

Module Handbook Chartering

Scheme & Program	M.Sc. Shipping Management		
Module Title	Chartering		
Module Code			
Module Start Date/ Cohort	2021-22		
Module Level	Level 7	Credit Rating	[5 ECTS credits]
Total study time	10 hours academic directed time 3,5 hour lecture per week for 9 weeks	Hours of independent Learning and time for assessments	125 hours of teaching and independent learning and time for assessments
Module Leader& Lecturer(s):	Dr. Thanasis Karlis, Mr. John Pachoulis, Mr. Nikos Pentheroudakis		
Email:			
Room:			
Office Hours:	Please email me for any queries or see me in sessions.		
Seminar Tutor(s):			
Program Director:	Professor Angelos Pantouvakis		
Administrator contact:	Mrs. Maria Varoucha, 2104142504		
Administrator e-mail:	shipman@unipi.gr		
Lecture day& time:	Weekdays 18.00-21.15		
Seminar day & time:			

1. Welcome Note

Welcome to the Chartering module at the **M.Sc. University of Piraeus Shipping Management course**. During the following nine weeks, you will understand the process of fixing a vessel and the format, purpose and content of main charter party clauses.

2. Module aim

The module is designed to enhance knowledge on the chartering documents, procedures and term interpretation taking into consideration all parties involved in the process; develop students' ability to assess the market shifts in order to determine and propose the proper chartering strategy for the company; and effectively apply practical legal knowledge on the charter party drafting and negotiation stage.

3. Learning Outcomes—what you will gain from taking the module:

By the end of this module, students will be able to:

1. Analyse market conditions for chartering decisions;
2. Critically interpret charter party drafting and the wording of main clauses of charter parties;
3. Critically evaluate the necessary changes of charter party clauses to protect the interests of the owner/charterer;
4. Effectively undertake a voyage estimation and laytime calculation and analyse its results;

4. Indicative Module Content:

- **International Trade of goods - process and practice.**
- **The bill of lading and Carrier's liability**
- **Freight Market operation and freight formation.**
- **Implied Obligations in Contracts of Affreightment**
- **Voyage Charter party concept and clauses**
- **Time Charter party concept and clauses.**
- **Chartering process.**
- **Voyage Estimation and Laytime calculation.**

5. How the module is taught, attendance and the teaching schedule:

The module will utilize flexible, responsive and interactive learning environments by the use of a combination among lectures, seminars, workshops, independent self – tasks and the use of Virtual Learning Environment (e – college) to encourage students' ability to think critically and creativity. Thus critical thinking will be achieved through case studies and real shipping financial scenarios. Employability and educating the whole person process will be achieved through the application of

knowledge and case studies.

a. Weekly Schedule of Lectures

Time	Topic
Week 1	<p>International Trade of goods - process and practice.</p> <p>Ship types, chartering related dimensions and basic terminology. International Trade process and practice with focus on Letter of Credit. INCOTERMS and trade transaction documents. Understanding the Bill of Lading and the Charter party and their primary function in each shipping sub-market (Bulk and container shipping). Types and cost distribution in spot and time charters.</p> <p>Reading Material:</p> <ul style="list-style-type: none"> • Institute of Chartered Shipbrokers (2014). <i>Dry cargo chartering</i>. • Ermakov, V, Burmistrova, E, Bodin, N, Chursin, A, & Shevereva, E 2018, 'A letter of credit as an instrument to mitigate risks and improve the efficiency of foreign trade transaction', <i>Espacios</i>, 39, 6
Week 2	<p>The bill of lading and Carrier's liability</p> <p>Bill of lading functions and International rules of unification of bills of lading. Hague Visby Rules and Rotterdam Rules. Bill of lading and its relationship with charter parties.</p> <ol style="list-style-type: none"> 1. WILSON, John F., <i>Carriage of Goods by Sea</i>, latest. ed., London: Longman, 2010; part III, chapters 5 -9. 2. Oana, A 2013, 'Implications of the bill of lading usage in the process of goods transportation by sea', <i>Analele Universitatii Maritime Constanta</i>, 14, 20, pp. 183-186 3. Pandele, AI 2017, 'The International Carriage Of Goods By Sea. A Comparative Study Of Uniform Regulations', <i>Contemporary Readings In Law And Social Justice</i>, 2, P. 259
Week 3	<p>Freight Market operation and freight formation</p> <p>Market reporting and Information sources. Operation of the freight market and freight rate determinants. Freight market equilibrium. Relationship between spot and time charter freight rates. Sub market interdependency.</p> <p>Reading Material:</p> <ul style="list-style-type: none"> • Alizadeh, A.H. and Talley, W.K., 2011. Microeconomic determinants of dry bulk shipping freight rates and contract times. <i>Transportation</i>, 38(3), pp.561-579. • Wright, G., 2000. Spot and period rates in the wet bulk shipping market: Testing for long-run parity. <i>Journal of Transport Economics and Policy</i>, pp.291-299. • Ghiorghe, B., Gianina, C. and Ioana, S., 2013. Analysis of the interaction between capesize and panamax freight markets. <i>Analele Universitatii Maritime</i>

