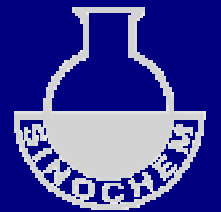




Liquid DG Logistics Introduction



David Han

General Manager-EHS

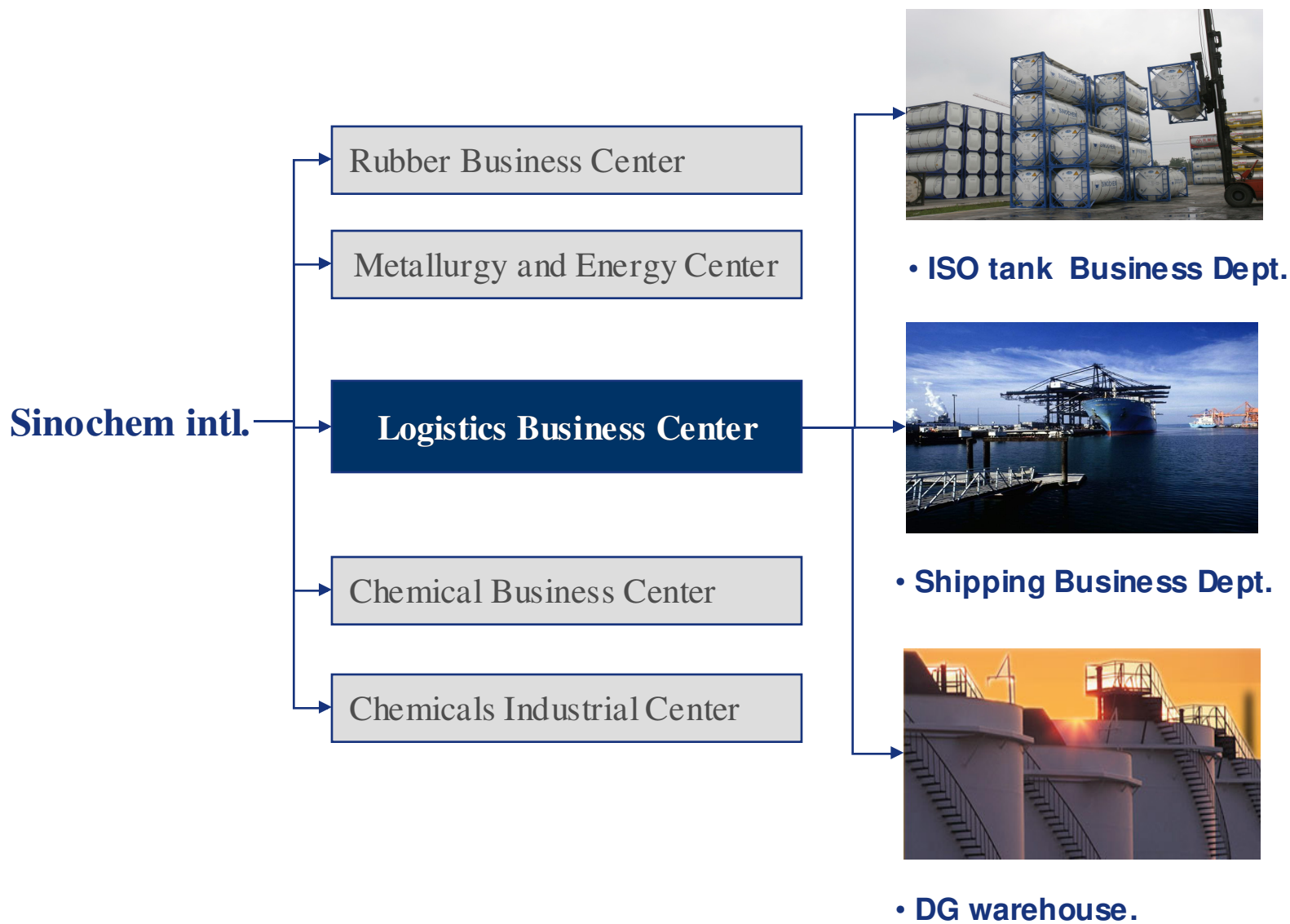
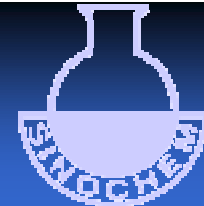
Sinochem International Corporation

AGENDA

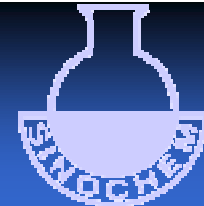


-  **1 About Sinochem**
-  **2 Shipping market analysis**
-  **3 Challenges**
-  **4 Our suggestion**
-  **5 Ask and Questions**

Introduction : Sinochem Intl.



Introduction : Shipping Business Dept

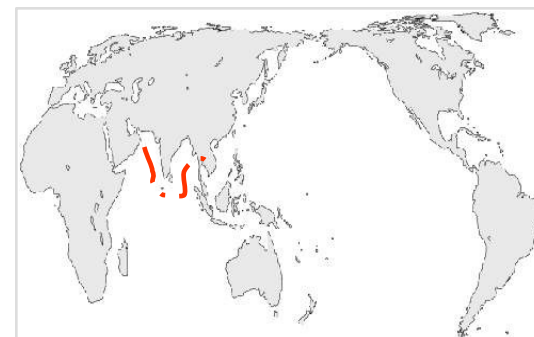
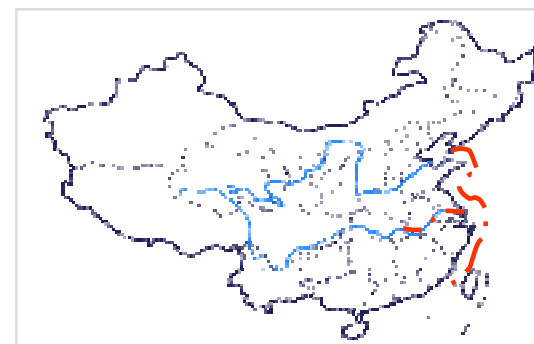


- **Our history:**

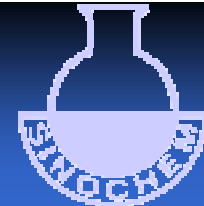
- founded in 1994 as the first company in China professional in liquid chemicals transport.

