



SPPI for Freight Water Transport in Sweden

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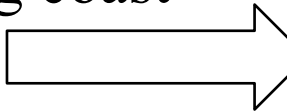
Definition of the sector being priced

NACE Rev. 2			ISIC Rev. 4
Division	Group	Class	
50 Water transport	50.1	50.10 Sea and coastal passenger water transport	5011
	50.2	50.20 Sea and coastal freight water transport	5012
	50.3	50.30 Inland passenger water transport	5021
	50.4	50.40 Inland freight water transport	5022

- Sea and coastal transport is much larger than inland water transport in Sweden
- Passenger water transport is dominated by private consumption and is included in CPI



Structure of the Swedish water transport market

- As mentioned above the Swedish freight water transport market mainly consists of sea and coastal transport.
- The reason for this is that Sweden has a very long coast and only a few inland waterways. 





Structure of the Swedish water transport market

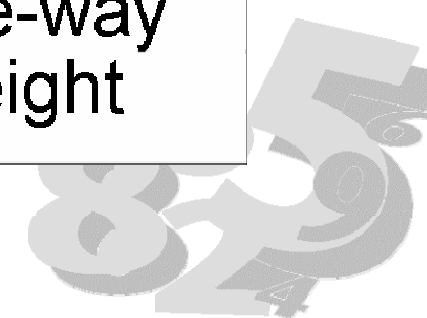
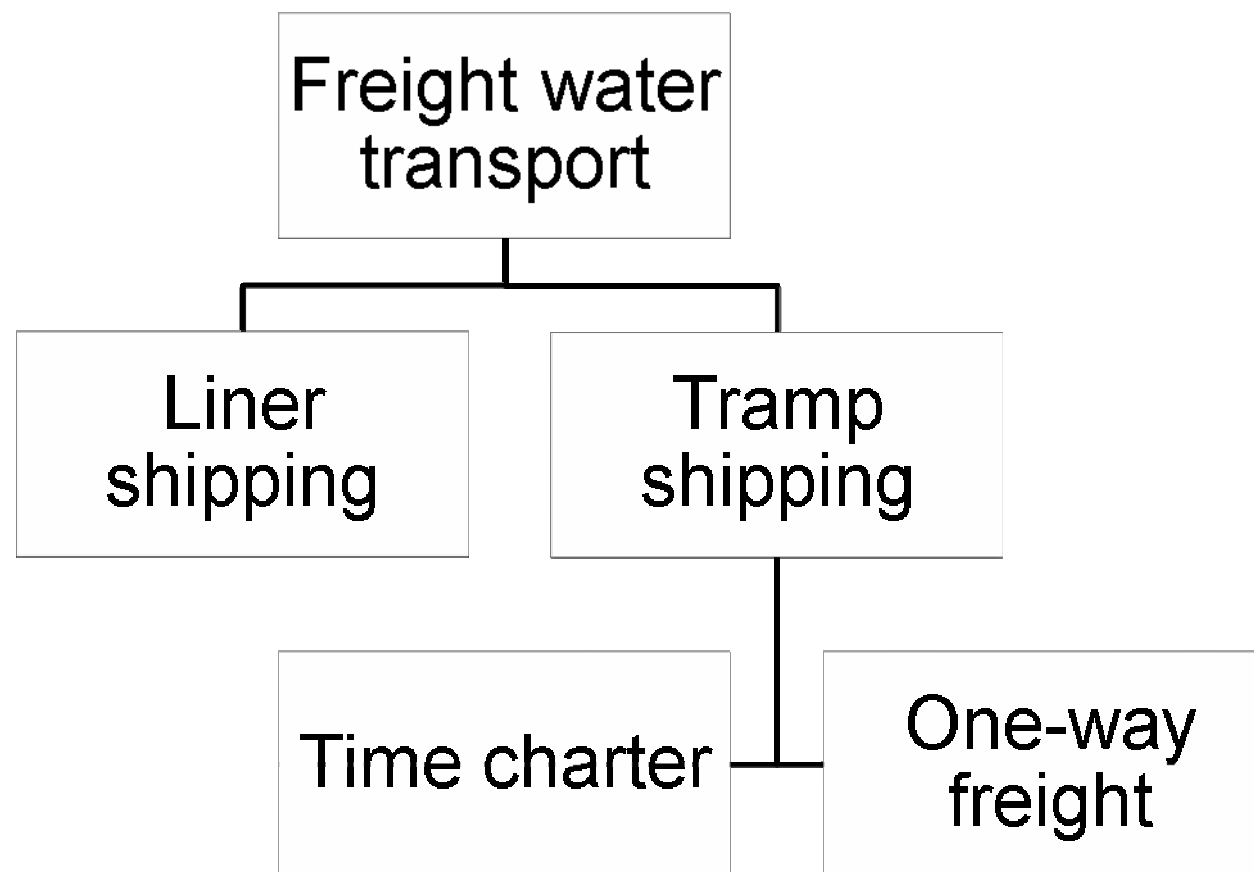
Sector	Turnover
Sea and coastal passenger water transport	12.7
Sea and coastal freight water transport	25.9
Inland passenger water transport	0.9
Inland freight water transport	0.1