	<p><i>Constanta</i>, 14(20).</p> <ul style="list-style-type: none"> Zhang, H. and Zeng, Q., 2015. A study of the relationships between the time charter and spot freight rates. <i>Applied Economics</i>, 47(9), pp.955-965.
Week 4	<p>Implied Obligations in Contracts of Affreightment</p> <p>Freedom to enter contract and contract term interpretation. Conditions and warranties. Implied, express and innominate terms. Ship owner's obligations (Seaworthiness, No deviation, Reasonable dispatch). Charterer's obligations (Safe port, dangerous goods).</p> <p>Reading Material</p> <ul style="list-style-type: none"> WILSON, John F., <i>Carriage of Goods by Sea</i>, 7th. ed., London: Longman, 2010; Part I, chapter 2. Cooke, J., Young, T., Ashcroft, M., Taylor, A., Kimball, J., Martowski, D., Lambert, L. and Sturley, M., 2014. <i>Voyage charters</i>. Informa Law from Routledge. Chapters 1, 11 & 12
Week 5	<p>Voyage Charter party concept and clauses</p> <p>Preliminary voyage. Arrived ship and laytime provisions. Loading operations. Freight deemed earned and payable.</p> <p>Reading Material:</p> <ul style="list-style-type: none"> WILSON, John F., <i>Carriage of Goods by Sea</i>, latest. ed., London: Longman, 2010; part II, chapter 3 Cooke, J., Young, T., Ashcroft, M., Taylor, A., Kimball, J., Martowski, D., Lambert, L. and Sturley, M., 2014. <i>Voyage charters</i>. Informa Law from Routledge. Chapter 13
Week 6	<p>Time Charter party concept and clauses</p> <p>Vessel description and representations. The notion of "time" and loss of time in time charters. Period of hire and hire payment. Right to withdrawal.</p> <p>Reading Material:</p> <ol style="list-style-type: none"> WILSON, John F., <i>Carriage of Goods by Sea</i>, latest. ed., London: Longman, 2010; part II, chapters 3 Coghlin, T., Coghlin, T., Baker, A., Kenny, J., Kimball, J. and Belknap Jr, T.H., 2014. <i>Time charters</i>. Informa Law from Routledge.
Week 7	<p>Chartering process.</p> <p>The market players and interaction. Orders and positions. Indications. Firm offers. Negotiations and fixed on main terms. Broker's role and span of authority.</p> <p>Reading Material:</p>

	<ul style="list-style-type: none"> • Institute of Chartered Shipbrokers (2014). <i>Dry cargo chartering. Chapters 3, 4.</i> • Panayides, P. (2014). <i>Principles of chartering.</i> Lexington, Ky.: CreateSpace. Chapter 2.
Week 8	<p>Voyage Estimation</p> <p>Cost elements of ships. Financial elements of charter parties. Voyage estimating. Examples</p> <ul style="list-style-type: none"> • Institute of Chartered Shipbrokers (2014). <i>Dry cargo chartering. Chapter 7.</i> • Panayides, P. (2014). <i>Principles of chartering.</i> Lexington, Ky.: CreateSpace. Chapter 8.
Week 9	<p>Laytime calculation</p> <p>Terms interpretation. Examples of laytime calculation.</p> <ul style="list-style-type: none"> • Institute of Chartered Shipbrokers (2014). <i>Dry cargo chartering. Chapter 6.</i>

