

**PRICING OF CONTAINER SERVICES
IN THE SHIPPING LINE WITH SPECIAL
REFERENCE TO INTEGRATED FORWARDING
AND SHIPPING SDN. BHD. PORT KLANG.**

**A GRADUATION EXERCISE SUBMITTED
AS PARTIAL FULFILMENT OF THE
ADVANCE DIPLOMA IN BUSINESS ADMINISTRATION
(TRANSPORT)**

BY

ADILAH BINTI SHUID

88250980

**ADVANCE DIPLOMA IN BUSINESS ADMINISTRATION
(TRANSPORT)**

SCHOOL OF BUSINESS AND MANAGEMENT

MARA INSTITUTE OF TECHNOLOGY

SHAH ALAM

MAY 1992

ABSTRACT

Maritime transport plays an important role in the international trade. It is the aim of this study to identify those problems related to pricing of container services and to give recommendations to minimise the problems so that the industry may be well developed.

The main problem in the shipping industry is the high freight charges, arising from great competition, unstable market situation and other factors affecting ocean freight rates. These factors are discussed in detail in this exercise.

ACKNOWLEDGEMENT

I would like to express my utmost gratitude to my advisor, Mr. Appa Rao Maradiah for his guidance during this exercise. His helpfull comments, advise and constructive critisms and fine suggestions are very much appreciated.

I owe a million thanks to the management of Integrated Forwarding & Shipping Sdn. Bhd. for providing me a place to do my six months practical training. In particular, I must thank the Shipping Director, Mr. Johari Gosti, who has been a great help in explaining all aspects of work of the Shipping Department. His concern and advise is very much appreciated.

I also would like to express my gratitude to Mr. Hamidan, the Assistant Marketing Manager, Mr. Abu Samah, the

Assistant Operation Manager, Ms. Roshida, the Shipping Officer, Mr. Rafi Harun and Mr. Lew, the Marketing Executives and also several other marketing staffs for their information and guidance in completing this exercise. Thanks also should go to Ms. Penny, the Secretary of the Director for her assistance in computer usage.

This graduation exercise would not have been possible without the encouragement and inspiration from my beloved parents, my sister, brother and also my dear friends.

Adilah binti Shuib

May 1992.

TABLE OF CONTENTS

CHAPTER 1

1.1	INTRODUCTION	1
1.2	PURPOSE OF STUDY	6
1.3	OBJECTIVE	7
1.4	PROBLEMS STATEMENT	8
1.5	LITERATURE REVIEW	9
1.6	HYPOTHESIS	19
1.7	SCOPE AND LIMITATION	20
1.8	METHODOLOGY	21

CHAPTER 2

2.1	PRICING POLICY OF THE SHIPPING COMPANY	22
2.2	OVERVIEW OF PRESENT PRICING SYSTEM	27
	- INTRODUCTION	
2.2.1	JAPAN-TAIWAN-STRAITS MEETING	27
2.2.2	MAIN GROUP PRICING SYSTEM	29
2.2.3	TYPES OF CONTAINER SERVICES	34
	-FCL CARGO	
	-LCL CARGO	
2.2.4	CONTAINER SERVICE CHARGES	47
2.2.5	TERMS OF PAYMENT	52