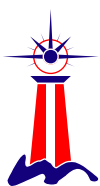


LOSS PREVENTION ALERT



INTERPORT MARITIME LIMITED

HBFC Building (5th Floor), 1/D, Agrabad Commercial Area
Chittagong, Bangladesh.

Phone: +880-31-2525065, Fax : +880-31-728262

E-mail chittagong@interport.org, Web : <http://www.interport.org>

SHIPMENT OF COMMODITIES TO CHITTAGONG

Ships carrying commodities in bulk or bags to Chittagong frequently face huge inflated claims for alleged short landing of cargo. The ship is often arrested and held until a substantial bank guarantee has been arranged or the alleged claim has been settled for cash.

Members fixing their vessels with these cargoes should bear in mind the following:

Dry Bulk Cargo

In case of dry bulk cargo, the quantity of cargo is ascertained primarily by load and light draft survey. If the cargo is discharged at the berth onto road vehicles, the port's weighbridge, which is located far away from the ship's hook, provides a secondary means to ascertain the landed quantity. If the cargo is discharged at the grain silo jetty or the Triple Super Phosphate Jetty the computerized scale provides the secondary means for ascertaining the quantity.

Some surveyors appointed by receiver to carry out a draft survey usually take the responsibility to ensure that full landed quantity is delivered to the receiver's warehouse. If cargo is discharged at the anchorage onto lighter vessels, in addition to carrying out draft survey of the mother vessel, the surveyor also carries out



LOSS PREVENTION ALERT

quantity survey of the lighter vessels. However, most of these lighter vessels do not have a reliable calibration chart or a deadweight scale, making it impossible for the surveyor to ensure that there is no system loss during the transportation to the receiver's warehouse.

In order to ensure that the cargo received by the receiver at his warehouse is not less than what was obtained by draft survey at the anchorage, the surveyor usually tries to manipulate the arrival draft and/or tank soundings to result in a draft survey quantity, which is less than what the vessel actually carried.

The surveyor appointed by the charterer's agent, who is in fact nominated by the receiver, works in league with the surveyor appointed by the receiver and unless the Master or Chief Officer is extraordinarily alert or experienced to handle the situation, the final outcome could be a huge short landing claim followed by detention of the vessel and demand for bank guarantee by the agent.

It is, therefore, strongly recommended that a capable surveyor be appointed to protect the carrier's interests. Members may seek assistance of the local P&I correspondent to arrange load and light draft survey and to assist the Master.

Bagged Cargo

In case of bagged cargo, the final discharged quantity is usually ascertained by tally of the bags while discharging. This function is carried out by tally clerks appointed by stevedores who are enlisted with the Chittagong Port Authority. Carriers sometimes appoint additional tally clerks to keep a check on the out turn. The appointment of tally clerks by a carrier does not guarantee that there will be no short landing claim although it does help to reduce the quantum of the claim.



LOSS PREVENTION ALERT

It is unfortunate that short landing resulting from discrepancy in the final landed figure not only occurs when there is lack of diligence on the part of the carrier appointed tally clerks, it also occur even after exercise of diligence by the carrier's tally clerks.

It has been noted that during the discharging process a large number of bags become damaged and torn owing to use of cargo hooks and mishandling by the stevedores. There are instances where a receiver has instructed the stevedores to intentionally break the bags while handling. The loose cargo is later refilled in bags as sweeping cargo. These bags are not weighed after refilling and usually stevedores, in accordance with instructions of the receiver, overfill the empty bags. A bag that is nominally supposed to contain 50kg may be packed with 70kg cargo in the process, which invariably results in fewer numbers of bags being discharged. This could potentially result in substantial short landing claims.

It is, therefore, strongly recommended that a competent surveyor, approved by the local P&I correspondent, be appointed to protect the Memembr's interests. The instruction should be to attend the load and light draft survey along with the surveyors nominated by the receiver and the agent. Members should instruct the Masters of their vessels to liaise with the local P&I Correspondent and if necessary to issue a letter of protest noting the use of hooks, damage to bags and overfilling of bags by the stevedores. Such a letter can have substantial evidentiary value when defending short landing claims in Bangladeshi courts. If the Master does not understand how to deal with the situation, he must seek assistance of the local P&I correspondent at an early stage rather than later.
