LNG Charter and Voyage Cost Training Course: Hire, Fuel, Boil-Off and TCE Decisions

4 – 8 October 2027
Rome

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Programme Summary

LNG charter and voyage cost is the subject of this one-week training course for commercial and shipping managers in gas companies, ending in a charter cost decision pack for one cargo plan. Freight is often a minor line in a delivered price until a charter market swings and a voyage costs far more than planned. The programme links charter types, market reading, voyage arithmetic and time charter equivalent comparison into one sequence, applying each tool to a cargo plan the participant owns. Mars Training Centre UK delivers this programme on LNG charter and voyage cost to mixed-organisation cohorts.

The Business Case

Shipping links liquefaction plants to import terminals, and its cost moves with charter rates, fuel and the time a vessel spends at sea or waiting. When voyage costs are estimated loosely, sellers misprice delivered cargoes and buyers compare offers on unequal terms. Managers who can build a voyage calculation and compare options on one measure can choose between spot and term charters with evidence.

- Freight Cost Accuracy: Improves as hire, fuel, boil-off and port charges are costed leg by leg.
- Charter Decision Quality: Improves as options are compared on a common time charter equivalent basis.
- Margin Exposure: Falls as sensitivity to hire and fuel is tested before a fixture is agreed.

Principles and Evidence Base

- Time charter equivalent: The earnings measure that puts voyages and charters on a daily basis supports the comparisons in Session 4.
- Voyage calculation model: The build-up of hire, bunker fuel, boil-off, port and canal charges structures the work in Session 3.
- Boil-off accounting: Tracking cargo vaporised during a voyage guides the cost treatment practised in Session 3.

Intended Participants

- Commercial managers who price and sell or buy delivered LNG cargoes.
- Shipping and chartering managers who fix vessels for a portfolio.
- Trading and scheduling leaders who plan cargo movements across routes.
- Finance managers who budget for freight.
- Contract managers who negotiate shipping terms.

Typical functions include LNG marketing, shipping, trading and portfolio management in gas companies and utilities.

Learning Outcomes

1. Participants will be able to diagnose the cost elements of an LNG cargo movement.
2. Participants will be able to evaluate spot and term charter options against a cargo plan.
3. Participants will be able to construct a voyage calculation with hire, fuel, boil-off and port charges.
4. Participants will be able to assess routes and speeds using time charter equivalent.
5. Participants will be able to prioritise the inputs that move voyage cost most.
6. Participants will be able to justify a chartering decision to colleagues and owners.

Programme Structure

Day 1: LNG Charter and Voyage Cost Foundations

What makes up the cost of moving a cargo of LNG, and who carries each element?

- Cargo Chain Cost Map
- Voyage Leg Breakdown Sheet
- Owner and Charterer Cost Split Chart
- Delivered Versus FOB Pricing Comparison
- Cost Question Brief

Day 2: Charter Types and Charter Market Reading

Which charter form fits a cargo plan, and what does the charter market signal?

- Spot and Term Charter Comparison Table
- Hire Rate Driver Map
- Fleet Supply and Demand Balance Sheet
- Charter Clause Reading Guide
- Market Signal Tracker

Day 3: Building the Voyage Calculation

How is a voyage costed from hire, fuel, boil-off and port charges?

- Voyage Calculation Model
- Bunker Fuel Consumption Table
- Boil-Off Accounting Sheet
- Port and Canal Charge Schedule
- Ballast Leg Cost Check

Day 4: Time Charter Equivalent and Comparing Options

How does time charter equivalent put different voyages and charters on one footing?

- Time Charter Equivalent Worksheet
- Route Choice Comparison Table
- Speed and Idle Time Trade-Off Chart
- Fuel and Hire Sensitivity Table
- Charter Decision Matrix

Day 5: Applying the Tools to One Cargo Plan

Do the cost, market, voyage and comparison tools support one chartering decision?

- Applying the Session 1 Voyage Leg Breakdown Sheet
- Using the Session 2 Market Signal Tracker
- Testing the Session 3 Voyage Calculation Model
- Checking the Session 4 Charter Decision Matrix
- Completing the Charter Cost Decision Pack

Methodology

The programme uses a data workshop method built on anonymised voyage sheets, hire rate series, fuel and port charge tables and charter extracts. Participants calculate in mixed commercial and shipping groups on one shared cargo plan, challenge each other's assumptions and receive written facilitator feedback on each calculation set.

- Suggested activity: Costing one voyage on two routes and comparing the results.
- Suggested activity: Testing how a change in hire and fuel moves the cheaper option.
- Suggested activity: Listing the charter clauses that shift cost.

Capstone Output

Each participant completes a charter cost decision pack for one cargo plan. It holds a voyage leg breakdown, a market signal summary, a voyage calculation, a time charter equivalent comparison and a sensitivity table. The pack is used at work to brief a trading or shipping committee, support a fixture request and price freight in a delivered offer.

Frequently Asked Questions

Is LNG charter and voyage cost suitable for managers without a shipping background?

Yes. LNG charter and voyage cost assumes some involvement in gas commercial or supply work and builds the calculations step by step, with spreadsheet-level arithmetic only.

Which methods does LNG charter and voyage cost rest on?

LNG charter and voyage cost rests on the voyage calculation model, time charter equivalent and boil-off accounting.

How is the pack from LNG charter and voyage cost used at work?

You use the charter cost decision pack to brief a trading or shipping committee, support a fixture request and price freight in a delivered offer.

How does LNG charter and voyage cost differ from general LNG market training?

LNG charter and voyage cost centres on vessel hire, voyage arithmetic and freight comparison, while general LNG market training centres on supply, demand and gas pricing.