125
春季
Spring
2019

Institute of Seatransport
海 運 學 會

SEAVIEW
海運季刊

JOURNAL OF THE INSTITUTE OF SEATRANSPORT

Maritime Visionary Leadership, Benchmarking And Gender Shipping

The Design Of Liner Shipping Routes In The 21st Century

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Maritime Visionary Leadership, Benchmarking And Gender Shipping

Dragomir Cristina / Yui-yip Lau

Propitiously for some, regrettably for others, fierce competition in maritime business is paving the way towards sectoral development. In maritime sector, there are neither "good" nor "bad" business companies. There are just companies where either employing "visionary leadership" or "less inspired strategies", are assumed in the maritime business by the administrative bodies synchronous with their own rhythm. A competitive maritime company is the one that clearly states serious commitment to Sustainability, Excellence (i.e., Leadership) and Responsibility (hereafter called "SER"). Is this the serum formula embraced for success?

Besides providing qualitative transport, successful companies have the ability to adopt agility (i.e., adjust rapidly to change) and alignment (i.e., to their clients' needs). In addition, visionary leadership maritime companies spot the assets throughout crisis and benefit on any unfolded challenges that occurs, transforming such challenges in opportunities. Competitive maritime companies resonate to global societal necessities in the maritime sector and beyond. Can a single maritime company make a decisive impact and a reverberating echo in the maritime industry, like a rock hitting the plain and monotone surface of the global lake? Definitely yes through a gender shipping!

Gender shipping is a new emerging trend of benchmarking in the maritime sector, based on obvious illustrative examples of responsible social attitude on solving the gender issues within the maritime industry. The concept of gender shipping defines companies who communicate the voluntary implementation of gender policies in their organizational culture actively. The application of gender policies occurs before regulations on the topic might shift the voluntary approach in one more or less recommended or mandatory approach. Gender shipping represents a proactive response of the maritime industry, long expected, to the empowering necessities of female seafarers' communities from the world shipping sector.

Many maritime companies are concerned on developing and communicating less or loud, responsible campaigns towards societal needs. They would commit to urgent medical cases;

would offer sponsorships for educational institutions, conferences, workshops, seminars, forums and fairs; would plant trees or support the disadvantaged. Such actions are very fine and much needed in the society. But sometimes people needing help might be closer than expected: the employees (i.e., seafarers and crews) in the last decades.

Seafarers are affected by several critical labour issues. One of such is under the large umbrella of gender stereotypes. Social responsible maritime campaigns are needed for removing gender barriers at women seafarer employment and glass ceiling barriers after employment of female. Although women are a growing force and the need to narrow the gender gap, the integration of women into the maritime industry is still at a sluggish rate. Seven key reasons lead to fewer women seafarers in the maritime industry and searching for other career alternatives including (1) insufficient information and awareness; (2) male dominated industry; (3) lack of support; (4) less acceptance by companies; (5) practical and social cultural obstacles; (6) insufficient seminars and workshops; and (7) job security.

Focus on gender in maritime is not a novelty. The United Nations (hereafter called UN) and the International Maritime Organization (hereafter called IMO) had several initiatives in promoting women to join the shipping sector. For example, between 1976-1985, within the United Nations Decade for Women, many agencies of the UN sought to implement programs to achieve gender equality. In that period, the IMO has produced its own strategy for women integration into the maritime sector. Since 1989, the IMO Women in Development Programme was focused on equal access to maritime training and employment.

A novelty is the concept of gender shipping. This is a generalized notion for a new trend in updating the organizational culture, manifested on board and on shore, with gender equality requirements.

Gender shipping implies focusing on clear organizational goals that include gender equality as a natural trait of the cultural space, both on board ship as well as inside on shore shipping offices and in the administrative facilities of shipping companies. Through gender shipping, the standardized organizational culture is revived and improved by including gender contemporarily, in a sector where gender stereotypes were recently prevailed.

This is a benchmarking distinctive approach while the results of the Gender Equality and Cultural Awareness in Maritime Education and Training ("GECAMET") international new study on maritime gender indicate that there is a

lack of social responsibility in the maritime sector considering the gender balance and equity. In the case of 64 seafarers employers from various countries, among the reasons for not employing seafarer women, more than half of the sample stated stereotypic concerns that female seafarers might get involved in sexual affairs with crew members and this might affect the climate on board. A high share gave other reasons for not employing women, like the costs involved during repatriations and termination of contracts in case the female seafarers get impregnated on board (19.6% of the answers).

There is a winding task in equilibrating the balance between social responsibility, morality and materialism. The interesting fact is that some maritime companies, few, have managed to transform a challenging situation in an advantageous strength.

Within the same GECAMET study there was made an analysis of policies communicated by 42 ship management companies through their website. The selection of the 42 companies was randomly conducted by using the first 42 results received by the Google search engine when the key words "ship management policies" were searched within the framework from December 2017 to March 2018. The research objective was to identify the extent of the online communication of gender equality and cultural awareness policies implemented by random ship management companies. The results indicated that, out of 42 analyzed companies, only one had distinctive results in communicating gender shipping. Bernhard Schulte Shipmanagement, headquartered in Hamburg, Germany, was the one that had implemented clear gender equality and cultural awareness policies and recognized public on their website the problems that harassment can cause in the work place. Within their gender policy, the company considers harassment of any employee for any reason to be unacceptable and all employees have a personal responsibility for the practical application of equal opportunities in their everyday dealings and working relationships not only to their colleagues, but also to clients, suppliers and other stakeholders. Managers have a responsibility to ensure that no form of harassment occurs in the workplace; this includes ensuring that a culture of unacceptable behavior is not allowed to develop. The best practice learned by Bernhard Schulte Shipmanagement is the fact that the company follows a clearly defined set of holistic corporate policies designed to ensure that all Group companies, employees and agents maintain the highest possible level of business, social and environmental integrity in all aspects of their business activities. The company demands and maintains high ethical standards in carrying out its business

activities. It stands out the company believes service excellence to be the best way of enhancing its reputation.

Undoubtedly, the case of Bernhard Schulte Shipmanagement is not singular for communicating gender shipping. The research analysis has its limitations, considering the scale of the study and the representativeness for the entire maritime business sector. Yet, such company managed to become distinctive when the selection of the analyzed target group was randomly made using the most popular online searching engine.

Therefore, when considering benchmarking and solutions for maritime gender gap, a single maritime company, among some few others currently raising, can provide a butterfly effect decisive impact and reverberating echo in the maritime industry.

(Dragomir Cristina:
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Law Column - When Is An Owner Obliged To Commence The Approach Voyage To The Loadport?

Max Cross / Ruaridh Guy

CSSA Chartering and Shipping Services SA v. Mitsui OSK Lines Ltd (Pacific Voyager) [2018] EWCA Civ 2413

The Court of Appeal has recently given its decision in this case, which will be of interest to all those involved in the chartering of vessels on a voyage basis. The Court of Appeal upheld the Commercial Court decision and found that the Owners' failure to commence the approach voyage to the loadport by a particular date was a breach of the charterparty, notwithstanding that the charterparty did not give an ETA or Expected Ready to Load date.