- **Our business:**

- far-and near-sea international navigation routes, liquid chemicals transport and ship management along the coastline of China.

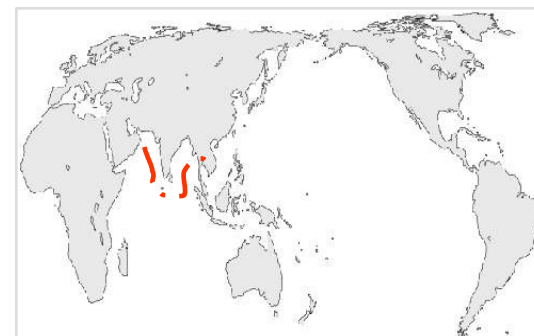
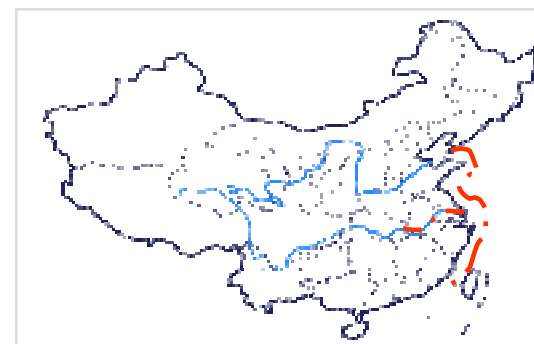


Introduction : Shipping Business Dept

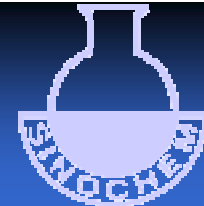


- **Our ships:**

- 21 professional liquid chemical ships (DWT 1000-14000, IMO II / IMO III) with a total shipping capacity of over 110,000 DWT;
- 10 professional liquid chemical ships under construction



Introduction : Shipping Business Dept



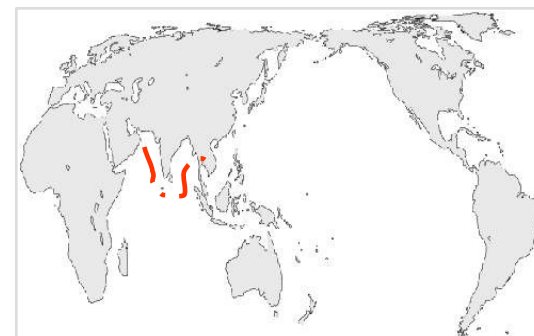
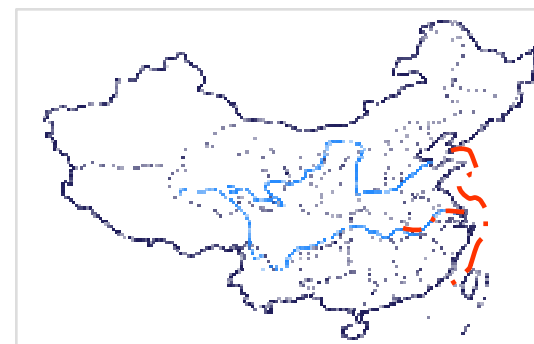
•Our people:

- Professional management team, with rich experience in ship operation and management for liquid chemicals

• Our client :



.....

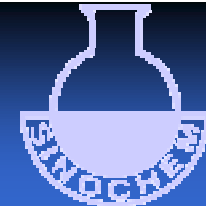


AGENDA

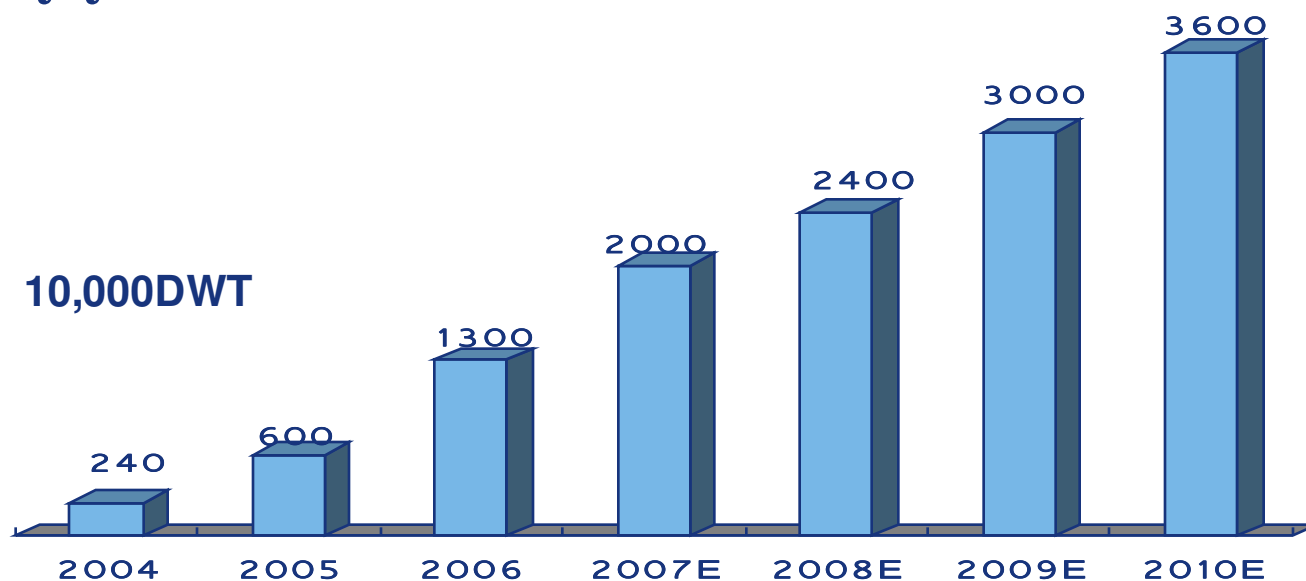


-  Introduction
-  **Shipping market analysis**
-  Challenges
-  Our suggestion
-  Ask and Questions

The market analysis



- ❖ The total liquid chemicals shipping amounted to 6000,000 DWT in 2005, supposed to 1300,000 DWT in 2010. The liquid chemical market is supposed to increase over 15% every year.

