



# EXAMINER'S REPORT NOVEMBER 2019

## PORT AGENCY

### Overall Comments

Students should be able to display a good knowledge of maritime geography particularly regarding appropriate ports which would be used for loading and discharging major commodities.

### **Q1. Explain EACH of the following.**

- a) MOLCO
- b) CIF
- c) LI/FO
- d) ARAG

Students should be able to provide competent explanations of MOLCO, CIF, LI/FO and ARAG.

### **Q2. How do port agents manage cash flow?**

Students understood the beneficial aspect of achieving "advance funds" from the shipowner, and some noted that whereas 100% advance may not be achievable certainly market conditions often allowed a pre funding of between 75-80% of the total port costs. This aspect was generally well handled.

Students also need to understand other matters which can delay payment and thus impact on cash flow. Also the management of creditors and debtors invoices is important.

### **Q3. You are the charterer's nominated agent for a vessel discharging a cargo of steel in a port of your choice. On behalf of the local receiver you have arranged stevedores and a fleet of vehicles to deliver the cargo direct to the receiver premises directly from the ship. However the vessel master has not agreed to open the hatches as the original bill of lading has not been presented and is not in your possession. Discuss your actions.**

Most students quickly understood the concept of the problem and could define the importance of the bill of lading as well as offer constructive and proactive options such as letters of indemnity. The students which achieved the highest marks were able to discuss the requirement to introduce the P and I Club into the process to verify the legality of the LOI.

**Q4. Explain the terms ‘breach of warranty of authority with negligence’, and ‘breach of warranty of authority without negligence’.**

Students need to understand the difference between breach with and without negligence. Examples should be used to define the concepts.

**Q5. You have been approached by a tanker owner. They have requested that you supply a formal proposal for handling weekly port calls of a 10,000 dwt tanker discharging kerosene cargoes. The owners have asked you to provide a full package of agency and relevant added value services. Write a proposal offering your full agency services.**

Students should read the question carefully and note the request for a formal response, provide detail regarding the company itself, and supply relevant added value services aligned to the commodity sector.

**Q6. How will new technologies affect the role and function of ship agency?**

Students should provide a detailed answer rather than choosing the simple option of discussing the improvements in communications. Areas such as drone technology for delivery of spare parts, and several other exciting avenues could be explored by students, however the vast majority chose to take the safe option.

**Q7. Using the world map provided show appropriate load and discharge ports, suitable vessel types, dimensions and tonnages as well as voyage routes for ONE of the following cargoes.**

- i. Grain
- ii. Woodpulp
- iii. Bauxite

Most students displayed a good knowledge of load and discharge ports, however some overlooked the requirements to offer a range of tonnages. Students have to show clear, high quality map work.

**Q8. Compile a detailed time sheet and calculate demurrage or despatch due from the information within the statement of facts.**

**MV Tutorship**

<b>Arrived Buenos Aires Roads</b>	<b>0400 Hours Monday 3rd March</b>
<b>NOR Tendered</b>	<b>1000 Hours Monday 3rd March</b>
<b>Loading Commenced</b>	<b>0700 Hours Tuesday 4th March</b>
<b>Loading Completed</b>	<b>0600 Hours Monday 10th March</b>
<b>Vessel Sailed Buenos Aires</b>	<b>0900 Hours Monday 10th March</b>

**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 hours per day.**

**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 0900-1400 Hours.**

**On Wednesday 5th March - Rain stopped loading between 1000-1400 Hours.**

**On Thursday 6th March - The vessel was unable to load cargo between 1200-1800 Hours, due to a technical problem with the conveyor stopping the supply of grain to the vessel from the silo.**

**On Friday 7th March - Due to rain the vessel stopped loading between 1000-1100 Hours.**

**On Sunday 9th March - Rain stopped loading between 0900-1200 and 1300-1700 Hours.**

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

Students able to apply a methodical approach and gained pass marks for this question.

Students must understand when laytime starts and stops and which delays are for charterers and owners account.