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CMH SPOTLIGHT

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Time Loss Caused By COVID- Case Study, Insights and Loss Prevention

With COVID pandemic impacting nearly every aspect of global commerce including shipping and logistics industry, it is not surprising to see increasing disputes regarding contracts of carriage, charterparties and supply chains, as a result of the uncertainty and delay brought by the fast-changing pandemic situation and local policies.

This article features London arbitration briefing of two off-hire disputes, furnished with discussion on contractual liability of crew changes and loss prevention measures to contain outbreak of COVID on board.

Time Loss Caused By COVID – London Arbitration Case Study

London Arbitration 4/22 ((2022) 1099 LMLN 1)

Factual background

A vessel was time chartered on an amended NYPE form for one trip from Indonesia to South China.

On 4th March 2020 when the vessel arrived at the discharge port, three pilots attended onboard but found their temperatures were above 37.5 °C by contactless hand-held infrared thermometer, which exceeded the maximum allowed under Owners' company policy. The pilots refused Ship Master's request to take their temperature again with a mercury thermometer and disembarked the vessel on the same day. As a result, the berth was cancelled and replacement pilots were not provided until 13th March, 2022, with the vessel delayed by 10 days.



Time Loss Caused By COVID – London Arbitration Case Study (Cont'd)



Photo by Micaela Parente on Unsplash

Charterers' assertion

- Owners were in breach of clause 15 (off-hire clause) as there was a “default of officers or crew”;
- Master’s actions amounted to the vessel being “put back contrary to the orders or directions of the Charterers” in which case “hire is to be suspended from the time of her ... putting back until she is again in the same or equidistant position from the destination” (clause 15, and 58 on deviation / put-back);
- Owners were also in breach of clause 8 in failing to follow charterers’ orders as regards the vessel’s employment by refusing the pilots to stay on board.

Owners' argument

- The Master had acted reasonably and had an overriding responsibility for safety, which entitled him to refuse orders which would potentially endanger the ship, its crew or cargo;
- The Master was not in default as he was complying with Owners’ company policy;
- The vessel had not been “put back” where it had remained at the same geographical location and simply been delayed;
- The charterers were not entitled to immediate compliance with their orders (The Houda [1994] 2 Lloyd’s Rep 541).

Time Loss Caused By COVID – London Arbitration Case Study (Cont'd)

Tribunal's Award

- Although Owners are confronted with the difficulty and uncertainty brought by COVID, such general fear did not permit Owners to refuse to comply with Charterers' voyage orders (clause 8), nor to unilaterally implement the company policy without Charterer's agreement or prior notice.
- The Tribunal held charterers were therefore entitled to recover in damages the value of hire and bunkers for the time lost.
- Given Charterers' success in arguing Owners' breach of clause 8, it was not necessary to consider application of clause 15.
- Even if the Tribunal is required to consider clause 15, it was held that there was no default of officers or crew as the officer were clearly seeking to implement company policy rather than refusing to discharge their duties owed to the Owners.
- As to the deviation / put-back provision under clause 15, the Tribunal considered the vessel was also likely to be off-hire as it found that there was little logical or practical difference between the vessel being physically diverted away from its course rather than simply failing to proceed forward on that course. In other words, deviation was interpreted wide and not necessarily limited geographical deviation.



Time Loss Caused By COVID – London Arbitration Case Study (Cont'd)

London Arbitration 6/22 ((2022) 1099 LMLN 3)

Factual background

A vessel was on a one-trip time charter based on an amended NYPE form from India to China, and the COVID-related delay arose from 26th July to 28th July 2020 while the Chinese quarantine officer withheld the discharge permission on the basis that one crewmember's temperature was 37.4 °C and required to go through a nucleic acid test.

Charterers' assertion

- Such delay constituted the “deficiency of men” or “any other cause” as off-hire events under clause 15;
- Owners were in breach of rider clause 45 which provided “Officers and crew to comply with vaccination and sanitary regulations in all ports of call and corresponding certificates to be available on board, enabling the vessel to obtain free pratique by radio”.

Owners denied all Charterer's assertions and argued the crewmember's temperature is within a normal range.

Tribunal's Finding

- A body temperature of 37.4 °C was within the normal range of temperatures and there was no ground to assume that the crewmember was sick - the quarantine officer's actions were clearly excessive and arbitrary;
- The delay was not an off hiring event within Clause 15 as there was simply no “deficiency” of crew or the full working of vessel was not affected adversely;
- Cl 45 was not relevant as there was no evidence that the owners and/or master failed to comply with the vaccination and sanitary regulations at the discharge port;
- It was held that the Charterers shall pay the hire for the delay.

Analysis

- In both cases, the Tribunal focused on the reasonableness of the parties' actions. A general fear of COVID did not give parties ‘carte-blanc’ to make capricious, arbitrary or unreasonable decisions where there was not a genuine risk or threat to the vessel on the facts;
- The very strict measures implemented by the countries which have chosen to pursue zero COVID strategies may contribute to greater exposure of delay, but terms of a commercial agreement still need to be construed in line with the established principles of law and construction. The fact that off hire clauses (just like any exception clause) will be construed narrowly.