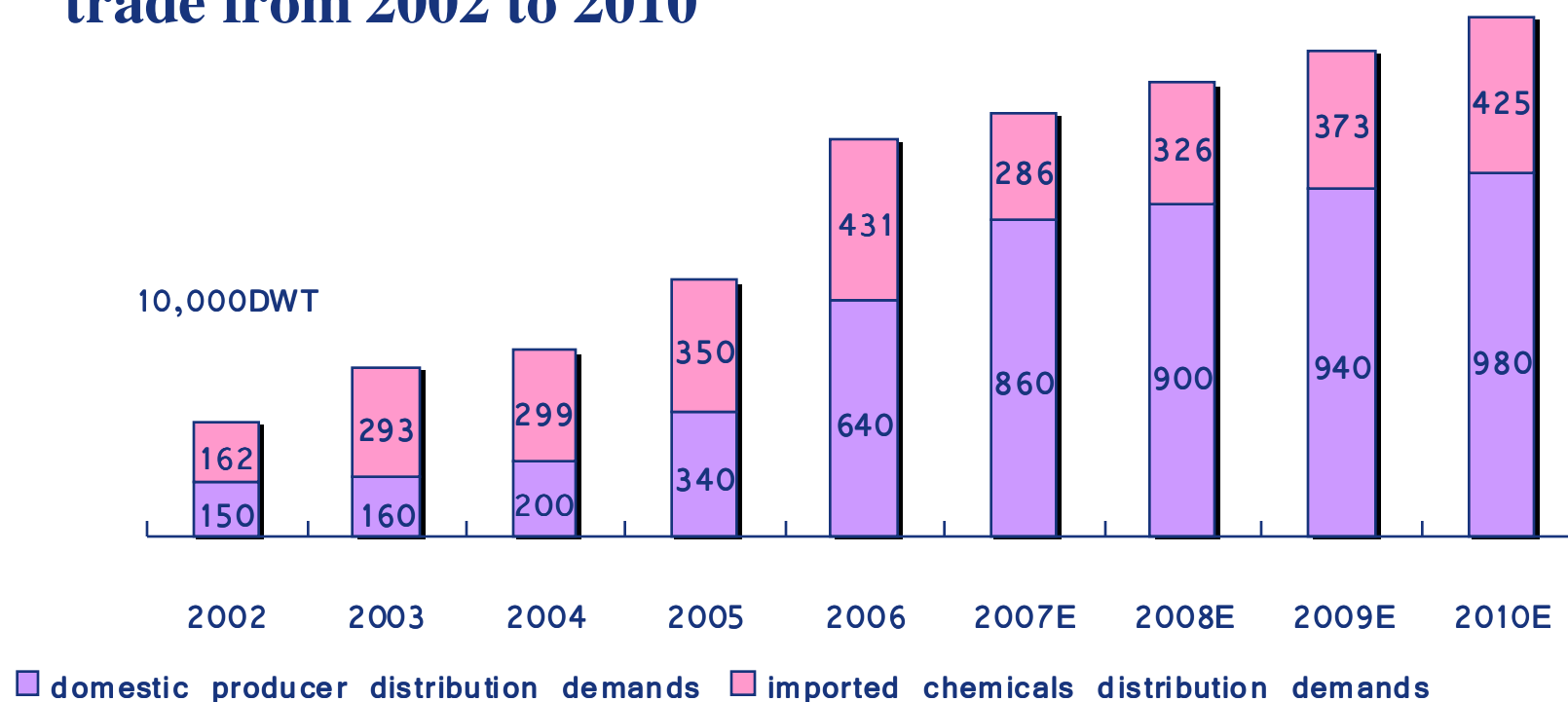


Data from : Shanghai shipping bourse report



The marketing analysis: shipping demands

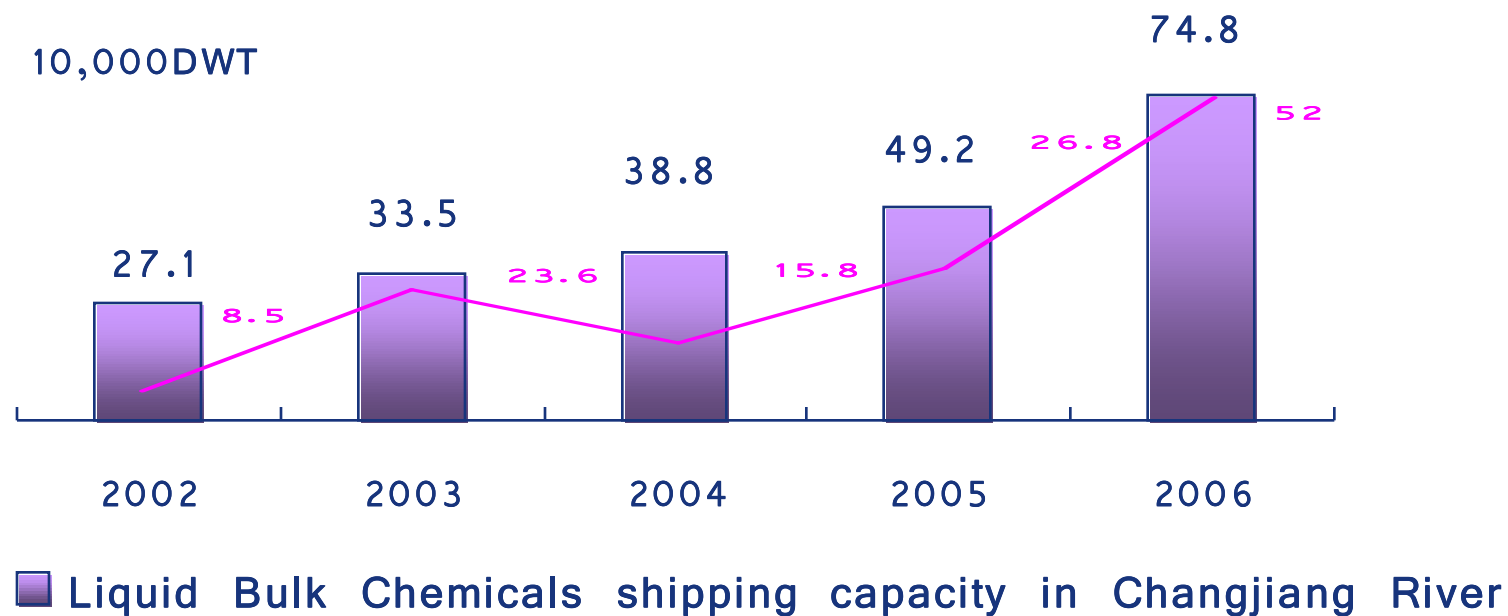
❖ Shipping demands for Liquid Bulk chemicals in domestic trade from 2002 to 2010



