

# SHIPPING BUSINESS

# MAM003

## COURSE DESCRIPTION

The shipping industry is responsible for transporting 90% of the world's trade. The safety record of shipping is the envy of shore-based transport sectors and is by far the most environmentally friendly form of transport. The shipping industry is a truly global community. It is intrinsically international; indeed, it was the very first global industry. Because of the international nature of shipping it is regulated by United Nations agencies and the International Maritime Organization (which is based in London). Modern shipping involves companies from every nation on the planet and virtually every nationality is represented in the seafaring population and the industry's shore-based workforce. This training course covers the basics of shipping.

## COURSE GOAL

To enhance the participants' knowledge, skills and abilities necessary to understand the elements of knowledge common to all sectors of shipping.

## COURSE OBJECTIVES

By the end of the course, participants will be able to:

- Be familiar with shipping business entities.
- Understand shipping business sectors.
- Be aware of business ethics.
- Determine geography of trade.
- Understand terms and rules of international trade and finance.
- Use all forms of business communications.
- Understand the role and contribution of shipping organisations.

## WHO SHOULD ATTEND

- Operations managers, fleet managers and commercial analysts.
- Technical personnel including engineers.
- Investors, lawyers, financial managers and similar professionals working in the industry.
- Suppliers, manufacturers, distributors, customs officers, export managers and retailers.
- Shipping industry employees.
- New entrants.

## COURSE DURATION

5 Working Days

arctic

## COURSE OUTLINES

### 1. The Shipping Business Entity

- Sole Traders
- Partnerships
- Private and Public Limited Companies
- Conglomerates and Multinationals
  - Company Organisation and Management
  - Vertical and Horizontal Integration
  - Quality Assurance Systems.

### 2. Shipping Business Sectors

- Dry Cargo Chartering:
  - Role of the Broker
  - Relationship with Shipowners and Charterers
  - The Market and how it Operates.
- Tanker Chartering
  - Distinctive Features of the Market
  - Brokers
  - Owners and Charterers
- Ship Sale & Purchase:
  - Buyers, Sellers, Brokers and Valuers
  - The Stages in the Sale of a Ship
  - The Market in Ships.
- Ship Operation & Management:
  - The Need for Ship Managers
  - Services Offered, Including Total, Commercial, Technical Management;
  - Crewing Agencies.
- Port Agency:
  - Tramp & Tanker Agents
  - Scope of Work
  - Relationship With Shipowner and Charterer
  - Supervisory/Protecting Agents.
- Liner Agency:
  - In-House or Independent

- Types of Appointment
- Range of Responsibilities
- Relationship with Line Operators, Exporters, Shippers, Forwarders, NVOCS
- Freight Forwarders and Non Vessel Operating Carriers
- Agency Role and Carrier Role
- Multi-Modal Transport
- Logistics and Supply Chain Management.

### **3. Business Ethics**

- Maritime Fraud
- Minor Fraud and Default
- Areas of Major Fraud and its Avoidance.

### **4. Geography of Trade**

- Trading Patterns of Main Raw Materials
  - Major Ports, Their Principal Trades and Characteristics
  - The Choice of Transport Modes
  - Effects of Weather and Other Natural Phenomena upon Shipping and Trade.

### **5. International Trade & Finance**

- Terms of Sale in International Trade
  - INCOTERMS
  - Obligations of Buyer and Seller.
- Importance of Documentation
- The Insurable Risk
- Methods of Payment, Including Documentary Letters of Credit
- ICC Uniform Custom & Practice
- Bills of Exchange.
- Regulatory Control of Imports and Exports Including Customs Procedures & Licensing.
- Foreign Currency Transactions; Currency Hedging.
- Calculating, Collecting and Remitting Freight, Hire and Other Funds
- Accounting with Principals
- Clients' Funds
- Freight Hedging.

### **6. Business Communications**



- All Forms of Business Communications
  - Letters
  - Memos
  - Formal Reports
  - Market Reports
  - Articles For Publication In Different Media
  - E-Mail.
- The Use of Computers and Computer Networks in Communication and Other Business Applications.

## **7. Shipping Organisations – Their Role and Contribution**

- Shipowner Organisations
  - INTERCARGO
  - INTERTANKO
  - Baltic And International Maritime Council (BIMCO);
- International Chamber of Shipping;
- National Shipowners' Associations.
- Brokers and Agents Organisations
  - Institute of Chartered Shipbrokers
  - The Baltic Exchange
  - Federation of National Associations of Shipbrokers and Agents (FONASBA)
  - International Federation of Forwarding Agents Associations (FIATA).
- United Nations Agencies
  - International Maritime Organisation (IMO)
  - United Nations Council for Trade & Development (UNCTAD).
- Chambers of Commerce
  - International Chamber of Commerce
  - International Maritime Bureau.
- The Corporation of Lloyds and Other Insurance Markets.
- Classification Societies,
  - Lloyds Register of Shipping
  - International Association of Classification Societies.

arctic