

FAQ – Emissions baselines and calculators

Q1: Why has the Baltic Exchange initiated a market consultation on emission baselines and calculators?

Compliance metrics like the IMO CII (Carbon Intensity Indicator) are not consistent and may not be a good indicator of efficiency, or comparative emissions by trade or route. This makes it more challenging for the market to understand the emissions component of the voyage.

Q2: Why is it helpful to refer to the standard Baltic Routes and ship descriptions in the baselines?

The market is familiar with the existing routes and ship descriptions which enable the calculation of variations in freight for any given variation in the trade. By using the same understood reference system, the emissions component of voyages and associated costs can be factored in.

Q3: Where can the Baltic Exchange standard route and ship descriptions be found?

These can be found in the “Guide to market benchmarks” on the Baltic Exchange website - <https://www.balticexchange.com/en/data-services/Documentation.html>, in the Baltic Exchange App or alternatively by contacting balticbroker@balticexchange.com

Q4: Why is it helpful to compare variations in actual voyages with these static reference points?

These route-based references are intentionally kept simple to provide an understood and consistent point of comparison.

Q4: Where do the sailing distances used in the calculations come from?

Sailing distances for the standard Baltic routes are obtained using voyage estimation software.

Q5: How are variations in actual sailing distances between voyages accounted for?

Although there may be variations on individual voyages, which will return slightly different results for the actual voyages, the comparison remains relevant. Over time as the differences are averaged out or these can be explained and accounted for.

Q6: Given port congestion, loading and unloading times will vary, how are the port days used in the calculations determined?

The port days are based on averages over time learnt through experience and consultation with the market. For the freight calculations, panellists will report severe delays and make necessary adjustments.

Q7: What is the difference between the left and right side of the calculation tools?

The right-hand side shows the Baltic standard vessel including deadweight and consumption particulars. The left-hand side allows user to enter individual vessel particulars for comparison or assessment.

Q8: What is the table at the bottom of the calculation screen for?

This table is provided to assist in understanding the assumptions made and output from the estimator.