



TUESDAY 28th APRIL 2015 – MORNING

LINER TRADES

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. The Asia to USA East Coast trade route is highly competitive given that it competes against the Asia - US West Coast [involving road/rail] but also the Panama and Suez Canal routes.
 - a. Discuss the advantages and disadvantages of these routes.
 - b. Discuss the likely developments of trade on these routes in the next five years.

2. Choose **any three** of the following cargoes and identify at least **two** major trade routes on which they are shipped, including the main loading and discharging ports:
 - a. Avocados
 - b. Built-up Motor Vehicles
 - c. Sugar
 - d. Scrap Metal
 - e. Canned Foods

Explain the types of **container** needed and any special requirements and/or precautions taken for the protection of your three selected cargoes and containers.

3. A number of Ultra Large Container Vessels [ULCV] have been delivered in the last few years. In 2015 more of these vessels will be delivered.
 - a. Describe the trade routes involved and the implications of delivery of such a large order book.
 - b. Describe the likely impact of this order book on other trades and where this may happen.

PLEASE TURN OVER

4. You are a carrier, about to enter a Vessel Sharing Agreement [VSA] with other carriers on a trade based from Europe. Explain in detail the level of discussion that can take place in terms of operating the VSA and where it might contravene competition law. As this is a new trade route to your company, explain how you would construct your freight tariff and the components of this tariff.
5. Whilst many liner operators have global offices, the need for liner agencies still remains important in many countries.
 - a. Explain the reasons why a liner company would employ an agent.
 - b. Describe which contract is used and give a breakdown of the key tasks that a liner agent would be expected to perform.
6. In a number of trades, large container liner services and those of con-bulker services [containers and bulk] operate in direct competition with each other.
 - a. Outline a specific trade of your choice where such services compete against each other and the specific strengths and weaknesses of these two services. Using the world map provided to support your answer.
 - b. Outline the likely development of a con-bulker service over the coming years in the context of the sheer weight of competition.
7. Container freight rates have remained largely static to marginally declining over recent years. It is likely this will continue due to the quantity of vessels being deployed keeping supply ahead of demand. This is heavily impacting liner company profitability although some company results are significantly better than others in spite of the revenue per TEU being globally similar.
 - a. Suggest ways in which a liner company might be able to improve revenue.
 - b. Suggest ways other than revenue improvements that liner companies use to combat low profits.
8. The use of IT systems and technology has rapidly been employed in the container industry in a variety of roles and is now essential for the successful running of large container liner companies due to the sheer size of transactions taking place.

Explain in detail how the use of different IT systems has helped with this growth and outline what the benefits have been to carriers, shippers, consignees and any other parties.