The background facts

The vessel was under a voyage charter on the Shellvoy 5 form dated 5 January 2015 to the Claimant Charterers ("the Charterers") for a voyage from Rotterdam to the Far East.

At the time of the fixture, the vessel was laden with cargo under a previous charter, pursuant to which final discharge was due to take place at the port of Le Havre/ Antifer. While under the previous charter, the vessel suffered damage attributed to contact with a submerged object. There was no suggestion that the vessel or the Owners were in any way at fault.

The cancellation date under the new fixture was 4 February 2015. The Owners informed the Charterers that the vessel was due to drydock on 8 February for repairs and that those repairs would take months. On 6 February, therefore, the Charterers terminated the charterparty and then brought a claim for damages of around US$ 1.2m.

The charterparty terms

The charter was on an amended Shellvoy 5 form, including the following:

Clause 3

> *"...the vessel shall perform her service with utmost despatch and shall proceed to Rotterdam and ... load a full cargo..."*

The fixture recap also provided details of the anticipated timetable for completion of the previous charterparty:

> *"ETA SUEZ CANAL 10 JAN, 2015 (TRANSIT)*
> *ETA SIDI KERIR 12 JAN, 2015 (RE-LOADING)*
> *ETA ANTIFER 25 JAN, 2015 (DISCHARGING)*
>
> *ALL ABOVE BSS IAGW/WP"*

The charterparty did not give an ETA or Expected Ready to Load ("ERTL") date at the loadport, Rotterdam.

The issue

In summary, the dispute was whether the Owners' failure to commence the approach voyage by a particular date was a breach of the charterparty.

It is well established that, where a voyage charter contains both an "utmost despatch" provision and an ETA or ERTL, there is an absolute obligation on the owners to commence the approach voyage by a date when it is reasonably certain that the vessel will arrive at the loadport on or around the ETA or ERTL. It has not previously been clear whether there is such an obligation where, as here, a charter contains no ETA or ERTL.

The Commercial Court decision

The Court found in favour of the Charterers, stating that there was an obligation on the Owners in this context to proceed to the loadport at a particular time. That obligation was an absolute one, not a due diligence obligation. The exact time at which the obligation arose was to be determined by looking at the charterparty as a whole. Here, the ETA at Antifer could be used to derive a time at which the vessel would be expected to commence the approach voyage.

The Court also expressed the view that, even if the ETA Antifer had not been present, it would have been possible to look at the cancelling date under the charterparty and then work backwards from there to establish when the obligation to begin the approach voyage arose.

The Court of Appeal decision

The Court of Appeal upheld this decision and rejected the Owners' appeal.

The Court of Appeal identified the utmost despatch obligation as an important one, which is intended to give comfort to charterers. Without a particular time at which the obligation attaches, it would be meaningless. From there, the only issue is how exactly one establishes that time, in circumstances where no ETA or ERTL at the loadport has been stated. In that regard, the Court of Appeal approved the judge's approach of looking at the itinerary given for the previous voyage and working forwards from there. The Court of Appeal emphasised that there would be little other reason for this itinerary to be included – it would not otherwise be of interest to the Charterers.

The Court of Appeal echoed a point made in previous cases that owners will need to use very clear words indeed if the risk of problems such as that which occurred is to be shifted onto charterers.

Finally in this respect, the Court of Appeal cast doubt on the idea, referred to above, that it would be permissible to take the cancelling date and work backwards if no itinerary for the previous voyage were included. These comments are not binding, but would clearly be relevant if this issue were to arise in future.

Comment

The Owners have sought leave to appeal this decision to the Supreme Court. If leave is granted, we will report on the Supreme Court decision in due course. Pending that, charterers can still best protect themselves by including an ETA at the loadport or ERTL date, rather than relying on an itinerary from a previous voyage.

From owners' perspective, the decision emphasises that they bear the risk of things going wrong in the time between a fixture being concluded and the approach voyage beginning. As mentioned above, shifting this risk onto charterers will require very clear words. However, such clear words would be unusual and very possibly commercially unacceptable.

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本篇文章早於 124 期刊登，因印刷電腦技術問題，文中遺留了相關的公式，現於本期重新刊登。

尺碼噸 (Volumetric Tonnage)

林傑

『排水量』是與重量有關係的。船舶另一種『噸位』是與重量無關係的，便是『尺碼噸』或體積噸，尺碼噸主要分為『總噸』和『淨噸』。

『總噸』(Gross Tonnage)是指一艘船舶的總水密空間或體積，國際上以一公式將此體積換算為總噸。總噸是沒有單位的，只是一個數目字。一般來說，大約 2.83 立方米相等於一船舶噸。

『淨噸』(Net Tonnage or Nett Tonnage)是指船舶的總噸減去需要操作船舶的空間，即船東可以用來賺取運費的水密空間，國際上以一公式將此水密空間換算為淨噸。淨噸也是沒有單位的，只是一個數目字。

註冊長度 24 米及以上的船舶

註冊長度24米及以上的船舶和遠洋航行之噸位須根據《國際船舶丈量噸位公約》。

總噸 Gross Tonnage

總噸(GROSS TONNAGE)[GT] 是量度船舶整體全部可封蔽的體積(或容積)。它由下述公式決定的：

$$GT = K_1 V$$

註： K_1 是 GT 系數 = $0.2 + 0.02 \log_{10} V$;
V 是船舶全部封蔽空間的立方米(m^3)體積

淨噸 Net Tonnage

淨噸(NETT TONNAGE)[NT]是船舶用以盈利的容積。它由下述公式決定的：

$$NT = K_2 V_c \left(\frac{4d}{3D}\right)^2 + K_3 \left(N_1 + \frac{N_2}{10}\right)$$

註： V_c = 全部貨艙立方米體積

$K_2 = 0.2 + 0.02 \log_{10} V_c$

$K_3 = 1.25 \left(\frac{(GT + 10{,}000)}{10{,}000}\right)$

D = 船舯部型深，以米為單位

d = 船舯部型吃水，以米為單位

N_1 = 艙房不多於 8 張床的乘客數量

N_2 = 其他乘客的數量

$N_1 + N_2$ = 船舶乘客證書所顯示的允許裝載的全部乘客量；當 $N_1 + N_2$ 少於 13， N_1 和 N_2 必要當作零

注意：$\left(\frac{4d}{3D}\right)^2$ 不能大過 1。

$K_2 V_c \left(\frac{4d}{3D}\right)^2$ 不能少過總噸的 0.25。

淨噸不能少過總噸 0.3。

例子

一貨船設計型深 9 米，吃水 5 米，全船可封蔽空間 25,000 立方米，包括貨艙空間 20,000 立方米。求總噸和淨噸。

$K_1 = 0.2 + 0.02 \log_{10} V$
$= 0.2 + 0.02 \times \log_{10} 25000$
$= 0.2 + 0.02 \times 4.39794$
$= 0.2 + 0.087959 = 0.287959$