London Arbitration Case 2 - 6/22 ((2022) 1099 LMLN 3)

Time Loss Caused By COVID – Crew Change and Related Charterparty Responsibility

Restrictions imposed to avoid the spread of COVID have created difficulties for crew rotation. Shipowners are often forced to deviate for disembarking crew. This article looks at the responsibility for time loss during crew change when the contract is silent or not sufficiently clear.

Liberty Clause

Some charterparties contain liberty clauses such as BIMCO COVID-19 Crew Change Clause, entitling owners to deviate for crew change purposes if such is prevented by COVID-19 related restrictions. The cost of deviation shall be shared between the parties.

If the charterparty is silent

When the contract is silent or unclear, deviation will normally constitute a breach of contract, and charterers will be able to claim damages for their losses suffered due to this breach.

- Under time charterparties, the vessel will usually be put off-hire for this period and owners will be responsible for the costs incurred during the deviation, such as bunkers and port charges.
- For voyage charterparties, the deviation will normally constitute a breach of the obligation to conduct the voyage with "due despatch" or "utmost despatch". It may also interrupt the running of laytime and demurrage.

For charterers in the middle, it is important to make sure that the charterparties are back-to-back both up and down the chain. If the head charterparty contains a liberty clause entitling the owner to deviate for crew change purposes, it is important that the same clause is incorporated into the sub charterparty. Thus, charterers in the middle will limit their exposure and avoid being stuck with a claim from sub-charterers and which cannot be passed up the chain.

Time Loss Caused By COVID – Crew Change and Related Charterparty Responsibility (Cont'd)

Clause paramount and “reasonable deviation”

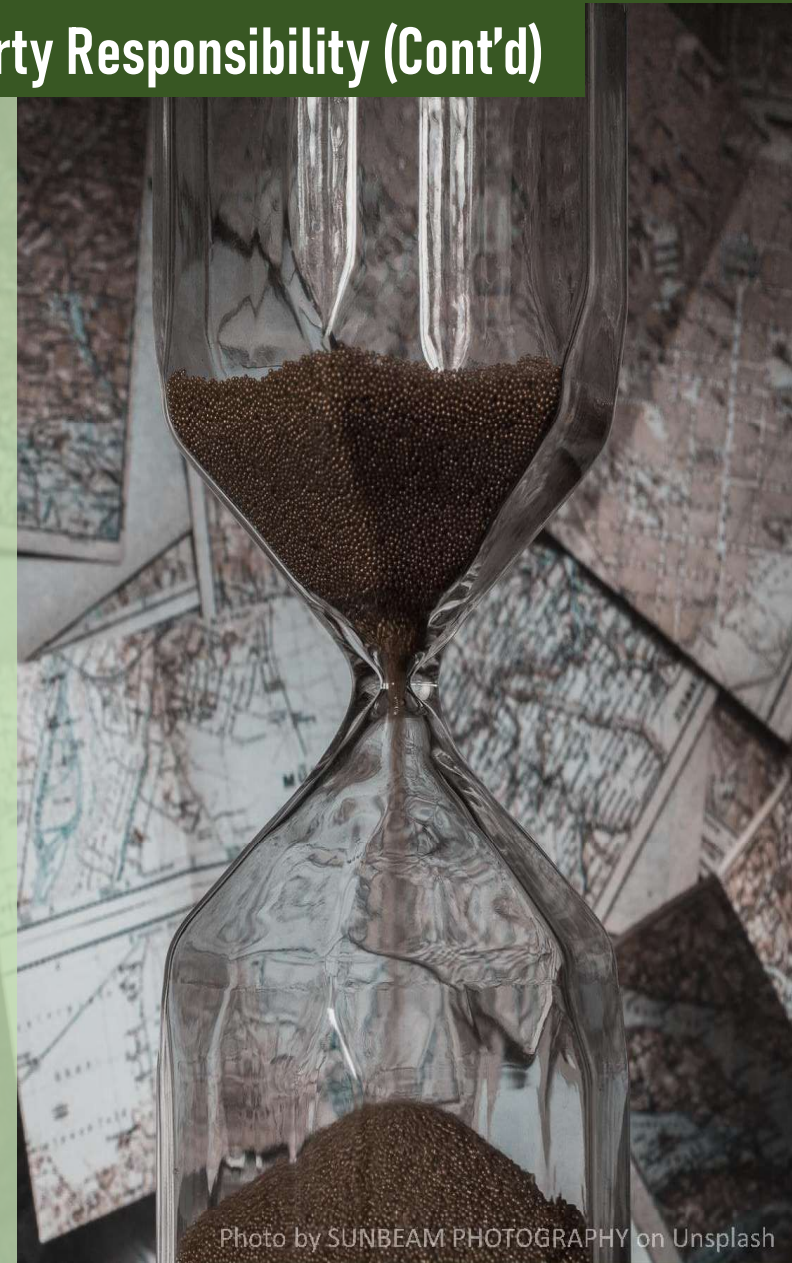
If the charterparty contains a clause paramount, the Hague or Hague Visby Rules will be incorporated into the contract. According to the Hague or Hague Visby Rules Art. IV Rule 4, a "reasonable deviation" is allowed and will not lead to a breach of contract.

