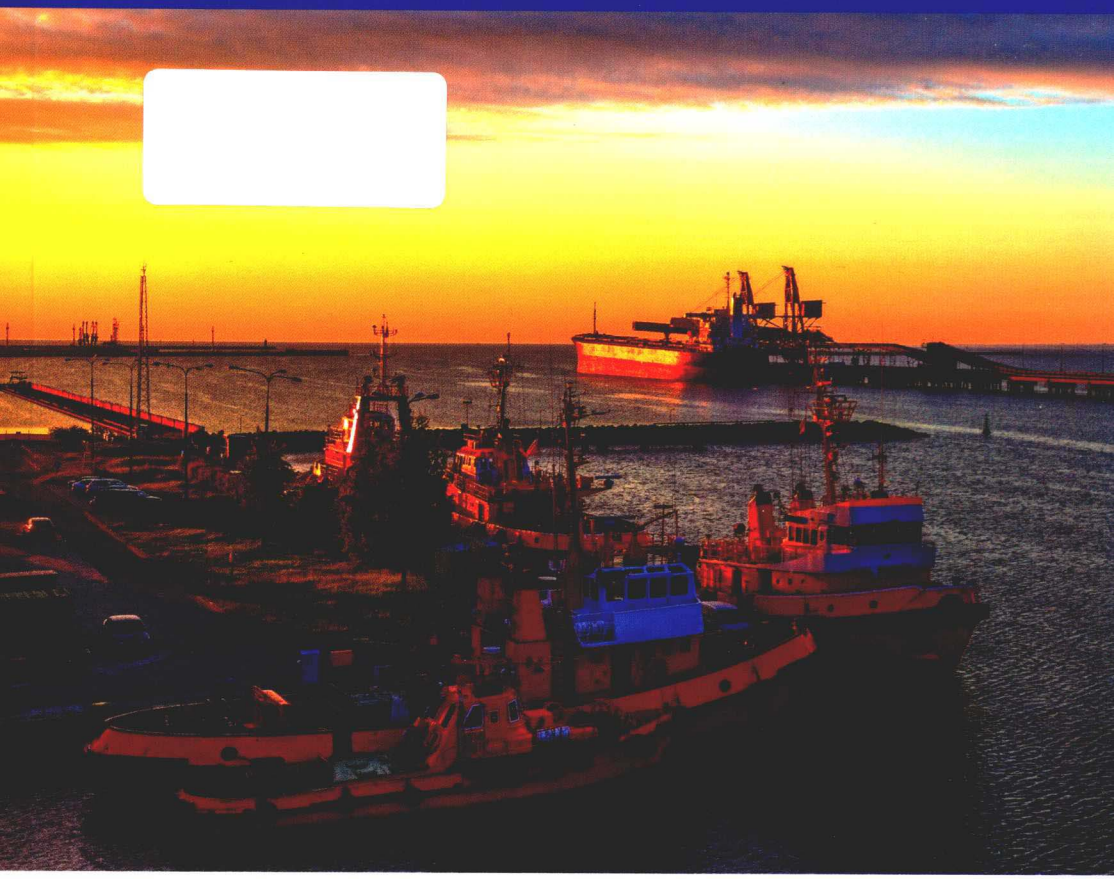
Lloyd's Practical Shipping Guides



INTRODUCTION TO MARINE CARGO MANAGEMENT

Second Edition

Mark Rowbotham

informa law
from Routledge

INTRODUCTION TO MARINE CARGO MANAGEMENT

BY

J. MARK ROWBOTHAM

SECOND EDITION

informa law
from Routledge

LLOYD'S PRACTICAL SHIPPING GUIDES
Series editor: Peter J. McArthur

Second edition published 2014
by Informa Law from Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Informa Law from Routledge
711 Third Avenue, New York, NY 10017

Informa Law from Routledge is an imprint of
the Taylor & Francis Group, an Informa business

First edition published by Informa Law 2008

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
Rowbotham, J. Mark.
Introduction to marine cargo management/
by J. Mark Rowbotham. – Second edition.
pages cm – (Lloyd's practical shipping guides)
1. Cargo handling. I. Title.
VK235.R69 2014
387.5'44–dc23
2013034741

ISBN: 978-0-415-73241-3 (pbk)
ISBN: 978-1-31581-401-8 (ebk)

Typeset in Plantin
by Florence Production Ltd, Stoodleigh, Devon, UK

MIX
Paper from responsible sources
FSC® C013604
FSC www.fsc.org

Printed and bound in Great Britain by
CPI Group (UK) Ltd, Croydon, CR0 4YY

ACKNOWLEDGEMENTS

In writing this book, my grateful thanks go to many people who advised, encouraged and supported me, despite the daunting challenges this project presented.

