

COURSE CONTENT

Academic Year	2023-24	Semester	2
Course Coordinator			
Course Code	MT 3006		
Course Title	Ship Chartering		
Pre-requisites	Nil		
No of AUs	3		
Contact Hours	Lecture: 26 hrs; Tutorial: 13 hrs		
Proposal Date	13 September 2023		

Course Aims

This Course aims to support you to gain familiarization and understanding of:

1. The shipping markets, including both freight market and cargo markets.
2. Freight rates and their implications, Risks mitigations
3. Freight calculations
4. Different charter parties and their related significance

Intended Learning Outcomes (ILO)

Upon completion of the course, you should be able to:

- 1) Analyse the freight markets
- 2) Examine implications of global situations to world trade
- 3) Comprehend the relation of freight to cost and supply of shipping services
- 4) Appraise the distribution of risks due freight fluctuations
- 5) Outline the complex structure of global trade in chartering world
- 6) Appraise factors as influencing charter parties
- 7) Interpret roles and functions of the various parties involved in Maritime Transport
- 8) Examine and infer the implications of charter party clauses
- 9) Provide a brief insight of fundamental ship chartering and brokering activities

Course Content :

S/N	Topic	Lecture Hrs	Tutorial Hrs
1	Owners, Charterers, Agents, Brokers - Roles, Responsibilities and Functions. Ship types and commodities application /fixture in the marketplace	2	1
2	The Freight Markets – Various Dry, Wet, Special. Chartering routine activities	2	1
3	Chartering terms and expressions, Common Clauses & Concepts	2	1

4	Types of Charter – Voyage Charter, CVC (Consecutive Voyage Charter) , Slot Charter ; Contract of Affreightment (COA)	2	1
5	Types of Charter – Time Charter, Bareboat / Demise Charter Chains	2	1
6	Charter Party various Forms in Time and Voyage Charter	2	1
7	Shipping Pools and Joint Ventures. Liner Services / Management	2	1
8	Information Channels: BIMCO, Baltic Exchange, Platts, Market Reports,	2	1
9	Tanker Operations and Chartering, Worldscale Index	2	1
10	Freight Market Dynamics – Influence on shipping activities	2	1
11	Shipping Costs and implications Freight costs, shippers' perspectives	2	1
12	The Freight Costs – Carriers' perspectives	2	1
13	Various aspects of freight trading. Related risks and mitigations Forward Freight Agreement (FFA)	2	1
Total:		26	13

Assessment (includes both continuous and summative assessment)

Component	Course LO Tested	Related Programme LO or Graduate Attributes	Weightage	Team / Individual	Assessment Rubrics
1. Final Examination	1 to 9	A,B,C,D,F,G,H,K,L	60%	Individual	
2. Continuous Assessment 1 (CA1): Quiz	1,2,5 ,6,7,8 & 9	A,B,C,D,E,F,G,H	20%	Individual	
3. Continuous Assessment 2 (CA2): Quiz	1,3,4, 5 ,6 & 8	A,B,C,D,E,F,G,H	20%	Individual	
Total			100%		

Program Learning Outcome

✓ **Competency**

- A. Develop an overall awareness of maritime activities, port and shipping industry and their association with economy and trade. Describe and apply concepts and theories in sub-fields as contributing to the maritime industry and integrate various related themes, skills and knowledge
- B. Understand and manage the maritime environment
- C. Apply related information pertaining to procedures, operations and management of maritime entities and operational issues in the maritime industry
- D. Capture and analyse market data using analytical tools, conduct related research in the maritime arena, as well as design, develop and execute maritime projects
- E. Appreciate the maritime environment for vocations and career options

✓ **Creativity**

- F. Approach and solve basic maritime problems, through both strategic and research methods, and put theoretical knowledge into practical applications in related industries
- G. Develop maritime related risk management strategies.

✓ **Communications**

- H. Communicate shipping and maritime management in policy, strategy, and prevailing issues and requirements in an organization and to achieve good teamwork.
- I. Write professional reports and conduct public speaking confidently

✓ **Character**

- J. Recognise the importance of a strong and just leadership, comply to ethical standards, and uphold highest standards of integrity as a professional

✓ **Civic Mindedness**

- K. Integrate all related skills and knowledge into the industry and exercise due diligence as a highly responsible professional, contributing towards nation and the society.

Formative feedback

The lectures shall be interactive, and your inputs are highly encouraged in the process.

Case studies basis real life scenarios shall be deployed in the tutorials, in order to guide on the realities and practical approach through concepts as captured in lectures.

Quiz and case study aimed to provide regular feedback to you pertaining to level of understanding in concepts and principles. Answers and sample solutions provided to allow you to assess your understanding, along with measures to arrest weaknesses promptly.

Learning and Teaching approach

Approach	How does this approach support students in achieving the learning outcomes?
Lecture	Lesson topics delivered in series as to share, and focus on the concepts, as well as the application to the essentials in various aspects of maritime trade practices. Concepts are supported with numerous industry examples, clear diagrams, graphs and equations to assist with your understanding and application of this subject.
Tutorials	Teamwork shall be included, whereby you will take different approaches in underrating levels to apply concepts by way of case studies. Strong interaction and participation in challenging concepts and achieving practical applications in the related industry are encouraged.