What constitutes a "reasonable deviation" needs to be assessed on a case-by-case basis. The burden of proof falls on the owner to evidence that the deviation for the purpose of crew change was reasonable.

It is important to emphasize that if the deviation is considered unreasonable under the Hague or Hague Visby Rules, the consequences can be severe. On top of being responsible for charterers' loss, owners may also lose the right to limitation and cargo defences set out in Article IV Rule 2.

Measures to avoid responsibility

- If the voyage is for a brief period of time, owners should ensure that the crew change is conducted before the start of the voyage.
- For longer voyages where a crew change proves necessary, owners should try to agree with charterers beforehand and include a liberty clause in the charterparty allowing owners to deviate for the purpose of crew change.
- Incorporating a clause paramount may also be helpful in cases where the deviation is considered reasonable.
- If deviation has not been agreed in the charterparty, owners should try to obtain consent from charterers and cargo interests before deviation is conducted.



Loss Prevention - Three Steps To Contain An Outbreak Of Infection Onboard

The key of containing an outbreak of infectious disease is early detection, which allows the onboard and onshore management to implement control measures in a timely manner. This can be achieved in three simple steps all of which must be set out in one way or another in vessel's 'Outbreak Management Plan' (OMP):

Act early

- Early reporting by crew having symptoms of a viral infection.
- Once both the onboard and shore management is aware of the outbreak of infection, the shipboard OMP should be triggered and immediate action performed.
- To prevent exposure to other crew, isolation of infected crew members needs to be prioritised while waiting for guidance from medical experts.
- Isolations will have to be managed with care as other crew will otherwise be hesitant to report their symptoms.

Follow the plan

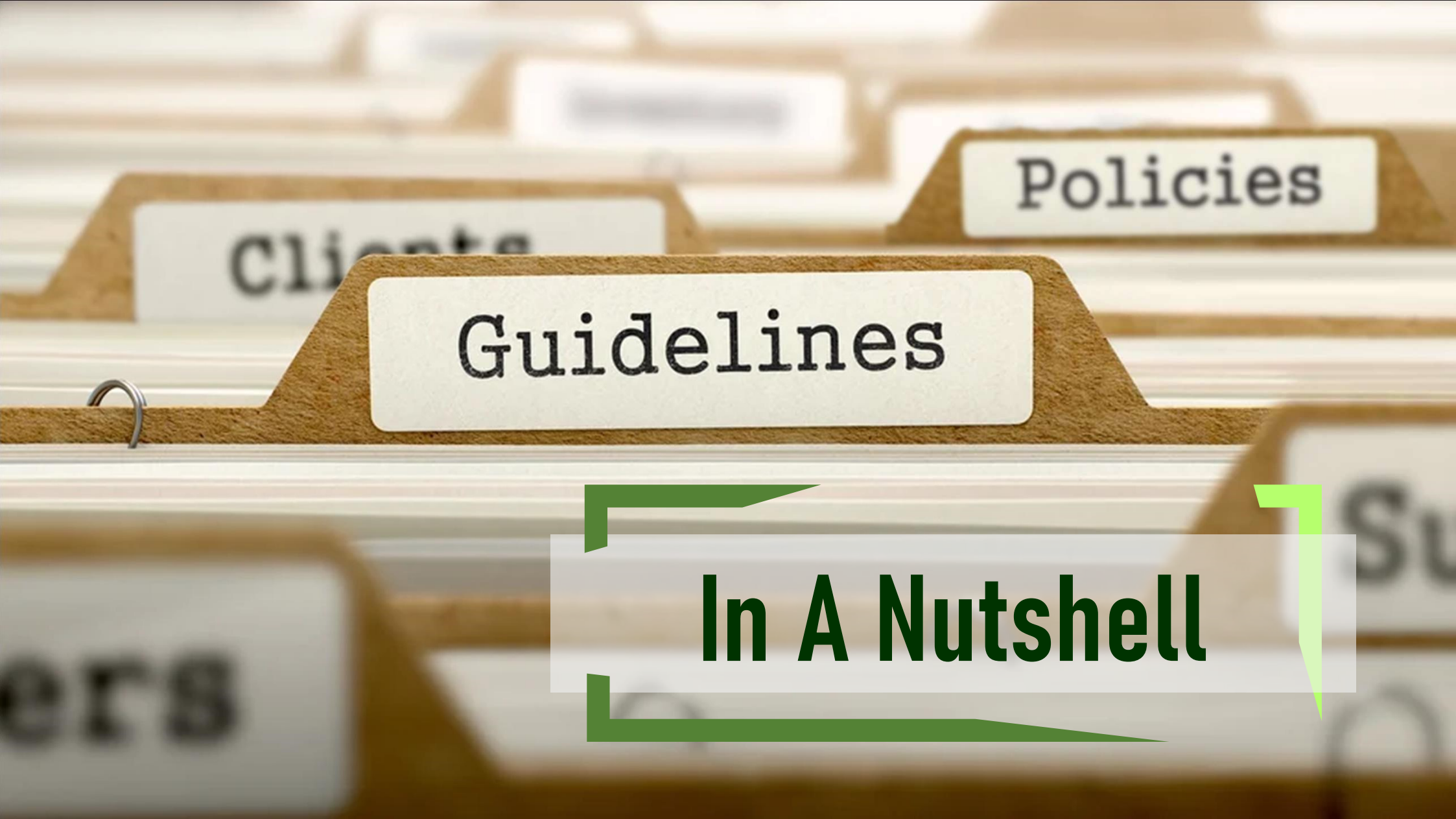
The OMP should cover the below five areas:

- Managing infections and suspect cases onboard.

- Control measures to reduce exposure of uninfected crew including carrying and distribution of protective equipment.
- Handling ship-shore interactions. Adopt reporting format when contacting managers and port authorities.
- Testing and monitoring.
- It is important that crew members are familiar with the contents and requirements of the OMP for its quick and effective implementation.

Monitor the situation

- After all of the procedures outlined in the OMP have been followed to limit the infection, management should continue to monitor the status of any infected crew's recovery and ensure that uninfected crew does not exhibit any symptoms of infection.
- Detailed medical logs as directed by a shore doctor will have to be maintained.
- As a minimum, the treatment administered and vitals of infected crew must be documented.



Guidelines

Policies

Clients

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In A Nutshell



Background

- On 6 April 2020, the containership “Milano Bridge” allided with a terminal (the “Terminal”) operated by Pusan Newport Co Ltd in Busan, South Korea.
- Owners of “Milano Bridge” constituted a limitation fund in South Korea, where determines the limitation fund by reference to the law of the flag state, i.e. Panamanian law in this case. Under Panamanian law, the limit was prescribed by LLMC1976 without amendment, and the relevant limitation figure was approx. USD24 million.
- On 24 June 2020, the Terminal arrested “CMA CGM Musca” (the sister ship of “Milano Bridge”) in Hong Kong and commenced proceedings for limitation amount of approx. USD83 million, which was calculated by reference to the limitation amount under Hong Kong law, enacting both the 1996 Protocol to the LLMC 1976 and the 2015 revisions thereto. Owners then sought a stay on grounds of forum non conveniens.

The Test Applied by HK Courts to Decide Forum Non Conveniens

By relying on the test as set out by the House of Lords in *The Spiliada* [1986] UKHL 10, 3 stages shall be established in order to obtain a stay of proceeding:

- Stage 1:
 - Hong Kong is not the natural or appropriate forum; and
 - There is another available forum, which is clearly or distinctly more appropriate than Hong Kong.
- Stage 2: If the above is established, the plaintiff must show that he will be deprived of a legitimate personal or juridical advantage if the action is tried in a forum other than Hong Kong.
- Stage 3 : the Court will balance the advantages of the alternative forum with the disadvantages which the plaintiff may suffer.

In A Nutshell – Can A Claimant Always Pick The Jurisdiction With The Highest Limitation Of Liability (Cont'd)

First Instance

- It is common ground that Hong Kong was not the natural and appropriate forum.
- The Terminal argued that the advantage, i.e. the availability of a higher tonnage limit in Hong Kong, was decisive, so the stay had to be refused.
- The Admiralty judge castigated the Terminal's actions in seeking to proceed in Hong Kong as "forum shopping", so Owners were successful in application for a stay.

The Court of Appeal

- The Terminal filed an appeal, arguing the first instance decision had not placed sufficient weight on the juridical advantage of the higher tonnage limit when balancing exercise at stage 3 of the test.
- The Court of Appeal disagreed with the first instance judge to characterise the Terminal's actions as "forum shopping", as seeking a juridical advantage of a higher limit of liability like Hong Kong is not necessarily forum shopping, even if there are no connections to Hong Kong other than a vessel having called in the jurisdiction and been arrested.



- The Court of Appeal rejected the Terminal's submission that the lower limit under Panamanian law (and thus applicable in South Korea) was a consequence of legislative inaction or oversight. It also did not accept that the 1996 Protocol represented international public policy, bearing in mind how many jurisdictions have not implemented the 1996 Protocol.
- The Court of Appeal did accept the Terminal would lose the advantage of higher limit in Hong Kong if the matter were tried in South Korea, but it considered the "overwhelming" connections with South Korea outweighed it.
- The Court elaborated that, the Terminal had chosen to carry on business in Korea with the awareness of the risk that allisions might occur, so it could not then complain about being forced to try the matter in its own courts, especially it is where the alleged tort occurred.
- The wider implications have been recognised by the Court of Appeal: had the contrary decision been reached then that would have had very significant implications in terms of allowing almost any case of this kind to proceed in Hong Kong, regardless of how weak the connections to the jurisdiction might be.