Data from : Shanghai shipping bourse report



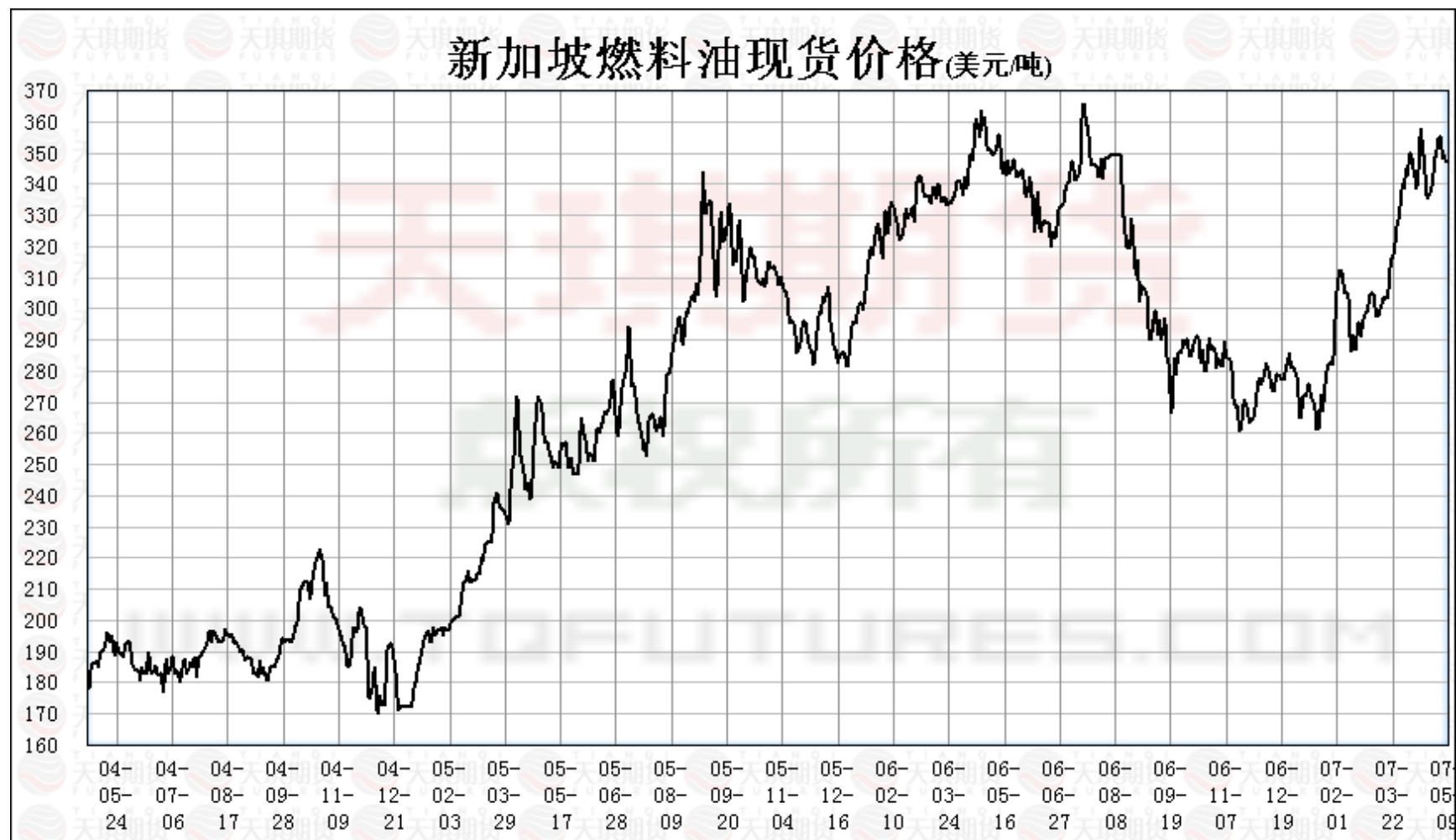
The marketing analysis: shipping capacity



*Data from: Changjiang River Bureau, Ministry of Communications
<DG shipping market report in Changjiang River, 2006>*