Reading and References

1. The essential Guide to Chartering and Dry freight Market – Clarkson
2. Maritime Economics – 3rd edition by Martin Stopford.
3. Liner Shipping Economics – Chapman and Hall.
4. Cargoes (2nd Edition) – Packard William .
5. Publications by Institute of Chartered Shipbrokers
6. Shipping, an introduction to technical, operational and commercial aspects – Draffin Nigel
7. The petroleum shipping industry, Operations and practices – Tusiani Michael
8. Bes' Chartering and shipping terms – Barker and Howard
9. Elements of Shipping – 9th edition by Alan E Branch
10. Carriage of Goods by sea – Longman
11. Related Journals – Fairplay , Containersiation International , Trade Winds etc
12. BIMCO News Journals
13. Any other add on resource from lecturers
14. Introduction to Business law in Singapore – Ravi Chandran
15. International Business – Charles Hills
16. The essential Guide to Chartering and Dry freight Market – Clarkson

17. Maritime Economics – 3rd edition by Martin Stopford.
18. Liner Shipping Economics – Chapman and Hall.
19. Cargoes (2nd Edition) – Packard William .
20. Publications by Institute of Chartered Shipbrokers
21. Shipping, an introduction to technical, operational and commercial aspects – Draffin Nigel
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27. BIMCO News Journals
28. Any other add on resource from lecturers
29. Introduction to Business law in Singapore – Ravi Chandran
30. International Business – Charles Hills

Course Policies and Student Responsibilities

1. Attendance :
Though there is no mandatory attendance requirement, you are expected to place all lectures and tutorials on their utmost top priority, and note that there shall be no make-up class to effect.
2. Punctuality:
You are expected to be On Time for classes, as late arrivals are disruptive to class activities. Likewise that all assignments to be submitted within dateline.
3. Participation:
You are strongly encouraged to stay dynamic and participate well in class, without hesitation to raise questions when in any doubt.

As a student of the course, you are required to abide by both the University Code of Conduct and the Student Code of Conduct. The Codes provide information on the responsibilities of all NTU students, as well as examples of misconduct and details about how students can report suspected misconduct. The University also has the Student Mental Health Policy. The Policy states the University's commitment to providing a supportive environment for the holistic development of students, including the improvement of mental health and wellbeing.

Academic Integrity

Good academic work depends on honesty and ethical behavior. The quality of your work as a student relies on adhering to the principles of academic integrity and to the NTU Honour Code, a set of values shared by the whole university community. Truth, Trust and Justice are at the core of NTU's shared values

As a student, it is important that you recognize your responsibilities in understanding and applying the principles of academic integrity in all the work you do at NTU. Not knowing what is involved in maintaining academic integrity does not excuse academic dishonesty. You need to actively equip yourself with strategies to avoid all forms of academic dishonesty, including plagiarism, academic fraud, and collusion and cheating. On the use of technological tools (such as Generative AI tools), different courses / assignments have different intended learning outcomes. Students should refer to the specific assignment instructions on their use and requirements and/or consult your instructors on how you can use these tools to help your learning. If you are uncertain of the definitions of any of these terms, you should go to the [Academic Integrity Handbook](#) for more information. Consult your instructor(s) if you need any clarification about the requirements of academic integrity in the course.

Course Instructors

Instructor	Office Location	Phone	Email

Planned Weekly Schedule

Week	Topic	Course Lo	Readings/ Activities
1	Owners, Charterers, Agents, Brokers - Roles, Responsibilities and Functions. Ship types and commodities application /fixture in the marketplace Choice of Ship Type; Market Segmentation; Market Participants	2,7	Lectures Tutorials
2	The Freight Markets – Various Dry, Wet, Special. Chartering routine activities Freight Indices – Type and assessment of routes.	1,2,5,	Lectures Tutorials
3	Chartering terms and expressions, Common BIMCO Clauses & Concepts - Safe berth, weather working days ,always afloat	8	Lectures Tutorials
4	Types of Charter – Voyage Charter, CVC (Consecutive Voyage), Slot Charter, Contract of Affreightment. Shipping Costs; Types of Charters – Cost Implications	5,6	Lectures Tutorials
5	Types of contracts; Purpose and construction. Types of Charter – Time Charter, Bareboat / Demise		Lectures

	Implications of Charter Chains . Key concepts Significance of the various components in a charter part	5,6,9	Tutorials
6	Charter Party various Forms in Time and Voyage Charter Technicalities in Charter Parties. Risks and liabilities. Laytime Principles , determination and demurrage calculation	3,5,6	Lectures Tutorials
7	Shipping Pools and Joint Ventures. Liner Services / Management Portfolio management	1,2	Lectures Tutorials
8	Information Channels , roles and functions : BIMCO, Baltic Exchange, Platts, Market Reports, Worldscale Index	1,3	Lectures Tutorials
9	Tanker Operations and Chartering processes	1,3,6,8, 9	Lectures Tutorials
10	Freight Market Dynamics – Influence on shipping activities	1,2	Lectures Tutorials
11	Cost of Freight – Carrier’s Perspective - Identify the elements/variables that influence Carrier’s freight pricing strategy - Calculate breakeven and market time-charter equivalent - Calculate breakeven and market spot rates - Utilise breakeven and market time-charter equivalent/spot rates to determine fleet deployment strategies	1,3,4	Lectures Tutorials
12	Cost of Freight – Shipper’s Perspective - Identify the elements/variables inherent within INCOTERMS and International Sales of Goods that affects Shipper’s ocean freight costs - Calculate Shipper’s freight costs and determine optimum freight procurement strategy/method	1,3,4	Lectures Tutorials
13	Freight Trading , Derivatives - Identify and calculate the risks in freight procurement and sales - Identify how forward freight agreements and freight futures can mitigate freight risks - Calculate the price and quantity to hedge using forward freight agreements and/or freight futures	1,3,4,	Lectures Tutorials