

# THE ROLE OF TRANSPORT IN INTERNATIONAL TRADE

Mtl 2019/2020, lecture 1

2 March 2020

Doc. Iva Savić  
Department for Maritime and Transport Law  
isavic@pravo.hr

NO. 1



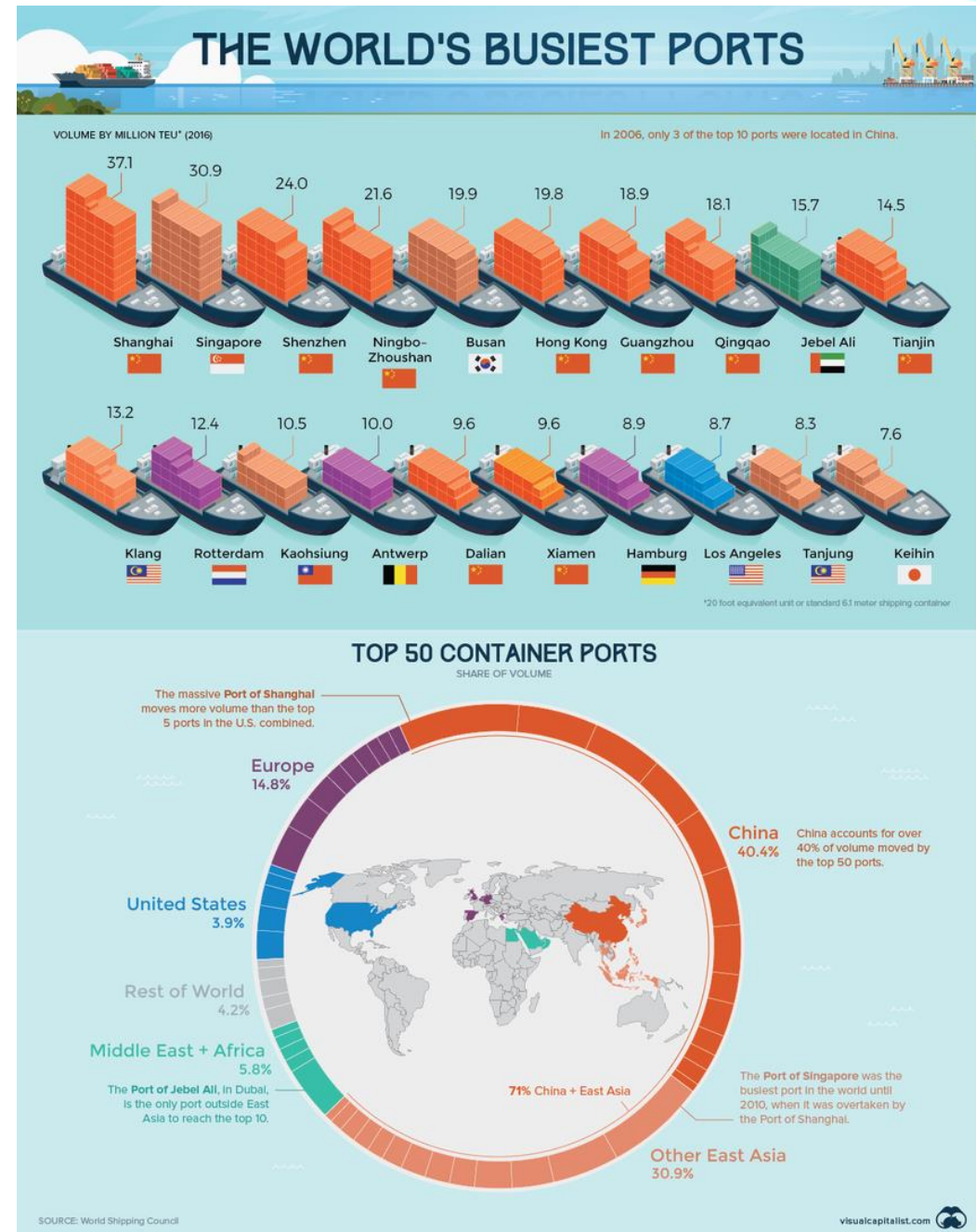
# THE WORLD'S BUSIEST PORTS IN 2019

No. 1. sea port: **Shanghai, PRC**

7 out of TOP 10 situated in China

15 out of TOP 20 situated in East Asia

Only 3 European ports in TOP 20

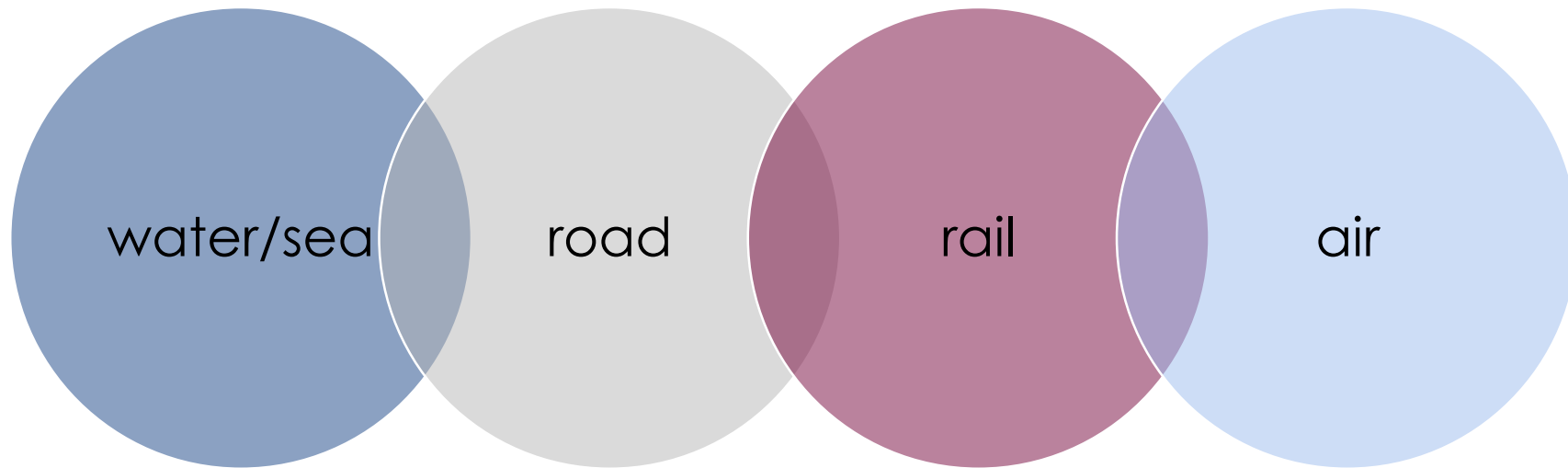




# INTRODUCTION

- Social category
- Economic category
- **Transportation**: movement of goods, people and animals
- **Transportation services**: moving (those objects) from one location to another by air, rail, road, sea, cable, space, or pipeline
  - /incl.operations regarding that transportation
  - /incl. Communications
- **Logistics** – includes integration of packaging of goods, storage, transportation and handling goods

# TRANSPORT MODES



# WHICH ISSUES DOES TRANSPORT LAW DEAL WITH?

- 1. International public law
- 2. International private law
- 3. Competition law
- 4. Administrative law
- 5. Criminal law
- 6. Consumer protection
- 7. Environmental law
- 8. Social sciences/law

...extremely multidisciplinary!

# INTERNATIONAL - GLOBAL TRADE

- International trade > transit of goods > consumer



# INTERNATIONAL SALES OF GOODS



- Domestic v. **International sales**  
**\*distance!**
  - > (legal) insecurity
  - transport
  - taking delivery of good
  - payment method – *documentary credits*



# SALES CONTRACT

- **SELLER:**

1. Delivers goods
2. Hands in documentation
3. Transfers property to buyer

- **BUYER:**

1. Pays the price
2. Takes delivery of the goods

- **DELIVERY OF GOODS**

- RISK TRANSFER
- FULFILMENT OF SELLER'S OBLIGATION

*\* WHERE and WHEN is this obligation fulfilled in intl. sales?*

