

LINER TRADES – Syllabus

BASIC DEFINITIONS AND PRINCIPLES IN THE LINER TRADES

Thoroughly understand the characteristics of liner services and their differences from tramp services.

Understand the main liner trade routes in the world – their size and relative importance, types of commodities carried, vessel sizes and types used (container, ro-ro and residual break-bulk), the main ports of call.

Be aware of the basic differences between east/west and north/south trades.

Understand the different service options including round the world (RTW), pendulum, hub and spoke and end-to-end, feeders/coastal services, services for specific commodities.

Understand the different types of businesses involved in the liner trades, including vessel owners and operators, NVOCCs, forwarders.

Understand the role of the main trade/operator organisations, and regulatory bodies which impact on the liner trades.

THE SHIPS

Thoroughly understand the different types and sizes of container ships including cellular/non-cellular, post Panamax, hatchless, feeders, 'fast ships', eco-ships, and other predicted developments.

Understand the types of ro-ro ships including passenger and freight ferries, deep sea ro-ro/container ships, freight ro-ro ships and ro-ro ships for specialist traffic e.g. forest products.

Be aware of the types and roles of other vessels used in liner trades including refrigerated ships (reefers), multipurpose vessels and general purpose tweendeck vessels.

Understand terminology of all measurements of tonnages, capacity and dimensions including pseudo-tonnages - nt and gt actual tonnages - deadweight (dwt and dwtc) displacement (total and light). Capacities - bale-cubic and grain cubic, lane metres, teu.

Be aware of the main types and use of on-board cargo handling equipment, the provision of ro-ro access, hatches and hold layouts including specialised configurations.

PORT TERMINALS AND CARGO HANDLING

Understand the types of commodities usually handled by liners and their methods of carriage including containerised, palletised, heavy lifts, out of gauge and LCL/break-bulk.

Understand the issues involved in loading containers, including stowage factors, the importance of adequate packing, weight limits.

Be aware of how the stowage of containerships is planned and executed.

Thoroughly understand the principles of IMO regulations concerning dangerous and polluting cargoes, including the class structure.

Understand port and terminal liner operations, their layout, cargo handling systems and equipment, the difference between hub/transshipment ports, and local/regional ports.

Be aware of other port facilities and value added services which are important in the liner trades.

LINER SHIPPING ORGANISATION AND MANAGEMENT

Thoroughly understand the management structure and functional activities (including technical, operations, sales/marketing and commercial functions) in liner operating companies.

Be aware of the alternatives for a liner company between operating with in-house or independent agencies, and the advantages/disadvantages.

Understand the form of agreement used between liner operators and independent agencies (FONASBA Standard Liner and General Agency Agreement).

Understand the different functions performed by a liner agency.

CONTAINERISATION, INTERMODAL TRANSPORT AND LOGISTICS

Thoroughly understand the basic concept of containerisation and its development into intermodalism.

Thoroughly understand the characteristics, dimensions and purpose of different container types.

Understand the terminology of containerisation including Full Container Loads (FCL), Less than Container Loads (LCL), house to house, port to port etc. Be aware of differences in terminology in different parts of the world.

Understand the need for, and function of, depots outside the port area including Inland Customs Clearance Depots (ICDs), inland cargo-handling depots and container storage depots.

Understand the role, in intermodal transport, of feeder services; inland haulage (road, rail and barge); carrier/merchant haulage.

Thoroughly understand the principles of container management, including fleet size, owning versus leasing, container maintenance and repair.

Understand tracking and control systems, and interchange arrangements.

Be aware of the 'grey box' concept of container management.

FORMS OF CO-OPERATION IN THE LINER INDUSTRY

Thoroughly understand the rationale for alliances, consortia and joint service agreements, their similarities and differences.

Thoroughly understand the role and function of conferences, and their evolution.

Be aware of statutory control and regulation including Federal Maritime Commission (USA), Competition Directorate (Europe).

BILLS OF LADING AND OTHER DOCUMENTS

Thoroughly understand the paramount importance of bills of lading in the liner trades, their function and their role in international trade.

Understand the effect of bill of lading legislation - UK Carriage of Goods by Sea Act 1992 or equivalent national legislation.

Thoroughly understand the practical impact of Hague/Hague-Visby & Hamburg Rules, Rotterdam Rules and the differences between them.

Understand the meaning and purpose of 'clean' and 'dirty' B/Ls.

Understand the use of letters of indemnity, their misuse and the avoidance of fraud.

Thoroughly understand the different types of B/Ls including ocean, through, combined transport, waybills and understand the major and usual clauses including Clause Paramount, Himalaya, identity of carrier and protection clauses.

Understand the importance of endorsements on the back of B/Ls.

Understand other documentation including booking notes, shipping notes, manifests, dangerous cargo declarations.

Be aware of regulatory control of imports and exports including customs procedures and licensing.

Understand the role of IT in the Liner Industry, including operator systems (including operations, commercial, sales, financial), port community systems, interfaces with government/statutory systems, the importance of real time information, and the development of e-commerce in the liner business.

TARIFF CONSTRUCTION, PRICING AND AGREEMENTS

Thoroughly understand the use of yield management techniques in the liner shipping business to set prices, and as a means to select cargo to optimize a line's result.

Understand how different business strategies may result in pricing to maximize contribution, revenue or market share, and how the pricing of dominant/non-dominant legs, and consideration of container surpluses and deficits may influence how a line sets its prices.

Understand the construction of formal tariff structures and their development, including commodity vs FAK, weight/volume or container rates; advantages and drawbacks and their relevance in current container transport.

Be aware of adjustment factors including Currency Fluctuation (CAF), Bunker Charges (BAF), war risk and congestion surcharges.

Understand charges other than sea freight including terminal handling, LCL charges, container demurrage etc.

FINANCIAL ASPECTS OF IMPORT AND EXPORT BUSINESS

Understand methods of payment in international sale of goods.

Thoroughly understand the impact of documentary credits and ICC Uniform Custom and practice on shipping documentation.

Understand the different types of contracts in the sale of goods including Incoterms.

LEGAL ASPECTS OF LINER TRADES

Understand carriers' and merchants' responsibilities and limitations of liability.

Be aware of the procedure for cargo claims including the role and responsibilities of the parties.

Understand the reason and the procedure for noting protest.

Be aware of the carrier's insurance arrangements including hull and machinery insurance, P&I associations.

Understand the basic principles of general average and the documentation it involves at the discharging port.

Thoroughly understand the liabilities of the agent to its principal, the agent's authority including binding the principal, breach of warranty of authority, fiduciary duty.

Understand the need for ship and port security and the operation of the ISPS Code.

BUSINESS ISSUES IN THE LINER TRADES

Be aware of the main operators in the liner trades, their ownership and how they have developed.

Understand the main drivers of demand in the liner trades, the development of the global liner vessel fleet, and the importance of the balance of supply and demand.

Understand how liner operating companies plan their vessel fleet and service networks, including owning/chartering, new buildings, cascading etc.

Be aware of the main costs involved in running a liner business, the differences between fixed and variable costs, and how lines ensure that they can compete effectively.

Note: *No exemption is permitted from this subject.*
