



EXAMINER'S REPORT

MAY 2018

Subject: Port Agency **Examiner:** John Watt

Overall Comments

The questions were chosen from a wide range of subjects within the syllabus. Ships agency operations, laytime, abbreviations, vessel types and trade routes, general average and breach of warranty of authority.

Q1. Compile a detailed time sheet and calculate demurrage or despatch due from the information within the Statement of facts.

MV "Tutorship"

Arrived Load port Roads	0400 Hours Monday 3rd March
NOR Tendered	1000 Hours Monday 3rd March
Loading Commenced	0700 Hours Tuesday 4th March
Loading Completed	1600 Hours Monday 10th March
Vessel Sailed load port	1200 Hours Tuesday 11th March

Cargo Loaded 20,000 M/Tonnes Grain

C/P States:

"Laytime to commence at 1300 Hours if notice is given before noon, at 0700 Hours next working day if given after noon: Notice to be given in ordinary working hours"

"Cargo to be loaded at the rate of 5000 metric tonnes per weather working day of 24 consecutive hours."

Time from 1700 Friday or the day preceding a holiday to 0800 Hours Monday or next working day not to count unless used, but half of actual time used to count, unless vessel already on demurrage.

The port loaded the vessel 24 hrs per day including Saturday and Sunday

Demurrage rate USD 5000 Per Day and Pro Rata/Despatch at half demurrage rate on laytime saved.

On Tuesday 4th March rain Stopped loading between 1000-1700 hours

On Wednesday 5th March Rain stopped loading between 1000-1200 hours

On Thursday 6th March the vessel was unable to load any due to strike action taken by stevedores.

On Friday 7th March Due to rain the vessel stopped loading between 1100-1900 Hours

No local, national or international holidays occurred during this period of time

The laytime question was well answered by the students. Students had some difficulty with the concept of the strike during the loading period. However, most students created an understandable laytime statement, and many students maintained a consistent nature to their approach, and the detail given in the laytime statement.

Q2. You are a charterer's nominated agent for a handy sized bulk carrier discharging a cargo of grain in your port. A competitor agency has been appointed as husbandry agent for the vessels, Discuss your duties for the port call.

The question on charterers' nominated agent was generally well answered and students could give a clear definition of the differing roles of the charterers' nominated agent and the ships husbandry agent.

Students answered well on this question by discussing in detail the role of the charterers' nominated agent in the area of vessels cargo operations, presenting the charterer with consistent levels of communications on the vessels operations and also the completion of cargo documentation.

Q3. Explain four of the following terms / abbreviations and discuss the importance of these terms to the port agent

- FIO
- Liner In / Liner Out
- LI/FO
- FLT
- CIF

Students had a good understanding of the terminology and how it could be practically applied to differentiate the responsibilities of the owner and the charterer with reference to the cost of cargo handling.

Q4. Discuss the concept of general average and the involvement of the ships agent in this process.

Students understood the concept of general average and could display the major constituent factors of what would create a general average act, and go on to discuss the role of the agent and in particular the financial and administrative work involved with the average adjustor.

Students were able to introduce the specific terminology that would be seen in communications regarding a declaration of general average, such as "Peril" "Extraordinary sacrifice" "common danger" "jettison" etc

Q5. Discuss with the use of examples the concept of breach of warranty of authority with and without negligence.

The question on breach of warranty of authority was answered well. Students were able to offer competent examples to highlight the issues involved in an operational context.

Q6. An offshore vessel under your agency is mobilising in your port. The basic port costs are \$30,000. Due to issues with Port State Control the vessel has incurred unexpected repair costs of an additional \$50,000. Your contractual agreement with the owners offer thirty days credit terms. However, your financial department has drawn to your attention that despite several requests the company has not paid for previous port calls over the thirty-day limit, consequently the debt over thirty days excluding the present port call is \$200,000.

The vessel owners have urgently requested additional crane hire and stevedoring costs at an anticipated cost of \$20,000 in order to conclude the mobilisation and sail.

Discuss your actions.

The operational question on the errant offshore ship-owner was generally well answered and the majority of students focused on the poor financial position that the agency company found itself in, and sought to protect the financial interests of their company, whilst maintaining a level of dialogue and operational service to the ship-owner.

Q7. Discuss the ship agent's requirements for P&I cover.

The question on P and I cover to the ship-owner was well answered once again. Some students mistook the agents' requirements with those of a ship-owner. However, students were able to discuss acts errors and omissions, breach of warranty of authority, debt chasing and cash handling.

Q8. Using the world map provided indicate appropriate load and discharge ports, suitable vessel types, dimensions and tonnages as well as voyage routes for TWO of the following deep-sea cargo movements.

- **LNG**
- **Lumber**
- **Bauxite**

The vessel type/trade routes question was well answered. Some students were uncertain about the size of vessels which generally handle bauxite or lumber shipments. There was a small amount of information on the range of tonnages, and the trade routes tended to be generic i.e. (load Asia discharge Europe) Mapwork could have been improved, with Rotterdam being placed in Denmark, Germany and Poland as an example, and a vessels trade route cutting through the landmass of the Arabian peninsula.