

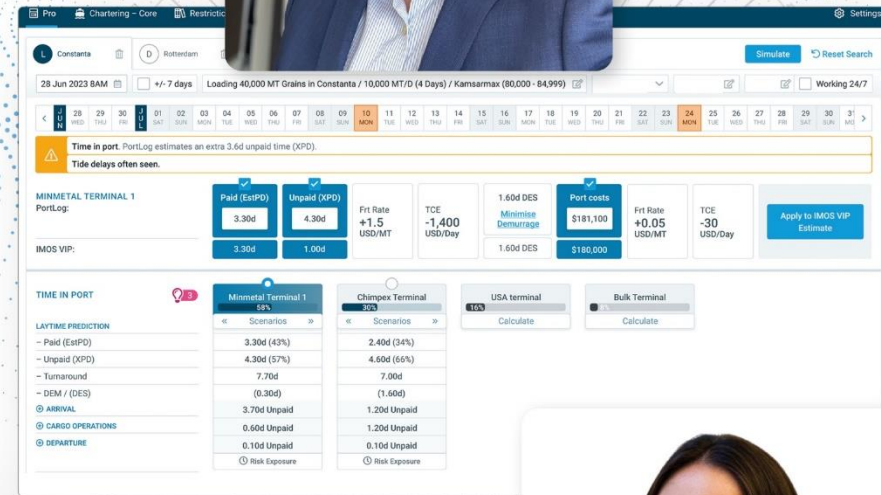
# PortLog<sup>®</sup>

MANAGE TIME & RISK IN PORT

## Predicting demurrage with PortLog



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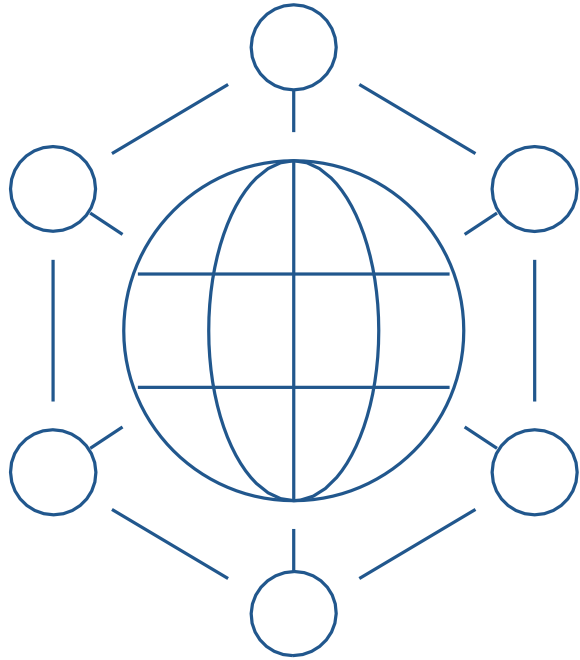


# Agenda

- Why are we here?
- What are the current industry challenges?
- In the words of our customers
- How we do it
- Live demo
- Q&A

**We're here to give  
value to our customers**

# Value to ship owners, operators, chartering teams and beyond



- Relying on your own data alone can limit decision-making
- Pooled data from **38.2m digitised SoF events** supports:
  - benchmarking against peers
  - actionable insights

**This creates significant advantages for our customers,  
by reducing cost, time and risk.**

**38.2m digitised  
SoF events**

# Industry challenges

# The challenges are widespread across teams



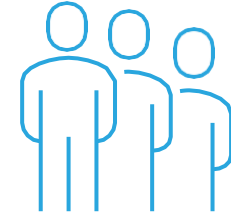
## Chartering/Freight Traders

Quick and easy access to data  
to make best possible  
decisions on demurrage, vessel  
fit/intake, port costs and other  
risks before fixing



## Finance

Reduce uncertainty between  
estimated and actual voyage  
result; predict cash flow  
impact of demurrage;  
reduce TCE leakage from time-  
not-on-demurrage



