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Our Mission

- to promote the exchange of professional knowledge within the Hong Kong shipping industries
- to recognize the contribution of professionals within the seatransport community in Hong Kong








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EDITORIAL TIDBITS

In today's uncertain and rapidly changing global environment, the maritime industry continues to demonstrate remarkable resilience and operational effectiveness.

This issue features several insightful contributions. First, Dr S. K. Tai, Associate Professor, and Dr Fion Lee, Assistant Professor at UOW College Hong Kong, examine the legal and commercial disputes arising from overdue container box returns. We also present a summary report of a special seminar delivered by Mr. Edward Cheng, Chief Representative (Hong Kong Region) of Oceanfavor Shipping (Shanghai) Ltd., who shared valuable insights on crew change arrangements at Chinese ports. In addition, we are pleased to include a speech by Mr. Chris Kilbee, Chairman of the Association of Average Adjusters of the UK. In his address, he advocates modernising the average adjusting profession through revising hull insurance clauses, reforming rules and practices governing average adjustment, and developing a more balanced approach that reconciles commercial realities with established insurance principles.

As the shipping industry faces an ever-growing volume of operational data, Miss Charade Wu, Assistant Manager of OOCL, explains how Agentic AI can help senior management make timely, informed decisions in complex business environments. Meanwhile, Miss Tsang Sin Hang and Miss Chan Hoi Ting of ValuesG, together with Dr Yui-yip Lau of CPCE, The Hong Kong Polytechnic University, highlight the significant technological potential of the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) at the Lok Ma Chau Loop as an important foundation for future innovation and technological development.

We hope you enjoy this edition and look forward to receiving your feedback. We believe in the power of community and value our readers' diverse perspectives. If you have a topic you are passionate about and would like to share with the maritime community, we warmly invite you to contribute. Please send your articles to info@seatransport.org.

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貨櫃逾期使用費是否可高於新櫃的價格

李彩紅 , 戴錫崑

海上貨物運送時，付貨人 (shipper) 經常會租用承運人 (carrier) 的貨櫃進行貨物的運輸。因此，貨物運輸合約中，通常都具有租櫃的相關條款。雙方會約定提櫃及交櫃的地點 。付貨人有一段貨櫃免費使用期，出口為 5 至 7 天， 進口為 3 至 7 日。起算日在出口時，由提櫃日起算。進口時，以卸船日或提櫃日起算。 付貨人逾期沒有歸還貨櫃，分為兩種情況。付貨人把貨櫃提離碼頭後，超逾免費期後才歸還貨櫃，承運人按日收取滯箱費（Detention），例如每天 20 至 200 美金。如付貨人根本沒有到碼頭把貨櫃提走，碼頭或承運人向付貨人收取滯港費（Demurrage）。逾期使用費，逐級遞增，費用會越來越高。

在運輸合約中，這項逾期使用費沒有設定最高的金額，可計算至還櫃之日才停止收取。在實務中，經常會出現鉅大的逾期使用費，且遠遠的大於購買新貨櫃的價格。對此鉅額的使用費，付貨人是否仍然要支付？在上海重海國際貿易有限公司訴中遠海運集裝箱運輸有限公司一案中（重海案），[1] 對逾期使用費的收取，上海海事法院提供了司法實務的答案。

在重海案中，付貨人向承運人租用一隻 40 呎貨櫃。貨物運抵上海後，付貨人憑正本提單向承運人換取了提貨單，並提取了涉案的貨櫃。後來，因為海關的查驗，導致該貨櫃未能及時歸還給承運人。承運人需要付貨人支付逾期使用費共人民幣 64,220 元。 在此之前，付貨人以押金的形式，已交了一筆錢給承運人。因此，承運人可以直接從該筆押金中，扣除全額的逾期使用費，共人民幣 64,220 元。



Source: Fleet Containers

1.（2019）滬 72 民初 2192 號民事判決書及（2020）滬民終 138 號民事判決書

付貨人認為承運人無權收取 64,220 元的逾期使用費。雙方均同意，一隻新貨櫃的價錢為三萬元左右。因此，付貨人認為承運人的損失不應該超過一隻新貨櫃的價錢。付貨人要求承運人退還人民幣 34,220 元。

承運人聲稱付貨人對逾期使用費已全額履行完畢，且未提出異議。因此，付貨人同意支付押金，就是確定了同意支付全額的逾期使用費。因此，承運人拒絕退還人民幣 34,220 元。

付貨人乃向上海海事法院提出訴訟，要求承運人返還聲 34,220 元。上海海事法院在審理此案時，要處理兩項爭議點，一是付貨人（原告）就涉案的貨櫃逾期使用費收取金額與承運人（被告）是否達成一致，二是承運人收取的貨櫃逾期使用費金額是否合理。

關於第一項爭議，法院認為，在此種扣減押金的支付模式下，雙方根本沒有協商過應支付的逾期使用費金額，故不能誌認為有達成一致的結論。事實上，收取多少逾期使用費是承運人單方的決定。

關於第二項爭議，法院認為，逾時歸還貨櫃給承運人造成的損失，主要是貨櫃被佔用，導致承運人用櫃周轉發生困難，承運人的損失最多應等同為新貨櫃的購置價格。但若承運人購置了新貨櫃後，付貨人在此後的某個時候又歸還了舊櫃，則承運人將面臨貨櫃過剩、閒置的困境。閒置貨櫃難免會額外增加堆存、管理和處置的開支。因此，不能一概以一個新櫃重置價格，確定為承運人的全部損失。在此情形下，可結合雙方當事人對發生貨櫃逾期使用的過錯程度等實際情況，以一個新櫃重置價格為基礎，並對承運人的損失作適當的調整。

就重海案而言，法院認為可酌情確定為一個新櫃重置價格的 1.5 倍為承運人的損失，即人民幣 45,000 元。法院判決承運人需向付貨人返還人民幣 19,220 元。承運人上訴，但上訴法院維持原判。

很可惜，法院對如何判定「發生貨櫃逾期使用的過錯程度等實際情況」及本案的損失，為何是新櫃的 1.5 倍，均沒有詳加說明。

Abstract of the Seminar "Navigating Foreign Crew Change at Chinese Ports"

Edward Cheng

Section A: Prologue

1. Crew change at Chinese ports:

Many vessels call at various Chinese ports for activities such as cargo discharge, cargo loading, drydocking, and sale & purchase of vessels. Overall, crew change costs at Chinese ports remain relatively low. This is a common practice in China.

2. Phenomenon in post-COVID-19 era:

The COVID-19 pandemic reshaped crew employment patterns by nationality. Many Chinese shipowners increasingly turned to foreign crew. Some even started from scratch. Some of the main reasons behind this were the availability and cost efficiency of Chinese crew.

Major nationalities of crew other than Chinese include the Philippines, Indonesia, India, Bangladesh, Myanmar, Vietnam and so on.

3. Our frustrations:

When a vessel berths at 1200 and is scheduled to sail at 0800 the next day, why is the handover time limited to only about 2 hours? Is it frustrating?

When a crew sign-off at Tianjin port and takes the flight departing via Tianjin International Airport, Visa is not required. However, when the same crew sign-off at Jingtang Port and take the same flight departing via Tianjin International Airport, a visa is required. Is it also frustrating?

