



Rewarding Learning

ADVANCED
General Certificate of Education
2012

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



THURSDAY 21 JUNE, MORNING

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in questions **5** and **6**.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each question in allocating the available examination time.



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Read the following information and answer the questions that follow.

Belfast Harbour Commission

Belfast Harbour's Annual Report (2010) indicates that trading revenues improved during the year with turnover increasing by 5% to £34.7m (compared to 2009). Profit before taxation amounted to £17.4m for the same trading period (2010). Trade passing through the Port rose for the first time in three years. A record 2m tonnes of grain and animal feeds were handled, which in turn reflected the competitive nature of Northern Ireland's Agri-Food sector (exports of dairy and beef products for example).

The Harbour has established Belfast as one of the leading bulk cargo ports in Ireland. A strategy of diversification of its business activities, particularly the exploitation of new opportunities in the environmental sector, has been adopted. During 2010, an initial £500 000 was invested in preliminary works in preparation for a £53 m investment in a new Terminal to serve the offshore wind energy industry. This investment is part of a long-term strategy of developing a Marine Energy Park to help establish Belfast as a hub for the emerging green economy.

A total of 313 000 freight vehicles were carried by the Port's Ro-Ro (Roll On-Roll Off) ferry operators in 2010, representing an increase of 2% on the previous year's total – achieved despite a competitive market between ferry operators and increasing levels of air transport.

Property projects are an integral part of the Harbour business, and represent the single largest concentration of urban regeneration schemes within Northern Ireland. They stimulate economic activity, improve the City's built environment and create a focal point for Foreign Direct Investment. Titanic Quarter remains one of Europe's largest urban waterfront schemes. Other developments in the Harbour Estate include the completion of Bombardier's new hi-tech production facility.

Belfast Harbour continued to participate in the global tourism market – 35 cruise ships visited the Harbour bringing a total of 56 000 visitors and crew to the region. New berthing facilities resulted in some cruise ships visiting for the first time.

Within the context of global trade, the following table (**Table 1**) summarises key statistics related to the performance of Belfast Harbour.

Table 1: Trade and Shipping Statistics (unaudited)

	2009	2010	%
Passengers	(000s)	(000s)	
Passengers	1 329	1 318	-1
Passenger Cars	284	289	+2
Unit Load	(000s)	(000s)	
Freight Vehicles	307	313	+2
Containers	125	127	+2
	(000s Tonnes)	(000s Tonnes)	
Import Bulk Commodities			
Petroleum Products	2 190	2 180	-1
Grain and Feeds	1 733	1 994	+15
Coal	249	270	+8
Stones	605	891	+47
Shipping			
Gross Tonnage (000s tonnes)	72 429	73 907	+2
Number of Arrivals (boats)	5 532	5 664	+2

© Belfast Harbour Commission

Belfast Harbour continues to be recognised as the premier sea port in Northern Ireland. Improvements in the road network have made it more accessible from all parts of Ireland. A degree of competition exists between the various ports in Northern Ireland (for example Larne and Warrenpoint), and with other transport providers (Belfast International Airport, George Best Belfast City Airport and various airlines). Indeed, a recent Internet article reported a fall in total passenger numbers using Belfast International Airport during the same period – 4,546,475 (2009) compared to 4,016,170 (2010) – a decrease of 11.7%. Incidentally, Belfast International Airport handles approximately 48,000 tonnes of cargo each year.

- 1 Explain the term “diversification” and, using **one** example, explain how Belfast Harbour has diversified. [4]
- 2 Explain **one** way in which the European Union could influence the growth of global trade through Belfast Harbour. [4]
- 3 Discuss the impact of the following barriers to global trade on businesses in Northern Ireland:
- Tariffs
 - Exchange Controls
 - Administrative Restrictions. [12]
- 4 Prepare a SWOT analysis for Belfast Harbour. [16]
- 5 Discuss **three** reasons for and **two** reasons against globalisation. [20]
- 6 Using the case study information, evaluate the use of sea transport compared to air transport giving consideration to:
- Speed
 - Reliability
 - Handling characteristics. [24]