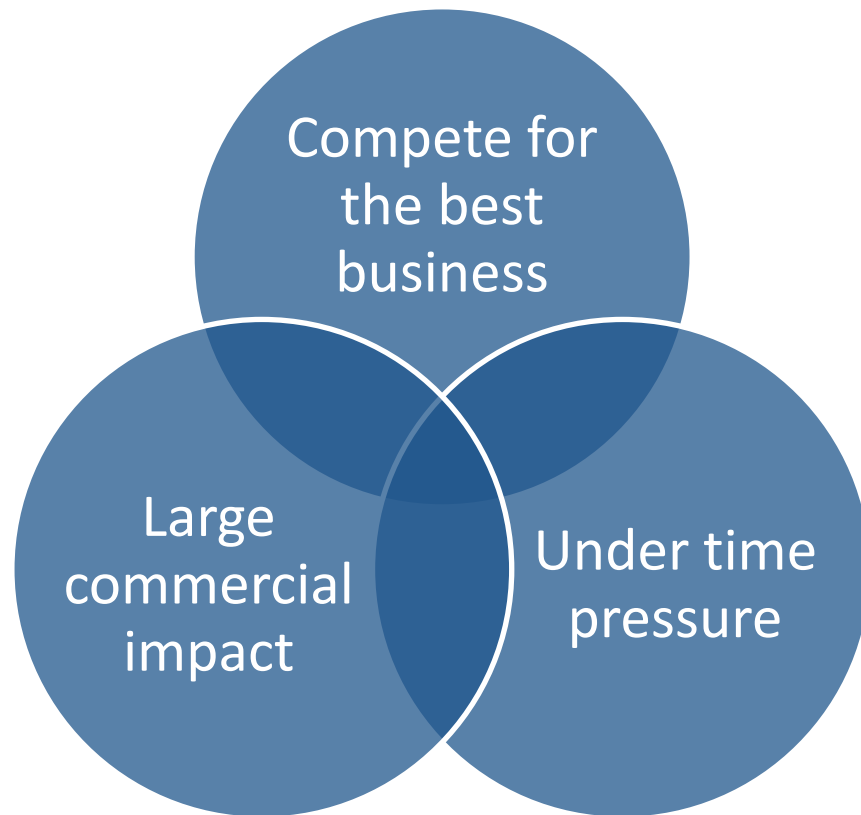
## Operations

Optimise port call planning and  
execution; spend less time  
assisting chartering colleagues  
and contacting agents; support  
post-fix on demurrage  
calcs/disputes



# The challenges in modern chartering

## Recipe for risk exposure!






## Core pre-fixing steps:

- Estimation of port costs
- Verify port and terminal restrictions
- Budgeting unpaid time

# The challenges in modern chartering



Today's standard practice

## Estimation of port costs

-  Copy from previous estimate / port call
-  Check your manual port file
-  Ask an agent or colleague



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## Verify port and terminal restrictions

-  Check your manual port file
-  Ask an agent or colleague

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## Budget for unpaid time

-  SHEX factor + 12h Turn Time
-  Rest is covered by demurrage... Or not?

