

THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2007 EXAMINATIONS

FRIDAY 20 APRIL - MORNING

LINER TRADES

Time allowed – Three hours

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

1. The European Commission have withdrawn the Shipping Conference exemption from EC Competition Law so that all Conferences trading into Europe must cease operating by 2008. Consortia agreements continue to be exempted under certain conditions. Explain why Conferences and Consortia have been treated differently with particular reference to the structure of the organisations. Discuss whether the EC decision will affect other (non-European) trades.
2. An FCL export container is involved in a road accident while being trucked to the port under carrier haulage terms. Despite there being evidence of external damage the container is shipped without the contents being examined and a 'clean' bill of lading issued. After delivery the consignee claims in respect of damage to the cargo. Discuss the extent of the liability of the ocean carrier for the loss and whether this would have been different if a 'claused' bill of lading had been issued.
3. Choose any **TWO** of the following cargoes. Identify at least two major trade routes on which they are shipped with the main ports of loading and discharge. Discuss the type of container equipment used and any special requirements or precautions taken for the protection of the cargo.
 - a) Fresh fruit
 - b) Coffee
 - c) Frozen fish
 - d) Orange juice
 - e) Garments & clothing
4. During the past year the first of the 10,000 TEU plus container ships have entered service, there are more on order. Discuss the implications of these vessels entering service examining any potential for imbalance between supply and demand and effect on freight rates. Give your own views on the extent to which the increase in vessel size is likely to continue in the short term.
5. Recently there have been at least two major fires on container ships likely to have originated in dangerous goods improperly packed in containers. Explain the requirements of the IMDG code regarding cargo declaration, classification and segregation. Compare this with the shipper's responsibility under the Hague/Visby and Hamburg Rules.

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6. Explain the purpose of a Letter of Indemnity and suggest a suitable wording for an indemnity issued in respect of missing bills of lading. Explain why such an indemnity is a commercially acceptable and valid document and contrast this with Letters of Indemnity which may be offered by shippers in exchange for clean instead of claused bills or pre/post dated bills of lading.
7. Outline the sequence of events which take place during the transportation of an FCL container from the first cargo booking, collection at the merchant's premises, ship loading until ultimate delivery to consignee. Identify the parties involved in each sector of the journey, the physical activity and the associated documentation or communication. *(An answer to this question largely in the form of a table will be accepted.)*
8. Describe the organisational structure and departmental responsibilities of a liner agency business operating in a large container port. Discuss the relative importance of the different activities on which the agent's performance will be judged with particular reference to satisfactory information flows to the principals.