

DEREE COLLEGE SYLLABUS FOR:		US CREDITS: 3/0/3			
EC 3227 MARITIME ECONOMICS - UK LEVEL: L5		UK CREDITS: 15			
(Updated Fall 2021)					
PREREQUISITES:	EC 1000 Principles of Microeconomics MA 1008 College Algebra				
CATALOG DESCRIPTION:	The economics of sea transport and related markets. Shipping & ship demand & supply, economies of scale, shipping cycles, ship & shipyard productivity, shipyard subsidisation, return on shipping investment, evolution of fleet costs as more ships are activated, shipping risk & FFAs, bulk carriers vs. specialised ships, marginal cost pricing, fast vs. slow steaming.				
RATIONALE:	The course aims at helping students understand the application of economic principles & concepts on the transportation of goods by sea, the determination of freight rates, and the interaction of shipping markets (including shipbuilding). As such, it constitutes an important course in the shipping management programme, providing the necessary groundwork for other courses in shipping, enhancing the employability of programme (as well as economics) graduates in the field.				
LEARNING OUTCOMES:	As a result of taking this course students should be able to: <div><div>1.</div><div>Analyse and explain shipping markets and cycles; freight rate indices; ship productivity; economies of scale in shipping; marginal cost pricing in shipping.</div></div> <div><div>2.</div><div>Define and analyse sea transport demand & supply and the distribution of shipping risk between shipowner & cargo owner.</div></div> <div><div>3.</div><div>Explain the trade-off between fast & slow steaming, and apply this on shipowner's profit-maximisation problem.</div></div> <div><div>4.</div><div>Calculate and analyse the Return on Shipping Investment.</div></div> <div><div>5.</div><div>Define, discuss and explain shipbuilding demand & supply and shipyard productivity.</div></div>				
METHOD OF TEACHING AND LEARNING:	In congruence with the learning and teaching strategy of the college, the following tools are used: <div><div>➤</div><div>Classes consist of lectures and class discussions of recent articles in economic journals assigned by the instructor.</div></div> <div><div>➤</div><div>Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.</div></div> <div><div>➤</div><div>Use of blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.</div></div>				
ASSESSMENT:	<div><div>Summative:</div><table><tr><td>1st assessment: In-class examination (One-hour, closed book, problems/essays/multiple choice/true-false combination)</td><td>40%</td></tr></table></div>			1 st assessment: In-class examination (One-hour, closed book, problems/essays/multiple choice/true-false combination)	40%
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	<table border="1" data-bbox="521 205 1313 342"> <tr> <td data-bbox="521 205 1125 342">2nd assessment: In-class examination (Two-hour, closed book, problems/essays/multiple choice/true-false combination)</td><td data-bbox="1125 205 1313 342">60%</td></tr> </table> <p data-bbox="521 380 672 407">Formative:</p> <table border="1" data-bbox="521 407 1313 447"> <tr> <td data-bbox="521 407 1125 447">Formative assignments</td><td data-bbox="1125 407 1313 447">0%</td></tr> </table> <p data-bbox="521 485 1463 548">The formative assignments prepare students for summative assignments and ensure that students are actively engaged during the term.</p> <p data-bbox="521 585 1203 648">The 1st assessment tests Learning Outcomes 1, 2, 3. The 2nd assessment tests Learning Outcomes 4, 5.</p>	2 nd assessment: In-class examination (Two-hour, closed book, problems/essays/multiple choice/true-false combination)	60%	Formative assignments	0%
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Formative assignments	0%				
<p data-bbox="142 716 464 743">INDICATIVE READING:</p>	<p data-bbox="521 730 829 758">REQUIRED READING:</p> <p data-bbox="521 779 1479 842">Stopford, M. (2008): <i>Maritime Economics</i>. Routledge, latest edition. ISBN-10: 041527558X ISBN-13: 978-0415275583</p> <p data-bbox="521 915 1382 978">Journal articles, accessible through the Library, as assigned by the instructor.</p> <p data-bbox="521 1031 911 1058">RECOMMENDED READING:</p> <p data-bbox="521 1100 1471 1226"><u>The Economist (2018):</u> "Sulphur-emissions rules for shipping will worsen global warming - The IMO's rules could also wipe 3% off America's GDP", Oct. 27th. https://www.economist.com/business/2018/10/27/sulphur-emissions-rules-for-shipping-will-worsen-global-warming</p> <p data-bbox="521 1268 1398 1362"><u>EY (2017): Repositioning Greece as a global maritime capital.</u> https://www.ey.com/Publication/vwLUAssets/ey-shipping-survey-en-short/\$FILE/Shipping_Survey_en_short.pdf</p> <p data-bbox="521 1404 1479 1467">Friedman, D. (1990): Price Theory: An intermediate text, pp. 402-8, South-Western Publishing Co.</p> <p data-bbox="521 1509 1503 1667">Fuentes, P. & Couvillion, W. (2004): "The Economics of Increasing Speed in Sea Transportation: The Case for the Southern US, Mexico, Central America and the Caribbean". http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.607.604&rep=rep1&type=pdf</p> <p data-bbox="521 1667 1471 1730">Jansson, J.O. & Shneerson, D. (1982): "The optimal ship size", Journal of Transport Economics and Policy, v. 16, n. 3, pp. 217-38.</p> <p data-bbox="521 1772 1471 1866">Kasimati, E. & Veraros, N. (2017): "Is there accuracy of forward freight agreements in forecasting future freight rates? An empirical investigation", Bank of Greece working paper 230, June 3.</p>				

