

UK P&I CLUB



# LP Bulletin

Friday 21<sup>st</sup> May 2010

## Bulletin 695 - 05/10 - Iron Ore Fines Update - India

**The trade in iron ore fines from India is continuing to increase and the demand from China is likely to persist for at least the foreseeable future.** The Club's earlier LP Bulletins 546 - 10/07, 647 - 7/09 and 660 - 10/09 warn members of the serious risks that can be associated with the carriage of iron ore fines loaded at Indian ports. Last year there were reports of two vessels that had capsized after loading Indian iron ore fines and the Club has been involved with a number of cases, two of which could have had serious consequences, involving this commodity.



Accordingly with the impending south west monsoon season (beginning early June), the Club is taking a proactive stance to ensure the safety of Members' vessels when loading this cargo. Members should be aware that once a cargo is loaded onboard it will be very difficult to discharge it from the vessel if problems are encountered.

The International Maritime Solid Bulk Cargoes Code ("IMSBC Code") comes into force on 1<sup>st</sup> January 2011 but from 1<sup>st</sup> January 2009 the code has been advisory and should be considered as "best practice". However, in relation to iron ore fines, the IMSBC code reflects the current Code of Safe Practice for Solid Bulk Cargoes, 2004 ("BC Code") and although iron ore fines is not a listed cargo it is acknowledged as being a cargo that may liquefy. That being the case, the remainder of this bulletin will refer to and quote from the IMSBC Code although Members should note that the meaning and advice of the IMSBC Code is, to all intents and purposes, the same as that contained in the BC Code.

The IMSBC Code states that it is the responsibility of the Shipper to provide the cargo and document that is safe for shipment.

## Shippers' Responsibilities

It is incumbent upon shippers to properly test and certify the cargo is fit to be loaded. The IMSBC code section 4.2.1 states (our emphasis is used throughout):

*"The shipper shall provide the master or his representative with appropriate information on the cargo **sufficiently in advance of loading to enable the precautions** which may be necessary for proper stowage and safe carriage of the cargo to be put into effect".*

Section 4.2.2 states:

*"Cargo information shall be confirmed in writing and by appropriate shipping documents prior to loading. The cargo information shall include:*

*...*

*.9 additional information **in the form of a certificate on the moisture content of the cargo and its transportable moisture limit** in the case of a concentrate or other cargo which may liquefy;"*

Section 4.3.2 states:

*"When a concentrate or other cargo which may liquefy is carried, the shipper shall provide the ship's master or his representative with **a signed certificate of the TML, and a signed certificate or declaration of the moisture content. The certificate of TML shall contain, or be accompanied by, the result of the test for determining the TML.** The declaration of moisture content shall contain, or be accompanied by, a statement by the shipper that the moisture content is, to the best of his knowledge and belief, the average moisture content of the cargo at the time the declaration is presented to the Master".*

Section 4.5.2 states:

*"Sampling and testing for moisture content shall be conducted as near as practicable to the time of loading. **If there has been significant rain or snow between the time of testing and loading, check tests shall be conducted to ensure that the moisture content of the cargo is still less than its TML. The interval between sampling/testing and loading shall never be more than seven days**".*

## Summary of the Shippers' responsibilities

The shippers are obliged to certify that the cargo is fit to load by giving the vessel full information on the cargo, together with a test certificate stating the TML and moisture content. The sampling and testing of the cargo shall not have been carried out more than seven days before the loading commenced and if heavy rain is experienced in the meantime, check tests should be carried out.

## Recommendations to Members

When instructed to load a cargo of iron ore fines from India, notwithstanding the season, it is recommended that the Club is informed so that arrangements can be made advance for the attendance of surveyors to check the information provided by the shippers and support the master as required. The surveyors will be required to follow the instructions set out below.

Members should ensure that their masters have familiarised themselves with the requirements of the IMSBC Code and that they should refer to the Club's previous bulletins in relation to this cargo, in particular Bulletin No. 660 (10/09). If the master has any doubts about the cargo he should carry out his own "can test". Further, masters should be aware of the instructions that will be provided to the surveyors.

## Instructions to Surveyors

The surveyors appointed will be instructed in relation to the specific nature of the particular requirements of the ship and loading but the instructions will cover the following points:

- The instructed surveyors will be reminded that their surveys should be carried out in accordance with all the provisions of the IMSBC code.
- To contact and liaise with the shippers to identify the stockpiles from which the cargo is to be taken and to ensure that the cargo is sampled correctly. In particular the surveyors will be instructed to note the opening statement of the IMSBC Code section 4.4 "Sampling Procedures" which states:-

*"4.4.1- physical property tests on the consignment are **meaningless unless they are conducted prior to loading on truly representative test samples**".*

- To take their own samples for testing in an independent laboratory.



- To ensure that the independent laboratory conducts its test in accordance with Appendix 2 of the IMSBC Code.
- To compare the shippers' certificate with their own test results.
- To monitor the weather conditions and decide whether check test (IMSBC code 4.5.2) is required.
- To monitor the stockpiles to ensure that the cargo loaded does originate from the designated and tested stockpiles.
- To monitor the cargo throughout loading with reference to all available advice on the condition of the cargo whilst loading and to carry out regular can tests (section 8 IMSBC code).
- To assist and advise the master and report to the master on a regular basis.

Source of information: Peter Harris  
Senior Claims Director, London Syndicate 2