4. Our challenges:

- Different Chinese ports may have different regulations
- Interpretation of rules could be different
- The situation could change from time to time
- Limitation of the working hours of the official
- Difficult to predict the berthing schedule of the vessel…… and so on

5. Something easy to get confused:

5.1.Name of port

Some ports look similar in English but no confusion in Chinese:

· Zhenjiang （鎮江） vs Zhanjiang （湛江）

· Jingjiang （靖江） vs Jingtang （京唐）

Some ports have same spelling in English but in different province:

· Taizhou （泰州 – Jiangsu Province）
vs Taizhou （台州 – Zhejiang Province）

· Jiangyin（江陰 – Jiangsu Province）
vs Jiangyin （江陰 – Fujian Province）

5.2.Name of airport

For example, we have 2 Nanyang airports in China:

· Yancheng Nanyang International Airport (Jiangsu Province)
鹽城南洋國際機場
IATA code: YNZ

· Nanyang Jiangying Airport (Henan Province)
南陽姜營機場
IATA code: NNY

5.3.Hotel room

Avoid misunderstandings when discussing single, double, and twin room arrangements.

5.4.Presentation of date of birth

Be careful when filling in the information. Some could interpret “12-11-2002” as 12th November 2002, while others could interpret it as 11th December 2002.



Section B: All you need to know about sign-on crew

1. How could the sign-on crew enter China?

Sign-on crew can enter China under 3 situations:

- Exemption of Chinese Visa
- Apply for a Chinese Visa before boarding the flight
- Channel of Port Visa

2. Exemption of Chinese Visa

Visa is not required for Ukrainian and Polish crew only when they hold their respective valid seaman books.

China has a mutual Visa-Exemption agreement with some countries such as Malaysia, Thailand and South Korea now. Basically, it is for tourism, visiting relatives and business trips only. In general, the crew is not allowed to join the ship without the proper Visa.

3. Apply for a Chinese Visa before boarding the flight

3.1.Invitation letter

You may need a local agent to issue an invitation letter for the crew to apply for a Chinese Visa with other documents at the local Chinese Embassy. Take note of the time required for visa application and the holiday schedule of the local Chinese Embassy.

3.2.Category of Visa for sign-on a vessel

Both Category "C" and "G" Visa are ok:
"C" – Crew Visa （乘務簽證）
"G" – Transit Visa （過境簽證）

Take note on the validity and duration of each stay allowed in the Visa.

3.3.Category "M" Visa

Category "M" Visa （商務簽證） is for business.
In Lianyungang, it is not a problem to join the ship with an "M" Visa. However, some ports may allow you to board the vessel for a visit but not allow you to join the ship with an "M" Visa.

3.4.OK to board

Before boarding the flight, obtain the OK to board from the local port agent to check in at the airline counter.

3.5.Extension of stay

Normally, crew members are allowed to stay in China for only 7 or 10 days upon entry. Crew members can apply for an extension of stay at some ports, such as Qingdao and Caofeidian. However, it may not be allowed in some ports. In the worst case, the crew may be deported.

4. Channel of Port Visa

Port Visa（口岸簽證）is similar to "Visa on arrival" or "Landing Visa"（落地簽證） in some other countries. It is a "way" to apply for a Visa, not a "category" of Visa. You can apply at limited airports, such as Shanghai Pudong International Airport, and only if you meet certain requirements. Besides, there are restrictions on some nationalities.



5 Transit flight via Chinese airport

For example, when we take the flight from Manila to Shenzhen and then to Beijing, we may need to collect the luggage for Customs clearance, and check-in again in Shenzhen Airport, even within the same airline.

Take note on possible issues regarding overweight luggage.

6. Luggage inspection by Customs/Immigration

Customs/Immigration will inspect your luggage before you board the vessel in port. Be careful with illegal and sensitive items.

Pay attention to these items:

- Restricted knives
- Publications and foreign newspapers
- Map
- Drone
- Telephone voice-changing equipment
- Starlink kit
- Animals and insects
- Plants, fruits and seeds
- Endangered species products

· Nuts
· Raw Bird's Nest
· Controlled medicines……. and much more

7. Can we carry out crew change at anchorage?

It is not a routine operation and usual practice in China.

Some ports such as Tianjin and Lianyungang are feasible, but still have to meet with many requirements and could be difficult to realize. While majority of ports could be a 100% no go.

8. Could the crew join ship on the same day of arrival?

It may not easy and the main factors to consider are:

· Time required for clearing the Immigration and claiming the luggage at the airport
· Time required to travel from the airport to port
· Working hours of the Immigration and Customs officials

9. Can we split the crew change into 2 batches?

Most ports, such as Bayuquan and Qingdao, allow such practice, but it is not recommended. It could affect efficiency, as officials are generally busy.

Some ports/terminals may not allow such operation.

10. Why is there not enough time for handover?

· We could arrange crew change only after the vessel's inward formalities
· Inward formalities could take some 2-3 hours
· We could arrange outward formalities of the vessel after crew change has completed
· In general, formalities of crew change could be arranged during office hours only

11. Suggestions to enhance handover time

- Arrange the sign-on crew to arrive one day in advance in order to join ship at the earliest possible time
- Arrange the crew to sign-on at 1st port and sign-off at 2nd port
- To do part of the handover on line in advance
- Request the sign-off crew to prepare everything in advance with a checklist to speed up the process
- Arrange sign-off formalities first and then arrange boarding permit (it is not workable in majority of ports)
- Consider another convenient port for the whole crew change

12. Exit stamp for sign-on crew

According to Chinese immigration rules, the exit stamp will be placed on the passport of sign-on crew only at the last Chinese port. Without a proper exit stamp, the crew may depart illegally.

If the vessel's rotation is Shanghai and then Caofeidian, and the sign-on crew joined the ship in Shanghai, the exit stamp should be arranged in Caofeidian.

Refer to my article "To err on the side of caution – Outward Clearance of vessels in China" in SEAVIEW, 143 Issue Autumn, 2023 for more information.

Section C: All you need to know about sign-off crew

1. How could the sign-off crew leave China?

The crew can sign-off from the vessel under 3 situations:

- Exemption of Chinese Visa
- Apply for a Temporary Entry Permit (Chinese Visa is not required)
- Apply for a Chinese Visa

2. Exemption of Chinese Visa

Visa is not required for Ukrainian and Polish crew only when they hold their respective valid seaman books.

3. Temporary Entry Permit

3.1.Major ports available with Temporary Entry Permits:

Such as Changshu, Chiwan, Dalian, Huangpu, Longkou, Ningbo, Qingdao, Shanghai, Taicang, Tianjin, Xiamen, Zhangjiagang, Zhoushan, etc.

3.2.Restriction

Restricted to leave via one or a few specified international airports. For example, in Zhoushan, the crew could leave via Zhoushan (very limited flights), Ningbo or Pudong Airport. In Tianjin, the crew could leave only via Tianjin Airport (even Beijing Airport is not allowed).

Moreover, sign-off crew must fly directly to a foreign country. In general, we need to provide an e-ticket departing within 24 hours.

Some ports, such as Yantai, require the sign-off crew to depart from the airport before the vessel sails.

3.3.Fly to a foreign country directly

You cannot transit within any Chinese airports. For example, you may not take a flight from Dalian to Beijing and then to Manila. While a flight from Dalian to Incheon and then to Manila is acceptable.