總噸 GT = $K_1 V = 0.287959 \times 25000 = 7198.975$, 稱為 7199

淨噸 NT = $K_2 V_c \left(\frac{4d}{3D}\right)^2 + K_3 \left(N_1 + \frac{N_2}{10}\right)$

註： 這貨船不准載客。

$K_2 = 0.2 + 0.02 \log_{10} V_c$
$= 0.2 + 0.02 \times \log_{10} 20000$
$= 0.2 + 0.02 \times 4.30103$
$= 0.2 + 0.086021 = 0.286021$

$NT = 0.286021 \times 20000 \times \left(\frac{4 \times 5}{3 \times 9}\right)^2$

$= 5720.42 \times \left(\frac{20}{27}\right)^2$
$= 5720.42 \times (0.74074)^2$
$= 5720.42 \times 0.548696 = 3138.8$, 稱為 3139

答：
總噸 7199，和淨噸 3139。

(林傑：退休船長
Master Mariner, FIS, MH.)

The Design Of Liner Shipping Routes In The 21st Century

Chan Mei Yee / Yui-yip Lau / Wan Yim Yu / Rajnish Kelkar

Liner shipping background

Recently, the liner shipping industry has received increased attention from trade associations, global traders and government (Yip et al., 2010). Modern liner shipping service is the engine of economic development, world commerce and modern trade and the backbone of a global economy. It enables the transportation of goods, generally in standard sized containers, on large ocean-going ships that play on regular routes between ports on fixed schedules. Liner services are not just containerships but can also be roll-on/roll-off ships carrying cars and other motor vehicles or a combination of the two.

As per the World Shipping Council, it is estimated that there are about 400 liner services that carry about 60 percent of the global goods by value. Transporting goods in this manner is the most cost efficient, environment friendly method of moving goods from one place to another.

Shipping in general and liner shipping in particular is facing many challenges and issues. Even though liner trade is so important and essential for the global economy's functioning, its profit potential is low due to its high fixed costs structure, an increasingly stringent regulatory environment, and achieve economies of scale in vessel operations (Yip et al., 2010). The recent regulations such as the International Maritime Organization (IMO)'s global Sulphur cap of 0.5% on marine fuels is causing vessel operators to either install scrubbers or convert to LNG as Marine fuel to meet this regulation, both of which cost millions of dollars to implement. Additionally, there are the Ballast Water regulations to contend with and increasingly the environmental footprint and GHG emissions from Shipping are coming into focus.

Designing shipping routes – criteria to be considered

The main and primary factor that needs to be considered when panning a ship's route is the safety of the crew, the ship, the environment and finally the cargo. Other factors and criteria that are relevant are the distance to the next port, the time and speed needed to get there, total fuel costs and of course the weather. There are other factors that can be encountered en route and which need to be considered such as piracy high risk areas, canal transits dues and delays and port and harbour channel transit constraints for e.g. such as wind, fog/visibility and tidal restrictions.

Determining the optimal liner routing will involve selecting the optimal ship size and the optimal sailing frequency to minimize total incurred shipping costs.

Another major factor to consider is whether to route containers through a hub or directly to their destination. Generally, shipping the cargo through a hub tends to be the optimal routing decision since the economies of scale and efficiency cause the hub charges to decrease per unit of cargo due to larger volumes and optimized vessel sizes.

For longer voyages, the larger distances result in less than proportional increase in costs, assuming other factors remains constant. The cost curve rises rapidly at first because for longer voyages the ship needs more bunkers and stores/ provisions before commencing the voyage, but then the cost curve flattens out as the costs are spread over longer distances. Therefore, for longer voyages the larger ships have a lower cost structure whereas for short voyages, smaller vessels are more economical. The choice of the vessel size also depends on how much time the vessel is expected to spend in port and how the port and canal dues/tariffs are structured. The less time the ship spends in port, the larger will be the efficient ship's size since post expenses depend upon the size and tonnage and therefore the time the vessel spends in port. Therefore, there is a trade-off between economies for the ship size at sea, to diseconomies for length of time and hence costs in the port. The optimal vessel size will be one that can balance this trade off, i.e. to be large enough, yet still be flexible enough to adapt to various ports and trade patterns.

In terms of the operational considerations, the cost per ton-mile or per unit of cargo tends to decrease as a ship's speed increases but only until the optimum/economical speed is reached. Beyond that, bunker consumption costs rise faster than vessel speed. Other factors to consider in the design of a route would be the availability of dry dock and repair facility on the route of the vessel. If not, then that could incur additional repositioning costs. Although container vessels have a high freeboard and faster speeds, the risk of Piracy remains and is another operational factor to consider in designing a safe and optimum route.

In the following section, our paper adopts Belt and Road Initiative as an illustrative example to explore how to design of liner shipping routes in the contemporary maritime environment.

Case study: Belt and Road Initiative Route

"SILK ROAD" – which opened up several routes for trade and culture exchanges linked between Asia, Europe and Africa, it also promoted the progress of human civilization, and the development of the countries along the Silk Road. The Silk Road joints the East and the West for over thousand years.

In autumn 2013, Chinese President Xi Jinping visited Southeast and Central Asia, he raised the initiative of jointly building the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (hereafter Belt and Road), and the subsequent speech from the Chinese Premier Li Keqiang during China-ASEAN Expo, to emphasized the need to build the Maritime Silk Road, which both are drawing attention to the World. Nevertheless, the initiative fosters trade facilitation, policy coordination, transport connectivity and financial integration (Lau et al., 2018).

