



TUESDAY 19th APRIL 2016 – MORNING

LINER TRADES

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **BOTH** parts of the question.

The expansion of the Suez and Panama Canals, the latter of which will complete in 2016, is encouraging trade and ensuring that highly competitive options exist for containership operators.

- a) Describe the advantages and disadvantages of the canals when they are fully operating at their new design levels;
- b) Explain the development and likely structure of future services using the expanded canals and assess their impact on trading patterns.

2. Choose any **TWO** of the following cargoes.

Identify at least two major trades on which they are shipped detailing the main ports of loading and discharge. Explain the types of container equipment used and any special requirements or precautions that need to be taken to protect the cargo.

- i) cotton;
- ii) frozen poultry;
- iii) hanging garments;
- iv) wine;
- v) grains.

3. Describe the process which takes place during the transportation of a FCL container from the first cargo booking, collection at the merchant's premises, ship loading until ultimate delivery to the consignee. Identify all of the parties involved in each sector of the journey, the physical activity and the associated documentation or communication involved. Use a flow chart to support your answer.

PLEASE TURN OVER

4. Answer **BOTH** parts of the question.

Whilst much attention remains in the large containership market, the sub 3,000 teu container fleet is substantial in size and robust in its activity. There are three distinct sizes of vessel in sub Panamax and Handysize capability and they are used in most trading areas of the world.

- a) Draw a profile and cross-section of **ONE** of these types of vessel and include within the drawing the main features of the vessel and its dimensions;
 - b) Describe **TWO** trading areas where this vessel would operate and the likely developments which could affect its deployment in the next few years.
5. The recent consolidation of carriers will create four mega operators with a large combined market share in excess of 40%. Further consolidation is likely as remaining carriers seek ways to compete with such large dominance.

Explain the likely scenarios in terms of alliance structures on the main east-west trades and highlight where this may disrupt existing structures and where this may prove a problem for competition authorities and shipper bodies and why. Also describe what other likely consolidation could take place and where this is likely and why.

6. Answer **BOTH** parts of the question.

- a) Write a voyage estimate for a single round voyage of your choice highlighting all the key revenue and costs;
- b) When a voyage estimate shows a loss explain how carriers might be able to improve the result and by what means.

7. Answer **BOTH** parts of the question.

Your company manages a port which currently only handles Ro-Ro and car carrier services. To grow the port, you want to expand into handling container ships (vessel size 1,000-2,500 teu).

- a) Draw a diagram of existing port facilities and show where expansion of container operations would be detailing the revised configuration of the port and its equipment requirements;
- b) Briefly explain the factors you will have to consider with this project, the type of equipment and facilities required in developing this port.

PLEASE TURN OVER

8. Liner bills of lading are important contracts of carriage in international trade.

Describe **FOUR** of the following seven clauses in detail and why they are of importance to those parties dealing with bills of lading especially the carrier.

- i) Himalaya Clause;
- ii) Lien;
- ii) Paramount Clause;
- iv) General Average and Salvage;
- v) The Scope of Voyage;
- vi) Government Directions, War, Epidemics, Ice, Strike etc.;
- vii) The amended Jason Clause.