



## **AIV Private Limited.**

### **Bulk Cargo in Pakistan:**

In Pakistan, bulk cargo is mainly transported through the seaports in Karachi and Gwadar. Pakistan's imports of bulk cargo have risen steadily over the past several years. The increase in imports is due to the government's efforts to diversify the country's source of imports and the growing demand for products from the country's growing industries.

### **Wheat:**

Recently, we have noticed a trend among vessel owners to only arrange for draught surveys. However, in the past few months, there has been an increase in cargo shortage claims based on ground/shore/weight figures. These claims often occur in situations where P&I is not involved, making it easier for shortages to be manipulated. As a result, we recommend considering taking precautionary measures to prevent such occurrences in the future.

In order to reduce the potential risks for the vessel owners, we strongly suggest appointing surveyors or tally personnel for continuous monitoring onboard and performing a tally from the beginning of the voyage. This will help ensure accurate and consistent cargo measurement throughout the journey and minimize the risk of cargo shortages claims.

Given the current situation, particularly for wheat cargo, we suggest using both forms of tally work. This is because private importers have been known to be particularly unreliable. To mitigate the potential for disputes and discrepancies, implementing a comprehensive tally system from the beginning of the voyage is crucial:

- I. **Shore tally:** The tally process involves counting the number of bags loaded under each hook and recording the truck number for each load. This method ensures accurate and consistent tracking of cargo throughout the loading process.
- II. **Weight at Port Weighbridge:** To accurately track the cargo being loaded onto the truck, the weight of the trucks is measured in their empty condition when they enter the port and again when they are loaded for return. The difference in weight between these two measurements is recorded on the truck notes, which serves as a certification of the amount of cargo taken out of the port.

### **DAP (Fertilizers):**

Few main importers of this commodity are cognizant of the issue that the ship owners do not have a prompt plan in place in the event of a cargo claim during the voyage. This is a cause for concern as it can potentially lead to delays and disruptions in the shipping process.

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Despite the cargo being in pristine condition, some individuals may resort to fabricating a supposed shortage in bulk cargo commodities. This unethical practice is used to exert pressure on the owners of the cargo through illegal delay and detention of the vessel, particularly when the discharge is set to be completed over a weekend.

Unfortunately, it has become a common occurrence for disputes to arise regarding the final draught survey findings. Differences in the readings are used as a pretext to reject the final draught and make claims, often based on untested ground figures. The lack of attendance by P&I representatives in these scenarios creates an environment in which claims can be easily manipulated.

They have a dedicated team of surveyors and agents who offer comprehensive support. All claims are handled by these agents, who act as intermediaries and facilitate the claims process, as well as the eventual settlement.

In cases of cargo shortages or damages, particularly with regards to this commodity, receivers often demand that the local agents withhold the clearance of the vessel until their claims are fully settled. Regrettably, consignees can easily detain the vessel by instructing their agents not to arrange the vessel's outward clearance until their claims have been settled or secured to their satisfaction. This practice of withholding the vessel's PC is illegal and the vessel often becomes a victim of these illegal and extortionate tactics implemented by the receivers for their unjust gains.

Recently, the trend of direct settlements has become widespread and is often taken for granted. It is now assumed that any vessel carrying bulk cargo will be subjected to the aforementioned tactics. Cash settlements have become a source of income for various parties, who consider it as a given.

Our stance is that, if a deposit for a claim amount is deemed necessary, it should be made with the High Court. The court should then instruct the immediate sailing of the vessel once the deposit has been made, while the consignee's claim is disputed on its merits and potentially settled at a later time on the most favorable terms.

**We recommend the appointment of a surveyor and tally team from the outset. This is because the surveyors are well-versed in the tactics employed by local agents and receivers to exert pressure on the owners. Their presence onboard has proven to be advantageous and in the best interest of our Principals and Members.**

Our suggestion is that if the vessel is illegally detained, for example, by withholding the vessel's PC, causing a delay in sailing, immediate legal notice should be served on the shipping agents for their unlawful detention of the vessel. In such a scenario, the agents or receivers would be left with the following options:

- 1. Officially arrest the vessel through court orders.**
- 2. Let the vessel sail.**
- 3. Negotiate claim on a reasonable level.**

### **Coal:**

Coal is normally known to be a low-risk commodity but most of the time moisture issues are observed. To minimize these risks, a continuous presence of surveyors is recommended during cargo operations to promptly address any moisture issues and ensure smooth discharge and sailing without any delays.

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In this region, there is a strict policy regarding permissible transit loss for solid bulk cargoes, as courts rely solely on the final draught survey figures for their decision-making.

Although we have seen false claims for coal cargo delivery figures initiated by the Importers, the likelihood of similar claims cannot be disregarded. In these cases, owners were forced to provide the full amount BG in order to obtain vessel release and sail, despite the claims being clearly bogus.

To avoid potential issues, it is advisable to have both surveyors and a tally team present from the outset. Their early involvement can prevent problems from arising.

**The surveyor remains present at all times and participates in any joint surveys that may be requested or instructed. They provide full support to the Master in issuing a LOP as needed.**

The receivers typically remove the cargo from the port in stages, according to their needs. To ensure accurate weighment and avoid any disputes over shortage, the delivery process must be closely monitored.

### **Seeds/Grains:**

Adopting a system of checks and balances is vital to prevent the cargo from becoming a significant concern for vessel owners/charterers.

In this region, there is typically no allowance for acceptable losses during transit for solid bulk cargo. The courts typically rely on the final draft survey figures to determine any discrepancies in the amount of cargo that was delivered.

Unfortunately, there have been instances where the local agents, despite the draught survey matching the Bill of Lading quantity, illegally detain the vessel and pressure the vessel owners/charterers to settle a claim for allegedly short-landed cargo based on the shore/weighbridge figures.

To ensure accuracy, continuous monitoring is necessary during the discharge of cargo from the holds and its dumping at the quayside, as well as the subsequent loading and weighing of trucks at the weighbridge. This helps to prevent any discrepancies in the weighment that may result in alarm or claims of shortages from the receivers.

The weight of trucks is recorded upon entering the port when they are empty and again when they are loaded on return. The difference in weight, noted on truck notes, serves as certification for the amount of cargo taken out of the port.

However, there have been instances of irregularities in this procedure, such as our surveyors discovering trucks entering the port and dumping stones or rocks.

We recommend appointing surveyors for continuous monitoring onboard and conducting a tally at the weighbridge. This has proven effective in avoiding claims of damaged or unsound cargo and alleged shortages, as evidenced by recent examples.

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**For the reference and guidance, the bulk cargo is discharged from the vessel through grabs using ship's cranes and dropped into the hoppers of the bagging plant.**





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**The cargo is normally bagged into 50.00 kg Polypropylene woven bags, which are machine stitched by stevedore laborers.**



**The bags are moved to the weighing machine on random basis to analyze the 50.00 kg weight of each bag due to bagging plant/hopper machine set on 50.00 Kg weight. Tally Personnel monitors the scale as per normal practice.**



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The bags are taken to the truck bed through conveyors, where the laborers load these bags onto the trucks. The tally clerks/personnel tally the bags on the trucks.



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