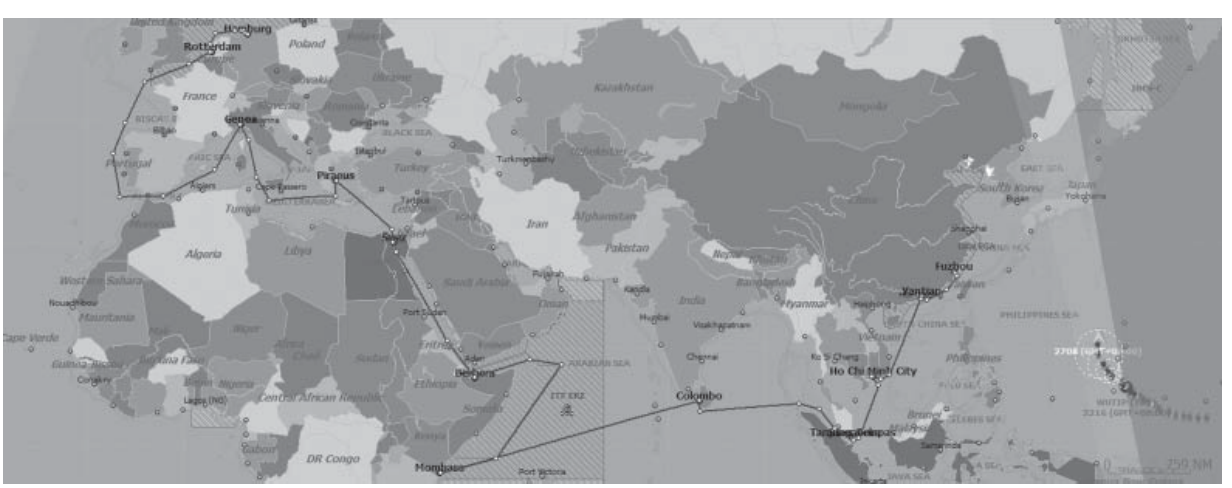
Although the land transport have been well developed, and the shipping routes design are very mature and have been built up and ran for decades, but the idea of the Maritime Silk Road may could have be provided a new platform for cross-region cooperation. In this paper, the author is going illustrate the Belt and Road Initiative Route and the Intra-Asia Route, trying to map into the Maritime Silk Road as raised by Chinese President Xi.

In order to demonstrate the possibilities and the capability for all existing vessels for both routes, three different size (i.e. 2000TEU, 6000TEU and 10000TEU) of container vessels will be using, and they will separated into two teams, each have one 2000TEU, one 6000TEU and one 10000TEU; they will involve 2 – 5 routes, and a total of 17 countries mainly trade for industrial and agriculture products.

2000 TEU container ships route review: 13 stations

Fuzhou (China) ➜ Yan tian (China) ➜ Port of Ho Chi Minh City, Vietnam ➜ Port of Tanjung Pelepas (Malaysia) ➜ Singapore Port (Singapore) ➜ Port of Colombo (Sri Lanka) ➜ Port of Mombasa (Kenya) ➜ Port of Berbera (Somalia) ➜ Suez Port (El Suweis) ➜ Port of Piraeus (Greece) ➜ Genoa (Italy) ➜ Port of Rotterdam (Netherlands) ➜ Port of Hamburg (Germany)

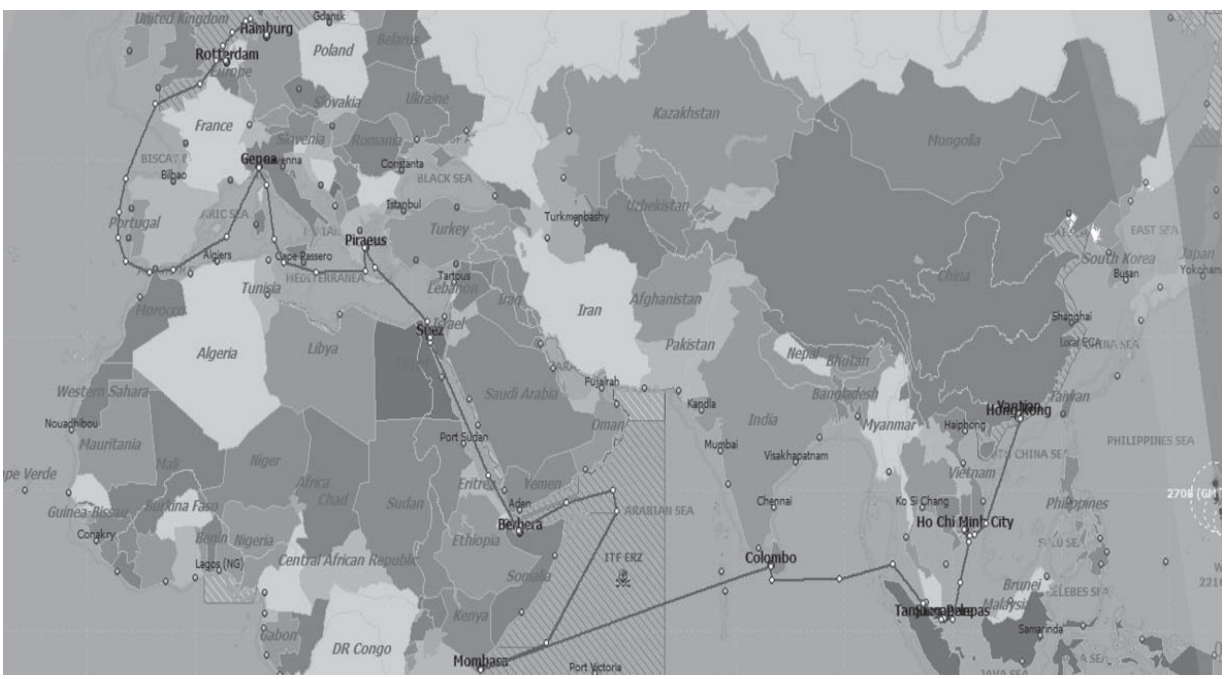
Total: 38 days



6000 TEU container ships route review: 13 stations

Kwai Tsing Container Terminals, Hong Kong (China) ➜ Yan tian (China) ➜ Port of Tanjung Pelepas (Malaysia) ➜ Port of Tanjung Priok (Indonesica) ➜ (Return) Port of Tanjung Pelepas (Malaysia) ➜ Singapore Port (Singapore) ➜ Port of Colombo (Sri Lanka) ➜ Port of Mombasa (Kenya) ➜ Port of Berbera (Somalia) ➜ Port of Piraeus (Greece) ➜ Genoa (Italy) ➜ Port of Rotterdam (Netherlands) ➜ Port of Hamburg (Germany)

Total: 40 days



10000 TEU container ships route review: 11 stations

West bound: Kwai Tsing Container Terminals, Hong Kong (China) ➜ Yan tian (China) ➜ Port of Tanjung Pelepas (Malaysia) ➜ Singapore Port (Singapore) ➜ Port of Colombo (Sri Lanka)

East bound: Port of Tanjung Pelepas (Malaysia) ➜ Yan tian (China) ➜ Kwai Tsing Container Terminals, Hong Kong (China) ➜ Port of Zhanjiang (China) ➜ Port of Shanghai (China) ➜ Port of Vladivostok (Russia)

[Total (West + East): 23 days]

From above three graphs you may noticed these three container vessels cover most of the ports in the Maritime Silk Road, which allows to link between the Asia, Europe and Africa trade, enabling them to transport their country's signature products and trade within these areas. Such as industrial products from China, raw materials from Vietnam, crops (e.g. tea, coffee, cocoa, etc.) from Kenya, industrial products (machine, trucks, textile, etc.) which exported from Italy and the duty warehouse which located in Genoa which also benefit to its trade. All these products will have a final destination in Rotterdam and Hamburg, whilst they have excellent hinterland access to the continent. Needless to say, calling to Singapore is due to the geographical advantages (locate between the Pacific and the Indian Ocean) and it is a good place to top-up your fuel tanks. However, one should be high-lighted is the call to Somalia prior the transit of Suez Canal, Somalia have their bureaucracy and issue of pirates which shall be taken into account of preventive measures, but we should not forget their livestock products distribution center and business center at the northern Somalia.