In A Nutshell – Remain Vigilant About Liquefaction Risk

Market saw recent increasing incidents where solid bulk cargoes classified as Group A, liable to liquefy, were loaded with moisture content in excess of the transportable moisture limit (TML, i.e. the maximum gross water content by weight that liquefiable solid bulk cargo may contain during transport without risk of liquefaction.)

Case study

1. Copper concentrates in Peru

The Master observed:

- Pooling of free water in the holds;
- Cargo spatter dropped from grabs when cargo was partially loaded.

Both are red flag warning of excessive TML when loading Group A cargo. Re-testing proved the moisture content exceeded the TML, and also revealed the values were not matching with the cargo declaration.

Investigation is still ongoing, while the reason is suspected to be the wet season in Callao, Peru from December to April, with February and March experiencing the heaviest rain.

2. Iron Ore Fines from PDM, Brazil

The vessel took 2 days to load the cargo with several rain interruptions during the operations. Although the cargo holds were closed during heavy rain, loading operations were carried out during light rain.

For 3 days after commencement of voyage, ship master found the vessel developed a list to port, regardless of continuous pumping of the cargo bilges throughout the voyage. Upon arrival at Praia Mole, the cargo in four of the seven cargo holds had liquefied.

It is recommended to keep heightened vigilance for ships which have loaded or are fixed to load Group A cargoes from Brazilian ports during wet season in Brazil typically from December to April.



In A Nutshell – Remain Vigilant About Liquefaction Risk (Cont'd)



Loss Prevention Recommendation

- The Master should be familiar with the IMSBC individual cargo schedule before loading Group A cargo.
- Prior to loading, the cargo declaration, TML certificate, and moisture declarations must be available. Any discrepancies should be investigated and reported to P&I Club.
- Before loading, cargo should be available for inspection by the ship master or other ship representatives.
- The ‘Can Test’ may be conducted, but the results should not be considered as "pass" or "fail" because the cargo would require detailed analysis and interpretation. These field tests are merely an indication that the moisture content may be in excess of TML, instead of a confirmation of cargo safety.
- Group A cargo should not be loaded in a haste.
- Moisture content must be evaluated within seven days of loading or if there is a change in moisture, such as exposure to rain.
- Signs of excessive moisture during loading can include moisture pooling or splatter on the bulkheads.
- If there is any doubt about the cargo safety or the reliability of certificates, Owners are encouraged to contact P&I Club for assistance.
- Throughout the voyage, the crew should inspect the cargo on a regular basis. Any signs of cargo liquefaction, such as flattening, shifting, free surface water, or vessel instability, should be deemed as an emergency that requires immediate assistance, including and not limited to seeking a safe anchorage.

In A Nutshell – Cancellation of Charterparty

Exercising a right to cancel a charterparty terminates the charterparty along with all contractual obligations resulting in parties no longer being bound to one another.

Cancelling clause basics

- **Cancelling dates – Fixed, laycan and narrowing clauses**

The cancelling date can either be a fixed date or a laycan period. The right to cancel usually arises when Owners fail to deliver the ship or get the ship ready to load by the cancelling date. Parties may agree on a narrowing of the laycan prior to the ship's delivery by serving a valid laycan narrowing notice from the party who has the onus to do so.

If the charterparty does not stipulate time of delivery or a cancelling date, Owners would be under an implied duty to deliver the ship with reasonable despatch.

- **Readiness as a pre-requisite to cancellation**

Certain charterparties state that the right to cancel accrues when the ship is not ready to load by the cancelling date. Readiness in the laytime context is different from readiness in the cancellation context.

1. Readiness in laytime context: a vessel is not ready even if a material defect to the vessel can be remedied quickly.
2. Readiness in cancelling context: The defect preventing the vessel from being ready must be material in relation to the commercial purpose of the charterparty. For example, a shortage of bunkers on delivery may not be seen as material for the purpose of cancelling the charterparty, unless charterparty provides otherwise.

- **When do Charterers lose the option to cancel?**

- Expiry of the time limit stated in the cancelling clause.
- Charterers' waiver of the right to cancel by saying or doing anything that expressly indicates that they have opted not to cancel.
- Charterers may not rely on a cancelling clause if their own breach caused the ship to arrive late. Consequently, Charterers are also barred from claiming damages.

Advance cancellation

- **Can Owners require Charterers to cancel in advance if owners cannot deliver the ship by the cancelling date?**



In A Nutshell – Cancellation of Charterparty (Cont'd)

In absence of an express provision, Owners are not entitled to compel Charterers to exercise their right to cancel, but obliged to proceed to the delivery port at their expenses, although they know that they are unable to deliver the ship in time.

