

LP BULLETIN

Friday 15 August 2008

Bulletin 596 - 8/08 - Grain imports - Kuwait

Members fixing vessels for discharging food grains at Kuwait are alerted to the following information received from the Club's local correspondent.

Carriers discharging food grain in bulk at the Kuwait Port (Shuwaikh) should be aware that the Receivers, Kuwait Flour Mills, which is a government owned entity, will not accept any mode of quantity measurement (such as draft surveys) other than that recorded through their own shore scales. These scales are reportedly highly accurate and calibrated frequently. The scales are certified once every year by the manufacturer - a representative engineer is flown in specifically for this purpose.



It has been noted in the past that there is invariably a shortage in quantity of food grain received in bulk such as wheat, corn, barley, soya meal, etc especially coming from load ports in Argentina, Ukraine, and Kazakhstan. Parcels from Australia are generally in good order.

In the event of a shortage, receivers being a state owned monopoly will not allow a ship to sail without Carriers posting security. They could request a bank guarantee or alternatively they may also accept a letter of undertaking from the local correspondents on behalf of the Carrier's P&I Club.

Receivers are also very strict on the quality control checks and the grain will be tested by their labs for any contamination. Should the grain be found below their required standards, the whole quantity may be rejected - especially if imported for the purpose of human consumption. If the grain is for animal consumption, receivers may adopt a less rigid approach with regards to quality acceptance. In such cases the damaged quantity may be segregated prior discharge and left onboard the ship without allowing its discharge ashore.

Local underwriters, whilst settling the receiver's claims, may allow a 0.5% trade allowance provided there is such provision in the shipper's invoices. Any damaged quantity left on board will also be treated as shortage.

Recommended general practice for all dry bulk cargoes prone to shortage claims, is to seal cargo hatches and access hatches on completion of loading in the presence of shippers/charterers and have the seals confirmed as intact on arrival by receivers. This is normally done by the use of third party surveyors for both parties conducting a joint survey.

Source of information: Gulf Agency Company, (Kuwait) as Correspondents
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