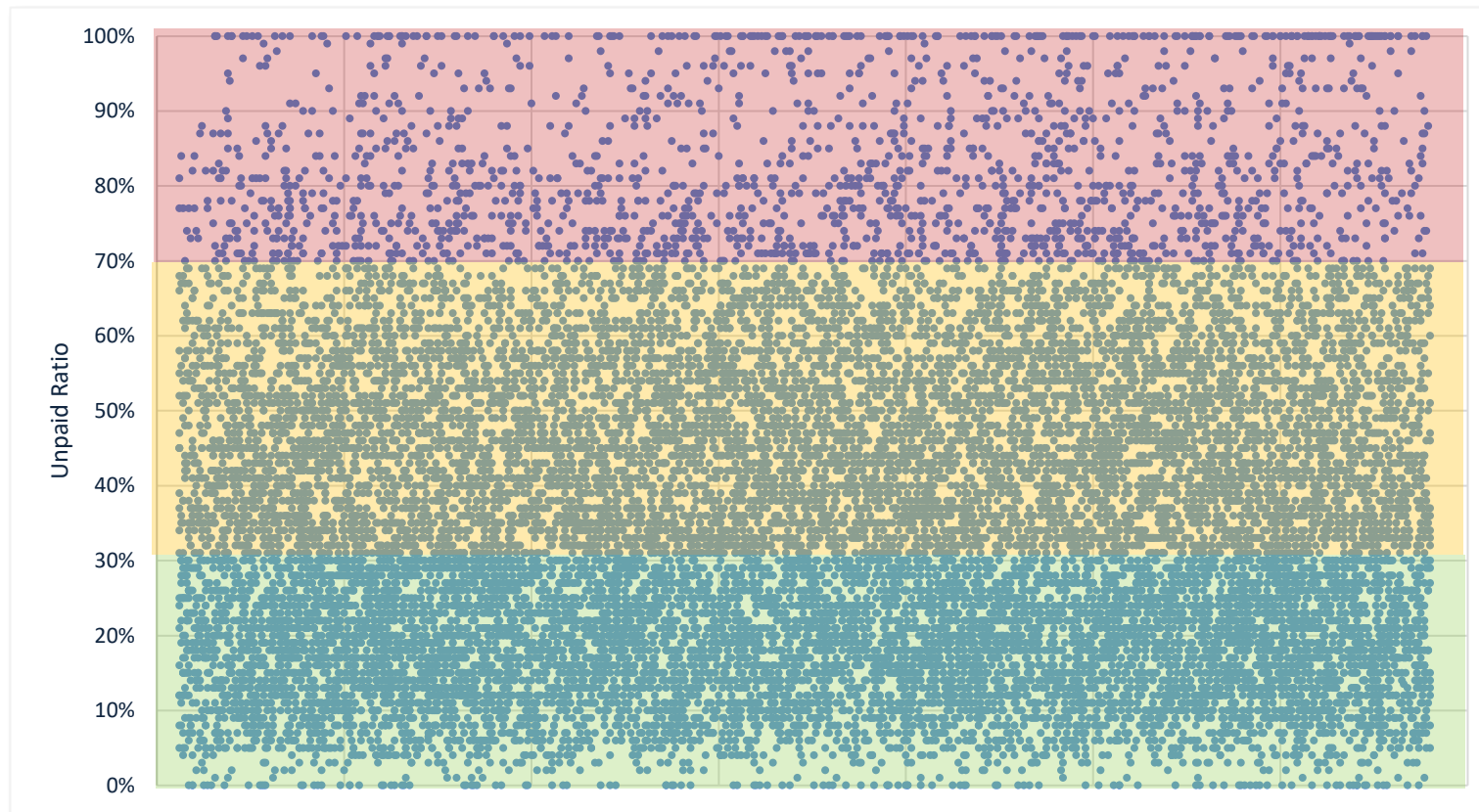


**“Covered by  
demurrage”**

# “Covered by demurrage”

It's widely believed that time in port is “covered by demurrage”. We conducted a study of over 20,000 dry bulk laytime calculations to evaluate the proportion of actual time spent by a vessel in port vs. the time counting on the laytime statement.

