



Tanker Freighting System (World Scale)



- ▶ World scale is a freight scale frequently used when tankers are fixed to carry oil cargoes on a voyage basis. Tankers are often fixed before the exact loading port(s) and discharge port(s) are known. The ownership of the cargo may also change whilst the tanker is at sea. The purpose of World scale is to provide the shipowner with same net return per day (i.e. freight less bunker costs, port charges, canal dues, etc.) irrespective of the voyage performed.
- ▶ World scale is a unified system of establishing payment of freight rate for a given oil tanker's cargo. World scale was established in November 1952 by London Tanker Brokers' Panel on the request of British Petroleum and Shell as an average total cost of shipping oil from one port to another by ship. A large table was created as result.



- ▶ Freight” is the remuneration payable by the charterers to the owners for the performance of the contract . It may be called charter party freight in the contract.

"World scale" is the code name for the “New Worldwide Tanker Nominal Freight Scale”, published by the World scale Association (London) Limited and the World scale Association (NYC) Inc., which are controlled by panels of leading tanker brokers in London and New York City respectively.



- ▶ Worldscale is a schedule of nominal tanker freight rates used as a standard of reference by means of which rates for all voyages and market levels in the crude and oil products tanker trades can be readily compared and judged. This is aimed at making the business of fixing tankers simpler, quicker and more flexible.
- ▶ Worldscale is based on an average vessel with average costs earning an average rate. It works on the basis that, using the realistic costs of operating an imaginary standard tanker of “average” size on an “average” 15,000- mile round voyage, the break-even freight rate for that ship on that route can be calculated. This “Worldscale Flat” rate is calculated in US dollars per metric ton of cargo carried on a standard loaded voyage between a loading port and a discharge port with a ballasted return voyage. The freight rate actually negotiated in a fixture, using the Worldscale Flat rate as a basis for negotiation, is called the “Worldscale Freight Rate”.