Because of "one country, two systems", transit via Hong Kong is ok.

3.4.Take note of the validity of the passport

For example, in Zhangjiagang, 3 months of validity will do. In Zhoushan, 6 months of validity is a must!

4. Apply for a Chinese Visa

4.1.Major ports that may require a Chinese Visa

Such as Bayuquan, Caofeidian, Dandong, Fangcheng, Huanghua, Jingtang, Jinzhou, Lanshan, Qinhuangdao, Rizhao, etc.

4.2.Time required to apply for a Chinese Visa

The time required varies by port. It could take about 3-5 working days, or even more. We can apply for an express visa at some ports, but it still takes 1-2 working days.

In general, the Visa Office is not working on Saturdays, Sundays and holidays.

4.3.Our challenges

- Time may not be enough to apply for it if the port stay is short
- We cannot apply for it before the berthing of the vessel as the crew need to visit the Visa office in person for relevant formalities
- The crew cannot sign-off from the vessel before the Visa is granted

4.4.More flexibility on choices of flight when we have a Visa

- The crew could stay longer on shore after sign-off from the vessel
- The crew can take the first leg of the flight in any Chinese airport
- The crew can transfer flights at any Chinese airport (not necessary to fly to a foreign country directly)

5. Luggage inspection by Customs/Immigration

Customs/Immigration will inspect your luggage after you leave the vessel in port. Again, be careful about illegal and sensitive items.

6. Transit flight in Chinese airport

For example, when you fly from Dalian to Beijing and then to Manila, (when Chinese Visa is not an issue), it is no need to check in again in Beijing, and may

collect the luggage at destination only if the transit flight is within the same airline.

7. Transit flight in airport of foreign country

7.1.Example to transit via Hong Kong airport

For Bangladeshi crew, Sri-Lankan crew, etc., a valid visa is required for HKSAR even they are in transit and remain on the airside only.

7.2.Example to transit via Incheon airport

For example, when Filipino crew is involved, always check with the travel agent if Visa is required when the sign-off crew need to transit in airport of a foreign country such as Incheon airport. For this case, Visa may require if there is no interline ticket. See below for details.

8. Interline ticket

An interline ticket （聯程機票）is a single ticket that covers flights operated by two or more different airlines under a co-operation agreement.

With such agreement, it is not necessary to claim the luggage at the transit airport and check in at airline counter again.

Section D: Salute to seafarers

25th June is the Day of the Seafarer. Seafarers deserve a salute:

- Often months away from families
- Harsh working conditions
- Facing health and safety risks
- Backbone of global trade
- Invisible heroes…… not exhaustive

Sincerely thanks for the contribution of seafarers!



Message from the speaker, Mr Edward Cheng, Chief Representative (Hong Kong Region) of Oceanfavor Shipping (Shanghai) Ltd.

I am honoured to be invited by the Institute of Seatransport to give a seminar on March 5th titled 'Navigating Foreign Crew Change at Chinese Ports'. The response was extremely enthusiastic, with 100 attendees, including shipowners, ship management companies, ship brokers, classification societies, P&I Clubs, law firms, insurance companies, Hong Kong Seamen's Union, Hong Kong Pilots Association, tugboat companies, The Mariners, ship agents, faculty and students from the academy, and more.

The atmosphere was lively, everyone was engaged, and we were happy to contribute a little to the industry.

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AA Talk "THOUGHTS THAT FOUND ME"

Chris Kilbee

Editor's Note: -
This is the chairman's address by Mr. Chris Kilbee at the annual general meeting of the Association of Average Adjusters of UK held in London on 7th May 2026

I tripped and fell into average adjusting at the age of 20 at RHI London in 1975 and within just a few months I was hankering to go overseas, particularly the Far East where I had grown up, although I was born in Australia.

From the early 1970's RHI had opened several offices in Asia and somewhat relentlessly the London methodology of average adjusting became the most prominent, certainly in the Eastern Hemisphere where I have now spent the last 49 years, mainly based in Singapore. Of course you could find Dutch Clauses still being used in Indonesia, and American clauses were occasionally seen. In Southeast Asia, from the turn of the century, there has been a focused and sustained growth of Scandinavian Clauses mainly with the higher end "Blue Water" fleets.

General Average was commonplace because the ships themselves were more prone to casualties and hardly a GA Absorption Clause was to be seen.

However, for this talk I wish to set General Average aside and focus on hull policy claims, from which we derive probably 80% of our work in my neck of the woods.

In Asia, the very great majority of policies are plugged into the ITC Hulls and so I focus on them. The Japanese and some Chinese clauses broadly follow the ITC format as well.

In the late 1970's we were mainly dealing with the Institute Time Clauses Hulls 1/10/70; the precursor of course to the popular set of clauses, the ITC Hulls 1/10/83, constructed by the Institute of London Underwriters in collaboration with prominent London market players including our own Association. By converting the 1970 clauses

into a clearer and abbreviated regime, the 1983 version also clarified a few of the somewhat troublesome issues with claims concerning unrepaired damage, constructive total loss, sue & labour, and it bullet point listed the named perils and gave consistency to incidence of loss. Of course, this cover could be enhanced by blue chip assureds into virtual "all risk" cover by adding what was then called the "Liner Negligence Clause". This was the forerunner to the now very commonly used Institute Additional Perils Clauses Hulls 1/10/83, or simply the "Additional Perils Clause".

The interesting point about the 1983 clauses is that attempts have been made three times since to change or upgrade the product, with only moderate success. The hastily conceived 1/11/95 version was not received well at all because it seemed to be driven by an attempt to limit the increasing number of human error machinery claims. It is seldom seen in practice these days.

The International Hull Clauses of 2002 and 2003 were then diligently put together by the Joint Hull Committee and other collaborators. However, particularly in Southeast Asia, feedback received was that these clauses were considered too lengthy and this did not appeal to many whose first language was not English, and, so I am told, the same sentiment existed in several other locations. Therefore, few markets within Greater Asia adopted them and the vast majority currently remain loyal to the 1/10/83's. I do believe, however, that the end result of the 2003 update was an earnest attempt to tighten up on a few still contentious issues.

The continued popularity of the 1/10/83s was no fluke. Valiant though the attempt to rename and polish the now 40-year-old "London" clauses a quarter of a century ago into "International" clauses, these have in the main, not caught on, and is, in my humble view, testament to how fit for purpose the generational 1983 clauses were and still remain. Do not forget that when they were first introduced, there was no strong pushback from any section of the worldwide marketplace.

The fact that they have thrived so well now for nigh on half a century, is indicative of the fact that they remain the lasting legacy of a long history of organic growth and

regeneration from the source of global insurance. They have their roots in the dominant London market, which, for over more than 150 years, catered for and understood the needs of international shipping and marine insurance markets worldwide. As a product, the appeal to most markets certainly in Asia, to the ITC Hulls was and remains strong and don't forget that possibly as a result of competition in a lengthy soft market, most insurances now include the "Additional Perils Clause", which means that coverage is very broad.

Shipowners everywhere have never really cared how they got their fair claims so long as they did; and it wasn't just shipowners who took to us. In several locations we were, and continue to be, primarily engaged by insurers who want to settle their claims professionally, with co and re-insurers in their rearview mirror. Of course we have always worked very closely with brokers.

