

Reading in English

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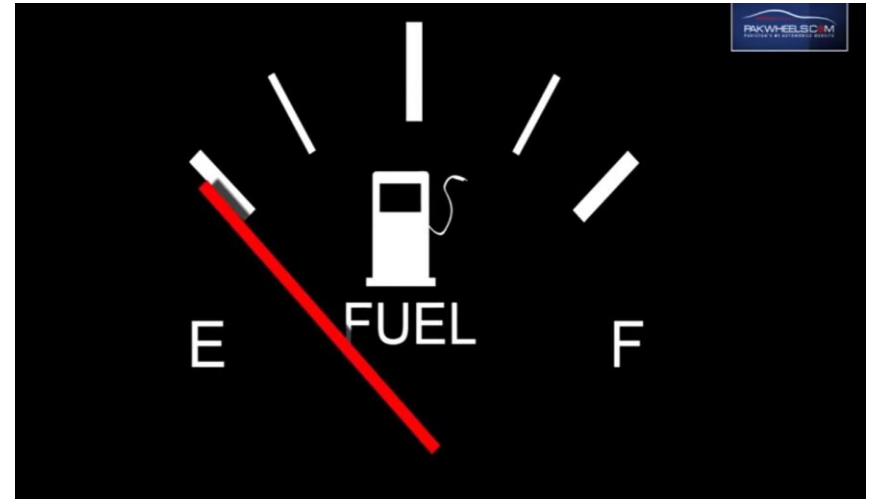
3rd Level, Department of Economics

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What are the advantages of transportation by water?

- Freight carrying capacity by water is more than ten folds higher than carrying capacity by road.
- Fuel consumption per unit weight is very low.
- Operating cost per unit weight is very low.



Why is water transport cheaper than other means of transport?

- 1.** No fixed assets (like roads or rails) to maintain. (You need dockyards, of course, but rail and trucks also need yards, so those costs match.)
- 2.** Moving assets are lower cost per ton carried. A ship that carries 7000 times as much cargo as a truck does not cost 7000 times as much to build.



Why is water transport cheaper than other means of transport?

3. Much higher tonnage-per-crew ratio.

(Trucks need 1 person to move 2 TEU

(A train uses a two-man crew to move 400 TEU

(A cargo ship might move 14,000 TEU with a crew of 20)

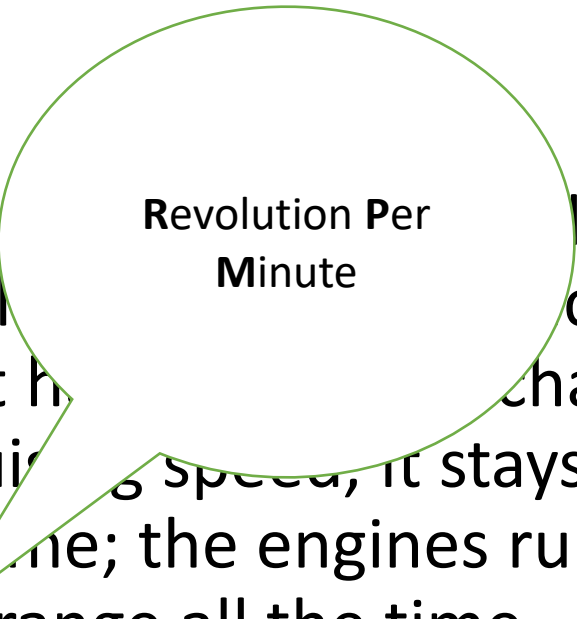
Twenty-foot
equivalent



Why is water transport cheaper than other means of transport?

4. Fuel efficiency. There are no significant speed fluctuations. A ship doesn't have to climb. There are no signals to stop or back up. The ship doesn't have to change crew. Once a ship hits cruising speed, it stays at that speed for days at a time; the engines run in their most efficient RPM range all the time.

5. Cheapest fuel: Most cargo ships burn the crappiest, nastiest oil they can get (bunker oil).



What is the meaning of transit ?

- **Transit**

It means moving from one place to another. You can have goods in transit on any form of carrier or people in transit in a private car or on public transport. That is they are on their journey, when they arrive they are no longer in transit.



Thank you