Appendix 1 *(Belt and Road Initiative Route)

Two 2,000 TEUs container ships

	Port Name (country)	Harbor size	Anchorage depth (m)	arrive day
1	Fuzhou (China)	very small	4.9-6.1	-
2	Yan tian (China)	small	21.6-22.9	2
3	Port of Ho Chi Minh City (Vietnam)	medium	4.9-6.1	3
4	Port of Tanjung Pelepas (Malaysia)	medium	15.5-16	2
5	Singapore Port (Singapore)	/	/	1
6	Port of Colombo (Sri Lanka)	medium	20.1-21.3	4
7	Port of Mombasa (Kenya)	medium	9.4-10	6
8	Port of Berbera (Somalia)	small	17.1-18.2	4
9	Suez Port (El Suweis)	large	6.4-7.6	4
10	Port of Piraeus (Greece)	large	11-12.2	2
11	Genoa (Italy)	large	33	3
12	Port of Rotterdam (Netherlands)	large	11-12.2	6
13	Port of Hamburg (Germany)	large	6.4-7.6	1
			Total:	**38 days**

Appendix 2*(Belt and Road Initiative Route)

Two 6,000 TEUs container ships

	Port Name (country)	Harbor size	Anchorage depth (m)	arrive day
1	Kwai Tsing Container Terminals, Hong Kong (China)	N.A.	N.A.	-
2	Yan tian (China)	small	21.6-22.9	1
3	Port of Tanjung Pelepas (Malaysia)	medium	15.5-16	4
4	Port of Tanjung Priok (Indonesica)	large	7.1-9.1	2
5	Port of Tanjung Pelepas (Malaysia)	medium	15.5-16	2
6	Singapore Port (Singapore)	/	/	1
7	Port of Colombo (Sri Lanka)	medium	20.1-21.3	4
8	Port of Mombasa (Kenya)	medium	9.4-10	6
9	Port of Berbera (Somalia)	small	17.1-18.2	4
10	Port of Piraeus (Greece)	large	11-12.2	6
11	Genoa (Italy)	large	7.1-9.1	3
12	Port of Rotterdam (Netherlands)	large	11-12.2	6
13	Port of Hamburg (Germany)	large	6.4-7.6	1
			Total:	**40 days**

Appendix 3 *(Belt and Road Initiative Route)

Two 10,000 TEUs container ships

West bound:				
	Port Name (country)	Harbor size	Anchorage depth (m)	arrive day
1	Kwai Tsing Container Terminals, Hong Kong (China)	/	/	-
2	Yan tian (China)	small	21.6-22.9	1
3	Port of Tanjung Pelepas (Malaysia)	medium	15.5-16	4
4	Singapore Port (Singapore)	/	/	2
5	Port of Colombo (Sri Lanka)	medium	20.1-21.3	3
East bound:				
	Port Name (country)	Harbor size	Anchorage depth (m)	arrive day
1	Port of Tanjung Pelepas (Malaysia)	very small	14-15.2	3
2	Yan tian (China)	large	20.1-21.3	4
3	Kwai Tsing Container Terminals, Hong Kong (China)	/	/	1
4	Port of Zhanjiang (China)	small	11-12.2	1
5	Port of Shanghai (China)	small	8-13.5	2
6	Port of Vladivostok (Russia)	/	/	2
			Total (West + East):	**23 days**

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Dangerous Goods – Un-avoid it

Carman Au

Having graduated from the Hong Kong Polytechnic University in Shipping Technology and Management, I have worked for various shipping companies in different departments, including Dangerous Goods (DG) and Sales and Marketing and Trade. In particular, I have spent 16 years working in the DG department.

During these years, I find that there is an interesting phenomenon in the shipping industry involving both shipping carriers and freight forwarders. Most people are scared of getting themselves involved in handling DG cargoes as the responsibilities are great for ensuring that the cargoes are shipped in a safe condition. Nevertheless, do they really think they can keep themselves away from DG cargoes? The answer is "NO". DG cargoes are un-avoidable.

Below is the usual working process of DG acceptance that involves various departments (the procedure might be different among shipping carriers):

Per Booking

1. Shipper submits DG booking enquiry to local booking desk request for rate quotation.
2. Local booking desk checks with trade department to confirm the DG rate.
3. Shipper places DG booking and submits the application to local booking desk.
4. Local booking desk summarizes the details and submits DG application to DG Desk for approval.
5. DG Desk will perform a DG process and vessel capacity check against International Maritime Dangerous Goods (IMDG) Code, company in house rule and port regulations.
6. If the booking involves inland waterway, DG desk needs to get the 3rd party feeder DG acceptance from the logistic department.
7. DG desk will either accept/reject the DG booking and give reply to the local booking desk.
8. Local booking desk then will accept the DG booking and release the container to the shipper.

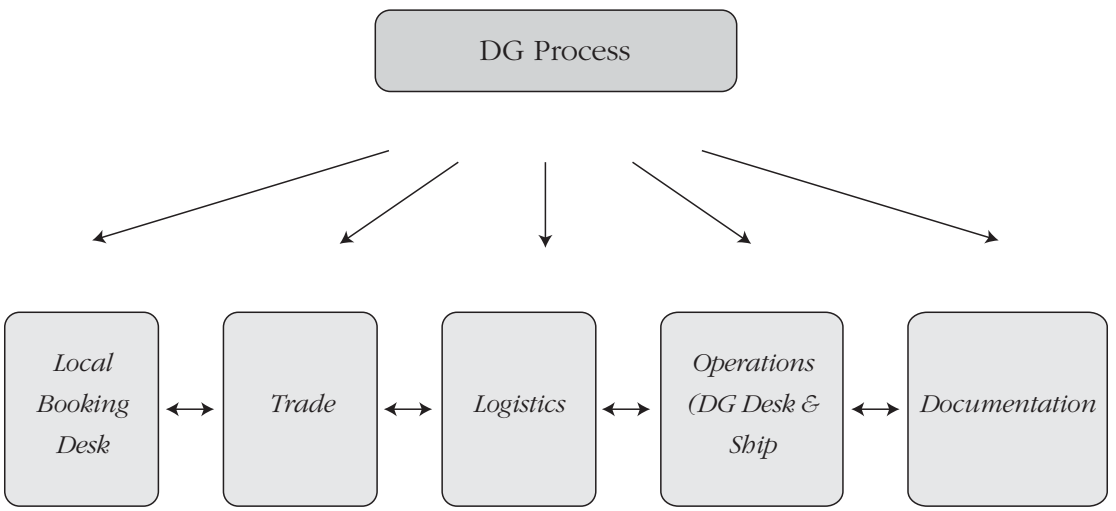
Per Vessel

1. DG Desk prepares and provides the DG reports, such as DG planner summary, to the ship planner for stowage planning.

2. The local booking desk will reconfirm the information of each booking and send the multimodal DG form to the offices at the transshipment port, port of discharge and final destination.