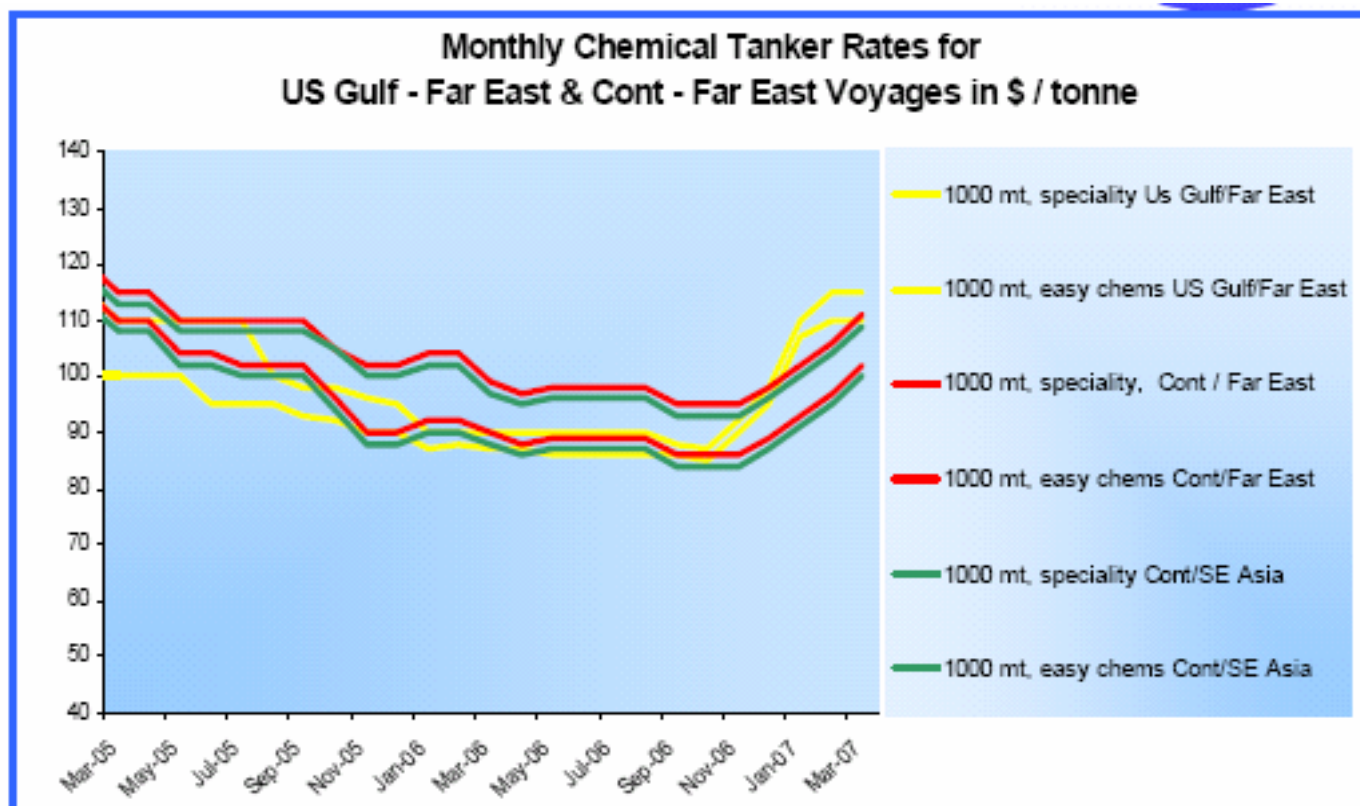
Shipping fuel price trends



Data from: <http://www.oilprice.cn>



Freight rate trends



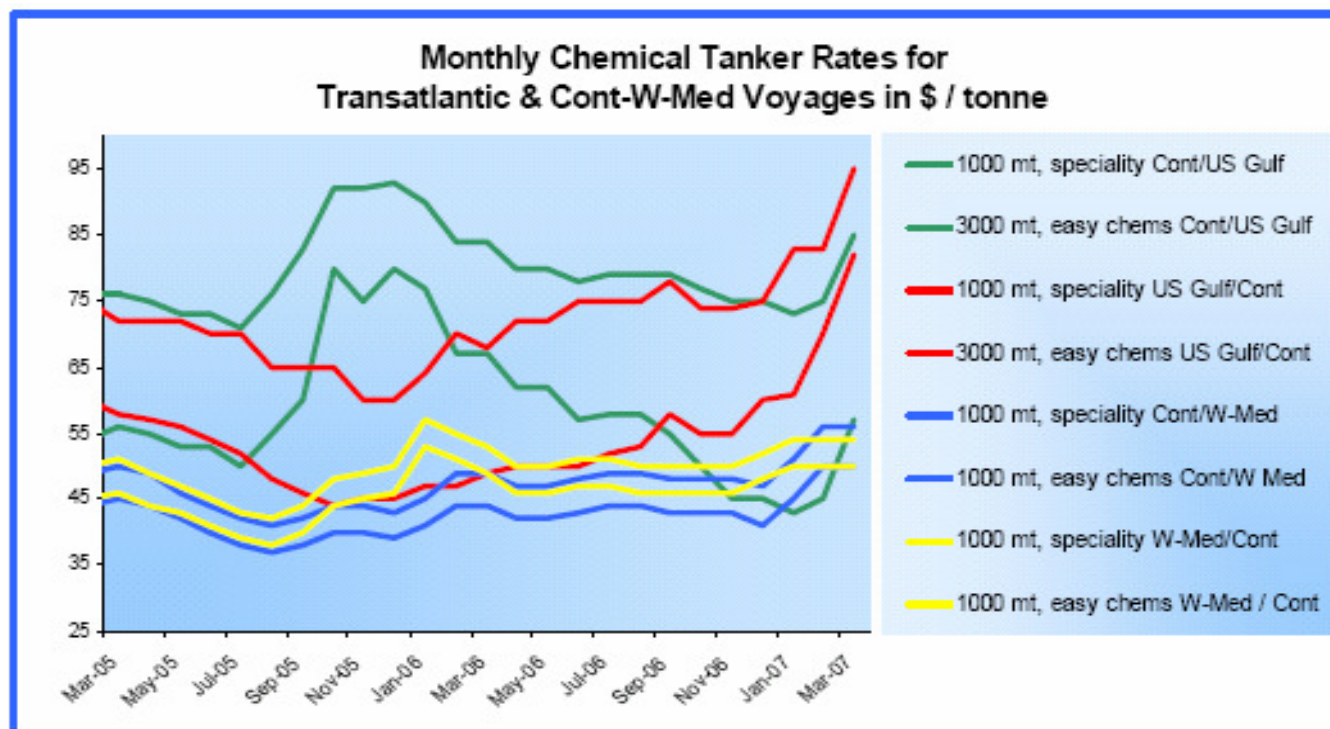
1000 mt, speciality	US Gulf	Far East	115 \$
1000 mt, easy chems	US Gulf	Far East	110 \$
1000 mt, speciality,	Cont	Far East	111 \$
1000 mt, easy chems	Cont	Far East	102 \$
1000 mt, speciality	Cont	SE Asia	109 \$
1000 mt, easy chems	Cont	SE Asia	100 \$

