

MEMBER ALERT

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STEEL CLAIMS IN CHINA

Following the recent fall in the price of Chinese imported steel, a number of shipowners engaged in the carriage of steel to Chinese ports have reported significant problems.

Chinese steel importers/receivers are alleged to have been seeking ways to avoid paying for cargoes under their sale contracts and/or seeking to recoup their losses by making claims against Owners on the basis of defects in the bills of lading, where, for example, the condition of the cargo or date of shipment has been misdescribed. Claims are understood to have been made even where the bills of lading have been issued by the charterers and the owners have been innocent of any misrepresentation.

Multi-million dollar claims have also been made out of all proportion to the alleged cause of action and yet the Chinese courts are known to have been sympathetic to claims by local interests.

Under these circumstances, Members are advised to take appropriate precautions when contemplating steel charters to China and are invited to contact the Managers if they have already encountered similar problems.

For further information, please contact the Managers.....

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