Sea and coastal freight transports represent 99.6 percent of the turnover for freight water transports, and 65.4 percent of the turnover for all water transports





Structure of the Swedish water transport market

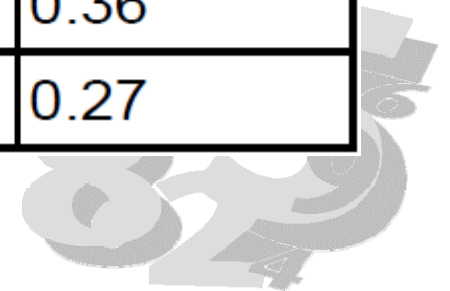




Structure of the Swedish water transport market

- The tramp market changes over time and the distribution between time charter and one-way freight is variable.
- Here the shares for 2008 are presented, these are used as weights in the SPPI for 2009.

Subsector	Share
Liner shipping	0.37
One-way freight	0.36
Time charter	0.27





Structure of the survey

Tramp shipping is also divided between:

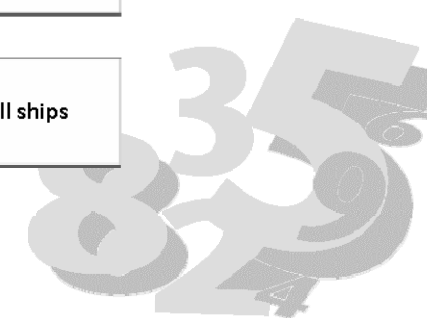
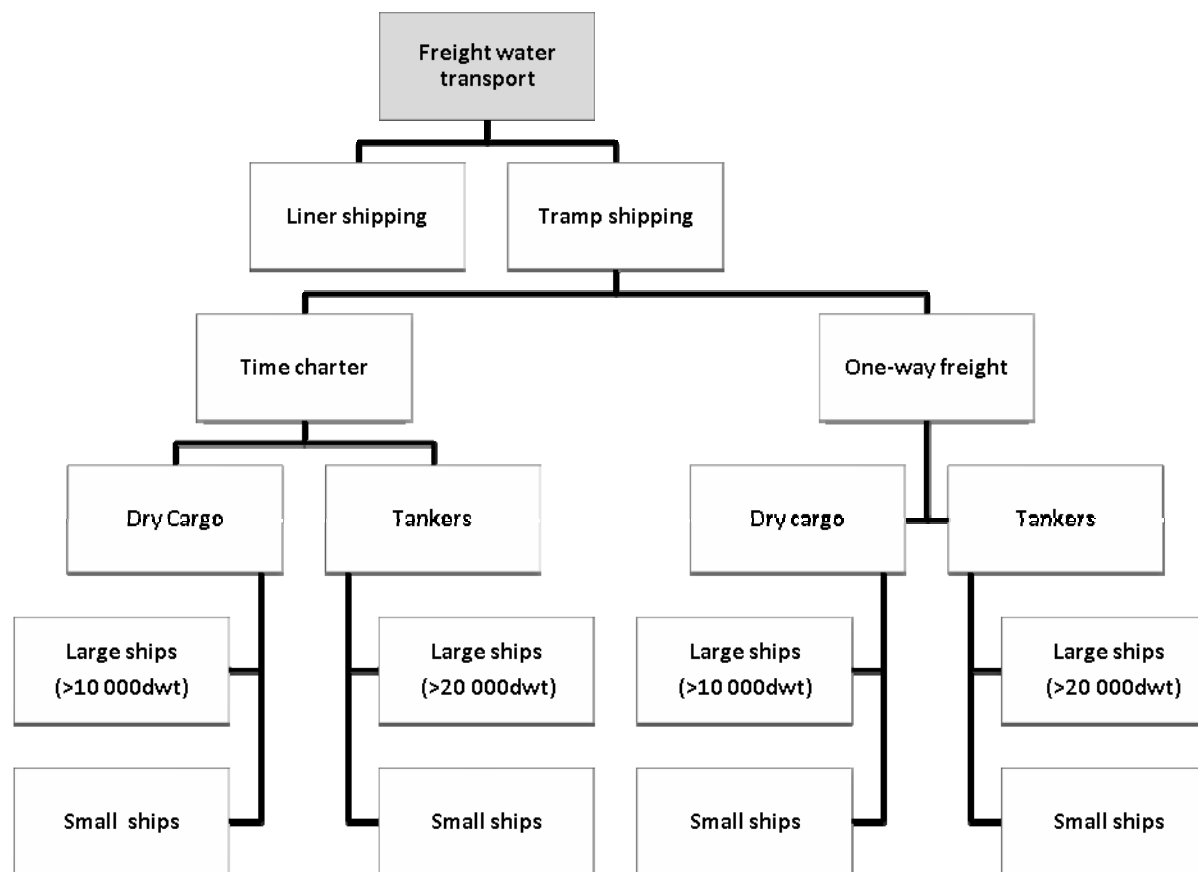
1. small and large ships
2. dry bulk ships and tankers.

