



PORT AND TERMINAL MANAGEMENT

INTRODUCTORY REMARKS

Overall the standard of the answers was high. It was clear that students managed to display a wide range of knowledge on the subject, and also generally managed to offer a number of examples to enhance their answers. Where students struggled was in the financially-based questions on investment appraisal and financial risk. Perhaps this points to a predominance of students attempting the examination from an operational type background.

1. You are the marketing manager for a general cargo port. You believe an opportunity exists for the port to benefit from developments in the onshore and offshore renewable energy business. Draft a report to your managing director outlining the opportunities within these sectors and the resources you would require to undertake this business.

This question seemed to have created a degree of confusion with students. Many answered the question as it was intended, to understand and discuss the resources that would be required by the port to undertake and facilitate an offshore wind farm project. The better answers described heavy haulage and craneage and extensive use of land/quay storage areas.

Unfortunately some student interpreted the question as what is the potential for renewable energy sources creating sustainable energy to assist in more cost-effective methods of running of a port, presumably by lowering electricity charges. This was not the intention of the question, and the students who approached the question from this perspective scored poorly.

2. Describe the techniques available to port managers to mitigate risk in the present financial downturn.

In retrospect this question could perhaps have been phrased better. It was intended purely as a financial-type question, and the students who answered it from that perspective scored heavily. Some students interpreted the question as a broad sweep question across the general operations and management of the port, and it could be understood how they have interpreted the question this way. However most students who chose this alternative still gave an answer that was generally financially-based, and scored well.

3. Your chief executive who is new to the port industry has asked you, as port manager, to advise him on how you analyse port performance. Using a port of your choice draft a formal response discussing the indicators available to you.

This question was very well answered; most students were aware of the various ratios available to the port manager to establish internal KPIs in port performance. The outstanding answers introduced some examples from ports of their choice. Most students were able to give a range of ratios, covering berth, storage and stevedoring utilisation factors.

4. Discuss five of the following abbreviations:

(a) HASAWA

(b) FEU

(c) LCL

(d) ITF

(e) DNV+GL

(f) CIF

(g) P&I

Hasawa

Very well answered in cases where students gave good examples of salient aspects of the legislation.

FEU

Students displayed a strong knowledge of the abbreviation which is well used in the container trades.

LCL

Students displayed a strong knowledge of the abbreviation which is well used in the container trades.

ITF

There was a mix of answers to this question, and a number of students did not understand the term. A percentage of students could not fully describe the abbreviation correctly. Only around 30% of students could properly discuss the role of the International Transport Federations role correctly. Outstanding students gave examples of where the organisation was particularly strong, for example in Australia.

DNV+GL

The marriage of Det Norske Veritas and Germanischer Lloyd in terms of classification societies was understood and their role in maritime commerce was well described.

CIF

One of the most common Incoterms. A high percentage of students clearly understood its important role in international trade, and could give examples to differentiate CIF from other major Incoterms such as FOB.

P & I

The role of the Protection and Indemnity clubs was clearly understood. Many students gave a reasonable historic background on the subject. The outstanding scripts discussed the differing needs between the ship-owner and ships agent for cover. Examples of the differing requirements were provided.



PORT AND TERMINAL MANAGEMENT

5. You have been appointed Health and Safety Manager at a newly constructed deep sea container terminal. What are the main policies which you would require to have in place prior to the terminal becoming operational?

The answer tended to get an "either/or" type response. The students either constructed an answer on legislation such as HASAWA, Dock Regulations or on a more day to day hands on Health and Safety culture; PPI, Lighting, Safety meetings and so on. Only a few students chose to do both. Generally a high level of knowledge was displayed.

6. Describe in detail the port and shore side facilities which you would expect to see at a deep sea ro-ro terminal.

The question on the Deep Sea Ro-Ro terminal was at best, moderately answered. Students displayed occasional glimpses of a level of knowledge, but lacked sufficient depth. Most could point to ramps, but could give no technical detail, and many replicated a container yard in terms of discussing the quayside land use. Most students displayed enough knowledge to achieve a pass mark, but generally the answers could have been improved on. Very few students discussed the fact that the Ro-Ro terminal would require good hinterland road and rail links, and lacked in bringing in a multi-modal facet into the answer.

7. Describe the investment appraisal techniques available to a port which can be utilised to assess potential developments or acquisitions.

This question was poorly answered. Only a relatively moderate percentage of students could display awareness of the two major investment appraisal techniques regularly used by ports to assess developments and acquisitions, namely the net present values and the internal rate of return. Even then the answers could have been enhanced by the use of examples. Many students attempted this question but could only display a rudimentary knowledge of the subject.

8. Using a port of your choice explain with the use of examples how the port has become a key part in the supply chain.

This question was generally well answered as students readily grasped the concept of the port as a vitally important strategic cog in the supply chain. Many gave good examples of the ports hinterland; some Cote d'Ivoire students discussed the importance of Abidjan in serving landlocked countries such as Chad and Central African Republic. These were excellent examples to use.