In those early days, a fair proportion of the production of adjustments was sent back to the UK, and so we were very different animals to our colleagues back there. Mingled with learning our trade, we gained the skills of cigarette and car salesmen, very much out of the office and often travelling the region, being eye-balled by clients and providing immediate guidance and succour to them. At all hours too.

We were deeply embedded in markets who just wanted results without the fuss of intellectual reasoning. The customer was right there, in your face wanting this, demanding that. So, we missed out somewhat in the fun of engaging with fellow minded professionals back in the larger UK offices and to pick apart fascinating academic aspects of our profession. On our part, we enjoyed adapting to diverse markets, learning important customs and key words in foreign languages, brushing up on our karaoke skills, and finding ways to explain and apply Average in clear brief dialogue.

So, in Asia, English was not the mother tongue, and the contract needed brevity and to be concise, easily understood.

Over the years, however, I am regularly reminded by justifiably no non-sense and demanding markets, that there still remain a few, some seemingly trivial, issues, but clearly important ones to the Asian communities, and which I believe need addressing or at least deserve some comment. In my humble view, they still do need a few tweaks to anomalies, and they are in places somewhat “dog-eared”, and I wish to talk about just a few of these. I therefore have a few observations:

Temporary Repairs

This aspect has often been a difficult issue with hull insurers although it appears to be softening. These costs were frowned upon as they were considered as being performed to help the assured in their murky and greedy desire to avoid delay and earn more freight.

There are situations of course where one doesn't have to think about the time element on temporary repairs. Permanent repairs may not be possible in the location where the casualty occurred, and temporary repairs followed by a removal to a drydock may be easily available. It can often make absolute financial sense to effect a temporary repair in an expensive location, say Australia, and to defer permanent repair to when the vessel reaches somewhere far cheaper, usually Asia.

But I'm not talking about these easily justified temporary repairs.

We are now a quarter of the way into the 21st century and the very basis of the mercantile world has changed enormously. Even up to the end of the 20th century, we thought profoundly, perhaps too much so, about justifying the actions of ship owners, who were merely trying to earn money from their livelihood, the ship, their “freight earning instrument”. Conventional thought many years back was probably overcooked in detrimentally looking at time single mindedly as relevant only to the assured.

Looking back on it, there is no doubt in my mind that the tide has now changed when it comes to modern approach to time. It is no longer detached from the subject matter

insured. I believe that the reasonable cost of repairs should include more latitude to the consumer who, in almost all cases, finds that time is paramount over process. Do we need a more pragmatic approach on temporary repairs, to the current meaning of the well-known phrase within MIA section 69, "…the reasonable cost of repairs…"? I do believe that unless the temporary repair is manifestly unreasonable, it should simply be allowed and that acknowledgement of that could be made more forcefully in our Rule of Practice D10. Unfortunately, by its very title "Liner Vessels", it evidently falls short and ignores the evolution towards the modern attitude towards time saved by effecting temporary repairs for any type of vessel. The Rule reads:

D10 LINER VESSELS.

> That, where a vessel is operating to a fixed and advertised schedule, the costs of temporary repairs and overtime that are reasonably incurred to maintain that schedule may be allowed to particular average without regard to savings to hull Underwriters.

It is linked to a London market agreement way back to 1954 when our Advisory Committee was asked by the ILU for clarity on this topic and excess overtime. The matter was formalised in Advisory Opinion P3, which is within our website, setting out the goal posts. Only "Liner" vessels however, could claim temporary repairs without justifying savings to insurers. This meant that only passenger ships and commercial vessels operating to advertised trading schedules were considered worthy of unfettered recovery of temporary repairs to avoid lost time and earnings.

If you stood between the Chairman of a container ship company and that of a leading bulk operator and explained this discrimination, I would think that the latter might not be too impressed. Why was his time far less important than the man beside him? It has never sat comfortably with me, and I think we need a more contemporary Rule of Practice, please. The 2022 Rule D10 goes nowhere. As I said, it is headed "Liner Vessels" and does nothing but affirm that narrow 72-year-old 1954 "market understanding". 1954!

The 2019 case, the "Brillante Virtuoso" Pt1 para 124, contains some good indication as to the modern Courts' more contemporary approach in determining a shipowner's reasonable repair procedure. I will not quote it here, it is too long, but strong acknowledgement is made of the relevance of his loss of time and income in that decision process. The vessel was not a "Liner" yet the court held that a prudent uninsured owner could undertake more expensive repairs in Dubai rather than in China for a host of reasons which included loss of time and income.

It seems clear that on the reasoning of this case, the "reasonable cost of repairs" referred to in the MIA should acknowledge the Darwinian evolution of approach towards time and cost; to include the actions of any prudent uninsured owner, and that owner would be entitled to take into account the full raft of business and other factors (not just the cost of the physical repair) in coming to a decision as to whether to effect temporary repairs.

Excess Overtime on Repairs

My views on excess overtime are very similar to those regarding temporary repairs.
If overtime charges are compulsory in yards or for technicians, as they are now in many parts of the world, there is no argument regarding savings to the alternative time and cost.

It used to be almost a 'priority one' requirement to find out how many days and cost savings on repair which overtime had saved to insurers, to allow any portion of the excess labour. I recall cases where there was only justification for the working of overtime when it would be inconvenient for the repairers to stop work at 6 o'clock or after a Friday afternoon shift, due to the "complexity" of the repair and justify the extra cost on that basis. Looking back on it, how did we justify the time to fiddle about with all this fluff? They were, of course, different times and those times had diverse priorities. My father-in-law who is 97, was a merchant seaman with Trinder Anderson in the 50s and 60s and he told me he once spent 9 weeks in Baltimore loading a general cargo for New Zealand. He told me that was not uncommon, there had been no strike or repair, 'it just took a long time to properly up' he told me.

Time, now, is different. It is so rare to find unjustifiable overtime, and so its inclusion within the tried and tested "reasonable cost of repairs" should surely be cemented.

Sadly again, D10 affirms that only liners are afforded this luxury still, and as I have said, I do not like that.

Incidentally, I separated overtime from temporary repairs because in General Average cases, there is Rule XIV which first requires savings to be calculated for temporary repairs to justify a General Average allowance. The matter is not merely an insurance issue here, as it is with Particular Average, since there are wider considerations imbedded in contract of carriage.

Airfreight

Just a very quick reference to this age-old matter: Exactly 50 years ago under the topic of "the reasonable cost of repairs", our then Chairman, Bernard Dann, gave a highly regarded address. On air freight, Mr Dann referred to an address made 24 years before him, in 1952, by Godfrey Edge: If I may quote Mr Edge via Mr Dann's address:

> "Looking at the situation of British Shipowners, whose vessels were regularly employed and repaired abroad he declared:
>
> "I do not see how one can reach any other conclusion other than that if owners are willing to incur the extra expenses when their own work is involved underwriters must accept the charge for air freight when it is a case of average repairs"

Note Mr Edge's reference to shipowners' 'own work'. Bernard Dann agreed with Mr Edge's view. So, 70 years ago, Chairman Edge was clearly sympathetic to the concept of the insured vessel being an asset and that its physical loss insurers should bear that in mind and respond accordingly.

By way of a full stop on these points, I refer to our Rule of Practice A4:

A4: DUTY OF ADJUSTERS IN RESPECT OF COST OF REPAIRS

> 1) That in adjusting particular average on ship… it is the duty of Adjusters to satisfy themselves that such reasonable and usual precautions have been taken to keep down the cost of repairs as a prudent Shipowner would have taken if uninsured.