Data from : CTY/GMR070807

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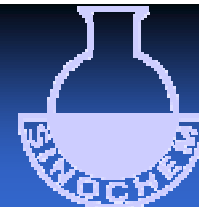
Freight rate trends



1000 mt, speciality	Cont	US Gulf	85 \$
3000 mt, easy chems	Cont	US Gulf	57 \$
1000 mt, speciality	US Gulf	Cont	95 \$
3000 mt, easy chems	US Gulf	Cont	82 \$
1000 mt, speciality	Cont	W-Med	56 \$
1000 mt, easy chems	Cont	W Med	50 \$
1000 mt, speciality	W-Med	Cont	54 \$
1000 mt, easy chems	W-Med	Cont	50 \$

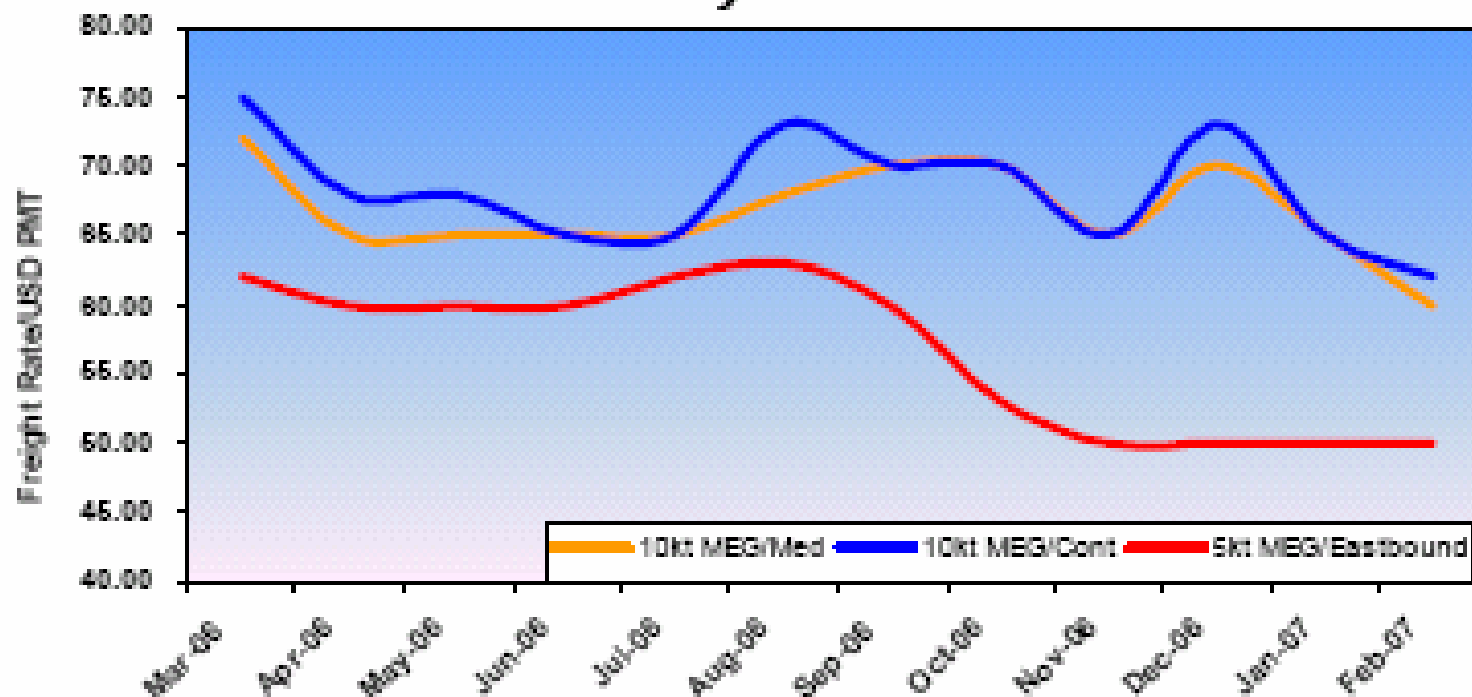
Data from : CTY/GMR070807