3. The documentation department will then check the DG manifest for any mis-declaration.

Departments involve in DG Process in Shipping Carriers



During the working process, if the shipper has any questions regarding their bookings, he/she should make contact with the local booking desk rather than the DG desk.

The above diagram shows the usual working process involving different departments which are inter-related. If any department fails to comply with the IMDG code, it adversely affects the acceptance decision and increases the risk of accident. All employees and departments involved should have completed the IMDG training and followed the procedure accordingly to avoid any mis-conducts. The IMDG code is the mandatory regulation for ocean cargoes. It is the mandatory regulation, therefore all parties involved should be fully compliant with the IMDG code without exemptions. Any misunderstandings of the code may result in catastrophic accidents on ships and at ports.

Based on my experiences, the subject of dangerous goods is quite interesting and challenging. It is not as boring as you think, for example, the IMDG code is a comprehensive book containing numerous topics:

- General provisions of training
- Classification
- Use of packaging, including intermediate bulk containers and portable tanks

- Limited quantity
- Fumigation
- Segregation
- Documentation, such as multimodal DG form

Although the coverage of the IMDG code is primarily for ocean freight, in fact, it affects the entire maritime supply chain, such as shippers, packers and warehouse operators.

Responsibilities of each party

- Shipper – to ensure the product has the correct classification, packaging and the right labels
- Packer – responsible for lashing and securing, segregation compliance and Cargo Transport Unit placards / marking compliance
- Warehouse Operator – to identify dangerous goods base from their marks and labels from their packages

DG is an un-avoidable subject but it is not as scary as you might think. Most answers can be found in the user-friendly IMDG book. Don't worry too much. Start and enjoy your DG journey today.

(Carman Au: Dangerous Goods Manager, Hamburg Sud HK Ltd.)

船舶長度和寬度

林傑

總長度 LENGTH OVERALL

是船舶的最大長度，由最前端量至最後端的長度。

注意 : 帆船的前端可裝置一條大木柱用來懸掛前尖帆，總長度是不包括這條大木柱的長度，但船長在操作船舶時必須考慮它的存在，例如靠泊碼頭。

應用於國際海上避碰規例和船藝學的運用

噸位計算長度 TONNAGE LENGTH

船在滿載情況下 (夏季吃水線)，由船頭垂直線至船艉架的後端之長度，如沒有船艉架，則至舵軸中心線之長度，或是船總長度的 96% 而吃水是深度的 85%。

應用於計算體積噸位，即總噸和淨噸

垂線間長度 LENGTH BETWEEN PERPENDICULARS

夏季吃水線和船頭前端相交的一點為前垂線，船艉架的後端與夏季吃水線相交，如沒有船艉架，以舵軸中心線相交的一點為後垂線，兩垂線間的長度為之垂線間長度。它與噸位計算長度相同，即相等於總長度的 96%。

應用於計算船舶排水量和穩性上

登記長度 REGISTERED LENGTH

由最高連續甲板的最前端至舵軸中心線或船艉架後端的長度。

應用於登記證書或發牌上

型寬 (內欖)MOULDED BREADTH

由船殼鐵板內層至另一舷的鐵板內層間寬度，在船中部量度。

應用於船舶設計和造船上

最外寬 EXTREME BREADTH

由船殼鐵板外層至另一舷的鐵板外層在船中部量度。

應用於國際海上避碰規例和船藝學的運用

巴拿馬寬度 PANAMAX

是一艘寬度最大而可以通過巴拿馬運河的船舶 最大寬度是 32.3 米。

294.13 m x 32.3 m x 12.04 m

新巴拿馬寬度 NEW-PANAMAX

是一艘寬度最大而可以通過新巴拿馬運河的船舶，最大寬度是 49 米。

366 m x 49 m x 15.2 m

(林傑：退休船長
Master Mariner, FIS, MH.)

ICSHK Column - Ship Recycling Practices on Regulatory Radar

Sharad Gupta

With maritime publications almost saturated with writeups on the upcoming 2020 Sulphur cap for the past one year, it is perhaps time to have a look at one other subject which will affect almost every internationally trading ship in the next 2-3 years.

Two regulations aimed at aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment, are starting to make their impact felt in a steady, albeit slow manner -- **The European Union Ship Recycling Regulation of 2013 (EUSRR) and The Hong Kong International Convention for Safe and Environmentally-sound Recycling ships 2009 (HKC)**.

The EU Regulation brings forward the requirements of the 2009 HKC, therefore contributing to its global entry into force. Adopted by the European Parliament and the Council of the European Union in 2013, it aims to reduce the negative impacts linked to the recycling of ships flying the flag of Member States of the Union. The Regulation lays down requirements that ships and recycling facilities have to fulfil, in order to make sure that ship recycling takes place in an environment sound and safe manner.

With effect from 31st December 2018, New European ships and EU-flagged ships going for dismantling must also have on board an **Inventory of Hazardous Materials (IHM)** verified by the relevant administration or authority, and specifying the location and approximate quantities of those materials, as well as a Statement of Compliance from the Flag or authorized RO. This obligation will also apply from 31st December 2020 to all existing ships sailing under the flag of Member States of the Union as well as to ships flying the flag of a third country and calling at an EU port or anchorage.

In November 2016, EMSA, the European Maritime Safety Agency, published a Best Practice Guidance, which can be accessed at their website.

Ship Recycling Facilities as per EMSA:

With effect from 31st Dec 2018, large sea-going commercial ships flying an EU-member state flag can only be recycled in safe and sound recycling facilities included in the European List. The current list has 26 ship-recycling shipyards including 23 facilities located in 12 Member States of the European Union, 2 facilities in Turkey and 1 facility in the United States of America. However as the EU recycling facilities' capacity is not enough to handle the entire EU-flagged tonnage that is coming up for recycling, there is mounting pressure on EU to revise the list to include more such facilities outside the EU. It is noteworthy that shipyards in South Asia handle over 75% of global ship-recycling business and are known to pay far more for an end-of-life ship.

For readers interested in some further research on EUSSR for EU-Flag vessels, it is suggested to read the criminal prosecution of a shipowner Seatrade, in March 2018 after its directors were found to have breached existing EU regulations by indirectly selling ships to scrap yards in non-OECD countries.

Non-EU flagged ships calling an EU port or anchorage, are required to have verified Inventory of Hazardous Materials by 31st December 2020 and a Statement of Compliance by the Flag or an authorized RO.