To my colleagues Capt. Rodger MacDonald, Bill Oakes and Richard Martin, of CILT, who have mentored me and who sowed many of the seeds in my mind, which became the essence of this book.

To Captain Russ Garbutt, who spared some of his valuable time to show me the workings of the Port of Hull and P&O Ferries.

To Geoff Catterick, of CILT, for imparting much of his own wealth of knowledge on the freight forwarding sector.

To Informa Group, who have shown keen interest in the project from the outset.

To Lloyd's Maritime Academy, who spurred on my interest in the technical field of maritime operations, and to Lloyd's MIU, who gave me access to their AIS website.

To HM Revenue & Customs, who, as HM Customs & Excise, taught me much of the profession I know today.

To the various port authorities and shipping lines, who have kept me supplied with much valuable information.

To Mike Toogood, formerly of the MCA, who allowed me access to various facilities at CNIS Dover to understand much more about the practice of vessel monitoring and controls.

To my family ancestors, who, being good seafarers, ensured that sea salt and the love of the sea was already in my blood.

To my wife, who has greatly inspired and supported me throughout this project, even when I felt short of inspiration.

Specific acknowledgements go to:

- the Port of Liverpool;
- the Port of Tyne;
- Clydeport;
- CMA CGM;
- Warren Pringle at Lloyd's MIU;
- Ian McConnell at AIS Liverpool; and
- John Ambler.

And to all those I may have inadvertently missed out or forgotten, a big thank you to all for contributing to my knowledge and providing me with such a wealth of information.

'CARGOES'

Quinquireme of Nineveh from distant Ophir,
Rowing home to haven in sunny Palestine,
With a cargo of ivory,
And apes and peacocks,
Sandalwood, cedarwood and sweet white wine
Stately Spanish Galleon coming from the Isthmus,
Dipping through the Channel by the palm-green shores,
With a cargo of diamonds,
Emeralds, amethysts,
Topazes and cinnamon, and gold moidores.
Dirty British Coaster with a salt-caked smoke stack,
Butting through the Channel in the mad March days,
With a cargo of Tyne coal,
Road-rails, pig-lead,
Firewood, ironware, and cheap tin trays.

John Masefield (1878–1967)

TABLE OF CASES

TABLE OF UK LEGISLATION AND INTERNATIONAL LEGISLATION

TABLE OF CONVENTIONS, DIRECTIVES, REGULATIONS, TREATIES

FIGURES AND TABLES

FIGURES

TABLES

INTRODUCTION

THE MARITIME COMMERCIAL ENVIRONMENT

Two-thirds of the surface of the globe is occupied by water, either fresh or salt. Fresh water only accounts for a small percentage of this total, as the vast majority is accounted for by salt water in the form of the world's seas and oceans. These masses of water separate continents from each other, as well as providing a source of livelihood to a wide variety of people and professions, from national defence services, through the fishing industry and the offshore oil and gas sector, to the carriage of commercial goods by sea.

In some ways, the nature of the sea may seem placid and even romantic – it has spawned some of the finest literature over the past centuries, from novels, to poetry, as well as countless musical creations dedicated to its beauty, both classical and popular. But the nature of the sea can also be extremely wild, creating tempests so violent that coastlines are being steadily eroded, communities destroyed and livelihoods shattered. Every year, there are many instances of shipwrecks, founderings and sinkings of vessels as a result of what may be best described as '*force majeure*'. Many lives have been lost as a result, despite the best efforts of rescue teams, including the UK's Royal National Lifeboat Institution (RNLI) ands its gallant volunteers, and such occurrences are a stark reminder to all of the sheer destructive power of nature, especially in its rawest form. Anyone who listens to the Shipping Forecast issued by the Meteorological Office on behalf of the Maritime and Coastguard Agency will equally be reminded of these natural conditions.

But behind the seemingly endless stream of lists of weather conditions around the British coastline delivered from the Meteorological Office, there lurks another major issue – that of the nature of shipping within the maritime framework, and why it is so important to the national economy and its lifeblood. The issue of maritime transport covers a variety of circumstances, from cruise vessels designed for the large-scale maritime entertainment of the international public, through the international passenger and cargo ferry network plying regional maritime routes, to the huge container ships deployed in the carriage of long-distance, deep-sea voyages around the globe.

This text seeks to address such issues and to examine and assess the nature of marine cargo management, from both a landward and a seaward perspective, as well as from both a legal and a commercial perspective. It also seeks to examine many topical and prevalent issues, as well as recommending ways in

which such management may be rendered more efficient and compliant. It addresses some of the history of the present forms of maritime commercial activity, especially the rise of the use of the container for the carriage of maritime cargoes, and seeks also to highlight the pitfalls and problems associated with such transport, while attempting to address such problems and suggest ways of preventing or avoiding them. It is said that prevention is better than cure. It is better, therefore, to understand the nature of marine cargo management in order to avoid the problems that may arise as a result of a lack of understanding of the principles of the movement of cargoes by maritime means.