Once again there is focus on what the prudent shipowner would reasonably do if he was uninsured. (by the way, I always chuckle at the phrase "prudent uninsured"; a classic oxymoron if ever there was one)

Well, I've never been to or from Clapham, let alone on any of its Omnibuses in search of the "ordinary, reasonable man", but I have seen many candidates on the Singapore MRT or the Kowloon Motorbus and I strongly believe they would agree that "the reasonable cost of repairs" should have, over 25 years now into the new century, a more pragmatic and modern approach and to include overtime and temporary repairs as Particular Average unless they were proportionately unfit for purpose in cost or methodology.

Temporary Generators/Cranes

In the review of our Rules of Practice in 2022, acknowledgement was made that the placement on board a vessel of a temporary generator to provide power is to be considered a physical repair to the subject matter insured, yet I believe the practice had been in place for at least three decades. One of the early issues with this form of repair had always been as to why it was required. Was it for the safety of the ship or merely to ensure that cargo could be loaded and discharged efficiently? There was often a nagging doubt when the temporary generator was not necessary for the vessel's safety or its seaworthiness. I do not think it matters. The only justification should be to permit the vessel to get back to sea to perform as the carrier intended. Perhaps a little tweak to the rule of practice could be made to stiffen its sinews. Currently, it meekly reads:

D9. TEMPORARY GENERATOR HIRE:

That in practice the hire of a temporary generator will be deemed to be analogous to a physical temporary repair and allowed in accordance with the same criteria...

A quick note on temporary cranes:

The current practice is that if one of the ship's cranes on a geared ship or crane barge was out of action, any allowance for a temporary repair would only be made if the vessel had indeed received onboard some form of temporary crane to use whilst the damaged one was being repaired. I think it is wholly reasonable to treat such an onboard temporary crane in the same manner as a generator since the vessel's "physical integrity" has likewise been temporarily reinstated. One would never allow the costs of utilising a land-based crane on the wharf. There is a clear distinction there, yet I have seen one or two adjustments where such extra costs were allowed on the basis that they were in substitution for the cost of placing a temporary crane onto the ship. Again, perhaps the rule of practise could be tweaked to bring in clarity on treatment for cranes.

Superintendence

In the mid-19th century, it seems that superintending a repair was treated as a form of sue and labour. Throughout the 20th century, from the famous "Agenoria Steamship" case in 1903 to the "Miss Jay Jay" in 1987, it has essentially evolved and been considered as part of the reasonable repair cost. The textbook, Arnould, gives the subject the thumbs up. It is therefore clear precedent and practice for the assured to claim the costs and a reasonable daily fee of superintending repairs alongside other necessary technical experts, ialongside the Class and H&M surveyor. However, the issue is always the amount of a daily "fee". Arguments are more than commonplace and much time is wasted on such a minor aspect of claim.

Underlying all arguments is that the superintendent is employed by the assured and therefore it is part of his job and so why should any allowance be made for a daily fee at all? Daring to dig no deeper, I think however that this grumble has been booted into touch by decades of practice in allowing daily fees whether the superintendent is working from his home port or away. It is interesting that the USCA Association does not allow a fee for the attendance of a superintendent at his home port, which is somewhat consistent with the 1903 Agenoria case.

My view is that it is reasonable to reimburse costs at home or away and also at a reasonable daily "fee" - but again, how much? There is a very simple answer to this problem. Agree superintendence in principle and state an agreed rate of fee per day and put it in the cover note of the policy.

Crew Wages

Clause 16 of the ITC Hulls excludes wages & maintenance of crew on repairs except: "…when incurred solely for the necessary removal of the vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs…"

Why the continued use of the word "solely"? Well, it was inserted to enforce English Law's correctly negative view on claimability of wages in Particular Average, as it is a ship's ordinary cost. But why should the assured be granted permission via Rule of Practice D1 to claim wages during special casualty removals and yet not for shared routine periods of repair? One more niggling inconsistency which catches the eye. Replace "solely" with "during" and we achieve consistency.

While on the subject, why do average adjusters still round to the nearest half day? Advisory Opinion G7 from 1941 has told us to do so for GA allowances. 85 years ago. The UK currency went decimal in 1971, so too should these allowances.

Finally, should any special payments to crew be allowed to Particular Average when they are cheaper than a repairer? In my view, with the exception of where there might

be a shortage of reliable manpower, special payments should only be occasionally made on this basis and not merely on the basis of savings. It's really part of their duty as crew and part of the duty of the assured to minimise any claim.

Interestingly, I was recently reminded that the Dutch Form and practice, which still also lurks in Indonesia, appears to be far more lenient and will allow crew wages merely when the crew assist contractors on repairs. The luxury is not even dependent upon it being either a special overtime payment or whether it achieves any overall saving in the cost of repairs. You have to hand it to the pragmatic liberal Dutch.

Inspecting ship's underwater areas after stranding

Clause 12 in the ITC Hulls contains a sensible gesture of goodwill towards the assured to properly check the vessel's bottom for damage after an incident and to fund that cost. It is of course in everyone's interest to view the vessel's underwater area. But why on earth is it still only restricted to stranding? There are so many other ways that a vessel may sustain underwater damage. A very simple tweak is all that is needed to correct this irritant.

Underwater external paint

I believe that it is high time for Clause 15 of the ITC Hulls and our Rule of Practise 8 to be given more consideration. Either disallow or allow it completely.

I understand that the restriction imposed on underwater painting was due to many years of argument during the middle of the last century when drydocking and exposing bottom paint to air led to its degradation and the need for a full clean and paint.
The words are pretty clear. "…no claim shall in any case be allowed in respect of scraping or painting the vessel's bottom …".

It should be zero. But no. We must include a small and fiddly estimation for some paints applied to a restricted area of damaged plating. All rather odd quite frankly.

Having said that, with very hardy, environmentally safe and therefore very expensive paints in use now, we increasingly find the paint argument at the other end of the string. We increasingly see bespoke clauses in some policies to allow it all in way of structural damage.

Paint is clearly part of the subject matter insured and needs more positive treatment under the policy. It is perfectly possible for instance, for a large area of paint to be scratched off during a "touch & go" grounding over a sand bar with no structural damage, yet a hefty bill to drydock and replace the paint is needed. Clear damage to the subject matter insured. Why is it not covered?
The paint itself being damaged by an insured peril, could it be time to do away with the awkward partial exclusion?

AB Stewart LOH Clauses

I only make a very brief passing remark on this topic.
14 years ago in 2012, Paul Silver's address on loss of hire "Stuck in the Doldrums?", concluded with a plea for amendment to the ABS cover and updating several unclear and contentious points. Nothing has happened since. I wonder whether the resources which our Association and membership offer, place us in an attractive position to assist with any updates or amendments?

Can you UK Association do more?

Look at our website. Our mantra is:

> The Association exists, first and foremost, to promote and uphold professional standards so that those who use the services of an average adjuster consistently receive exceptional levels of expertise and integrity.

Amazing work is performed by the Exam Committee and our Advisory and Dispute Resolution Service under a Panel of 11 Fellows. From time to time, through the efforts of individuals within our fellowship, we contribute extremely well-constructed and balanced views on new case law and other seismic events which occur in the world of GA and marine insurance.

