



THURSDAY 21st NOVEMBER 2019- MORNING

ECONOMICS OF SEA TRANSPORT AND INTERNATIONAL TRADE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Define the main **FIVE** reasons in support of protectionism, using examples to support your answer.

2. Answer **BOTH** parts of the question. Within the coal market, describe;
 - a) The **TWO** main sectors and current market conditions.
 - b) Main importing and exporting countries.

3. Explain why governments use subsidies in the maritime industry. Use examples to support your answer.

4. Explain how the price of bunkers affects freight rates, and therefore the cost of imports. Use a diagram to support your answer.

5. Using a diagram to support your answer, explain the effect of demand and inventory on optimal ship size.

6. Analyse the effect of economies of scale in deep sea shipping and their influence on the global pattern of maritime trade.

7. What is meant by a balance of trade deficit, and how can it be altered?

8. Using either the dry cargo or tanker chartering trade, discuss how current macro economic and political activity will affect future trade by sea.