

## Short-loading at Paranagua, Brazil



The Association has been advised by local representatives of problems encountered by owners in short loading of bulk agricultural commodities at the port of Paranagua, Brazil.

Ships' figures frequently differ from shore figures by more than 1%. When the master then attempts to clause mates' receipts and bills of lading, he is met with extreme resistance by shippers, who immediately apply to the local civil court for a "Writ of Prevention" demanding the immediate delivery of clean documents. The result of the application to the court is always in shipper's favour resulting in owners having no option but to comply with the court order.

The situation leaves owners in a very vulnerable position and local representatives have advised that there are only limited steps owners can take. These include ensuring original mates' receipts and bills of lading are claused in the first instance, which will assist in proving that documents issued at a later stage were done so under duress. Also, should bills of lading be signed by agents, the master should ensure his letter of authorisation contains a specific demand for the inclusion of the remarks into the bill.

Masters should only sign all mates' receipts on completion of loading to ensure that a remark covering the percentage of the short-loaded quantity ascertained can be inserted in all mates' receipts and not only the last ones presented.

Owners may also wish to give consideration to requesting customs to undertake a draught survey on completion of loading. The surveys are important because they are considered official and can be used as evidence in court.

Although the measures will not prevent shippers obtaining a "Writ of Prevention", they are important means of producing evidence to show at a later date that the shore loading figures were incorrect and to protect owners' potential claims against shippers.

Hatch covers and entrances to holds should be sealed prior to departure and shippers, stevedores, agents and charterers should be formally invited to accompany the sealing. It is of course important to follow this matter through to the discharge port and arrange for an official unsealing of the hatches and entrances and invite receivers to attend.

Official shore records covering the discharge quantity should also be obtained as such evidence may be presented to the local court in Paranagua to counter the "Writ of Prevention".

Unfortunately there does not appear to be a move by local courts to alter the bizarre situation which robs the master of his fundamental right to clause mates' receipts and bills of lading. If Members encounter such problems they should contact the Association as soon as possible.

*This information was supplied by William van Herp & Frumento Filho, Associados Ltda. A more detailed article can be obtained from the Association on request.*

## The importance of steel preload surveys

The Association regularly arranges steel preload surveys on finished and semi-finished steel products. Recent advice from representatives in the Black Sea area show the importance to Members of such surveys.

Each year a large number of steel products are exported from Ilychevsk, Ukraine. To increase storage facilities the port recently undertook work on "Storage Number 10" to broaden the area that adjoins the sea. The work has resulted in steel cargo for export being stacked in close proximity to the sea. Cargo in the front line is only 3-6 metres away from the water and in stormy weather is naturally exposed to the effects of brine.

Moreover, the side of the storage area facing the sea is not protected by any kind of barrier which

would afford some limited protection to the cargo. Surveyors conducting random silver nitrate tests on this cargo confirm a strong positive result indicating contamination by chlorides.

As vessels arriving at Ilychevsk often load from different storage areas of the port, it is likely that some cargo may come from Storage Number 10 and will be affected by salt water prior to loading.

To protect the carrier's position it is therefore extremely important that a thorough preshipment inspection of the steel products, together with silver nitrate tests are performed.

Members fixed to load steel products from Ilychevsk should be extra vigilant about contacting the Association to arrange a pre-shipment survey.

• *Article provided by Dias Company Ltd.*



## Explosive Ukrainian scrap

The Association is aware of instances where vessels have fixed to load steel scrap in the Ukraine, only to find that the cargo delivered contains objects such as oxygen cylinders and live bullets and shells.

It is reported that there have been explosions during loading of steel scrap at Kerch. Hazardous cargo is also known to have been shipped from Nikolayev.

Steel scrap is a low-value cargo and the quantity loaded is determined by draft surveys. Until now such cargoes have not been subject to inspections during the course of loading. The cargo is usually drawn from a big pile of scrap stacked on the quay.

Members should exercise great caution when fixing to load steel scrap from the Ukraine. The Association shall be pleased to provide further advice and assistance should Members have any questions.