6. Assessment

The module will be assessed through three components:

- A practical assessment on voyage estimation (25%).
- A practical assessment on laytime calculation (25%)
- A case study evaluation on charter party terms interpretation and theory (50%)

Assessment title and brief description	Word count / hours as applicable	Weight	Submission Deadline	Submission method	Feedback date	Feedback type
Written exam on voyage estimation	1.5hrs	25%	TBA	Hand in	TBA	Solution provided on e-college
Written exam on Laytime	1.5hrs	25%	TBA	Hand in	TBA	Solution provided on e-college

calculation estimation						
Written exam on clause analysis case study	3.0hrs	50%	TBA	Hand in	TBA	Comments provided on e-college

Note: In the extraordinary case of any changes to the assessment schedule will be communicated by e-mail and/ or announcement on the module's E-College pages.

Assessment Criteria	Weighting
<ul style="list-style-type: none"> Voyage Estimating 	25%
<ul style="list-style-type: none"> Accuracy of calculation Cost estimation data Presentation of results and recommendation 	40% 20% 40%
<ul style="list-style-type: none"> Laytime Calculation 	25%
<ul style="list-style-type: none"> Accuracy of calculation Accurate interpretation of terms Presentation of results and recommendation 	40% 30% 30%
<ul style="list-style-type: none"> Case Study Evaluation 	50%
<ul style="list-style-type: none"> Analysis of topic Citation of relevant court cases Conclusions and recommendation 	30% 30% 40%

Grades will be based on the content of the hand in submission assuming that all the milestones above have been met.

7. Recommended Further

Reading BOOKS

1. Plomaritou, E. and Papadopoulos, A., 2017. *Shipbroking and chartering practice*. Informa Law from Routledge.
2. Eder, B., 2015. *Scrutton on charterparties and bills of lading*. Sweet & Maxwell.
3. McConville J. (1999), *Economics of maritime transport, theory and practice*. Witherby
4. Stopford M. (2009), *Maritime economics* (3rd ed). Routledge.

Journal Articles

Stapleton, D, Pande, V, & O'Brien, D 2014, 'EXW, FOB OR FCA? CHOOSING THE RIGHT INCOTERM AND WHY IT MATTERS TO MARITIME SHIPPERS', *Journal Of Transportation Law, Logistics & Policy*, 81, 3, pp. 227-248

OGLINDĂ, B, & OLARIU, C 2018, 'Risky business: distribution of risk in contracts for international sales of goods', *Juridical Tribune / Tribuna Juridica*, 8, 1, pp. 103-113

Hoefele, A., Schmidt-Eisenlohr, T. and Yu, Z., 2016. Payment choice in international trade: Theory and evidence from cross-country firm-level data. *Canadian Journal of Economics/Revue canadienne d'économique*, 49(1), pp.296-319.

Sefara, A.A., 2016. The structure of carrier's liability and burden of proof under the United Nations convention on contracts for the international carriage of goods wholly or partly by sea (2009). *Australian Journal of Maritime & Ocean Affairs*, 8(3), pp.199-205.

Heij, C. and Knapp, S., 2014. Dynamics in the dry bulk market economic activity, trade flows, and safety in Shipping. *Journal of Transport Economics and Policy (JTEP)*, 48(3), pp.499-514.

Beenstock, M., Vergottis, A.R.: An econometric model of the world tanker market. *J. Transp. Econ. Policy* 23(2), 263–280 (1989)

Websites

<https://www.hellenicshippingnews.com/>

International Association of Ports and Harbors - www.iaphworldports.org

International Chamber of Shipping - <http://www.ics-shipping.org/>

International Federation of Shipmasters' Associations - www.ifsma.org/

International Harbour Masters' Association - www.harbourmaster.org

International Maritime Organization - www.imo.org/