Unpaid Ratio – One dot is one port call



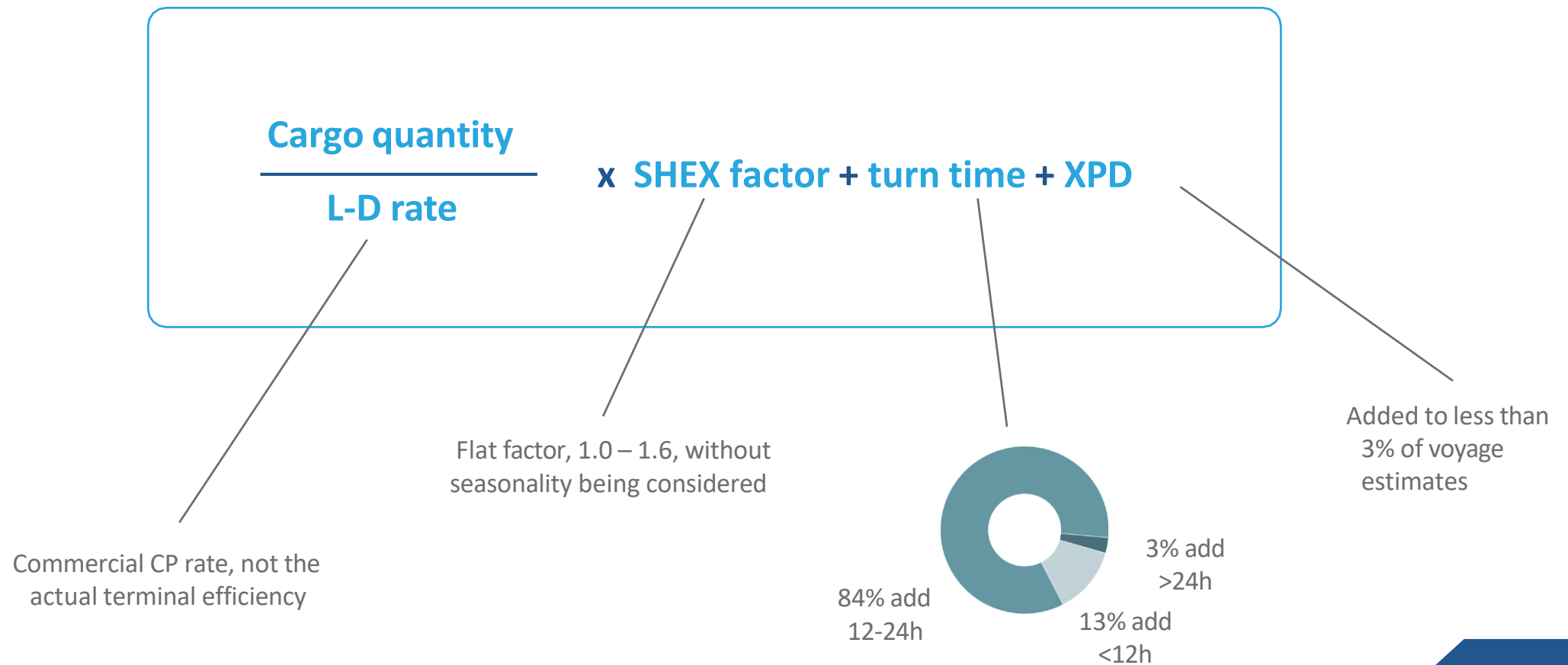
On average, **38%** of the actual time in port is unpaid.

For 9% of the port calls, even **+70%** of the time in port is not counting.

Source: ~20,000 laytime calculations; Unpaid days = Total time in port – Net days counting

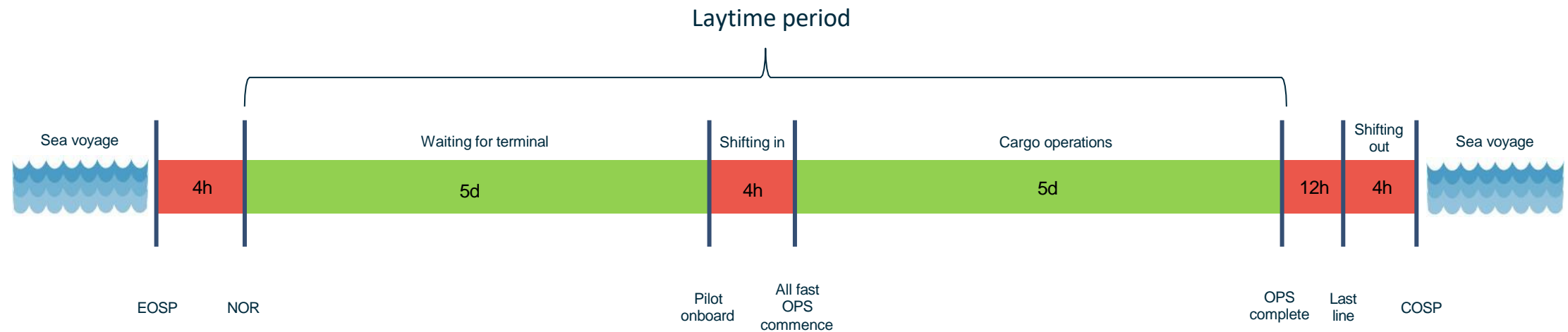
# Estimating and allocating unpaid time in voyage estimates

