

Module Handbook
Marine Insurance

Scheme & Program:	M.Sc. Shipping Management		
Module Title:	Maritime Economics		
Module Code:			
Module Start Date/ Cohort:	2021-22		
Module Level:	Level 7	Credit Raking	[5 ECTS credits]
Total Study Time:	24 hours of academic directed time 3 hours lecture per week for 8 weeks	Hours of independent learning and time for assessment	125 hours of teaching and independent learning and time for assessment
Module Leader & Lecturer:	Dr Dionysios Polemis		
E-mail:	dionpolemis@unipi.gr		
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 Marine Insurance course of M.Sc. Shipping Management Program, University of Piraeus. This module helps students learn and understand the fascinating world of marine insurance.

2. Module aims:

The module aims to enhance student's ability to apply economic theory on the shipping sector in order to evaluate market equilibrium shifts. The critical evaluation of the parameters affecting supply and demand will provide students with the necessary tools to critically evaluate shipping economic environment and apply timely and rational decisions with regard to chartering, managing and investment strategy. The identification of the shipping cycle market stage consists an important part of the module.

The module intends to:

- Provide a systematic understanding of the economics of the shipping market, its organization and functions.
- Highlight the distinctive characteristics of tramp and liner shipping and the associated threats and opportunities involved in these markets.
- Analyse how freight rates and vessel values are determined.
- Address if there are shipping cycles
- Analyse the factors and characteristics that can assist a shipping to survive market depressions or to thrive during the upswings of the market.
- Examine if reliable forecast are possible.
- Analysis of shipping segments (Bulk, Specialize cargo, Liner)

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

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

- Have significant knowledge over the factors that affect the supply and demand for sea transport.
- Describe and analyse the organization and characteristics of tramp and liner shipping.
- Describe and analyse shipping market cycles and their unique characteristics.
- Describe and analyse how the Freight Rate, the New built, the S&P and the Demolition Markets operate and how the equilibrium is achieved.
- Understand and evaluate the interrelationship among the above markets.
- Understand the associated risks of the shipping market and who bears it.
- Understand and evaluate the associated risks / threats and opportunities derived from phases of the market cycle for the above markets.

4. Indicative Module Content:

The module is concerned with the factors affecting supply of vessels. Provides a distinction between effective and prospective supply. Fleet productivity evaluation and analysis of the internal and external factors affecting it. Factor affecting demand of ships in the three major markets of bulk, tanker and liner shipping with particular focus on economic development, trade routes, average haul and natural and political events. Supply and demand elasticity and connection with freight movement. Shipping operating costs and economies of scale. Interrelation between freight rates, ship values, chartering options. Shipping cycles theories and proposed investment decisions.

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

The module will utilize flexible, responsive and interactive learning environments using a combination among lectures, seminars, workshops and independent self-assessment tasks, to encourage students' ability to think critically and creatively.

Weekly Schedule of Lectures

Time	Topic
<p>Week 1</p>	<p>Sea Transport and the Global Economy</p> <ol style="list-style-type: none"> 1. The origins of sea trade 2. The role of sea trade in the economic development 3. The rise of the independent shipowner 4. Liner & Tramp Shipping <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 1
<p>Week 2</p>	<p>The Organisation of the Shipping Industry</p> <ol style="list-style-type: none"> 1. Overview of the maritime industry 2. The international transport industry 3. Characteristics of sea transport demand 4. The sea transport system 5. The world merchant fleet 6. The role of governments in shipping <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 2
<p>Week 3</p>	<p>Shipping Market Cycles</p> <ol style="list-style-type: none"> 1. Introducing the shipping cycle 2. Characteristics of shipping market cycles 3. Shipping cycles and shipping risk 4. Lessons from previous market cycles <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 3
<p>Week 4</p>	<p>Supply, Demand and Freight Rates</p> <ol style="list-style-type: none"> 1. The shipping market model 2. Key influences on supply and demand 3. The demand for sea transport 4. The supply for sea transport 5. The freight mechanism <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 4 • McConville James, <i>Economics of Maritime Transport</i>, ICS, Chapters 2-6

