

# THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2006 EXAMINATIONS

THURSDAY 20 APRIL 2006 - MORNING

## LINER TRADES

Time allowed – Three hours

Answer any **FIVE** questions – All questions carry equal marks

1. The last two years have seen further important actual or proposed mergers among the leading international deep sea container carriers. Discuss the implications of this further concentration of capacity for the lines' customers (shippers and receivers), competitors and alliance or consortia partners. Explain whether you would expect further concentration of the market in this way giving reasons for your views.
  
2. Chose **ONE** of the container trade routes listed below and identify the most important ports of call and the main commodities carried in both directions. Discuss how the services are structured including whether they are mainly operated on an 'end to end' or 'hub and spoke' basis or both. Explain why that structure is favoured for the route.
  - East Coast South America - North West Europe
  - Central America & Caribbean – Mediterranean
  - South East Asia & Indian sub continent – Arabian/Persian Gulf
  - Australasia - South & East Africa
  
3. The European Commission block exemption for Shipping Conferences from its competition rules expired in 2005 and will not be renewed although forms of co-operation through consortia and alliances will be permitted to continue. Give your own views on the benefits or otherwise of this decision. Discuss the implications for the future of the Conference system worldwide.
  
4. 'The widespread availability of fully equipped container terminals in all parts of the world will make the geared container ship obsolete in the near future'.

Discuss the validity of this statement and also consider the extent to which the geared container ship could be replaced with a Ro-Ro vessel where shore facilities are inadequate.
  
5. Describe the main structural organisation of a medium size deep sea liner operating company. Identify the various departmental functions; briefly discuss their individual responsibilities and how they inter-relate in day to day operations with each other.

P.T.O.

6. Disputes arising over the delivery of cargo to consignees continue to be a source of concern to insurers and P&I clubs. Describe in detail the procedures that should be followed in respect of delivery of cargo against the bill of lading. Identify and discuss any potential problems that might arise in respect of each of the following:
  - (a) Missing bills of lading
  - (b) 'Straight' bills of lading
  - (c) NVOCC bills of lading
  
7. 'Today's liner freight rates are not based on the tonne/miles carried nor on the value of the cargo'. Discuss this statement and identify the most important policy and cost factors that are taken into account in determining a liner carrier's pricing policy.
  
8. Explain the purpose of UCP500 and identify the content and discuss the relevance of the specific sections relating to maritime bills of lading and sea waybills. To what extent do the rules facilitate the negotiability of shipping documents?