	<p>Meyer, J., Stahlbock, R., Voß, S. (2012): "Slow steaming in Container Shipping", 45th Hawaii Int'l Conference on System Sciences. https://www.researchgate.net/publication/254051395_Slow_Steaming_in_Container_Shipping</p> <p>Psaraftis, H.N. & Kontovas, C.A. (2014): "Ship speed optimization: Concepts, models and combined speed-routing scenarios", Transportation Research. PartC: Emerging Technologies, 44, 52-69. https://doi.org/10.1016/j.trc.2014.03.001</p> <p>Rodrigue, J.P. (2015): "The Disadvantages of Scale in Maritime Shipping". https://www.porteconomics.eu/2015/06/11/1065/</p> <p>Ronen, D. (2011): "The effect of oil price on containership speed and fleet size", Journal of the Operational Research Society 2, 211-6.</p> <p>Smith, H. (2012): "Greece's super-rich maintain lavish lifestyles and low profiles", The Guardian, 13 June. http://www.theguardian.com/world/greek-election-blog-2012/2012/jun/13/greeces-super-rich-low-profiles</p> <p>Olympic Vessels (2019): "Freight Derivatives Explained", 15 Oct. http://www.olympicvessels.com/derivatives.php</p> <p>Theotokas, I. (2007): "On top of world shipping: Greek shipping companies' organization and management", <i>Research in Transportation Economics</i>, v. 21, pp. 63-93.</p>
INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>
COMMUNICATION REQUIREMENTS:	Use of appropriate academic conventions as applicable in oral and written communications.
SOFTWARE REQUIREMENTS:	Word, Excel
WWW RESOURCES:	<p>http://www.ship.gr/ https://www.ics.org.uk/ http://www.imo.org/en/Pages/Default.aspx https://www.ugs.gr/en/ https://www.clarksons.com/services/research/ https://www.balticexchange.com/</p>
INDICATIVE CONTENT:	<ol style="list-style-type: none"> 1. Introduction to shipping 2. Revolutionary changes in the international shipping industry since 1850

	<ol style="list-style-type: none">3. Shipping market cycles4. The 4 shipping markets5. Kinds of shipping contracts6. Unit-costs, ship productivity, quantity of sea transport supplied7. The parcel size distribution function8. Economies of scale in shipping9. Supply, demand and freight rates10. Distribution of shipping risk between cargo owner and ship owner, and FFAs11. Trade-off the shipowner faces between fast & slow steaming, and the effect of ship speed on profit12. Return on shipping investment13. Evolution of fleet costs (MC, AC) as more ships are activated14. Bulk ship vs specialised ship15. Shipyard supply & demand, and shipyard productivity. Incidence of a subsidy16. Marginal cost pricing and competition in the shipping industry
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