All dry bulk companies seem to have followed the same practice for estimating unpaid time for decades. No matter which voyage management system is being used, the calculation remains the same.



# The challenge of estimating unpaid time

Nice and simple case



- SHINC terms
- Allowed time 6d
- No rain or other deductions
- Turn time buffer 12h

Total time in port	11 days
Paid time	10 days
Unpaid time	1 day

## Result:

Demurrage	4d
Unpaid time	1d
Estimated unpaid time	0.5d
Unpaid time underestimated	0.5d

# The challenge of estimating unpaid time

In reality, its often much more complex



- SHEX3 terms
- SHEX factor 1.4 = 2.5d
- Allowed time 6d
- Turn time buffer 12h
- 2 x rain
- “Once on demurrage” never kicked in

Total time in port 11d 16h  
Paid time 5.5d  
Unpaid time 6d 4h

## Result:

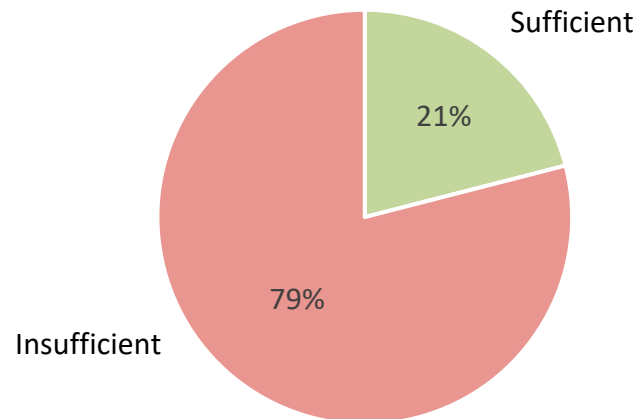
**Despatch 0.5d**  
Unpaid time 6d 4h  
Estimated unpaid time 3d  
**Unpaid time underestimated 3d 4h**  
**And Operator paid for overtime**

**Did that ever happen to you?**  
**You're not alone**

# Is this unpaid time expected and estimated?

Is this unpaid port time correctly estimated and factored into the voyage estimates during the fixing process?  
Are adequate allocations made when estimating voyage PnL and TCE's?

Ratio of sufficient unpaid  
time estimates



Source: ~20,000 laytime calculations

For **79%** of the calculations we studied, the allocated unpaid time **was not sufficient** to cover for what really happened

For the fixtures where the provided buffer was adequate, **72%** of cases were **more than 1 day over-estimated**



**In the words  
of our customers**

# On dealing with risk and combining experience with data



"It's time that's been estimated incorrectly, so it's **money out of our pocket**, and it's because it's unpaid. So, in this process, there is business that we have **said no** to that we would typically have done.

But then we have also done **a lot of new business** because we could see via PortLog Pro that actually it's **not so risky**.

You cannot underestimate your intuition and your gut feeling. But today, you are fueled with better indicators and better data. That means that you make **better decisions**."



"It's a conservative industry. Historically, we've been doing what we've been doing for at least 30 years.

The old way of doing business doesn't really work as well as doing it based on data, or even preferably a **combination of data and knowledge**.

Having a tool that provides insightful data on each of your port calls will enable you to see risk where it is."

