

Graig expands its model to box ships

Graig Shipping widens its multi-revenue-stream business model to include a new feeder container ship design

UK-based Graig Shipping has decided to expand its lucrative model to container ship owning after employing it in the dry bulk and multi-purpose sectors.

Graig has ordered three new types of feeder container ships from Jin Hai shipyard in China. The series is expected to reach 26 vessels, but ultimately Graig intends to build as many as 60.

A Graig spokesman told *Fairplay* the company's business model is founded on two cornerstones: first, using their own ship designs worked out with strategic partners; second, using a shipyard known for good productivity and a desire to move ahead with an outside injection of technological expertise.

Under the model, Graig places the first few orders itself and

supervises their construction. It then manages the ships after they enter service. Once operational expertise has been accrued, Graig factors this into improving design and attracting investors for additional vessels. Then, once again, Graig will supervise construction to generate additional revenue and will also manage many of the ships ordered by third parties for the same reason.

Maintaining a close link between owners, charterers and cargo owners that use the ships is an important part of the model, as it allows parties to exchange information to develop the design.

The Marlin 2000 Blue container feeder ship design was jointly developed with DNV and Wärtsilä. It offers a 30% reduction in fuel consumption/teu compared with existing ships and is suited to slow steaming at 10kt, but can also be operated at about 20kt without experiencing problems with the engines, which are electronically controlled.

By locating the bridge forward,

damage to containers near the bow that often occurs can be eliminated. The design offers 20% more container capacity than existing ships of the same type and also has a significant reefer capacity, which is much in demand on the charter market.

"Originally, the design started with LNG propulsion, but it soon became clear that charterers do not want that at this point. They would rather have a conventional propulsion system with added flexibility," the spokesman said.

Hugh Williams, CRO of the Graig group, commented: "This is a step change for the feeder section of the container industry. It marks the beginning of a two-tier market for feeder ships. The top tier will be those which are like Marlin; clean and fuel efficient, and matching the economies of scale of the new mega liners. This is a much better ship for the job than you can find anywhere today and it is ready to go as a package."

This is the third design Graig has introduced. The first involved 12,000dwt Confidence-class

multi-purpose vessels, built in the 1990s, with the first ordered by Graig. The Clipper group soon joined the enterprise. Graig supervised the construction of the vessels, then managed Clipper's ships on its behalf.

With the business model firmly in place, Graig moved into the Diamond 53 series of double-hull dry bulk carriers, 60 of which were ultimately built in China using the same business model.

German owners that have mainly built their ships at domestic yards using KG finance have dominated the feeder container ship market. However, that source of funding has dwindled, creating opportunities for Graig to enter the market. It has good links with Exim bank in China which is a key financier in the Marlin 2000 Blue project.

At present, Graig is in advanced stage talks with a number of charterers about employing the first three ships of the Marlin 2000 Blue class, but no contracts have yet been signed. ■



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Graig expects Marlin 2000 Blue to become the new workhorse of the container feedership business

[Photo: Graig Shipping]