered” back to her owners, as per the terms of the charterparty. Under certain circumstances the vessel might be put “off hire”, resulting in the temporary suspension of hire payments.
 - 2 ways of renting ships in time charter option:
 - Trip time charter: per specific trip, ex: abt 15-20 days time charter trip
 - Period time charter: per months or 1 full year
- Bare boat charter: Where you hire the ship for a period of time, normally more than one year and additional to the time charter you paid for the crew, insurance and all the technical costs/repairs and dry dockings.

2. Some definitions to have in mind

- Charteres-chrs: Company who rent the ship
- Owners: Company who owns the ship
- Disponent Owners: Are not real owners of the ship but are actually operating the ship
- Ship agents: Company incharge of attending the ship at each port call
- D/A´S : Disbursement Account at each port of call
- Bunkers: referred to the fuel of the ship, we normally find 2 kinds:
 - MGO/MDO: the most expensive, it used for run generators (light power)
 - IFO´S: IFO 30, IFO 60,, UPTO 360, the higher the cheaper, it used for the sea transit (main engine)
- PANDI: the insurer company mainly located in Europe, covers liability against 3rd parties
- H&M: Hull & Machinery, the owner of the ship cover his ship through regular insurance companies not PANDI´S
- Hire rate per day: is the rental per day of the ship expressed in USD or EUROS
- ON HIRE: Time when the hire must be paid to owners, vsI running properly
- OFF HIRE: Time when the hire period stop, because for cause of the ship or any owners decision vessel is stopped (ie: damage of the engine, cranes, vsI certificates expired, dry docking for repairs)
- DWT: Deadweight Tonnage
- DWCC: Deadweight Cargo Capacity
- CONSTANT: Some constant weight of the ship to be deducted for the DWCC
- DWCC for a specific cargo = DWT – CONSTANT – WATER – BUNKERS
- Singledecker: means single hold like the Alicia / Leistein
- BALLASTING: Moving the ship empty from one port to the loading port

More definitions-Continue:

- Delivery: Period or date when owners give the vessel to the charterers
- Redelivery: Period or date when the vessel is given back to the owners
- CHRS LIABILITY PANDI CLUB: Is the insurer for the charterers of the ship who covers risks in front of the ship and cargo owners, regularly located in London. I am working with 2 of them RAETS CLUB and CHARTERERS PANDI CLUB, the latter is more specialized in what we need and much better recommended in Colombia by inspectors.
- INSPECTORS: Companies in charge to inspect the cargo or the ship and to follow claims on behalf the pandi clubs, owners or charterers. In our case we will need to hire inspectors at the moment of:
 - Delivery-Redeliver of the ship to check vsl conditions and bunkers on board
 - Look for cargo and ship damages if any incident occurs

3. Who paid what ??

Charterers

- To paid the hire rate every 15 days in advance
- To paid the initial bunkers of the ship and thereafter
- To paid the ship agents at each port of call which includes all port charges
- To paid all costs related to the cargo (inspections, shore equipment, etc..)
- To paid the Pandi – chrs liability insurance
- While Off Hire, no payment is made

Owners

- To paid the crew, lubs, water and all ship´s provisions
- To paid the ship´s PANDI-insurance coverage / H&M insurance
- To mantain valid all ship´s documentation
- To paid the bunker left at the end of the time charter
- While Off Hire, owners paid for all the ship´s expenses until deliver back to chrs in the same position when off hire time started.

4. Types of Contract

- **NYPE 93:** New York Produce Exchange Form, issued by the Association of Ship Brokers and Agents (U.S.A.)
- **BALTIME:** BIMCO Uniform Time Charter, last revised 2001, issued By Baltic International Maritime Council-BIMCO

5. Type of ship

- **MV LUNDENES**

- DWT: 2600 TONS ; 5,98 METERS DRAFT
- BUILT 1972, PANAMA FLAG
- DNV CLASS
- GRT/NRT: 1731 / 1143 TONS
- LOA/BEAM: 70.89 / 13.13 METERS
- 1 HOLD / 1 HATCH-MC GREGOR SINGLE PULL WITH CHAIN
- HOLD 1: 37,50 X 10,25 METERS
- EXCAVATOR
- GRAIN/BALE: 118.000 / 114.000 CFT
- BOW THRUSTER: BRUNVOLL 250 HP
- 11 KNOTS / 6,5 TONS X DAY

6. Starting funds

Basis MV LUNDENES

HIRE RATE	58,500.00	On the basis 3900 x day x 15 days
INSURANCE ANNUALLY:	18,500.00	Still checking this amount ?
BUNKERS MGO:	91,000.00	
D/A S LOAD PORT	15,000.00	
ADDITIONAL 15 DAYS HIRE:	58,500.00	
FUNDS NEED IT:	<u>241,500.00</u>	