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Freight rate trends

Easy Chems



- M.E. Gulf/Med: Weak
- M.E. Gulf/Cont: Weak
- M.E. Gulf Eastbound: Steady

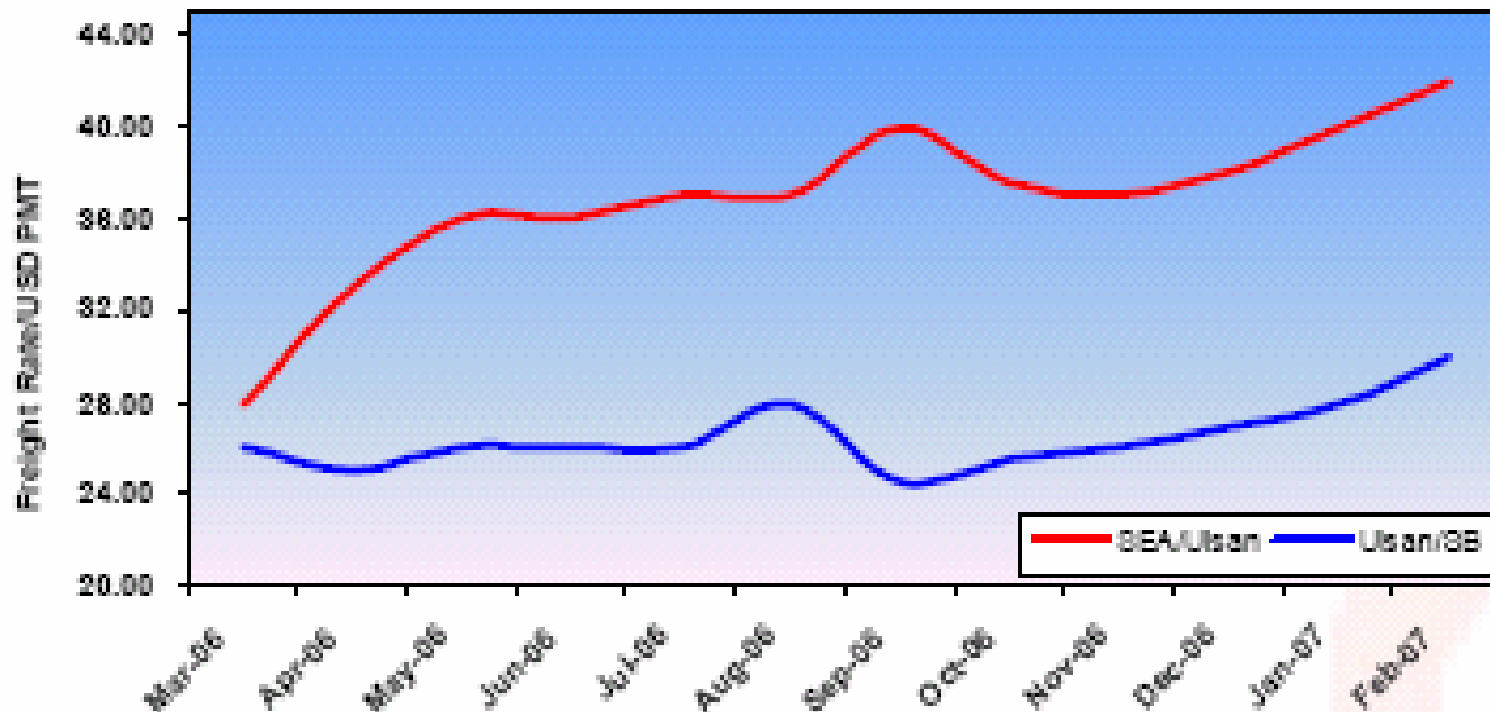
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Freight rate trends



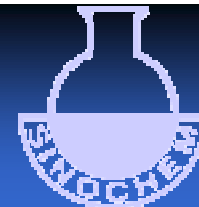
5kt Easy Chems



- SEA/Ulsan: Firm
- Ulsan/SE: Steady

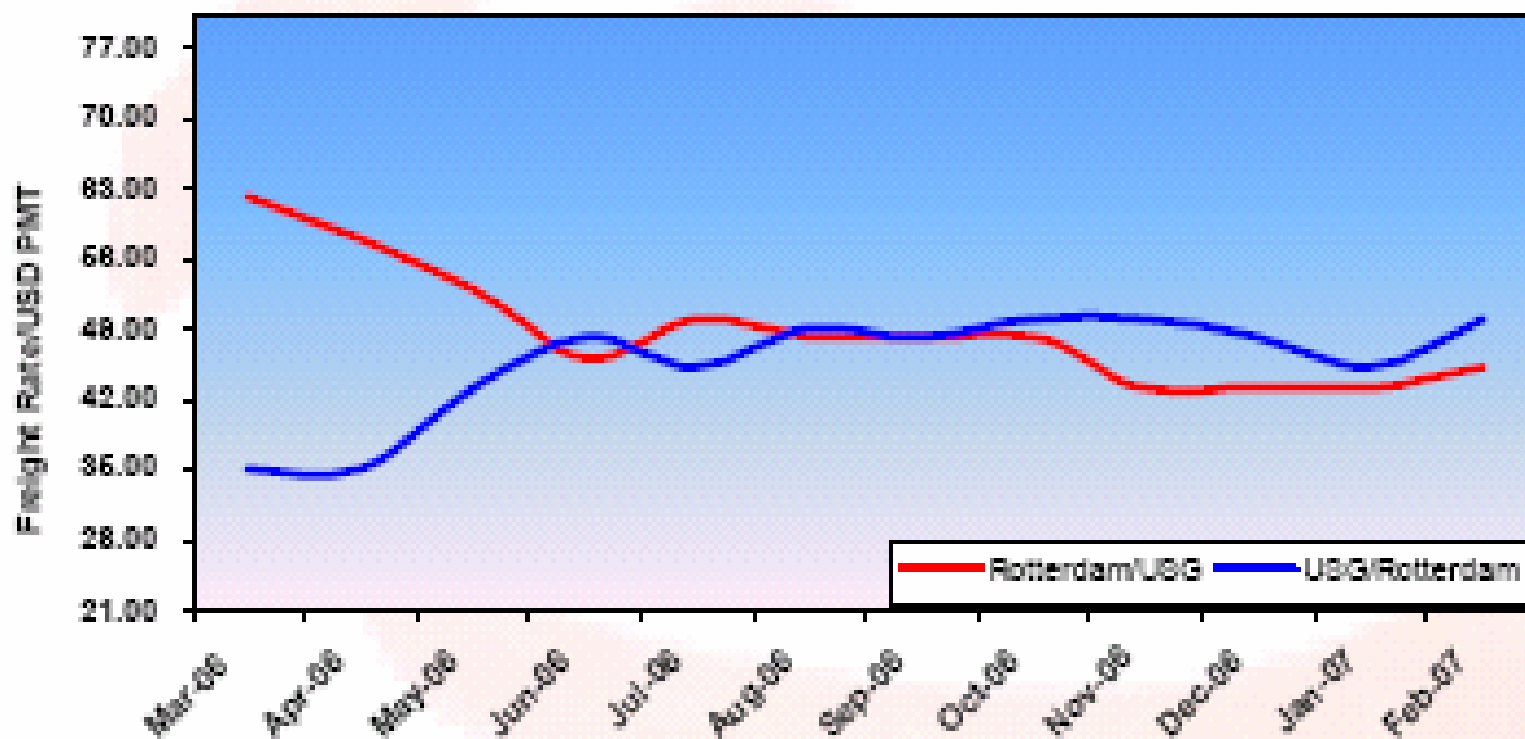
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Freight rate trends