These products are of the utmost quality and emphasise our high standard of examinations and the intellectual ability to construct such opinions.

Although some minor reviews might be needed, we do maintain a strong set of Rules of Practice to help achieve consistency and our examination process is very tough and presided over by a highly organised group of 14 Fellows from across the world.

However, from my experience in Southeast Asia I think we are at times regarded as a necessary (and sometimes unnecessary) part of the machinery of the claims process, but tucked in somewhere between the surveyor and the assured or insurer. Again, away from General Average, we seem at times somewhat undervalued as to our high skills and professionalism and in what we can bring to the policy claims process. Somehow, we no longer maintain that strong position in the market which I saw when I started half a century ago. We are not just average adjusters who produce an adjustment. We are also claim handlers during the early and document gathering phases of any case and our role during this part of the whole adjusting process is often not understood or appreciated.

So, I wonder if our Mantra has only been partially upheld? Have we failed as an Association or as members to fully promote the profession and all its unique strengths to both ends of the claims spectrum?

Steps have been made to increase the profile of the Association within Asia, and it is gaining momentum and numbers. Don't forget that about a third of our Fellowship, and 21 of our latest Associates and Senior Associates are Asian based. Somehow, and I am afraid I do not know exactly how to achieve this, we need to be better known to the ship owning and broking communities in Asia, and perhaps elsewhere, so they can appreciate what we bring to the table. We must also continue to receive the trust and support of insurers, the majority of whom understand that we must adhere to our own promise of impartiality and be an effective intermediatory in policy claims. We have, I believe and as a general observation, undersold ourselves to the marketplace. We have not quite made the grade as the extroverted car salesmen but have excelled, in the

main, as the relatively reserved hull claims specialists. I don't think salesmanship is natural to us. We need to put ourselves about a bit more and this is why I am so keen on Stelios's biannual Bulletin and the Asian initiatives.

To finish up, I now quote from the conclusion of the 2016 Address by Andrew Paton:
My personal opinion is that the suggestion made by my predecessor as Chairman of the Association, Paul Rowland, for a Claims Council is the ideal kind of forum which the London market needs in order to drive a review of the hull clauses. I have been pleased to hear during my year as Chairman that the Claims Council is gaining momentum, albeit slowly, with progress made as to who should be its initial constituent members.
A review of the hull clauses could perhaps give the Claims Council a clear rationale for its existence. Should the Claims Council decide to accept this mandate, it may also wish to include in its review of London market clauses the standard wording for Loss of Hire - the ABS 1/10/83 wording. Paul Silver, in his Chairman's Address in 2013, reviewed eloquently the grey areas of interpretation of these clauses and the areas which have become subject to unwritten custom and practice in the adjustment of claims. I would submit that the ABS 1/10/83 wording is also in pressing need of review and reform.

Since the handling of claims is any insurance market's "shop window", it would be good to see the reform of the London market hull and loss of hire clauses driven by the claims community.

So, similar pleas have now been made in 2012, 2016 and again in 2026.
My own personal belief is that we should NOT be dictating to the London Insurance Market and its reform bodies, Joint Hull & War Committees or Marine Claims Council. We should instead offer ourselves up far more than we do, as a knowledgeable body to group with and provide the market access to our assistance to help them update, clarify and improve the products in their shopwindow. It might sound slightly arrogant for us to put ourselves forward in this way, but I do hope it would not be regarded as so. The thing is that we get involved in the messy, back-end of insurance - the claims process – and we frequently witness shortcomings in some of the contract wordings, which

create doubt and inconsistency and some unsatisfied customers. It is for this reason alone that I think that we can at least make some suggestions to help improve the product.

I have witnessed the impressive growth of the Scandinavian Markets through Asia in the last quarter of a century. They are focused on increased market share and carry much energy and enthusiasm in efforts to promote their product. Their success is in no small part due to the hard work of the main insurers, but they also have access to the highly focused Cefor assisting with their regular reviews and updates of the Nordic Plan and others. They have done a terrific job at marketing themselves in Asia and of course many other regions.

We cannot compare ourselves to Cefor because they are, as I understand, mainly funded by their own marine insurance market there, but we can learn from their example.

I think that the Association would be an ideal facility to assist the UK marine insurance market and that we, too, should start making more positive representations to this effect in our home market. On a selfish note, I believe this will also nourish and protect the Association and its members.

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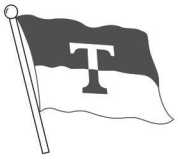
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The Collaborative Container: How Agentic AI Unifies Shipping Decisions

Charade WU

f you have skimmed any technology news recently, you have likely run into the phrase **Agentic AI**. It sounds like standard tech jargon, but behind the buzzword lies a massive shift in how artificial intelligence operates.



Source: VoyageX AI

To understand it without getting bogged down in computer science, think about traditional AI as a smart spreadsheet formula—it only speaks when spoken to, giving you a static answer based on a fixed set of data. "Agentic" AI, however, is fundamentally different. It refers to software "agents" designed with **autonomy**. They don't just process data; they are given a goal, allowed to make decisions, adapt to changing situations, and—most importantly—collaborate with other AI agents to solve complex problems.

Imagine giving a digital travel assistant a budget and a vague goal: "Book a relaxing 5-day beach trip." This system doesn’t just show you a list; it deploys separate

"agents"—one for flights, one for hotels, and one for activities. These agents talk to each other, negotiate trade-offs (e.g., “If we take the 6:00 AM flight, we save $200, which lets us upgrade to the ocean-view hotel room”), and present you with a perfectly orchestrated plan.

For the container shipping industry, where a single daily decision relies on balancing dozens of conflicting variables, this technology is a game-changer.

The Battle of the Briefcases: Why Shipping Decisions Are Hard

Consider the seemingly straightforward task of setting the spot price for a 40-foot container on an Asia-to-Europe loop. In reality, this decision is a high-stakes tug-of-war between various departments, each with its own goals, constraints, and data silos:

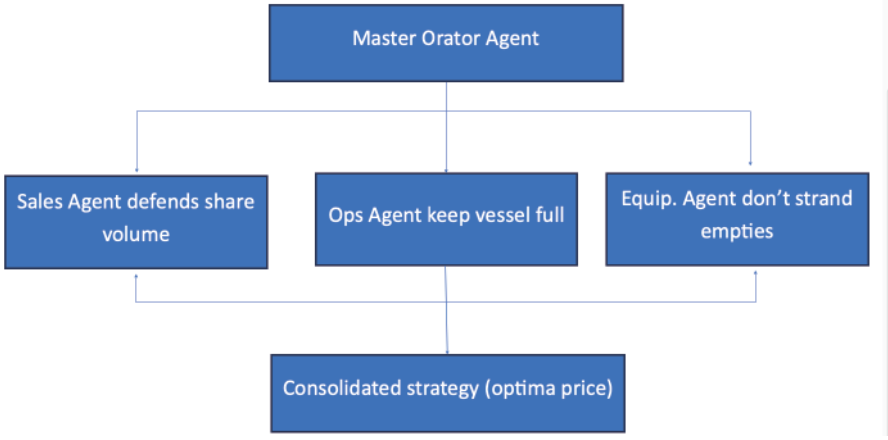
- **The Operations Team:** Their goal is 100% vessel utilization. They focus on physical capacity, blank sailing schedules, and the fixed vs variable costs of running the loop. To them, a half-empty ship is a failure.
- **The Sales Team:** Their goal is revenue maximization and client retention. They look at market competition, historical customer behavior, and forward bookings. They might want to lower prices to win a massive multi-year contract.
- **The Logistics & Equipment Team:** They are hyper-focused on container imbalances. They know that if too many empty boxes accumulate in a port with zero export demand, the repositioning fees will wipe out any profit made on the initial voyage.
- **The Finance Team:** They track macro trends—surging bunker fuel prices, sudden war risk insurance premiums, and fluctuating currency exchange rates.