<p>Week 5</p>	<p>The Four Shipping Markets</p> <ol style="list-style-type: none"> 1. The decisions facing shipowners 2. The Freight Market 3. The Newbuilding Market 4. The S&P Market 5. The Demolition Market <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 5
<p>Week 6</p>	<p>Costs, Revenue and Cashflow</p> <ol style="list-style-type: none"> 1. Cashflow and the art of survival 2. Financial performance and investment strategy 3. The cost of running the ships 4. The capital cost of the ship 5. The revenue that ship earns 6. Valuing merchant ships <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 6 • McConville James, <i>Economics of Maritime Transport</i>, ICS, Chapter 7
<p>Week 7</p>	<p>The Transport of Bulk Cargoes</p> <ol style="list-style-type: none"> 1. The bulk fleet 2. The bulk trades 3. The principles of bulk transport 4. Liquid bulk transport 5. The crude oil trade 6. The oil products trade 7. The minor bulk trade <p>Reading material:</p> <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapter 11 • Tamvakis Michael, <i>Commodity Trade & Finance</i>, informa (2007), Chapters 2-12 • Bain Caroline, <i>Guide to Commodities</i>, The Economist (2013), Chapters 2-4 • McConville James, <i>Economics of Maritime Transport</i>, ICS, Chapters 10 & 11
<p>Week 8</p>	<p>The Transport of Specialised & General Cargo</p> <ol style="list-style-type: none"> 1. Introduction to specialised shipping 2. The sea transport of chemicals 3. The sea transport of LNG & LPG 4. Unit load cargo transport 5. Economic principles of liner service 6. General cargo and liner transport demand 7. The liner shipping routes 8. The liner fleet and major companies 9. The principles of liner service economics 10. Pricing liner services 11. Liner conferences and cooperative agreements

	Reading material: <ul style="list-style-type: none"> • Martine Stopford, <i>Maritime Economics</i>, 3rd Edition, Routledge (2009), chapters 12 &13 • McConville James, <i>Economics of Maritime Transport</i>, ICS, Chapter 12
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7. Assessment

The module will be assessed on the basis of one (1) component:

- A two (2) hours written exam (100%)

Assessment Title and Brief Description	Word count/ Hours where applicable	Weight	Submission deadline	Submission method	Feedback date	How feedback is provided
Final Exam	2 hours	100%		Doc		Comments on Exam sheet or e-mail

Note: Any changes to the assessment schedule will be communicated by e-mail and/or announcement on the module's e-class pages.

Assessment criteria	Weight
Identify and evaluate the raised issues or points	20%
Analyse and develop related arguments involved	70%
Overall presentation along with grammar, syntax and referencing of related material	10%

8. Recommended further reading

Books

- Alderton, P. M., "Sea Transport, Operation and Economics", Thomas Reed Publications
- Chrazanowski, I. , (1989), "An Introduction to Shipping Economics", Fairplay Publications", Surrey
- Branch, A.E, (1991), "Elements of Shipping", Chapman & Hall, London
- Lindert, P.H, (1986), "International Economics", Irwin, Illinois
- Evans, J.J. & Marlow, P.B., (1997), "Quantitative Methods in Maritime Economics", Fairplay Publications, Surrey

Shipping Academic Journals

- Maritime Policy & Management (available online)
- Maritime Economics & Logistics (available online)
- Transportation Research (available online)
- Case Studies on Transport Policy (available online)
- Scientific Journal of Maritime Research (available online)

Shipping Newspapers & Magazines (available online)

- Lloyd's List (Newspaper)
- Tradewinds (Newspaper)
- Naftemporiki (Newspaper)
- Shipping Finance (Newspaper)
- Naftika Chronika (Magazine)

- Hellenic Shipping News (online)
- Shipping Outlook (Magazine)
- Fairplay (Magazine)

Websites

- International Maritime Organisation (IMO) <http://www.imo.org>
- Intertanko <https://www.intertanko.com>
- Intercargo <https://www.intercargo.org>
- Union of Greek Shipowners (UGS) <https://www.ugs.gr>
- Hellenic Ministry of Shipping & Island Policy <https://www.gtp.gr>
- EU Mobility & Transport https://ec.europa.eu/transport/home_en