Dry bulk ships: small \leq 10 000 dwt < large

Tankers: small \leq 20 000 dwt < large



Structure of the survey





Pricing methods

Tramp shipping

- Practically impossible to specify representative repetitive services.
- Ship-owners often don't take part in the negotiations, shipbrokers negotiate on their behalf.
- Prices can fluctuate considerably in just a few weeks.

Hence: Prices are collected **weekly** from **shipbrokers**.





Pricing methods

Liner shipping

Mainly functions in two different ways:

1. As a “bus line” where the exact same route is sailed very frequently and anyone can buy the transport service.

List prices are collected

2. Contract with a customer to sail according to a fixed schedule during a settled period of time.

Contract prices are collected





Sampling

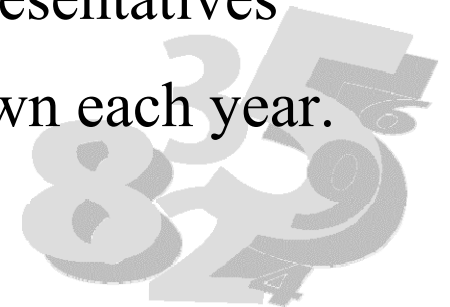
Tramp shipping

Prices are collected from three different shipbrokers for a number of routes and cargo types that are representative for the Swedish market.

Liner shipping

A sample frame was constructed using information from SCB's Business Register, the Swedish Book of Shipping, annual reports, and contacts with industry representatives

From this frame a sample of enterprises is drawn each year. Currently the sample size is eleven.





Collection of Prices – Tramp shipping

Large dry bulk vessels

Baltic Dry Index, an index compiled by the members of The Baltic Exchange in London, is used in combination with information from a shipbroker specialized in dry goods.

Small dry bulk vessels

Price estimates from a shipbroker specialized in regional transports concerning transport of steel from the Baltic Sea Region to the ARA area and wood-pulp from the ARA area to the Baltic Sea Region.





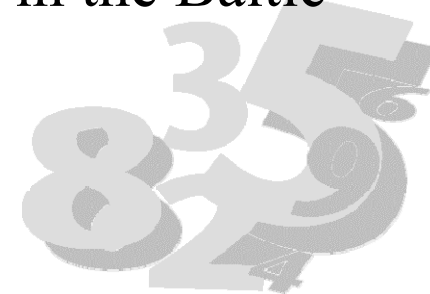
Collection of Prices – Tramp shipping

Large tankers

Worldscale Index, an international freight tariff used for tankers over 20 000 dwt, is used in combination with information from a shipbroker specialized in tankers.

Small tankers

Price estimates from a shipbroker specialized in regional transports concerning a sample of transports of oil and chemicals between a number of different ports in the Baltic Sea and the ARA area.