In a traditional setup, pulling these perspectives together requires endless meetings, ad-hoc spreadsheets, and compromise. Because the market moves faster than human committees, decisions are often reactive.

How Agentic AI Acts as the Ultimate Boardroom

Applying Agentic AI to this problem is like putting an expert from every department into a digital room and telling them to negotiate the perfect solution in seconds.

Instead of one giant, clunky system, an agentic framework deploys multiple specialized AI agents. You have an **Operations Agent**, a **Sales Agent**, an **Equipment Agent**, and a **Finance Agent**. Each agent is programmed to fiercely defend its department's specific goals and operate within its real-world limitations.
Here is how this works on a regular, automated basis:



1. A "Master Orator" agent coordinates the trade-offs. It scans thousands of historical permutations and finds the sweet spot: it recommends matching the competitor's price only for standard dry vans, while raising the premium on specialized equipment, perfectly balancing utilization, equipment flow, and profitability.

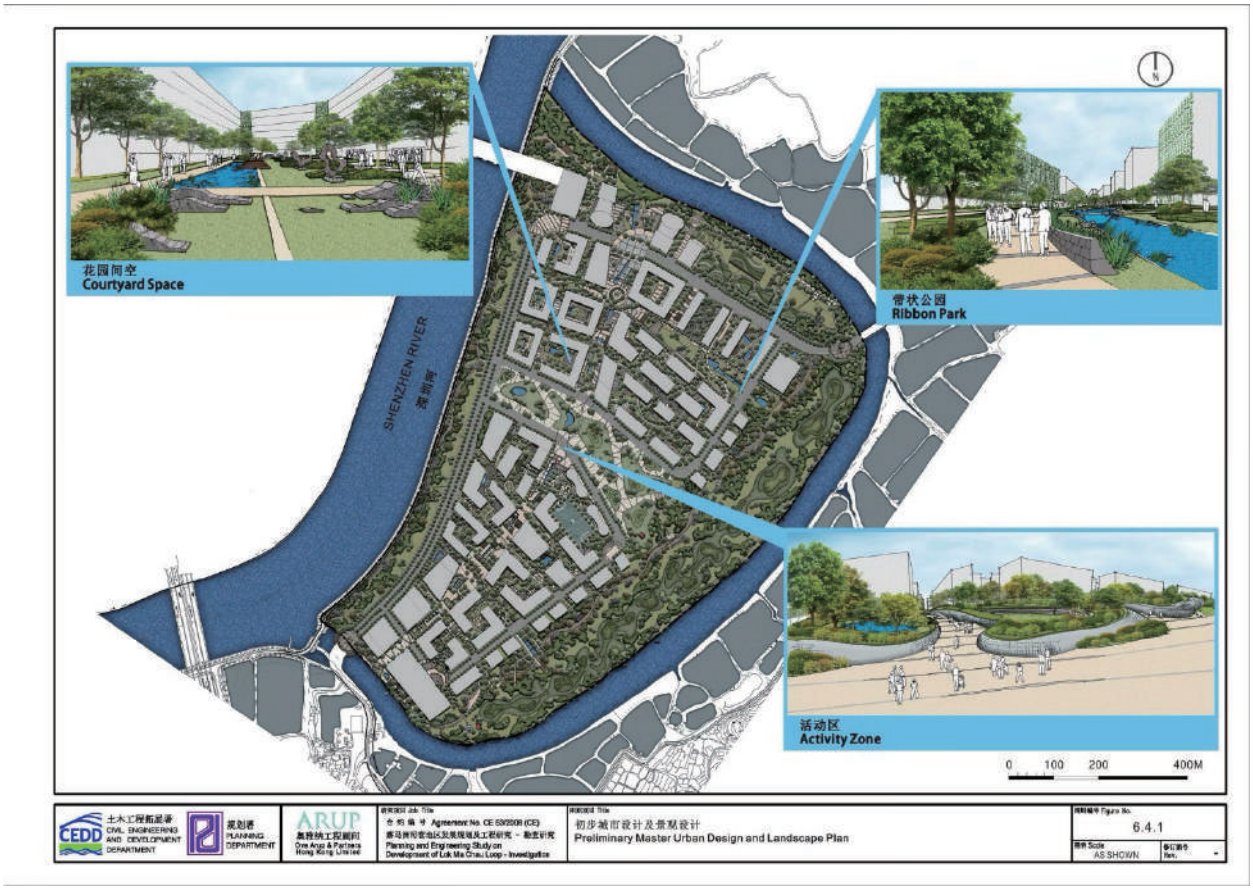
Conclusion

The maritime industry has no shortage of data, but it has always suffered from a shortage of real-time synthesis. Agentic AI provides a digital boardroom that never sleeps. By allowing specialized AI agents to represent different operational realities, shipping lines can finally stop making decisions based on compromises, and start making them based on holistic, optimized intelligence.

Exploration of Lok Ma Chau Loop Area – Progress, Effort, and Future Direction

Tsang Sin Hang, Chan Hoi Ting, Yui-yip Lau

The official name of the Lok Ma Chau Loop is the Hong Kong-Shenzhen Innovation and Technology Park (HSITP). As Hong Kong's only innovation and technology hub sharing a direct maritime boundary with Shenzhen, it boasts a unique "One District, Two Parks" geographical advantage. This strategic position, enhanced by seamless cross-border access, fosters deep cooperation and mutual success across the river, with the ultimate goal of building a world-class, innovation-driven ecosystem.



Source: HKIE

Hong Kong Park (Hong Kong-Shenzhen Innovation and Technology Park) spans approximately 87 hectares. Its development focuses on driving strategic industries, including life sciences, artificial intelligence, and high-end manufacturing. It

establishes a comprehensive technology transfer and commercialisation ecosystem for innovation and technology enterprises.

Shenzhen Park covers approximately 300 hectares, encompassing the Shenzhen Futian Free Trade Zone and its surrounding areas. Its development focuses on advancing technology industrialisation. It is closely connected to Shenzhen's complete industrial clusters and vast market hinterland.

The Hong Kong Park is adjacent to the Lok Ma Chau Border Crossing (connecting to Shenzhen's Huanggang Port) and the Lok Ma Chau Spur Line Control Point (connecting to Shenzhen's Futian District), emphasising integrated transportation and spatial connectivity.

Spanning two distinct social systems within a single sovereign state, the park aligns with the Greater Bay Area strategy under China's 14th Five-Year Plan. This unique framework attracts key enterprises and facilitates the two-way flow of talent and capital.

By combining Hong Kong's world-class basic research capabilities with Shenzhen's robust advanced manufacturing capacity, the park aims to create a seamless innovation and technology industry chain: Research and Development in Hong Kong, with testing and industrialisation in Shenzhen.

