MARITIME ECONOMICS

MARKING GUIDELINES

Time: 3 hours   300 marks

These marking guidelines are prepared for use by examiners and sub-examiners, all of whom are required to attend a standardisation meeting to ensure that the guidelines are consistently interpreted and applied in the marking of candidates' scripts.

The IEB will not enter into any discussions or correspondence about any marking guidelines. It is acknowledged that there may be different views about some matters of emphasis or detail in the guidelines. It is also recognised that, without the benefit of attendance at a standardisation meeting, there may be different interpretations of the application of the marking guidelines.

SECTION A   MULTIPLE-CHOICE QUESTIONS

QUESTION 1

1.1	B	(2)
1.2	B	(2)
1.3	B	(2)
1.4	C	(2)
1.5	B	(2)
1.6	D	(2)
1.7	A	(2)
1.8	D	(2)
1.9	D	(2)
1.10	C	(2)
1.11	C	(2)
1.12	D	(2)
1.13	C	(2)
1.14	C	(2)
1.15	A	(2)
1.16	A	(2)
1.17	D	(2)
1.18	C	(2)
1.19	B	(2)
1.20	B	(2)

40 marks

SECTION B

QUESTION 2   THE MARITIME WORLD

2.1   Emitted large volumes of sulphur and carbon./Took up space in the ship./Bunker calls had to be made (range not great)./Messy./More engine room crew (stokers) $(4 \times 2 = 8)$

2.2   2.2.1   Scrubbers in funnels./Cleaner fuels.   (4)
        2.2.2   Designing more efficient engines./New designs for propellers./New hull designs. $(3 \times 2 = 6)$

2.3   2.3.1   192 (accept 190 to 194)   (2)
        2.3.2   2008   (2)
        2.3.3   Chinese demand for minerals dropped (or Chinese urbanisation rate flattened).   (2)
        2.3.4   Yes   (2)
        2.3.5   Rates are very low/Ship owners will want to order ships during this time/ ship owners can expand their fleets now and be ready for shipping expansion later. $(2 \times 2 = 4)$

2.4   2.4.1   Philippines/India/China/Croatia/any other supplier of seafarers. $(2 \times 2 = 4)$
        2.4.2   Decline in the size of the national fleets./Other careers available./Cheaper crews available elsewhere./Another other plausible reason. $(3 \times 2 = 6)$
        2.4.3   Tax relief for those who employ cadets./Tonnage Tax./Change ranking of repayment of bank loans./Berthing concessions./Cabotage./Introduce maritime awareness in schools and for the public/Any other plausible ideas.   (12)

2.5   2.5.1   2014   (2)
        2.5.2   Steel products will be containerised./More cargo (steel) available. $(2 \times 2 = 4)$
        2.5.3   2240 (Accept 2241)   (2)
                                                                                                      [60]

QUESTION 3   SHIPPING OPERATIONS

3.1   3.1.1   150 ships   (4)
        3.1.2   Bulk carrier   (2)
        3.1.3 $\dfrac{1\,800\,000}{3 \times 30\,000} = \textbf{20 weeks}$ (6)

3.2   3.2.1   3 + 11 + 7 + 1 + 11 + 8 = **41 days**   (6)
        3.2.2   (5 round trips) + (1 trip LP to CT) = 205 days + (3 + 11 + 7 + 1)
                                                         = **227 days**   (6)
        3.2.3   227 × $6 420 = **$1 457 340**   (6)
        3.2.4   (a)   No   (2)
                  (b)   Rain is not the fault of either party.   (4)
        3.2.5   Any laycan with dates on either side of 4 December.   (4)

3.3   3.3.1   Ship unable to refloat herself./Rough weather./Ship could have broken up./ Salvage successful. $(3 \times 2 = 6)$
        3.3.2   Arbitration   (2)
        3.3.3   (a)   510 trucks   (4)
                  (b)   17 trains   (4)
        3.3.4   Port State Control./Jurisdiction over shipping in SA waters. $(2 \times 2 = 4)$
        3.3.5   Court that arrested this ship.   (2)
        3.3.6   Cargo damage./Delays./Port dues./Discharge of cargo. $(4 \times 2 = 8)$

