



2014 ICS Examiner's Report

OFFSHORE SUPPORT INDUSTRY (OSI)

General Comments

Quite a variation in standards was noted. Certainly some students had a good overall understanding of the subject, but there was a disappointing number of students with little or only superficial knowledge of the breadth of services and equipment found in the industry.

The industry has seen significant development and change over recent years and few students were able to demonstrate any depth of knowledge in specific areas.

A lack of structure in the answers was noted, with little use of correct terms both technical and commercial.

Question 1

This was the highest scoring question, although vessel's sketches were generally quite poor.

These vessels are complex and drawing them effectively can be difficult, good labelling of components and equipment led to increased marks.

Drawings do not need to be highly technical nor to scale but should have sufficient detail to, at least demonstrate an understanding of the concept of specialised equipment.

Extra marks were gained by those students linking the growth of the IRM fleet with the growth of subsea construction and well completions and the cost benefits of these vessels in comparison to traditional heavy-lift options.

Current newbuilding costs, buying and selling costs term charter rates also gained extra marks.

Question 2

The least popular question, which is unusual for a multi-choice.

However this question had the highest pass rate for those attempting it.

This was a good example of those knowledgeable in the subject picking up marks relatively easily, and those with little depth of knowledge, struggling.

Common to many aspects of the offshore industry, most of these terms are either known and well understood or not understood at all.

Question 3

This was a moderately well-answered question.

Most students attempting this question had a reasonable understanding of the concept of mutual, reciprocal indemnity widely used in the offshore industry.

Extra points were awarded for good examples. Demonstrating an understanding of the potential problems associated with varying the principle of strict liability, particularly in incidents involving gross negligence, wilful misconduct and fraud also attracted a higher mark.

Question 4

Another reasonably well answered question.

Most students had could identify key areas supporting offshore operations and had a general understanding of the port facilities within those areas.

But it was disappointing that so many answers simply included the range of services found at most ports serving the wider shipping industry, and lacked sufficient detail on the range of specialised services and facilities required in offshore support.

Those students scoring higher on this question not only identified these specialised services but were able to demonstrate their understanding of the development of the many high-tech companies in the hinterland associated with these ports.

A good understanding of broader issues, such as local conditions, the ease by which new service companies can establish a presence and suchlike also gained extra marks.

Question 5

This question had the poorest pass rate.

This was a good example of many students only having a superficial knowledge of the breadth of services provided by the industry.

A lack of structure in answering the question was also noted.

The examiners were looking for students to demonstrate their knowledge of the key different pipelaying techniques and their very disparate support requirements; spreads such as fixed or flexible pipelay, monohull, self propelled pipelayer, laying barge and so on.

Knowledge of the associated works such as surveying, trenching, backfilling, testing, commissioning and the type of vessels required to support these functions was expected.

Question 6

The most popular question: There was however a significant range in the quality of the answers.

Clearly some students had a good knowledge of the specifics of the industry and were able to demonstrate that well in their answers. But others had only a very superficial understanding and their answers dwelt primarily on the range of broker services that could be said to be generic to the shipping industry, rather than offshore-specific ones.

Many students failed to convey their understanding of key elements that differentiate offshore broking from other trades. This is principally the predominance of single broker fixtures, short-period, job-specific time charters in the spot market and the complexities involved when a vessel with a range of sophisticated services and capabilities experiences equipment problems or under performance.

Additional marks were gained by those students demonstrating their knowledge of the need for a broker to develop effective systems to monitor a vessel's performance.

Question 7

The second to lowest scoring question.

Many students structured their answer in a haphazard way without showing an understanding, or in many cases demonstrating a lack of understanding, of how the industry operates.

In addition to generally understanding the options involved, the examiners were looking for students to exhibit knowledge of: core business specialisation; evolution of the industry; local expertise; risk management; brand association; market trends; extent of base operations and suchlike.

Lack of real detail was a common failing.

Question 8

The second most popular question, but one that did not score particularly well.

Too many answers lacked understanding of FPSO operations with little awareness of proper technical terms. In a number of instances there appeared to be some confusion between an FPSO and a Drill Ship.

Again, similar to many questions, students had a general understanding of the concept and geographical areas of operation, but lacked real detail and consequently the support-needs of this important and growing sector of the industry.

Another common misconception was that FPSO's could effectively shuttle from field to field producing in a short sporadic manner, with little awareness of the complexities involved in commissioning and decommissioning a unit at or from a particular field.

Those students scoring well had a good understanding of the concept, particularly relating to the growth of Well Intervention/IRM vessels supporting the consequent subsea construction requirements associated with FPSO operations.