# CISG

- United Nations Convention on Contracts for the International Sale of Goods, 1980  
(IF applied)

## **Contract freedom**

- **INCOTERMS = International Commercial Terms**

- > Minimising the risk of the conflict between parties (language barriers, knowing laws and customs in foreign markets, etc)
- > Easing interpretation of the agreement
- > Offering legal certainty to parties

# INCOTERMS

- Author: International Chamber of Commerce (ICC), Paris
- Issued since 1936 – new editions...> 2020 edition
- Part of a sales contracts
- critical point of each clause the moment of transferring the risk from the seller to buyer > e.g. alongside ship, free on board etc.
- waterborne clauses (4)/ used in all transport modes (7)

# WATERBORNE - SUITABLE FOR MARITIME TRANSPORT ONLY

- **FAS** - Free Alongside Ship (named loading port)
- **FOB** – Free On Bord (named loading port)
- **CFR** – Cost and Freight (named destination port)
- **CIF** - Cost, Insurance, Freight (named destination port)



# SUITABLE FOR ALL TRANSPORT MODES

- **EXW**- Ex Works
  - **FCA** – Free Carrier (named place of delivery)
  - **CPT** – Carriage Paid To (named place of destination)
  - **CIP** – Carriage and Insurance Paid to (named place of destination)
  - **DAP** – Delivered at Place (named place of destination)
  - **DPU** – Delivered at Place Unloaded (
  - **DDP** – Delivered Duty Paid (named place of destination)
- <https://youtu.be/7g7IC4IzjDM>

# TRANSPORT INSURANCE

- **Marine Insurance** –follows growth of cargo shipping and technological development of maritime transport
- Insuring a variety of **material interest** involved in transport chain
- Marine insurance– special legal regime, specific institutes