This situation is remedied by certain pro-forma charters, where the cancelling clause allows Owners (provided they have exercised due diligence to meet the cancelling date) to notify Charterers a new readiness date and asked whether the latter will exercise option of cancelling the charterparty or to agree to a new cancellation date. Charterers' option must be declared within 48 hours after receipt of Owners' notice.

- **Can Charterers cancel in advance of cancelling date?**

Under English law, Charterers do not have anticipatory right to cancel a charterparty before cancelling date. Nevertheless, such does not affect other rights of Charterers, as they are entitled to terminate a charterparty if Owners are in a repudiatory breach of the charterparty or if the contract is frustrated.

Damages

- **Charterers' exposure to damages in the event of early cancellation**

Charterers would be in a repudiatory breach of the charterparty if they prematurely cancel the contract. Owners would be entitled to damages for the difference of previous charter / freight rate and the current market rate.

If the market rates go up, there would arguably be no loss on the part of Owners but for some nominal damages.

- Charterers' right of cancellation does not automatically give rise to claim damages against Owners unless they can successfully prove a breach on the part of Owners.
- Owners do not have an absolute duty to arrive on time, but the law seeks to give effect to the parties' expectation on vessel's arrival time by implying a term relating to cancelling date.
 - In a time charterparty, the implied term is that the owners will exercise due diligence to ensure the arrival of the vessel by the cancelling date.

- In a voyage charterparty, the law implies a term that owners must (as an absolute obligation – and not simply one of due diligence) commence the approach voyage by a date when it is reasonably certain that the vessel will arrive at the load port by the cancelling date.
- Charterers would not be entitled to claim for damages if the damages stem from their own breach or fault.
- Charterers cannot claim for damages which solely arise out of their decision to cancel the charter, unless Charterers can show that the decision to cancel amounted to a reasonable mitigation of their losses.





Market Snapshot

Market Snapshot: Ukraine Crisis Related News

Europe's Snub Of Russian Oil Opens Door For Opec's Minor Players

- Compared to Middle East oil giants, it is the minor players in OPEC such as Nigeria and Angola who increased production and shipments to replace the Russian oil flows to EU.
- As per tanker-tracking data by markets, average shipments of West African crude oil to Europe increased by 40% from the same period of 2021, whilst their sales to Asia dropped by 20%.
- The African nations may not have extra capacity to give if EU proceeds a full ban on Russian supplies; by then, the OPEC's Persian Gulf heavyweights may step in to fill the gap.
- After all, US has been the overall top supplier replacing Russian volumes in Europe.

Supply Chain Snarls And The War In Ukraine Will Change Dry And Liquid Bulk Cargo Flows

- Market predicts both dry and liquid bulk shipping markets will be reshaped in 2022 on the back of supply chain friction and the Russia-Ukraine war. Trade growth is expected at 1%-2% but with notable differences in flows of dominant goods.
- For replacement of commodity flows from Russia to Europe, coal is the dry bulk flow that most exposed to redirection. Alternative imports are expected to come from U.S., Colombia, South Africa and Australia – these alternative sources all require significantly longer sailings.
- With banning of Russia crude oil, Europe will look to Middle East while some Asian countries may open their taps more and welcome additional Russian oil. This will lead to substantial shifts in trade flow patterns in tanker shipping and more tonne-miles.
- Europe can import LNG from replacement resource of U.S., Qatar and Australia. Diverting supplies from delivery via pipeline to seaborne trade will benefit LNG shipping demand over the coming years, but in short term the extra supply is still limited.

Romanian Port Races Against Clock to Move Ukrainian Grain

- Ukraine needs to move 20 million tonnes of grains before the new harvest in less than three months to avoid bottlenecks and forestall global food crisis.
- As neighbouring Ukraine, Romania's seaport Constanta was pressed into emergency service to move Ukrainian grain to global markets; however, only 1% of the target, roughly 240,000 tonnes of Ukrainian grain has passed through by mid-May.
- EU-backed support promised fresh investment in Constanta's port infrastructure, such as cranes, train loading equipment, gear for raw materials, rehabilitation of rail lines, dredging project to improve berth depth and expanding another 17 berths in longer term.

Ukraine Reportedly Attacks Russian Navy Ship 'Vsevolod Bobrov'

Following the sinking of Russia's flagship "Moskva" in April, Ukrainian forces on 12 May reportedly attacked and damaged a Russian Navy multi-purpose logistics support vessel "Vsevolod Bobrov" in the Black Sea, which was delivered in August 2021 as one of the newest in the Russian fleet. The vessel was said to be set on fire and limping towards Sevastopol. Russia dismissed Ukraine's allegation.