Cutting-edge R&D in artificial intelligence (AI) and life sciences faces dual challenges: high investment costs and lengthy development cycles, which often deter single-market investors. The Hong Kong Park, located within the Lok Ma Chau Loop of the Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, serves as a testbed for institutional and policy innovation. Leveraging its unique "one zone, two parks" structure, it seamlessly bridges the dual capital matrix of Hong Kong's international financial hub and Shenzhen's venture capital strength.

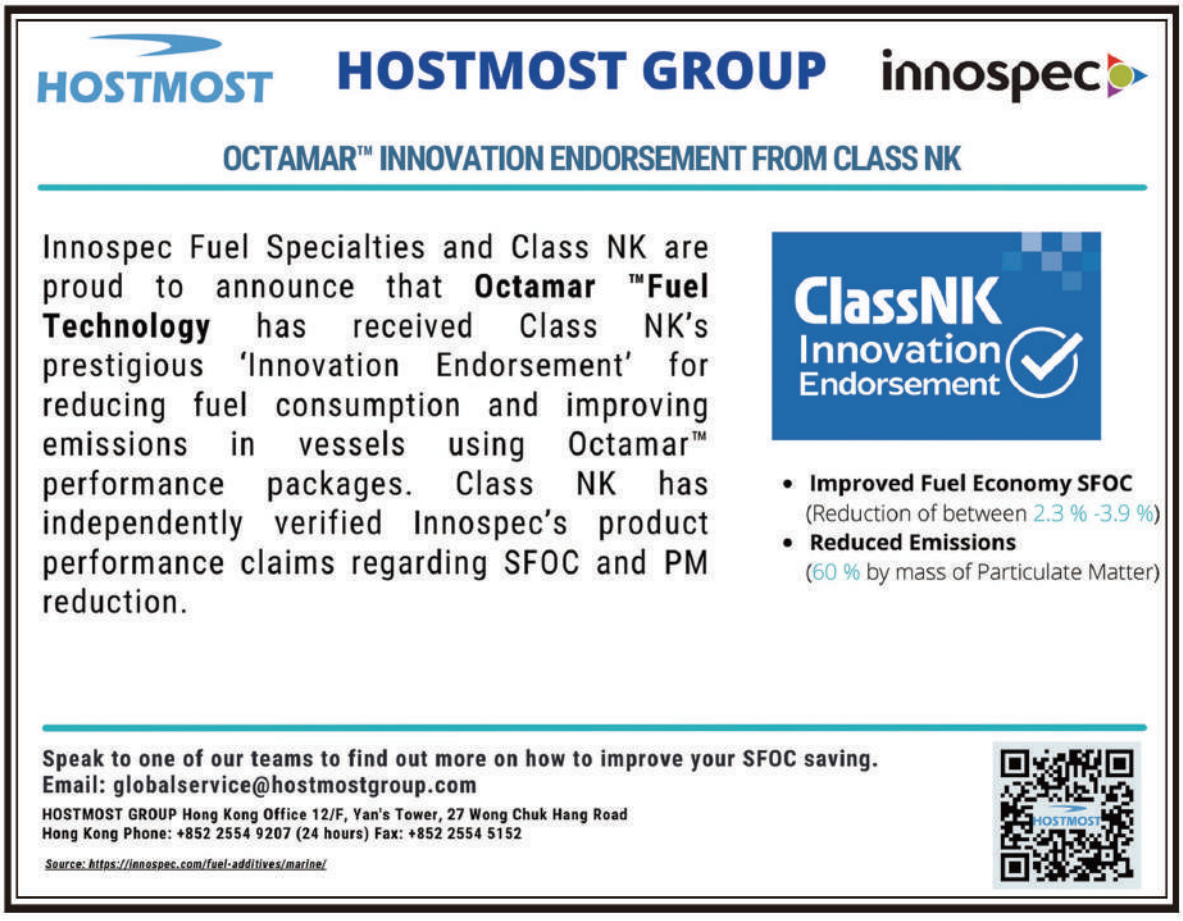
- Hong Kong's Financial Leverage: As an international financial centre, Hong Kong offers diversified capital market operations. The Hong Kong SAR Government strategically deploys tens of billions of dollars in government-guided funds and technology investments. This creates a powerful leveraging effect that attracts premium domestic and international capital to long-term research projects.
- Shenzhen's Venture Capital Agility: Shenzhen boasts a massive, highly market-sensitive private venture capital (VC/PE) cluster. This network provides flexible, precise, early-stage funding crucial for scaling research prototypes and rapidly incubating startups.
- Full-Lifecycle Financing Ecosystem: Driven by capital flow priorities, cross-border financial policies enable an efficient capital relay mechanism. This framework supports AI and life science projects across their entire growth lifecycle—from seed rounds, venture capital, and private equity, through to Hong Kong IPOs.

This integrated financial ecosystem effectively diversifies the risks of long-term R&D. Crucially, it accelerates the transition of scientific breakthroughs from the laboratory to the commercial market, delivering a highly competitive financial solution for both industries.

Specifically, the Development Outline highlights that the park promotes the cross-border flow of research talent, equipment, data, and capital. By establishing pilot-scale platforms and real-world application scenarios, it accelerates the transition of technology from the lab to the market, reducing entry costs and risks for startups. This model is vital for shipping technology, smart logistics, and supply chain technology firms. These startups can simultaneously leverage R&D resources, industrial scenarios, and international clients, driving the rapid verification and commercialisation of smart ports, logistics digitalisation, and supply chain management technologies.

Looking ahead, the Lok Ma Chau Loop area is poised to develop intermodal transport links to enhance connectivity with the Greater Bay Area hinterland. As a premier

Shenzhen-Hong Kong collaborative innovation platform, its core advantage lies in bridging the mainland market with the international system. It accelerates the commercialisation of technological achievements by tapping into Shenzhen's complete industrial chain, manufacturing prowess, and massive market. Concurrently, it helps enterprises connect with international capital and overseas markets by leveraging Hong Kong's international finance, legal frameworks, robust intellectual property protection, and global talent network. Ultimately, the Lok Ma Chau Loop area is set to cement its strategic position as a vital bridge for both "bringing in" global innovation and "going out" into international markets.



Promotion of the Maritime Industry

The Institute's involvement in promoting the Maritime Industry through the Maritime Resources Centre (MRC) is progressing steadily. A draft leaflet introducing the Industry to primary and secondary students has been worked out and is being reviewed by the government for eventual public dissemination. When the official campaign is inaugurated, the leaflet will be augmented by communication channels between the Industry and schools, with the Institute acting as an intermediary.

Events to be staged during the Maritime Week

The Institute has been active in past Maritime Weeks with various functions and events staged; this year's Maritime Week would not be an exception. The Institute is planning a thematic forum with the World Maritime Merchants Forum (WMMF), likely at the Hong Kong Convention and Exhibition Centre; exact topics will be released once finalised. This year's Maritime Week is held from 15 Nov. to 21 Nov. 2026.

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I, the undersigned, hereby apply for admission to membership of the Institute of Seatransport, and do agree, if admitted, to comply with the memorandum and articles and by any subsequent amendments and / or alterations there to which may be made, and by any Regulations made or to be made for carrying them into effect.

Signature	Date of Application

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Professional Member - $550
Ordinary Member - $450
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