The world of maritime cargo has changed over the centuries concerning the types of vessels used and the quantities of cargo they carry. And yet, the basic principles of cargo management have remained the same throughout the centuries, namely the need by commerce to send goods by sea from the seller to the buyer by using some form of maritime vessel. Maritime trade has become the instrument of matching demand with supply, and being paid for the privilege. International trade trends have, however, changed over the decades, with raw materials being shipped in bulk in one direction, and finished products being shipped in the other direction. There is, seemingly, a gigantic trade imbalance between the Far East and Europe and the Americas, with the latter two becoming reliant on products originating in the former. What is not appreciated is that the Far East relies on the import of bulk shipments of raw materials from the Americas and Europe in order to manufacture products for shipment elsewhere. To this extent, there is therefore an oblique trade balance, with bulk raw materials being exchanged for large quantities of finished products. And the vast majority of this is carried by maritime means.

The UK is an island. It relies on maritime means for its overseas trade. And yet, considering that it was once one of the prime maritime powers in the world, it has lost most of its maritime industry, sold to overseas bidders. The UK now relies on shipping lines based elsewhere in the world to satisfy its demands. One of the latest class of Maersk Line vessels, the 12,000 TEU (Twenty-Foot Equivalent Unit) '*Emma Maersk*', called in late 2006 at the Port of Felixstowe for the first time on her way from the Far East to the Northern European Ports. As a member of the newest class of Maersk vessels, the PS-class, she is one of the world's largest container vessels in one of the world's largest shipping lines. At over 150,000 tonnes, she dwarfed the terminal where she was berthed, unloading a vast variety of cargoes destined for the retail shelves to satisfy pre-Christmas demand for stocks. In itself, this was a significant milestone in the sense that the Port of Felixstowe was able to handle such a leviathan of the seas, but very definitely a portent of things to come, as well as a measure of how international trade is managed in the present day.

The shipping magazine *Fairplay* warned in 1975 that if the situation of allowing the European ports of Rotterdam, Antwerp, Hamburg and le Havre to overtake London (once seen as the maritime centre of Europe) prevailed, the Port of London, already relocated down the River Thames to Tilbury in

Essex, would slip down the 'big league' of major ports, and would face the grim prospect of being relegated to the role of feeder port to the continent, whereas the port of Felixstowe would surge forward. In reality, this prediction has come true, and risks applying to the other southern UK major ports as well, as tonnages of container vessels rise further and the requirement for the use of hub European ports by the major global shipping lines becomes more prevalent.

Due to the introduction of containers as a means of maritime cargo transport in the 1960s, the port system had to change radically within its own confines, especially with the construction of new container terminals at several major UK ports, particularly those in the south of England. But even as these new terminals were being completed for use, the maritime container market was also changing, with the arrival on the scene of ever-larger vessels capable of carrying twice the original capacity of containers. The volume of containers carried rose from 2,500 TEU to 5,000 TEU per vessel, then to 8,000 TEU and now to 12,000 TEU, with the latest vessels weighing in at in excess of 150,000 grt (gross registered tonnage). The latest question is not so much how large vessels will become as whether the ports they serve will be able to handle the sheer volume of containers they carry. The relative ease of construction of the present-day container vessel allows vessels of over 150,000 grt with a capacity of 11,000 TEU+ on the high seas with equal comparative ease. The constraining factor remains the capacity of the port to deal with the sheer volume of containers carried by these leviathans of the high seas. In reality, the solution being considered is that of the hub-and-spoke network, where the shipping lines owning the large container vessels choose the ports where they can operate a successful hub-and-spoke network, such as Rotterdam/Europoort, transferring containers on to other feeder vessels for shorter voyages to regional ports such as those in the UK, Scandinavia or the Baltic. It will simply become impractical and unviable for the larger vessels to call at these ports, especially in the UK, on their way to the larger European ports where they can be handled more efficiently.

On the continent, this expansion in volume is not a problem. The Dutch port of Rotterdam/Europoort and the Belgian port of Antwerp have gained substantial government grants to improve their infrastructure, from container handling facilities, to road and rail access to and from the ports, along with extensive dredging of the channels into and out of the ports. The channels of both the rivers Maas/Rijn (Rotterdam) and Schelde (Antwerp) have been extensively dredged to allow for such increasing tonnage, thus allowing for large increases in the volume of maritime container traffic into and out of the respective ports. New container terminals at both Rotterdam and Antwerp have also been constructed to allow for increased container movements, partly with government assistance, and these are designed specifically to handle the new, larger container vessels.

In the UK, the issue is more critical, as the issue of funding UK ports to facilitate such improvements is much less positive. Although, in theory, the