In a very welcome step, The Commission shall review this Regulation not later than 18 months prior to the date of entry into force of the Hong Kong Convention and at the same time, submit, if appropriate, any appropriate legislative proposals to that effect. This review shall consider the inclusion of ship recycling facilities authorized under the Hong Kong Convention in the European List in order to avoid duplication of work and administrative burden.

This leads us to the second part of the subject – Hong Kong International Convention for the Safe and Environmentally-Sound Recycling of Ships, 2009.

IMO's role in the recycling of ships, the terminology used to refer to ship scrapping, was first raised at the 44th MEPC

session in March 2000 following which a correspondence group was established to research this issue and provide information about current ship recycling practices and suggestions on the role of IMO. Guidelines were developed by the Marine Environment Protection Committee (MEPC) and finalized at the MEPC 49th session in July 2003. These guidelines were adopted as the: Guidelines on Ship Recycling by the 23rd Assembly in November-December 2003.

The IMO Assembly in November-December 2005 subsequently agreed that IMO should develop a new legally-binding instrument on ship recycling. Going through several drafts and forms, the present form was adopted at a diplomatic conference held in Hong Kong in May 2009.

It will enter into force **24 months after the date** on which 15 States, representing 40 per cent of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the Secretary-General. Furthermore, the combined maximum annual ship recycling volume of those States must, during the preceding 10 years, constitute not less than 3 per cent of their combined merchant shipping tonnage.

At the time of writing this piece, seven states had ratified this convention representing little over 20 percent of world merchant shipping tonnage, and the combined annual ship recycling volume of the contracting states during the preceding 10 years is 1,652,961 GT, i.e. 0.62 percent of the merchant shipping tonnage of the same states. ?The top five ship recycling countries in the world, accounting between them for more than 90 percent of all ship recycling by tonnage, are Bangladesh, China, India, Pakistan and Turkey.

Once in force, ships to be sent for recycling will be required to carry an inventory of hazardous materials (IHM), which will be specific to each ship. An appendix to the Convention provides a list of hazardous materials, the installation or use of which is prohibited or restricted in shipyards, ship repair yards, and ships of Parties to the Convention. Ships will be required to have an initial survey to verify the inventory of hazardous materials, renewal surveys during the life of the ship, and a final survey prior to recycling.

Ship recycling yards will be required to provide a Ship Recycling Plan, to specify the manner in which each individual ship will be recycled, depending on its particulars and its inventory. Parties will be required to take effective measures to ensure that ship recycling facilities under their jurisdiction comply with the Convention.

The regulatory measures adopted by IMO have shown to be successful in reducing vessel-sourced pollution and illustrate the commitment of the Organization and of the shipping industry towards protecting the environment. Of the 53 treaty instruments IMO has adopted so far, no less than 21 are directly related

to environmental protection. With the HKC, along with the EUSRR, is hoped that regulatory bodies can now start to make a positive impact in the environment even after the ships concerned have completed their productive lifecycle.

Ack: Assimilated from material available on relevant IMO and EMSA websites.

(Sharad Gupta – FICS)

AA TALK

HULL INSURANCE CLAUSES – Deductible

Raymond Wong

(As noted in Issue 122 the Editor of this column would visit ITC-Hulls 1/10/83 with the assistance of the book "ITC HULLS 1.10.83" which was written by Mr. D. John Wilson who kindly allowed the Editor copyright on his book for any future editions.)

Clause 12 Deductible

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds ..... in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

Following the introduction of "deductible each separate accident or occurrence" (replacing "franchise each voyage") in the Instituted Time Clauses – Hulls in 1969, at the General Meeting of the British Association of Average Adjusters in May 1971, a Special Committee consisting of average adjusters and representatives of ship-owners and underwriters was appointed to consider the problem of interpretation of the words "the aggregate of all such claims arising out of each separate accident or occurrence". The following year they produced a Report setting out certain guidelines and giving 30 examples of multi-accident situations. The Report was only "received" and not formally or universally approved and, indeed, it might be suggested that a few of the conclusions were suspect. However, the Report serves as a useful working document in everyday practice and helps to secure a reasonably uniform approach to this very difficult problem.

Consider the following hypothetical examples:

A) A vessel suffers an engine failure when in port and collides with another vessel, sheers off and strikes a dock wall, finally running aground.

Is this one or three separate accidents?

B) 1. While proceeding down a shallow river with shifting sandbanks, a vessel grounds and sustains damage on three occasions.

or:

2. While proceeding through the many locks of the St. Lawrence Seaway during very strong winds, a vessel strikes three of the lock walls and sustains damage.

Is this one or three separate accidents?

C) On three separate occasions the ship's engineers fail to keep a boiler properly topped up with water, such that at the next overhaul the boiler tubes are found to be distorted and damaged.

Is this one or three separate accidents?

Clause 12.1

A single accident – e. g. a collision – can give rise to a claim which will be adjusted under numerous headings: Particular Average, General Average, Sue & Labour Charges, and Collision Liability.

However, only ONE deductible is applied to the aggregate (or total) of all such claims arising out of the same accident or occurrence.

The deductible is not applied to a claim for total or constructive total loss of the vessel, neither is it applied to any claim for sue and labour charges (see Clause 13) incurred to avert or minimize that same total or constructive total loss. It would be illogical, and perhaps deter the Assured from incurring such expenses, if the expenses incurred to avoid a total loss were to be subject to the deductible when the total loss itself was not so subject.

In the absence of the wording "Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found", it is probable that no liability would arise for the cost of dry-docking a vessel for inspection after stranding if it was then found that no damage had been sustained. This conclusion is to be drawn from the case of Lysaght v. Coleman (1894), where the insurance was on galvanized iron in wooden cases by a coastal vessel from Bristol to London, and thence to New Zealand. During the first sea passage all the cases were wetted by seawater in a storm, and they were opened up at London in order to assess the damage before being trans-shipped. It was held that the cost of opening up only those cases in which the contents were damaged was recoverable from underwriters, and not the cost for those in which the cargo was found to be sound.

However, Underwriters would not wish to have their risk increased by having a vessel continue trading after a serious stranding with unknown and potentially serious damage to her bottom and, by this Clause, they agree to pay the cost of bottom inspection after stranding, if reasonably incurred specially for that purpose, even if no damage is found, no policy deductible being applied to such claim.

Clause 12.2

The weather at sea is constantly changing, and it is not uncommon during the course of a single sea passage between two successive ports for a vessel to encounter two or more bouts of heavy weather, separated by a spell of fine weather.

Prima facie, the separate bouts of heavy weather should be considered as "separate accidents" and subjected to two (or more) deductibles, but this wording permits all the heavy weather damage sustained during a single sea passage to be aggregated or added together and for only ONE deductible to be applied.

Assume that:

A) One set of policies with a deductible of 6,000 expires at 2400 on 31st December, and that a new set of policies with a deductible of 12,000 then comes into force;

B) The vessel encounters heavy weather during a single sea passage which overlaps the two sets of policies, with heavy weather on:

2 days in December and

4 days in January;

C) The damage known to have been sustained (e.g. about the decks) or reasonably allocated to the respective periods (e.g. pounding damage to the bottom, or rudder damage) in accordance with the severity and duration of the weather is:

30,000 in December and

20,000 in January.