3.4   3.4.1   Panama   (2)

          3.4.2   Owned in Norway./Flagged in Marshall Islands. $(2 \times 2 = 4)$

          3.4.3   Taxation/cheaper rates./Can employ crews from other countries./Easier to get bank loans./Any other plausible reason for flagging out. $(4 \times 2 = 8)$

          3.4.4   Fears that crew are exploited./Fears that controls are not strict./Fears that ships are rust buckets./Fears that crews are incompetent./These are unfounded as global controls over shipping ensure that all ships are seaworthy. $(4 \times 2 = 8)$

3.5   3.5.1   More   (2)

          3.5.2   More can go wrong with an older ship./Parts are wearing./More corrosion./ Any other plausible reason. $(3 \times 2 = 6)$

[100]

QUESTION 4   INTERNATIONAL TRADE

4.1   4.1.1   Subsidise production./Impose import duties on imported goods./Provide labour incentives./Reduce any export duties on the products. $(4 \times 2 = 8)$

          4.1.2   Containership or bulker.   (2)

          4.1.3   Containers in import stack./Seal checked./Documents checked./Customs clearance./Freight and other charges paid./Cargo cleared from harbour and taken to consignee's premises. $(4 \times 2 = 8)$

4.2   Importance of Straits of Hormuz – award marks for clear argument for the importance of the straits, oil cargoes transiting the straits, its economic importance, strategic importance, military threats given the tensions in the region.   (12)

4.3   4.3.1   Loaded above the appropriate mark on the load line. Load line submerged. $(2 \times 2 = 4)$

          4.3.2   Detain the ship./Force the ship to rectify the problem./Fine the master. $(3 \times 2 = 6)$

4.4   4.4.1   Via the Cape: $22\,000 \times 3$ days $= \$66\,000$

                           3 days $\times$ 65 t $\times$ \$310 $= \$60\,450$

                           3 days $\times$ 3 t $\times$ R435 $= \underline{\$\ 3\,915}$

                           Total extra cost via Cape = **\$130 365**   (6)

          4.4.2   Costs via Suez: $332106 + \$80\,000 = \$412\,106$

                         Extra costs via Cape = $\underline{\$130\,365}$

                         Saving via the Cape = **\$281 741**   (6)

          4.4.3   Ballast water essential for stability of ship./Intake of ballast water in Australia will include Australian organisms./Need to replace this water with water nearer Rotterdam./Local organisms then in water, not foreign organisms.   (6)

          4.4.4   Summer   (2)

          4.4.5   Load line Convention   (2)

          4.4.6   Cape Agulhas/English Channel–Dover $(2 \times 2 = 4)$

          4.4.7   Brazil–China/Brazil–Europe/Australia–Asia/Saldanha–Europe/Saldanha– Asia. Any two. $(2 \times 2 = 4)$

4.5   Slow steaming = less fuel = saving of costs/allows more ships to remain in service. $(3 \times 2 = 6)$

4.6   4.6.1   SAMSA   (2)

          4.6.2   SAMSA   (2)

[80]

QUESTION 5   MARITIME ENVIRONMENTAL CHALLENGES

5.1   5.1.1   Heavy rain./Strong winds./Heavy seas./Overcast sky.   (3 × 2 = 6)
        5.1.2   Steaming into the swell and wind.   (2 × 2 = 4)

5.2   Strong wind = difficult to manoeuvre ships in the port/may lead to ships' mooring
        lines parting./May stop cargo operations (especially containers).   (3 × 2 = 6)

5.3   Costs a lot to clean up./Kills sea creatures./Any other.   (2 × 2 = 4)
                                                                                    [20]

260 marks

Total: 300 marks