5kt Easy Chems



- Rdam/USG: Steady
- USG/Rdam: Firm

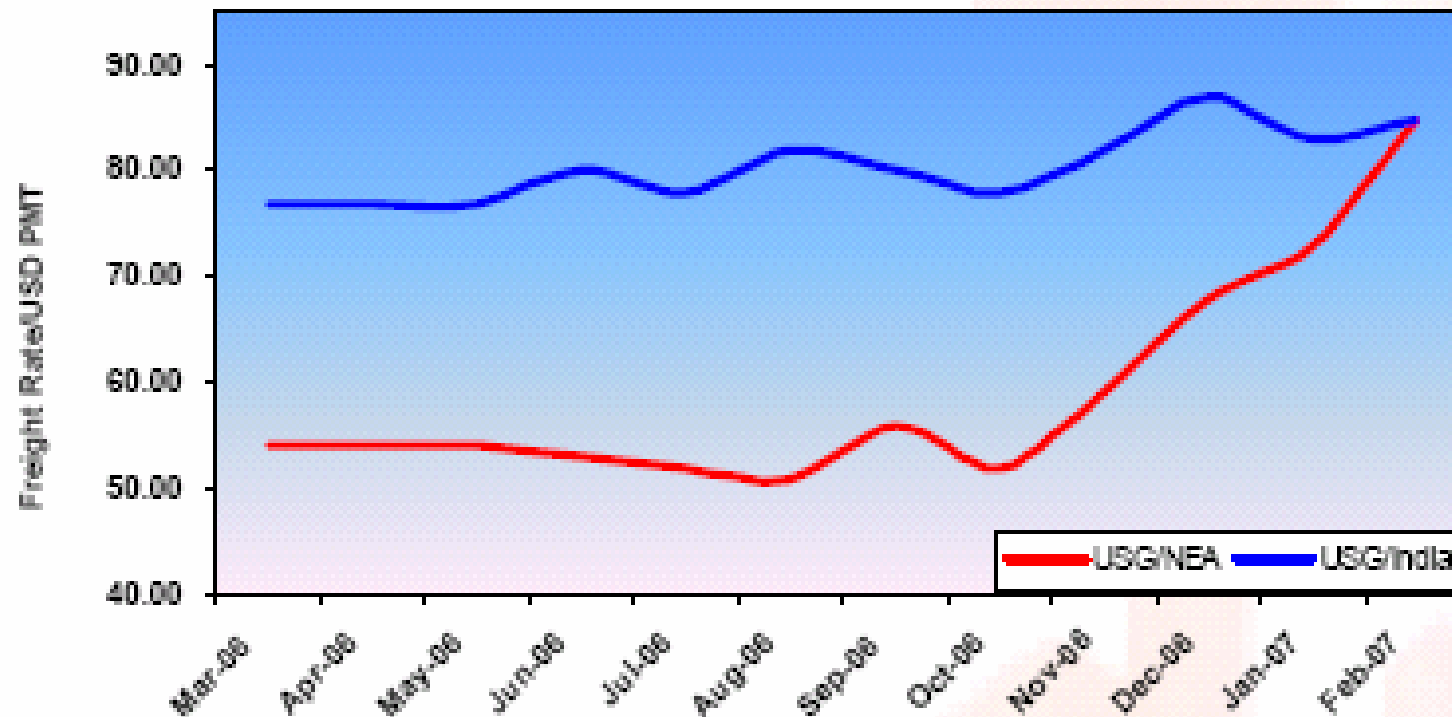
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Freight rate trends



5kt Easy Chems



- USG/NEA: Firm
- USG/India: Steady

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Data from : CTY/GMR070807



Factors of Shipping Freight rate

1. Fuel price
2. Shipping capacity
3. Distribution demands
4. Efficiency
5. Miscellaneous

AGENDA



-  Introduction
-  Shipping market analysis
-  **Challenges**
-  Our steps
-  Ask and Questions

Challenges



- Developing Country
- Poverty Short term strategy
- GDP only
- Bureaucratism
- Expensive for the compliance and cheaper for the violation
- Lack of Administration from the local Government Authorities

- 贫穷
- 短视
- 唯GDP论
- 官僚主义
- 守法成本高,违法成本低
- 地方政府的监管不力



- Overlap in the administration function among the different department
- Lack of Coordination and interest conflict among the different department
- Background

- 多部门执法
- 部门利益不均
- 关系



Some details

- ❖ **182,900 ships are navigating in freshwater till the end of 2006.**
- ❖ **In all fresh water, Changjiang river proved its half-of-the-country status with 460 million DWT shipping and 16.75 billion / DWT Km turnover**
- ❖ **440 traffic accident in Chinese water made 376 people killed, 250 ships sunk and 443 million RMB loss in 2006, according to the statistics from Ministry of Communications**

AGENDA



-  Introduction
-  Shipping market analysis
-  Challenges
-  **Our suggestion**
-  Ask and Questions



- ❖ **The logistics gross is supposed to get \$1.2 billion in 2010, acting the second largest logistics market in the world.**
- ❖ **Huge Market, Big Challenge , Many Opportunities for Logistics Supplier Providers.**
- ❖ **How to catch the chance ?**



Our suggestion as :

- **Establish the local standards for liquid Bulk chemicals shipping**
- **Organize the alliance to share the recourses**
- **Regular Communication and Workshop**
- **Support the local Government Authorities to improve the management and supervision**
- **Promote LSP in EHS awareness and skills**



Ask And Question