Market Snapshot: India Bans Wheat Exports

- On 14th May, India banned wheat exports shortly after the country was aiming to ship a record 10 million tonnes of wheat this year, as a scorching heat wave hitting India in mid-March and curtailed forecast output of crops.
- After exports from the Black Sea region plunged following Russian invasion of Ukraine, global buyers were banking on supplies from India. The ban could drive global prices to new peaks given already tight supply, hitting poor consumers in Asia and Africa particularly hard.
- According to dealers, around 1.8 million tonnes of grain are trapped at Indian ports, leaving traders facing heavy losses from the prospect of selling onto a weaker domestic market, as well as the extra reloading and transport costs.
- It was reported that vessel loading has stopped at a few Indian ports; thousands of trucks were waiting to unload without any clarity. As a result, some traders are forced to declare force majeure on shipments to overseas customers.

Market Snapshot: Indonesia Bans Palm Oil Exports

- Indonesia banned all exports of palm oil and its raw materials from 28th April 2022 in order to ease domestic shortages and tackle soaring prices.
- Market was worried that the ban will add to growing food supply chain concerns after the Russian invasion of Ukraine wiped out large sources of grain as well as sunflower oil.
- Indonesian shipments of palm oil to India, China and Europe were disrupted under the export ban.
- Luckily, the market's concern is not going too far as the ban is said to be lifted in end of May.



Market Snapshot: Baltic Dry Index Close to 5-Month Peak On Stronger Rates

- The overall Baltic Exchange's main sea freight index, which factors in rates for capesize, panamax and supramax shipping vessels, rose by 3.8% as the highest since mid-December 2021.
- Main contributor is in capesize segment, with index .BACI increased by 8.7%, and the average daily earnings for capsizes which typically transport 150,000-tonne cargoes increased USD2,291 to USD28,703.
- Panamax and Supramax index increased by 1.4% and 0.5% respectively.
- Chinese iron ore futures dropped to 7% to touch their lowest in nearly two months, fueled by concerns of higher interest rates and still-stagnant demand at home.



Photo by Chris LeBoutillier on Unsplash

Market Snapshot: The Poseidon Principles For Marine Insurance Enter Into Force

- The Poseidon Principles for Marine Insurance (PPMI) is a global framework for measuring and publicly reporting the climate alignment of insurers' hull and machinery portfolio. The founding meeting was on 27th April 2022 after the number of its signatories surpassing the threshold of eight.
- The founding members of the PPMI association include Swiss Re Corporate Solutions, Gard, Hellenic Hull Management, SCOR, Victor Insurance, Norwegian Hull Club, Fidelis Insurance, Navium Marine, AXA XL, Willis Towers Watson, Cefor, EF Marine, Cambiaso Risso, Lockton, and International Union of Marine Insurance (IUMI). Signatories are required to report their climate alignment scores on an annual basis. The first reporting will take place at the end of 2022.
- The PPMI will apply to vessels that fall under the purview of IMO DCS where the Hull & Machinery (H&M) claims leader is a signatory to the PPMI. The PPMI members, when acting as H&M claim leader, will likely to seek to include a standard working clause into H&M policies to allow them to approach the assureds for their IMO DCS submissions (CO₂ emission data) and other documents in order to fulfill their obligations under the PPMI.

Market Snapshot: New Amendments To The MLC Draw On Pandemic Lessons

- International Labor Organization (ILO) adopted 8 amendments to Maritime Labour Convention (MLC 2006) during a meeting in mid-May, against the backdrop of crew change crisis arising from COVID-19 and Russia-Ukraine War. The amendments include:-
 - Legal requirements for seafarers to access medical care ashore;
 - Strengthening health and safety PPE policies onboard ships;
 - Mandating the availability of free and good quality drinking water;
 - Prompt repatriation of abandoned seafarers by State;
 - Recording all deaths of seafarers and reporting annually to the ILO;
 - Right to mandatory social connectivity for crew, including internet access.
- The new amendments are expected to be presented for approval during the next session of the ILO International Labour Conference in June. If approved, they should enter into force by December 2024.

Market Snapshot: ICS And Suez Canal Authority Signed MOU

- Suez Canal Authority (SCA) and the International Chamber of Shipping (ICS), have signed an MOU which focused on information sharing on long-term strategy issues such as toll pricing, environmental protection and decarbonization.
- Before signing the MOU, SCA has increased a nearly across-the-board rate of 6% for most vessel types in February 2022, and followed by 10% (or above) surcharges on certain vessel types in March and May respectively.
- The MOU also comes as Egypt is set to the 2022 UN Climate Change Conference (COP27) later 2022, and a maritime delegation led by ICS is scheduled to return to Egypt for the UN climate summit to continue discussions on shipping's transition to net-zero.

Market Snapshot: Belgian Ports Of Antwerp And Zeebrugge Officially Combined

- The Belgian ports of Antwerp and Zeebrugge have officially combined on 22 April 2022. Operating under the name Port of Antwerp-Bruges, it will not only be Europe's largest export port with 147 million tons/year, but also the largest throughput port for vehicles, the largest integrated chemical cluster, and one of the leading container ports in Europe.
- Port of Antwerp-Bruges will also seek out a leading role as a green energy hub, with the continuation of its pioneering CO₂ capture, storage and reuse project, which is targeting 2.5 million tons of CO₂ captured from industry by 2025.
- The Port of Antwerp-Bruges plans to have the capacity to receive its first green hydrogen by 2028.