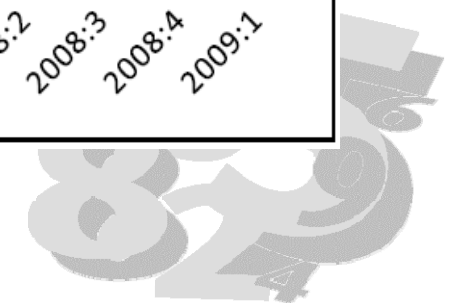
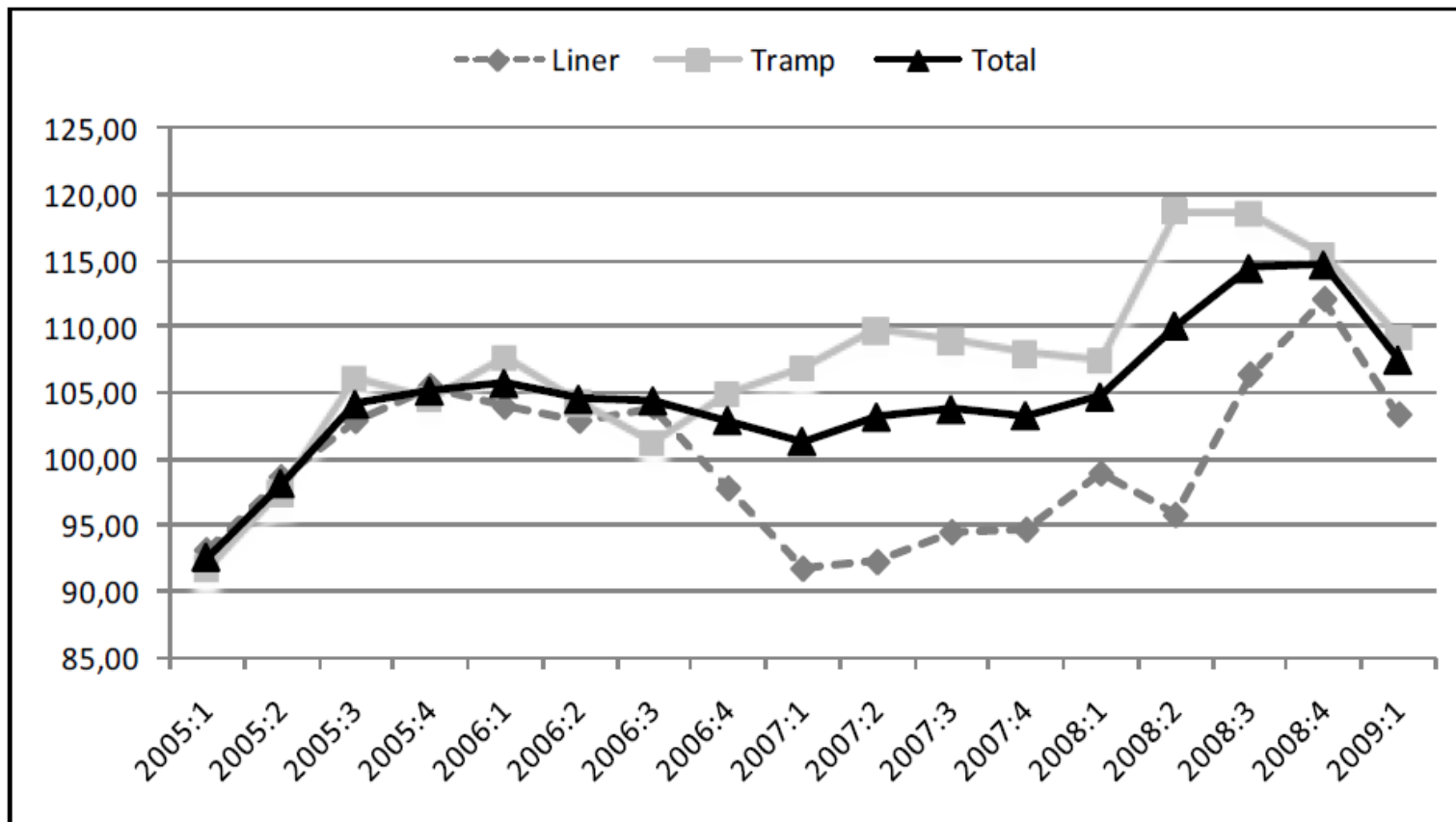
Collection of Prices – Liner shipping

- Price quotations from the liner shipping enterprises are collected quarterly via web-questionnaires.
- Most transports are within northern Europe, but a few long-distance transports are also included.
- The total number of price quotations per quarter is 40.





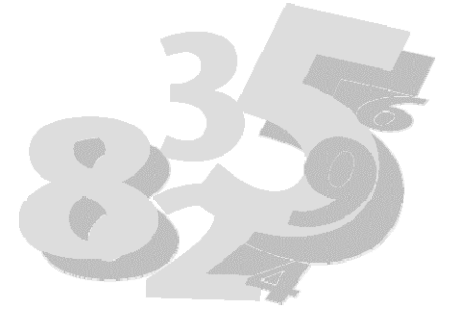
Results





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Questions?





Summary

- **Market structure** – mainly Sea and Coastal Freight transport.
- **Survey structure** – survey divided into nine submarkets
- **Pricing methods** – estimated prices, list prices & contract prices
- **Price Collection**
 - International indices and price estimates weekly from shipbrokers
 - List prices and contract prices quarterly from ship-owners





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Thank you for listening