**Visit [portlog.com](https://portlog.com) for more video conversations**

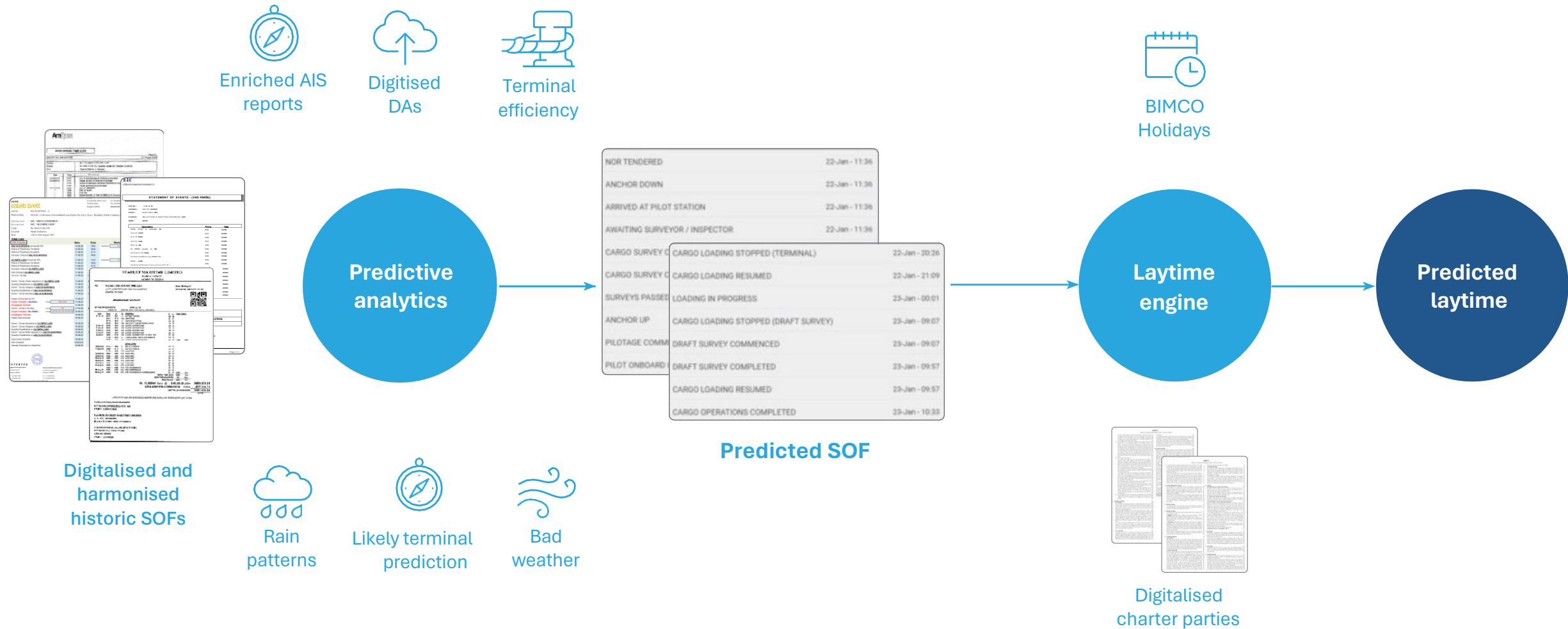


# How we do it

# High complexity port data with frequent updates

Data	Source	# Data points
Locations	Marcura proprietary	4,000 ports 11,500 terminals 40,000 berths
Port costs	DA-Desk	+1 mill historic FDAs
Port times and delays	Digitalised SOFs	350,000 historic SOFs 38.2m events / delays
AIS positions and derived port calls	AIS and geo polygons	5mill AIS reports 650,000 port calls
Climatological data, rain, temperature	Weather providers	Rain fall and temperature, all ports 1,500 ports with seasonal rain factor from SOFs
Terminal efficiency	Digitalised SOFs	6,500 terminals
Terminal restrictions	Agents, SOFs, AIS	200,000 restrictions across 6,000 terminals
Holiday calendar	BIMCO	35,000 local holidays

# PortLog simulates a future laytime result







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