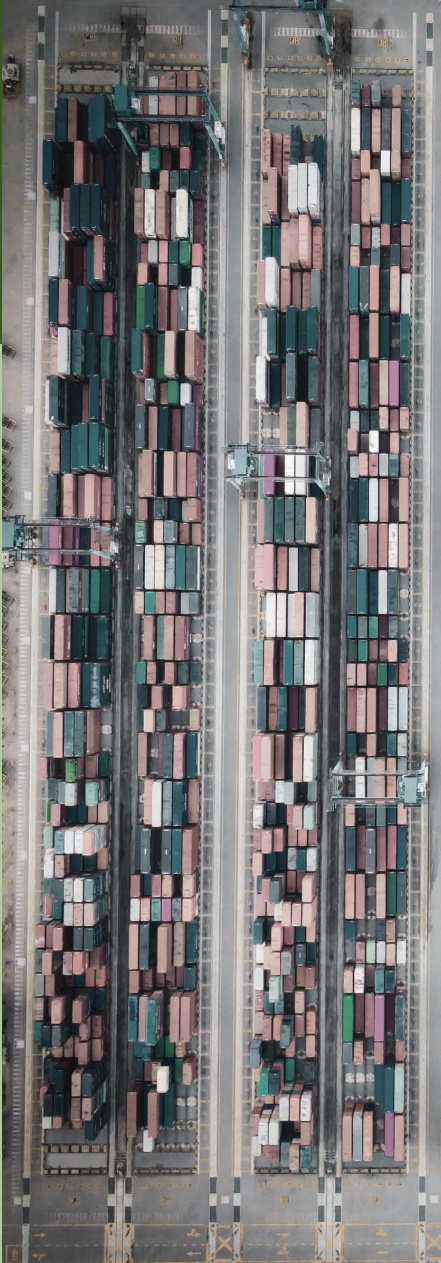


Market Snapshot: Port Of Long Beach Continues Record-setting Streak And Warns Of Cargo Surge When China Reopens

- The Port of Long Beach set another new single-month record in April as the port continues to clear marine terminals of cargo ahead an expected new wave of imports in the coming months as China opens up from COVID-19 lockdowns.
- Dockworkers and terminal operators at the port moved 820,718 TEU worth of container cargo in April, up 10% from the previous monthly record set in April 2021.
- The Port of Long Beach moved 3,281,377 TEUs in the first four months of 2022, up 5.1% from the same period last year. During a pandemic-induced import spike that began in the second half of 2020, the Port of Long Beach set a new all-time record by moving over 9.3 million TEU in 2021.

Market Snapshot: Merger Of North And Standard Club Approved By Members

- North and Standard Club members overwhelmingly approved the merger to create NorthStandard at separate general meetings on 27th May 2022.
- After merger, NorthStandard will be a unified club for 20th February, 2023. next year's renewal date.
- The merger remains subject to the approval of all the appropriate regulatory authorities.



Market Snapshot: Ad-hoc Carriers And Retail Charters Hit By China Lockdowns

- Alliance carriers have announced blank transpacific sailings due to COVID shutdown cargo delays in China and congestion at US east coast ports.
- The Asia-US cancellations follow news of a number of skipped sailings to North Europe and the Mediterranean in the end of April as carriers juggled their networks to mitigate the impact of a strictly enforced COVID lockdowns in Shanghai which lasted for more than one month.
- Data released in China showed a sharp contraction of factory activity in April, suggesting that even when restrictions are lifted it will be some time before manufacturing gets back to pre-lockdown levels.
- Export bookings from China are just 50% of normal, a shortage of cargo that has thwarted the business plans of ad-hoc and new challenger carriers who rely on the spot market for the majority of their bookings.
- Maersk and MSC, in collaboration with their partner Zim, announced that four scheduled Asia-US east coast trips will be canceled from end of May to end of June.

Market Snapshot: Global Supply Chain Crisis Could Be Worse Than Last Year

- Shipping congestion and delay at Chinese ports has been increasing in line with the ongoing lockdown in Shanghai. The war in Ukraine has added to the problem.
- Container ships getting held up coming into and out of Shanghai. To ease congestion around Shanghai, sailings were being diverted to Ningbo and Taicang, but this was leading to congestion in those two ports.
- Meanwhile, the slowing of traffic efficiency meant that US and European ports were already backed up. Rotterdam, Hamburg, Antwerp, and the three major UK ports were all operating at full or above capacity. The ports were unable to receive additional containers due to a lack of storage space, and there was no obvious method to return them to China or other exporting countries.

Happy reading, take care and see you in June!

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