The claim will be stated in accordance with the wording of the Clause as follows:

	Policy A	Policy B
Particular Average	30,000	20,000
Less : Proportion of Deductible	2,000	
Policy A 2/6 X 6,000		
Policy B 4/6 X 12,000		8,000
NET CLAIM	28,000	12,000

Without the Clause wording, the claim would probably be assessed:

	Policy A	Policy B
Particular Average	30,000	20,000
Less : Proportion of 1 Deductible	3,600	
Policy A 30,000/50,000 X 6,000		
Policy B 20,000/50,000 X 12,000		4,800
NET CLAIM	26,400	15,200

The particular figures are unimportant, and "swings and roundabouts" will even things out over a period, but it is worth noting that the Clause only deals with the apportionment of the deductible. It does not state that the heavy weather is to be apportioned on a "per day" basis, and it is necessary to allocate the damage to the respective policies in the light of the actual evidence of the logbooks etc.

As with heavy weather, a vessel can pass through more than one ice-field during the course of a single sea passage between two successive ports, and the Clause wording permits all such ice damage to be aggregated and only a single deductible applied. Furthermore, if damage by both heavy weather AND ice is sustained on the same passage, only ONE deductible is applied.

Clause 12.3

A simple example will probably be the best way to explain the provisions of this section of the Clause.

Assume that a vessel suffered damage in a collision and that the cost of repairs and other expenses claimable from Underwriters amounted to ..... GROSS 30,000

LESS : Deductible 10,000

NET CLAIM 20,000

This Net Claim of 20,000 is paid by Underwriters.

Subsequently, liability for the collision is negotiated whereby the 'other' vessel is found to be wholly or partly to blame for the collision and a net recovery is made in respect of the items making up the Gross Claim of 30,000 amounting to:

A – 15,000

B – 25,000

A) Recovery 15,000 This sum being less than the Net Claim of 20,000 previously paid by Underwriters, the whole recovery of 15,000 is due to Underwriters.

B) Recovery 25,000 This sum will be credited:

To Underwriters:	In full, up to the Net Claim previously paid by them	20,000
To Assured:	Balance	5,000
		25,000

Notes:

1. The above example is intentionally simple, and it must be stressed that the calculations can be considerably more complex in everyday practice.

2. Recoveries are dealt with in a different way under, for instance, the American Institute Hull Clauses and the International Hull Clauses, which is more favourable to the Assured.

Clause 12.4

To explain the application of this Clause 12. 4. the same figures and examples quoted in the analysis for Clause 12. 3 are used.

Assume that:

1) The Assured paid the cost of repairs and other expenses amounting to 30,000 on 1st January 2013;

2) Underwriters paid the Net Claim of 20,000 on 1st April 2013

		A		B
3)	The Collision recovery of			
		15,000	or	25,000
	was paid on 1st January 2015 with interest at 4% p.a. from 1st January 2013, i.e.	1,200	or	2,000
		16,200	or	27,000

A) Interest of 1,200

As previously explained, Underwriters are entitled to the whole of the capital sum of 15,000, and they are similarly entitled to the interest on this sum, but only from the date on which they paid this 15,000, i.e. 1st April 2013.

Accordingly, they receive interest for 21 months	1,050
and the Assured retains the interest for 3 months	150
	1,200

B) Interest of 2,000

As previously explained, Underwriters are entitled only to 20,000 of the capital sum, and they receive interest on this sum for the 21 months from the date on which they paid the 20,000 (1st April 2013) 1,400

The assured receives interest on:

25,000 (whole claim) from 1.1.13 to 1.4.13	250	
5,000 (balance of claim) from 1.4.13 to 1.1.15	350	
	600	600
		2,000

Ship-owners Special Clauses

There are a number of wordings in respect of application of policy deductible in certain specific circumstances, which are commonly seen under the Ship-owners Special Clauses incorporated in the Hull & Machinery policies of insurance. It is worth noting that the one dealing with the "Recoveries" is indeed same as Clause 49.2-4 of the International Hull Clauses 2003, which reads as follows:

Underwriters shall pay the reasonable costs incurred by assured to pursue a recovery from third parties in the same proportion as the insured losses bear to the total of the insured and uninsured losses.

Where the assured have incurred reasonable costs to pursue a recovery from third parties and where no claim is recoverable under this insurance the underwriters shall reimburse such costs in the same proportion as the insured losses bear to the total of the insured and uninsured losses, notwithstanding that no claim is recoverable under this insurance.

In the event of recoveries from third parties in respect of claims which have been paid in whole or in part under this insurance, such recoveries shall be distributed between the underwriters and the assured as follows:

- The reasonable costs and expenses incurred in making such recoveries from the third party shall be deducted first and returned to the paying party.

- The balance shall be apportioned between the underwriters and the assured in the same proportion that the insured losses and uninsured losses bear to the total of the insured and uninsured losses. For the purpose of the clause, uninsured losses shall mean loss of or damage to the subject–matter insured and any liability or expense which would have been recoverable under this insurance, but for the application of deductible(s) and the limits of this insurance.

This clause provides for the amount recovered from third parties to be divided rateably between the Assured and Underwriters in proportion to the net claim paid by Underwriters and the policy deducible borne by the Assured. Accordingly, using the example under the ITC-Hulls 1/10/83, that a vessel suffered damage in a collision and that the cost of repairs and other expenses claimable from Underwriters amounted to ..... GROSS 30,000

LESS : Deductible 10,000

NET CLAIM 20,000

and a net recovery of 15,000 (which sum is less than the Net Claim 20,000 previously paid by the Underwriters should be credited in full to them under the ITC-Hulls 1/10/83), the recovery will be apportioned as follows:

Paid by Underwriters	20,000	receives	10,000
Borne by Assured - Deductible	10,000	receives	5,000
	30,000		15,000

Upcoming Courses

The Institute is prepared to run few new courses during 2019, which include (a) the "Ship Stability Course for Shipping Personnel" during April/May, and (b) the course on "Practical Aspects of Settling Hull Insurance Claims" during the second half of the year. Details of both courses expectedly being included in the pre-approved list of ProTERS will shortly be released to the maritime community.

The objective of ProTERS (Professional Training and Examination Refund Scheme) under the Government's Maritime and Aviation Training Fund (MATF) is to incentivize those already working in the maritime and aviation sectors, including local vessel seafarers, to attend course(s) and sit for examination(s) that are being offered by various education institutions, professional or trade bodies to raise their professionalism and competency, and encourage them to acquire relevant professional qualification(s). Successful applicants will be refunded 80% of the fees for completing pre-approved courses/ examinations.

(Raymond T C Wong: Average Adjuster)

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